



# The four big waves of contact center technology:

From Insourcing Technology to Transformational Customer Experience

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# Abstract

Contact Centers (CC) are one of the most critical touchpoints for businesses today - a pivotal arena for customer interaction, where even a single bad experience with a customer experience representative can result in customer attrition. Customers, who once appreciated rapid resolution over a voice-based interaction channel, today expect high quality service, language familiarity, and contextual approach to issue resolution across multiple channels. With the proliferation of the variety of channels frequented by consumers, enterprises are forced to transform themselves to offer new models of customer interaction.

But, the fact remains that the rate of adoption of new channels by customers is far higher than enterprises. This means CCs looking to deliver enhanced customer experience require robust communication infrastructure with superior customer data integration, smarter channels of interaction, and the ability to empower agents with meaningful information at the moment of interaction. It demands a service-driven approach and improved control over and flexibility of CC technology.

For many enterprises, the answer lies in re-evaluating their strategy to address the changing technology landscape. However, with CC outsourcing operations broken into micro contracts, building such a strategy requires leveraging specialists with niche skills who are equipped to drive greater value than generic IT outsourcers. This paper discusses the four big waves of CC technology as well as the factors driving the recent trend of insourcing technology. It also highlights the challenges related to insourcing and importance of partnering with a niche technology provider in ensuring a successful transition - from outsourcing to insourcing.

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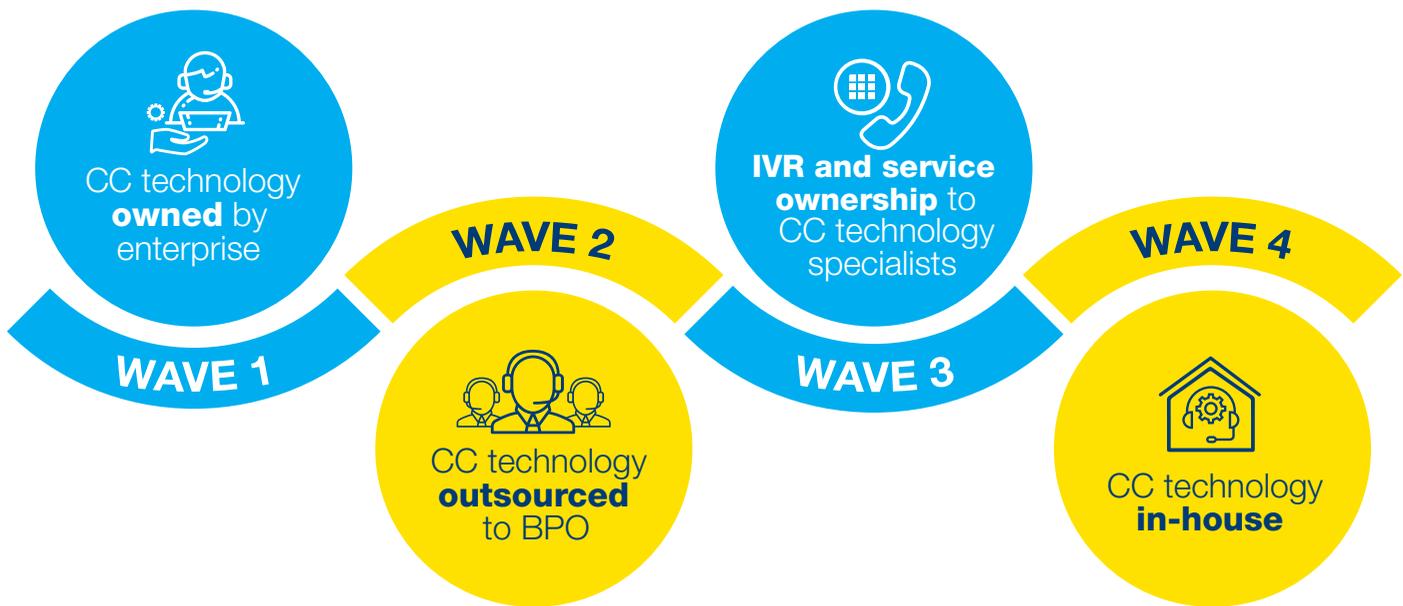
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Manu brings to the table over 26 years of industry experience, having donned multiple leadership roles in Product Management, Solution Consulting, Business Consulting, and Cloud Enablement. He has been instrumental in setting up and spearheading Servion's technical consulting practice across the globe. Manu holds an MBA (Systems) degree from Bharathidasan University, Trichy (India) and a Post Graduate Diploma in Computer Applications from Lan Eseda (India).



## The four big waves of Contact Center technology: An overview

With advancing technology and customers demanding multi-channel customer service, CC technology has gone through a dramatic change. It has moved from being completely owned by the enterprise to being outsourced to BPO enterprises and finally, to being insourced - with the infrastructure being managed by specialists. The following are the four major waves of CC technology evolution:



### First Wave

In the beginning, CC technology was completely owned and managed in-house by the enterprise. Under this model, the enterprise took ownership of all facets of customer interaction, including technology deployment and staffing.

### Second Wave

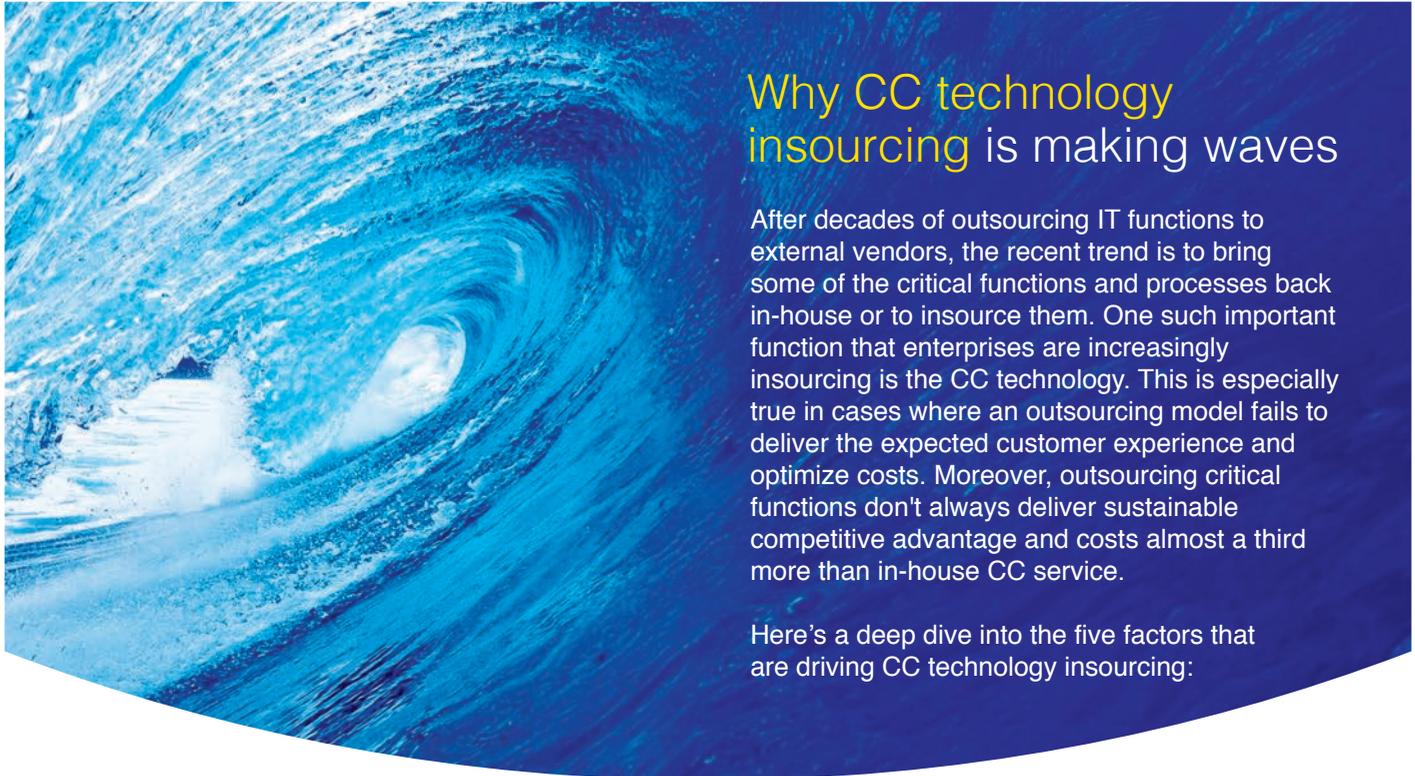
This wave saw outsourcing of CC technology to BPOs who were accountable for customer interaction, reporting, and staffing, whereas the design, MIS, and analytics was managed by the enterprise in-house. This brought in cost efficiencies but resulted in customer dissatisfaction due to the inability of BPOs to support contextual problem solving.

## Third Wave

The third wave began when enterprises outsourced Interactive Voice Response (IVR) and service ownership to CC technology specialists. The goal was to access superior IVR technologies and improve customer completion rate. During this wave, the Automatic Call Distributor (ACD), monitoring, reporting, and agent staffing continued to be outsourced to BPOs - given their ability to manage large call volumes.

## Fourth Wave

Enterprises are now bringing CC technology in-house, with the infrastructure being managed through a service model. This allows enterprises to establish greater control over the CC technology function, with skilled vendors managing customer interaction and reporting. The result: significant cost savings and superior customer experience.



### Why CC technology insourcing is making waves

After decades of outsourcing IT functions to external vendors, the recent trend is to bring some of the critical functions and processes back in-house or to insource them. One such important function that enterprises are increasingly insourcing is the CC technology. This is especially true in cases where an outsourcing model fails to deliver the expected customer experience and optimize costs. Moreover, outsourcing critical functions don't always deliver sustainable competitive advantage and costs almost a third more than in-house CC service.

Here's a deep dive into the five factors that are driving CC technology insourcing:

### High customer expectations

Even in today's digital age, customers rely on the enterprise's CC to resolve issues and are quick to switch brand loyalty at the hint of slightest frustration. When outsourcing CC functions, the enterprise not only risks service quality but also customer experience. The reason - agents deployed by a BPO services provider may lack the cultural knowledge and insights into a enterprise's cultural practices and values.

Consistently creating a positive customer experience and boosting customer loyalty requires superior quality

of service and long-lasting relationships across the customer journey. Insourcing next-generation technologies by partnering with an experienced CC technology vendor can help enterprises effectively engage customers, and provide a consistent and contextual customer experience at every touchpoint.

### Increased control on IT functions

Outsourcing business critical IT functions results in perceived loss of control over the underlying technology.

In addition, it becomes a challenge for enterprises to monitor quality assurance, deploy policies and procedure management, and develop a code for critical systems. Businesses that insource critical functionalities and outsource routine IT tasks are better placed to choose vendors that provide flexibility, enhanced compliance and strict SLA adherence, for improved outcomes. They also have the advantage of being able to drive regulatory compliance in case it is mandatory to retain certain data and functions in the home country.

## Need to integrate assets and resources

An integrated organizational view is fundamental to delivering seamless customer experience across various customer channels. Insourcing technology helps integrate various assets and resources into a unified whole for optimal utilization of assets, enabling improved customer experience and cost optimization. A unified system can also provide enhanced insights into customer activity across all touchpoints and channels. This, in turn, drives relevant, seamless and effortless customer experience, instilling confidence in the brand and increasing revenues.

## Cost reduction

Outsourcing CC technology can result in unpredictable operational costs, resulting from the deployment of additional internal control mechanisms necessitated by poor quality standards of the BPO services provider. Enterprises may also have to incur additional costs to replace redundant resources and invest in new technologies across their CC.

## Need for scalable new technologies

Insourcing technology results in centralized management and scalability of CC resources, as and when needed. This reduces resource duplication across CCs. In addition, insourcing eases the adoption of new technology versions and features by spreading the cost burden over several months. The rapid adoption of new technologies also enhances efficiency, improves CC effectiveness and bolsters profits.



## Bringing CC technology in-house: Swimming past the barriers

It is clear that CC insourcing is the ideal option for enterprises that are looking to control costs while enhancing service quality in today's omni-channel setup. However, as a strategic business operation, insourcing requires a thorough analysis of setup costs and operational risks. Here are the top four challenges that enterprises may face while moving from an outsourced to an insourced CC model:

## Building specialized IT skills

It is highly likely that an enterprise that has outsourced CC technology for an extended period of time lacks the necessary IT capabilities required to support new CC technologies. However, when insourcing, enterprises need to ensure certain technological capabilities are necessary to meet the expectation of today's multi-channel and mobile customers. This requires the development of specific skills for operations and business support systems as well as data and voice network capabilities. In-house expertise is also required to select the right fit technology based on business needs, evaluate current functionality, and perform cost vs. benefit analysis.

## Establishing a new organizational structure

Successful insourcing of CC technology means scaling staff and leveraging capabilities of highly skilled professionals who can take ownership of the environment. This necessitates a revamp of the organizational structure, adequate training of CC staff, workforce management as well as deployment of agent monitoring capabilities.

## Tackling increased costs

Bringing customer experience technology back in-house will need certain investments in infrastructure as well as people. For instance, investments in the right hardware and software necessary to reduce call times and enhance customer experience. The best-suited CC structure – product-centric or customer-centric would also need to be determined. All this can drive-up the costs, especially in initial years.

## Operational risks due to new operating model and transitioning from an outsourced to an insourced model

CC technology insourcing necessitates a new operating model. For enterprises, this would mean building an operational strategy and documenting the scope of operations. However, with the new operating model comes the likelihood of new operational risks.



## Leveraging the capabilities of niche CC technology provider to steer towards a successful transition

A niche Managed Service Provider (MSP) brings the right combination of expertise, skill sets, and resources, enabling enterprises to easily overcome CC insourcing challenges. Such a provider understands the technology needs and aligns them with the enterprise's business objectives, drives CC automation, and ensures superior customer experience and seamless agent operations. A skilled CC technology provider helps businesses effortlessly transition from an outsourced to an insourced model, while reducing costs.

Unlike the lengthy delivery chain of a generic IT provider that may result in gaps between business intent and technology execution, a niche vendor is focused on providing contract service as well as management focus, aligned to the business strategy. This drives enhanced CC efficiency and quick ROI, driving superior customer experience for competitive advantage. Leveraging their deep understanding of client's business needs, a specialist can link business

imperatives with technology for enabling automation, enhancing agent operations and delivering deeper insights into customer journeys. A niche provider also enables centralized management of business processes and provides unified customer views. In addition, they can also help enterprises leverage an existing CC solution with SLAs aligned to business needs, ensuring a rapid and seamless transition while boosting enterprise IT control.



## Making a splash with insourcing: Lessons from a leading mobile service provider and a financial conglomerate

Careful consideration of CC architecture is critical for successful CC technology insourcing. Rapid deployment of multiple systems and specific applications and seamless integration with back-end systems is a must. A niche MSP can help enterprises do all this, helping them achieve specific business objectives. Here are two companies that leveraged MSP expertise for successful CC technology insourcing:

### Creating a unified customer experience

A financial conglomerate looking to automate business and credit card operations and bring all business lines under one technology umbrella leveraged the capabilities of a niche CC technology provider to deploy a unified platform. This helped them consolidate more than eight lines of business into a single technology infrastructure as well as effectively handle more than three million calls per year. This resulted in an increase in service uptime by 99.9% and reduction in call abandonment rate by 41%. In addition, the total call handling increased by 12% within three months of go live, providing enhanced customer experience through a single service window for all customers.

### Minimizing agent handling time and reducing costs

A leading mobile and fixed line provider were looking to consolidate CC architecture and enable self-service. The enterprise partnered with a niche provider to deploy a single, centrally managed platform with nine thousand ports. As a result, they were able to access 24X7 ITIL-based managed service support and facilitate call transferring facility across seventeen countries. This enabled them to enhance service quality, improve uptime by 99.9% and scale platform capability by three times. It also allowed them to handle 1.4 billion customer calls per year and reduce agent handling time by 10%. In addition, a 28% reduction in agent transfer led to over USD 20 million in savings annually.

## Partnering with the right niche services provider makes an ocean of a difference

It's clear that enterprises are bringing CC technology in-house to deliver on their brand promise, provide a better level of service, and mitigate rising costs of outsourcing. Transitioning multiple CCs from offshore to

onshore is a gradual process and requires niche capabilities to deliver omni-channel customer support. So how do you choose the right service provider? The key is to get a niche services provider who understands the nuances of the industry. With rising customer expectations, a long-term partnership with a niche services provider can help in harnessing innovation, rapidly deploying resources and ensuring cost optimization. **The result:** rapid ROI & seamless customer experience.

## The Servion Difference

Servion is committed to helping clients deliver next-gen customer experience. We combine more than two decades of experience in providing Customer Experience Management and extensive knowledge of customer journey design to deliver unprecedented value.

- Consulting-led approach and strong IP-based platforms that extend, augment, and upgrade existing systems for superior ROI
- Focus on efficiency and effectiveness by providing people, process and technology-based recommendations
- Unbiased vendor agnostic recommendations
- Powerful and proven analytics' methodologies and tools for implementation success and follow through

### About Servion Global Solutions

Servion enables business transformation for enterprises in the area of customer experience management. Over the last two decades, Servion has evolved from being a single channel expert then to now converting omni-channel touch points into customer journeys with over 10 billion customer interactions in 60 countries across 6 continents. Servion's CX experts based in USA, UK, UAE, Singapore, and India deliver measurable outcomes through consulting, advanced technologies and industry-specific IP platforms. | For more information, visit us at [www.servion.com](http://www.servion.com) | [marketing@servion.com](mailto:marketing@servion.com)

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