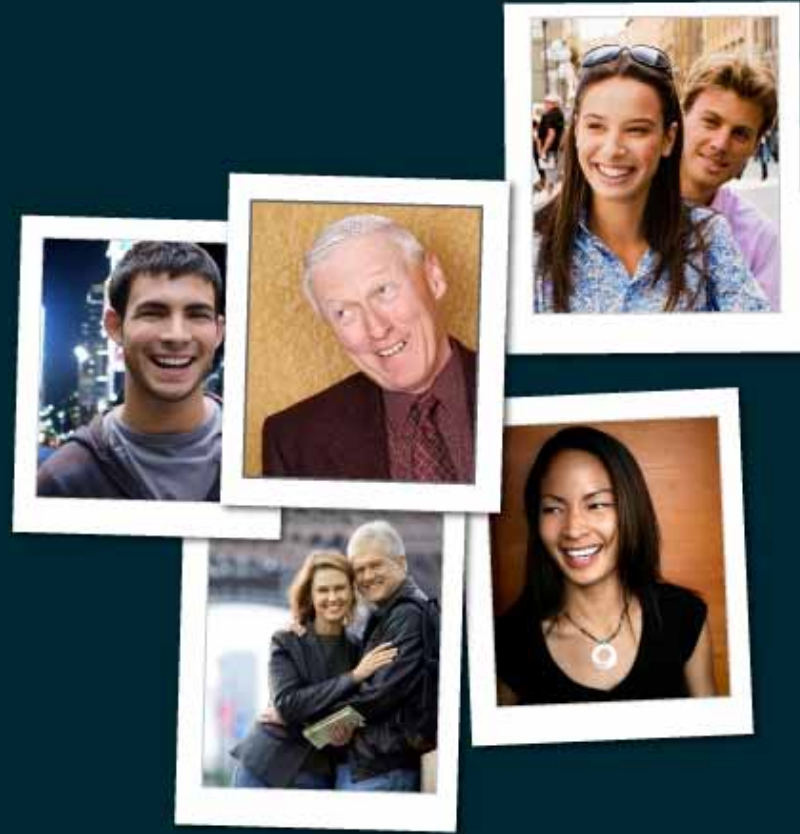


SUMMIT 08



MOVING FROM A COST CENTER TO A PROFIT CENTER

Stephen Bell

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- What's driving the contact center transformation from cost center to profit center
- Why it makes sense
- Transformational enablers: people, process, technology
- Best in class performance
- Challenges and rewards
- Steps to success

WHAT'S DRIVING THE TRANSFORMATION

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- Corporate shift in focus from acquisition to customer retention due to:
 - Tightening regulatory restrictions on direct outbound marketing
 - Diminishing returns from direct outbound marketing
 - Challenging economic climate
- Recognition of customer service experience as competitive differentiator and top-line revenue contributor

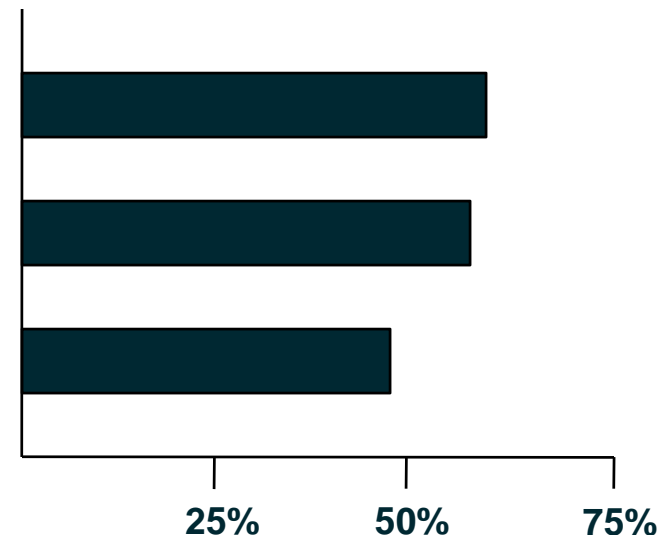
Top pressures to provide cross-selling and up-selling in the contact center

Source: Aberdeen group May 2008

Need to establish customer service as a competitive differentiator

Revenue and profit

Balancing customer satisfaction with revenue and profit



- Every customer interaction is an opportunity to reinforce your brand - the contact center is the hub of the customer interaction
- Selling in the contact center is a manifested opportunity to establish competitive differentiation by identifying and fulfilling unmet customer needs
- Service interactions present the ideal opportunity where:
 - The customer is actively engaged - by choice
 - Customer needs are more transparent - the context of their service actions point to needs

- Challenges:
 - Creating the appropriate agent incentive system to motivate agents to not only solve issues but also cross-sell and up-sell
 - Lack of agent understanding of what products/services to sell and when to sell
- Rewards:
 - Create brand lock-in
 - Improve customer satisfaction and retention
 - Increase revenue per contact

- Agent access to knowledge:
 - 24x7 access to complete customer information
 - Rapid access to answers to resolve issues and set up offer opportunity
 - Access to the appropriate offer information
- Agent empowerment:
 - Agents need to be empowered to determine the right time to present an offer during the service interaction
- Agent training and performance measurement:
 - Ongoing training on cross- and up-selling techniques in the context of servicing
 - Agents must be measured on a balance of productivity (traditional service KPIs) and revenue KPIs

AGENT PERFORMANCE MEASUREMENT: BALANCE HANDLE TIME VS REVENUE

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Calculation	Formula	Result
Agent cost per minute	$((\$120,000 \div 52) \div 40) \div 60$	\$.96 per min
Avg handle time when cost reduction is emphasized	5 minutes	
Cost per call	$5 \times \$.96$	\$4.80
Calls per month	10,000	
Total agent cost for supporting customers	$\$4.80 \times 10,000$	\$48,000
Upsell/cross-sell rate	0%	

Avg handle time when revenue is emphasized	7 minutes	
Cost per call	$7 \times \$.96$	\$6.72
Total agent cost for supporting customers	$\$6.72 \times 10,000$	\$67,200
Upsell/cross-sell rate	3%	
Value per cross/upsell	\$100	
Monthly cross/upsell revenue	$10,000 \times 3\% \times \100	\$30,000
ROI	$(\$30,000 - (\$67,200 - \$48,000)) \div (\$67,200 - \$48,000)$	56%

- Proactive Chat
- Co-Browse
- Agent Scripting
- Offer Management systems
- Marketing Automation
- Customer Feedback Management
- Quality Monitoring and E-Learning
- Analytics
- Integrated Multichannel Platform



Description:

Ability to dynamically present a chat invitation to a consumer based on specific, definable circumstances

Drives contact center revenue by:

- Facilitating a “save” when customers are trying to cancel an existing service or an order
- Shortening sales process by resolving customer issues & objections immediately and moving a prospect through the sales cycle
- Closing sales by assisting in the order and form completion and preventing shopping cart abandonment

“Customers often abandon their online efforts when confronted with a complicated task. But firms can deter this... by **deploying chat** to provide access to agents who can reason, diagnose problems analyze information and make recommendations.”

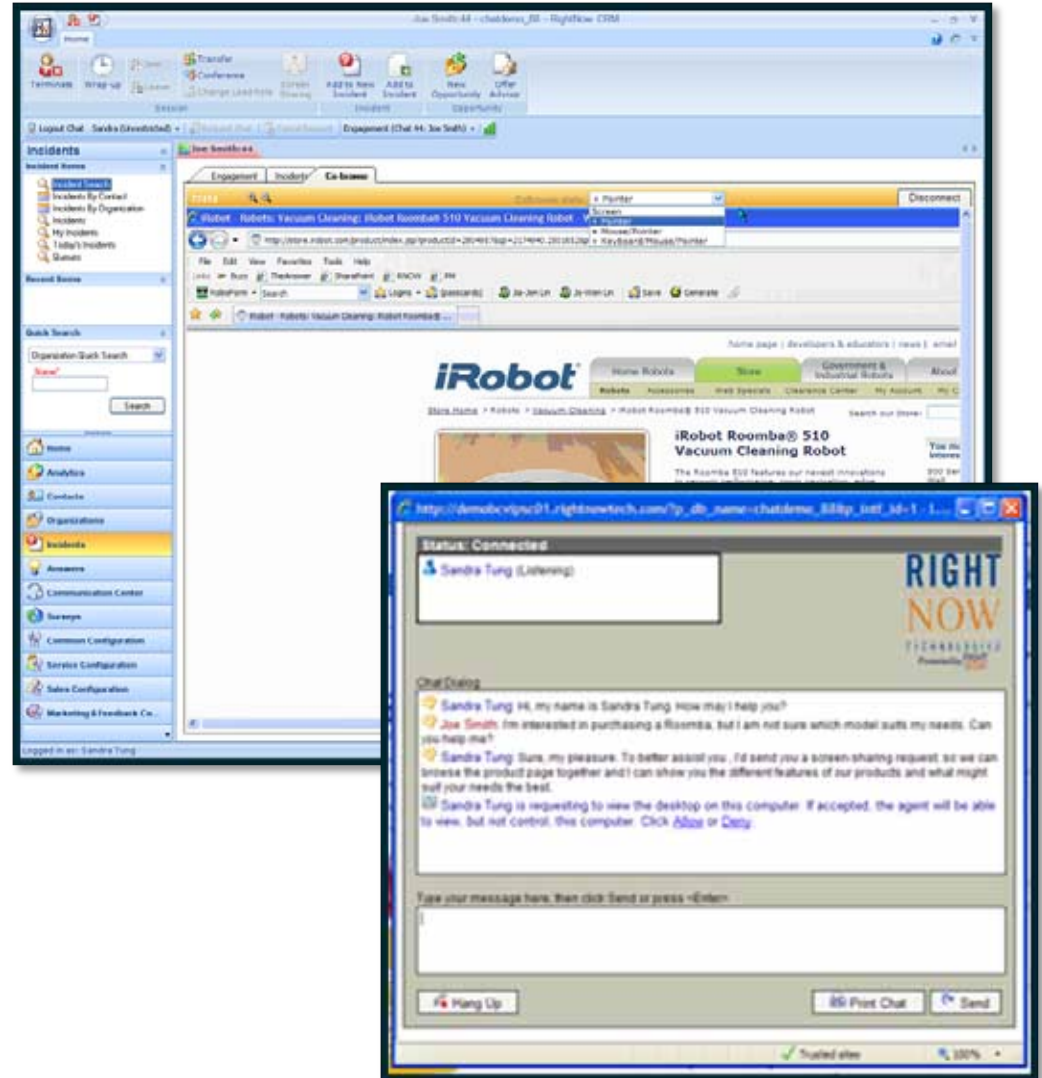
Forrester, *Improving the Design of Chat Interaction*, March 2008

Description:

Ability for a consumer to grant an agent permission to share the consumers' desktop during a chat or phone interaction

Drives contact center revenue by:

- Facilitating consultative selling
- Helping convert online visitors to customers
- Decreases shopping cart abandonment
- Increasing transaction size by creating up-sell/cross-sell opportunities and enabling persuasive selling

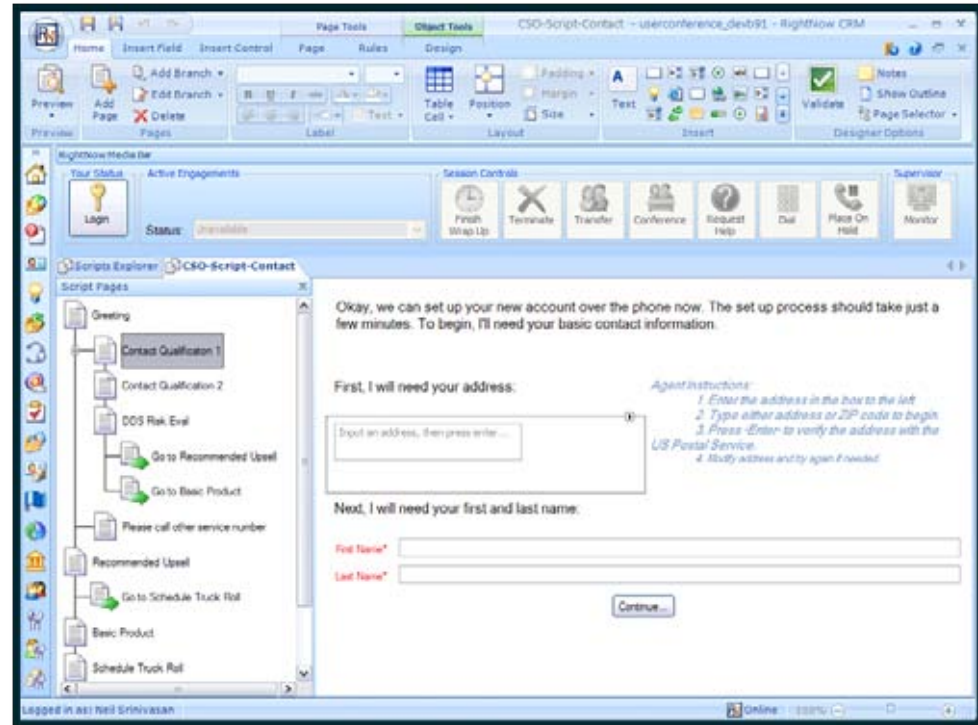


Description:

Ability for agent follow a defined dialog (offer script) with a customer.

Drives contact center revenue by:

- Automating the cross-selling/upselling process, improving efficiency and effectiveness
- Enabling all agents to follow offer delivery best practices
- Facilitating quicker ramp-up of new agents



Description:

Decisioning engines that identify and present offers on the agent desktop that a customer is eligible to receive.

Drives contact center revenue by:

- Leveraging customer profile data to determine the most relevant offer to present at the appropriate time
- Scoring a customer's likelihood of accepting an offer, and continuously learning and improving by recording response data
- Selecting the best offer aligned to business goals

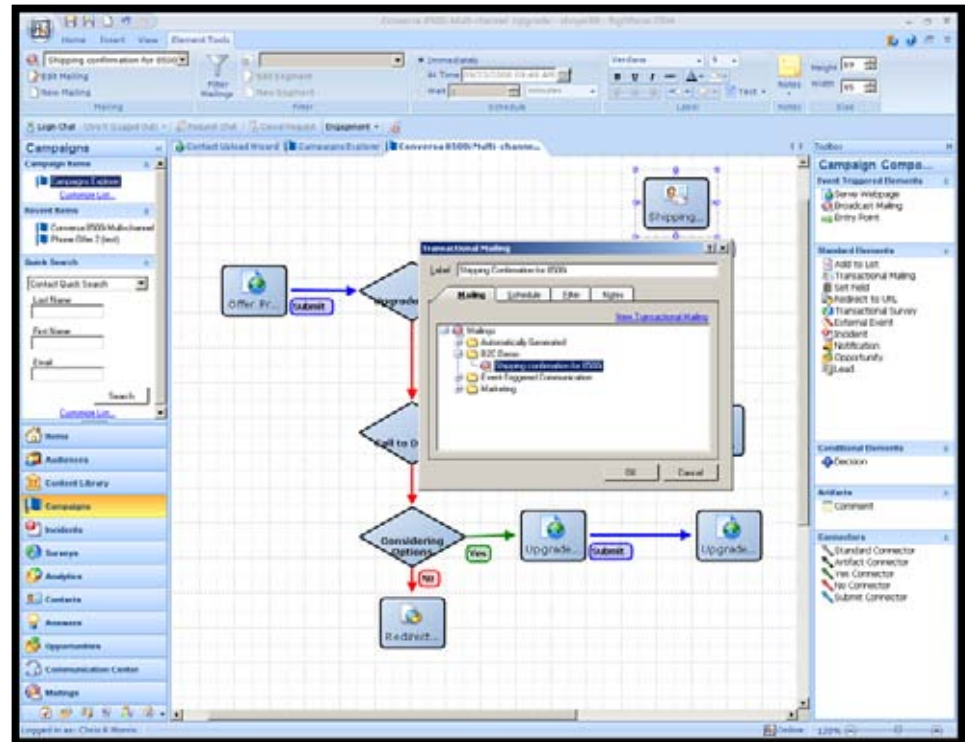


Description:

Leveraging marketing campaign management tools in the contact center to drive targeted, proactive communication

Drives contact center revenue by:

- Workflow rules & transactional emails
 - Automatically triggering transactional emails to promote offer/coupon, based on event
- Segmentation
 - Targeting your outbound customer mailings at right time right place
- Personalized content
 - Conditional sections and merge fields drive relevant content

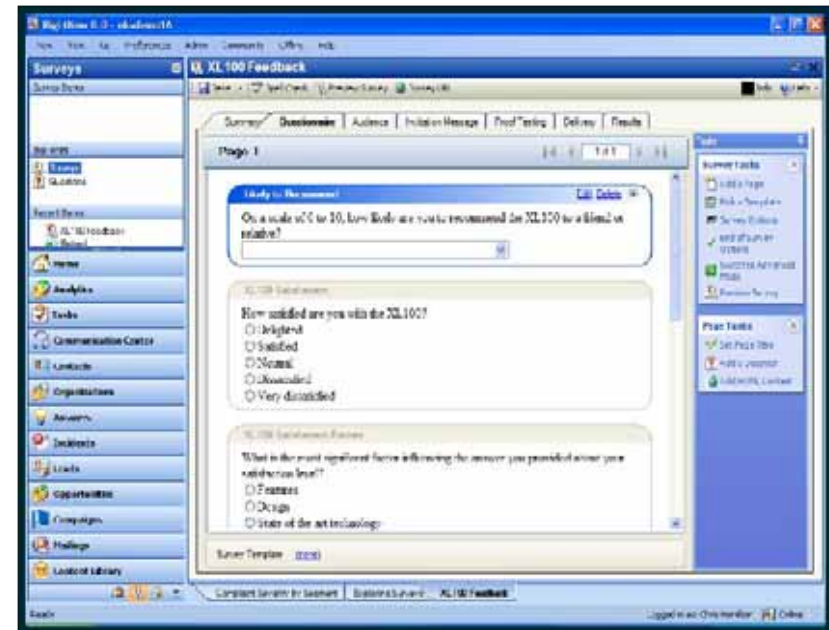


Description:

Ability to capture the voice of your customers across the multiple channels they interact with you, and take action on that feedback

Drives contact center revenue by:

- Ensuring that your customers are getting their issues resolved appropriately and are satisfied and amenable to receiving an offer
- Ensuring that the offer is meeting the customer's expectation - delivery style, timing, perceived value of offer



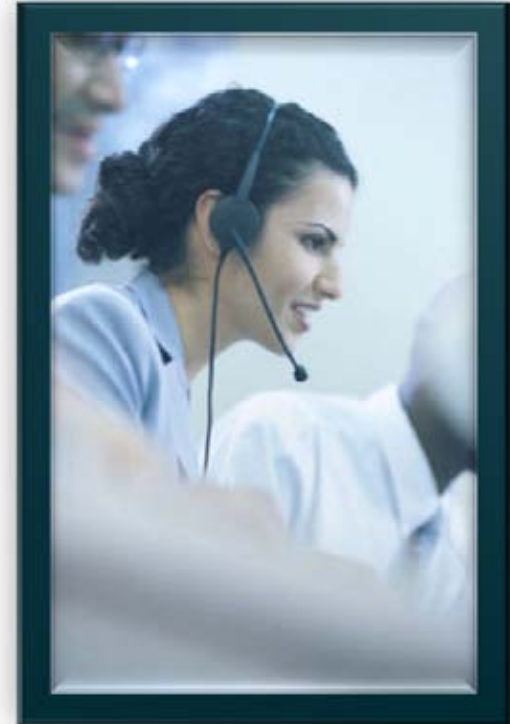
Description:

Technologies that:

- (1) Allow monitoring/recording of agent performance (audio and desktop)
- (2) Provide computer-based agent training at their desktop

Drives contact center revenue by:

- Educating agents on cross- and up-sell techniques in the context of servicing (soft sell vs. hard sell)
- Helping agents continually improve their selling skills and proficiency



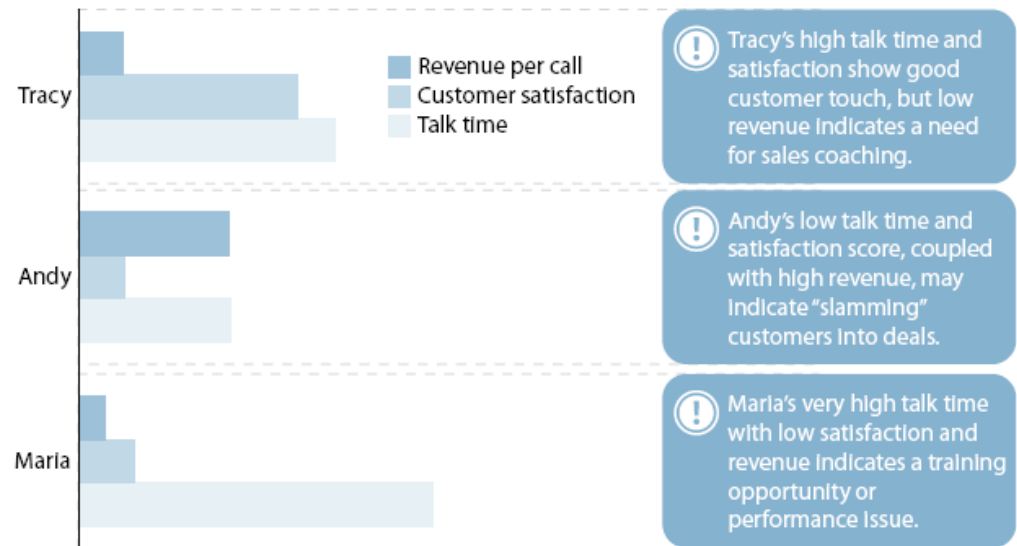
Description:

Management reports and dashboards to measure agent activity

Drives contact center revenue by:

- Giving management insight into agent performance - customer service KPIs balanced against Sales goals
- Highlighting areas for adjustment, improvement

Figure 3 Metrics Must Balance Quality, Productivity, And Revenue



Source: Forrester Research, Inc.

Description:

Unified customer communication platform built on a knowledge foundation that gives agents:

- A 360 degree view of all customer interactions across departments and touchpoints
- A knowledgebase of answers to customer questions

Drives contact center revenue by:

- Enables agents to access the right knowledge at the right time to resolve customer issues and position themselves to cross- and up-sell

BEST IN CLASS PERFORMANCE

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	Best in Class	Average	Laggards
People & Process	Enabling 24x7 agent access to knowledge:		
	48%	46%	25%
	Agents empowered to decide right time to sell:		
	57%	49%	48%
	Performance measurement:		
	<ul style="list-style-type: none"> • 100% measure cross/upsell performance • 82% measure customer satisfaction • 83% measure initial sales 	<ul style="list-style-type: none"> • 27% measure cross/upsell performance • 76% measure customer satisfaction • 34% measure initial sales 	<ul style="list-style-type: none"> • 0% measure cross/upsell performance • 67% measure customer satisfaction • 17% measure initial sales
Technology	<ul style="list-style-type: none"> • 62% use analytics • 57% use knowledge mgmt* • 33% use e-learning • 25% have implemented unified communication platform (65% plan to adopt) 	<ul style="list-style-type: none"> • 58% use analytics • 43% use knowledge mgmt • 28% use e-learning 	<ul style="list-style-type: none"> • 33% use analytics • 29% use knowledge mgmt • 24% use e-learning

Source: Aberdeen Group may 2008

WHERE DO YOU GET THIS TECHNOLOGY?

Technology	RightNow Solution	Desktop Integration to 3 rd party
Proactive Chat	August '08*	
Co-Browse	August '08	
Agent Scripting	November '08	✓
Marketing Automation	RightNow Marketing	
Offer management systems	Offer Advisor	✓
Quality monitoring & elearning	N/A	✓
Customer Feedback Mgmt	RightNow Feedback	
Analytics	RightNow CRM	
Integrated multichannel platform	RightNow CRM	

*August '08 - proactive chat widget on RightNow hosted pages
 1H '09 - proactive chat widget on any web page

1. Align contact center goals with corporate revenue and profit goals
2. Develop incentive package that motivates agents to sell while delivering quality customer service
3. Train your agent to sell (eventually using e-learning technology)
4. Provide agents with 24x7 access to information - KB answers, complete customer data, scripts
5. Measure cross-selling and up-selling performance in the contact center - quality monitoring + analytics
6. Implement an integrated multi-channel communication platform

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THANK YOU

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