

Contact Centre Revenue Generation Strategy

CLIENT

A major loyalty rewards contact centre with more than 1,000 agents was operating as a transactional redemption service, providing support and assistance for callers seeking to redeem their points. A significant reorganization led to the loyalty rewards program operating as a newly formed corporate entity and expanding its mandate to include service and sales.

CHALLENGE

The contact centre's business model and associated vision and mission had to be redefined and realigned as a result of its new revenue development mandate. With historical operational imperatives focused on efficiency, the client hired TMG International Inc. to redefine its business model and supporting practices to drive an increased focus on customer experience, a renewed focus on efficiency, and a new focus on revenue generation.

APPROACH

The first step in the new revenue generation strategy was to build a profitable transformation roadmap with aligned stakeholder commitment. TMG developed an extensive communications initiative designed to gain long-term commitment and investment support, and to drive change through people, process, and technology. After developing the roadmap, TMG conducted a review of the contact centre to analyze the current state of the operations and identify gaps in aligning the contact centre with the new business model. Looking at the operation from a profit and loss perspective allowed TMG to understand and prioritize the operational changes required in the areas of revenue, efficiency, and customer experience in order to effectively drive change.

KEY INSIGHTS

Given the many gaps and significant investments needed to achieve the revenue generation objective, it was evident that jumping to a revenue focus immediately would be unsuccessful. Instead, it was determined that addressing some of the issues related to customer experience and operational efficiency would lay the foundation upon which to build a solid strategy to grow revenues. The key insights were as follows:

- Agent performance objectives were not aligned with the mission/vision of the organization.
- Agents were not performance focused, and did not have the training, motivation or tools required to become revenue focused.

Highlights

CHALLENGE

Redefine a contact centre's business model and supporting practices for a more profitable business

KEY INSIGHTS

- Agent performance objectives not aligned with mission/vision of the organization
- Agents not performance focused
- Agents not equipped to become revenue focused
- "Good customer experience" not well defined and varied considerably by agent
- Coaching not effective due to large ratio of supervisors to direct reports

IMPACT

- Immediate cost savings helped to fund further required changes and investments
- Improved call centre profitability
- Increased revenue
- Better operating efficiencies
- Higher customer experience survey scores

CASE STUDY

- “Good customer experience” was not well defined and varied considerably by agent.
- Supervisors were not able to coach effectively due to the large ratio of supervisors to direct reports.

SOLUTION

Practical and Actionable Strategy

TMG identified five key recommendations to effectively transition the contact centre to a revenue development focused organization, as follows:

Ensure that reporting is provided at the agent level. Agents were being asked to generate revenue without insight into their individual performance. To address this, appropriate measurement capabilities were put in place, including the ability to measure against revenue objectives, generate reports on a timely basis, and easily communicate the results at the agent level.

Ensure that agents are revenue focused. Agents were given clear revenue objectives, trained to support revenue growth, and provided with individual reporting and incentives. They were also coached and given feedback on an ongoing basis.

Ensure that supervisors and team leads operate as full time coaches. Supervisor to agent ratios were reduced significantly and coaching time by supervisors was increased, allowing supervisors to spend the necessary training and coaching time with the individual members of their team.

Reduce agent handling times. Large variability in Customer Service Time (CST) represented significant additional costs in this contact centre. Bringing the high outliers down to one standard deviation above the average CST translated into a one-time headcount cost saving of \$2 million. Decreasing the average CST across the entire centre by another 2% to 3% represented an additional \$2 million of savings.

Implement strong communication and feedback mechanisms. Adding a feedback loop on the effectiveness of training from the agent population resulted in improved employee performance and contributed to the development of a revenue-focused, continuous learning environment.

Strong Execution that Delivers Results

TMG consultants worked closely with the client to ensure the successful implementation of the key recommendations. TMG developed and implemented a training plan and provided onsite coaching to supervisors and trainers. TMG also conducted a review of the contact centre’s recruitment strategy and KPI’s, making a number of recommendations that aligned to driving revenues. Lastly, TMG facilitated the management restructuring of the organization to better facilitate change management going forward.

IMPACT

By redefining its business model and supporting practices, this contact centre was able to transform into a revenue-generating profit centre. There were a number of benefits to the organization, including improved call centre profitability and increased revenue. Other benefits included better operating efficiencies and higher customer experience survey scores. The most significant benefit was the redefinition of the organization as a highly motivated group of change managers dedicated to moving the business to its next level of success.

ABOUT TMG

TMG International Inc. is a consulting firm focused on business strategy, marketing, and sales planning. TMG helps business leaders deliver results for their organizations by unleashing their customers’ potential. TMG delivers realistic, actionable, customer-focused strategies tied to strong execution, consistently leaving clients more aligned, committed and enabled. TMG is comprised of seasoned business executives with diverse industry backgrounds and years of “in the trenches” experience. For more information on TMG visit tmginternationalinc.com.