

The realist's guide to transforming your Customer Service operations



From quick wins to achieving big, strategic goals: how to plan a journey to CX excellence that works in the real world.

The reality and the vision of CS transformation

If you're about to modernize your customer service (CS) operations, you've probably already identified some key challenges: improving customer retention, cross-selling, accelerating digital deflection, or too many internal IT systems – there are a host of solid reasons for tackling such a project now.

You may also have noticed that the market has never been more swamped with new CS tech – all promising to deliver the outcomes you're looking for. And if that has made you wonder if there wasn't a fair bit of overclaim in those promises – then this guide is for you.

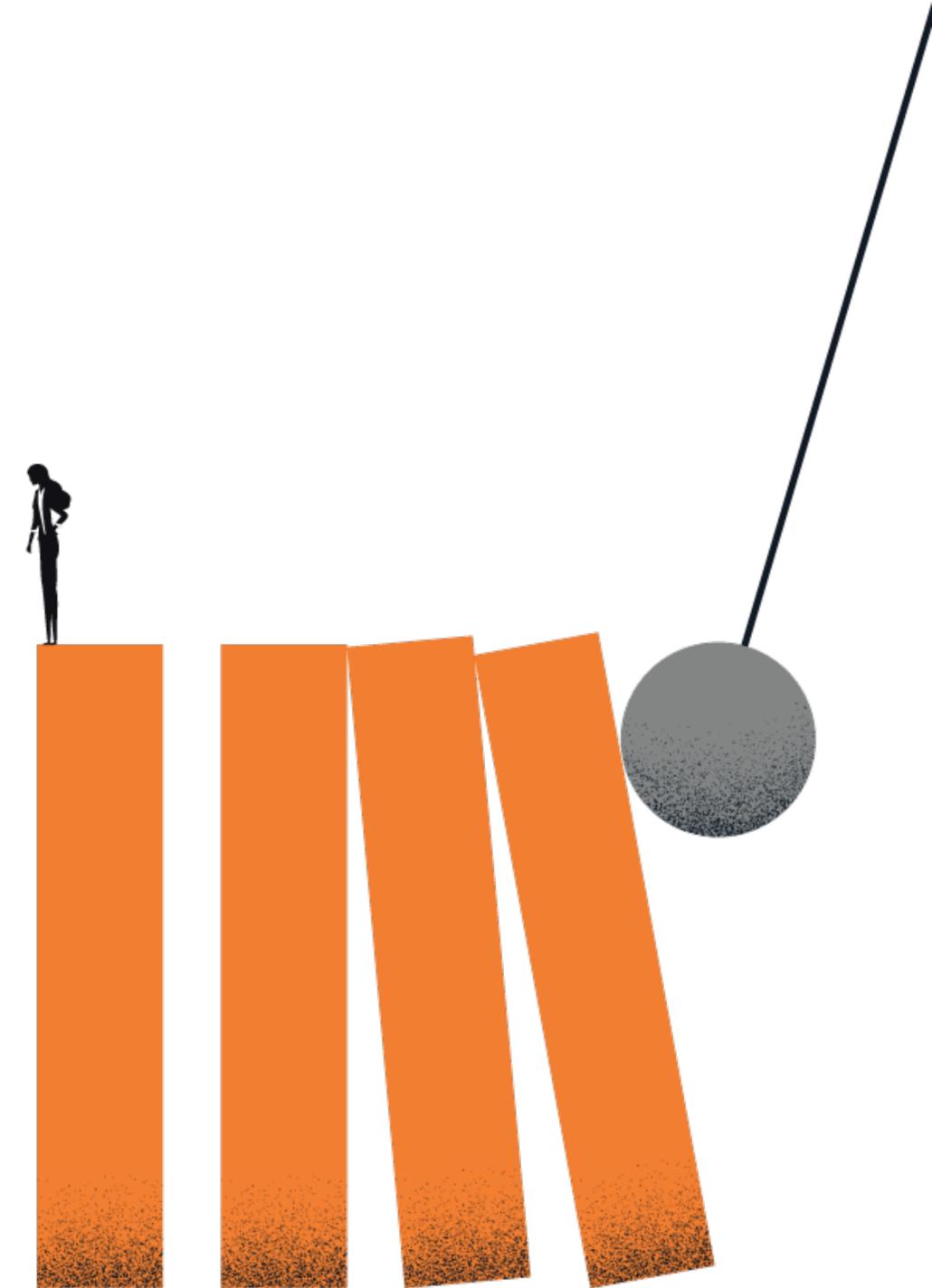
We've written this guide for:

- Anyone looking to improve customer service and transform customer experience (CX) for their business
- The people attempting to navigate the vast tech landscape
- Those who understand that technology can't deliver without people and processes (they know how hard it is to change these in any large organization!)

This is also for you if you've reached a certain level of vision fatigue. If you're not looking for another shiny model of an ideal future state – but for help overcoming the real-world obstacles that stand in the way of achieving it.

We'd like to share realistic advice that'll get you there faster. It comes from years of helping businesses transform their CS operations, and avoid the mistakes others have made. We hope it will give you a solid action plan – and ignite your enthusiasm – for effecting change for your customers, and for your business, today.

Ready? Let's go.



What we mean by CX and CS

A quick terminology primer

Customer Experience (CX)

The sum total of your customers' experiences, perceptions and feelings about interacting with your business and brand. This definition takes a wide view and includes how they feel about using your products /services and how they're designed, any communications, in-store and digital interactions – the works.

Customer Service (CS)

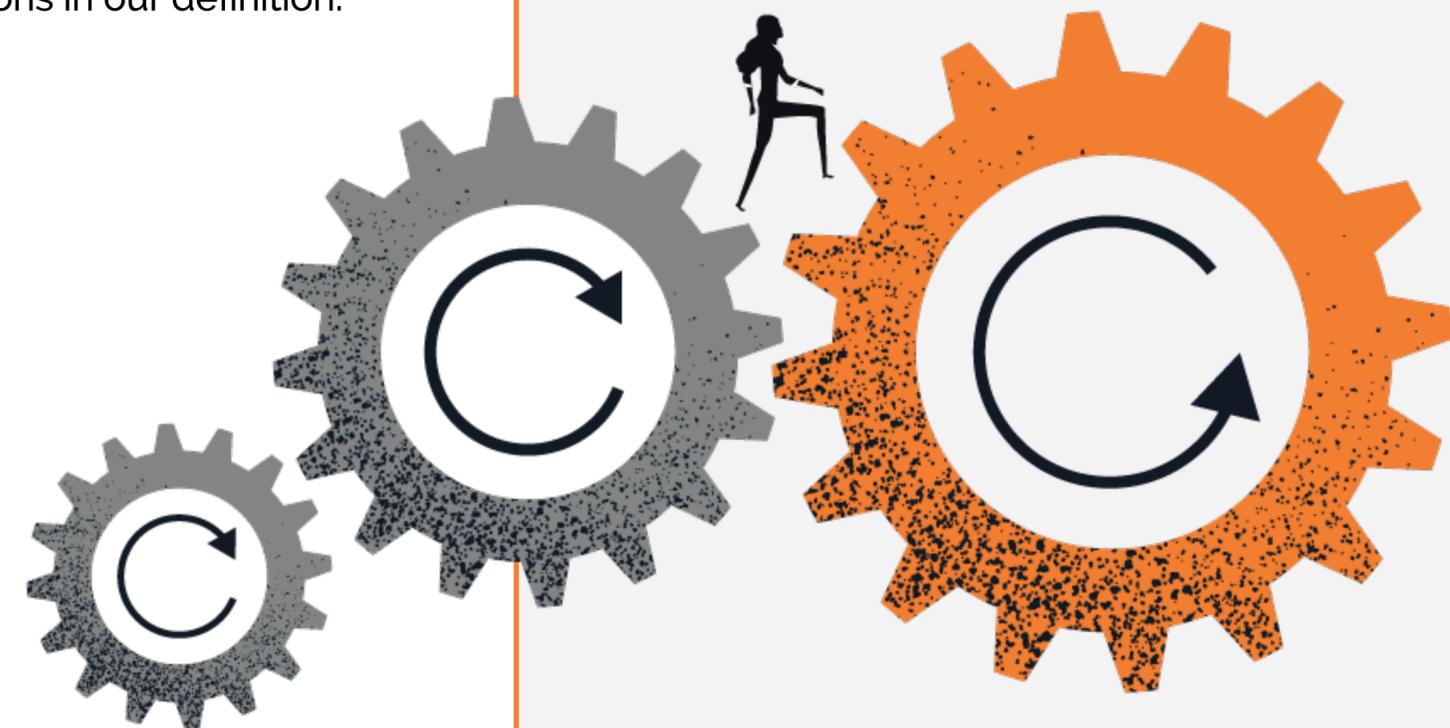
It's the service you provide to your customers before, during and after a purchase:

- In person
- Digitally
- Through a chatbot
- Website visits
- FAQs etc.

It's not the same as CX, but it's one of the biggest factors shaping it. CX excellence is impossible without great CS.

Customer Service Operations

The systems, people and processes that you use to deliver customer service. At Firstsource we think of these operations holistically, in terms of the whole customer lifecycle. That means we include up- and cross- selling, as well as sales operations in our definition.

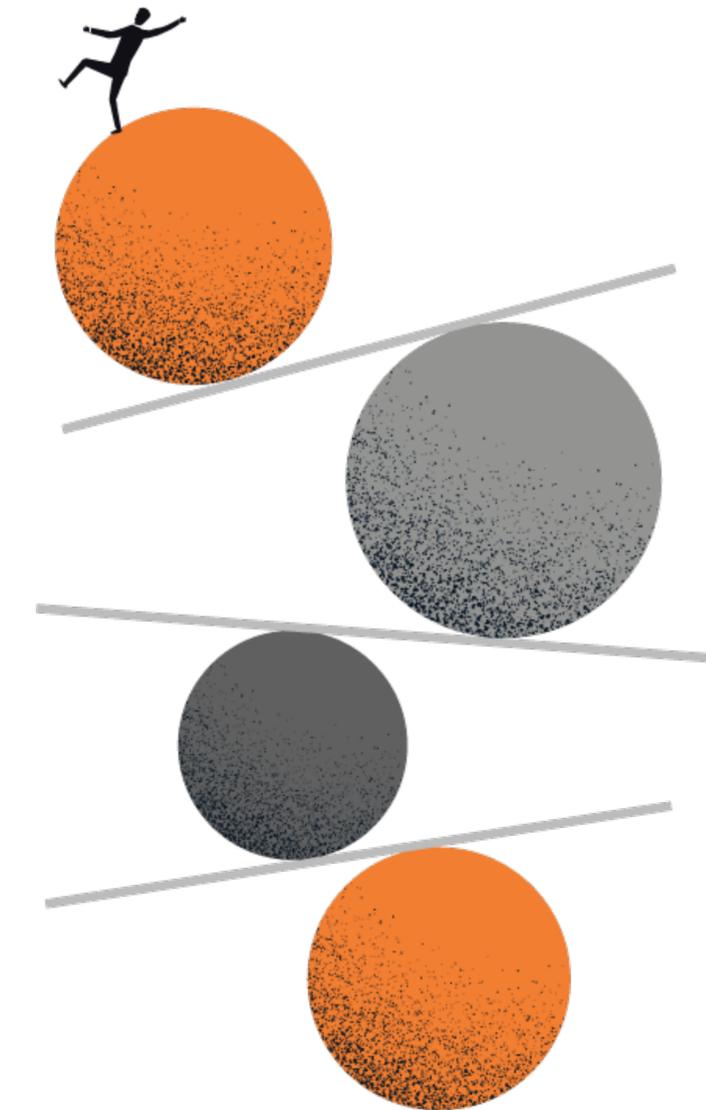


Why CS transformation fails

Let's be brutally honest: If transformation were easy, there'd be no need for this guide. But organizational change is hard, and often messy. And unfortunately, it takes more than a shiny vision to make it happen.

When we're brought in to fix CS programs that have failed to deliver, it's usually not because they're fundamentally flawed – but because they're overly reliant on the promises of technology. They don't take into account the all-too-human obstacles that pretty much every business faces. Here are four common ones:

1. The sheer complexity of it all
2. Excessive emphasis on technology
3. Internal resistance
4. IT as a bottleneck

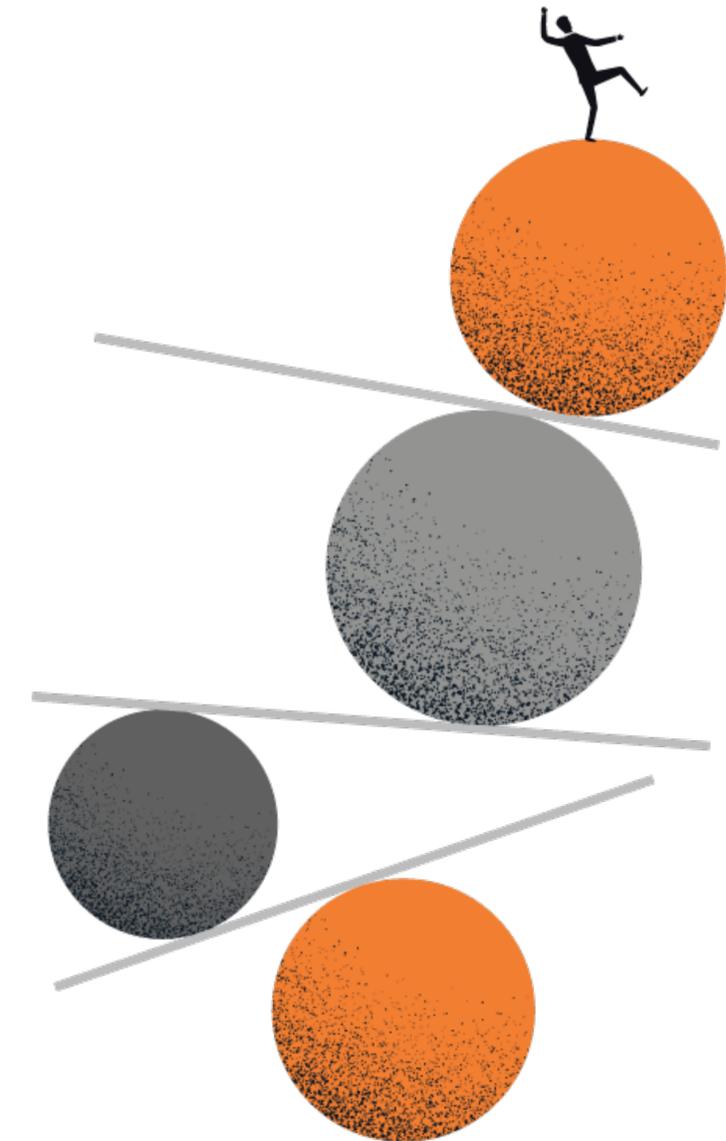


1. The sheer complexity of it all

- **The constant buzz of new tech**, which requires domain experts to assess, procure, integrate, and maintain it all. It takes an unusual combination of specialist skills to keep up with all the technology, manage the vendors, and deal with interdependencies.
- **For most businesses, this isn't their first CS rodeo.** They have an existing stack of contact center or self-service technology – and they're not looking to rip it all out and replace it. Integration and compatibility become key concerns and often delay progress.

2. Excessive emphasis on technology

- **Allowing technology to hog the conversation.** When tech hype dominates, businesses often jump straight into discussing specific vendors or solutions – instead of giving proper attention to goals, root causes, and alternative options.
- **Forgetting change management.** The best technology cannot deliver unless people and processes change alongside it. Unfortunately, most digital initiatives still focus primarily on technology – and don't give enough attention to communication, training, and buy-in.

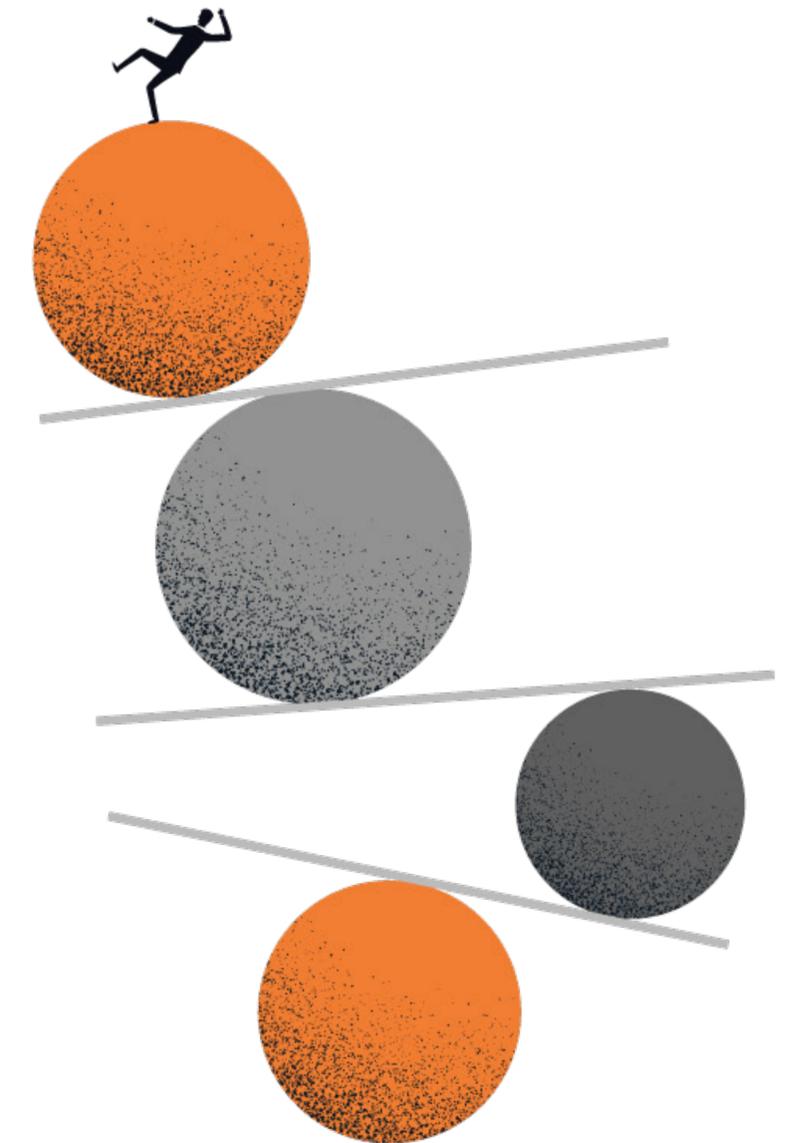


3. Internal resistance

- **Competing with other digital initiatives.** Different departments are likely to be undergoing digital transformation at the same time. Unless CX/ CS professionals can demonstrate the need to prioritize their program, they won't get access to the necessary resources.
- **Employees afraid of change.** Any radical change to "business as usual" is likely to trigger fears of redundancies and the need for new skills. This can lead to extreme pushback.

4. IT as a bottleneck

- **Scarce IT resources.** IT functions get booked months, and sometimes a year or two, in advance for big strategic IT initiatives. The company wish list for IT change is always greater than the available resource. This can be a blocker for change programs.
- **Fear of complications.** IT's first responsibility is keeping systems running without fail. Any new technology introduces risk: of outages, of compliance breaches, of data leaks. CX projects that don't pre-empt IT's fears may face lengthy due diligence processes.

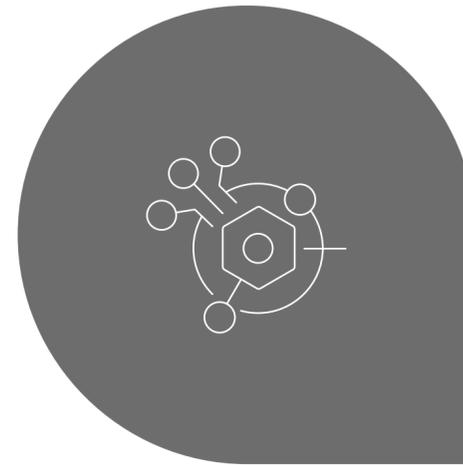


To summarize – and this won't come as a surprise: successful transformation in a complex environment needs people, technology, and processes to play together nicely:



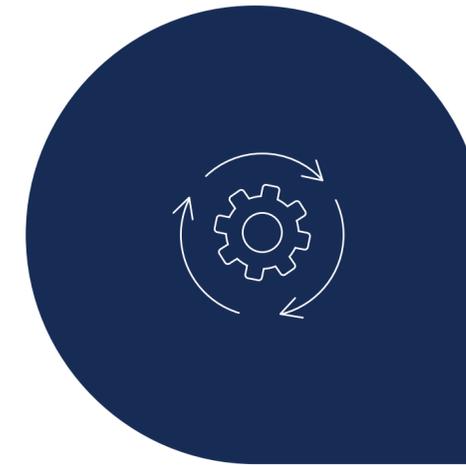
People

The decision-makers who need to buy into your vision (and the why behind it), sign off on the cost, and support the process. But you'll also need the associates on board: their work will be heavily affected.



Technology

That's pretty self-explanatory, except: the market is huge, no one size fits all, and it's important that you get the most out of what you've got, before you add the best of what's new.

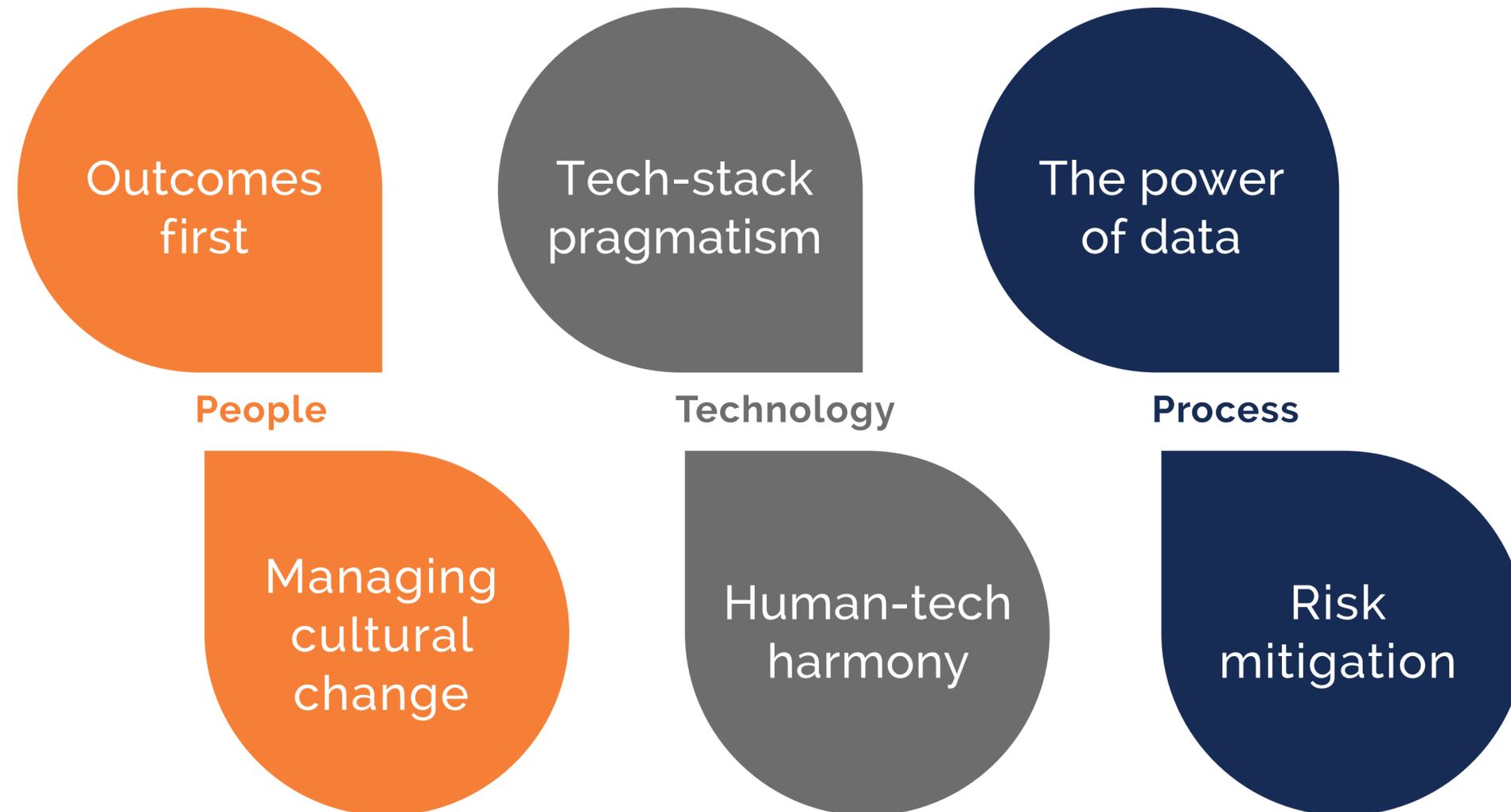


Process

A new way of running your operations that leverages your tech, and the empathy of your humans, to deliver wow-experiences to your customers; but also: a way of testing and implementing these new processes that doesn't break the backs of your internal resources, or expose your business to unnecessary risk.

Sounds hard? You bet. But it's doable – with an approach that acknowledges the obstacles laid out above; and a transformation roadmap that's designed with people, technology, and processes in mind.

Introducing six principles to guide realistic transformation



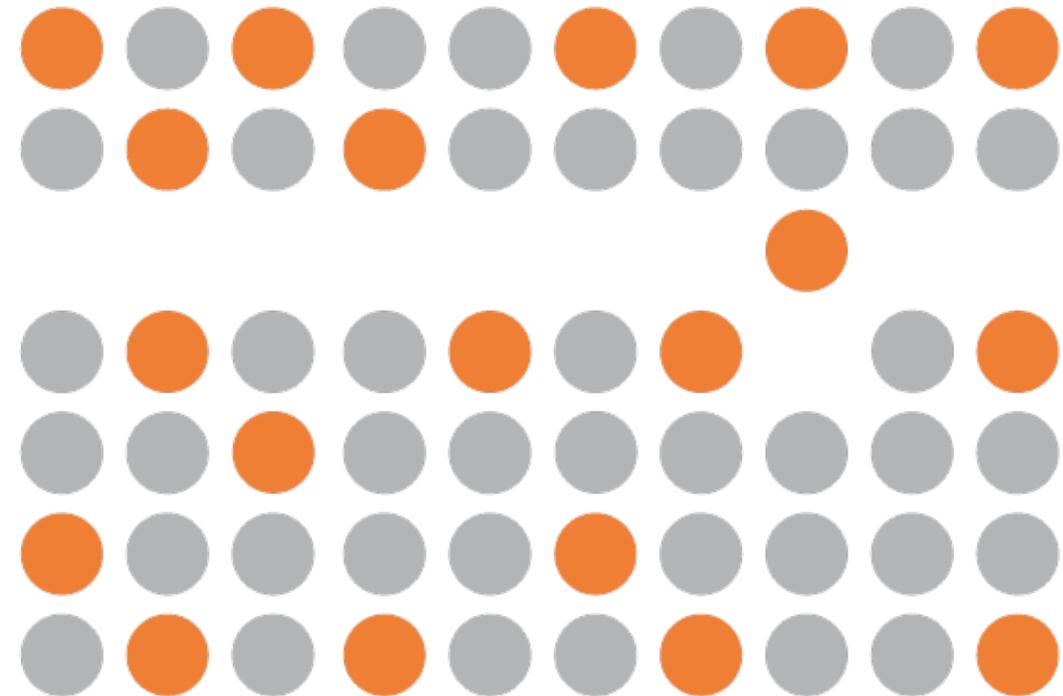
This is what the following chapters are all about. Let's start with the loveliest of the three: people.



People:

getting them bought into, and excited about, your plan

Without internal allies on board, your initiative will miss some of the most important elements: resources, expertise, and momentum. That's why creating acceptance – or, better, enthusiasm – is your first task.





A good rule of thumb is: start planning for comms as soon as you start planning for tech change. Transparent management of stakeholders and key internal partners is the WD40 of CX transformation. Here are some things to keep in mind:

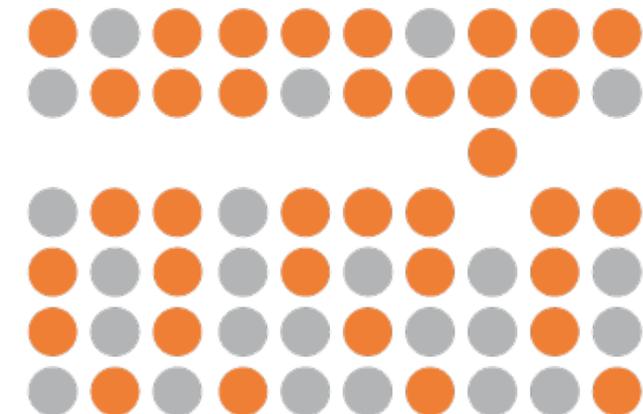
Emphasize specific outcomes, not technology.

It's hard to get your peers feeling warm and fuzzy about customer service personas, support over WhatsApp, or agent-assist bots. It's a lot easier to get them excited about things like beating your competitors on market share, improving NPS, and lifting revenue from upsells. So, always lead with outcomes that align to precise, priority goals. It won't just convince your stakeholders, it'll keep you honest, too: if you can't tie a piece of tech back to a precise goal that really matters – maybe you don't need it.

A credible business case to win over the decision-makers:

With a large number of digital initiatives likely happening in parallel, and fighting for precedence, it's key that your CX/CS business case that aims for a long-term strategic goal in a realistic way. That means balancing the big end goal, and the road to getting there:

- **Returns:** If you're working with an end-to-end transformation partner, ask them to build an ROI model that brings forward financial benefits. We've done this with several customers and it has massively helped them get traction (we're happy to tell you more!).
- **Progress:** Create a roadmap that has quick wins built in throughout the journey – so your stakeholders don't have to wait years to see the benefits. Get your transformation partner to help – having done this for other customers, they can advise on realistic timelines and targets.
- **Priorities:** Periodically check in with your stakeholders to touch base and see if priorities have shifted. Adjust where necessary.
- **Metrics:** Build an organization-wide business case – but always tailor your conversations to the internal partner you're speaking to. Different functions are interested in vastly different KPIs, so don't overwhelm them with metrics they don't care about (for a rough guide, see the end of this chapter).





Collaborate with your IT colleagues:

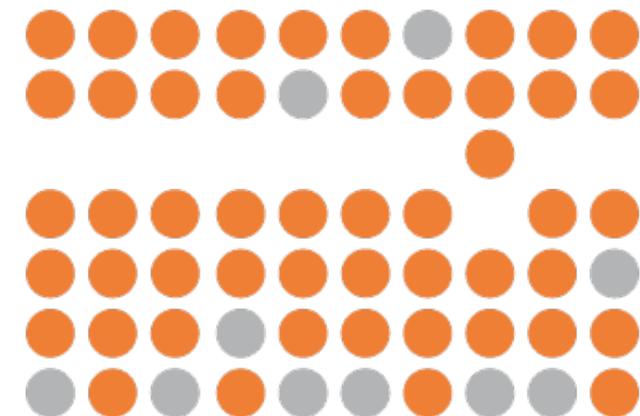
Your IT department can be your most important ally, but they get blocked out months in advance. Bring them in early– share the transformation plan, and explore with them options to minimize the need for internal IT resource (modern API-based tech makes it possible!).

But – and this is key – acknowledge that they need to have a great deal of control. Discuss your process, and consult them on the steps you're taking to mitigate risk. It will allay their fear of breaches and outages while showing them they can trust you to keep them informed and involved where necessary.

Transparent employee communication.

Be as transparent as possible, as soon as your plan of action is ready. This is true even when associate redundancies are part of your digital journey. To quote our Head of HR, Laura Hourican: "If you leave a void in your communication, the human brain will fill it with a worst-case scenario". Here's how to stop that from happening:

- Emphasize the positive aspects of change: most new CS technology makes associates' work easier. It empowers them with insight and next-best-action advice, and automates the repetitive aspects of their work. When you design solutions, prioritize user experience. This could mean e.g. creating an interface that looks similar to the one they're used to working with, or simplifying the most time-consuming, manual process first. It will help with acceptance and adoption (and therefore, the return on your tech investment).
- On large projects, work with employee reps and unions throughout the process. Identify the influencers among your employees. They can help bring others on board.
- Open a communication channel where you answer employee questions – this could be as simple as a dedicated email address where they can direct their concerns.
- If staff reduction is part of your change journey, do offer assistance. Upskilling, and re-training can do wonders for employee loyalty. And, if you can't place an employee elsewhere in your business, offer career counselling and CV writing help.





The right talking points for each of your stakeholders

If you're in a CX role, you'll probably have to win over each of these functions for your initiative:

Finance

Focus on cost savings and, if possible, an ROI model that brings forward financial benefits (metrics like ROI, improved customer retention, and revenue growth are good talking points).

Operations

Highlight operational efficiency, e.g. talk about how your program will automate non-value-adding work, as well as create standards and repeatable, scalable processes (talk about e.g. cost-per-contact; usage rates of digital channels and self-service options; NPS; cross-and upsell rates; first-contact-resolution; average handle time, average speed of answer).

HR

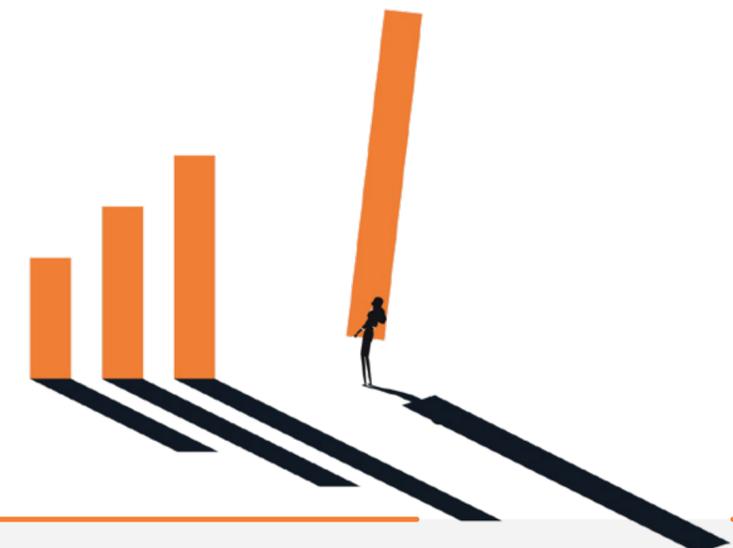
Explain how your initiative lets employees to do more meaningful work by automating tedious processes and empowering them with relevant customer insight; talk about how that positively impacts on employer branding and staff retention (employee retention rates and employee satisfaction are good KPIs here).

IT

Demonstrate how your project supports risk mitigation and compliance efforts; also show how these benefits can be achieved using minimal internal IT resources (by demonstrating e.g. solution scalability, on-time-and-on-plan projects).

Business leadership (e.g. your CEO)

Emphasize how transformation will boost customer satisfaction, and employee experience; show how quickly first wins can be realized; paint a picture of how updated customer service analytics can contribute to better business insight (into customers, product, operations, marketing efforts, etc.). Some useful metrics to consider are customer satisfaction, growth, customer care SGA, or business disruption.

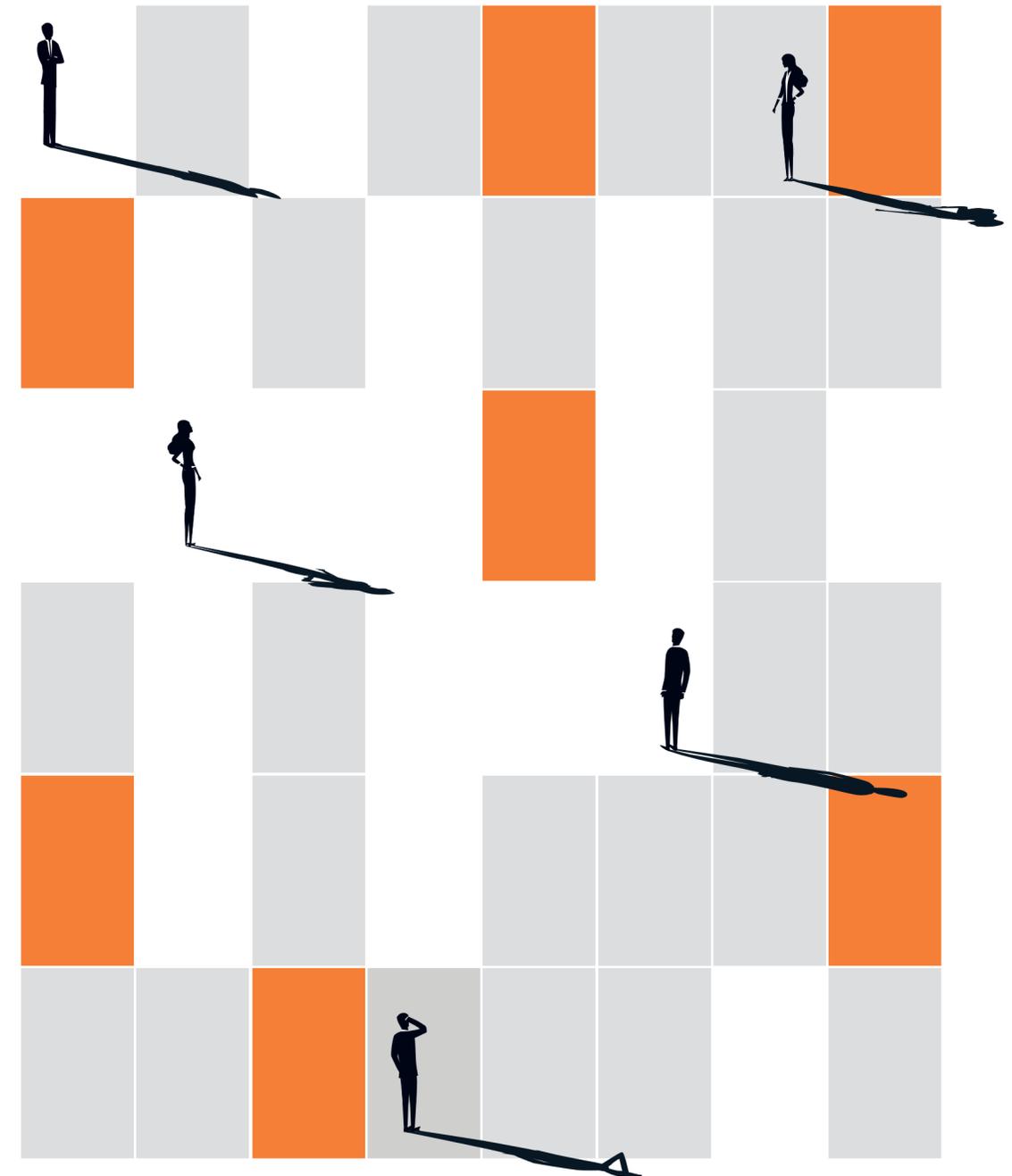




Technology:

the pragmatic approach to modernization

No two businesses are alike – in technology, digital maturity, or leadership priorities. That's why there's no perfect CS tech stack – only one that works for you. This chapter is about tailoring your technology roadmap to your organization.





Again: defined, precise outcomes first

Without a clear definition of the challenges you're solving for – and the specific outcomes you desire – your CS strategy will end up with gaps (or unnecessary tech that doesn't add value).

Start by understanding your goals.

It may sound obvious - but many organizations fail to tailor their service strategy to their priorities. For some, efficiency is key – they want to streamline their processes and save on cost-to-serve. Others are keen to maximize the upsell potential of their CS operations – or deliver more personalized service. You might be looking for a combination. No one size fits all, and it's crucial to be clear on the specific measures that matter most to your business.

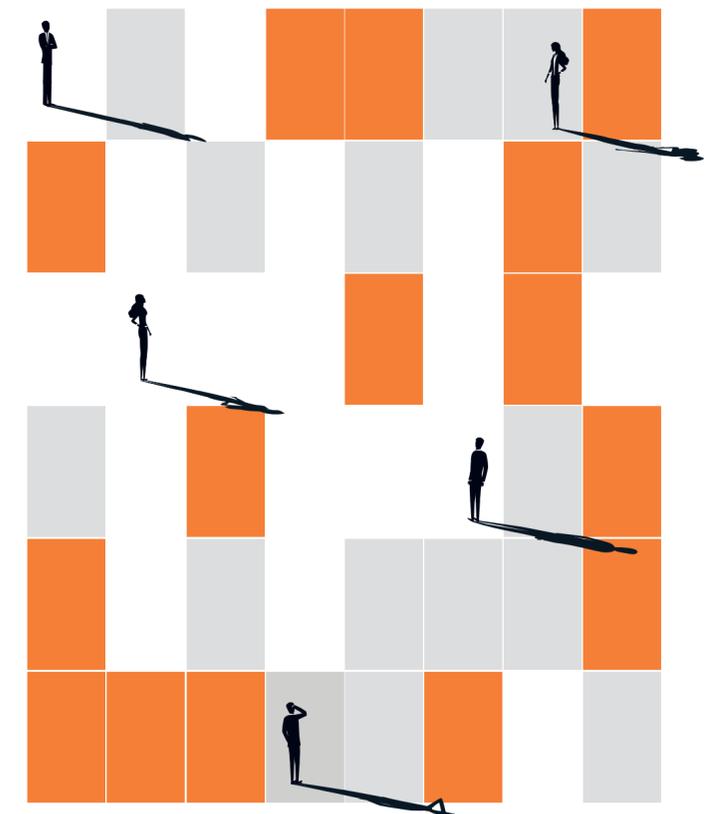
Be pragmatic about your tech stack.

It's very unlikely that you'll rip all your tech out and replace it with new – the idea is to improve on what you've already got and maximize returns from your existing investments.

Take a look at your current stack and processes. What's working well? Then identify the gaps in your service. Which are the most urgent? It's a good idea to assess the whole of the market for solutions to complement what you already have. Given the explosion of new tech, it may be tempting to buy from a vendor you already have a relationship with – but be aware you might end up with technology that's not the best fit for your circumstances. Shopping around is worth it.

Consider bringing in expert help to define and select solutions.

Experts in CS/CX technology will have a firm grasp of the possibilities, and have seen the good, the bad, the uncritically hyped and the outright unintegrated. To minimize vendor management, consider working with an end-to-end solution provider (like us) who can help find, assess, test, integrate, and scale it all.





How much can you realistically automate?

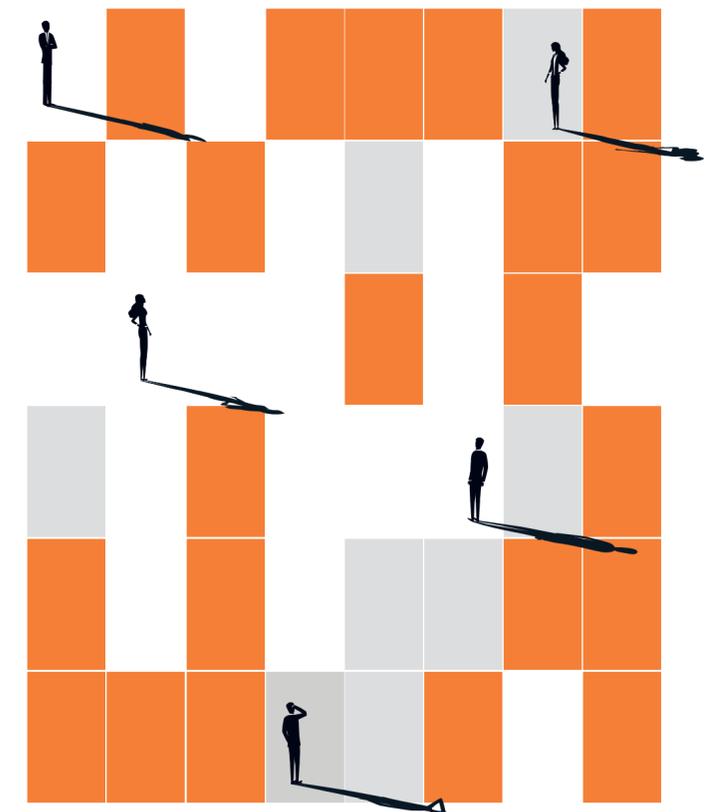
There are loads of misconceptions around the processes that CS departments can – and should – automate. In addition, tech companies often overclaim on the savings you can realize through digital capabilities. The truth is, automation works best on low to medium complexity contact types. Not every interaction should be handled by bots and self-service. The good news: your existing CS data can lead the way.

A realistic service strategy strives for “human/bot harmony”

An analysis of your past interactions can help you prioritize your most important customer moments – the ones that should be handled by humans. Here's how:

- Segment your customer base by customer lifetime value (LTV)
- Look at each contact type and identify its importance. For instance, new customers joining tend to be higher value than general queries.

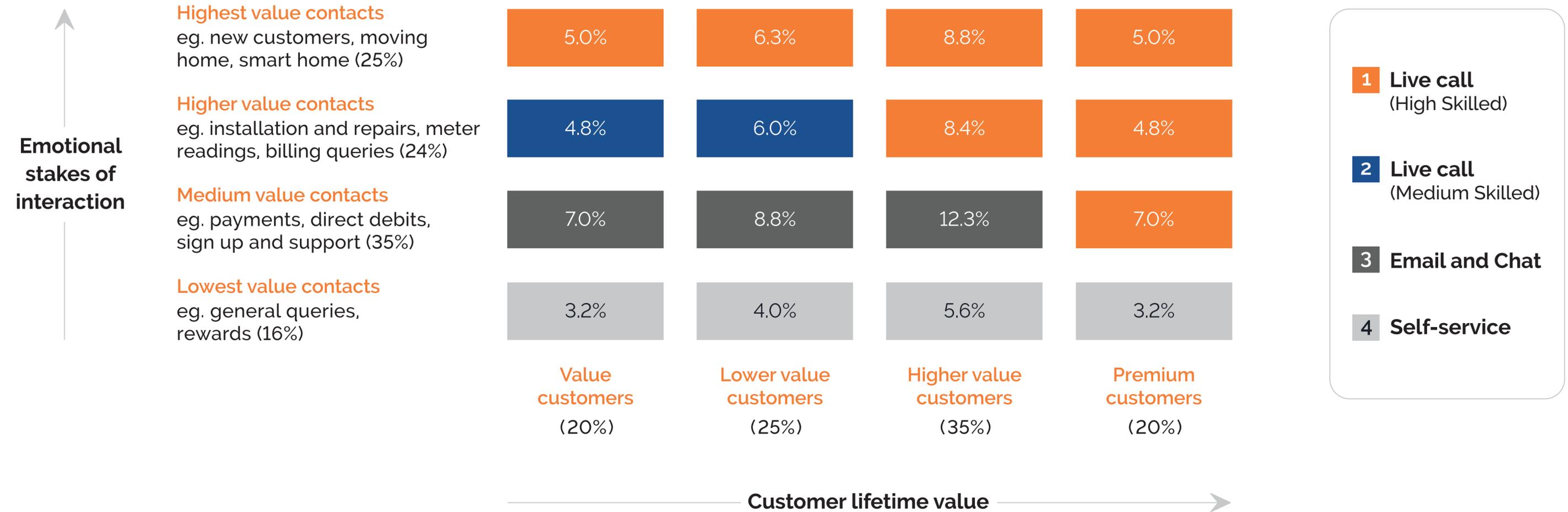
- Rule of thumb: It's worth spending money (i.e. use highly skilled humans) where high LTV meets high value contact types
- Pick the right channel for each interaction based on customer experience and cost per contact. A good way to think about it is our “3P model”:
 - **Predict:** or “the best service is no service”. Anticipate customer needs and meet them proactively (e.g. by sending an email with relevant information) or drive them to self-serve
 - **Prevent:** Deflect contacts to self- service and chatbots
 - **Process:** Intelligently handle all the queries that need an advisor. Assist associates by supplying real-time next-best-action advice (ideally AI-supported, not rules- based), and automating repetitive tasks.





Here's an example of a service strategy that we built for a utilities company:

It maps the value of different contact types against available channels. As you can see, this company chooses to handle all critical and high-value interactions personally.





The best processes: for your customers, and for your transformation journey

Re-designing the way you do things can be daunting for a business. What if you spend tons on a new customer journey and it doesn't work? What if people don't like it? What if your systems break? All of this is manageable. There are tried and tested ways of tackling transformation that won't break the bank, your servers, or compliance protocols. That's what this final chapter is about.





Three ways to use data

Let's start with process re-design for your customers. Again, there's no need to re-invent the wheel. Our biggest piece of advice: make full use of the data you already have. To build customer journeys that resonate, start by mapping the status quo on real-life data.

You know what your typical journeys look like (be it onboarding, renewal etc.). You know how long it takes, and which steps and systems are involved. You also know where it's most likely to fail. Don't ignore this wealth of insight – about the channels your customers prefer, their transaction histories, the bottlenecks, common reasons for complaints, and so forth. (And make sure you share this data beyond the contact center: it holds valuable insights for e.g. product development, or marketing).

You can leverage this data in three key ways:

1. To design better journeys,

i.e. segment your customers, understand their preferences and anticipate their needs. Then sketch out streamlined processes that leverage new tech capabilities - such as chatbots, and IA - to simplify, speed things up, standardize workflows, and keep everyone in the loop.

2. To empower your associates across all clients and channels.

Just because data originates from one system, that doesn't mean it should stay there. With a genuine omnichannel approach, you can establish a data layer that makes crucial insight accessible to anyone who needs it, at the right moment.

3. To quantify the value of your CX/CS investment.

Use before-and-after CS data to demonstrate the effectiveness of your initiative. Focus on metrics like incremental digital channel usage, improved operational performance, incremental revenue, reduced cost to serve, or improved customer experience (for other useful metrics, see the boxout in chapter 2)



The Firstsource process for driving value from CS data

Integration

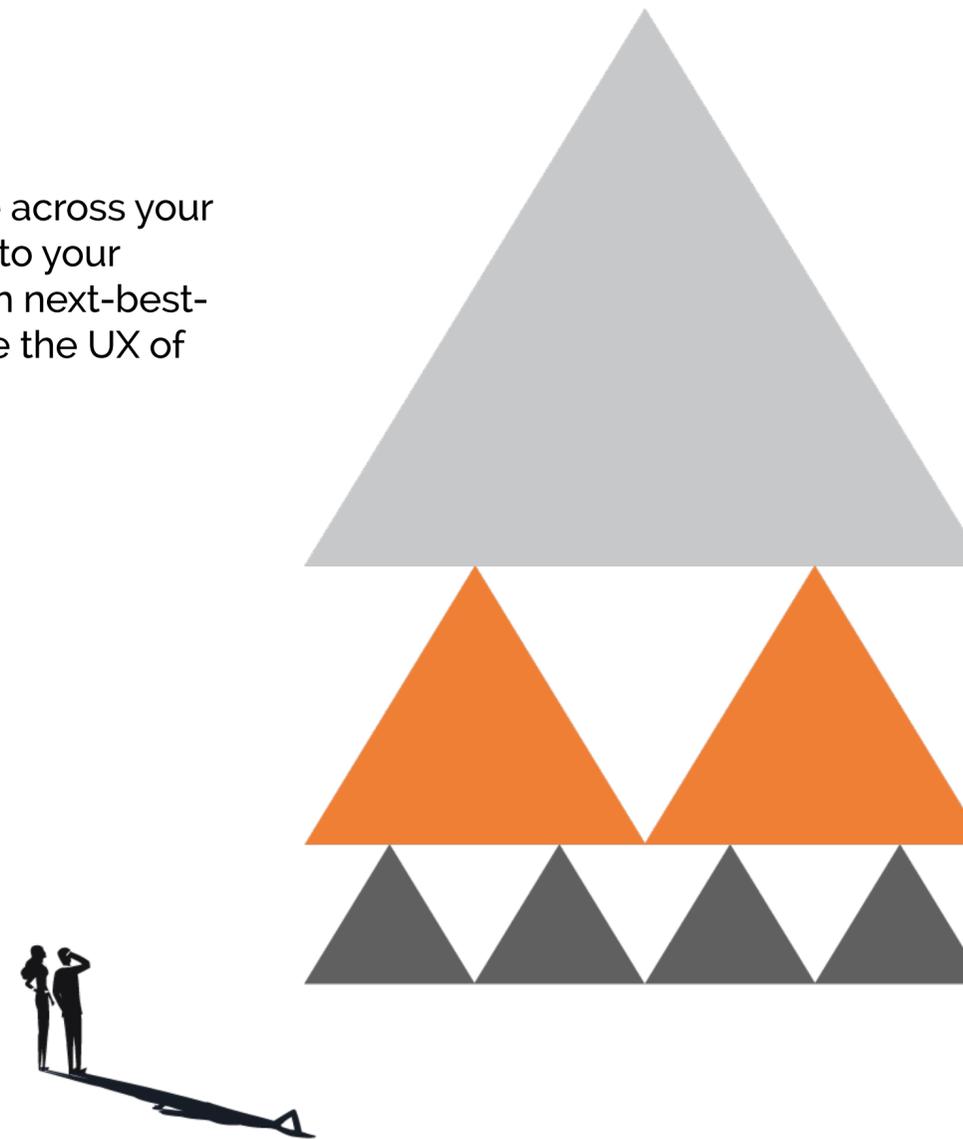
Connecting multiple data sources, internal and external (e.g. demographic such as CRM, or marketing data; social, such as social listening; transactional, such as payments; etc.

Intelligence

Using them to understand customer behavior and needs, e.g. their propensity to buy/leave/default; the strengths and weaknesses of a product, etc.

Institutionalization

Making that insight available across your business – e.g. integrate it into your associate desktop along with next-best-action advice; use it to shape the UX of your customer app





Managing risk during the transformation process

Satisfied customers are one thing – satisfied stakeholders quite another. Even though you know transformation is the right thing to do, you're going to want to keep your operational risk small, your financial risk low, and your eye on the prize. Here's how you can de-risk the transformation process itself:

Reconsider the RFP

We're increasingly seeing businesses move away from the traditional RFP – and rightly so, we think. That's because classic RFPs aren't set up for open-endedness and exploration. They require organizations to define exactly what they're looking for. But...

You're adding to existing tech.

Given the speed of tech renewal, it's increasingly important to stitch together technologies and continuously improve (not flat-out renew) your stack. This needs a more flexible approach, and considerable knowledge of a sprawling, noisy market (also see chapter 3). This is hard to do with a rigid RFP.

You might miss out on valuable expertise.

While you may not have planned a large-scale CS transformation program before, a specialist consultancy will have done it multiple times, across industries. By seeking their advice and help defining your program, you'll benefit from best practice. They can teach you the art of the possible and help you avoid common pitfalls. A long-term partner like that can also help with continuous improvement and innovation, so you remain ready for the future.

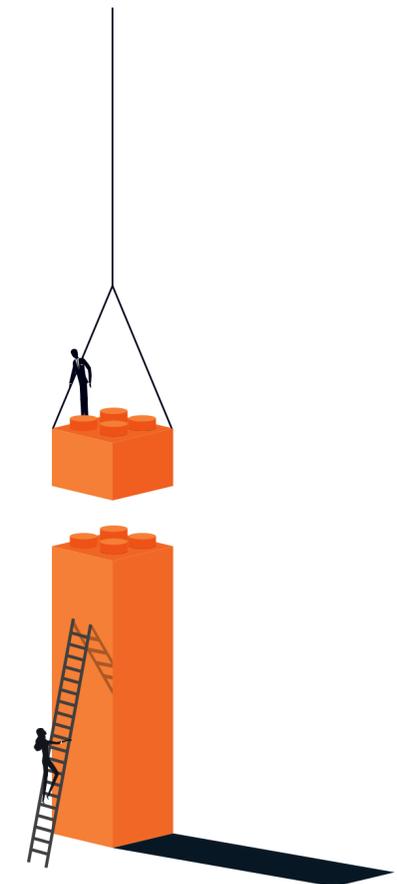
Crawl before you walk, before you run

In the past, transformation projects often ran over 12, 18, 24 months, or even longer. Instead, we recommend a more nimble, less intrusive approach of starting small (e.g. with one market), prototyping, and testing-and-learning. Make full use of proof of concepts (POCs) and hold your vendors to account throughout the exploration phase.

If you're still working on getting internal buy-in, prove your point with non-business-critical processes – and build confidence from there. Don't scale until you've ironed out the technology glitches, evaluated how customers and associates are responding, and established new processes – with proven results. We've seen great outcomes with organizations applying design thinking –

i.e. a non-linear, iterative approach that minimizes disruption, reduces risk and allows for adjustment along the way.

And finally: be ready for the unpredictable few years ahead. It may feel odd to think of changes in direction while you're in the middle of modernizing, but tech moves quickly. Get into the habit of continuous improvement, frequent POCs, and continuous measurement. It will keep you agile and benefit your business in the long run.



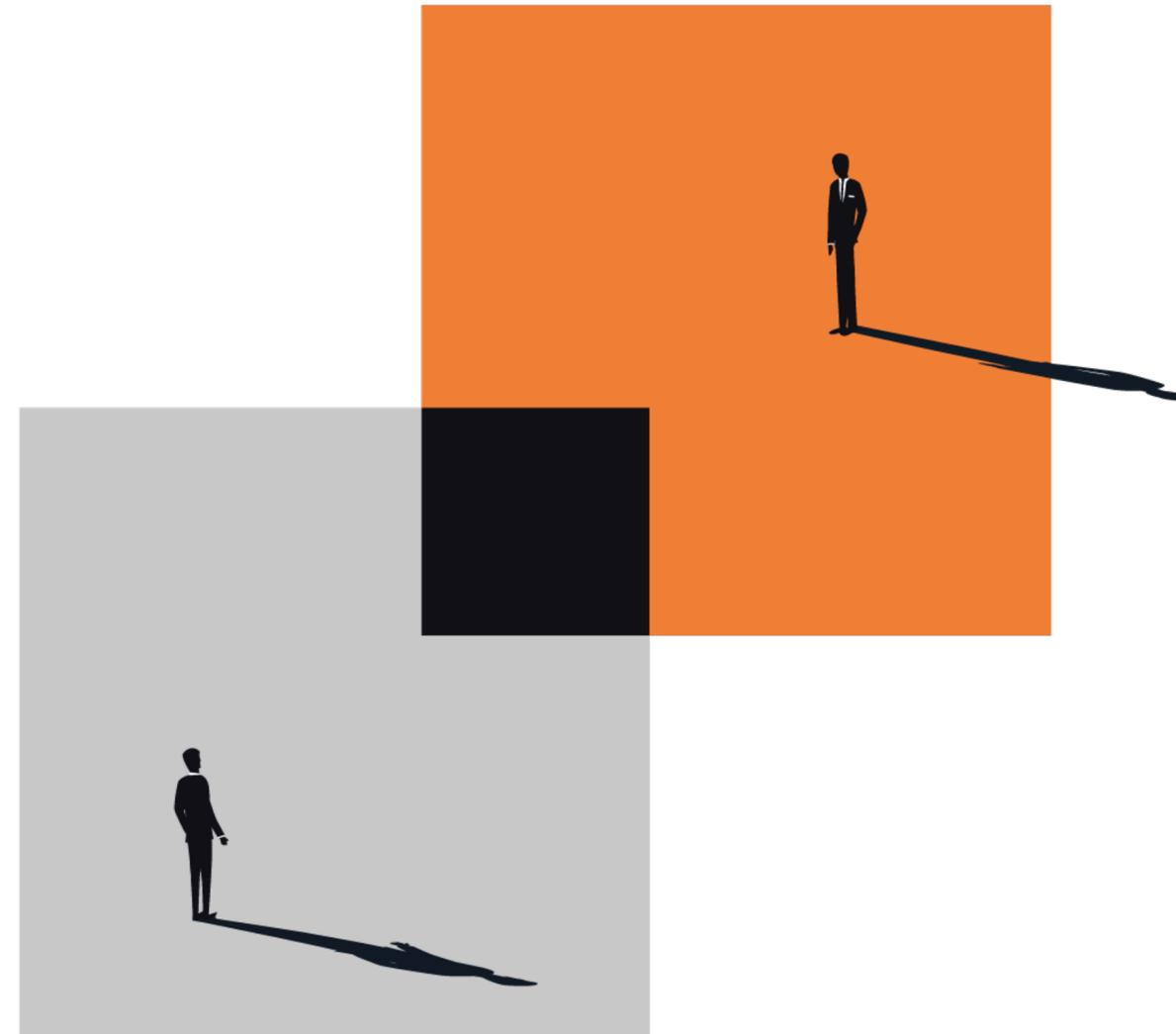


The Firstsource “skin-in-the-game” approach

Let's be honest: Businesses can be skeptical when engaging consultancies – for the simple reason that they often overpromise – but don't ultimately hold responsibility for success.

Firstsource is a CX transformation partner that underwrites results – meaning that we take responsibility for our recommendations and the outcomes we define with our customers. It makes a huge difference to the way we can work with them.

Shared responsibility builds trust and the reassurance that our consultants won't go away after the design phase, or leave people alone to grapple with new technology - but stick around to see projects rolled out, and delivering value at scale.



Full speed ahead

Thanks for reading!

We hope we've been able to show: with a realistic approach, CS technology change may be a bit messy, but it's absolutely possible, and worth it. And maybe we got you a little excited about embarking on your own journey to digitally-powered CX.

Of course, we also hope that you've glimpsed some of the benefits of working with a transformation partner who can support you and who commits to delivering the outcomes you're looking for. We've helped multiple organizations get there, and if you've read this far, we think you might be able to use our help, too. We've only scratched the surface of the transformation process in this guide - so if you'd like to discuss any of it in more detail, [get in touch](#): we're ready for your questions.



This eBook has been brought to you by Firstsource. We're an end-to-end CX transformation partner and we've helped many organizations turn their CS operations into efficient engines of customer-centricity that combine digital efficiencies with the best of human interaction.

The pragmatic start to CX transformation

We know that great customer experiences drive brand loyalty, lift revenue, and make a ton of other good things happen. But it's hard to know where to start, and how to quantify the benefits of any initiative.

That's why we've created a quick-starter guide to help you anticipate some of the pitfalls; have conversation about CX that hit hard; and set your business up for success.

It's called *"How to get started on CX change"* and we think you'll like it.

[Check it out now >](#)



15 quick tips for successful CX transformation

A handy summary of the advice in this ebook – which, as you might have guessed, maps to the principles of Firstsource’s realistic approach to CX transformation:

People

Outcomes first

- 01. Design a CX strategy that aligns with precise business goals (beyond just cost)
- 02. Build a business case for CX improvement that supports key stakeholder priorities and goals
- 03. Define deliverables in terms of outcomes

Managing cultural change

- 04. Involve key stakeholders early and communicate transparently (while minimizing work for them)
- 05. Periodically check in with internal partners and decision-makers, agree on priorities and adjust where necessary
- 06. Prioritize user and employee experience in solution design to ensure acceptance and adoption (and therefore, ROI)

Technology

Tech-stack pragmatism

- 07. Leverage the full power existing technology before you “rip and replace”.
- 08. Then build new capabilities with complementary tech

Human-tech harmony

- 09. Automate interactions of medium/low complexity
- 10. Handle high-value interactions using well- trained associates supported by AI-powered next-best-action advice

Process

The power of data

- 11. Leverage insight from your existing CS data for segmentation and truly personalized service and journey design
- 12. Establish a data layer that empowers associates across clients and channels
- 13. Use before-and-after customer data to quantify the value of your CX investments

Risk mitigation

- 14. Crawl-walk-run with a phased roll-out: start small; only scale once you’ve shown it delivers the intended outcome
- 15. Share the financial risk with your partners

We're Firstsource.

We are the “both-feet-on-the-ground” transformation partner that understands how to turn a CX vision into a CS operations strategy that delivers in the real world.

To learn more about the principles of real-world CS operations change, visit www.firstsource.com/CXrealism



If you'd like to discuss this content or arrange a call with our experts, email connect@firstsource.com



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