



Future of Service

May 2019

Introduction

The customer service landscape is rapidly evolving with technology disruptors, societal changes, and demographic trends requiring service leaders to contemplate what the Future of Service looks like.

Demands on all aspects of service continue to grow, be it omnichannel service, in field, in person and/or via contact centers. The mandates of reducing costs, growing revenue, improving customer experience and cultivating talent remain top of mind for executives. However, the strategic importance of service as a critical asset differentiating firms from their competitors continues to emerge as a major priority.

The mission of customer service continues to evolve beyond issue resolution. As the driver of a company's main relationship touchpoints with customers, the service organization shapes experiences, drives choices, and reinforces perceptions and beliefs. In doing so, customer service functions transform from being cost centers to customer retention and profit centers.

Deloitte's view of the Future of Service is based on our work with hundreds of global service organizations, thought leaders, and technology enabling alliances.

Our belief is based on decades of experience in serving global service leaders on the forefront of disruption, focusing relentlessly on value, and elevating the human experience in everything we do.

Elevating the human experience

Customer service is the orchestration of beliefs and experiences that supports and creates value for both customers and businesses alike. Experience is at the heart of the human condition – it's how we learn, how we live, and how we define value. It drives us.

We believe humans retain more from an experience than from things. Our experience imbues the world with meaning, embeds memories, transforms our perceptions, and ultimately drives our behaviors.

Great experiences build strong connections, strong connections create loyalty, and loyalty drives business results. Loyalty isn't logical – it isn't wholly driven by quality or cost savings but by emotion. It's about creating value during moments that matter most to customers along their unique journeys.

At the core of the Future of Service is the notion that human experiences – for both customers and employees – will be elevated by how service is performed, and service will be inextricably linked to loyalty and business value like never before.

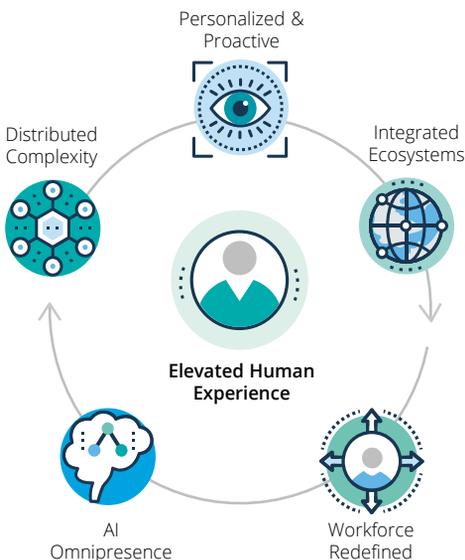
5 Themes of the Future of Service

We believe a series of disruptive forces are likely to profoundly change the way service is delivered in the future.

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We have summarized these forces into five major themes:

- 1) Complexity will be evaluated by incorporating a broad range of elements
- 2) Customers will demand real-time and personalized outcomes
- 3) Service delivery will become more interconnected and ecosystem strategies may determine winners and losers
- 4) New skills will be required for service professionals to deliver exemplary service aided by new technologies and lastly
- 5) Artificial Intelligence (AI) will manifest in various levels of maturities but will be omnipresent as a core business requirement.



1. Distributed Complexity

Service leaders are no stranger to complexity. As we look forward, we not only see increasing servicing complexity but we see complexity distributed across virtually all aspects of the servicing environment.

This requires business executives to understand the importance of service to the broader business value chain and to evolve thinking.

We believe service strategy and operational priorities must advance beyond the binary lens of simple vs. complex servicing factors to multiple considerations.

Leaders should evolve thinking to include such elements as risk, value, loyalty, outcomes, and emotional connection. Incorporating these diverse views into service strategy and business cases will set the foundation for servicing leaders to realize the capabilities of the future of service and allow them to address rising complexity and value expectations from businesses and customers alike.



What this will look like

Self service has eliminated all high-volume, low-complexity interactions. Bots are partially supporting interactions to gather supporting details to inform an agent prior to live interaction. Agents are engaging with multiple customers at once.

Focus is on supporting the customer rather than the product or service. Troubleshooting internet-enabled products in an ecosystem that potentially includes competitor products means having to expand support capabilities beyond the confines of the organization.

2. Personalized & Proactive

Customer needs vary at an individual level, and increasingly satisfaction is tied to relevance and ease of interaction. The proliferation of data and advancing analytic capabilities has enabled organizations to have a better understanding of their customers, but knowing their needs and desires is only the first step. Service must be tailored to a customer's uniqueness. That manifests itself through connected experiences across channels, personalized messaging from service professionals, and long-term relationship building.

Furthermore, customer service will become more than just addressing customers' current needs and will be focused on creating long term value. Accurate and quality information will remain core to service operations, but organizations will also be expected to deliver insights that customers would otherwise not discover on their own. The shift from reactive issue resolution to proactive anticipation of needs will enhance employee experience and drive customer loyalty.

Data is at the core of making experiences personalized. How that data is captured should be non-intrusive and seen as value additive by the customer. The insights that arise from better customer understanding need to be integrated across channels and ecosystems. Service professionals must be empowered to deliver a personal touch through the abandonment of robotic scripts. Leaders will have to consider how various functions of their organization work in concert to deliver a superior customer experience. The way in which marketing, sales, and service functions interact will be critical. Creating a feedback loop that

reinforces and validates interaction touchpoints and insights will enable a constantly evolving engagement channel.



What this will look like

A hotel reservations assistance agent is no longer just changing room types and updating preferences in a guest's profile. They are now responsible for identifying potential experience elements run by a host of providers and will be prompted by workflows to follow up on a guest's stay.

The agent will be the designated liaison for that guest's end-to-end experience and any guest issues will go back to that specific agent rather than the general agent population. Feedback is captured and shared with other departments to provide insights on future servicing, sales, and loyalty-building opportunities.

3. Integrated Ecosystems

Broad ecosystem strategies continue to emerge as leaders strive to deliver service in dynamic business environments where collaboration, expertise, emerging technology, etc. often move faster than traditional, organic capability development.

We believe service ecosystems will emerge to play a critical role in the future service delivery strategy and capabilities, be it gig economy workers, specialized outsourcers, strategic partnerships, cloud-based technology platforms, etc.

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The seamless, efficient, and effective orchestration of these ecosystems will be a priority for service leaders as the next wave of service transformation unfolds.



What this will look like

In-store beacons recognize a familiar customer's presence in the store. The customer's profile including preferred brands, styles, and sizes is prepared using data aggregated from their online and in-store shopping profiles along with third party meta data. This profile is sent to a service associate along with recent purchase and return history.

When the store associate meets the customer, they acknowledge the issue the customer had with previous order if necessary and make recommendations for other products.

4. Workforce Redefined

The bar on talent gets raised as new skills are necessary to provide service of the future and employees expect different experiences.

Skillsets evolve from industry and technical literacy to those which emphasize the use of data and technology to engage in a personal manner with a focus on outcomes and value.

Employees demand more flexibility and different reward systems all while the access to talent continues to be challenging. Leaders will be forced to reevaluate their screening, training, reward, internal mobility programs, etc.

Technology, business, and customer engagement savviness will be essential skills as tools advance to aid professionals in their jobs, adding complexity while allowing them to multitask and orchestrate value differently.



What this will look like

Account service manager KPIs are aligned with the performance outcomes of their customers. Service managers are trained on their clients' businesses to understand the hardships caused by a minute of downtime, and they are incentivized to proactively minimize downtime.

Furthermore, to incentivize maintaining and growing valuable customer, the managers share in the benefits of new contracts or increased sales with their existing customer base.

5. AI Omnipresence

Service leaders will continue to invest in intelligent automation capabilities, reserving low complexity actions for machine assistance.

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AI will become a core business requirement, essential to service operations because of its ability to lower servicing costs and provide personalized, in context and near real-time servicing. Decision makers will need to strategize on which level of AI maturity is right for their business and customers. Cognitive and machine learning capabilities begin to unlock insights and value for customers. Understanding the needs of business and customer are paramount to determining where on the maturity curve they should be.



What this will look like

Machines that were once simple and human-operated are now integrated with computers and may one day operate autonomously and self-diagnose performance issues. The workers responsible for maintenance have had to become a combination of technician and software engineer, and as complexity rises so has the need for problem solving in teams.

As the complexity of issues begins to outpace the capabilities of the team, they will leverage AR/VR to bring the home office to the field office in order to leverage the knowledge and skill of a vast network of experts.

Bringing This All Together

We believe no one Future of Service theme is mutually exclusive of the other. Accordingly, leaders should evolve their thinking to define comprehensive and integrated strategies and to enable the strategy through specific capabilities.

This can be complex given the daily operational demands and competing priorities.

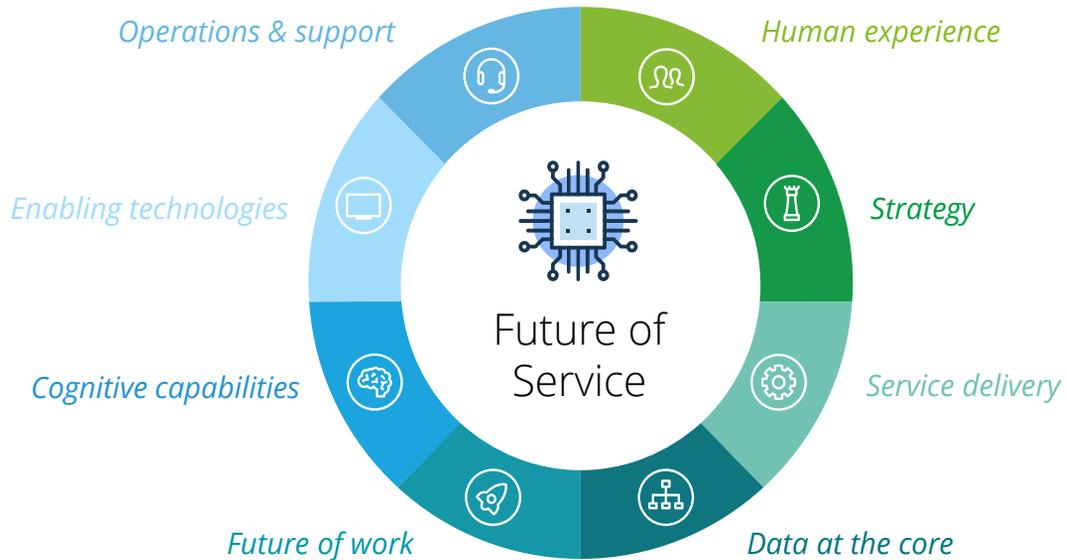
However, we believe “service” and its role within the enterprise value chain is at an inflection point. The Future of Service is coming and it requires the orchestration and integration of advanced capabilities stretching the bounds of many current servicing capabilities.

The Future of Service presents a substantial opportunity to elevate the human experience and deliver real value for business and customers alike.

Through our experience, we have defined common language starting points and the 8 Design Dimensions to achieve the Future of Service (noted below).

Where to Start

- Begin by defining value – for the customer, employees, and business
- Figure out the roles service plays in the entirety of the customer journey and business value chain and enable it
- Leverage advanced analytics to inform strategy and operational excellence
- Adopt an agile approach to assembling the components of capability building
- Build service delivery, operational, talent, and technology ecosystems to enable value
- Lay the foundation for cognitive capabilities as ultimately they will be table stakes
- Establish an innovation capability to address the inevitable change in behaviors and expectations arising from current and yet unknown disruptors



For more information on the Future of Service or to get your journey started, please contact...



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