Enterprise Need

Improving Front-office automation

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Competition has intensified in all Industries. With more and more competitors vying for each Customer, identifying a prospect, making him/her a Customer and retaining him/her has become more difficult and expensive. This in turn is having a downward pressure on profits.

To be able to survive and thrive, Enterprises need to

- organize their Front-office teams (customer interacting teams such as sales teams, partners, customer service representatives, marketing etc) around Customers rather than around product lines or LOBs
- decrease customer acquisition and service costs by improving the efficiencies of Front-office teams through Front- office automation
- get a higher return for the dollars spent on acquiring/serving each Customer by building more profitable relationships and getting a larger share of each Customer's wallet

Enterprises need to achieve high levels of efficiencies in their customer interaction activities. This includes

- Increasing the amount of time Agents spend in selling rather than problem solving, paperwork, validations, look-up / searches etc
- Reducing order entry errors and thereby improving customer satisfaction as well as saving time and paperwork
- Improving "access to enterprise wide knowledge" by customer service representatives
- Reducing call center operational costs and improving number of calls that can be handled by each CSR
- Reduce the time it takes to develop telemarketing scripts
- Increasing the speed with which marketing campaigns and programs are developed and executed

> Quote from a leading Insurance Carrier as reported in a leading industry publication in Jan, 2006:
>
> *"When a Customer called us, the Customer Services Representative had to look up each product purchased individually, even when the Customer had policies in P&C, Life and Annuities. We could not see the entire portfolio. With a limited view of the Customer, cross-selling was a guessing game".*

To be able to derive a higher return on the dollars spent in acquiring/servicing each Customer, Enterprises need to be more Customer centric than they are today. For this, they need to have the ability to:

- identify the right prospects
- conduct a coordinated campaign to the targeted prospects across product lines and channels
- attract each one of the prospects with an offer (and through a medium such as a mailer, email, joint partner promotion program etc) that appeals to them the most
- allocate/route each respondent to the appropriate region and optimal channel/Agent
- ask the right questions and suggest a product & price that best fits their needs, affordability, risk characteristics, governing regulations and long-term value of the Customer to the Enterprise
- provide each Customer with personalized service that reflects his/her value to the Enterprise and thereby winning his/her “long-term” loyalty
- judge if there is an attrition risk with a Customer and take proactive action to avoid the same (promotions, loyalty programs, mailers, calls etc)
- foresee additional products a Customer may need and proactively offer them the same (cross selling)
- provide each Customer with a personalized interaction that is reflective of the situation at hand and also, his/her value to the Enterprise
- do all of the above with each and every Customer irrespective of the channel they are using to interact with the Enterprise (call center, face-to-face meeting with an Agent or Sales rep, service rep, mailers, Web portals, electronic marketplaces etc)

Such personalized treatment of Customers should be done during both

- “non-interaction-time” activities (e.g., identifying the right prospects and mailing them offers that will appeal to them the most) as well a
- “during-interaction-time” activities (e.g. as customer describes his/her needs over the phone suggest the best fit product; when a customer calls the service center provide a level of service that is reflective of his/her value to Enterprise or attrition risk etc).

To achieve the above goals, Enterprises had in the past tried leveraging Front-office applications such as CRM software. Unfortunately, due to various reasons such as a shift in Enterprise focus to E-business, heavy integration effort/cost and technology immaturity, Front-office application functionality never got fully deployed in Enterprises.

With the advent of new technologies such as Business Process Management, Business Rules Engines and Web Services, maturation of CRM software and emergence of the Service-Oriented-Architecture approach, the time is right to re-start Front-office automation efforts and get an excellent return.

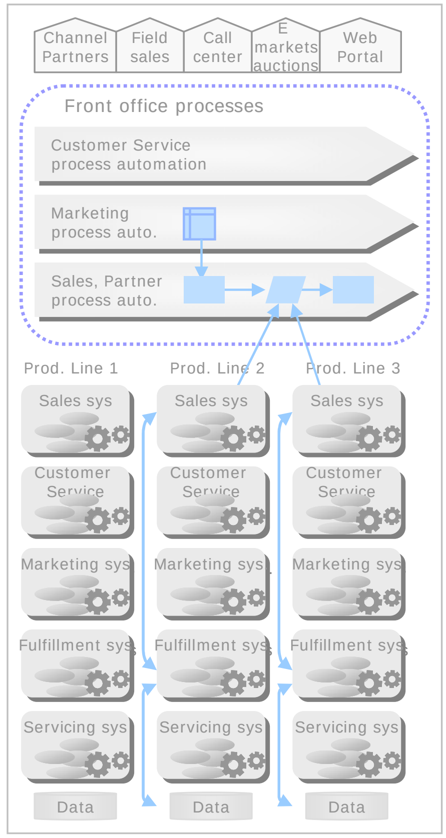
A key Front-office automation requirement for Customer centered Enterprises is to have Customer centricity. Unlike Standard-processes (such as reserve allocation, check processing, document processing, Customer account set-up etc) that are uniformly applied to all Customers, Customer-handling-processes need to be highly personalized to each individual or to each class of Customers.

Customer-handling-processes, in addition to being Customer dependent, are also situation dependent. Enterprises need the capability to determine, at the time of interaction with a Customer, which set of activities to be performed and in what sequence based on who the Customer is and what the situation is. Hence, they are also referred to as Dynamic-processes.

Enterprises need to be able to:

- for each task, define different processes for different types of Customers e.g., when a Customer calls in to cancel an order, direct a low value Customer to an automated response system and a high value Customer directly to a Customer Services Representative
- for each process, define different branches for different situations e.g., when a low value Customer calls in to cancel an order, within 60 days after becoming a Customer, directly route the Customer to a Customer Services Representative
- often, make changes and additions to the above as Customer treatment strategies change

With the technology and CRM software available in the past, Enterprises had difficulty in implementing such Dynamic-processes. But now, the availability of Business Process Management systems and Business Rules Engines has made the task easier and less expensive. Leading CRM vendors have built-in BPM and BRE technologies. Some of them can also work well with stand-alone best-of-breed BPM and BRE platforms. Enterprises need to make sure that process logic (both for Dynamic-processes and Standard-processes) and associated business rules are separate from rest of the Front-office application code and are implemented in BPM and BRE platforms, respectively. Such a separation will provide Enterprises with the ability to make changes and respond faster to changes in business needs.



Front-office processes need to work seamlessly with Back-office processes. For example: When a Customer order is placed, Sales system needs to update the Fulfillment system about this event. In addition to such cross-functional process automation, Front-office teams may also need to access data from the rest of the Enterprise.

In the past, this required expensive and complex "spaghetti" connections of Front-office processes and systems with Back-office processes and systems. While integration is still required, it has become easier and less expensive thanks to Web Services technology and the SOA approach.

Front-office systems also need to provide the Enterprise with the ability to support various communication channels that Customers use in interacting with the Front-office teams. This includes call centers, face-to-face meeting with an Agent or Sales rep, calls to service reps, mailers and interactions initiated through Web portal or Electronic marketplaces.

In addition to these needs, Enterprises also need rich functionality for improving the productivity of Front-office workers. Functionality required can be broadly grouped under three heads

- Sales Force automation and Partner relationship management

- Marketing and Customer analytics
- Customer service automation

4.1 Key Sales Force Automation and Partner Relationship Management functionality to be targeted

- Integrated contact & lead management and routing across channels. Enterprises sell to Customers through various channels – online, through Agents, Private label partners, call centers, e-marketplaces etc. When a lead is identified, either through a marketing program or through an inbound call as a response to an advertisement, it has to be routed to the appropriate region, optimal channel and individual. To ensure that different channels are not working on the same prospect, Enterprises need to have an integrated contact and lead management system that can validate whether a prospect is already being serviced, lock prospects for pre-defined time duration and avoid channel conflicts.

- Quota management across product lines and LOBs. Enterprises are organizing their sales and service teams not around product lines or lines of business but around Customers. Hence, it is counterproductive to measure and reward them based on quota's set against a given product line or a lone of business. Rather, quota set-up and measurement needs to be based on the overall revenue being generated from allocated Customers.

- Partner Licensing, certification and information management. Enterprises that have a large number of Agents, need to maintain accurate and up-to date information about the Agents and the relationship (Contact information, Agreement, Account information, etc.), Agency hierarchy, Authorization levels, Products that the agent can sell, Commission basis and rates, Territory in which the agent can sell etc.

- Streamlined and error free incentive management. Sales commissions pay a key role in motivating sales teams and Agents and as such need to be managed appropriately. Depending on the Enterprise and the line of business it is in, commission management can be simple or a complex task. Type of needs that Enterprises had to deal with includes set-up of commission basis and rates for each partner, commission hierarchy, commission calculation for each individual in the hierarchy, commission distribution for a cross-sale to all participants involved with original sale of product, commission calculation based on Product Line, First year versus Renewal, Customer Demographics etc., periodic calculation of commission and its reversal as a result of an unearned compensation event etc.

4.2 Key Marketing Automation and Customer Analytics functionality to be targeted

- Ability to define and identify target segments for directing campaign and sales efforts; ability to continuously refine segmental definitions
- Ability to identify the right prospects and contact them through their preferred communication channels
- Ability to conduct a coordinated campaign to the targeted prospects across product lines, sales channels and communication channels
- Ability to conduct and track multistage event driven campaigns
- Ability to customize mailers and offers based on Customer profile
- Ability to provide a 360 degree view of the Customer to all Front Office personnel
- Ability to route inbound responses to campaigns to the most appropriate CSR or agent
- Ability to define dynamic call scripts to direct CSRs through a series of questions that need to be asked depending on customer responses
- Ability to define processes and activities as part of campaign planning, approval, execution and analysis
- Ability to build lists by accessing and cleansing data from multiple sources and ability to "co-manage" lists along with multiple sales channels
- Ability to score prospects for possible yield, treatment type, offer type and offer prioritization
- Ability to conduct campaigns collaboratively with Partners / Agents
- Ability to route respondents to optimal sales channel along with lead quality, priority, availability time window and most appropriate follow-up action

4.3 Key Customer Service Automation functionality to be targeted

- Reducing order entry errors, through rules based validations and scripts, and thereby improving customer satisfaction as well as saving time and paperwork

- Improving “access to knowledge & information” by customer service representatives so as to increase customer satisfaction levels and reduce order cancellations; information that should be made available includes critical customer information such as name, address, product portfolio, account interaction history, cross-sell options, related/household information and “service level” score;
- Providing access to “product information repository” with information such as product details, availability, pricing, discounts, service issues, data sheets etc
- Access to interactive troubleshooting guides and scripts
- Ability to access contract documents, commitments and entitlement “rules”
- Ability to define business processes and rules that schedule activities in a pre-defined order and automatically trigger them based on an event or response. Ability to monitor the process and ensure that all activities are completed.
- Ability to assign tasks to specific employees or teams based on specific rules
- Reducing call center operational costs and improving number of calls that can be handled by each CSR
- Automated email response management
- Support for interactions that were initiated through web portals or e-marketplaces by providing facilities such as an integrated co-browsing and chat
- Ability to create, assign and track service requests and trouble tickets along with associated prioritization and assignment optimization

This white paper is part of a series of papers addressing the topic “Enterprise Needs – 2006-2010. To view other papers, please visit www.valuemomentum.com/WhitePapers/index.htm

About ValueMomentum

ValueMomentum is a global professional services firm assisting Insurance Carriers and Lending Firms by leveraging industry process experience with strong technology expertise, to achieve full potential through the implementation of Agile, Real-Time & Smart Value Chains.

Headquartered in South Plainfield, NJ, ValueMomentum has world class delivery centers in South Plainfield, NJ and Hyderabad, India. There are additional Client Services and Business Development offices in Chicago, IL, Sunnyvale, CA and Hyderabad, India.

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