

DMG
CONSULTING LLC



Enterprise Servicing Goals for 2017: Great Service is Formula for Success

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Executive Summary

It takes an entire company to deliver a consistently great service experience. Enterprise executives still expect the contact center and service organizations to take the lead in delivering an outstanding customer experience (CX), but they are coming to realize that great service is the responsibility of every employee. The 2017 edition of DMG Consulting LLC's annual Enterprise Servicing Goals survey reflects a maturing of the market, as companies are starting to prioritize specific initiatives over the high-level categories. 2017 is expected to see a great deal of significant investments in technology to enhance specific aspects of the CX, but as productivity and cost savings are important, initiatives will also be expected to deliver a rapid and quantifiable return on investment (ROI).

I. Introduction

Customers know what they want: it's outstanding and personalized service, with as little effort on their part as possible. It's being able to get done what they want, the way they want, in their channel of choice, without having to start over every time they speak to a different person at a company. It's the ability to easily move between channels, function and people, as customers are not concerned (nor should they be) about which department is helping them, as long as they get their answers on a timely basis. Customers expect great service, and it's every company's responsibility to earn their business by meeting their needs consistently.

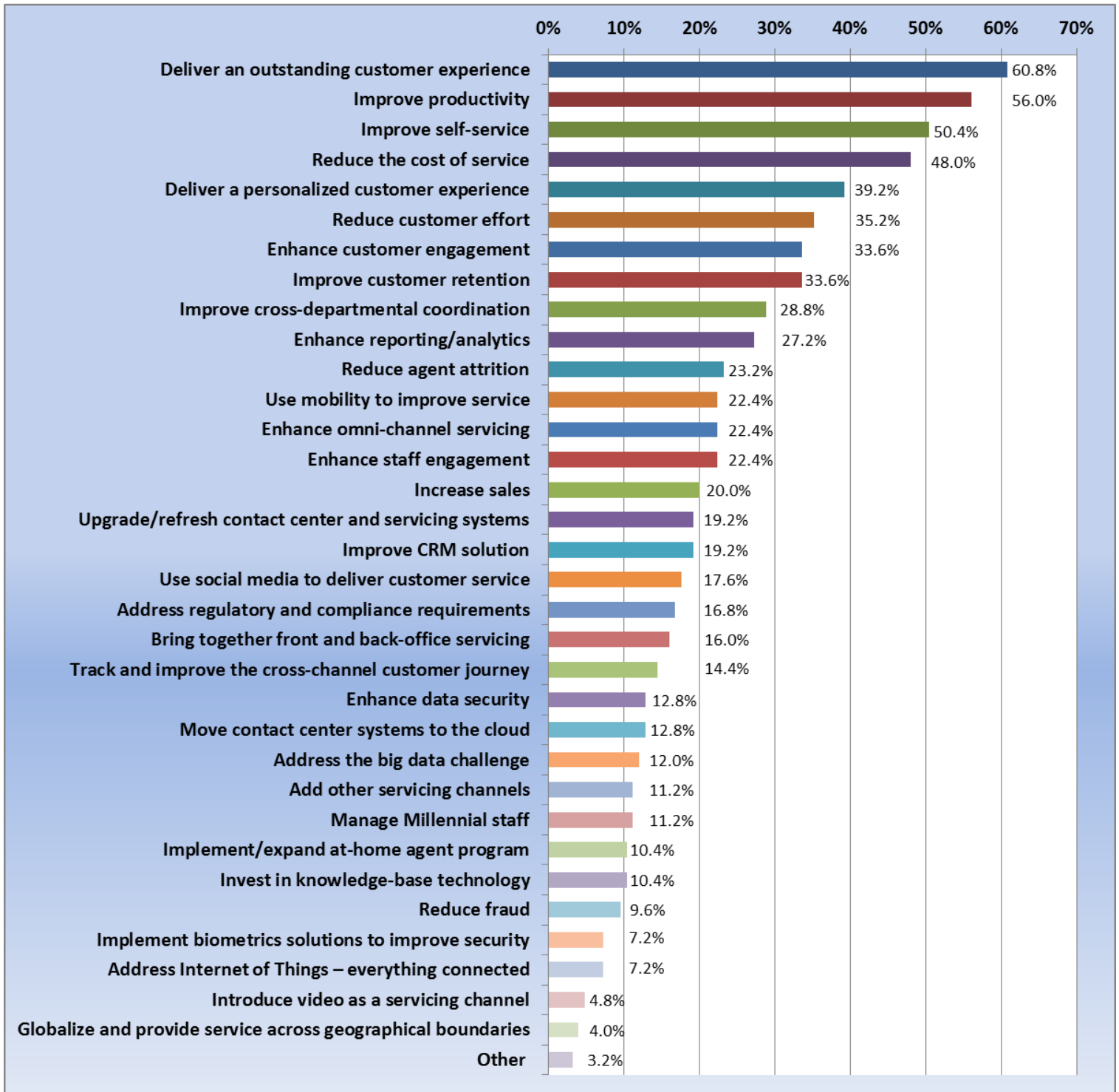
Enterprises also know what they want. It's to deliver the best service experience that they can as cost effectively as they can. It's to use self-service solutions to assist their customers, whenever possible. It's to achieve the company's revenue goals while upholding senior management's fiduciary responsibility to their shareholders and owners to keep costs down and profits up.

The challenge is that historically, the goals of customers and enterprises have not been aligned, to the great frustration of both groups. Enterprises know what it takes to deliver a great service experience – there are legendary examples, including USAA and Zappos. The characteristics of companies that are renowned for their service excellence are well known. Great service is driven from both the top and bottom. It is an essential element of every action taken by every employee in the company.

II. 2017 Enterprise Servicing Goals

On an annual basis, DMG Consulting LLC conducts a worldwide survey of enterprise and contact center executives and managers. The objective of this survey is to identify the top servicing goals for enterprises in the upcoming year. Participants were asked to select their top service priorities from 33 categories, and were invited to write in additional goals. Along with 4 write-ins, 37 unique goals were identified in the survey results. See Figure 1, which shows the complete list of enterprise servicing goals for 2017.

Figure 1: Enterprise Servicing Goals for 2017

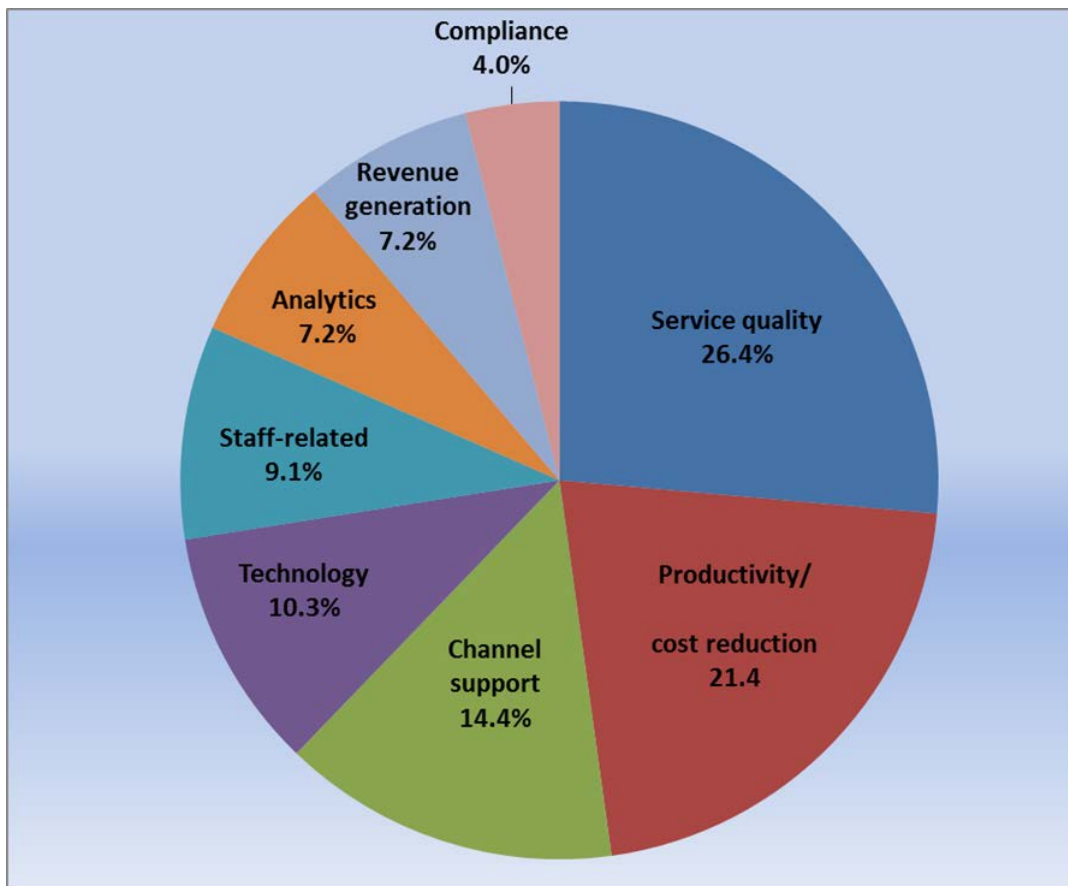


Source: DMG Consulting LLC, January 2017

III. Top Servicing Priorities for 2017

The top servicing priorities for 2017 fall into 8 categories, as shown in Figure 2. As has been the case for the prior 2 years, service quality is the top goal for enterprises, as indicated by 26.4% of the survey respondents. Goals to address productivity and cost reduction came in second place, accounting for 21.4% of the responses. Channel support, which addresses omni-channel initiatives, came in third place, representing 14.4% of the responses. Technology was in fourth place with 10.3% of the responses. Staff-related initiatives came in fifth place for 2017, receiving 9.1% of the responses. Analytics and revenue generation tied for sixth place, each accounting for 7.2% of the responses. Compliance came in last place, a trend for the past three years, with 4% of the responses.

Figure 2: 2017 Enterprise Servicing Priorities

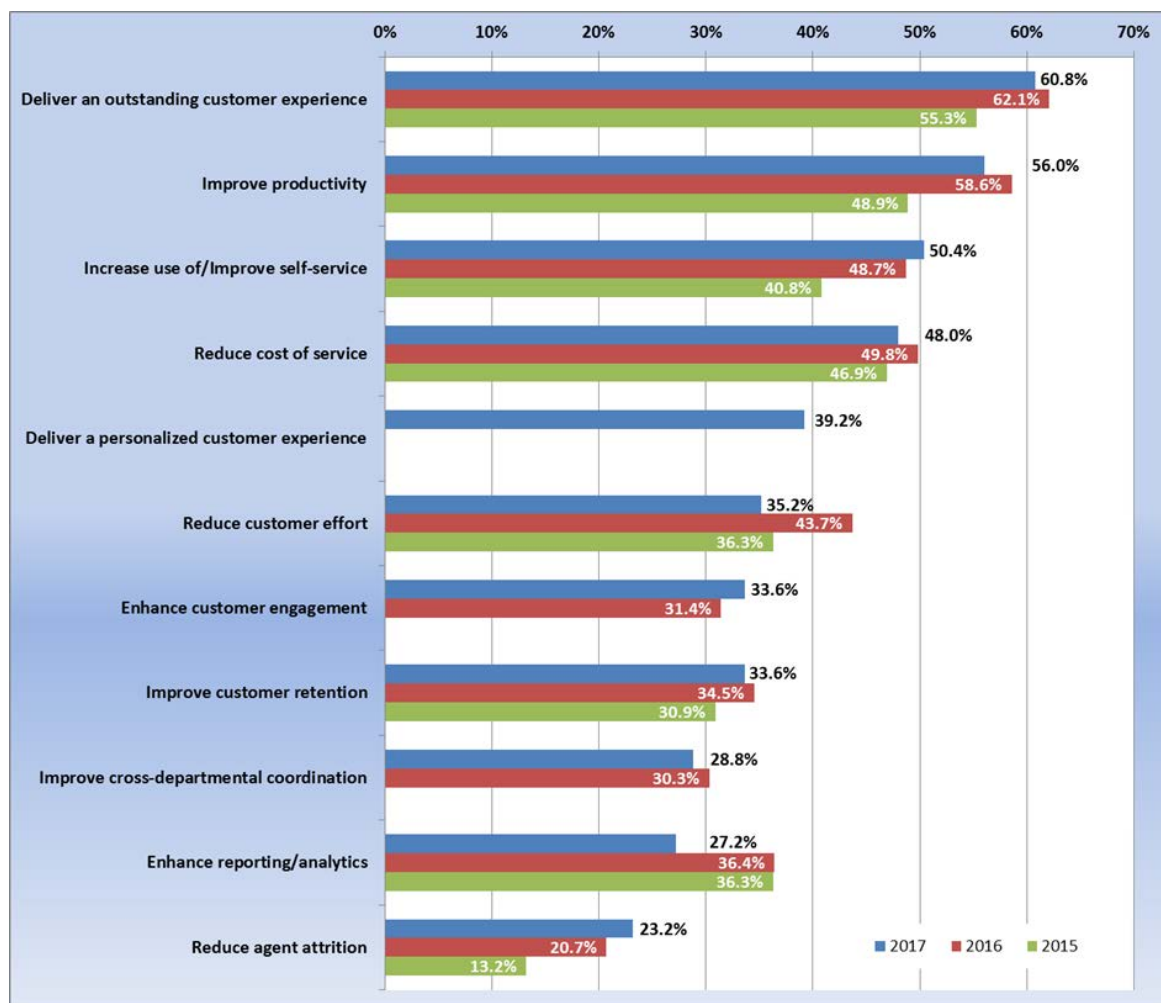


Source: DMG Consulting LLC, January 2017

Investments in the essential category of service quality, which were prioritized by 26.4% of respondents for 2017 show an increase over the 21.8% of responses for 2016 and 22% in 2015, and are expected to continue to grow. The productivity/cost reduction investment category, the second largest for 2017, decreased slightly from 23.3% in

2016, but was up slightly from 21.2% in 2015. Channel support goals, the third largest category for 2017, dropped to 14.4%, down from 16.9% in both 2016 and 2015. Enhancing technology, the fourth largest category in 2017, was one of the biggest winners for the year; it now accounts for 10.3% of reported goals, as compared to 4.2% in 2016 and 6.2% in 2015. Staff-related goals, the fifth most important category in 2017, showed a slight softening in priority, representing 9.1% of responses in 2017, down from 10.5% in 2016 but still significantly greater than the 5.9% result in 2015. As there is growing emphasis on enhancing employee engagement in order to reduce attrition and increase the customer experience, it is likely that some of these initiatives are absorbed within another category. The sixth and seventh-place categories for 2017 were analytics and revenue generation, each accounting for 7.2% of respondents' priorities. Analytics appears to have decreased from 10.2% in 2016 and 15.4% in 2015. Revenue generation also showed a decline in priority from 9.2% in 2016 and 12.4% in 2014. Compliance, the last-place category for goals in all three years, was relatively, similar to the 3.9% reported in 2015 and up from .07% in 2015.

Figure 3: Top 10 Servicing Trends, 2015-2017 Comparison



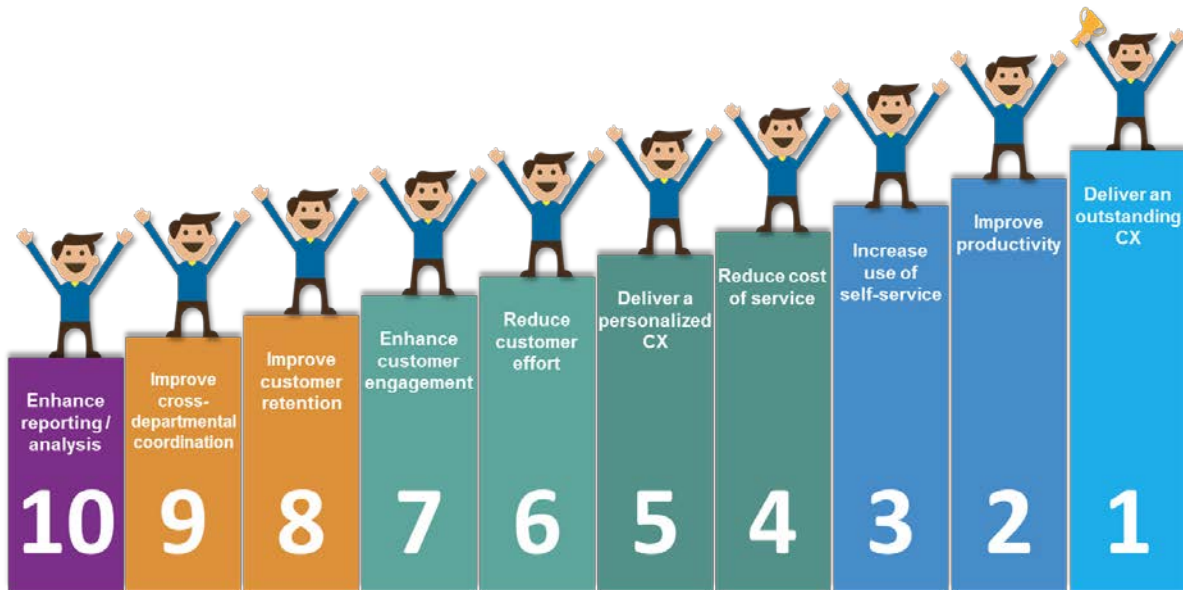
Source: DMG Consulting LLC, January 2017

The year-over-year findings are subtly different, despite the similarities in the high-level categories. It is one thing for a company to indicate that improving the customer experience is a priority. As this is the “buzz” of the day, it’s to be expected. The difference in 2017 is that companies prioritized more specific initiatives that they were going to invest in, which reflects a maturing of the market. For example, delivering a personalized customer experience is a priority in 2017, though it was not even a trend in the prior two years. See Figure 3.

IV. Top Enterprise Servicing Goals for 2017

Companies invest in CX because it improves their bottom line. While enterprises are finally making essential and, in many cases, overdue investments to improve their contact centers, some of these improvements also impact other departments within the company. The challenge is that for enterprises to fully realize the benefits of many of these investments, they need to change how many of their internal departments interact with one another throughout the customer journey, focusing on benefiting the customer while they are transforming and enhancing their service organization and culture. Figure 4 shows the top 10 enterprise servicing goals for 2017. (The rest of the goals represent the tactics that organizations are going to use to position themselves to deliver an outstanding experience.)

Figure 3: 2017 Top 10 Enterprise Servicing Goals



Source: DMG Consulting LLC, January 2017

The top 10 goals are:

1. *Delivering an outstanding CX:* This has proven to be an elusive goal because customer expectations and needs continuously evolve. Enterprises need an ongoing stream of customer insights so that they can determine the actions that are necessary for improving the CX. This is an ongoing process.
2. *Improving productivity:* Executives are required to keep their operating costs under control, which is why they are looking for cost-effective means to improve the CX. Companies are investing in technology and best practices to more fully engage employees so that they have the information they need to deliver an outstanding CX. The better prepared and enabled the staff, the more productive and, as importantly, satisfied and fulfilled they are.
3. *Increasing/improving use of self-service solutions:* Companies are striving to improve the use of their self-service solutions. This is driving a much-needed round of investment in very outdated interactive voice response systems (IVRs), websites, and intelligent virtual agents (IVAs) and bots. A large percentage of customers would either prefer or are highly satisfied using self-service solutions, as long as these self-service tools do a good job. When these solutions perform well, they improve the CX and improve productivity.
4. *Reducing the cost of service:* This should be tightly tied to improving productivity, but can be addressed in other ways when productivity improvements cannot be found. In order to support the many goals of the enterprise, contact center leaders need to figure out how to reduce their operating costs; therefore, executives expect to see an ROI for all contact-center-related investments. Vendors who can deliver cost reductions of as little as 1% to 2% will have a major advantage, particularly when these savings also generate improvements in the CX. Companies are going to consider investments in speech and text analytics, voice of the customer (VOC), desktop analytics, customer journey analytics, workforce management and the dependable quality management to help them achieve their goals.
5. *Delivering a personalized CX:* This is the first time this goal has shown up on the list of enterprise servicing goals, and it reflects the changing times. Personalizing the service experience is a great way to address the prior 4 goals. Customers expect the companies they interact with to know who they are and, sometimes, what they need. If a company has this information, they can match each customer to a service provider who is best able to address their needs. This will reduce operating costs, as the interactions will be done more quickly. It could also increase the use of self-service solutions because the insights into each customer's needs can help the company make their self-service solutions better and more user-friendly. This will improve productivity at the same time as all of these actions will improve the CX. Improving the CX is a very broad category that requires a combination of analytically-oriented solutions working synergistically to provide the insights needed to identify customer needs and wants and to accomplish this goal cost effectively.

6. *Reducing customer effort:* Customers expect companies to make it easy for them to conduct business. Customers want first contact resolution; they do not want to be put on hold, transferred or called back. Reducing effort for customers and agents is a customer requirement that will improve the company's productivity and reduce operating costs.
7. *Enhancing customer engagement:* Keeping customers engaged in positive activities builds loyalty and retention. It's essential to deliver a personalized and outstanding CX in the manner and time frame expected by each customer, but it's as important to build a relationship with each person to keep them coming back for more. People prefer to do business with companies that they like. This is why companies invest in loyalty programs that keep their customers coming back for more.
8. *Improving customer retention:* Without customers there is no business. The ultimate goal is to retain and expand relationships with profitable customers. This is a goal that is foundational for organizations and must always be a top priority for everyone within the organization.
9. *Improving cross-departmental coordination:* Companies are not yet sure how to achieve this objective, but they recognize that it's essential for customer retention and delivering a great CX cost effectively. Addressing this objective will require changes in the company's culture as well as new and improved servicing systems that provide insights into the overall customer journey.
10. *Enhancing reporting/analytics:* This goal is always on the list of top ten servicing priorities for companies because effective analytics and reports provide the data that managers need to do their jobs. Vendors are finally responding to the needs of their enterprise clients and are providing better, cleaner and timelier insights so that managers have the information they need to meet and exceed the needs and expectations of their customers.

V. Bottom Line

Delivering great service isn't optional; it's a necessity to enable companies achieve their top enterprise goal, which is to increase revenue and profits. Based on DMG's survey results, in 2017 companies are expected to invest more in initiatives to position themselves to deliver great service than they have in any prior year. Enterprises "get it"; they are listening to their customers and are planning investments to improve their bottom line. The challenge is that for enterprises to realize the full benefits of these investments they need to re-imagine and transform their entire company to a service-oriented culture that is dedicated to providing an outstanding experience at every step and touch point in the customer journey.

About the Sponsor, Verint

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About DMG Consulting LLC

DMG Consulting LLC is a leading independent research, advisory and consulting firm specializing in contact centers, back-office and real-time analytics. DMG provides insight and strategic guidance and tactical advice to end users, vendors and the financial community. Each year, DMG devotes more than 10,000 hours to producing primary research on IT sectors, including workforce optimization (quality management/liability recording), workforce management, performance management, speech analytics, desktop analytics, text analytics, customer journey analytics, surveying/voice of the customer, voice biometrics, cloud-based contact center infrastructure, dialing, interactive voice response systems and proactive customer care. Our actionable solutions are proven to deliver a lasting competitive advantage, and often pay for themselves in as little as three months. Learn more at www.dmgconsult.com.

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