Thought leadership
articles for the
next generation of
customer service

HOW KNOWLEDGE IS CHANGING CUSTOMER SERVICE

by Esteban Kolsky

THINKJAR

Introduction

Knowledge Management has been linked to customer service for a very long time.

The creation, storing, indexing, and searching for the right information to help customers is what drove the last series of improvements to Customer Service in the name of web self-service in the early 2000s (and following into electronic channels as eService at the same time).

Indeed, without knowledge as part of the service interaction each one would be as unique as the individuals fielding them.

The rise of online communities, social networks, and the customer-driven economy — all of which empowered the customer to not only want the information, but demand it faster and better — has led to the first paradigm shift in Knowledge Management since the discipline was started.

We are no longer into storing and finding knowledge, nor into letting only one side (the company) own and master it. We are moving towards an ecosystem where the customer, the company, and all other interested stakeholders become partners in the search for better Knowledge Management — both for immediate use as well as to expand existing knowledge repositories.

This is going to be a long-term trend, but we are already seeing changes emerge; we are seeing the first indications that we are in the right path. Looking at how these changes affect Customer Service, one of the largest users of KM in the corporation, I have written a few articles under the sponsorship of Coveo.

This is the compilation of those articles, with additional notes and data to make the point.
We will explore the areas of:

- Customer Satisfaction (and improving it)
- First call Resolution CR (and how to change it in a world where there should be fewer calls)
- How to extract and generate more knowledge out of what you are already doing, and
- How to become more effective in your customer service.

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How to Leverage Knowledge Management in Customer Service to Ensure Satisfied Customers[1]

> “Most dissatisfied customers eventually tell 9 other people about their experience, while only 4% of dissatisfied customers actually complain to the company.”
>
> *ThinkJar*

If you did, or are doing, all of these things you may still have questions about how to measure effectiveness.

I am not a big fan of any of the “fuzzy metrics”[2] (metrics that cannot be replicated easily, or that measure feelings and emotions — which change frequently and which companies cannot control (but can influence). If had to choose one, I'd choose CSAT since it at least involves asking the customer directly for his or her opinion — which is the basis for effectiveness.

The question then becomes, as we explore the new world of knowledge management, how do you use knowledge to ensure satisfied customers? (but more importantly, how do you measure that)

Let's explore this in two parts: knowledge about the problems and solutions, and knowledge about the customers.

Problems and Solutions. Let's be honest, whenever we hear the words “Knowledge Management” we immediately assume we are dealing with knowledge bases and support issues. At worse, we think we are talking about FAQ and other simple answers. If that were the case, and for most organizations that are set up to support their customers the old fashioned way — it is the case, then the knowledge necessary to ensure customer satisfaction is simple: we must have the answers to all their problems. All of them, not just some of them. The answers must be searchable, easily available, and constantly and automatically updated as necessary. Well, maybe not that simple... actually, if you consider the complexity of the world we live in and how much more complex it gets almost every day — very complicated. How can you ensure you always have the right, updated, and verified information at hand in your knowledgebase? You can't (especially when talking about knowledge in use over knowledge in storage). The best way to have the answer to all solutions is to integrate your static knowledge with the dynamic collective knowledge that happens in online communities — and offer that to the user at the right time. That way you can ensure you have the right answer to the problem they have, at the right time, in the right place.

[1] http://blog.coveo.com/how-to-leverage-knowledge-management-in-customer-service-to-ensure-satisfied-customers/
[2] http://estebankolsky.com/2009/08/how-to-define-and-calculate-value-for-customer-interactions/

> “Half of the customers with unresolved issues are at risk of defection, or have already decided to leave.”
>
> *American Customer Satisfaction Index (ACSI) Research*

Knowledge About The Customers. The often forgotten part of the equation on customer satisfaction is to know your customers. This is tricky to understand — after all, support organizations are about solving problems, not establishing relationships with customers and getting to know them. Let me explain a little with an example. A printer company had a specific customer that each time there was an upgrade to a driver called and complained, and complained, and complained until this company sent a technician to do the upgrade for them (these were not your traditional printers, we are talking specialized industrial printers). A new manager was brought into the support operation and she immediately noticed that every six-to-eight months there was a service call to this customer and inquired as to why. When she was told the reason, she pulled the information about the customer and noticed two things: one, the customer had not brought any new product in the past five years, and two that the customer had expressed several times in surveys that he did not want to have an agent sent to his place, he’d rather have carefully explained step-by-step instructions on how to do the work himself. Four months went by, a new update was released and this new manager called the customer and explained that based on her research she was going to send a step-by-step video on how to do the upgrade and include a toll-free number to call in case he had any problems. Following the successful upgrade the customer returned the feedback form with the highest satisfaction ratings since he had become a customer. If you know your customers, what they want, and what they need and find a win-win model where they can get it while you get what your organization needs the customer satisfaction scores are going to be very high.

You can find different areas where deeper knowledge provided by customers, communities, and even static databases can contribute to higher customer satisfaction. Potentially you can use the knowledge about products, support issues, and customers’ needs and desires to provide service proactively when a new event happens. Or you could merge information about best functioning and more effective channels with customers’ expectations for speedy resolution and let them know which channels perform better. Or something else, something you can figure out about your organization.

Knowledge is all around us and we need to leverage that as much as possible to deliver satisfaction to our customers; customer satisfaction starts with met expectations, and matching those to corporate knowledge is what service and support is all about.

From FCR to Right-Time, First-Time Resolution? Just a Hop...[3]

“Customers leave at a 12% rate with 2+ call resolution”

American Customer Satisfaction Index (ACSI) Research

Whenever I broach the topic of First Call Resolution (FCR) there are two debates that kick off almost right away: first, what is first call (contact in the modern world) resolution? What do we identify as a call? What do we identify as a follow-up call? What timeframes do we use, and what gaps are needed to make sure we are dealing with different calls?

The second issue is why call (or contact) and not interaction; why do we discriminate against any non-service call (or contact) and why don't we focus on those as well? The function performed in the interactions that are not service-related should matter equally in a world driven by experience continuums[4].

Both debates have very strong opinions on all sides of them (there are as many definitions of what constitutes a first call as there are organizations tracking the metric). There are issues of latency, time-spent, time-lapsed, and gap-in-between to address all the different interactions, and there are interactions that are not necessarily customer service-focused that need a quick resolution — so how can we provide an answer to all of them? Is there a better metric?

As you probably recall from reading the many writings[5] I have done in the past few months about this topic, there is a shift underway in the world of knowledge management. We are moving to a world where knowledge only has value when it is being used, not when it is being prepped to store[6]. As a result of this, the previous stores of knowledge are losing (even more) their power and being replaced by communities, forums, and even subject-matter-experts that are available at the drop of a — well, message to enter the customer interaction, provide their knowledge, and then continue with their day. I first wrote about this in 2002 under the term “secret customer service” — with the caveat that latency was the real killer (if you remember those days, finding the right person and getting an answer from them was not an easy task, it would take too long).

[3] http://blog.coveo.com/from-fcr-to-right-time-first-time-resolution-just-a-hop/
[4] http://www.mycustomer.com/topic/customer-experience/esteban-kolsky-what-experience-continuum-and-how-do-i-get-one/109258
[5] http://estebankolsky.com/2013/01/the-changing-world-of-knowledge-lets-talk-about-it/
[6] http://www.stonecobra.com/evolving-from-knowledge-in-storage-to-knowledge-in-use/

> “Quality in a service or product is not what you put into it. It is what the client or customer gets out of it.”
>
> *Peter Drucker*

This model of secret customer service is what we are seeing today emerge with the idea of knowledge-in-use. The information exists and can be found in real-time; the use of faster processing, better data management tools and the added complexity of online communities help find the right person, the right information, in the right time and use it to close an interaction — any call or contact, regardless of business function.

I think it is time we changed the concept and name of FCR to RTFT-R (Right Time, First Time Resolution). Yes, it is not a TLA (three-letter acronym), but it truly reflects what it is happening in the world today.

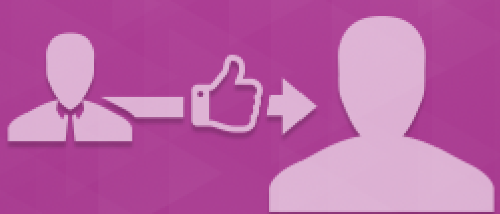
FCR was an outdated metric, one focused on how well the organization did to serve the customer — but still from the company’s perspective, not from the customers’. You can easily see this by the debates I mentioned above — what defines a call? What defines closure or resolution? Who gets to define both those parameters? None other than the organization. They are looking to measure something that is supposed to be related to satisfaction and loyalty (measurements of effectiveness), where in reality continues to measure how well the company performed against the perceived need of the customer — a perennial measurement of efficiency.

As we move from company-centric to a better mode of customer-centricity, and we see the need to evolve to use better metrics, to focus more on the customer needs (solve an issue, right here, right now) and how we can measure the delivery against those metrics — RTFT-R is a metric that makes sense. It answers all the questions surrounding its use: how effective we were (see section on effectiveness later in this eBook), how timely we were, and how efficient we were — all into one metric.

It is time to leave behind the outdated, efficiency-driven, company-centric metrics we use today in favor of effectiveness-focused metrics that will be relied upon to answer questions related to satisfaction, loyalty and effectiveness.

Measuring whether the right time and the right information were used to solve a problem is the first step towards that.

> “Efficiency is about running the leanest organization at a low cost. However, this is not necessarily what customers want.[7]”
>
> *ThinkJar*



The One Thing That You Must Do To Ensure Your Customer Service Solution Is Effective[7]

Let’s talk about efficiency versus effectiveness.

If your organization is like most out there, you have spent the better part of the past 20 years making sure your customer service organization runs like clockwork.

You have invested in a multi-channel solution to be able to respond to customers across all channels, and a workforce optimization system to ensure that your employees are always available when needed. You keep track of the great job they are doing, and you continuously focus on getting all metrics to be the same as other organizations. In other words, you are running a streamlined, hyper-efficient customer service organization. Right?

That is great. Your timing is perfect, as you are now ready to focus on how to run not only an efficient but an effective customer service organization.

What is the difference? Let me take you back in time to set the stage.

Back in the 1970s when the first call centers began to emerge, they were considered a cost center. No organization provided customer service because they wanted to — they did it because they had to. Thus, they aimed at the cheapest, lowest cost solution they could provide. As the economy shifted to a service economy in the 1980s, call centers became more pervasive — and also more used (and therefore more expensive for organizations to operate, especially since now they had toll free numbers to pay for as well). The shift to make the call center the most efficient possible (read, the lowest cost per transaction possible) carried right into the 1990s and early 2000s as contact centers began to emerge.

[7] http://blog.coveo.com/the-one-thing-that-you-must-do-to-ensure-your-customer-service-solution-is-effective/

“An effective customer service solution centers on always finding the right information, the right knowledge, at the right time, every time regardless of channel.”

ThinkJar

Most organizations are still stuck in the old model of making their customer service operations ultra-efficient. This was not a major problem until about five years ago. When the “age of the customer” started in the late 2000s with the advent of social networks and customers reclaiming their voice and control of the conversation, they also demanded that organizations become more customer-centric. That was the tipping point; that was when efficient contact centers needed to become effective contact centers.

Efficiency is about running the leanest organization at a low-cost. However, this is not necessarily what customers want. Its about delivering the “Three Rs” of effective customer service and this is what customers want and need: Right Information. Right Channel. Right Time.

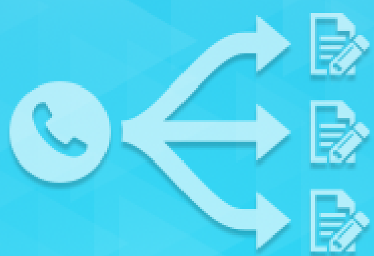
An effective customer service solution centers on always finding the right information, the right knowledge, at the right time, every time regardless of channel (or at least the ones that make sense[8]). This is why the most important aspect of an effective contact center is the access to this data and knowledge in a timely manner — not merely being able to “be where customers are.”

I have been writing about the shift in knowledge management for some time but I have not mentioned, until now, why this shift was necessary. Becoming hyper-effective at customer service requires access to the right knowledge. As the world becomes more complicated and the necessary knowledge is no longer stored in knowledge-bases it is becoming imperative to be able to find the people with the information in real time, tap into their knowledge, and provide that back to the customer on time to solve their problem.

This is the new model of knowledge management, and the absolutely only thing you need to make sure you have if you want to deliver the “Three Rs” of effective customer service.

[8] http://www.desk.com/blog/kolsky-single-channel-strategy/

Three Ways to Generate Knowledge from Customer Service Interactions[9]



> “Many call centers report that after call work can take one-third to one-half as long as the average call”
>
> *SQM Group*

I grew up (professionally) in Call Centers.

I did all the jobs at one time or another: answered phones, played supervisor, managed people, planned for growth, interfaced with business users — and many more you probably don’t want to know. Back then tools and systems were almost non-existent; certainly not as advanced as today’s solutions. The most dreaded part of working the front line was always (well, when you get past the bad people who like to yell) doing wrap-up notes.

These are the notes we had to write in the customer record following a call to summarize what happened, what they said, what we said and did, and the result. The idea was that if the customer called back we knew what happened. The advent of recording and the evolution of CRM solutions that pull in information from everywhere and automatically record everything the agent and the consumer do across all channels creates loads of transactional, operational, and even feedback information. The wrap up note is a thing of the past (I know they are still being done in some places, but the number of interactions that demand them is minimal compared to every one of them in the past).

To an extent, that is a shame. We used those notes to gather intelligence about what customers wanted, what worked and what didn’t, and to understand better what we could do to serve our customers better or — at the very least before we were concerned with customer-centricity — more efficiently. The amount of knowledge we could recover from those notes was quite large, and more than one of my jobs included parsing them for knowledge and insights. Think of them as an early form of “Big Data” (there’s the obligatory mention).

Today we are doing the same in a programmatic, automatic manner. We hope that the amount of information we receive from the multiple systems and solutions we implement and query will give us comparable information to what we were able to obtain before: knowledge, insight, efficiency and better performance.

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[9] http://blog.coveo.com/three-ways-to-generate-knowledge-from-customer-service-interactions/

> "Every two days now we create as much information as we did from the dawn of civilization up until 2003; that's something like five exabytes of data"
>
> *Eric Schmidt, CEO of Google*

Alas, the question is — does it do it?

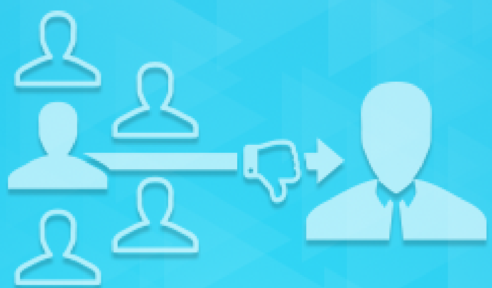
Well, yes and no — and it depends (now you feel like you are reading something written by an analyst, right?).

Let me explain.

We generate a large amount of information — more than we ever did before. This information is valuable to improve processes and experiences, for training and management, and even to spot potential problems based on the recorded paths of execution (what agents did, what they found, what they were missing). We can generate a lot of information on performance for efficiency, and feedback for effectiveness reporting.

But we are lagging in generating and managing knowledge (used to provide better answers to customers) from the collected data and information. Knowing who said what, and when, to whom helps if you are in trouble — but not being able to categorize what was said and easily find it to repeat it in a similar situation is akin to throwing it away after it was done. You have to find ways to extract knowledge from the automatic collection of data. If you want to mine all the transactional and operational data, agent notes, and other knowledge from closed service interactions there are three things you have to do:

1. Reference Your Taxonomy. Sounds silly, but do you know what constitutes knowledge for your organization? What information should be preserved and structured so that we have the information readily available in case of future need? The rule of thumb we always used was that if two people called with the same problem, it should be recorded. Somewhere along the line that got changed to every-single-thing must be recorded and considered knowledge. This is hardly the case, but there are certain aspects that should be preserved. If you have a proper taxonomy in place, then capturing and recording knowledge is simple: use the taxonomy to categorize what you find out (semantic analysis would be great, tagging is sufficient) and to structure the information you parse. Convert the answers to knowledge-based entries, and you can generate knowledge from your new problems. To maintain existing knowledge, the same process applies, but following the categorization you can find the related content that already exists and improve it.



“Having a 1 out of 5 on service quality tells the service for that customer was lousy, but it doesn’t tell why”

ThinkJar

2. Leverage Text Analytics. There is a very slim chance that you can identify what you need from the many interactions your organization executes every day. To this end, text analytics helps you analyze the large amount of data and find the elements that would need to be categorized to generate knowledge. Knowing what you are looking for (product names, error codes, knowledge repositories accessed and used, etc.) and analyzing the closed interaction data for those specific words and phrases is the way to find what specific interaction should be parsed, categorized, and processed for knowledge. Text Analytics together with usage logs can help you find the areas in your knowledge repositories that may need some work and improvement — and help you collect more knowledge that you thought you had in those closed records.

3. Recognize Unlikely Sources. This is the toughest one, but the one likely to reward you more. Traditionally we only recognize knowledge as that which generates in our organization. The thought that we know better because we have the best background and resources is a logical approach. Alas, in the last few years we have seen the emergence of Subject Matter Experts and online communities that have become excellent sources of knowledge — in some cases even better than the organization. And while it may not sound right, recognizing those unlikely sources of knowledge and tapping into them to aggregate and curate the organizational knowledge is one of the tenets of the service resolution. Parsing and embedding those external conversations and community-generated content as part of the resolution of service interactions or even making them part of the knowledge generation workflow the organization uses to grow the knowledge-base is essential to deliver better resolutions in the future.

All of this, of course, needs a goal — and that goal should be to increase customer (and employee) satisfaction. Alas, that is the topic for another day.

Summary

These are just the first steps in a long road towards reforming the way we use, think about, and leverage knowledge in the Customer Service department. Even then, this is just the tip of the spear, the very early start of completely redoing the organization through a digital transformation initiative.

Customer service may be the first to experience this paradigm shift in knowledge management, but the rest of the departments of the organization are not far behind. Think of the work we are doing today in Customer Service innovation as trailblazing for the new digital organization.

About the Author

Esteban Kolsky is a well-known former Gartner analyst and founder of ThinkJar LLC, a CRM intelligence & strategy firm. You can read the entire series by Esteban Kolsky on the Coveo Insights Blog.

About Coveo

Coveo brings to market a highly advanced, Unified Indexing and Insight platform that redefines how people access and share fragmented knowledge around the customer-focused enterprise. Coveo brings together the collective and yet fragmented information from cloud-based, social, and on-premise systems, and injects it into the context of every user, every time. Coveo connects people to contextual content, and through content, to relevant people. This enables more efficient customer service, increased sales, shorter sales cycles, faster innovation for better product development and increased profitability. Coveo's advanced, Unified Indexing and Insight platform securely connects with and crawls all systems to create a virtual integration layer, by federating and enriching structured and unstructured information.

The Company's lines of business inject highly relevant knowledge into every Customer Service interaction, personalize online customer experiences within high-end websites, and increase overall return on knowledge by making the collective knowledge easily accessible, so that all employees can stop reinventing the wheel. More than 2,000,000 people globally and more than 500 companies use Coveo to achieve their business goals. Among Coveo customers are Lockheed Martin, GEICO, Sungard, YUM! Brands and L'Oreal.

Get a Higher Return on Knowledge with Coveo for Salesforce, Service Cloud Edition

Coveo for Salesforce transforms knowledge management and support performance by bringing relevant knowledge from virtually any system directly into the agent's context, within the case view. Coveo automatically "reads" case information in Salesforce and presents relevant knowledge and experts who can help solve the case, improving case intelligence and customer service performance and transforming the customer experience.

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