

Attitudes towards customer relationship management (CRM) have become increasingly sophisticated in recent years, both among users and technology developers. The capability of enhanced data analytics, for instance, has opened up new possibilities for leveraging the value of customer information to improve customer service.

A gap is opening up, however, between those companies that still see the technology as the only requirement for effective CRM, and those who see the systems as the platform on which to build

a new business model. It is all very well to have the tools at your disposal, but successful CRM depends on how well you match their capability to customers' needs.

'Things are changing rapidly in the CRM arena,' says Nicola Millard, Customer Experience Futurologist for the CRM Practice at BT Global Services. 'Just putting in the technology doesn't seem to change anything radically. What is important is that companies listen to their customers and harness their CRM data to change the way they do business. People are starting to realise that now.'

For BT, the customer contact centre is where the value of CRM is most clearly demonstrated. BT has 21 million customers undertaking 12 million transactions per day through a customer services effort that comprises 20,000 agents, 16,000 field engineers and 2,500 sales people. To improve its efficiency and level of service in dealing with a huge customer base, the company has been looking closely at how to handle queries and complaints better, and how to target valuable customers.

Millard's job is to look at how CRM will develop in the future, so that BT can

**Nicola Millard**, Strategic Futurologist at BT, tells us that, as customer service technology prepares to harness the power of Web 2.0, companies that switch to this new mindset will be able to sail ahead of their competitors.

# Change your course



anticipate key trends and take a lead in driving them forward. She is already seeing the green shoots of a new mindset that will come to pervade the CRM space, where customer analytics will have a direct impact on how a company does business.

'Companies are trying to intelligently use the massive amount of customer data they generate to be proactive. They are starting to look at why their customer call in contact centres, not just how often. There is now a realisation that there is a lot of data in front of a person at the front line dealing with customers. We know use data analytics over and above the CRM technology to prequalify calls, or to identify next-best solutions if a resolution cannot be found. The analytics allow us to be proactive,' she remarks.

### CRM 2.0

Companies generate massive amounts of customer data, but the latest online revolution gives them access to even more information about the people in their target markets. Web 2.0 is bridging the gap between companies and their customers, and pushing customer data into the public arena.

Web 2.0 is not a technological change, but a new way in which software developers and internet users are using the existing technology.

'Web 2.0 makes customers accessible to companies. They put their data out there online and there are questions over whether that data can be used for CRM purposes. For instance, there is talk of companies Googling high-value customers to personalise service offerings, and in California there has been some mining of blogs for useful CRM data,' notes Millard.

The collaborative environment engendered by Web 2.0 is driving the development of CRM 2.0, which is not a term Millard likes, but nevertheless embodies the trend towards involving customers more in the development of products and services. It could well become the essential platform for the improvement of customer services in the future, given the trends in how customers use different channels to interact with service providers.

Data suggests that customers often go online to seek solutions to problems that might once have generated a call to a contact centre, which is now seen as a last resort. From a CRM perspective, there is

potential to harness this online activity to improve customer service.

'For us, the more important aspect concerns online customer communities and pressure groups, where customers talk to customers. Companies' strategies are very transparent online, so the power lies with the customers now. Organisations can't sulk in a corner if a customer has a problem. They have to engage with their customers through this new channel,' she adds.

At BT, this view has led to the creation of Hubbub [see box, right], an online customer forum. This is one element of the broad-ranging BT Customer Experience project, which is in turn part of BT's radical 21st Century Network programme of transformation.

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Millard's work on the Customer Experience project focuses on how best to measure, analyse and manage customer interactions. She feels intelligent analytics is the key component in understanding customer satisfaction, enabling companies to use real data to look at why customers leave and what they can do to respond.

Already intelligent analytics are having an impact on BT's management of contact centres. For example, it previously used over 80 separate measures to evaluate contact centre advisors. Now, it uses only two: "cycle time" and "right first time".

'These help us identify the cost of failures and repeat calls, directly showing their impact on financials,' notes Millard, who has seen this kind of approach have a tangible impact on customer service. 'The focus is not on the average handling time, which tends to make people rush calls.'

Contact centres, she stresses, are there to deal with problems they don't generate

### Hubbub - BT's online user group

BT's Hubbub is an online customer forum to support users of BT services. Its goal is to tap into the knowledge base of BT customers to help develop new solutions to technical issues through the collaborative efforts of end users and BT's own experts.

Hubbub connects customers facing similar technical issues, as well as connecting the company to its user community. It not only supports faster resolution to technical issues, but it enables BT to migrate more customer contacts away from its call centres.

themselves. Instead they deal with issues such as incorrect billing or missed engineer appointments, and a more sophisticated analysis of the reasons that drive customers to call in has yielded changes in policy that improve customer experience, while also improving BT's cost efficiency.

For engineer appointments, for instance, BT now sends text message to the customer the day before and then again two hours before the agreed time.

'Everybody wins. We are proactive in cutting the number of calls about engineer appointments, we give the customer more up-to-date information, and we have saved around £1m each week in incoming calls and failed engineer visits. It's all about keeping our promises and keeping our customers informed,' says Millard.

Trials of intelligent analytics applications in 2005 successfully reduced high level complaints by 80%, and overall complaints by 30%, with projected savings of around £25m a year.

For Millard, the successful use of customer analytics requires a clear strategy with well-defined targets, and she urges companies to identify what their customers want and what kind of customer experience they want to create. She also notes, however, that while the focus will always be on the customer first, companies seeking value from CRM must realise that it is their employees who make the difference.

### Invest in people

Any company can buy the same CRM systems and implement the same process techniques as its competitors, so the

value of CRM does not lie solely in the technology. It is people who make those systems count, so while they listen more closely to their customers, companies must also invest in their employees.

As more customers seek to resolve problems online in the first instance, advisors in contact centres must be able to add value.

'You can't duplicate people. You need to give employees knowledge, especially as calls to contact centres become more complex. They need good knowledge systems and good CRM systems,' believes Millard.

The first step is to recruit the right people, and here Millard sees homeshoring as an important trend. The model sees agents working from home, though within a well-defined structure. One key difference that has come to light is that homeshoring attracts a different demographic - often more mature, returning mothers or people seeking a better work/life balance with flexible working patterns - as opposed to young agents may not want to be there, or may want to move on quickly.

BT sees this as a viable option for "expert" calls, where more detailed advice is required. Furthermore, BT is familiar with similar models, given that nearly 40% of its employees already do some or all of their work from home. 'You need cultural discipline, and managers need to

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call people to keep in touch with them, and be available when agents have a problem. It's the closest to being self-employed in a contact centre. We have looked at it in the US, particularly because of the backlash there to offshoring,' notes Millard.

Homeshoring is but one example of the kinds of new approach that will define the next generation of CRM.

'Good CRM begins with focusing on customers, but it must include investment in the employees who define the quality of customer service. In the future, I also believe that Web 2.0 will revolutionise CRM, enabling customers to help define companies' offerings. If you learn from your customers you will spend less money on firefighting and be able to invest more in delivering a better customer experience,' believes Millard. ■

### Nicola Millard

Nicola Millard is a strategic futurologist at BT Global Services' CRM practice. Her mission in life is to make customer experiences better for both customers and the employees delivering them. Since joining BT in 1990, Nicola has worked extensively within BT's operational customer service organisation and also with telecoms, retail, utilities, government and finance.



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