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Quotes

"If you want creative workers, give them enough time to play."
-John Cleese

"Hello, This is David from Hattiesburg..."

Several substantial seismic events have taken place in the call center industry and we are seeing those play out today. First, my recent calls to call centers, which I do a lot of, have many people stating their name and geographical location. Of course, all locations are within the US, suggesting that there is ample customer feedback in some sectors of the industry from those dissatisfied with offshore call centers for one reason or another. Because of this, not only is there repatriation of call centers going offshore, a rethinking of offshore strategies, but also a recognition that state-side call centers can stop being lumped into the "offshoring of American jobs" by having the agents state their location at the beginning of the call.

Two articles in the past few months in *Business Week* and *The New York Times* respectively highlight changes as well. The *Business Week* article highlights the repatriation efforts of Dell, US Airways within the US and Powergen and the Royal Bank of Scotland in the UK as exemplars of a new understanding of the value a domestic call center offers a company. In short, the article suggests that customers want to be taken care of and that a bad experience with an offshore call center leads a customer to feel of no value to the company resulting in the customer taking her business to the competition.

The New York Times reported that Netflix, compared to its rival Blockbuster, has ensured that all call center activity is within the US, and has even gone so far as to drop email inquiries since the customers did not like them. Netflix, which is maturing as a company believes its 24 hour human face call center strategy will create a competitive advantage compared to Blockbuster. Blockbuster's call centers are outsourced and customers are encouraged to use the website instead of talking to a person. The story highlights how a Netflix agent can save an account from closing by hearing what the customer needs, serving that need immediately, and thus keeping the account active and revenue flowing.

It will be interesting to watch and see if the less expensive less human interaction Blockbuster model or the 24 hour human face of the company model allows one of these companies to see a larger gain in market share over the next few quarters. I for one am glad to see that Netflix is attempting to leverage its

Fun Facts

Recent articles and reports suggest that it takes between 5 and 10x the cost to reclaim a lost customer than it does to keep an existing customer. This means that for every dollar spent solving a problem for a client, an additional five to ten dollars it would take to get that customer back from the competition.

Picture of the Week

This is a close-up view of a statue in the Vatican museum. Three things are worth noting. One, that the Vatican Museum's collection of statues is the largest and best I have ever seen anywhere. There was so much excellent work it was overwhelming since you wanted to look at it all in close detail even

call center to its full potential as a revenue/market share producer and is not just viewing it as a cost function that needs to be reduced.

CEM vs CRM-What is the Fuss all About?

Richard Snow, NACC Advisory Board Member and
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In a world where three letter acronyms proliferate, is the emergence of CEM just another marketing ploy invented by vendors keen to sell products in highly competitive markets or is it something businesses should sit up and take note of. CRM – customer relationship management – has been around for several years now and is associated with anything from creating a customer database to driving marketing and sales initiatives to full blown CRM application suites from vendors such as Oracle and SAP that promise to take care of managing every aspect of "managing customer relationships." CEM – customer experience management – appears on the surface to be very similar in that it promises to improve the customer experience at every touch point and thereby keep customers more loyal. Therein lies the issue, both are striving to achieve the same end result – more loyal customers – so many would say they are one and the same thing.

The very phrase customer relationship management suggests that organizations should spend their dollars managing relationships. But how do you "manage a relationship?" Or even more fundamentally "can an organization and a customer have a relationship?" Relationships tend to be one-on-one and rely on a continuous dialogue between the individuals, something which is very hard for organizations to have. So at the heart of CRM was the concept of "markets of one" where organizations attempt to personalize every interaction with a customer, a great idea but something very hard to achieve in today's mass market place that is more and more influenced by trading on the Web. Three things get in the way of achieving this ideal:
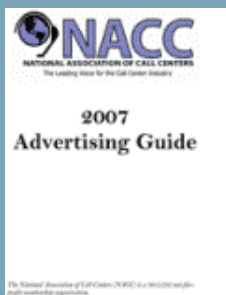1. customers interact with many different business units within an organization and more often than not these don't share processes
2. in the same way different business units, including the contact center, have different systems managing customer data, and our research shows that less than half of organizations make any attempt to synchronizes these different sources
3. customers interact through many different channels of communication and again there isn't very much consistency across different channels, with the Web often being the channel most out-of-line.

This is where CEM comes into play. Ventana Research defines CEM as the set of activities and processes required to ensure

though the tour does not accommodate such close scrutiny. Second, the statue collection is in essence a total collection of many Popes' personal collections over many thousands of years. Since the Pope is in charge of the church's many functions, including fiscal, he has the ability to purchase such works of art as a personal collection which in reality is the property of the church. The Vatican has ample masterpieces of paintings like the Sistine Chapel and others which are often noted, however, the statuary was by far the most memorable piece of the huge museum collection we saw.

Falling Man by Don DeLillo
May 2007

consistency between all interactions with a customer, to the maximum benefit of the customer and the organization. It relies on organizations creating and maintaining a single source of the truth for customer data that is kept up-to-date and consistent across all systems, especially those used to support different channels of communication. It relies on companies creating a single, 360-degree view of customers that reflects all interactions and business transactions, across the entire lifetime of the customer. It requires organizations to review their processes across the entire organization and ensure these are consistent across different business units, in turn making sure, for example, that if a customer responds to a market campaign, this is reflected in any sales transactions, which in turn are carried through into invoicing, which are also reflected in calls to the contact center and field service visits; and most importantly making each interaction consistent with the 360-degree view.

All of which means companies need to take a hard look at what and how customer information is provided to employees interacting with a customer and how each interaction can be supported in different ways depending on the particular customer. So CEM is more pragmatic than CRM, with lower ideals that don't presume any relationship but works on the theory that more chance customers will remain loyal if every interaction is consistent and meets their expectations.

What I am Reading

Don DeLillo is one of my top five favorite authors of all time. So when there was an announcement of his new book *Falling Man* coming out, I preordered it on Amazon.com and moved it to the top of my reading list when it arrived.

Falling Man refers to three items. One, the image of the man who was caught on film leaping from one of the World Trade Center Towers on September 11, 2001. Two, a performance artists who dressed up like the man in the image and who would be found hanging from nearly disguised ropes in the position of the man falling from the building. Last, the name represents the everyday man in the book, Keith, who was in tower 1 when the first plane hit and made it out alive, with both physical and psychological injuries. This book walks the reader through the life of Keith as he tries to re-integrate himself into a normal life after 9-11. Not surprisingly, not only is he traumatized, but his family and friends are as well from their personal experiences in NYC during the event. We see Keith, his ex-wife, kids, his poker friends, and neighbors live out the stresses, anxieties that this event created.

This is an excellent book, but a difficult one, not surprisingly due to the sensitive nature of the subject. I wanted to review this book now, on the eve of the 6th anniversary of 9-11, since this event, more than any other in the past 30 or more years, has compelled artists of all types (writers, song writers,

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singers, performance artists, etc.) to produce some work related to this tragic event. Don DeLillo is no exception and his moving book *Falling Man* brought me back to that day in September in 2001 when our world changed.

Click on the image to the left to go to Amazon.com's website for more information on this book and to purchase it if you like.

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