The Great Resignation:

Why Your Contact Center Won't Survive Without Automation

Introduction

By almost every account, 2021 was the hardest year in history to manage a contact center. In the words of one contact center leader: "2021 sucked". And with 2022 off to a rocky start, many are questioning whether the light at the end of the tunnel might actually be a train.

But despite the staffing challenges that have emerged over the past 18 months, one thing is clear: contact centers have never played a more crucial role in customer satisfaction and the success of brands than they do right now.

Customer service in 2022 will be a key differentiator for organizations in nearly every industry as consumers are presented with more options than ever for the products and services they use, from flights, to healthcare, to ecommerce, to retail and insurance.

As contact center leaders prepare for another year of uncertainty, there is no shortage of information to explore and strategies to adopt.

According to Harvard Business Review, 52% percent of companies accelerated their AI adoption plans because of the pandemic. Just about all, 86%, said that AI was becoming a "mainstream technology" at their company in 2021.

This guide will walk through:

◆ The current trends impacting Workforce Management (WFM) and contact center operations

◆ The shortcomings of traditional WFM strategies

◆ Why automation has emerged as the most effective solution to WFM challenges

◆ How contact centers can get started with automation

1.

What's Impacting Contact Centers Today

Today's contact centers are under immense pressure from multiple angles, each with their own unique set of challenges. The three most immediate factors — the "Great Resignation," the ongoing Covid-19 pandemic, and unpredictable logistic and weather-related events — show no signs of relief. They affect contact centers regardless of size, industry, or location.

The Great Resignation

The Great Resignation has put stress on contact centers as employees reevaluate what meaningful work is. Many who would once have been prospective employees now don't want boring, monotonous and repetitive jobs. The labor pool is shrinking, taking even more of a toll on organizations and their customer support. This has caused new, unforeseen and unplanned workforce management issues and made retention that much harder.

According to the U.S. Labor Department, more than 4.5 million people voluntarily left their jobs in November of last year. That was up from 4.2 million in October and was the most in the two decades that the government has been keeping track.

The Global Pandemic

The pandemic is upending every aspect of business. It has taxed organizations greatly, leading to agent shortages, higher stress for

employees who are still working, and unhappy customers (which negatively impacts customer loyalty). According to the [Harvard Business Review](), the pandemic has created 68% more call escalations, 50% more difficult calls and 34% longer hold times.

Unpredictable External Forces

Third, catastrophic weather events, cybersecurity threats, supply chain disruptions and other unpredictable crises are creating massive customer service challenges. Companies can't scale up and down quickly enough to meet customer demand in the face of these events.

No longer do the operations models of the past predict future forecasting needs as it relates to hiring and surges in customer service volumes. With each passing storm, service outage, and supply chain disruption, contact centers are experiencing heightened call volumes and customers are becoming more on-edge about the status of their services and security of their information.

What the Data Says

Despite these challenges, several data points show customer service is more important than ever. For the past few years, some companies have had no choice but to apologize for poor customer service, point to agent shortages, and leave customers to deal with long queue times. But this can't last forever.
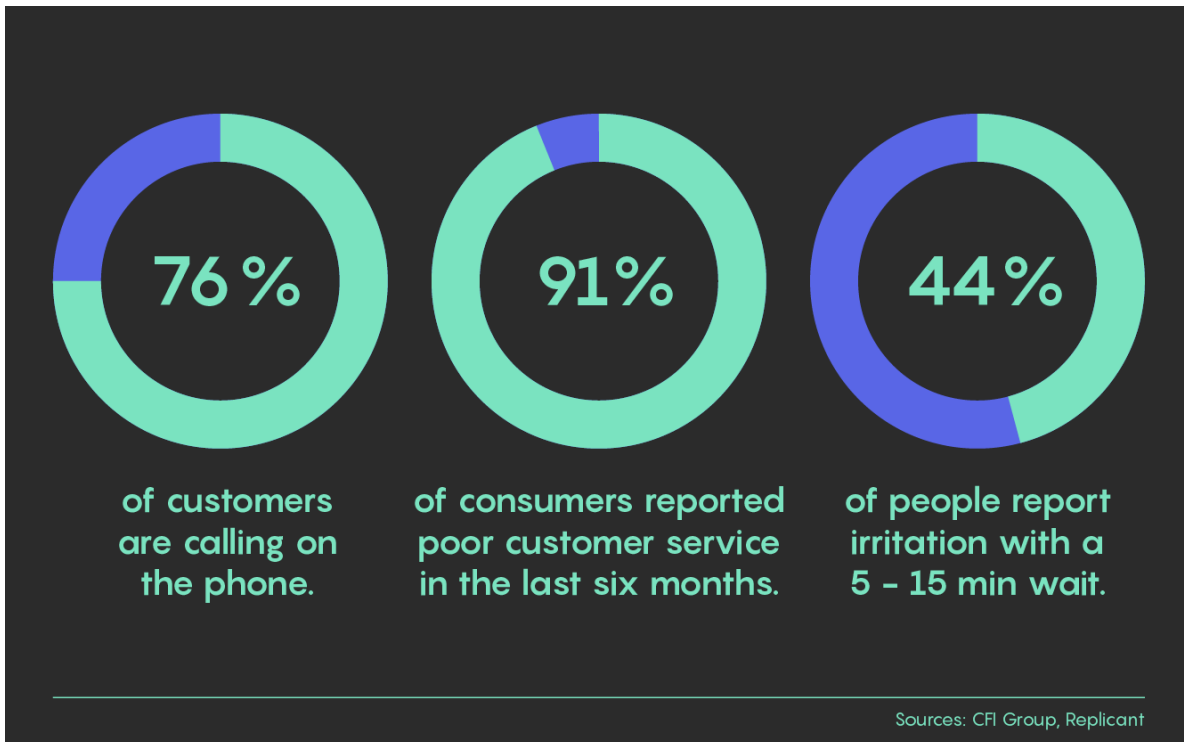
76% of customers are calling on the phone when contacting customer service.

It's no secret that channels like chat, SMS, and social media are on the rise as customer service mediums. But voice — and the phone channel in particular — remains the preferred method of service for customers. The voice channel has been severely impacted by the aforementioned trends.

86% of buyers say they're willing to pay more for a great customer experience.

If customers are willing to invest more for a better experience, they expect brands to do the same.

At least 72% of customers are likely to share their positive experiences with six other customers.

Positive customer experiences are increasingly becoming a key differentiator in every industry, and a tool for growth. Just like employee churn is on the rise, customers are more willing than ever to take their dollars elsewhere when dissatisfied with their service.

Nearly 80% of American consumers point to speed, convenience, knowledgeable help and friendly service as the most important elements of a positive customer experience.

Without an easy-to-reach contact center, your CSAT scores are fighting an uphill battle. Customers expect a response from a company within five minutes or less according to Forrester.

One in three customers will leave a brand they are loyal to after one bad experience.

Bad experiences are driving customers away faster than ever. What's more frightening for contact centers is that what a customer defines as a poor experience can occur before your agents even get on the phone.

2.

Why Traditional Solutions are Failing

"Modern problems require modern solutions." The old adage, cliche as it may be, could not be any truer that it is for today's contact centers.

The WFM challenges of 2021 were unprecedented and have accelerated the need for innovation in the contact center. It's imperative that every stakeholder in your organization's customer service operation takes a step back in 2022 to reassess how they traditionally address WFM, and evaluate the limitations of those solutions against the challenges laid out in Section One.

EXIT

Drawbacks of seasonal or temporary hiring

Record-setting resignation rates have increased the need for labor. But where seasonal or temporary hires would step in to fill the gaps in years past, today's unprecedented resignation rates are exposing the risks of quick hires. The drawbacks of seasonal or temporary hiring include:

◆ Relying on past KPIs that no longer hold to forecast future and immediate hiring needs

◆ Sunk training costs from hires that have joined in the last year and attrited

◆ No guarantee of lower AHTs, higher CSAT scores, or lower queue times

◆ Cost overruns, sometimes paying for agents to not be online

◆ Harm to your brand promise from lack of control and unpredictability

> "Right now, our biggest concern within the call center space — specifically on reservations — is the lack of manpower. After the Great Resignation, we hired 2,500 people since May 1st of 2021. Of those, we have already lost 1,300. So all of that work just to end up with 1,200 people. Now we are facing a need to hire an additional 2,500 people before the start of the summer. Our biggest concern right now is how to get people through the pipeline as fast as possible and make them as productive as possible as soon as they start."
>
> – CX Managing Director, Fortune 500 Airline

Legacy technologies can't do enough

Traditional technologies like agent assist, IVRs, and self-service aim to ease the burden of agents and make them more productive. They deflect callers to self-service, knowledge base resources, and FAQs. Or, they route callers to departments to cut down on agents' need to make transfers.

But given the current strain on agents, and the hiring challenges in the market, squeezing every ounce of productivity from your agents is not a long term solution. In fact, it can lead to further employee burnout.

Additionally, IVRs and self-service voice and chat that doesn't fully resolve issues often does more harm than good for the customer experience. They can force customers to sit through rigid menus, stay on calls for minutes to hours only to be deflected elsewhere, and have to repeat themselves once transferred to an agent.

56% of consumers cite automated telephone systems as the most frustrating aspect of poor customer service.

BPOs are a linear solution to a dynamic problem

When the first two solutions aren't enough, traditionally contact centers turn to third-party help. This often comes in the form of seasonal employees or Business Process Outsourcing (BPO) to solve staffing and technology gaps. These solutions are typically the most expensive methods for adding talent.

While they add staff, they don't have unlimited capacities and often come with premiums once a certain number of live agents are on calls. They require exorbitant training cycles that can take weeks to months, and they can require rigid contracts that don't take into account seasonality or agent off-time. A/B testing in a BPO environment is often not feasible and the ability to pivot when key metrics are lagging is extremely slow when compared to point-and-click AI solutions. In addition, BPOs are experiencing resignation challenges, too, as employees flock to gig economy jobs.

3.

Why Automation is Succeeding

The limits of traditional contact center WFM strategies become clearer when compared to the latest technology.

Contact centers need a solution that can scale up or down according to customer demand, while delivering effective customer service and keeping costs low. The answer to this is contact center automation, beginning with the tier-1 level of customer service interactions.

Whereas temporary employees, agent assist solutions, and BPOs can excel in performing "damage control" in times of need, modern automation offers a long-term foundation that can completely transform the workforce optimization of a contact center.

Contact center automation comes in many forms. The most comprehensive solutions leverage conversational AI which has received rapid adoption rates in contact centers due to its proven ability to solve the problems outlined in this guide. It is the primary automation solution that directly partners with humans to create a seamless experience that benefits both customers and agents.
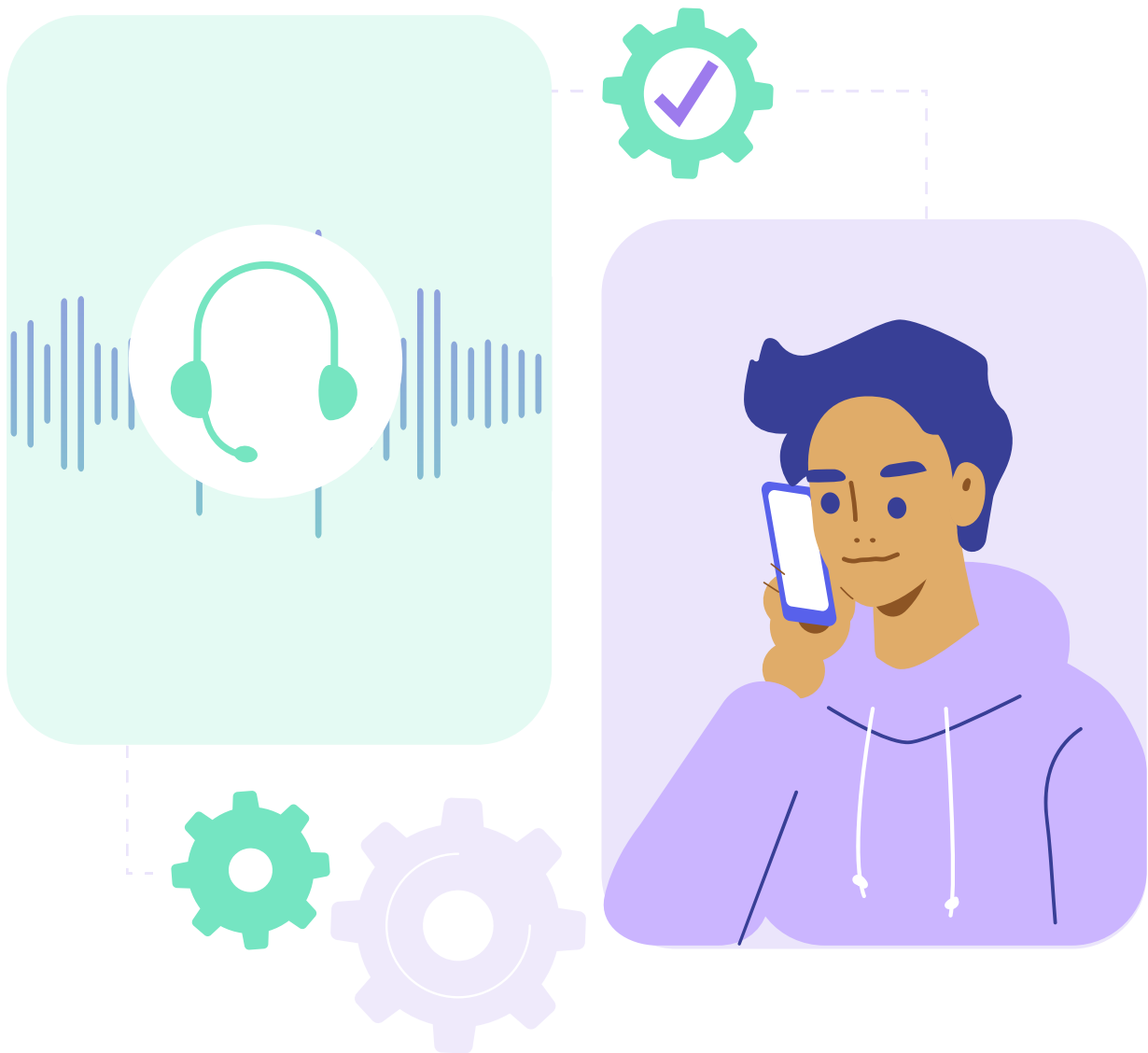
Conversational AI and Contact Center Automation

How it works

Conversational AI combines machine learning and natural language processing, which make realistic, automated engagement with humans possible. At its most sophisticated, it can be contextual, and able to understand complex and colloquial

speech patterns like slang, accents and more. Conversational AI can automate customer requests across a variety of channels, including voice and chat.

How it's used
Conversational AI helps contact center automation take place across a wide array of applications, essentially in any industry or situation in which engagement with humans needs to happen — and needs to scale. For example, it can offer customer support, automate sales outreach to prospective customers, initiate IT support, deliver employee training and much more.

Future applications
While there are endless opportunities for using conversational AI, the biggest business opportunity right now is the $1.3 trillion customer service market. Not only is the size of the market massive, but there's also a demonstrable lack of automation solutions that satisfy customers and agents while simultaneously improving business outcomes.

The application of integrating conversational AI into customer service means that businesses can use machine-based voice and chat to solve customer challenges. The technology helps customers, agents and business outcomes, and can do so at scale.

This used to be something that sounded futuristic, but it's absolutely accessible now. And, machines are far more advanced than they used to be, going so far as to engage in complex conversations over the phone to resolve questions or customer service issues.

Why Conversational AI is Succeeding:

1   **It directly addresses pandemic-related challenges**

Conversational AI can carry out natural, lifelike conversations that resolve customer issues with zero queue times and none of the frustration included with legacy solutions like IVRs. Customers can use the channel of their choice, speak in the language of their choice, ask multiple questions at once, and never have to repeat themselves.

Since conversational AI makes automation available 24/7 — and scales when needed based on call volumes and customer interactions — it's a cost effective way of adding a virtual staff that does the work of unlimited agents without sacrificing CSAT.

2   **It immediately eases staffing and WFM strain**

Conversational AI only needs to be trained once. With out-of-the box solutions — which we'll talk about more in the next section — conversational AI can be customized, integrated and deployed into contact centers in just weeks. This offers immediate relief to staffing issues and unpredictable call volumes.
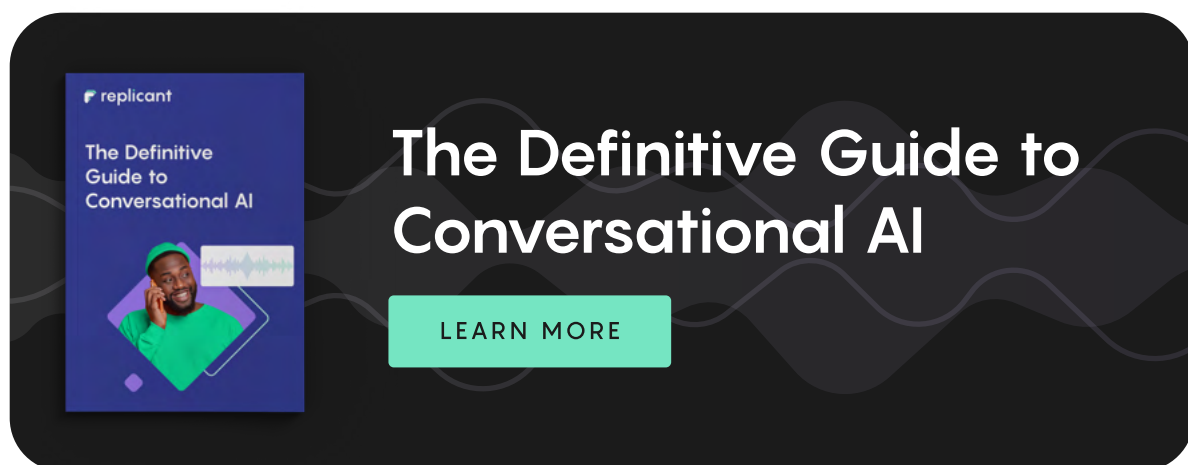
Agents love the technology because it collaborates with human employees to automate repetitive conversations, resolve tier-1 cases, and allows agents to focus on more engaging work, while acting as a first line of defense and overflow safety net.

3   It creates a safeguard against future unpredictability

Conversational AI provides a consistent customer experience that represents your brand the same way every time. It provides insights into unstructured caller data, which helps you easily enrich the customer experience and identify opportunities.

With deep analytics that go beyond traditional metrics, contact center leaders are able to discover new call flows to automate and find more information about their call types and call patterns. From a customer's perspective, this means they get what they need with zero wait, no matter how many calls or agents you have — in other words, it provides unlimited scale.

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The Definitive Guide to Conversational AI

The Definitive Guide to Conversational AI

LEARN MORE

4.

How to Get Started with Automation

There's a lot to consider before getting started with automation in your contact center. This section will outline some of the most important considerations to make before adopting conversational AI automation, as well as what to expect after an implementation.

Pre-implementation:

Build vs. Buy

Building conversational AI in-house is a time and resource-intensive endeavor that requires experts in machine learning, natural language processing (NLP) and conversational linguistics, who are devoted to building, maintaining, and continually improving AI models. While platforms exist that provide the framework for conversational AI at large, they lack pre-built customer service AI models that are trained on common customer use cases. Building a solution can also come with many unforeseen risks.

Buying conversational AI enables you to deploy a solution quickly and leverage experts who have gone through the implementation process multiple times. In conversational AI, experience counts. The right partner should result in minimal resources required internally and provide a dedicated team responsible for your long-term success. You should be able to take advantage of conversational AI
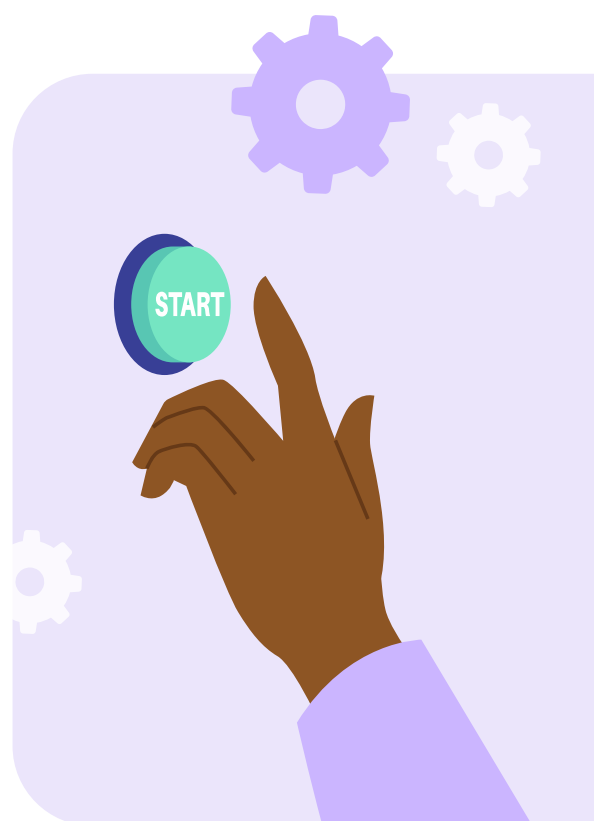
design experts who are dedicated full-time to developing and enhancing your call center-specific AI experience, giving you peace of mind that your solution will keep pace and evolve as your needs do.

Because they're purpose-built for contact centers, purchased solutions can come 80% ready to deploy out of the box. The work needed thereafter is focused on customizing conversations and integrations to your business—not creating conversational AI from scratch. Other benefits include built-in telephony, turnkey CRM integrations, advanced analytics, user-friendly monitoring dashboards, and more to ensure fast and successful deployments.

Build conversational AI when:

◆ You have AI engineers who can train and deploy AI models with continuous feedback

◆ You have AI and conversational design experts to design conversations specific to your use cases

◆ You have experts to QA and manage calls

◆ You can accomplish custom Integrations into contact center and CRM software

◆ You have the infrastructure and redundancy to deploy conversations at scale

◆ You can wait for security and compliance approvals to colleect payments and sensitive customer information

◆ You have the runway and full-time dedicated resources to oversee it indefinitely

Buy conversational AI when:

◆ You want conversation design that enables better service from day one

◆ You want pre-built powers that can be dragged and dropped into flows

◆ You want a full end-user interface for reviewing, annotating and managing calls

◆ You want a product with tens of millions of training data calls behind it

◆ You have the infrastructure and redundancy to deploy conversations at scale

◆ You want a continuous learning platform that measures and enhances performance over time

◆ A/B testing and advanced analytics are important to you

◆ Out-of-the-box integration with the most popular tools is a must

◆ You want built-in telephony

◆ You want one brain supporting every channel

◆ Enterprise-grade security and redundancy is imperative

◆ You want a 100% success rate at a fraction of the cost of building in-house

Identify use-cases

Conversational AI is not an all-or-nothing technology. In fact, many contact centers deploy the solution in one-to-few use cases to start — caller authentication, IVR replacement, or account updates, to name a few. Use cases can be determined via caller data, or through creative workshops that strategically select the optimal use cases for a given contact center. From there, contact centers can map out further tier-1 customer service issues to automate, as well as log the key metrics to benchmark against.

Identify the right conversations to automate with this helpful checklist:

◆ **High Volume** Identify requests with thousands of conversations per week in order to achieve economies of scale and significantly impact your call center operations and ROI.

◆ **IVR Leakage** Identify conversations in your IVR that are getting stuck, not fully resolved, or prematurely routed to an agent.

◆ **Inbound Spikes** Identify conversations triggered by unexpected or expected events that lead to high inbound volumes like spikes during lunch hours, holidays, seasonal periods, or even one-off surprises like power outages.

◆ **Low Emotion** Identify conversations that require low emotional intelligence and empathy, while evoking low emotion from the customer. Think transactional or operational conversations like scheduling a service, updating an address, or requesting a proof of insurance.

◆ **Low to Mid-Complexity** Identify conversations that achieve a desired goal like figuring out a payment issue or changing a delivery time or date. These conversations are predictable, repeatable, and easy to script, and represent dozens of use cases.

◆ **Personalized** Identify conversations that would benefit from greater personalization. When integrated with existing software, Replicant can make data dips into CRMs to authenticate customers and recall user information faster for contextual conversations.

Calculate expected ROI

After the initial discovery and documentation of metrics and costs to operate, contact centers should be able to achieve an accurate ROI model to set a financial business case for leveraging conversational AI automation. This is best achieved with an experienced solution provider able to forecast when your contact center can expect to start seeing results against your KPIs and overhead costs.

Perform a technology assessment

Finally, a conversational AI implementation should be highly collaborative with stakeholders from your contact center's IT team to conduct a comprehensive assessment of the technology stack at hand. At this stage, contact centers determine how a conversational AI automation platform will integrate with existing systems. Goals at this stage include aligning specific needs with capabilities, and complying with a contact center's security, privacy, and other policies and standards.

Post-implementation:

Measure results

Call volume over time is a simple but key metric to start with. A benefit of conversational AI is the ability to have the solution elastically scale with customer demand. Once you have a solution in place, measure call volume over time and use a dashboard view to understand the percentage of interactions being used by conversational AI. By starting with the percentage of issues conversational AI is automating and resolving, your ROI will begin to come into view, and you can continue to add more metrics.

Understand how conversations are performing

Companies typically need to survey callers after an interaction via email or call-backs, resulting in low response rates. But conversational AI can collect CSAT on the call, quickly and consistently. This allows you to see how CSAT is trending in real-time, while also viewing which specific calls had low CSAT. You can then playback and review their transcripts and even follow up by A/B testing scripts to take action and mitigate performance issues.

Conversational AI automation is typically able to handle tier-1 calls 30%-50% faster than agents; average handle times can indicate key performance metrics as well. Dispositions should also be mapped to business outcomes to understand the breakdown of positive, neutral, and negative outcomes. If you feel there is room for improvement, you can then drill into the negative and neutral outcomes to update conversation flows.

Ensure constant improvement

While not every conversational AI platform can claim contact center self-service, solutions like Replicant give you the ability to deploy A/B testing and improve intents yourself. A/B tests are critical to taking a data-driven approach to improving the conversation design of Thinking Machines. This often starts with digging into transcripts where a Thinking Machine did not understand a human; this could mean the Thinking Machine would escalate to an agent. Establishing best practices around active learning and data-based improvement opportunities allows you to understand trends, and constantly improve the outcomes of your conversational AI.

5.

Conclusion

2022 will be a pivotal year for contact centers with no shortage of challenges. Stakeholders in contact centers, operations, and customer experience all have a massive opportunity to transform the way customer service gets done. Some of the contact center leaders transforming the industry today are already taking up the task.

With modern solutions advancing every day, companies who are first-movers toward automation will thrive. The sooner automation solutions like conversational AI are adopted, the sooner contact centers can begin to understand their true staffing needs, protect against tomorrow's risks, and, ultimately, serve their customers more effectively.

About
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Replicant was founded on the belief that machines are ready to have useful and complex conversations that will transform the way we interact with the world, starting with customer service. Replicant's powerful artificial intelligence platform automates tier-1 customer service and resolves customer issues over the phone and across channels with natural-sounding conversations. Replicant currently handles millions of customer support interactions a month and serves some of the largest contact centers in the country. For more information, please visit www.replicant.ai. Follow Replicant on Twitter @Replicant_AI.