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How to Turn Customer Service Into a Profit Center

– David Taber, CIO

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The Mel Brooks movie/musical *The Producers* presents an upside-down situation where you can make a fraudulent fortune by creating a money-losing Broadway show. This article explores a legitimate variation on that theme and outlines the CRM and IT infrastructure work needed to exploit the opportunity. (Surprise: If you work for government or nonprofit organizations, don't skip this article.)

Let's start with some background. Most customer support teams run as marginally profitable operations, if not outright cost centers. For many teams, the entire goal is to reduce the cost of providing acceptable service, so the IT and telephone infrastructure is finely tuned to minimize call-time, get the customer to self-support and optimize the number of closed cases.

Many large call centers invest heavily in saving just a few seconds per call, setting up extensive menu trees, automation, monitoring and analytic systems to make sure the people and the process perform consistently.

The crux of this business process design? "There's no revenue opportunity here." While there may be some attribution of per-incident revenue, there's little thought of an upsell — the customer service rep isn't seen as an agent for sales. Further, there's typically an indirect connection between customer satisfaction and support renewal.

Customer Support Is the New Sales Opportunity

Now let's inspect this situation from an entirely different angle. The customer support rep in many companies speaks to a given customer more frequently than the sales rep. This communication comes at an extremely important juncture, when the customer's satisfaction hangs hang in the balance.

[Tips: 5 Reasons to Use Social CRM for Support and Services]

If your customer support group simply follows a race-to-the-bottom strategy, it's missing the opportunity to convert a potential customer loss to an upsell. Recall Jan Carlson's *Moments of Truth*: Profit inflection points come disguised as little crises.

Even when a customer isn't facing a crisis, customer service reps make extremely effective spies: Customers happily confide in them, as sales-driven pushiness doesn't scare off openness. On every call and email, reps should gather information to fuel an upsell cycle, even if somebody else completes the cycle.

This change will likely take some political work with the customer service, marketing and sales teams, but it can be very effective and drive significant improvements in profitability. Why? In most industries, the most profitable deals come from existing customers.

Achieving this, though, requires some training and a ton of application and infrastructure changes. Instead of having a console focused around calls, cases, solutions and the bug knowledge base, customer service reps also needs access to new product information, compatibility matrices, upgrade paths and competitive comparisons.

Further, they need the capability to create Opportunities on the fly and to add call-history info (not just case notes) to a Contact record. This can mean some amusing changes to your CRM system's access control matrix, and it requires new analytics tailored to measuring this new non-marketing-driven sales process.

[Related: Why CRM Security Is Always a 'Role'-Your-Own Project]

This goes double if your company uses a partner channel for sales and support. If you're trying to achieve this through the channel, extensive business process work and customer service portal changes are in your future.

Let Customers Live in the Fast Line

Now let's consider at a totally different opportunity for support-driven revenue. Look at your current queues as experienced by customers:

- On-hold call time: Sometimes 45 minutes or more
- Call-back interval: Sometimes 2 days
- Problem resolution time: Sometimes many days
- Appointment availability: Sometimes over a week

These may be totally normal for your industry and absolutely within your SLA, but some customers will find the waits unacceptable. I can practically guarantee you lose business over these wait times. Further, some customers would happily pay a significant premium to skip to the front of the line. (In one personal experience, I offered a charity hundreds of dollars to move a donation pickup forward a couple of days. However, they had no way of accepting the money or making the schedule change. Everybody lost. This goes double for government agencies.)

Of course, before offering an "express lane" for customer service, you need to undergo serious business scrutiny and some marketing/PR analysis. Doing it wrong, or with the wrong kind of audience, could cause an expensive and embarrassing backfire. Doing it right, however, can be a powerful and profitable differentiator for your product or service.

[How-to: 9 Ways to Improve Your Company's CRM System]

Here's an overview of what needs to happen in IT:

- **Website**: Keep the details of the express lane out of the spying eyes of search engines. Put the offer behind a Captcha or similar registration wall, and create an "Express Login" button for those who want to take advantage of the service.
- **Customer service portal and community management app**: Since you'll want to charge a toll for your express lane, you need to extend registration and login functionality.
- **Interactive voice response and automated call distribution**: You need to expand the menu tree to make room for the express lane. Be sensitive in how you name things and word the

announcements. Calling it the "1 Percenters Express Lane" is exactly what you *don't* want.

- **Calendaring and appointment-setting**: You need to do some hard work in business process and IT for three things — reserving 10 percent of future time slots for express-lane use; consuming express time slots for paying customers first, using any remaining slots for non-paying customers, and rearranging existing appointments as needed.
- **CRM Case/Incident application**: As the express lane is essentially a different class of service, you need to make room for dual SLAs. This means extra fields on the Customer and Case object, as well as a new set of workflows. You need to integrate some new events, if not entire objects, with the CRM system as well.
- **CRM Knowledge Base**: You need new articles about the internal business processes, exception handling and expediting in support of the express lane. You also need customer-facing articles (or at least FAQs) in support of the service.
- **Ecommerce**: You need a way to collect express lane tolls painlessly in real time. You may need to offer express lane access using both single incident and annual subscription models. Just make sure you provide a way for customers to apply for a refund or cancellation; without these, the manual work-around may get costly.
- **Time carding and expense tracking**: If your finance team keeps close tabs on customer service and service fulfillment reps, you need to extend your labor and expense tracking systems to track the special-case costs. This is particularly important if your service involves a "truck roll," as expediting and rearranging service delivery almost always incurs inefficiencies and extra costs.
- **Analytics**: Remember, the whole point of this exercise is improving customer satisfaction for some without degrading customer satisfaction for all. Analytics needs to be expanded to cover the cost and revenue side of the fast lane, as well as the employee morale and customer satisfaction impact of delivering it. Typically, this means adding new questionnaires to your post-case-closed surveys — and that means enhancing your reports and dashboards.

Don't Shoot the Moon, Change Won't Happen Overnight

Nirvana would look something like this: Natural-language sales aids, dynamic pricing, real-time appointment rescheduling, gamification of employee incentives, a customer loyalty award system, and so on. Three words of advice here: Take it slow.

It's hard to enhance customer support applications because they need to integrate with so many other systems in your infrastructure. Work must be done incrementally, with goals, budgets and schedules that don't over-reach.

There's an even bigger reason to take it in steps: You have no idea how customers will react. They may rejoice, or they may crucify you on Yelp. Conduct surveys and run usability tests with real users before making serious investments in the customer service revenue strategies discussed here.

David Taber is the author of the Prentice Hall book, Salesforce.com Secrets of Success, now in its second edition, and is the CEO of SalesLogistix, a certified Salesforce.com consultancy focused on business process improvement through use of CRM systems. SalesLogistix clients are in North America, Europe, Israel and India. Taber has more than 25 years of experience in high tech, including 10 years at the VP level or above.

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