

WNS

Extending Your Enterprise



Transforming your **Contact Center** into a **Revenue Generating Hub**

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Sales and Service – Two Sides of the Same Coin in the Changed World Order

Increasing competition and unpredictable customer behavior are creating new ground rules in business. They are driving strong customer relationships and customer loyalty to take center stage as the new ‘currencies’ that can drive business success. More so in the context of a contact center where a loyal customer base can assure multiple opportunities to cross- and / or up-sell additional products and services without adding to your costs. From a strategic perspective, ensuring superior customer service and leveraging an existing customer base makes greater business sense, irrespective of whether the business environment is optimistic or dreary.

Until a few years ago, most companies treated their customer care division as an entity whose sole responsibility was to provide superior customer service. Customer care contact centers would typically provide services to solve customer queries or provide solutions for customer problems such as troubleshooting for product- / service-related problems, making changes to flight reservations, resolving credit card disputes – in essence, provide industry-specific after-sales support to customers. The objective of most contact centers was to provide a first-call resolution and a first-rate ‘on call’ experience to the customer, measured through metrics such as C-Sat, Agent Satisfaction, Net Promoter Scores and so on. Though in reality, contact center agents would be ‘ignorantly selling’ additional services to customers, in the process of solving customer queries.

It’s a different trend today. Businesses have started realizing the value of the service channel (the hidden channel), as a potential source of revenue and are looking at leveraging the ‘**sales through service**’ model, for additional revenue generation. The telecom industry has been an early adopter of the ‘sales through service model’ and gradually, the banking, insurance and travel industries are waking up to the potential of this promising channel.

A recent *McKinsey report* points out that while, a decade ago, most companies had not even considered the revenue potential of inbound customer service interaction centers, today, a customer contact center can generate up to 25 percent of total new revenues for credit card companies and up to 60 percent for telecom operators. The McKinsey report further explains that when contact center agents fulfill the service need of customers and then probe sincerely about their broader needs, customers become receptive to buying new products.

While there is a clear need for the convergence of service and sales at the contact center, there is a huge variation in how some companies are managing the convergence well and how

some are still trying to get there. The degree of success depends on the commitment of the senior management of the organization, the call center management team and agents who handle the customer call.

Creating a Robust ‘Service through Sales’ Model Requires Changes in Overall Contact Center Strategy

Historically, the contact center has been viewed as a cost center. Any increase in contact center-related costs attracts resistance from senior decision-making units within the organization and questions on ROI are raised. The transition of a plain-vanilla service-oriented contact center to a ‘sales through service center’ would obviously require investment from the organization, but unlike any other investment, this investment starts paying off returns and generating profits much earlier in the investment-to-ROI cycle.

The service-oriented contact center management strategy insists on keeping the Average Handling Time (AHT) low, as a lower AHT ensures optimal staffing and lower cost-to-serve. However, in pursuit of keeping the AHT and cost low, the contact center misses out on a bigger opportunity of cross-selling and up-selling additional services and building customer relationships.

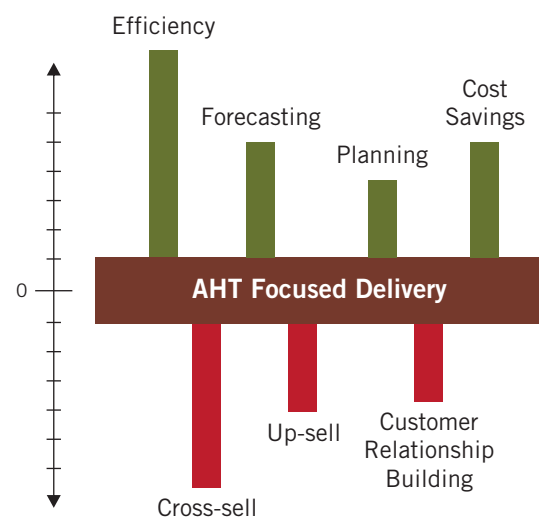


Fig.1 While a AHT Focused Delivery ensures optimal staffing and lower cost-to-serve; it also results in the lost opportunity of customer relationship building, cross and -up-selling.

As a mature and experienced provider of contact center services across all major industries, WNS uses the balanced Cost-Benefit analysis and helps transform plain vanilla service to ‘sales through service’ in client contact centers.



We have witnessed that a 10-15 percent increase in AHT can lead to the drastic increase in net conversion or incremental sales per day, which then adds up to phenomenal increase in net incremental revenue and profit margin from the contact center. WNS has worked with multiple clients and helped them transform their service-led contact centers into revenue generating hubs. Fig. 2 illustrates the benefits of transforming 'vanilla customer service' to 'sales through service'. You can

use this table as a ready reckoner to assess the potential ROI that can be generated by putting in actual numbers from your respective business.

The information given below can help you getting a buy-in from the senior leadership of your organization to invest in transforming your current service-led contact center into a revenue generating hub.

	Without Cross Sales	With Cross Sales
Calls	9000	9000
Default Conversion	2%	2%
Incremental Conversion	0.00%	8.00%
Net Conversion	2.00%	10.00%
Base AHT	640	640
AHT Increase	0%	10%
Incremental Sales Per day	0	720
Gross Sales Value	\$ 150	150
Margin Money	\$ 35	35
Revenue Per Day	\$ 27,000	135,000
Margin Per Day	\$ 6,300	31,500
Service Cost Per Call	\$ 2.50	2.75 with increased AHT
BAU Service Cost Per Day	\$ 22,500	24,750
Net Margin Per Day	\$ (16,200)	6,750
No. Of Days	365	365
Net Incremental Revenue Per Annum	\$ 9,855,000	49,275,000
Net incremental Margin Per Annum	\$ (5,913,000)	2,463,750
Margin %	-60%	5%

Fig. 2 A Real-time Example of the Increase in Net Conversion and Incremental Sales when the 'Sales through Service Model' is Implemented.

Source: WNS

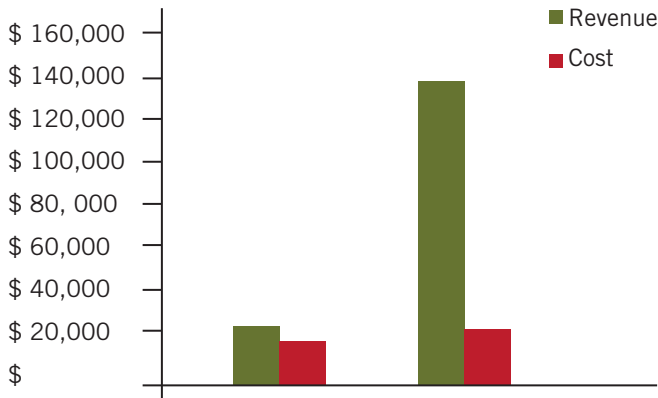


Fig. 3 Impact of introducing the Sales through Service Model.

Note: A marginal increase in cost results in a huge impact on the revenue when the model is implemented.

Steps to build a Robust 'Service through Sales' Center

The corollary that can be drawn from what we have just read is that apart from making financial investments, organizations need to re-visit their contact center strategy and make some essential changes if they want to open up this service channel for revenue generation. Strategically, the management team will need to shift from the customer satisfaction centric approach to: (i) using the customer care center to enhance customer stickiness in driving the organization revenue goals and (ii) maximizing the revenue per interaction.

In driving the organizational revenue enhancement goals, contact centers will need to make changes at three levels:

- 1. Treating the customer service contact center as a profit center** – The first step is to allocate a revenue goal to the customer service department like one would do for the sales and marketing function.
- 2. Creating a customized bouquet of offerings for contact centers** – Cross- and up-selling efforts can be substantially increased with offerings, exclusively designed to be sold through the contact center.
- 3. Aligning a sales-oriented leader as the contact center manager** – In traditional customer service centers, the contact center manager is expected to be a product / service subject matter expert. However, leveraging the same channel for effective sales requires a leader who is also well-versed with sales and marketing, in addition to being service savvy.

The Contact Center Manager's Role in the 'Sales through Service' Model

The contact center manager is the fulcrum that drives the change and there are a few systematic steps that he / she must take to ensure a smooth and efficient transition of the contact center to a revenue channel. The transition is not an

easy task, given the variables and the dynamics involved. An agent who scores high on generating higher customer satisfaction may not necessarily be the best seller too. Besides, there is initial resistance and reluctance in the contact center workforce to adopt the 'sales through service' model. Following a step-wise process to introduce the 'sales through service' model into the contact center works well in aligning the workforce to the common goal of converting it into a revenue generating channel.

The first step is to position the program as an initiative to make the customer experience 'complete'. Attempts must then be made to clearly explain the new metrics and the method of calculation of the metrics to the agents. To kick start the implementation of the model, incremental goals must first be set to induct agents into the new system and in the early stages of implementation, focus on sales should be avoided for complex service calls. While the implementation is on a robust mechanism (like cancellation rate, analysis of high value bookings) must be deployed to track unethical practices that may creep in. Finally, engaging with the workforce regularly and at times informally helps the party get started! Some of the important steps to be taken are listed below:

- 1. Using a balanced score card for executive review:** To showcase the benefits of the 'sales through service' model to the senior management team to get a buy-in from them.
- 2. Re-drafting contact center KPIs:** To include additional KPIs such as 'conversion' or the 'number of bookings' or 'Dollar value' that measure sales effectiveness, in addition to existing KPIs such as C-Sat and NPS.
- 3. Making changes to the hiring strategy:** To hire people with competencies in both sales and service.
- 4. Building emphasis on training:** To build orientation of the new and existing workforce towards selling.
- 5. Establishing a robust incentive program:** To motivate agents to adapt the 'sales through service' model.
- 6. Enhancing the existing systems with additional features:** To 'prompt' cross-sales opportunities if possible.
- 7. Setting up a common goal at all levels of the contact center:** To align individual and team performance to the unified goal of enhanced revenue generation.
- 8. Establishing a regular review system:** To gather and assess feedback and challenges faced.

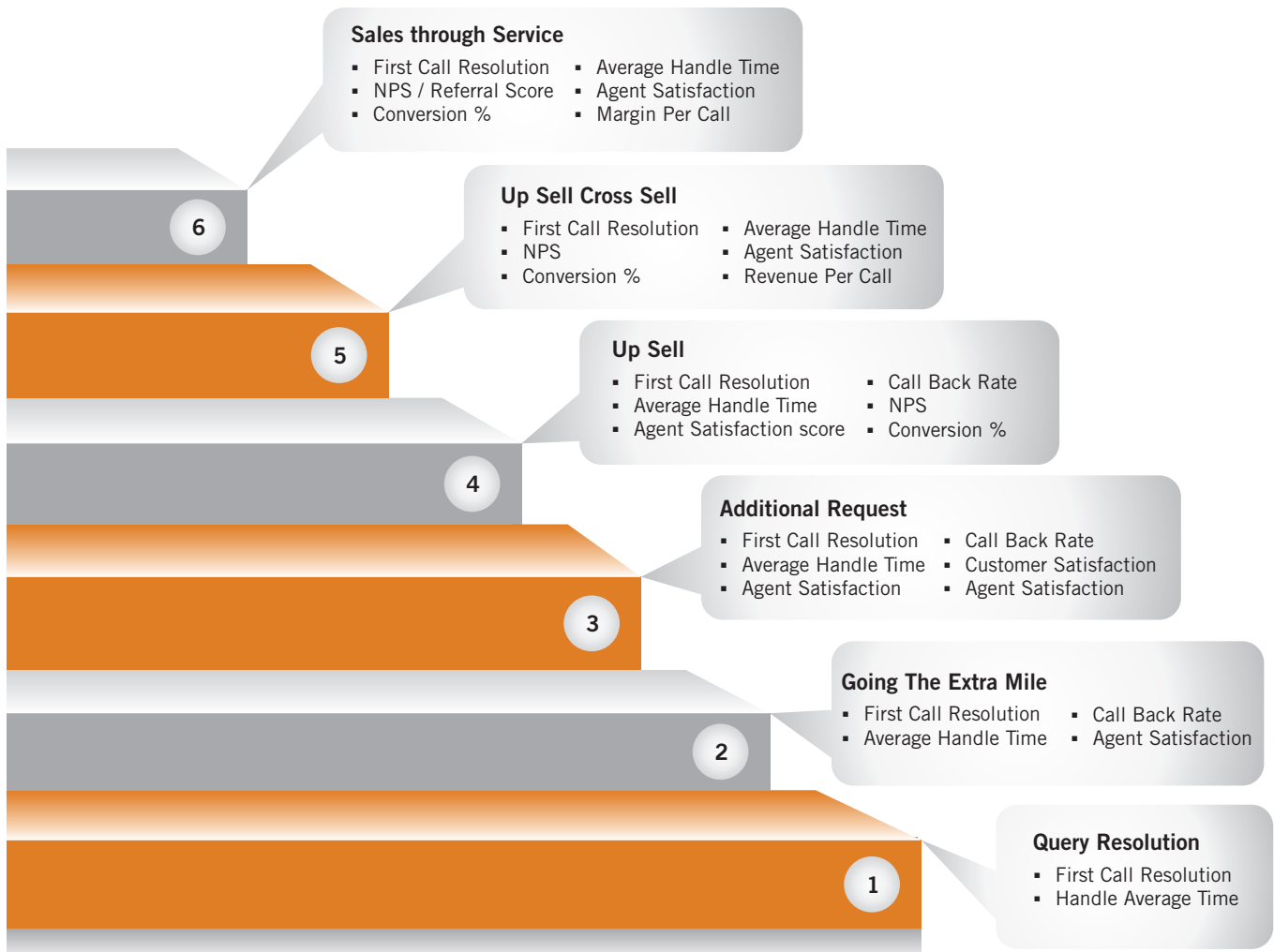


Fig. 4: The WNS Service Lifecycle Value Chain for Contact Center Transformation

Partner with the Expert

WNS, a leading Business Process Outsourcing company, has carried out multiple studies and consulting assignments with various clients that establish a direct correlation between the ‘happy customer’ and increase in average revenue and margin per customer contact. Having mastered the art and science to fast-track the movement of plain vanilla service to sales through service in the last 16 years, WNS has developed a step-by-step roadmap to transform the contact center into a revenue generation hub for its clients. Figure 4 sums up the WNS service lifecycle value chain for contact center transformation.

WNS in Customer Care Services

WNS is a leading global Business Process Outsourcing (BPO) company. WNS has strong domain-expertise in the contact

center space and delivers end-to-end customer care services across multiple channels and languages for multiple B2C industries, including BFS, Insurance, Retail & CPG, Travel & Leisure and Utilities among others. The WNS service spectrum ranges from conventional solutions such as customer service, customer complaint management, collections, technical and special service desk to the more advanced services such as loyalty program management, Web analytics and contact center analytics. Among WNS’s recent innovations in contact center are the WNS Sales Center of Excellence (based on the sales through service model) - an innovative approach that helps enhance revenue generation for clients and ProGenie - WNS’s proprietary framework for unified Web engagement is a solution aimed at real-time customer engagement, service and sales on the Website.

To learn more, please write to us at marketing@wns.com