

Contact Center Realities

Insights Into Technology Adoption Across Vertical Industries

Healthcare Industry



A research study of vertical industries and how North American contact centers are migrating toward the Dynamic Contact Center

Letter from Paul Segre

Contents

Contents	3
Executive Summary	4
Objectives and Methodology.....	7
Key Cross-Industry Findings.....	8
Business Functions*	9
Importance of Functions.....	9
Functions Not Addressed	9
Contact Center Linkage to Other Functions	10
Measurement.....	11
High Priority Measures	11
Measures Not Tracked	11
Senior Management Priorities	12
Respondent and Senior Management Evaluation Priorities	12
Customer Satisfaction Measurement	13
Measurement Wish List.....	13
Cross-Selling / Up-Selling	14
What is Offered	14
Reasons for Not Cross-Selling / Up-Selling.....	14
Traffic.....	15
Special Routing	15
Response to Unexpected Increase in Traffic.....	15
Some External Causes of Unexpected Increase in Traffic	16
Some Internal Causes of Unexpected Increase in Traffic	16
Staffing.....	17
Current Staffing	17
Future Staffing.....	17
Outsourcing.....	18
Technologies	19
Currently Used	19
Future Needs.....	20
Future Likelihood to Implement	21
Investment Plans.....	22
Conclusion	23
Where to Go for More Information	24

Executive Summary

To effectively execute a dynamic contact center, companies need to invest in the right supporting technologies. A true dynamic contact center must be able to share data within the contact center, across the enterprise and beyond to remote locations. This ability to share business-critical data in real-time helps the contact center maximize all opportunities to satisfy and/or up-sell customers and drive both loyalty and revenue. It allows interactions to change and improve *dynamically*, based on available information.

The Dynamic Contact Center Continuum

The dynamic contact center is the most progressive type of contact center, as based on the Genesys Contact Center Capabilities Maturity Model. The model consists of four phases:

- ◆ **Establishment phase.** At the earliest stage, the priority is setting up basic call operations. Operations in this phase may use simple ACD routing or “hunt groups” as adjuncts to PBX systems for corporate telecommunications, and multiple non-integrated applications for managing interactions and problem tracking. Any multiple communication channels, such as e-mail, are not integrated. Any cross-selling or up-selling functionality likely hasn’t been integrated into the strategy. Self-service, if available, is very limited. Customer satisfaction, if measured, is usually measuring satisfaction concerning product factors, with little attention to the service experience itself. This is the phase with the most customer frustration and the highest loss of customer and market share.
- ◆ **Consolidation phase.** Here, management begins focusing on contact center efficiency and goals, such as reducing queue times. New technologies lead to customer service improvements and cost reductions. Companies reaching this phase have realized that service quality is a competitive differentiator and that excellent service does not mean offering the same service to everyone. Information, systems and operational integration begin in this phase. As integration progresses, information is often managed by a CRM system that collates customer-relevant data and manages most customer processes from a single, unified set of processes.
- ◆ **Performing phase.** In this phase, the focus shifts from reducing contact center costs to improving interaction quality. Customer segmentation and routing are used to provide better interaction results, and revenue generation becomes a key objective. This stage includes the use and integration of all relevant customer communication channels. Companies in this stage have uniform, integrated systems and processes that manage and track customer activities across all channels. Customers and issues are now segmented across channels, and agents are further segmented by their level of skill in working in each channel of communication. The ability in this phase to integrate self-service and agent-assisted service across multiple channels creates higher levels of self-service use by customers. Companies making investments at this phase of their development typically find that they have created much more efficient operations.

- ◆ **Dynamic phase.** At the highest level of maturity, the contact center begins to find a true balance between cost, quality and revenue and is able to adjust *dynamically* to both business and customer needs. Companies in this phase see customer service as a strategic differentiator to the success of the enterprise and the contact center as the nexus of this success. Customer service operations are unified across divisions and around the world, and are managed in real-time by experts in service management technologies and practices. Real-time interactions drive many of the marketing, service and collections campaigns, where contacted customers can respond and are routed to people specifically trained to meet their needs. Agents leverage personal dashboards with metrics on their specific performance. In this dynamic contact center, operations run at peak efficiency since multiple centers are virtually networked and routing decisions take place in real-time across all services and agents.

All contact centers are at varying levels of maturity. The decision to implement new technologies and integrate operations must be made based on the current and future needs of the customers and the ability of the business to move forward. At each stage, the opportunities to more effectively satisfy and/or up-sell customers create loyalty and drive revenue increase.

So, where do vertical industries fall in the dynamic contact center continuum? What technologies are in place now, and where do contact center executives see future investments being made? How are companies leveraging dynamic technologies – what triggers the need for increased flexibility and how is success measured?

To find out, Genesys commissioned a study of call center managers and technical support personnel in six specific industries – Financial Services, Communications, Insurance, Healthcare, Government Agencies and Utilities. During March through July 2007, an invitation to participate in the online survey was sent to Genesys customers and to readers of *Call Center Magazine*.

This report presents the key findings from the Healthcare component of the study. A full report from this study, examining the trends and differences between major vertical industries, is available by request.

Key Findings – Healthcare

As an industry, Healthcare falls within the Performing Phase. Individual companies clearly vary on the spectrum, but indications include:

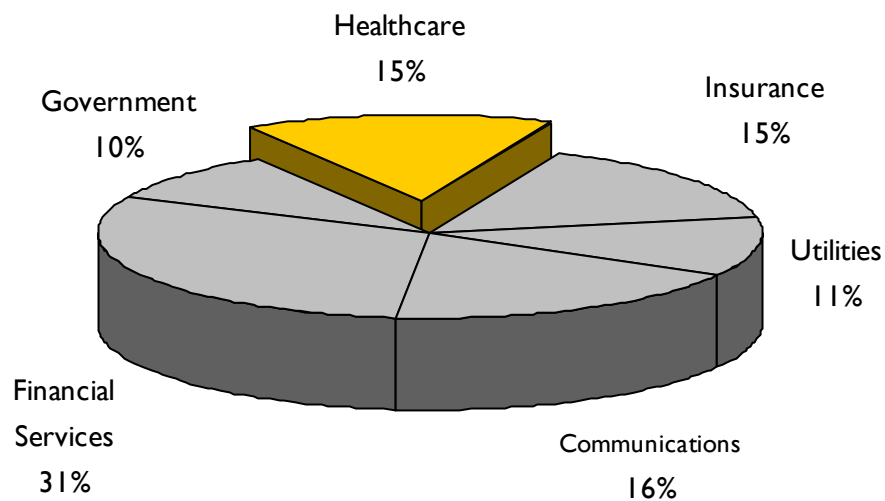
- Customer service, customer loyalty and scheduling are the most important business functions articulated among Healthcare respondents.
- The “high priority” metrics are wait times, ASA, abandon rates and call volume.
- Profit or revenue per call is not emphasized by this group, and it is not even tracked by 43 percent of respondents.
- Three-fourths of the Healthcare sector respondents report no attempt to offer additional products or services through their contact centers; however, only a minority think it would be inappropriate to do so. The barriers to up-selling are company policy (20 percent), inability to make real-time recommendations (15 percent) and lack of technical capability (12 percent).
- Although the majority of their staff is internal and on-site (52 percent), the Healthcare sector percent also relies on a mixture of on-site and outsourced agents, and an additional 25 percent are considering outsourcing.

- Skills-based routing, workforce management and real-time reporting are commonly used technologies in this group (83 percent). About one-third also currently employ IP-based call centers and voice self-service.
- The technologies that are most often currently lacking, but planned for the near future, include IP-based phone centers, Web callback and voice self-service (VXML).
- About half expect their technology investment in 2007 to be more than in 2006; only 3 percent expect to spend less.

Objectives and Methodology

Genesys Labs conducted research to learn more about customer needs, differences by vertical industry and plans for future investment. The survey focused on call center managers and technical support personnel in six specific industries: Financial Services, Communications, Insurance, Healthcare, Government Agencies and Utilities.

During March through July 2007, an invitation to participate in the online survey was sent to more than 5,000 Genesys customers and to an additional 1,800 readers of *Call Center Magazine*. Of the respondents to this survey, 41 were in the Healthcare sector, representing 15% of the total respondents in all six sectors.



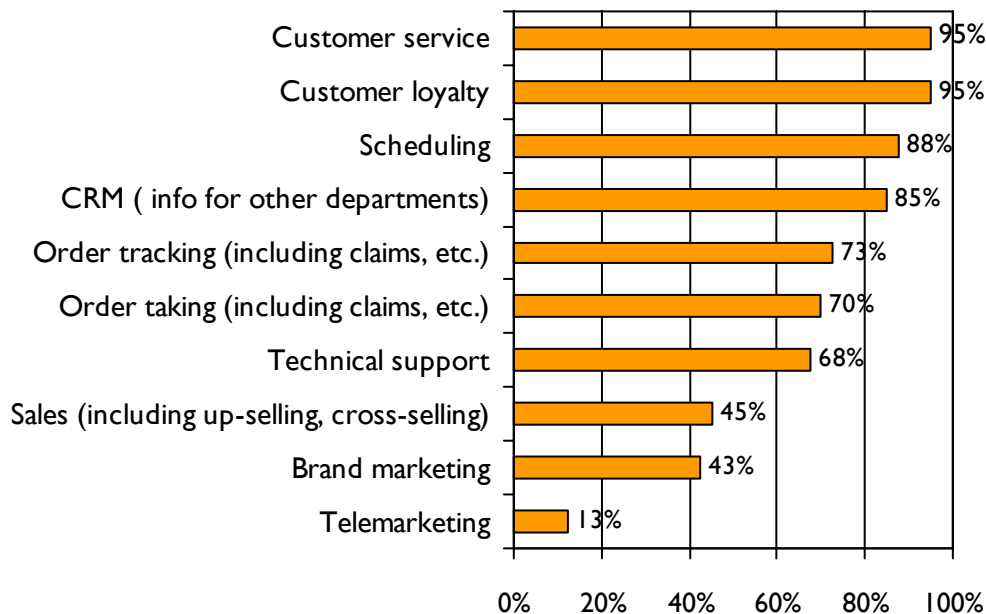
Key Cross-Industry Findings

- The majority of all respondents provide technical support for the call centers, and 90% have responsibility for multiple centers.
- Customer satisfaction and customer loyalty are primary functions of call centers across all vertical industries.
- When asked what they wish for, “the ability to easily customize reports” is a universal response.
- Customers want a way to compare their performance to others in their own industry: a normative data base, for example.
- Wait times and call volume are universal measures.
- All rely on call monitoring and third-party surveys to measure their performance.
- Financial Services and Communication industries rely on call center agents for selling and up-selling.
- Government Agencies are more concerned about technical support and adhering to standards than more specific customer service functions.
- All industries except Government Agencies have some experience with outsourcing; Communication, Insurance and Utilities say this is going to increase.
- Investments in technology in 2007 will increase in all vertical industries except Government Agencies and Insurance, which will remain relatively flat.

Business Functions*

Importance of Functions

Ninety-five percent of the Healthcare respondents list customer service and customer loyalty as “somewhat” or “very important” business functions. Scheduling and providing information for other departments are also cited as important functions. Telemarketing is ranked last in importance.



Functions Not Addressed

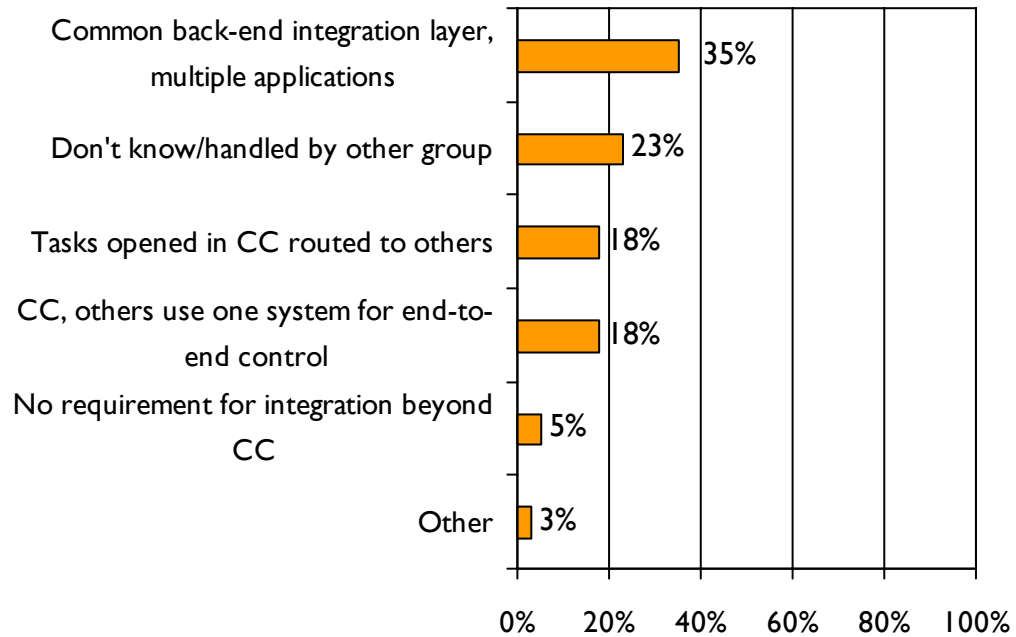
When asked what business functions are not being addressed, they list:

- Total CRM
- Further integration with back-end systems
- Multisite integration with SAP
- Unified reporting
- Integrating IVR-CRM

***Note:** Percentages from this point on are percentages of the Healthcare respondents only.

Contact Center Linkage to Other Functions

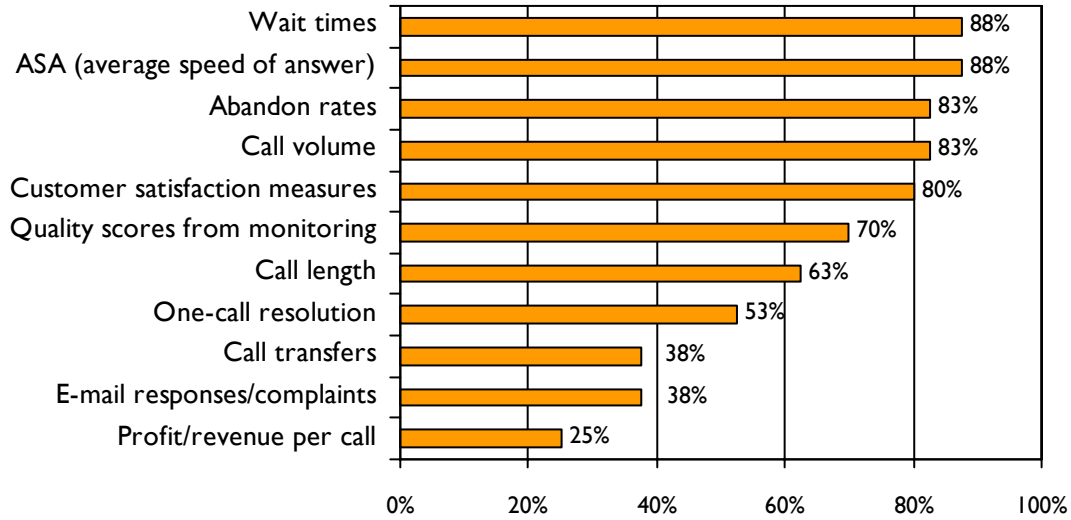
The Healthcare group is the most likely to use one system for end-to-end control and to route tasks opened in the contact center to others. However, this group is the least likely to report a common integration layer that supports multiple applications.



Measurement

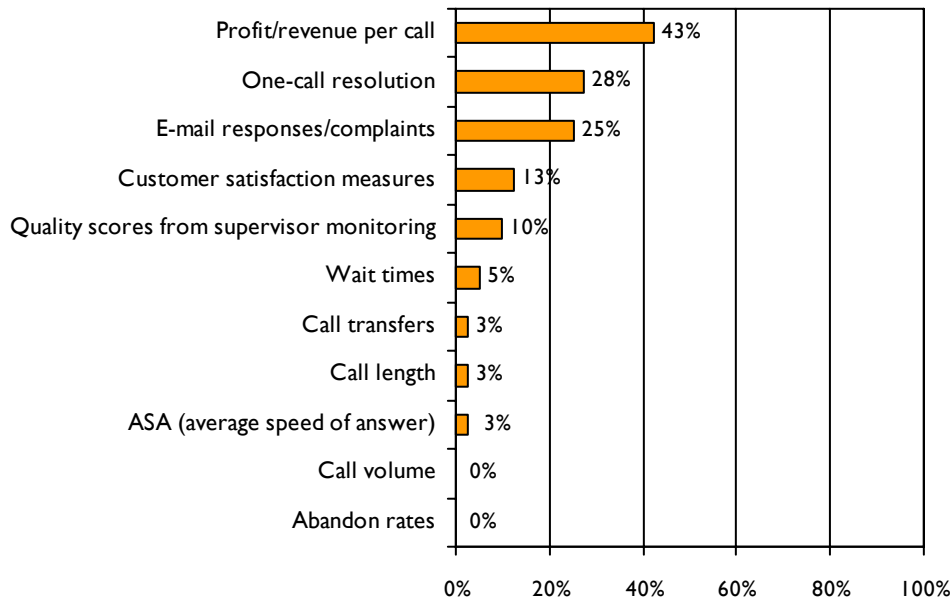
High Priority Measures

The Healthcare respondents consider wait times, average speed of answer, abandon rates and call volume as their highest priority in measuring the effectiveness of their contact centers. Customer satisfaction measures are also a high priority, but profit or revenue per call is not. Of all the groups, Healthcare is least likely to consider e-mail responses or complaints a high priority.



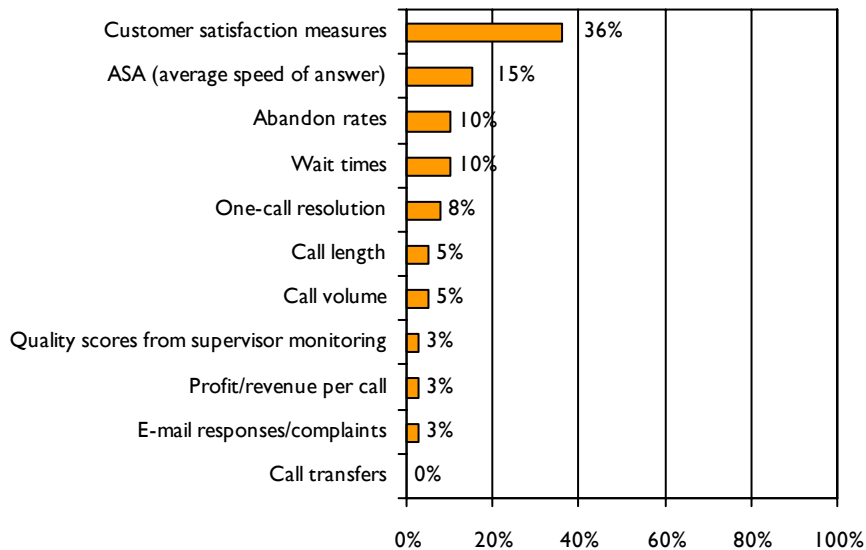
Measures Not Tracked

Healthcare respondents track most of the metrics mentioned in the survey. Profit or revenue per call is least likely to be tracked by this group and, as above, is not considered a high priority by most.



Senior Management Priorities

When asked which one measure of call center success is the most important to senior management, the respondents cited customer satisfaction measures (36%), average speed of answer (15%), abandon rates and wait times (10%). The managers are reported to be more concerned with customer satisfaction measure than would be suggested by the priorities listed by the respondents.

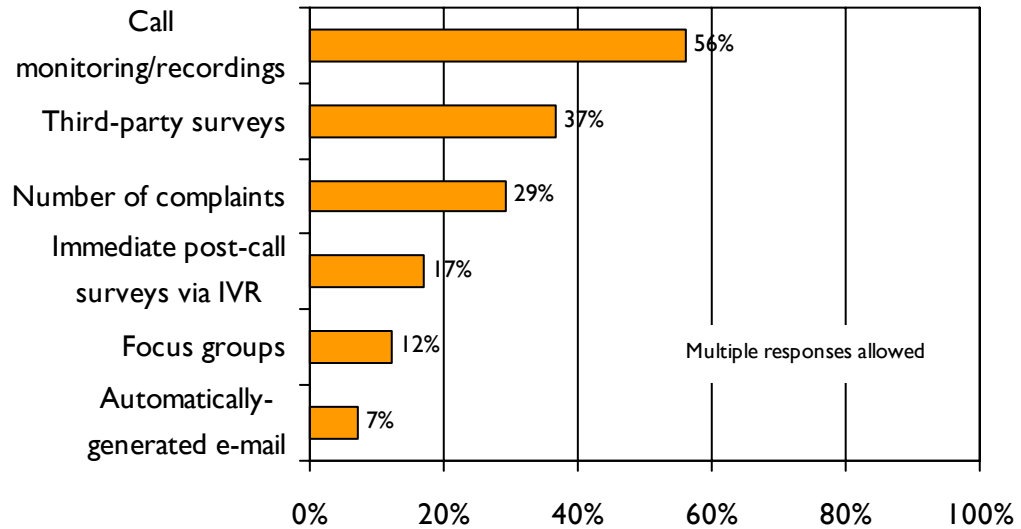


Respondent and Senior Management Evaluation Priorities

High Priority Measures Ranking	Senior Management Priority Ranking
1. Wait times	1. Customer satisfaction measures
2. ASA (average speed of answer)	2. ASA
3. Abandon rates	3. Abandon rates
4. Call volume	4. Wait times
5. Customer satisfaction measures	5. One-call resolution
6. Quality scores from monitoring	6. Call length/call volume
7. Call length	7. Quality scores from monitoring/ Profit/revenue per call/ E-mail responses/complaints
8. One-call resolution	
9. Call transfers	
10. E-mail responses/complaints	
11. Profit/revenue per call	

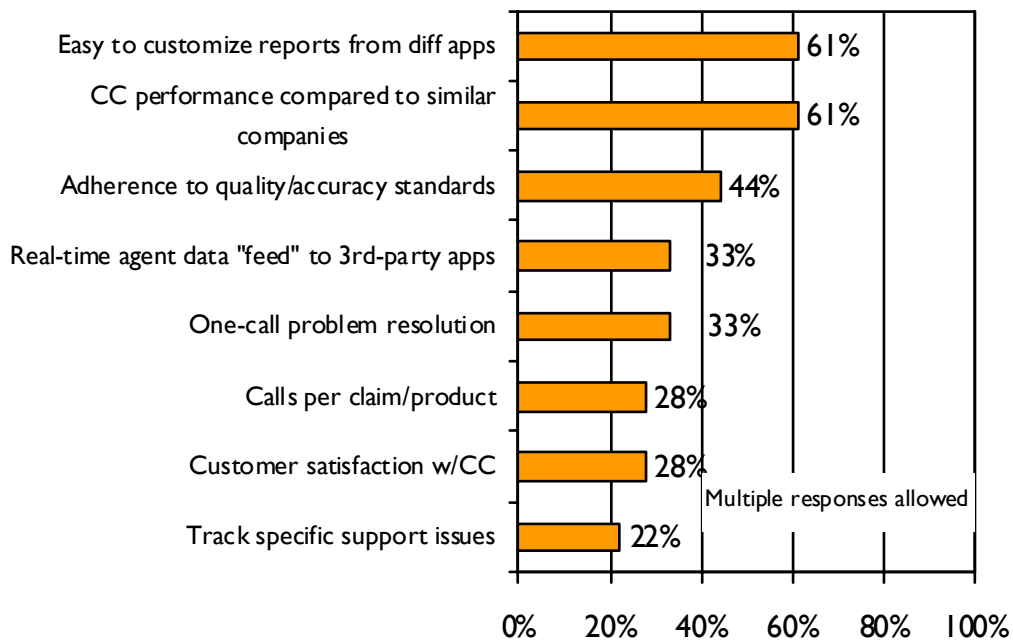
Customer Satisfaction Measurement

Sixty-two percent of the Healthcare respondents measure customer satisfaction with their call centers specifically. Of the methods suggested, the majority of them use call monitoring or recording (56%).



Measurement Wish List

When asked, "what would you like to be measuring but can't," 61 percent of the Healthcare respondents listed easily-customizable reports. They were also interested in being able to compare the performance of their contact centers with those of other, similar companies and to measure the rate of one-call problem resolution.



Cross-Selling / Up-Selling

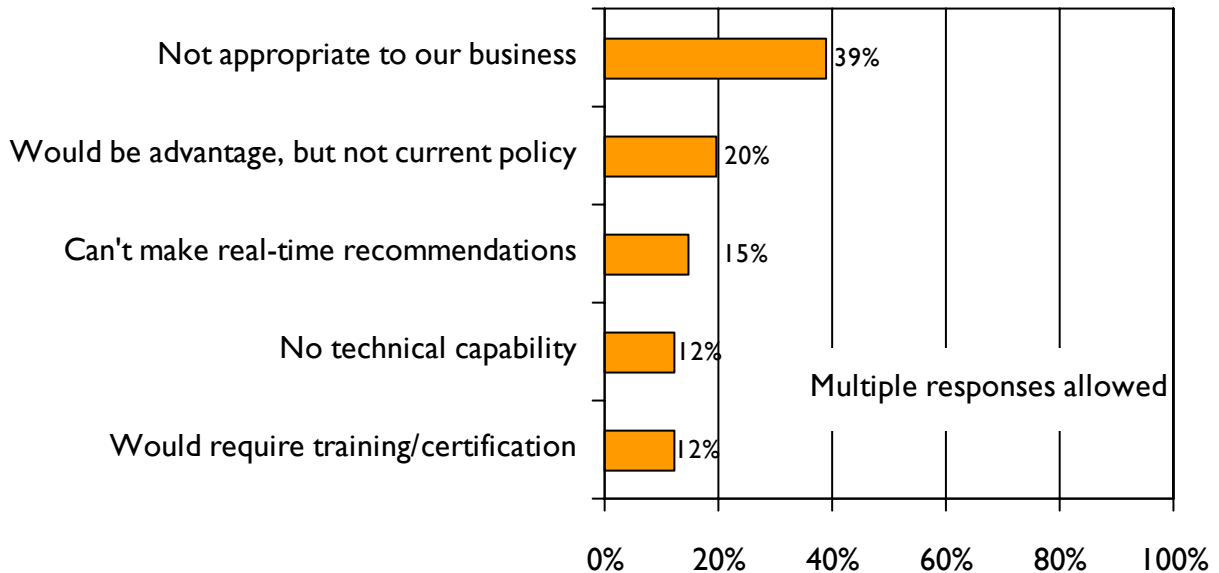
What is Offered

The Healthcare sector does not report high levels of up- and cross-selling, with only 23% engaging in this strategy.

Even among those who do offer additional products or services, 75% do so on less than half of their calls. Only 10% offer the caller a customized package.

Reasons for Not Cross-Selling / Up-Selling

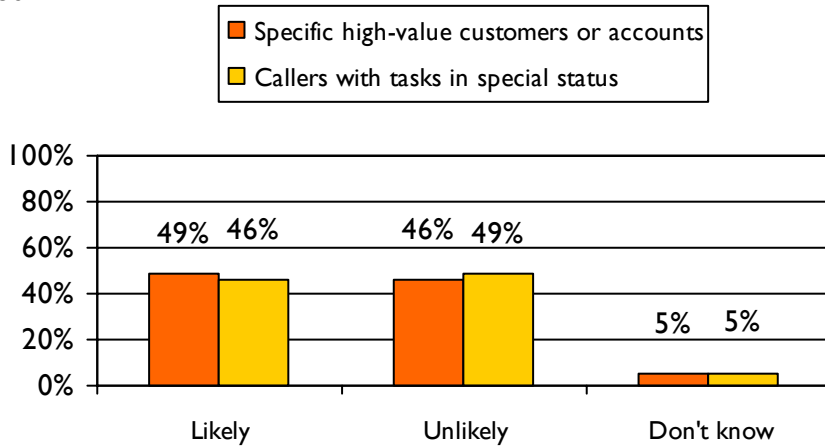
Of those in the Healthcare sector who do not up-sell or cross-sell (three-quarters of the respondents), only 39 percent think it is “not appropriate” to their business. However, 20 percent are restrained by policy and 27 percent by a technical inability.



Traffic

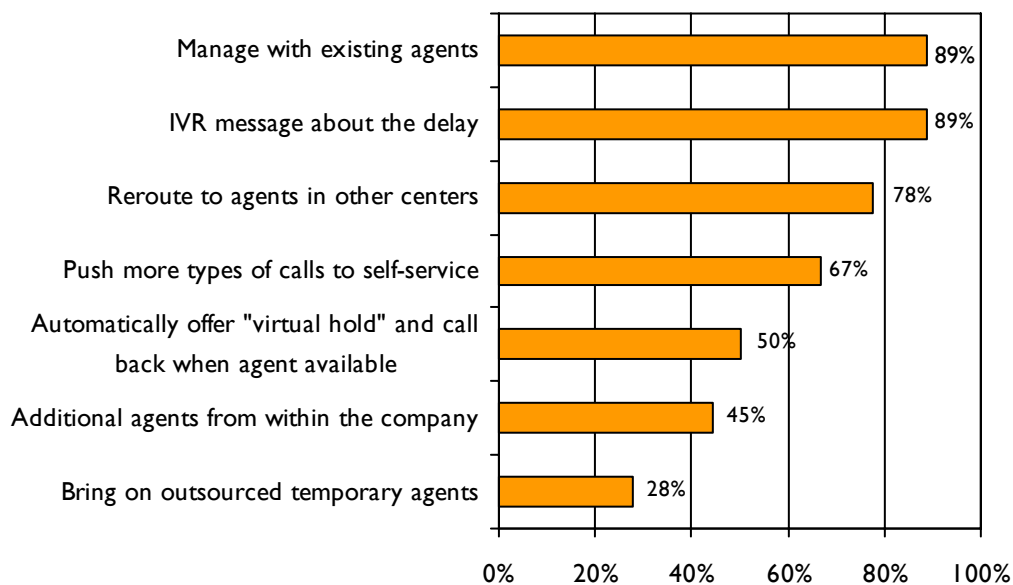
Special Routing

When asked, “how likely are you to route incoming calls to branch offices or special experts beyond the contact center,” in the case of specific high-value customers or in the case of callers with tasks in special status, less than half of each group was likely to be routed.



Response to Unexpected Increase in Traffic

Healthcare respondents are more likely than most other sectors to deal with an unexpected increase in contact center traffic by pushing calls to self-service and bring in additional agents from within the company. They are the least likely to call on additional agents from within the company. Like most other sectors, their primary methods of coping with unexpected traffic are to manage with existing agents and put a message on IVR.



Some External Causes of Unexpected Increase in Traffic

Respondents who work in Healthcare were asked what external events can cause unexpected increases in traffic to their call centers. Typical responses included:

- Any media attention toward the health center, accident, high profile patient, etc.
- Catastrophic events, hurricanes, floods, tornadoes
- Cold/flu season
- End of year, just after holidays
- Environmental, social
- FDA policy related to drug or medical equipment manufacturing industry, patent laws impacting product licensing, etc.
- Holidays, severe weather events, natural disasters
- Internet viruses, natural disasters
- Media releases
- Natural disasters, such as hurricanes or massive wildfires affecting large numbers of the population where injuries would be incurred
- New laws, regulations
- New publications, FDA statements
- Parent company mergers
- Performance of other healthcare providers, Medicare changes
- Political events (new legislation), disaster events (hurricane, tsunami)
- Press Releases, drug interactions
- Product crises (recall, tampering, media over death of a patient taking our drug, etc.)
- Social events such as a celebrity being diagnosed or passing away from the disease we support
- Weather (regional/national), holidays
- Weather, Network outages across the country
- Widespread illness

Some Internal Causes of Unexpected Increase in Traffic

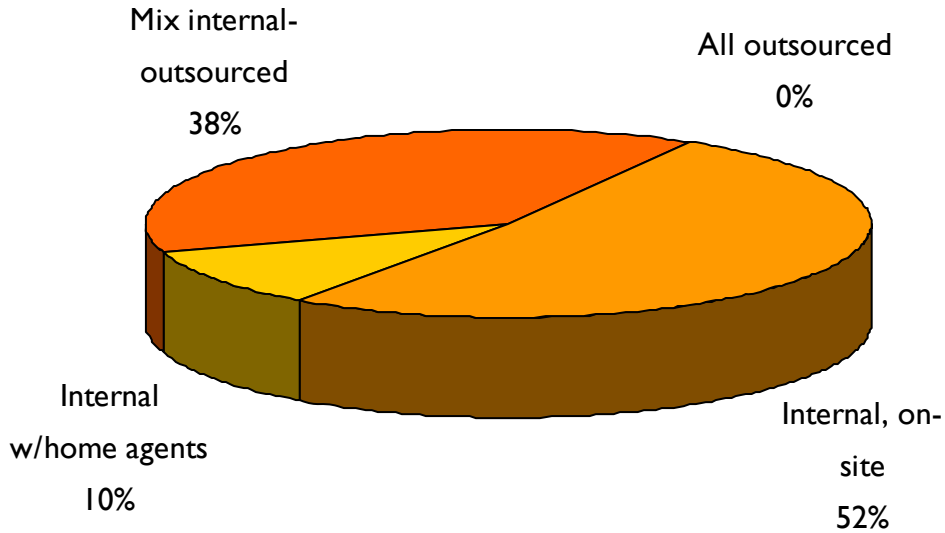
They were also asked what internal events can cause contact center traffic increases:

- Advertising, mailings, promotions
- Employees out sick or equipment failure; “Note from the doctor: handling staff shortage when employees call in sick”
- Incorrect ID cards being mailed; correspondence entered into system incorrectly
- Marketing program cancellations
- National customer service meetings
- New products, incorrect billings, mass mailings
- Open Enrollment
- Outages of other systems, Web, EDI
- Patient volume
- Plan changes, promotions, policy changes
- Policy changes, system issues
- Political (Legislation); disaster situations (hurricane)
- Product launch, special promotions
- Product releases and upgrades
- Product software changes/updates, product quality, intraday staffing, attrition or position changes
- Quarter close
- Reduction in reps
- Self-service system outages
- Server issues
- Site closings, down telephone service, paging outages
- Software release, upgrades, network issues
- Special promotions, new products
- System issues/failures
- System outages resulting in failed claims processing, formulary changes, coupons

Staffing

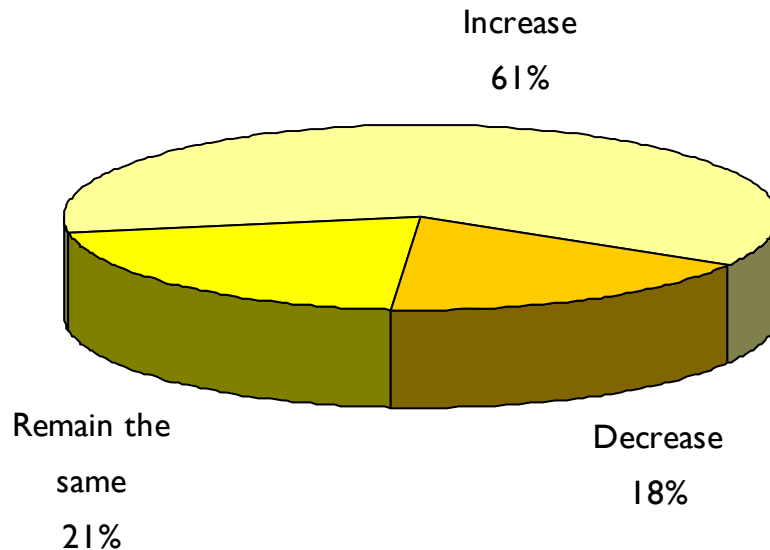
Current Staffing

The Healthcare sector depends largely on on-site agents; however, with the Insurance sector, they are most likely to mix in-house and outsourced agents. Home agents are also employed.



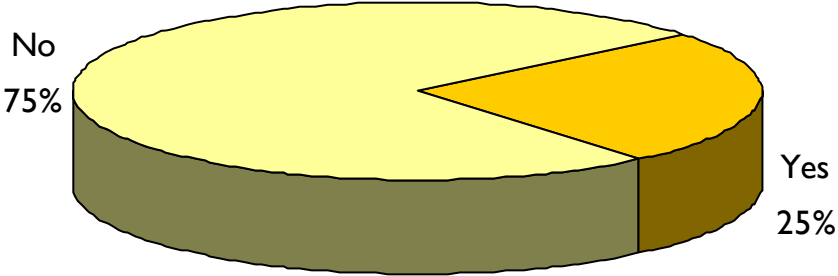
Future Staffing

In the next year or two, the Healthcare respondents expect to increase staffing (61%); however, along with Utilities, they are more likely to expect their staffing to decrease than the other sectors.



Outsourcing

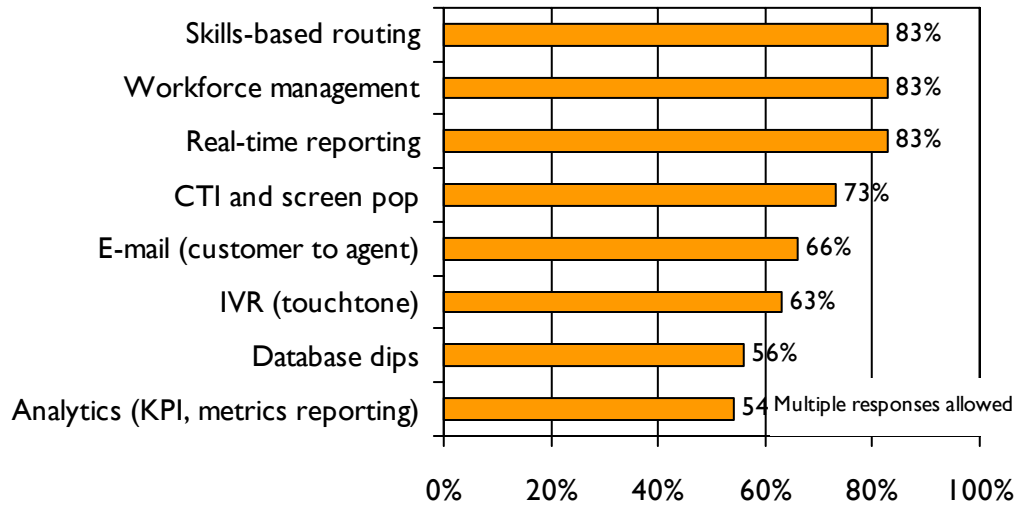
As might be expected from their current mix of in-house and outsourced staff, the Healthcare respondents, along with Utilities and Communications, are more open than other sectors to considering outsourcing.



Technologies

Currently Used

The Healthcare group is more likely to use skills-based routing and customer-to-agent e-mail than most other groups. This sector, along with Communications, reports the highest percentage of IP-based contact centers (39 percent) and voice self-service (37%).

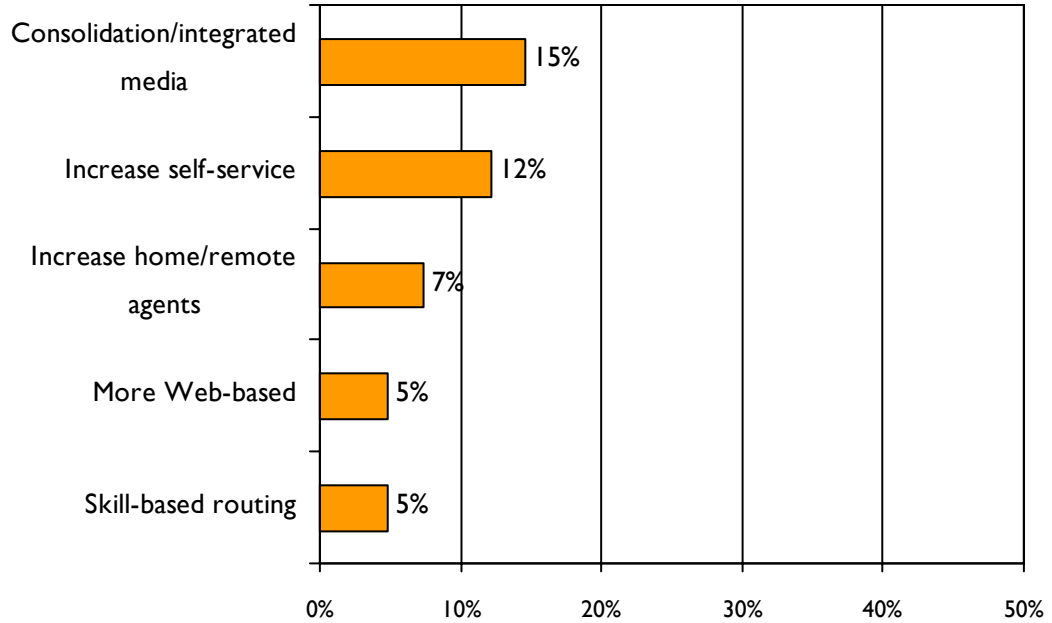


Technologies currently used by fewer than 20% of these respondents are:

- SMS/text messaging
- Unified communications
- Video for customer service
- Web chat (live)
- Web click-to-talk (like Skype)
- Web instant message (IM, AOL)

Future Needs

Unprompted by suggested answers, the respondents from the Healthcare industry were asked what they saw as future needs of their contact centers. The most frequent answers included consolidated and integrated media and increasing self-service for the callers.



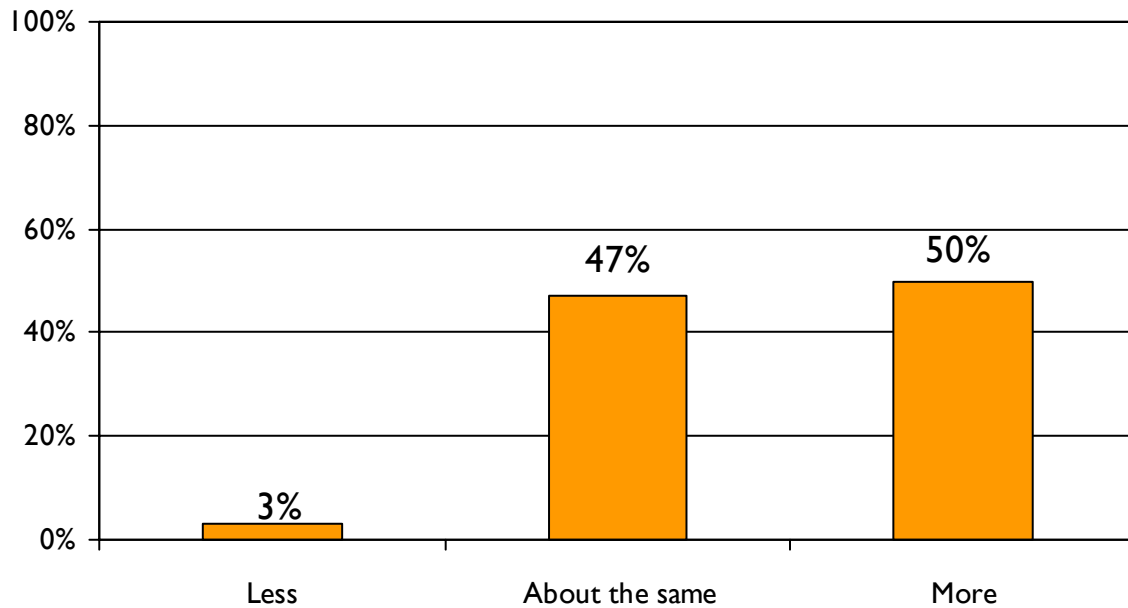
Future Likelihood to Implement

Those Healthcare respondents who are not currently implementing a given technology were asked whether they are likely to implement it in the next two to three years. Eighty-three percent of those who do not currently have an IP-based phone center plan one in the near future, and 72 percent of those lacking IVR with speech recognition plan to implement it as well.

	Number not implementing	Number likely to implement	Percentage of those not currently using and likely to implement
Web click-to-talk	37	12	32%
Video for customer service	36	7	19%
Web chat	34	19	56%
Web instant message	34	15	44%
Unified communications	34	12	35%
SMS/text messaging	34	9	26%
Web callback	29	17	59%
Customer recognition/real-time	29	10	34%
Outbound reminders via IVR	28	13	46%
IVR with speech recognition	25	18	72%
IP-Based phone center (VoIP)	24	20	83%
Voice self-service (VXML)	24	12	50%
Outbound calling by agents	19	8	42%
Database dips	17	12	71%
Analytics (KPI, metrics)	17	10	59%
IVR (touchtone)	14	8	57%
Customer-to-agent e-mail	12	8	67%
Real-time reporting	5	5	100%
Workforce management	5	3	60%
Skills-based routing	5	2	40%
CTI and screen pop	3	1	33%

Investment Plans

Half of the Healthcare segment respondents report plan to invest more in technology in 2007 than in 2006; however, a large group (47 percent) expects the technology investment to remain about the same. Very few (3 percent) expect their investment to decrease.



Conclusion

The consumer demand for access to information, when, where and how they want it, is driving the continued move toward a fully dynamic contact center. As an industry, healthcare falls within the Performing phase where the focus shifts from reducing contact center costs to improving interaction quality.

Skills-based routing, workforce management and real-time reporting are commonly used technologies among healthcare companies to provide better interaction results. About one-third also currently employ IP-based call centers and voice self-service to create higher levels of self-service use by customers. As such, healthcare companies making these investments find that they have created much more efficient operations.

However, for healthcare companies to move up the dynamic contact center continuum, they need to implement unified systems to manage customer service across operations. In healthcare, more so than other industries, the need to connect patients with multiple information sources and a variety of service experts is critical. Here, service representatives need real-time access to data and historical information to make informed decisions on behalf of patients, physicians, insurers and others.

In this iteration of the dynamic contact center, operations run at peak efficiency with information virtually networked across any size healthcare organization.

Where to Go for More Information

Genesys Headquarters

Genesys
2001 Junipero Serra Blvd.
Daly City, CA 94014

Telephone

1 415 437 1100
1 888 Genesys (436 3797)
U.S. Toll Free

Facsimile

1 415 437 1260

E-mail

info@genesyslab.com

Web site

www.genesyslab.com