

Translated Transcript – Customer Service Strategy Trends

This is an almost one-to-one transcription and translation of the Dutch podcast episode 'Customer Service Strategy Trends Podcast' of The Ramp. The text is kept as close as possible to the things that are being said in the recording. This text is therefore not intended to be a fluent report, but just as a transcript for those who would like to know what was said in the episode. If things are unclear or you would like to know more about the topic of Customer Service Strategy, then we would invite you to contact Robert Collignon and Franklin Heijnen, who were the guests of this episode. The original (Dutch) episode can be found on Spotify:

<https://open.spotify.com/episode/1Jk55zWUmUr4kFYghFAO7s?si=uMBdzguwTaWw1513Z7q9sg>

Bart

This is an episode of The Ramp: a podcast produced by Deloitte Digital's Customer Strategy and Design. Welcome to another episode with the topic of Service Strategy this time. My name is Bart and together with my guests Robert and Franklin we dive deep into what Service Strategy actually is, discuss the unique opportunities of artificial intelligence within service and end with a good number of tips on improving service strategy. A lot of interesting topics. So, I quickly give the floor to the gentlemen to introduce themselves.

Robert

Yes, I'm Robert Collignon. I work in the Customer strategy practice at Deloitte Consulting and there I mainly focus on the financial sector. That includes banks, insurers and occasionally pension funds. I also have a background in the sector, I have worked at consulting for 7 years now at Deloitte and before I worked at companies such as Zwitterleven.

Bart

Okay, thank you! And Franklin?

Franklin

My name is Franklin Heijnen, I work at Deloitte, I am involved in improving service design. I have been working at Deloitte since 2015. Previously worked at Mirabeau and I mainly work in the public sector. I focus on improving and making services more humane.

Bart

So, we're going to talk about Service Strategy. A familiar term to me, but maybe not to the listener, could you explain what it exactly means?

Robert

Yes, service strategy is essentially about making choices in your services to customers. 'Customers' can then be 'consumers'. These can of course also be companies (B2B) and for some organizations this can also be their own employees. What kind of services do you provide to your own employees within the company? It's also about which service: what do you choose? How do you make the services available? How do you ensure that

the experience that those services have to deliver will work out well? So, that is thinking about making choices in the field of services strategy.

Franklin

It often starts with listening indeed, to customers or citizens. To hear what is going on there and what the pain points are in communication and service provision. Ultimately, you look to the future and create a model to make that future tangible. Such a model often has several layers and a pyramid. Well, that often comes down to what you do digitally, for example. And what is easiest for the largest target group? Then there is a layer that is about helping with technology and often a layer that is about really personal service: people helping people in their room or on the phone. That is the human side of service. And on top of that is another layer with all the resources you have: from calling the telephone, sending letters, live contact, to desk visits. It is important that you form an image about that, about now and the future. Ultimately also an image that you must form about what you want to improve. What do you want to innovate for the customer? Think of the citizen, but also just as important for the employee who has to provide that service.

Bart

So, is this something of this time? That we're going to look at service strategy?

Robert

Well sure. It's one of the things I always say: service is one of the hottest things in town. This is partly due to the shortage of personnel. We still must look at how we are going to use the people we have as efficiently and effectively as possible. And they also want to make their work a bit more relevant and preferably a bit more fun. So, thinking about how to deploy your own employees is even more important than it was before.

Bart

Okay, do we also notice differences in different sectors here? If we look at the financial sector or the public sector, for example.

Robert

Yes, I know that in the financial sector, for example, a lot of work is done with temporary workers. And that is where the discussion plays in many organizations: what is the optimal distribution between your own people and external people? Logically, the result that is most often chosen: when you must deal with the empathetic elements, so where you really have to go deep into the conversation with the customer, you would prefer to have their own employees do that. But what is the optimal balance in this? That is a discussion that is taking place in the financial sector. And Franklin, I don't know how this is in the public sector?

Franklin

Yes, what I see is that people are increasingly listening to what people want to do themselves. Do you want to chat a lot, or do you just want to do the classic telephone answering? And we also look at making the work more interesting, for example doing

some administrative work or helping other colleagues to build up your portfolio. In the past it was very much like 'make sure you answer that phone in a fixed time frame'. You also need to ensure that there is the possibility to take more the time that is needed. Helping a citizen or a customer properly will also be expressed by, for example employees who indicate: 'I now need some rest after this difficult conversation'. Then that that space will also be created more often.

Bart

Yes, I would like to go back to the 'human dimensions' Franklin, which you talked about. What exactly does that mean? The human dimension. How does that show?

Franklin

Well, it also starts with really listening to what the needs of a customer or a citizen are. Also record what the preference is in communication, so no longer 'one size fits all', but actually listening. Would a person prefer to call or have a conversation, or rather have a chat conversation? Take that into account, because it is an important element. On the other hand, also consider the place. Where should the conversation take place? The moment it takes place, how it takes place. Giving more influence on the wishes of citizens or customers in the way of communication. But also listen to the problem behind the problem. Many people in the Netherlands also have problems with debts or financial issues. That you are alert to this, but also refer it to the right person or government agency that can help. So apart from answering a question, help yourself, or refer to the right place in the government or to another agency to have help given.

Bart

I think we now have a good idea of what Service Strategy is. People like Robert and Franklin help companies improve the range of services they offer to their customers. But that also means that you look at the employees who provide such a service. Even though this may be about something relatively process-oriented, it is mainly about the human dimension, as Franklin describes it. Interestingly enough, we then talk about exactly how technology can help with this. Robert gives a good example here.

Robert

Yes, you also see that technology is increasingly being used to support the employee in the conversation. For example, an implementation that we as Deloitte have done is summarizing the conversation, so putting a conversation report in the system. That sounds very simple, doesn't it? So, from a technological view, it is amazing that it is possible nowadays. What we: a tape runs along with conversations on the phone. Then with artificial intelligence (AI) we write down the conversation, so that digitizes the conversation. A summary is then made of this, and that summary then ends up in the CRM system. With that, you actually have two advantages. Firstly, it saves time for that employee. That is usually time that was not best spent before. Employees namely are not looking forward to typing in a conversation report. It makes a difference in the end, suppose it saves 3 minutes per employee per call. Well, if such an employee makes 5 calls an hour, 8 hours a day, 40 hours a week. Then you can imagine that those 3 minutes are quite an interesting business case at a given moment. But even more

important, much more interesting, is that the conversation report as such is often of better quality. Because after 100 conversation reports, that employee will reduce the depth of every report a bit. The AI application precisely extracts those points that are relevant for the analysis. So, because the conversation reports are better in quality, you can also get much better insights from those. So, both an improvement in quality as well as efficiency by using AI for, for example, by making conversation reports in this case.

Bart

It is therefore often about improving efficiency and effectiveness? I just heard about the human dimension here. The desirability I would say, maybe. How do you see that balance?

Robert

Efficiency is... I'd almost say, a necessary evil. We asked call center directors, worldwide by the way, what are the current trends in the world of call centers? And actually, two things came out. One is, I believe something like 65% of the participants expect volume to increase in the future. This is because people are becoming more vocal. Customers are becoming more assertive, so they call a little faster. But there are also simply more contact channels. So, the barriers to contacting the company are much lower. On the one hand, the expectation is that the volume will increase in customer contact management. And on the other hand, the expectation is that the complexity will increase, so more questions and more complicated questions. If you add that up, that is of course a recipe for a huge cost explosion. Therefore, controlling efficiency is almost a necessary evil. It is rarely the primary goal however. Ultimately, it's about a better customer experience. Or what I just said, to increase the 'net promoter score' and potentially also to perhaps get the customers to buy an additional product from the organization. But limiting or controlling efficiency is definitely also an objective. Before, as Franklin just stated, you'd have some kind of ticker tape in the department of how many people are on hold. The goal was to handle as many calls as possible in the shortest possible time. And now it is more and more that certain types of calls are allowed to be longer. As long as the conversation is good, and you invest in the complaints or feelings that the customer has. You also see the language change a bit. So before, they were called 'call centers'. Today we usually talk about 'contact centers' and some organizations are already calling them 'relationship centers'. So it goes much deeper than just handling the contact as efficiently as possible. The goal is to improve the connection with the customer for a longer period of time.

Franklin

Yes, I also think that what those contact or service centers are not just to answer a question or send a message, but increasingly also to receive signals and return them to the place where something can be done with them. So, in governments that is often called 'customer signal management' or 'signal management' to catch and ensure that it will also be bundled. And, for example, with a letter writing team or a team that makes the call script. Or the team that makes the website. Then it is not about handling it in six months, but really within a week or within an hour if necessary: we are addressing this

signal as fast as possible. Now these passes to the copywriter who manages the portal or manages the 'my environment'. You see those fast loops make more impact and therefore more often applied in contact centers or service centers.

Bart

Are there more pitfalls within the Service Strategy domain?

Robert

Yes, maybe what I come across... I don't know if you can call that a pitfall, but 'If you work in something, you often don't see the problems'. So it is often nice to take people out of their comfort zone for a while and then look at it from a distance. What is, as we sometimes call it, 'the art of the possible'. What is now possible to do and then, for example, name use cases of where to apply certain technologies? Can it be applied to certain working methods? Then you sometimes come across obvious matters, of which you then think afterwards: why didn't we think of that before? An example, for example, is that there is a big discussion about generative AI. A service like chat GPT and AI and the like. For a customer last year, we looked at what would be a use case for applying AI in chats, in Voice Bot and Digital Humans and the best business case that stood head and shoulders above the rest was simply 'call routing'. Call routing is simply the tape we all know of 'press 1 for this service, press 2 for this service and press 3 if you want to go back to the selection menu'. Well, that is a super annoying tape, many customers think. We know from practice that this often goes wrong. So about 20 to 25% of people press a key and end up in a place they really don't want to be at all. So that leads to a lot of internal call traffic, which in turn entails costs. And unnecessary redirects. If you put a voice bot behind it, and we did that for this customer. So no longer the tape with 'press one, press two', but in a dialogue with a voice bot, the voice bot concludes to which person you would need to be forwarded. Yes, that's a great business case and it's more enjoyable for the customer. Because the conversation identifies what you are looking for and you are connected to the right place earlier. This is because the accuracy of such a voice bot is many times higher than such a tape 'press one press two'. That is a nice example of a use case where you think afterwards: very obvious. But you have to be taken out of your comfort zone to discover these types of cases.

Bart

How cool! Are there more interesting things like this that we've learned from different projects?

Franklin

I also think some simple things are being overlooked. Often when you are in a channel, a call channel for example, everyone has the idea: you have to finish everything in that conversation. A learning we have had: for example, if you have a conversation about something that is too complicated, make sure that it is also on the website. That the employee simply forwards that link in the email to the customer he is talking to. That is very much appreciated. But that turns out to be difficult to actually implement on a large scale, because everyone is focused on the telephone, finishing the conversation and not necessarily sending that link. I think there are great opportunities there. What

we would call omnichannel thinking. Preparing the one channel or somewhere in a portal. I have seen at a private bank that they set something up in your personal environment after a conversation. I think you're seeing that kind of things more and. It is becoming more automated where it currently is often still manual work. Things like that can be made easier through robots or AI. I find a good example from the chat world in Finland. Of course, you have organizations that have their own chatbot to help you. But in Finland they have the chatbot, actually more chatbots from multiple governments connected to each other. So, for example the tax chatbot will connect you to others. Then it says: I will now let the chatbot of the municipality or the benefit agency help you. I think that's a very nice and simple example. It is of course super relevant for when you have to do something at another government that you are referred to. But it's nicer that you are also picked up. A bit, just like the bol chatbot in the Netherlands. That you then make sure that you have the computer chat first, but then you are transitioned to a human chat. But there they link those governments together very nicely. I think that's a great example of using technology to make life easier for people.

Robert

One of the things I would like to say is that it is also a lot of fun to do this. Firstly, it is relevant because it is about customers and customer contact management. That in itself makes it relevant. Customers don't just call, but they want to be helped. In addition, it is also super interesting, especially during this time. What is possible with AI today, or what we call generative AI, is really fascinating. I am convinced that at this point we have not even discovered 10% of what might be possible. Not in 5 years or 10 years. But maybe in two years. The important thing is to see what generative AI exactly is? We are actually talking about the combination of two technologies. You have NLP and NLU. NLP is Neuro language processing and NLU is Neuro language understanding. And the difference is as follows: NLP allows you to have the conversation as if you are talking to someone. So, you can generate a conversation. But with NLU you can also analyze the context of the conversation, i.e. the answers. It's the difference between talking to someone and talking with someone. That's the big difference. The huge leap we've taken with Generative AI and what... well, wasn't possible two years ago. Because what has been possible since a year or actually since December last year... And what we see in popular literature. We already saw with the GPT4 introduction last week that we can also apply those kinds of possibilities in a service environment. I just mentioned making a conversation report, but you can also imagine that with 'contact outbound communication', i.e. email or websites, that you have simple language that is adapted to the target group. That it is generated automatically, or that your images are generated and based on the target group. So, it makes for an incredible amount of possibilities that this new technology offers. And that makes it really super fun for me in these fascinating times to work in this environment of service.

Bart

Is a critical side to that kind of technology perhaps also relevant? There are of course quite a few things where we are going to automate tasks that will lead to job losses. Creativity may also be lost in certain parts. How do you see that?

Franklin

Well, I think we definitely have to be careful in the field of governments that you're going to push people into a channel that they don't feel comfortable with. So, if you're not that skilled with digital resources, you can have that phone conversation. And then have that conversation in an easy way. Not that you have to go through a lot of paper work again to make that appointment. So that you don't let technology be a push. Also, because it is actually possible, we shouldn't force it to a user. We should still leave the autonomy and freedom of choice to the user to choose what suits them or her. But also, the personal side of your strategy. This is often formulated at the top of that pyramid: personal conversations, people who help you and people who talk to you with several questions you have. Often you work for a government you can deal with multiple laws or with more than one department. People want to be helped in one go and sometimes in a live environment. It is therefore important that that such a possibility will continue to exist for people who want it.

Bart

These were a few promising examples of how technology, especially AI, can contribute to a better service experience. Very interesting to hear how such a relatively recent innovation offers so many opportunities. Then in the last part we will talk about some opportunities and tips in the service world. For example, what can a company do first to improve its services?

Franklin

Yes, and if you listen in, we always recommend that if you work in a design or strategy process you do that. Go listen in and not just read a report from an analyst. Listen for yourself to the customer's voice, hear that tone and you will also see the motivation of such a team of employees on the phone or chatting. They really want to provide better services and those people want to help. I listened in myself a short while ago. But also with colleagues, for example an audit that has to make the budget for a company and then comes back with a different story because they really heard the customer. I thought it was very nice to see that he really realized that there was a vulnerable group there. Organizations that also let their management do the same, but also ensure that there is an open culture in such a contact center so that it is easy to walk in and, of course, to be able to listen in with the correct privacy statement in a safe manner. But it adds a lot to the fact that the organization and certainly decision-makers hear the voice of the customer. The higher in the company you are, the further you are from the customer. That is generally true, so you have to make an effort to build it into your system and get it in your agenda to. But the value is enormous: hearing that customer's voice and also hearing the customer's issues.

Robert

There are a number of opportunities that we encounter in practice. One example is in the area of what we call 'Channel steering'. So, send to the right channel. Some organizations have something like 'we have to offer a lot of channels, because we have to be accessible to the customer'. Well, that is often not very efficient. Because a

channel also entails costs. Sometimes it is not always necessary. Especially if you want to invest, a limited number of channels is simply easier to handle than a lot of channels. So, make choices. Which channels do you prefer and then: how are you going to try to send that customer to those channels, so that the customer knows for which question should I use which channel. Well, there is often an opportunity for many companies to think about this in a more fundamental way. Another opportunity that we often see is called 'call routing'. That is where, for example, a tape is currently doing the "Press one, press two, press 3" where you could then set up a voice chat. I would almost say, companies that still have such a tape: start thinking about how you can get rid of that tape as quickly as possible. A third chance, something with what we call 'first time right'. If you end up with the call center employee, you can enable that call center employee to handle the question in its entirety at once. That is good for the customer, because then he does not have to call back 3 times or be transferred. But it is often also a lot cheaper for the organization. The last chance is to, for example making those conversation reports. So, if you can use AI to summarize a conversation and automatically add it to the CRM system: you not only save that employee's time, which they often don't like, because making a conversation report is no fun. In addition, you also have better data information based on your services, which you can then improve.

Franklin

Yes, and one thing I would add is, get out of the 'single experiment mode'. For example, you have an environment where you can do multiple experiments continuously and then learn from them. For example, there was a test with a government organization that has ensured that a team that deals with donations / death is allowed to do more. Well, just like Robert says, first time right. More autonomy to decide or do more things right away. Then it is good to then use the knowledge gathered and share it with the rest of the organization. But be careful not to cancel it after one experiment. Make sure you really have teams that can lead the way and can also test new technologies, so that it is also the breeding ground for improvements in the rest of the organization.

Bart

That marks the end of this Service Strategy episode. Where we talked about what service strategy actually is at the beginning, we talked a lot about matching technologies and the use of AI in most of the podcast. It offers a lot of great opportunities within services. If you can't get enough of this subject, or maybe of Robert and Franklin. Then I highly recommend that you read the article they wrote together about 'the human dimension in the insurance world'. You can find a link, with contact information for Robert and Franklin, in the description. Before we close, I want to thank Robert and Franklin for their stories and thank you for listening to this episode. I look forward to seeing you again next month at the next one, but first a small closing from Franklin.

Franklin

Yes, one thing: go to a contact center and listen. Make sure that several people do that in your team, from different levels of your organization. From the strategic or tactical level at least. Also, pay attention to the resulting improvements. There is nothing more motivating then when you have come up with something, a better script for example,

and you see that it makes the employee and your customer happy and them experiencing it as more humane.