



CROSS-CHANNEL INTERACTION ANALYTICS

MOVING FROM DREAM TO SUCCESSFUL REALITY

Improving Bottom Line Results with Interaction Analytics Practical Solutions for Addressing Real-World Business Problems.

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Improving Business Performance With The Voice Of The Customer

Research from independent analysts shows speech analytics market is expected to grow significantly in the next 5 years* and classifies it as an inevitable technology that most next generation contact centers will adopt and benefit from. As a result, company executives and industry leaders have begun paying attention to speech analytics, and cross-channel interaction analytics at a broader scope, as a strategic solution to improve business performance. Though Industry analysts have consistently highlighted how interaction analytics can transform contact centers from so called cost centers to strategic business intelligence hubs, many organizations are still looking for effective ways to deploy analytics in their own environment. The sole inhibitor to a broader and more effective adoption of contact center information is lack of understanding about the nature, scope, and benefits this information can provide throughout the organization.

Executives agree there is a wealth of information hidden within their company's interactions with customers on how to improve their products and services, but they struggle to get this information because of their inability to monitor and analyze all of the interactions from all channels of communications including voice, web chat, e-mail, and even social media. This challenge points to a need for companies to optimize Customer Dynamics, the ongoing, multifaceted exchange of interactions and transactions between customers and organizations. Optimizing Customer Dynamics allows organizations to leverage the voice of the customer (VOC) to improve top- and bottom-line results.

What's the best way to optimize Customer Dynamics? With a three-phase methodology for maximizing the value of the information hidden within the interactions between a company and its customers. The three phases include:

- capturing customer and business intent
- analyzing that intent to reveal insights
- applying these insights to achieve positive business impact.

The key tool that gives contact centers the ability to gather and analyze actual content from all sources of customer interactions is Interaction Analytics. The gathered information is powerful and offers a competitive advantage with continuous customer feedback on products and services, along with their thoughts and ideas. Today's interaction analytics solutions transform unstructured customer interaction data into a strategically useful form via speech and text mining algorithms as well as offer full support to performance improvement processes like Six Sigma.

This paper discusses how Interaction Analytics fuels the "Insight" phase of Customer Dynamics optimization, and how successful implementation and integration of an Interaction Analytics solution can provide the insights needed to create powerful impact throughout the organization. The content is based on successful implementations, expertise in multiple verticals and proven approaches to moving interaction analytics from a dream to operational success.



* Preparing for the Upturn, Ventana Research & NICE Systems, White Paper, October 2009

The Business Case For Interaction Analytics

IT'S EASIER THAN YOU THINK

With its flexibility to categorize and analyze large numbers of interactions and automate root cause analysis for identifying process improvement opportunities and agent knowledge gaps, ROI for interaction analytics implementations can be seen in multiple areas. For example, mining calls from dissatisfied customers provides insight into understanding product and service gaps to proactively develop processes to eliminate such challenges in the future. Historical approaches to improve these scenarios via surveys and focus groups alone have fallen short of solving the issue because of their inability to deliver information beyond what's already known. Similarly, in sales-oriented contact centers, approaches to improve sales performance by tracking end of the month sales metrics by associates have failed in identifying knowledge gaps of associates to effectively improve performance. Interaction analytics fills this gap by analyzing all interactions where agents missed an opportunity to close a sale and identifies trends and knowledge gaps at the agent level on specific topics. Automatically tracking interactions where customers compare your products and services to the competition provides insight on how to improve business strategies that can drive revenue, improve customer retention or positively impact other KPIs.

- Interaction Analytics can increase revenue
- Interaction Analytics can decrease costs
- Interaction Analytics can drive agent performance
- Interaction Analytics can improve customer satisfaction

Interaction analytics has the ability to support the work of top executives, business and product development, sales and marketing, IT, R&D and many other areas of business in addition to contact center teams. Investing in this one exciting technology has proven to deliver value to multiple departments. Below are some real-world scenarios demonstrating how organizations of different sizes are realizing ROI from interaction analytics.

POPULAR USES OF INTERACTION ANALYTICS

- First contact resolution
- Customer satisfaction
- Operational efficiency
- Call volume reduction
- Sales performance
- Competitive intelligence
- Customer retention
- Quality assurance effectiveness
- Collections optimization
- Marketing campaign effectiveness

- 5-10% reduction in average handle time (AHT) by identifying agents in need of targeted coaching by call type
- 1-5% improvement in sales performance by identifying best practices and key differences between top and bottom performers.
- 1-3% improvement in customer retention by identifying root causes of customer dissatisfaction and reasons for cancellations.

Based on feedback from early adopters of interaction analytics, the solution often pays for itself once just a small fraction of the actual benefits have been realized.

With its ability to address multiple KPIs for many departments, it's easier to determine the ROI from interaction analytics implementations than it is for other technology investments. Many organizations see ROI within 6-9 months of implementation and then slowly expand the benefits to other parts of the organization that were not even part of the initial business case.

Methods To Drive Common Business Initiatives

IMPROVING FIRST CONTACT RESOLUTION

- Identify initial contacts and follow-up contacts using unique customer identifiers
- Find agents frequently triggering repeat contacts by identifying first contact resolution at the agent level
- Categorize interaction types and drivers that contribute to the most repeat contacts
- Perform automated root cause analysis of top interaction types leading to repeat contacts
- Offer targeted coaching to agents with poor first contact resolution on specific topics identified
- Implement process changes to proactively eliminate common scenarios leading to repeat contacts

IMPROVING SALES PERFORMANCE

- Identify all calls where sales offers and successful sales are made to identify root causes for missed opportunities
- Automatically track common customer concerns and objections and empower agents to handle common scenarios effectively
- Segment calls into its core parts and analyze time spent by agents on sales vs. service to uncover opportunities by agent
- Correlate offers and sales with interaction types and develop strategies by interaction type to improve overall success rate
- Develop best practices by analyzing key differences in behaviors of top performers and bottom performers
- Close gaps by coaching agents with poor conversion rate on soft skills, service-to-sales transition and sales effectiveness

IMPROVING OPERATIONAL EFFICIENCY

- Automatically identify top volume drivers and trends to identify automation opportunities
- Correlate interactions with high handle times with volume drivers to identify handle time reduction opportunities
- Identify agent knowledge gaps by analyzing handle time deviations on specific interaction types from averages by agent
- Perform talk pattern and silence analysis to identify call control opportunities by agent on specific call types
- Automatically segment calls into core parts of identification, reason-capture, service and closure to identify handle time reduction opportunities on specific segments by agent
- Offer targeted coaching to agents on specific interaction types; Eliminate unnecessary interactions via process changes

IMPROVING CUSTOMER SATISFACTION

- Automatically identify dissatisfied customers with common keywords (e.g.: not happy, poor service, etc.)
- Correlate with interaction types to identify top reasons for customer dissatisfaction
- Perform automated root cause analysis of top interaction types leading to dissatisfaction
- Derive actionable insights by focusing on interactions with poor survey scores, escalations or cancellations
- Identify opportunities to improve customer delight with soft skills coaching for agents
- Involve quality monitoring (QM) and training teams to address root causes identified
- Implement process changes to proactively eliminate common scenarios leading to dissatisfaction

Best Practices For Successfully Deploying Interaction Analytics

EXECUTIVE SPONSORSHIP

Sponsorship at the executive level drives change that makes significant impact on the organization. For maximum impact, sponsors should be identified in the earliest stages of implementation to help drive support for the interaction analytics implementation. Executive sponsorship helps to fund projects, allocate resources, define scope and deliverables, build buy-in at the upper level and clear road blocks at lower levels. Without this sponsorship, analysts lack the authority to come up with changes that make significant impact on the organization. When projects span multiple departments, the sponsor should be one level above the functional managers to provide full resource allocation and departmental commitment where needed. Alternatively projects may be co-sponsored by more than one functional manager.

PRIORITIZE INITIATIVES BASED ON ROI

Establish targeted objectives for initial implementation by including business leaders from all departments including contact center, IT, sales, marketing and product development to identify objectives that matter most for improving enterprise performance, not just contact center performance. Focusing on 2-3 targeted objectives with a clearly defined ROI for the initial implementation helps getting started with tight control on changes in process. Many organizations have successfully targeted both cost reduction and revenue enhancement simultaneously after prioritizing objectives based on ROI. ROI can be seen in multiple areas of the business although it typically begins in the contact center.

CREATE VISION AND SHARE SUCCESS

Explaining to employees the reasons behind process changes in addition to simply announcing the change can lead to further improvements down the road. Communicating improvement success stories to all parts of the company has proven to be an effective way to achieve greater levels of performance throughout the organization, as one group in the organization can learn from another. Internal web sites, company newsletters, white papers and success stories are all effective ways to share this information.

IMPLEMENTATION BEST PRACTICES

- Executive Sponsorship
- Prioritize Initiatives based on ROI
- Create Vision and Share Success
- Allocate the Right Resources and Set Goals
- Follow All the Steps in the Improvement Cycle
- Focus on Root Causes and Actionable Insight
- Align QM Processes with Business Initiatives
- Enhance Business Intelligence with VOC

ALLOCATE THE RIGHT RESOURCES AND SET GOALS

Analysts owning the interaction analytics process should be trained in problem solving and change management techniques. They are the full time agents who typically handle four to eight key analytics-driven improvement projects per year, or one to two projects per quarter, generating \$150K to \$250K savings per project. In most successful implementations, a full time analyst is dedicated to these projects. In smaller organizations (< 250 agents), however, this person often handles other functions if there are no significant savings. Alternatively, a manager can fill this position with supporting resources performing most of the analysis, and make necessary decisions to drive change. Recommended project duration is 3-4 months, with a maximum of 6 months, with some smaller projects as short as 4 weeks.

FOLLOW ALL THE STEPS IN THE IMPROVEMENT CYCLE

Today's interaction analytics solutions support the full performance management lifecycle including problem identification, root-cause analysis, performance improvement, and monitoring improvements. During the analysis stage, seek to understand the variation of key drivers to identify "low hanging fruit" for the first wave of improvement projects. Present the information at subsequent focus group meetings with key leaders to reveal gaps in current information and trigger change. During the improvement stage, develop projects that will address each of the key issues uncovered during the analysis stage by focusing first on the low hanging fruits for quick payback. It is important to not skip any of these steps to ensure comprehensive analysis and optimal benefits.

FOCUS ON ROOT CAUSES AND ACTIONABLE INSIGHT

Getting information via the VOC is easier than you think, but it's important to shift the focus from data gathering to developing constructive insight from large volumes of interactions as quickly as possible. Focusing on actionable insights will lead to developing solutions later. Automated root cause analysis solutions will help in greatly improving this ability, limiting the need to manually review an overwhelming number of interactions to develop actionable insights. These actionable insights, together with initial focus on quick payback items often drive the initial wave of projects and can often sustain the larger efforts necessary to achieve further improvements later through improved profitability and morale.

ALIGN QUALITY MONITORING PROCESSES WITH BUSINESS INITIATIVES

Aligning Quality Monitoring (QM) functions with strategic business objectives presents an opportunity to transform quality management into a powerful business optimization solution. This business-centric approach is achieved by linking the strategic objectives of the business and the quality process together within the QM system itself. Instead of selecting calls at random for evaluation, QM team is presented with calls based on their impact on KPIs relevant to overall business performance such as missed sales opportunities or

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unresolved customer issues. Using this approach, managers are directed to the agents having the most negative impact on KPI achievement. This enables them to identify and resolve individual performance issues with the highest potential benefit

ENHANCE BUSINESS INTELLIGENCE WITH THE VOC

Though VOC data is considered extremely important, most organizations don't effectively incorporate it into the decision making cycle because of the challenges they face when capturing it on a large scale. Interaction analytics empowers every organization with a contact center to transform itself into a customer centric organization by capturing the VOC in a strategically useful format. By complementing VOC data with existing business intelligence sources or vice versa through VOC & CRM integration, organizations can identify more powerful and actionable insights which allow them to see products and services through customers' eyes. A widely recognized benefit of this integration is the ability to quickly discover opportunities to improve product and service quality by market segment.

Improving Performance Using The Six Sigma Process

Contact centers typically show significant process variance because of manual processes including call, chat or email handling by agents, and a large percentage of effort that adds no value from a customer's point of view. This combination presents significant opportunity to streamline processes. Current processes to improve service effectiveness by manually evaluating a very small percentage (< 1% of all interactions handled by agent in a week) are ineffective because of the difficulty of identifying patterns and process deviations at the agent level. To close the gap, many organizations are leveraging solutions based on interaction analytics combined with Six Sigma-based processes to realize benefits by bringing people, process and technology together. With Six Sigma tools, data skills, and process thinking, black belts and green belts often come up with opportunities, not just for cost reduction but also for process changes by finding better ways to get the work done. The Six Sigma process provides a roadmap with its standardized Define - Measure - Analyze - Improve - Control (DMAIC) process.

During the Define stage, project champions communicate sufficient detail to the project team in order to make informed decisions about which projects to launch first and help develop a more robust project charter. During the Measure stage, teams gather all necessary information to assess current performance and establish baselines. Project teams easily retrieve much needed VOC data directly from interaction analytics solutions. Current solutions have been automating the most critical Analyze stage by analyzing interactions via data mining algorithms designed to automatically extract the root causes of problem areas. Best of breed solutions allow integration of multiple dimensions of data from speech, CTI, CRM, email, chat and any additional business data to segment the data, thereby significantly enhancing the ability to analyze and find root causes. The Improve stage requires developing solutions that address the root causes identified in the Analyze stage and realizing benefits. Typical areas include process improvements by coming up with better ways to serve the customers and eliminating agent level variance in handling customer interactions with targeted coaching. Finally, periodic reports tracking relevant information, along with dash boards continuously fed by ongoing analysis of interactions help complete the Control stage to ensure benefits reaped from the project are preserved years after the project's completion.

SIX SIGMA ANALYZE & IMPROVE TIPS

- Recognize the fact that a problem will have multiple root causes and multiple solutions
- During analysis, identify possible root causes and then reduce and prioritize the list
- Always start improvement projects with a confirmed root cause
- Be creative in finding new ways to do things better, cheaper or faster
- During Improve stage, develop potential solutions and select the best based on feasibility analysis
- Pilot larger initiatives within smaller teams
- Look for quick hit opportunities
- Reach out beyond team boundaries
- Set realistic expectations with the team on timelines and scope
- Share improvement progress with team
- Turn results into dollars by quantifying benefits



Conclusions

Many historical approaches to track contact center KPIs such as call volume, AHT, FCR, customer satisfaction and sales, have resulted in very little improvement in these areas because of the difficulty in understanding the root causes of their drivers. Interaction analytics holds the promise of effectively reducing costs and improving revenue by offering much needed VOC information to multiple departments in a strategically useful format for identifying opportunities. Comprehensive solutions include the ability to analyze and optimize standards of treatment and communication that customers expect via multichannel experiences by bringing together information from telephone calls, agent desktop information, emails, web chats and surveys.

Combined with a systematic process to leverage its key benefits, many forward thinking organizations have been realizing impressive results with the technology's comprehensive and flexible abilities to extract intelligence from customer interactions, thereby improving and reinventing business processes. Automatic root cause analysis capabilities on top of multichannel customer interactions, coupled with deployment best practices have been significantly compressing time-to-value to realize the benefits of new strategies, programs or technologies, often on a scale of weeks versus months or years. When executed properly the long list of benefits includes higher revenues, lower costs, lower agent attrition, delighted customers, higher lifetime value and Net Promoter scores to name a few.

ABOUT THE AUTHORS

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Shlomi has over 20 years of experience managing project activities, solution delivery and business consulting starting from the sales cycle through successful business implementation. In his current position, Shlomi leads the Interaction Analytics Solution Delivery Group at NICE and has overall responsibility for ensuring faster time-to-value and rapid ROI for all his customers in implementing NICE Interaction Analytics solutions geared toward their business objectives. Shlomi brings vast contact center knowledge working with different verticals to ensure appropriate design, configuration and use of analytics solutions to address business needs.

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ABOUT NICE

NICE Systems (NASDAQ: NICE), is the worldwide leader of intent-based solutions that capture and analyze interactions and transactions, realize intent, and extract and leverage insights to deliver impact in real time.

Driven by cross-channel and multi-sensor analytics, NICE solutions enable organizations to improve business performance, increase operational efficiency, prevent financial crime, ensure compliance, and enhance safety and security.

As the speech analytics market leader with 37% of all contact center/enterprise speech analytics implementations*, NICE Systems helps many organizations optimize Customer Dynamics. NICE's professional services team, with over 100 years of collective contact center experience, designs and delivers innovative solutions to improve selected Key Performance Indicators (KPIs.) The NICE professional services team applies solution deployment best practices to minimize time-to-value (TTV) and transform contact centers into the go-to place for customer information.

NICE serves over 25,000 organizations in the enterprise and security sectors, representing a variety of sizes and industries in more than 150 countries, and including over 80 of the Fortune 100 companies.



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* Speech Analytics Market Report, DMG Consulting LLC, November 2009