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Knowledge-Infused Customer Relationship Management: A Game-Changing Investment for Customer Support

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Executive Overview

Combining knowledge management (KM) with customer relationship management (CRM), *knowledge-infused CRM* represents a game-changing investment for support organizations that can help them not only weather today's budget cuts but also improve service levels and customer satisfaction.

Introduction

The role of customer service in an organization has probably never been more difficult—or more critical to the organization's survival. Most customer service organizations have recently seen operational budgets cut by amounts in the neighborhood of 20 percent. In addition, the goal of maintaining quality customer service has become more difficult to achieve, with internal reorganizations, bankruptcies, and mergers all taking place with unprecedented regularity. Plus, all the traditional challenges, such as ensuring consistency across global support organizations and handling the increased complexity of products and customer environments, still remain.

In spite of these harsh realities, however, the customer service show must go on. Even in good times, delivering effective service and ensuring customer satisfaction are vital. Today these imperatives are quite simply a matter of survival.

So this is what it comes down to: organizations must deliver the same levels of service with fewer resources. Can it be done? It certainly cannot be achieved with the same technologies and operational approaches. An even better question: what if your support organization could do more with less? What if in the coming months, your support organization could deliver services that are more advanced, responsive, and effective while all your competitors are busy treading water? Read on, and find out how.

Customer Service Is About Answers

The most important aspect of a satisfying customer experience with a contact center is getting a representative who can meet all of the customer's needs—without having to forward inquiries to other representatives. The most important aspect of a satisfying customer experience with a Web self-service site is finding the answer quickly, without requiring escalation to the contact center. Customers are less concerned about how they get their answers than they are about getting the correct answer quickly.

The original iteration of CRM falls short in delivering several key requirements of today's customer service organizations:

- **Intelligence.** CRM systems lack the centralized intelligence needed to deliver innovation and more-consumer-driven interactions, so support agents can't learn, serve, or collaborate as effectively as their jobs require.

- **Collaboration.** CRM systems don't enable customers to become more self-sufficient, nor do they foster a community that can generate its own answers. This is because they lack tools such as concierge wizards and capabilities to help a user to establish a social reputation—features needed to power effective forums, wikis, and other social networks.

- **Insight.** CRM systems have fallen short in providing the analytical insights customer service organizations require to truly understand customer needs, so it is difficult, if not impossible, to optimize answers and, ultimately, the customer experience.

These limitations, already painful shortcomings, are becoming increasingly important in an economic climate that is forcing organizations to try to do more with less.

Customer Relationship Management Plus Knowledge Management

Organizations have a significant opportunity to not only weather today's budget cuts but also to overcome the limitations of traditional CRM solutions, improve service levels, and help strengthen their competitive position. How? By harnessing the capabilities of *knowledge-infused CRM*—an intelligent integration of CRM and KM.

With the addition of KM, organizations gain the centralized intelligence they need for delivering answers—fast, accurate, relevant answers. Providing this centralized intelligence is the best way to foster the knowledge and confidence that agents desire. Below are just a few of the ways knowledge-infused CRM can benefit today's support organizations. It enables them to

- **Enhance agent efficiency and effectiveness.** After downsizing, customer service organizations often lose some of their more experienced support agents. Therefore it is vital to move from a support model in which knowledge and expertise walk out the door when seasoned employees leave to a more collaborative support model in which solutions are developed, managed, and shared as part of the daily resolution process. This not only helps with overall morale and confidence but also empowers new agents to become more proficient faster. Knowledge-infused CRM systems can provide answers in real time with minimal agent involvement. For example, as a service agent is

working on the case resolution screen, an integrated KM solution can automatically leverage the context of the interaction and provide immediate advice to assist with the resolution process.

- **Minimize training time.** In the wake of a reorganization, a reduction in staff, and turnover, new as well as existing employees need to be trained. Knowledge solutions coupled with CRM can have a dramatic impact on reducing employee training schedules. Instead of investing in training programs that take agents away from servicing customers, management can focus on developing the essential content required for basic problem resolution and knowledge retrieval. Ultimately, organizations can shorten training schedules. Plus, with the KM system accessible through the CRM interface on each agent's desktop, agents can work—and get the answers they need—in one single application.

- **Minimize call resolution times.** To reduce costs, many organizations have been forced to consolidate call centers or business units, which can mean longer call times, increased escalations, and decreased first-call resolution rates. By arming agents with one-click access to better information, knowledge-infused CRM can help organizations avoid these negative trends. With access to knowledge through their existing CRM interface, problem resolution becomes faster and more seamless for agents.

- **Improve consistency.** When KM and CRM are fully integrated with all support channels, the playing field for agent competencies is leveled and every agent can more quickly and intuitively deliver consistent answers.

Knowledge-infused CRM can be fully leveraged in agent-assisted channels as well as in Web self-service. Powering knowledge-infused CRM with a centralized knowledge platform means that customers get the same correct answers, regardless of the channel they use. Variety may be the spice of life, but it's death in customer service.

Yielding Breakthrough Gains

To meet today's unprecedented challenges, support organizations can't rely on their traditional technologies and approaches.
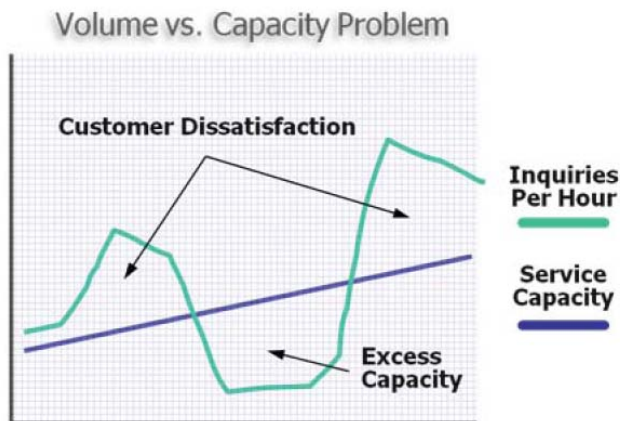

Figure 1. Customer service departments face the classic problem that when volume rises, the capacity to handle it diminishes, along with customer satisfaction.

To improve operational performance, support executives have employed the following types of efforts:

- **Workforce optimization.** This approach employs technologies to understand peak performance times and to optimize the scheduling of resources around those peaks.
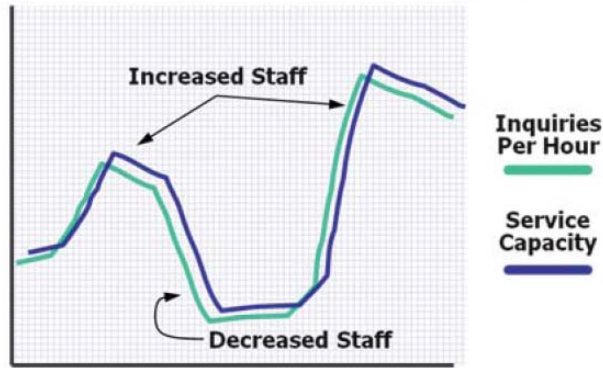
Traditional Approach: Optimize Capacity

Figure 2. The workforce optimization approach entails increasing staff during times when there are more customer inquiries and decreasing staff when inquiries decrease, but it has only a marginal effect.

- **Skill-based routing.** Adding more intelligence to interaction routing can ensure that inquiries are directed to the most skilled agent or group to optimize the experience.

- **Outsourcing.** In this case, a certain percentage of interactions is offloaded to external providers such as service bureaus during times of peak customer demand.

Customer service operations that rely on these traditional techniques and technologies are limited in the improvements they offer. At this crucial time when we are all trying to do more with less, these same old strategies may yield a 2 percent to 5 percent efficiency improvement. Fundamentally, this won't help much if budgets have been slashed by 20 percent and your challenges are compounded by the need to consolidate staff or lines of business.

That is why introducing the progressive knowledge approach to solve this problem makes so much sense. This new approach includes several initiatives:

- **Right channeling.** Support organizations can develop an effective Web self-service channel to push low-value interactions to the Web. Of course, this channel will be effective only if it can find correct answers a high percentage of the time. Optimizing the right channel for the right interaction with a centralized knowledge platform is at the core of knowledge-infused CRM. Customers, regardless of channel, receive consistent answers, and the only way to meet the demand for service with diminishing personnel is to expand access to answers through more self-sufficient channels.

Progressive Approach: Optimize Volume

Right Channeling Volumes
- Increasing 1st Contact Closures
- Increasing Self Service Adoption

Inquiries Per Hour

Service Capacity

Optimized Execution
- Call-time Consistencies
- Skill-level Consistencies

Figure 3. The progressive approach to customer service includes right-channeling inquiries (often directing people to self-service tools), depending on the value of the interaction, and optimizing execution with knowledge access.

- **Smart agents.** Every manager dreams of being able to clone the best agents. Providing all agents with the knowledge they need in order to deliver fast, accurate answers is the next-best thing. Equipping agents with knowledge not only decreases their time to proficiency but also has a direct impact on eliminating repeat inquiries.

- **Collaborative services.** A new generation of social collaboration is quickly becoming mainstream. Service strategies must quickly enable and support this trend. Discussion groups are developing into a proving ground for peer-to-peer networks of service communities sharing everything from service tips and product feedback to buying advice. Helping customers help each other is emerging as a fundamental piece of the service picture—one that not only serves customers but also helps contribute feedback to the lifecycle of knowledge, improving knowledge-infused CRM.

By accomplishing any one of these knowledge initiatives, organizations can enjoy a 20 percent to 30 percent improvement in operational efficiencies. Simply put, even after significant budget cuts, organizations can still deliver improved customer service.

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Self-Funding, Phased Implementations

Given the significant cost savings and efficiency gains that knowledge-infused CRM can deliver, the financial justification is clear. But to minimize the up-front cost outlay and resource investment, many organizations phase in their implementations, so that the gains derived from an initial implementation phase can be realized and help fund subsequent phases. For example, some organizations implement Web self-service in their customer support portals first, which can deliver significant cost savings through call deflection. Those savings can then be leveraged to help offset the initial expenditure for deploying knowledge-infused CRM technologies in the contact center.

Fundamentally Changing the Market Landscape

As more companies start to realize the benefits of knowledge-infused CRM, they gain competitive market advantage. Increased margins lead to increased profit. Increased customer satisfaction leads to increased loyalty, sales, and renewals. Customers have also started to see for themselves how knowledge-infused CRM capabilities can yield breakthrough results. For example, a manufacturer of automation and control parts integrated KM capabilities with its Siebel Customer Relationship Management (Siebel CRM) solution from Oracle. As a result, it saw 35 percent faster resolutions and witnessed a 68 percent improvement in customer satisfaction.

Conclusion

In today's troubled economy, mergers and reorganizations are daily news, staff reductions become the only option, and budgets are slashed drastically. Traditional CRM simply doesn't fill the bill. Ultimately, knowledge-infused CRM represents a critical strategic imperative that can fundamentally transform the way businesses interact with their customers—and keep them afloat in this difficult business climate. With knowledge-infused CRM capabilities, support organizations can

- Truly understand the intentions of customers and use that understanding to optimize every interaction

- Save operational costs by pushing low-value inquiries to Web self-service channels

- Better capture and share knowledge among individuals and across teams and departments—enabling agents to be more responsive, efficient, and effective

- Give customers an opportunity to participate in user communities and become more self-sufficient

- Increase customer engagement in the business, boosting satisfaction and loyalty

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