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WHITE PAPER

A Strategic framework for Customer Experience (CX) Outsourcing

This 5-part Series provides a strategic framework for CX-centric companies who are considering outsourcing their customer care.

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CX, a buzzword only a few years ago, has rapidly become the de facto competitive differentiator for many companies competing on Customer Experience (CX) to win market share, retain customers, and build loyal fans.

Competing on CX, however, is expensive! This has led to a parallel surge in outsourcing customer care operations to specialist third-party providers to drive costs down, scale effectively, and access CX skills and technology. For CX-centric companies in search of value, navigating thousands of BPO (Business Process Outsourcing) operators across multiple geographies has become increasingly daunting. This White Paper series provides a strategic framework for CX outsourcing that dramatically simplifies this decision-making process.

CX-centric companies range from juggernauts like Amazon to niche companies such as Glossier a niche beauty brand, Rothy's a niche footwear brand that has gained recognition for its sustainable and eco-friendly products, to heritage brands like Zwilling J.A. Henckels dating back to 1731 manufacturing high-end knives and kitchenware delivered in a seamless shopping experience. Competing on experience has extended to professional firms like Zappala & Partners, a law firm that values and prioritizes the customer experience by differentiating itself through personalized service, clear communication, responsiveness, empathy, streamlined processes, and client education.

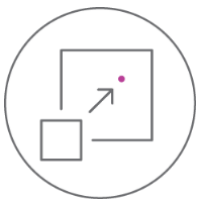
Despite its benefits, customer experience outsourcing also has some drawbacks. In 2014 a major US telecommunications and media company faced significant challenges when outsourcing its customer experience operations to a third-party service provider. The outsourcing arrangement resulted in a highly publicized, viral, and damaging customer experience failure with customers complaining about incompetent and aggressive Customer Service Representatives, inaccurate billing and service issues, and poor communication and lack of accountability. This story is not unique.

Customer experience outsourcing has the potential for a disconnect between the outsourced customer service operations and the company's overall brand and customer experience strategy. When customer service operations are outsourced, it can be more difficult for companies to ensure that their outsourced providers are delivering the level of service and support that aligns with their brand and overall customer experience strategy.

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Customer experience outsourcing, however, is as inevitable as the global manufacturing outsourcing phenomenon of the late 20th century, as CX centers of excellence emerge both nearshore and offshore in locations like South Africa, India, and the Philippines offering highly specialized CX services for a fraction of the cost - in some cases as low as one third of that of the US, UK, or Europe.

So how do CX-centric companies approach an outsource decision? The traditional nearshore/offshore decision-making model proves an odd fit with a focus on productivity metrics like average handle time (AHT) and evaluation themes like infrastructure availability, local labor market, commercial property, BPO ecosystem and public security – table stakes when considering a complex CX requirement. CX outsourcing requires a far more specialized third-party provider, one that draws on CX best practices and externalizes them.



SCALE:

A good starting point is to consider scale. If your requirement exceeds one thousand agent seats, then a multi-regional outsourcing strategy is critical for risk mitigation. Multi-national providers' strength in scaling and standardization comes at the expense of the personal touch needed to walk the journey for CX-centric niche brands. For niche brands requiring less than one thousand seats, a search for a partner who is willing to spend the time to understand their customers, walk with them, and treat them special is the logical starting point. Scale therefore sets the scene and starting point – a multi-regional country search versus a search for a specific niche specialist CX partner.



CULTURE:

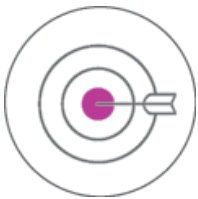
Peter Drucker's famous quote 'culture eats strategy for breakfast' rings ever true for CX outsourcing. Cultural alignment with your outsource partner is at the heart of success regardless of how effective your strategy may be. Cultural alignment transcends fluency in your company's language or familiarity with your local culture – the outsource partner should be seen as a natural extension of your workforce i.e., people your company would want to hire and work with!



THE BRAND-INFUSED JOURNEY:

How do brands get better here? Hank Brigman, SVP of Service Journey Strategies, referred to the evolution of the available/expected channels. The more channels, the greater the complexity of delivering consistently good customer experiences, those that create positive emotions. A specialized outsource partner will understand it's not a channel strategy, rather it is a service journey strategy by channel. A well-appointed partner is well placed to advise and deliver a strategy to create better outcomes for your customers.

CX-centric companies understand the importance of infusing their brand experience into the customer journey. Skill in Customer Journey Mapping is therefore a critical capability of a third-party CX provider. The customer journey map is the blueprint to understanding the various touchpoints and interactions customers have with your brand, identifying key moments of truth and critical touchpoints where customers form impressions and make decisions. Journey maps will help align your efforts with your outsource partner, providing a consistent and seamless experience throughout the entire journey which can be objectively evaluated in determining success criteria.



SET CLEAR CX METRICS:

A well thought out customer journey has emotional peaks and troughs which when converted to experiential attributes, can be measured to drive the specific outcomes you want to achieve. CX metrics are the key that turn journey maps from conceptual frameworks into a set of clear objectives, goals and measures that can be operationalized. These measures will guide your CX strategy and establish clear, objective success measures with your outsource partner.



COLLABORATE TO DESIGN AND DELIVER A SEAMLESS EXPERIENCE:

Based on customer insights and the customer journey map, CX-centric companies focus on designing and delivering a seamless and personalized experience across all touchpoints while ensuring consistency in messaging, branding, and service delivery. A specialized outsource partner will have the CX skills, platforms, and programs in place to be a full partner in advising on and implementing strategies to enhance self-service options, introduce new service channels, reduce friction, and simplify processes.



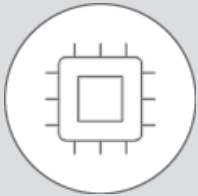
PEOPLE:

Engaged and empowered employees play a crucial role in delivering exceptional customer experiences. Specialized outsource partners will have very specific and sophisticated capabilities that target the sweet spot of your culture, customer value proposition, and role competencies to source, assess, develop, and coach high-performance individuals.



IMPACT SOURCING:

customers are digging deep into the supply chain. They want to know where their product is sourced, who is servicing them, and that their chosen brand has a strong Environmental, Social and Governance (ESG) culture and practice.



LEVERAGE TECHNOLOGY:

a specialized outsource partner will utilize technology to enhance CX delivery, streamline operations, and deliver seamless omnichannel capability. CX platform capabilities to measure, monitor, and track key CX metrics and analyze customer data using advanced analytics tools to gain actionable insights for continuous improvement are a perquisite.



CONTINUOUS IMPROVEMENT:

CX management is an ongoing process of improvement. A specialized outsource partner will be a partner in this endeavour working collaboratively to foster a culture of continuous improvement by regularly reviewing and analyzing CX metrics and customer feedback and play an advisory role in guiding changes in your processes, policies, and offerings.



VALUE:

For CX-centric brands there is no purpose in shopping for price unless the checklist above can be confidently ticked-off - it will only result in brand damage (or worse). CX outsourcing is not the focus nor expertise of many BPO operators in an industry that has historically been shaped by cost-cutting. However, by shopping smartly you can anticipate savings of up to 70% from specialist outsource partners who differentiate on CX.





IN CONCLUSION:

By adopting this CX outsourcing framework, companies in search of value can systematically evaluate potential partners and choose one who has the depth to collaborate to improve CX, build customer loyalty, and differentiate your customer experience in markets with ever-changing customer expectations.

The next White Paper in this series will unpack the Brand-infused Journey theme in more detail.

About iContact: iContact has years of experience serving international clients across multiple time zones, notably in the US. Our success grew organically, not to be the biggest, but from a love and commitment to serve our clients, nurture and develop our people, and consistently delivers extraordinary customer experiences!

For more detail visit www.icontactbpo.com

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