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Is Your Effort to Reduce Call Center Costs Actually Increasing Costs?

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Overview

Decreasing inbound call center costs is a continuing objective. Automated voice processing systems can help, but more commonly, in the guise of cost reduction, overall costs are either increased, shifted to other departments or go unrecognized.

Fundamental to decreasing inbound call center costs is improving the productivity of resources employed by the call center to maintain an established value level of caller satisfaction. That hypothesis is a basic tenet few consider when making cost reduction decisions.

There are two components to this concept: a) productivity, which is the total cost to service a caller and b) an established value level of customer service satisfaction.

Call Center Savings Often Do Not Result in Decreased Costs

As an introduction, it must not be assumed that reducing call center costs decreases corporate costs. Often, it is quite the contrary. Consider a company that plans to save costs by installing an automated receptionist directing callers through a series of touch tone selections. If even a relatively small portion of the callers hang up and call other corporate numbers, never receive service, or write letters (including nasty letters to the corporate president), the overall corporate cost of servicing callers can increase.

Call center costs must be netted out against the loss in value of the call center as perceived by the callers. It is often forgotten that the recognized reason for the success of the "800" service is the toll free number. Even though a toll free number might only save the caller a few cents,

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it is recognized that it offers callers a high incentive value to call. As the difficulties encountered by the caller in reaching your company increase, the caller's real or perceived value in reaching your company decreases. While advertising spends big dollars to induce people to call in response to promotions, the savings realized by a call center using automated equipment, small in relation to promotional expenses, can increase the overall cost per lead or response. Sales can suffer because of the diminished response. The company has a net loss justified by saving a few dollars in its call center.

Summarizing, effectively decreasing costs for a call center requires considering not only the reduction of call center costs, but the effect of the change on all corporate costs, and the value of the service as perceived by the caller.

Look for Real Efficiencies

Seek improvements that decrease call center costs in real terms but don't adversely impact costs for other departments, or adversely impact the caller's perceived value. Look for techniques that enable an agent to handle more calls, reduce turnover, reduce the agent skill level or the training time. If cost savings are justified through increasing the value of the call to a target set of callers, net that gain against the loss in value experienced by callers outside the targeted set. Here are a few ideas:

a. Outsource certain routine functions or overflow call handling to a call center provider that has a lower per call cost than your internal call center.

   Using an outsourced center for catalog or sample requests is a classic situation where the proper outsource agency can excel. To be "proper" requires that the results be able to be monitored and be proven comparable to your own call center.

b. Automate more routine functions, such as product information, ordering, and market research, where the caller acceptance, as measured by yield, is at least equal to a live center. An intuitive voice processing system, such as used by ConServIT Integrated Teleservices, is ideal for this application because the results equal or exceed those obtained with live agents. Using more conventional automated voice systems for airline flight times or crew scheduling is another proven cost saving application.

c. Decrease the Information Requested by agents so available agents can handle more calls - a direct savings. Automatically obtain information from the caller while on hold (in contrast to obtaining information prior to placing the caller on hold). Alternatively, rather than only taking name and phone number for a call back, obtain detailed information so the caller can be called back by someone with the proper expertise to serve the caller and have the details of the caller's inquiry. A few seconds saved on each call can save a large call center millions of dollars each year.

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Recognize False Cost Savings

Certain applications are particularly prone to be justified under the rubric of "cost savings" that, in fact, drive up costs.

Additional Services

Account balances and stock quotations are successful additional services. Each initially was introduced as a call center cost savings measure. However, once callers recognized they were automated, they called in much more often. As a result, the call volumes, for the same function, multiplied. Rather than being cost saving, a new cost center was created. The proper justification was not cost savings, but new caller services. The real objective was to reduce costs. Due to caller acceptance, these cost generating additional services can never be terminated, because the additional calls would then be taken by live agents, compounding the problem.

Niceties

Often a call center will greet callers using an automated service and justify the menu selection as routine cost savings. A help desk for a leading software provider offers all callers the choice of hearing the ten most frequently encountered problems and their solutions. This announcement is an obstruction every caller must hear. It decreases overall caller value. It is a "nicety" without a tangible benefit. It increases costs for telephone line charges, equipment, and adds to overall caller frustration.

Getting Rid of Callers as a Cost Saving Measure

Often call centers divert callers to automated devices as a means of reducing the number of callers that need to be handled by an agent. The selection tree that greets a caller takes some time and caller effort answering questions to the best of the caller's ability, and then returns to the beginning, disconnects the caller, or the caller is told to call another number - which, incidentally, also has a selection tree that tells the caller to call at another time when the call center is open. The caller gives up and may never call again. Lost! And for the caller, the company is out of mind.

A leading software supplier uses as an option an automated faxback service to provide a list of numbers to call for particular requests. Then, they don't send the fax. This technique successfully gets rid of callers because callers don't know who to call - or alternatively it shifts the cost to other call centers that must handle the stray call.

Automated devices which get rid of callers, even if unintentional ("They don't have to call if they don't want to" is a call center rationalization), are illusory in effecting cost savings. The long term damage to the

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customer base has not been factored into the "cost saving" justification. When the callers are ignored by the call center, be assured the callers have received a strong, and perhaps irreversible impression.

Imposing on Callers

Media professionals recognize that a TV or radio listener can change the station at will. Elaborate measures are created to induce audiences not to defect. The call center shares the same problem. If callers become aggravated, they hang up. And if callers don't call back, the call center has no way to measure the aggravation experienced by the disenchanted caller.

When a call center imposes on all callers options that only relate to a small portion of the callers, the value of the service to all other callers is decreased. The call center, in effect, accomplishes its cost savings at the caller's expense. Have no doubt, callers recognize this shifting of costs.

At a recent business meeting I asked the audience if, when greeted by an automated selection tree, they keyed in a selection or waited, in silence, for an operator. Everyone said they waited for the operator. People know, and if they don't they learn fast.

If you require menu selections, keep them short, clear and universal. If you can't do that, don't impose imprecise selections or lengthy explanations or menus to which every caller has to listen. Don't impose on your callers' patience to pay for call center cost savings - if you want to maintain your service value level.

Summary

A call center exists as a centralized service to serve the caller. If that is your objective, avoid cost reductions that shift the burden to the caller. Avoid silently shifting costs to other departments.

Use automated systems that provide caller service value that is competitive with that provided by your agents. Voice mail may be OK for internal use where there is a captive audience, but the public, and your firm's customers should never be considered captive. When a prospect calls and asks to speak to a salesperson, the caller may not appreciate being told that a salesperson will call back at the salesperson convenience without any regards for the callers' availability.

Avoid the arrogance of asserting what will be good for the caller. Let the caller tell you what is good for the caller. Measure it. Test. Test. Test.

ConServIT Integrated Teleservices, a service of Conversational Voice Technologies Corporation, is a leading provider of advanced teleservices and database management services. For more information, contact ConServIT, 4205 Grove Avenue, Gurnee, IL 60031. Phone 847.249.5560 or e-mail sales@conservit.com.