

March 2013

## Avaya Users Deploy Best-in-Class Practices to Improve Contact Center Performance

Between March and July of 2012, Aberdeen surveyed 478 customer care executives regarding their contact center activities. Findings from this survey are published through numerous benchmark reports on topics such as workforce management, analytics, and multi-channel within the contact center. Ninety-one (91) of the respondents surveyed indicated using Avaya as a part of their contact center activities (see Fast Fact sidebar). Findings reveal that top performing businesses within the overall survey utilize a set of differentiating processes and technology tools that enable them to improve contact center activity results and enhance the overall customer experience. This Aberdeen Analyst Insight will examine several factors that help these Best-in-Class firms (see sidebar) outperform their peers. It will also reveal a series of business processes and technologies that differentiate Avaya users that are aligned with best practices to ensure compliance, capture and utilize customer and operational data, as well as continuously improve contact center performance.

### Avaya Users Outperform the Broader Marketplace

Customer experience management (CEM — see sidebar for definition) has rapidly transformed the modern business landscape. Findings from Aberdeen's *Next-Generation Customer Experience Management* study reveal that the top challenge confronting CEM initiatives in 2013 is a trend that is often referred to as "empowered customers." This term references the increasing customer use of technology tools (e.g. mobile devices) and adoption of multiple channels (e.g. social media and web) through which buyers educate themselves on company products and services and ultimately make purchase decisions. In order to survive and thrive in this "new-normal," companies need to be laser-focused on optimizing their customer care activities to satisfy existing clients and acquire net-new ones. Figure 1 demonstrates the year-over-year customer care performance gains of Avaya users in comparison to Industry Average firms (see sidebar, next page, for definition).

#### Analyst Insight

Aberdeen's Insights provide the analyst's perspective on the research as drawn from an aggregated view of research surveys, interviews, and data analysis.

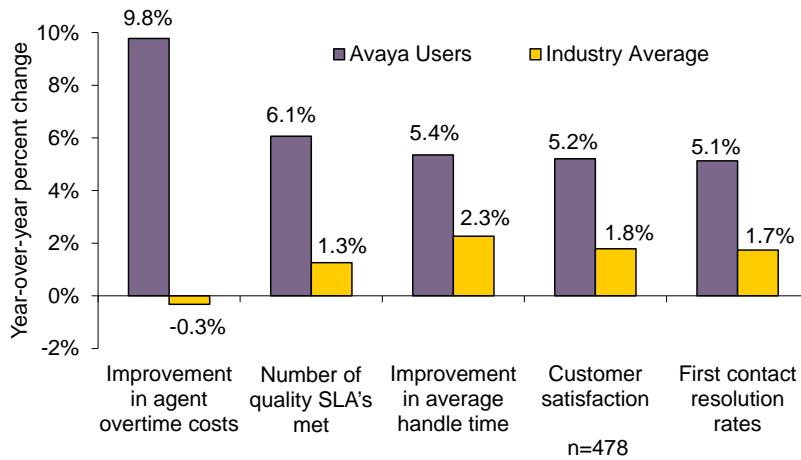
#### Fast Fact

Eighty-five percent (85%) of the 91 Avaya users participating within the survey identified Avaya as their primary contact center solution provider.

#### Definition: Customer Experience Management

- √ Aberdeen defines CEM as a continuum of cross- and multi-channel business activities executed on an enterprise-level to manage business activities across the entire customer lifecycle.
- √ Common abbreviations of customer experience management include "CEM" and "CXM." While these terms are generally used interchangeably, for the purposes of this research Aberdeen will use "CEM."

**Figure I: Year-over-Year Performance Improvement Results**



Source: Aberdeen Group, July 2012

As depicted in Figure I above, companies using Avaya as a part of their contact center technology deployments achieve substantially greater annual performance gains, compared to their Industry Average peers. In addition to enjoying far greater success in key measures such as customer satisfaction and first contact resolution rates, Avaya users also achieve a 9.8% decrease in their agent overtime costs, whereas these costs actually increased for the Industry Average during the same period. Considering that the top challenge cited by companies within the July 2012 [Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data](#) study is the increasing cost of contact center operations, this indicates that companies using Avaya are able to mitigate this challenge through the best practices they deploy as a part of their customer care efforts. As it will be discussed in detail within the next sections of this document, the use of analytical tools and processes that help companies track and measure their contact center activity results is a key enabler in reducing customer care costs.

Another important finding is in regards to service-level compliance. Companies using Avaya achieve a 6.1% year-over-year increase in this measure, compared to a mere 1.3% improvement by Industry Average firms. Considering the increasing regulatory pressures (e.g. [PCI compliance](#)) that impact companies in heavily regulated industries such as financial services, insurance, and healthcare, this finding signals that Avaya users are well-positioned to address regulatory needs. In addition to reflecting regulatory compliance, service-level agreements also commonly refer to a company's ability to adhere to pre-determined performance levels. As such, the finding on Avaya users' performance regarding this measure is also indicative of their ability to deliver on contractual performance commitments — a key metric used to assess contact center results.

Now that we've observed the performance of Avaya users in comparison to Industry Average firms, let's see several best practices that help Best-in-Class firms differentiate their contact center activities from Industry Average and Laggard companies. We'll then analyze to what degree Avaya

**Best-in-Class Criteria**

The following Key Performance Indicators (KPIs) were used to determine the Best-in-Class within Aberdeen's July 2012 [Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data](#) study:

- √ Current first call resolution rate — Best-in-Class: 81%, Industry Average: 42%, Laggards: 31%
- √ Year-over-year improvement in agent utilization rate — Best-in-Class: 18.4%, Industry Average: 4.7%, Laggards: -4.3%
- √ Year-over-year improvement (decrease) in average cost per customer contact — Best-in-Class: 16.5%, Industry Average: 2.9%, Laggards: -1.6%

**Best-in-Class**, top 20% of aggregate performance scorers

**Industry Average**, middle 50% of aggregate performance scorers

**Laggards**, bottom 30% of aggregate performance scorers

users implement these activities and technologies as part of their contact center programs.

**State-of-the-Market: Contact Center Best Practices**

As noted above, one of the key traits of Best-in-Class firms is their focus on utilizing business processes and technologies that deliver measurable business results. The findings demonstrated in Table I are representative of a number of these best practices, as identified in Aberdeen's July 2012 [Contact Center Analytics](#) study (see sidebar for details).

**Table I: Key Differentiators Maximizing Contact Center Results**

|                              | Best-in-Class   | Industry Average  | Laggards  |
|------------------------------|---|---|---|
| <b>Process</b>               | Direct customers to the channels best equipped to handle their needs  |   |   |
|                              | 90%   | 62%   | 38%   |
|                              | Skills-based routing (ability to connect customers with agents who have relevant knowledge and skills needed to address their needs)  |   |   |
|                              | 80%   | 74%   | 48%   |
|                              | Policies for call recording are enforced rigorously   |   |   |
|                              | 67%   | 55%   | 41%   |
| <b>Organization</b>          | Ensure contact center activities are in compliance with industry regulations  |   |   |
|                              | 81%   | 74%   | 52%   |
|                              | Empower contact center managers with real-time access to key performance measures   |   |   |
|                              | 67%   | 40%   | 30%   |
|                              | Regular testing of contact center processes to ensure scalability based on changing customer traffic  |   |   |
|                              | 62%   | 49%   | 41%   |
| <b>Knowledge</b>             | Contact center actions are segmented and recorded to a central repository   |   |   |
|                              | 71%   | 71%   | 71%   |
|                              | Agent desktop integrated with other enterprise systems  |   |   |
|                              | 43%   | 32%   | 26%   |
| <b>Enabling Technologies</b> | <ul style="list-style-type: none"> <li>▪ 88% Voice over Internet Protocol (VoIP)</li> <li>▪ 74% Call recording</li> <li>▪ 60% Contact center analytics</li> <li>▪ 58% Screen capture and sharing</li> </ul> | <ul style="list-style-type: none"> <li>▪ 51% Voice over Internet Protocol (VoIP)</li> <li>▪ 65% Call recording</li> <li>▪ 54% Contact center analytics</li> <li>▪ 47% Screen capture and sharing</li> </ul> | <ul style="list-style-type: none"> <li>▪ 52% Voice over Internet Protocol (VoIP)</li> <li>▪ 46% Call recording</li> <li>▪ 26% Contact center analytics</li> <li>▪ 42% Screen capture and sharing</li> </ul> |

**Research Methodology**

In July 2012 [Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data](#) report, Aberdeen Group analyzed the aggregated metrics of 138 companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories:

- √ **Process:** the approaches they take to execute daily contact center operations
- √ **Organization:** corporate focus and collaboration among stakeholders
- √ **Knowledge management:** contextualizing customer and operational data and exposing it to key stakeholders
- √ **Technology:** the selection of the appropriate contact center tools and the effective deployment of those tools
- √ **Performance management:** the ability of the organization to measure its contact center results to improve its business

|                               | Best-in-Class  | Industry Average | Laggards |
|-------------------------------|--|------------------|----------|
| <b>Performance Management</b> | Compensation and / or incentives for agents are tied to achievement of contact center objectives |                  |          |
|                               | 71%  | 46%              | 32%      |
|                               | Identify agents who drive repeat calls to take corrective action (i.e. personalized training)    |                  |          |
|                               | 62%  | 39%              | 29%      |

Source: Aberdeen Group, May 2012

Call recording is one of the key technologies that Best-in-Class firms deploy 30% more widely (74% vs. 57%) than their peers. Companies benefit from this technology in numerous ways. It helps them capture a wealth of customer and agent related information, which can be stored in company databases for trend and performance analysis. For example, it can help businesses analyze records of previous phone conversations to conduct quality assurance (QA) activities and determine if the agents used appropriate greeting and closing lines. It can monitor PCI compliance as well as determine potential training needs based on agent performance. Related to this activity, data indicates that top performers are 23% more likely (81% vs. 66%) than all other firms to have a formal process to enforce call recording policies — a validation of their strong focus on ensuring that their contact center activities are in compliance with industry regulations.

Another key capability that helps top performing businesses differentiate their contact center activities is performance management. Indeed, top performers are 43% more likely (60% vs. 42%) than their peers to deploy analytical tools and processes to track, measure, and continuously improve their contact center activity results. Use of analytical tools and processes helps these companies successfully implement several additional key differentiators:

- Using historical and recent customer behavioral data to direct customers to the most appropriate channels to handle their requests — Best-in-Class: 90% vs. All Others: 51%
- Matching customer needs determined through prior interaction history as well as recent interaction pattern (e.g. IVR path) to connect the right customer with the right agent — an activity that is often termed "skills-based routing" — Best-in-Class: 80% vs. All Others: 62%
- Visibility on overall contact center activity and performance results to enable timely action for continuous improvement. This is an activity that helps company executives and contact center managers fine-tune their customer care activities to maintain operational excellence and address rapidly changing customer needs — Best-in-Class: 67% vs. All Others: 36%
- Managing agent performance through tracking and measuring the sources of repeat customer traffic. More than two-thirds of all

#### Definitions

For the purposes of this research document, Aberdeen refers to the following terms as follows:

- √ **IVR:** A technology that facilitates computer and human interaction through human use of voice and / or phone keypad entries.
- √ **PCI Compliance:** An information security standard that governs organizations' use of cardholder (i.e. debit, credit, and POS) information.
- √ **Automated call distribution (ACD):** A technology system that distributes incoming calls to dedicated agents for handling customer requests.

#### Definition

For the purposes of this research document, "All Others" refers to the combined set of companies whose performance met "Industry Average" and "Laggard" criteria within Aberdeen's [Contact Center Analytics](#) research. (Details of their performance is provided in the sidebar on Page 1 of this document)

contact centers within Aberdeen's [Contact Center Analytics](#) study indicate first contact resolution as a key measure to assess the success of their customer care activities. By determining the root-causes of repeat customer traffic, companies can reduce repeat traffic, improve agent utilization, and ultimately improve customer delight. This activity is deployed by 62% of Best-in-Class firms versus 36% of All Others

Scalability is another aspect that supports superior customer experience and contact center results. When asked about the top strategy used to support their contact center deployments, 70% of companies within Aberdeen's January 2013 [The Hidden ROI of a Cloud-based Contact Center](#) study identified the scaling of contact center activities up and down based on changing customer traffic as their top strategy. This is a capability deployed by 62% of Best-in-Class firms, compared to 49% of Industry Average and 41% of Laggards.

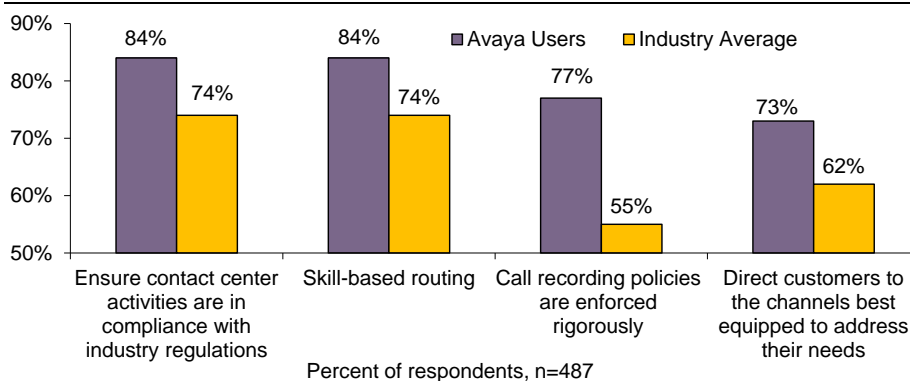
Now let's take a look at how Avaya users utilize the best practices that we have identified.

## Key Ingredients Driving Success for Avaya Users

### Business Activities

The underlying pillars of Avaya users' success are related to their use of best practices and key technology tools. Figure 2 below demonstrates several of these building blocks.

**Figure 2: Building Blocks of Avaya User Performance**



Source: Aberdeen Group, July 2012

As noted previously, 81% of Best-in-Class firms currently have a formal process to ensure that their contact center activities are in compliance with industry regulations such as [PCI DSS](#). Avaya users deploy this key capability at a greater rate than even Best-in-Class companies (84% vs. 81%). The benefits of this activity help companies improve quality compliance results — a measure by which Avaya users achieve a 6.1% year-over-year increase, as compared to 1.3% by Industry Average firms.

One of the key organizational efforts impacted by compliance programs is call recording activities. As it will be illustrated within the "Technology

Enablers" section below, Avaya users are 44% more likely (88% vs. 61%) than Industry Average firms to deploy call recording technology as a part of their contact center programs. Furthermore, they are also 40% more likely (77% vs. 55%) than Industry Average to enforce call recording policies based on regulatory guidelines.

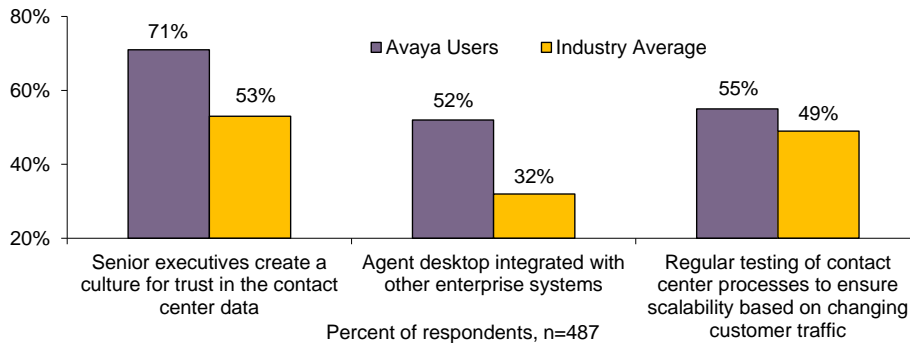
Providing a personalized caller or customer experience is another activity that differentiates Avaya users from their peers (84% adoption), again besting the Best-in-Class firms (80% adoption). In order to foster this activity, companies track *and* utilize customer behavioral data to connect each client with the appropriate agents. This is an activity that is supported by numerous technologies, among them Automated Call Distribution (ACD). In the next section, we'll observe that Avaya users are more likely to utilize this technology compared to their peers.

Another activity that helps businesses personalize customer experience within the contact center is utilizing the appropriate mix of channels that are effective in addressing customer needs. To this point, findings from Aberdeen's [\*Next-Generation Customer Experience Management\*](#) research show that, on average, more than half of all businesses use six channels (e.g. phone, IVR, email, web, and social media) within their customer interaction mix — this compares to eight channels utilized by more than half of all companies using Avaya. In order to ensure a consistent and superior experience across multiple channels, 73% of Avaya users implement a process that utilizes historical customer data to direct customers to the most appropriate channels. This is an activity empowered by use of customer database management and business intelligence tools to query historical contact center interactions and seek patterns for identifying which channels work better in addressing particular buyer needs.

While Avaya users are 18% more likely (73% vs. 62%) than Industry Average firms to automatically direct customers to the most relevant channels for address their needs, increasing their adoption of multi-channel agent desktop capabilities would help them further strengthen their performance. Currently 61% of Avaya users enable their contact center staff with an agent desktop that can be used to handle customer requests across multiple channels (e.g. phone, web, and social media), which compares to 63% for Industry Average firms. Increasing their focus on empowering agents with this key capability would help Avaya users further improve agent productivity and strengthen their competitive position in delivering seamless multi-channel customer care.

Let's now expand our analysis on data use within contact center activities. Figure 3 below illustrates additional business activities through which Avaya users manage customer and operational data to run their contact center programs.

**Figure 3: Key Processes Avaya Customers Use to Manage Contact Center Data and Activities**



Source: Aberdeen Group, July 2012

One of the most essential, yet overlooked, pieces of data utilization in contact center optimization efforts is trust in information. Businesses have myriad reasons that impact their trust and reliance on information — lack of data quality being one of the primary ones. Aberdeen's [Next-Generation CEM](#) research reveals that less than half (43%) of businesses are currently satisfied with their ability to use customer data within their business activities. To overcome this challenge, Avaya users establish an organizational effort to create executive-led trust in contact center data. This can be accomplished through numerous activities such as formal training, a change management program, and regular direct communications (i.e. memorandum) from executive management to contact center staff. As such, contact center agents and managers in these businesses are more likely to regularly use and rely on the insights gleaned through analyzing information collected through numerous systems and channels.

Utilizing customer and operational data has far reaching benefits. One of these benefits is empowering agents with the timely and relevant information needed to do their jobs better. Agent desktops play a critical role in fulfilling this objective. This tool connects contact center agents to not only the customer, but also the rest of the enterprise where they can glean information (e.g. account, product, and service) needed to address client needs. As such, agent access to enterprise systems that store relevant data in a timely and streamlined fashion is crucial. Avaya users are 63% more likely than their Industry Average peers to provide this capability, and 21% more likely than Best-in-Class firms.

As noted above within this paper, scalability is a key strategy deployed by 70% of companies within Aberdeen's [The Hidden ROI of a Cloud-based Contact Center](#) study. Scaling contact center activities up and down based on changing customer traffic enables companies to ensure maximum service levels for their client base as well as improve overall responsiveness to customer requests. If a customer is not able to reach a company or needs to endure excessive wait times to connect to an agent, this might result in the loss of potential business as well as negative word-of-mouth. Despite a

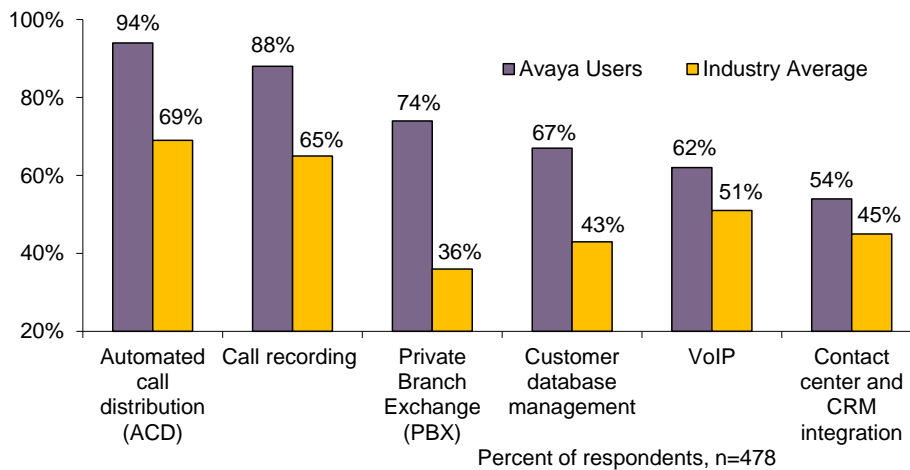
rather narrower delta, Avaya users are 12% more likely to deploy this activity compared to their Industry Average peers.

Now let's look at the enabling technologies Avaya users leverage to support executing the activities observed thus far.

### Technology Enablers

The customer and operational data management activities noted above help the Best-in-Class firms excel in streamlining their contact center activity results. Avaya users adopt many of these best practices to differentiate their customer care efforts. As illustrated in Figure 4, research shows that they complement the use of these key business processes through relevant technologies that help them better execute these activities.

**Figure 4: Avaya Users Utilize Technology Tools More Widely**



Source: Aberdeen Group, July 2012

VoIP is one of the main ingredients of Avaya users' contact center efforts. It helps companies connect telephone interactions with computer activities or records in order to better track and manage customer care efforts. One of these efforts is connecting the right agent with the right customer to address client needs in a timely and effective fashion. Aberdeen's June 2012 [\*Workforce Management in the Contact Center: Optimizing Agent Scheduling and Productivity to Improve Customer Experience Results\*](#) study shows that companies using this process achieve 71% greater year-over-year increase (10.2% vs. 5.9%) in their customer satisfaction results, compared to those without it. Automated call distribution (ACD) technology supports implementing and executing this activity by utilizing customer (i.e. insights gleaned through IVR system) and operational data (i.e. agent availability) when connecting customers to agents — an activity that is also referred to as caller automation. Avaya users outpace the Best-in-Class by 25% in their adoption of this key technology (94% vs. 75%).

### Caller Automation

- √ Caller automation, also referred as virtual agents, allows companies to automate contact center interactions through the use of customer and operational data.
- √ Companies using this technology achieve 65% greater year-over-year improvement (decrease) (4.3% vs. 2.6%) in the average cost per customer contact, compared to those without this technology. While 26% of Avaya users deploy this technology, only 7% of the Industry Average currently has it in place.



The use of ACD is enhanced by greater availability of quality information. As such, customer database management tools and integration of the contact center with the CRM system are crucial to maximize the benefits of this

*When implemented appropriately, it [contact center and CRM integration] allows companies to establish a "360-degree view" of customers - which is a key capability that supports delivering consistent customer messages across each touch-point.*

technology. Customer database management tools help businesses cleanse customer information captured across myriad channels in order to improve data quality. Indeed, Aberdeen's January 2012 [Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight](#) research reveals that companies using this technology are 23% more likely (37% vs. 30%) to be satisfied with their ability to use customer data within their business activities. Once the data is scrubbed, the CRM plays a key role in

storing this information. When implemented appropriately, it allows companies to establish a "360-degree view" of customers, which is a key capability that supports delivering consistent customer messages across each touch-point. Avaya users are 20% more likely (54% vs. 45%) than Industry Average firms to integrate their contact center with the CRM system, thus enabling a broader view of customer information that empowers their personalized customer care activities.

Aberdeen's January 2013 [The Hidden ROI of a Cloud-based Contact Center](#) study shows that 45% of all contact centers today use home-based agents as a part of their business activities. To supplement this finding, the [Workforce Management in the Contact Center](#) research shows that 5% of the current contact center agent workforce in Avaya users is home-based. For a contact center with 500 agents, this corresponds to 25 home-based agents. When asked about the expected change in this figure, Avaya users indicated that they anticipate a 7% increase in the number of home-based agents in 2013. These findings are illustrative that home-based agents are growing in significance.

## Key Takeaways

Empowered customers are rapidly changing today's business landscape, and the contact center is at the heart of this change. With growing access to information on company products and services, buyers are empowered with a wealth of information that influences their purchase decisions. As such, the impact of a poor customer interaction (e.g. an unresolved issue on a phone call or live chat session) in the contact center is not confined to that particular interaction, but rather impacts the overall CEM efforts of the whole business. The findings illustrated within this document indicate that Avaya users are well-positioned to meet changing buyer needs by deploying Best-in-Class contact center programs. In fact, research shows that Avaya users outpace the Best-in-Class with their adoption of eight of the 14 best practices demonstrated within Table I of this document.

Top-performing businesses utilize a series of business processes and technologies that enhance their ability to ensure compliance, capture, and utilize customer and operational data, as well as continuously improve their contact center performance. Companies using Avaya are more likely to understand the value of these differentiating enablers and make them a part of their business. They outpace their Industry Average peers and in some cases, even the Best-in-Class firms in adopting these key differentiators. The benefits of these efforts are reflected through greater performance in key measures such as first contact resolution, customer satisfaction, SLA compliance, and reduction of operational costs.

For more information on the findings referenced above or other research findings on contact center trends and best practices, please visit [http://www.aberdeen.com/\\_aberdeen/services-management/SMAV/practice.aspx](http://www.aberdeen.com/_aberdeen/services-management/SMAV/practice.aspx).

| Related Research  |  |
|---|--|
| <p><a href="#"><i>The Hidden ROI of a Cloud-based Contact Center</i></a>; January 2013</p> <p><a href="#"><i>Multi-Channel Contact Center: Delight Customers where they Live</i></a>; November 2012</p> <p><a href="#"><i>Agent Desktop Optimization: Agents can Finally Focus on the Customer</i></a>; October 2012</p> <p><a href="#"><i>Virtual Contact Center Agents: Break the Boundaries</i></a>; September 2012</p> <p><a href="#"><i>Speech Analytics: Listen to your Customers</i></a>; September 2012</p> | <p><a href="#"><i>Contact Center Analytics: How the Best-in-Class Reduce Operational Costs through Contact Center Data</i></a>; July 2012</p> <p><a href="#"><i>Workforce Management in the Contact Center: Optimizing Agent Scheduling and Productivity to Improve Customer Experience Results</i></a>; June 2012</p> <p><a href="#"><i>Customer Experience Management: Using the Power of Analytics to Optimize Customer Delight</i></a>; January 2012</p> |
| <p>Author: Omer Minkara, Research Analyst, Contact Center &amp; Customer Experience Management (<a href="mailto:omer.minkara@aberdeen.com">omer.minkara@aberdeen.com</a>), <a href="#">LinkedIn</a>, <a href="#">Twitter</a></p>  |  |

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