Optimizing Service Operations

A customer service sophistication model

PART 4

Microsoft Dynamics 365
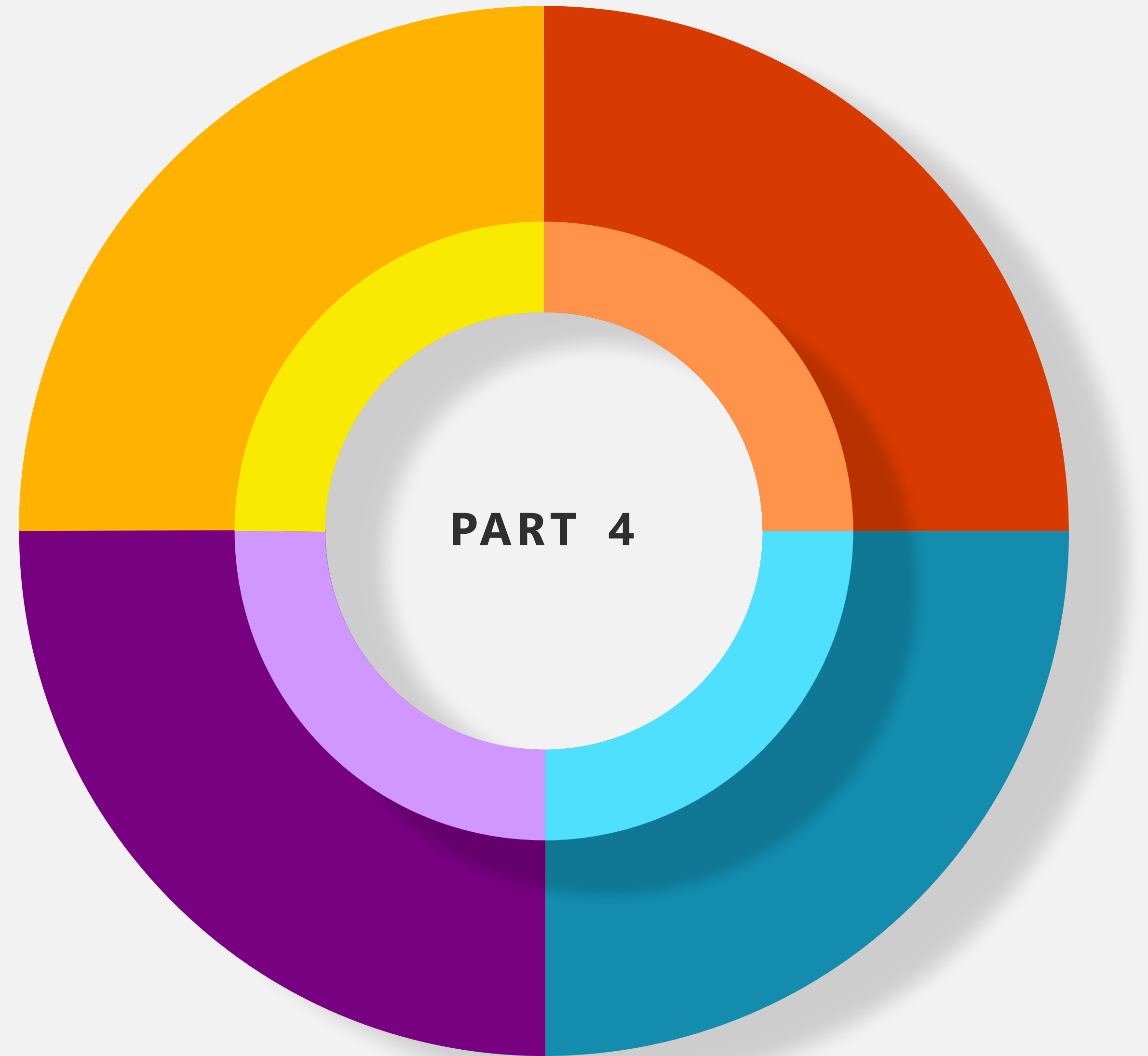
Contents

Who this is for:

Service and contact center leaders responsible for customer experiences.

Estimated reading time:

10 minutes

Definition / Service sophistication model:

A tool to help organizations assess and understand the complex mix of strategies they need to deliver a specific service experience.

Improve customer satisfaction with automation and structured processes

Making decisions about how to best improve your customer service operations requires a deep understanding of customer needs and pain points, as well as live evaluations of severity, sentiment, and intent in interactions. Automated, structured processes can improve efficiency and eliminate agent and customer frustrations. That's the path toward creating service experiences that build trust and confidence.

Optimizing customer service operations allows organizations to:

- Connect workflows to standardized processes for agent evaluation and interaction improvement.

- Tailor agent responses to issue severity and customers' emotional states.

- Generate intelligent insights and suggestions automatically to help agents stay focused and engaged.

- Improve consistency between teams when it comes to performance and process changes.

Read this e-book to learn about the tools, technologies, and processes that support an improved customer service optimization strategy. It's the last in a four-part e-book series that includes Engaging Customers on Their Terms, Intelligently Routing Service Requests, and Efficient Case Management and Resolution.

Service sophistication model

Level 1
Cost centric

Address basic needs with simple, standard processes.

Level 2
Metric centric

Make measurable improvements by organizing digital capabilities.

Level 3
Data centric

Enable proactive service and a growth mindset with insights from data.

Level 4
Profit centric

Use AI insights to clean up inefficiencies and intelligently predict issues.

Level 4+
Future centric

Optimize service support to focus energy on aspirational goals.

Identify your optimization opportunities with the service sophistication model

The service sophistication model provides a 4+ level framework for assessing your service experience against what's happening in the market. It also helps you understand what's needed to progress from one level to the next.

Whether you're beginning with basic customer care solutions or already have a mature organization offering world-class customer services, use the model to effectively evolve your capabilities.

The service sophistication model also assists organizations in assessing and modernizing employee experiences. Whether you're connecting with customers or employees, use the model to help plan your transformation. Your organization can achieve greater value and ROI with fewer technology investments.
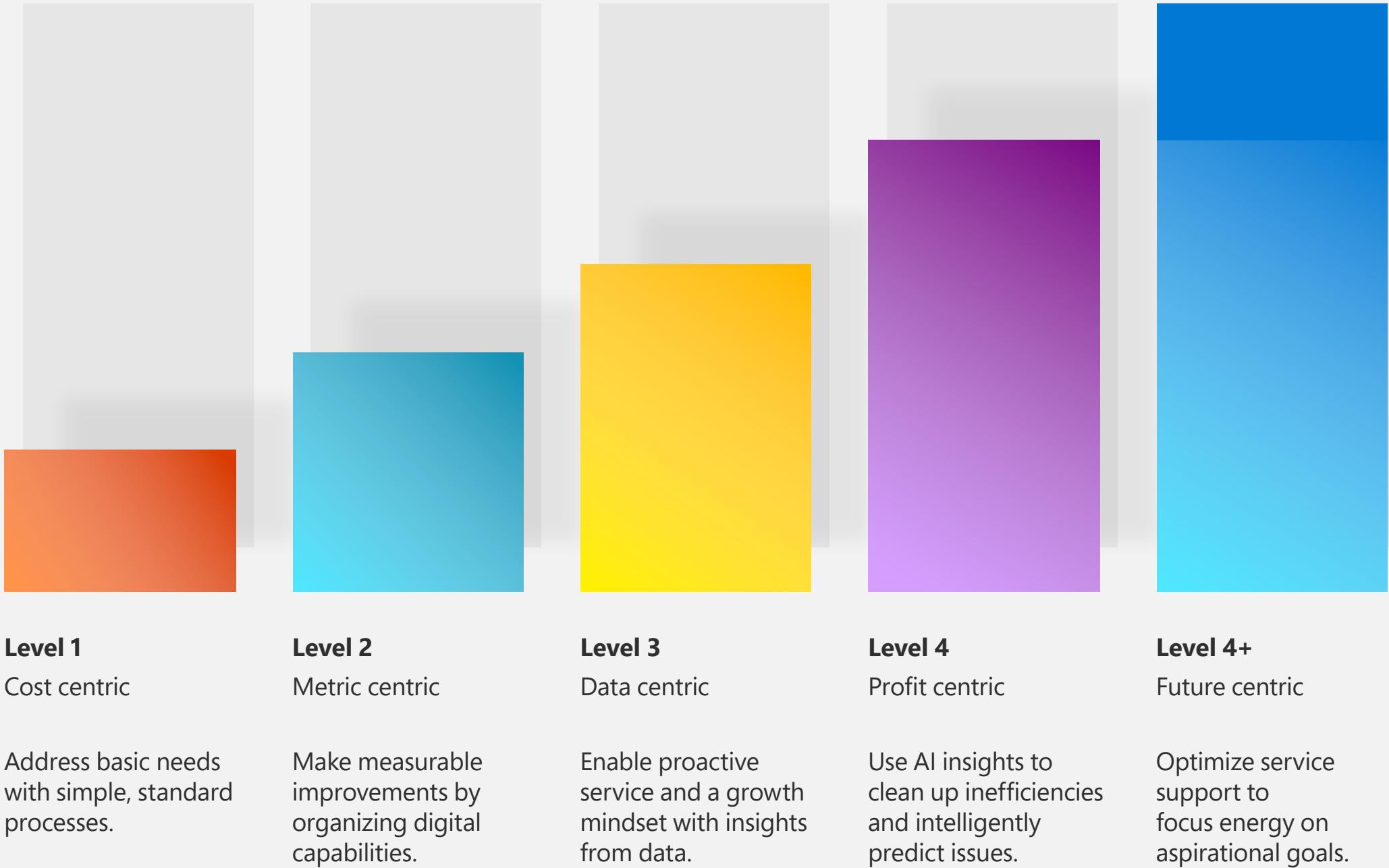
LEVEL 1

Cost centric

REAL-TIME INSIGHTS	CONVERSATION AND SENTIMENTAL ANALYSIS	ROBOTIC PROCESS AUTOMATION
Manual analysis of solicited feedback	Manual reviews of recorded interactions and feedback	Periodic process reviews and revisions

Level 1 organizations manually review interactions and provide feedback.

You rely on human intervention to conduct service operations. Individual supervisors have their own unique approaches to managing processes.

What you're able to do:

- Operate in siloed teams and organizations.

- Identify issues from interaction records, feedback systems, spreadsheets, and simple scorecards.

- Provide reactive performance feedback and analysis.

What holds you back:

Consistent, organization-wide process changes are challenging due to individual supervisors' differing analyses of issues, variable performance and efficiency across siloed teams, and unnoticed process issues that impact both customers and agents. At this level, process improvements are typically haphazard and inconsistent between teams and topics.

How you advance to level 2 (metric-centric service):

- **Generate and analyze consistent data sets** across systems and develop an unchanging, thorough presentation format of that data for decision-makers and supervisors.

- **Provide access to recorded interactions, a consistent scorecard, and an orderly review process** to all agents and supervisors to better capture, communicate, and store performance feedback.

- **Implement organization-wide process guidance** to improve workflows in a consistent, easily executed way.

LEVEL 2

Metric centric

REAL-TIME INSIGHTS	CONVERSATION AND SENTIMENTAL ANALYSIS	ROBOTIC PROCESS AUTOMATION
Aggregated but manually analyzed data across most systems	Consolidated feedback on performance provided by supervisors	Structured process improvement guidelines to drive improvements

Optimizations are more consistent and repeatable for level 2 organizations that have introduced structured processes.

Your consistent data collection and presentation methods allow supervisors to make data-informed decisions and standardize process changes. However, manual procedures reduce productivity and introduce inconsistencies across teams.

What you're able to do:

- Consolidate insights in consistent, manually updated scorecards.

- Collect metrics across the organization to evaluate performance and identify needed improvements across siloed systems.

- Implement organization-wide changes with consistent guidance.

What holds you back:

Identifying and quantifying necessary process improvements can be difficult, and implementing those improvements is time-consuming. Your supervisors may find it harder to accurately assess performance due to gaps in performance analysis methodologies and inconsistencies across teams and roles in data capture, interpretation, and delivery.

How you advance to level 3 (data-centric service):

- **Transition to automatic, organization-wide data consolidation** and use a dashboard to track a combination of rules-based and supervisor insights.

- **Record and digitize all customer service interactions** for performance reviews and coaching.

- **Create systematic workflows within an integrated system** to simplify, automate, and communicate process improvements.

LEVEL 3

Data centric

REAL-TIME INSIGHTS	CONVERSATION AND SENTIMENTAL ANALYSIS	ROBOTIC PROCESS AUTOMATION
Rules-based alerts and analysis from integrated databases	Recordings and transcripts used to extract insights automatically	Some automated process improvement suggestions and implementations

Level 3 organizations make data-driven decisions thanks to automated data collection, dashboards, and improved connections between systems and processes.

You're enriching process insights with information that's gathered automatically across the organization. Dashboard-based insights and feedback analysis have made it easier to identify and address the root causes of issues.

What you're able to do:

- Improve cost, efficiency, and service quality issues with data-driven insights.

- Integrate previously siloed systems and processes across the organization.

- Analyze performance and service analytics with regularly updated dashboards.

- Automatically generate some insights into agent performance and customer sentiment.

- Improve processes with automatic integration into workflows.

What holds you back:

Simple changes can be expensive or difficult to implement. Coaching insights aren't consistent across all supervisors and feedback may not be prompt enough. Consistently directing difficult customer service cases to experienced agents can be a challenge.

How you advance to level 4 (profit-centric service):

- **Add AI-powered suggestions and insights** to human observations.

- **Personalize dashboards for all** with key insights, metrics, alerts, and actions.

- **Provide automated, real-time analysis, feedback, and recommendations** using rules-based and AI-supported insights.

- **Use robotic process automation (RPA)** to automate repetitive tasks and improve processes.

LEVEL 4

Profit centric

REAL-TIME INSIGHTS	CONVERSATION AND SENTIMENTAL ANALYSIS	ROBOTIC PROCESS AUTOMATION
Dynamic and adjustable dashboards providing AI-driven insights	Real-time sentimental cues and conversational analytics used for coaching and case assignment	RPA workflows utilized for process improvements

Industry leaders incorporate AI, RPA, and personalized dashboards for real-time analysis of customer service operations.

Your innovative, system-optimizing approach to improving customer service operations includes real-time and predictive insights and interaction evaluations. Automation is key to your success.

What you're able to do:

- Enrich and expand analytics and insights organization-wide with AI.

- Automate repetitive tasks and process improvements with RPA.

- Use live dashboards with core performance metrics, alerts, and required actions.

- Provide real-time automatic feedback in customer interactions to defuse difficult situations.

- Enhance coaching and training with immediate feedback.

What holds you back:

Correctly interpreting sentiment analysis insights on unique issues can be a challenge. Robotic process improvements may be limited to simple task flows.

How you advance to level 4+ (future-centric service):

- **Empower business users with sentiment analysis insights** so agents can respond to real-time KPI interventions.

- **Develop a simple, structured process** for combining automated insights and lessons learned to inform end-to-end process improvements beyond the contact center.

- **Empower business users and decision-makers to develop optimization solutions** with no-code and low-code development tools.

LEVEL 4+

Future centric

REAL-TIME INSIGHTS	CONVERSATION AND SENTIMENTAL ANALYSIS	ROBOTIC PROCESS AUTOMATION
AI-driven insights expanded to include next-best actions on complex issues	Optimized insights and service escalations and interventions to minimize difficult interactions	Automated process improvements from intelligent RPA

Your service optimization strategy is an example to others in your industry. The future evolution of your strategy includes empowering more people to participate, AI-based agent guidance, and in-the-moment recommendations to improve interactions.

What do you strive to do?

- **Embed a dynamic, AI-powered agent guidance platform in the customer support experience** to provide conversational insights in real time.

- **Flag necessary interventions to supervisors** by incorporating real-time KPI-management recommendations in the support experience.

- **Authorize business users and agent managers to refine systems** using no-code and low-code tools, process automations, and a holistic understanding of necessary operational changes.

Future-centric organizations use the latest technology to optimize customer service operations, making swift and meaningful improvements with relative ease.

Use the following KPIs for level 4 organizations to help define and establish your own measurements of success.

CUSTOMER KPI

⬆ Service and quality (SERVQAUL)

⬇ Inbound abandon rate

COST KPI

⬇ Minutes spent on call

EFFICIENCY KPI

⬇ Average resolution time

Organizations that optimize service operations can expect measurable improvements in costs, efficiency, and customer experience.

How Westpac NZ transformed the customer experience

7x

reduction of hours spent on manual processes.

3,850

working hours saved per week.

$200,000 NZD

saved per week.

Westpac NZ is one of New Zealand's largest banks. Until 2008, serving their 1.3M customers was a challenge, as customer data was spread across many different platforms and processes were time-consuming and labor-intensive.

To improve the customer experience and plan for future innovation, Westpac NZ transitioned its on-premise customer relationship management (CRM) environment to Microsoft Dynamics 365. Ten years later, Westpac NZ accelerated their optimization strategy by introducing the Dynamics 365 Customer Service and Sales products. That allowed the bank to create a single customer data source and standardize customer onboarding, follow-up, and personalization.

Adding Microsoft Power Platform led to the technical team's adoption of a new agile working style along with a suite of more than 20 streamlined, automated processes that directly improve the bank's service model.

Today, Westpac NZ can quickly and easily develop solutions that meet customer needs. Response times are faster thanks to automated initiatives. And the time and money saved through automation has been redirected towards supporting customers. A cultural focus on constant improvement, fostered by their advanced technical capabilities and partnership with Microsoft, ensures a long future of customer service optimization.

Take the next step to optimize your service operations

Improving your customer service operations can have an impact on many aspects of your business. Clear, understandable performance metrics result in happier employees and greater talent retention. Automating processes increases productivity and innovation across teams. And of course, better satisfying your customers can improve sales, increase brand affinity, and elevate your organization to industry leader status.

Use the guidance in this e-book and the previous three in the customer service sophistication model series to engage customers on their terms, intelligently route service requests, efficiently manage and resolve cases, and optimize your service operations.

Start leveling up your pursuit of world-class customer service operations with an adaptable and secure product like Microsoft Dynamics 365 Customer Service. Try it free for 30 days.
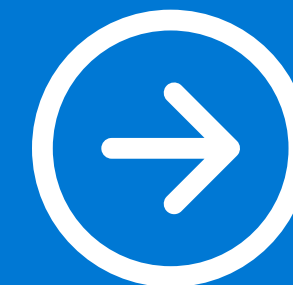
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