

Building a Business Case for Contact Center IT Investment

A “bakers dozen” of insider tips to help managers gain top-level support for contact center technology investments.

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INTRODUCTION

Are your contact center systems having trouble keeping up with your business needs? Are you spending too much on manual processes? Are you having trouble managing to the measures you are being held accountable for, like customer satisfaction, key process performance, employee attitude?

Many contact center managers face these challenges. Yet, in these uncertain economic times, the idea of building a business case and gaining management buy-in to make contact center IT investments may seem like a distant dream.

In spite of this, now is an astute time to enhance your contact center IT systems and make real progress on your goals. Why? Bandwidth and processing power are cheaper

than ever. Software and implementation prices are at a recent low. And what was until recently considered bleeding-edge technology is now stable and mature.

So how do you build a business case for IT investment that executive management will approve? The answer is to clearly articulate the business benefits for making a change. But this is where most projects fail - a poor business case.

At Inova, we help customers build solid business cases for contact center IT investments every day. From our experiences, we've created this “baker's dozen” of insider tips to guide you in your efforts to build a business case and gain management support for your contact center IT investment.

BUSINESS CASE TIP #1

Link the business case to the business value.

If you're thinking in terms of how to get a contact center "IT project" funded, you've likely made your first mistake. Although this may be your ultimate aim, the secret to getting the project approved is to think of it not as an IT project but rather in terms of its business value. From there, the business case will emerge. Indeed, without a solid, well-thought-out business case, executive management is unlikely to fund the project.

The most common pitfall is to immediately get caught up in the technical details of a project. But unless the project is couched in terms of reducing costs or increasing revenue, it's not going anywhere with executive management. What's more, the project must show that it has been sufficiently researched to be credible. How do you go about this? How do you build a business case?

Here are the steps that we advocate for building an effective business case:

Description - Create a succinct description of the project, capturing the business context and establishing clear boundaries of what is and what is not in the project.

Justification - Describe the justification for the project in terms of business benefits, ultimately providing the justification in terms of increased profits or reduced costs.

Vision - Create a description of how the project fits into the overall vision of the business.

Affect on People and Processes - Because no IT project can succeed without being in tune with the people affected by it and in line with the underlying business processes, provide a plan for showing how your project meshes with both people and processes.

Alternatives - A reasonable description of viable alternatives will gain credibility with management. Absent a discussion of alternatives, management will be skeptical and may send you back to the drawing board.

Cost/Benefit Analysis - The more you can produce a classic cost-benefit analysis, complete with discounted cash flows and a well-defined payback period, the more you are meeting executive management on their own terms - return on investment (ROI).

Risk Assessment - Assessing the risks and defining a risk mitigation strategy is a necessary step in any IT project and executive management will know it.

Dependencies - Enumerate what other systems you are dependent on, including those that are within and outside your control.

Project schedule - No project will be blessed by management without some sort of rudimentary schedule showing dates for major milestones. This is also a good occasion to describe the trade-offs between cost, schedule, and features.

Deliverables - Produce a list of the major deliverables, which will not only clarify in your own mind the scope and ultimate outcomes of the project but also make the project seem more tangible to executive management.

Prototype - A prototype or “pilot” will help demonstrate the feasibility of the project as well as provide confirmation of the underlying architecture and approach.

Metrics for Success - Providing the metrics by which the project can be judged to be successful (or not) will provide the kind of accountability that management will ultimately seek; this step can also help in the derivation of the cost/benefit analysis.

Although this list may seem daunting at first, we have found that a solid business case can be built with focused and dedicated effort of between four and 16 weeks, depending on the complexity of the project. In some cases where significant up-front work has already been done, a thorough business case can be built in as little as two weeks.

While the main goal of building a business case is gaining project approval, it also has the benefit of setting the tone for the project and getting everyone thinking along the same lines and moving in the same direction.

BUSINESS CASE TIP #2

You are only as good as your team.

When forming the team that will build the

business case, it’s important to get people from across the contact center operation involved for your plan to succeed. The reason is that if the contact center IT system being considered involves cross-functional processes, it will take a cross-functional team to understand the implications the system will have on those processes.

Indeed, a common pitfall when building a business case for contact center IT investment is making the team too “IT-staff heavy.” This leads to conclusions that, even though they may be accurate, are not understood by the other business stakeholders.

Additionally, be sure to get business executives deeply involved in helping you with the business case. You must ultimately have their involvement and commitment for the plan to succeed. Involving executives early is also a good way to assess their predisposition to the project, especially in relation to other projects being considered.

BUSINESS CASE TIP #3

Identify project drivers.

One of the most difficult tasks when building a business case is determining the project boundaries. We have found that the best way to define the appropriate boundaries is by defining product drivers. What do we mean by this?

Project drivers are simple statements about the business reasons for the project. Start by asking, “What are the overall business

goals?” From there, ask similar questions about the business unit, working your way down to the departmental level. The answers will lead to business metrics. For example, “Increase revenue by X% in this business unit,” or “Reduce call handling times by Y%.”

Here are some example project drivers for the contact center:

- *Reduce calls waiting by X% for a set of skill groups.*
- *Deliver key performance indicators (KPIs) to agents in near real-time (i.e., less than three seconds) showing performance over the last day, week, month, etc.*
- *Improve scheduling accuracy by Y% by checking actual staff performance against plan in real time.*
- *Reduce dropped calls to less than 1% by assessing IVR health in real-time and re-routing calls as necessary.*

BUSINESS CASE TIP #4

People, process, and then technology.

We have all heard of IT projects that were pronounced a technology success at the start but that later floundered because they were never accepted by the people who would ultimately use the system. We have also heard of projects that have failed because the processes they imposed were too onerous or did not accomplish their intended goals, and thus were circumvented by informal manual processes.

This anecdotal evidence provides an important reminder as you set about building a business case for your contact center IT project. Always start with a thorough understanding of the people and their roles in the day-to-day operation of the business. Next, make sure you understand the processes they carry out on a daily basis, including diagramming those processes if necessary. Finally, consider the technology, always keeping in mind that if a project’s technology doesn’t fit the people and processes, it will never succeed.

BUSINESS CASE TIP #5

Challenge what “everybody knows.”

When building the business case for your plan, it’s important to challenge what “everybody knows” with regard to the underlying issues the project is intended to address. Such catch phrases as “we have always done it that way,” “that would be too expensive,” and “we rejected that idea a long time ago” are usually good indicators of this mindset.

For instance, there are many contact center industry measures and processes that have become institutionalized over the years - e.g., measures of Calls Waiting, Average Speed of Answer (ASA), Service Level, etc. There is no question that when viewed in real-time, many of these can be valuable measures of customer satisfaction at certain organizations. Nevertheless, it’s important to ask, “What are the most valid indicators of customer satisfaction at our organization?” For instance, a logical follow-on question might be, “Would a customer be willing to wait awhile longer if

he or she received exactly the right answer when speaking to an agent?” The answer to this question and others like it may surprise you and lead your IT project’s business case in a new and more meaningful direction.

BUSINESS CASE TIP #6

Voice of the Customer.

The best way to challenge “what everybody knows” is through Voice of the Customer (VOC) methods. The VOC is a strategy and system for continually tracking and updating customer requirements.

There is a broad array of techniques that can help an organization collect external customer input, assess and prioritize the requirements that emerge from this input, and provide ongoing feedback to the organization. VOC tools include market research methods, requirement analysis concepts, and data mining technologies, such as data warehousing and Online Analytical Processing (OLAP).

Yet, when building a business case, it’s important to strike the right balance with a VOC approach. Getting too involved in VOC methods at this early stage can lead to “analysis paralysis.” On the other hand, presenting some well conceived VOC inputs can really bolster a business case.

From our experience, customer surveys are a good, lightweight way to incorporate VOC into your business plan without getting in too deep. Here are some pointers to keep in mind when using them:

- *Customer surveys can be an important way to determine the proper drivers of customer satisfaction.*
- *Customer surveys can be difficult to execute, however, because customers are usually better at describing what they don’t like rather than what do they like.*
- *Translating what the customer says into*

Table 1: Translating the VOC into Requirements

Customer Says	Meaning to Our Business	Customer Requirement
“I hate being on hold for so long.”	We are seen as being slow in answering customer calls.	Calls must be answered within 30 seconds of hitting the gateway/ACD
“Every time I call your 800 number and start navigating through the options, I get dropped.”	We are seen as having something fundamentally wrong with our customer support system.	We must gage IVR health and re-route calls so that zero calls are dropped.
“The agent wasn’t able to answer my question about your return policy.”	Our returns policies are unclear or not well understood by our agents.	Direct returns calls to the “Returns” skill group.

meaningful customer requirements is at least a two-stage process. The first stage involves transforming what the customer is saying into statements that have direct meaning for the business. From there, one can more easily decipher the actual customer requirements.

Table 1 on the previous page shows an example of how to translate the VOC into actual customer requirements.

BUSINESS CASE TIP #7

Data, Data, Data.

In the real estate market, the watchwords are “location, location, location.” For contact center IT projects, the watchwords are “data, data, data.” The reason is that whenever you get involved in contact center IT projects of any sort, especially those that involve optimization, the discussion inevitably turns to the topic of the sources and uses of data. In general, projects of this sort typically involve gathering disparate data and dealing with issues of the lifetime, integration, and normalization of the data. Paying careful attention to the issues of data from the project’s inception will pay dividends in the long run as they are a key ingredient to developing an understanding of the project scope.

Especially important is defining the role of real-time, near real-time, and historical data as it relates to your contact center IT project. Real-time (sub-second) data is important for delivering live metrics across all levels of the contact center, as well as when integrating

contact center applications. Real-time data delivery is underpinned by a middleware infrastructure of some sort, such as that provided by Inova LightLink™.

Near real-time data is that which flows from a continuously updated database or over the web through a browser, via web services, and the like. Fast as these platforms are they are not geared for sub-second delivery of data across the enterprise but rather for what is known as on demand delivery of data, which at its best usually means at least 10 seconds of delay. This sort of delay isn’t critical in many enterprise applications, but in a contact center operation where agents are scheduled on 15 minute intervals and are expected to react in split-second time, such a delay can adversely affect the business processes.

When shown side-by-side with real-time or near real-time data, historical data provides context. By pairing the two, you can see what is currently happening compared to what has happened in the past.

In general, it’s important to ask yourself questions like these regarding data:

- *Is the data readily available?*
- *Does it require a standard or proprietary interface?*
- *What are the costs of accessing and integrating the data?*
- *What are the mapping/normalization issues*

- for example, is one set of data organized by ACD skill group and another by work-force staff group?

- *Does the available data meet the project's requirements and stated goals - e.g., delivering KPIs in real-time?*
- *What data delivery infrastructure is most appropriate to support the underlying business processes?*

Our experience has shown that these questions about data are among the most critical you can ask because their answers can have a profound effect on the cost and the ultimate efficacy of a contact center IT project.

BUSINESS CASE TIP #8

Measure, Measure, Measure.

When building the case for contact center IT investment, executive management will almost certainly ask, “What is it that you hope to improve and by how much?” Some natural follow-on questions are, “How can we measure the success of your project a month after go-live? Six months? One year?”

Your perceived skill in answering these questions will rest on your ability to show measures that are directly mapped to the contact center's processes and the project's ability to improve those processes. However, it is one thing to measure process improvement based on concrete output-level dimension and quite another to measure it on a service-level dimension. Nevertheless, most contact center

processes involve both dimensions.

In terms of the output-level dimension, a common goal in contact center process improvement is to increase the contact center's ability to handle peaks in demand by using timely information to effectively re-allocate resources. This notion of the “virtual center” is a tried-and-true approach for building a business case for contact center IT investment, the measures for which are fairly easy to quantify.

Another good way to approach the problem of measurement on the output-level dimension is in terms of improving the bottom line results by minimizing waste, rejects (unsuccessful calls), and non-value adding tasks. The extent to which your project can show measurable improvements in these areas is important to quantify.

In terms of the service-level dimension, Voice of the Customer surveys (Tip 6) are far and away the best mechanism for measuring results. The purpose here is to ask the customer in a uniform and consistently measurable way, “Did you receive the level of service you expected?” The extent to which your project will rely on surveys (in various forms) to measure results should be described. The more detail here, the better.

Whatever measurement approach you decide to use, do your best to start immediately collecting current and historical figures on the processes that will be affected by the IT project. These measurements will help provide a

clear rationale for your project targets.

If it is appropriate, acknowledge that your measures may not be perfect at the start. The astute executive manager will focus less on seeing strict measures this early in the project's life and instead want to see a model for measurement improvement over time.

If you're having trouble defining the appropriate output- and service-level measures, seek outside help. This is an area where outside consulting can be quite effective.

BUSINESS CASE TIP #9

Use benchmarking to validate measurements.

One of the best ways to define to executive management's satisfaction how a project will necessarily lead to improvements is via contact center benchmarks. Benchmarking against other companies or industry averages is a great way to provide proof.

A good source of contact center industry benchmarks is Jupiter Research (www.jupiter-research.com), a research firm that is better known for its Internet-related research and benchmarks. Beside research firms like Jupiter, consulting firms and industry trade organizations can also be a good source of benchmarking data.

In general, benchmarking data is more accessible and cheaper than ever before. Industry benchmarks offer good external support for your estimated benefits.

BUSINESS CASE TIP #10

Build scenarios.

Scenarios help you define the appropriate path when there is more than one possible way to meet the project's objectives. They also let you explore alternatives well before you commit significant resources to any one approach.

For example, if your objective is to increase call center efficiency by delivering group-level performance data to agents' desktops, the two scenarios might be to purchase an external tool from a vendor that specializes in this capability, or use your existing Intranet infrastructure.

Using scenarios lets executive management participate in the decision-making process. Scenarios can also help you more easily assess the business impact of a given path. In any case, you will want to limit the number of scenarios you explore and make sure that there is broad consensus that the one you choose are well-reasoned.

BUSINESS CASE TIP #11

Time-limit the planning effort.

A common failure we've seen with companies building business cases for contact center IT investment is "analysis paralysis." Putting enough detail into the business case to make it sound is important. But, if you spend too much time analyzing and documenting, you can reach a point of no return.

For this reason, we have found that “time-limiting” the effort is a great tool. A general rule of thumb is to plan to spend no more than 15 percent of the overall IT project’s time building a business case. If you’ve blown through this deadline for completing the business case, you will have fallen into over-analysis. You’ll do well to set a hard and fast time limit and then stick to it.

BUSINESS CASE TIP #12

Build a time-phased plan.

Another common mistake we have seen companies make is attempting to lump too much into a single contact center IT project, causing the project to collapse under its own weight. A good way to avoid this mistake is to time-phase the effort, where a “phase” actually represents its own discrete IT project. You can then group the phases as necessary to constitute an overall project plan.

As much as possible, attach ballpark cost estimates or cost ranges to the different phases of the project plan so that effective budgeting can take place. When creating a ballpark estimate for a phase, be sure to seek the advice of your most senior project and IT people. If you don’t have anyone with the necessary expertise, hire them from the outside.

BUSINESS CASE TIP #13

Start now.

Whenever you consider the challenges of building a business case for a contact center IT project, there’s always the temptation to

put off getting started until you know “just a little bit more.” Yet, due to the very nature of contact center IT projects, you can never know all you need to know before you start. What’s more, the requirements are likely to change as the project gets underway and the full scope of the effort becomes clearer. Waiting for complete fidelity in this kind of fluid environment is an exercise in futility. The only answer is to get started building your business case now using the best information you can summon.

CONCLUSION

There you have it, a “baker’s dozen” of insider tips for building a business case for contact center IT investment. If there is any single take-away from this discussion, it’s to think of building a business case not so much as an IT issue but first and foremost as a business issue. We hope you have found this discussion thought-provoking.

To learn more about Inova and how we can help you build IT strategic plans and business cases to help optimize your contact center, call us at 434.817.8000.

ABOUT INOVA

Inova is a real-time business intelligence company that provides solutions for contact center optimization. Our products integrate and enhance the value of existing data, delivering live and historical metrics across all levels of the contact center. A robust technology platform combined with our extensive industry experience allows us to craft comprehensive solutions to the unique and changing needs of our customers.

Inova has provided comprehensive and innovative data communication systems for more than 2500 companies worldwide, with customers ranging from start-up to Fortune 500 and Blue Chip.

For more information on Inova, please visit **www.inovasolutions.com** or call **434.817.8000**.

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