



WebSphere software

Leveraging content integration for improved customer service

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Customer service: A key competitive differentiator

In an increasingly online world, customers, partners and other constituencies are demanding more and better customer service from vendors and government institutions. Yet, these organizations have found that despite significant investments in people, information and technology, true excellence in assisted service and Web-based self-service is frustratingly difficult to achieve. IT integration plays a vital role in enabling cost-effective customer service processes, and an important part of that role is managing the 80 percent of enterprise data that exists in the form of documents, files, images and other similar unstructured content. Enterprise content integration (ECI) has emerged to help organizations unify their content and workflow infrastructures to help ensure faster and lower-cost issue resolution, improved customer retention and more effective cross- and up-selling.

Unstructured content: The key to the 360° view

Customer relationship management (CRM) application vendors widely advocate using a 360° view of the customer to forge closer customer relationships, present more targeted offers to customers and prospects, and better predict and resolve customer issues. However, all these initiatives are critically dependent on the ability to access key information—such as standard procedures, technical data, customer correspondence, marketing collateral and contracts.

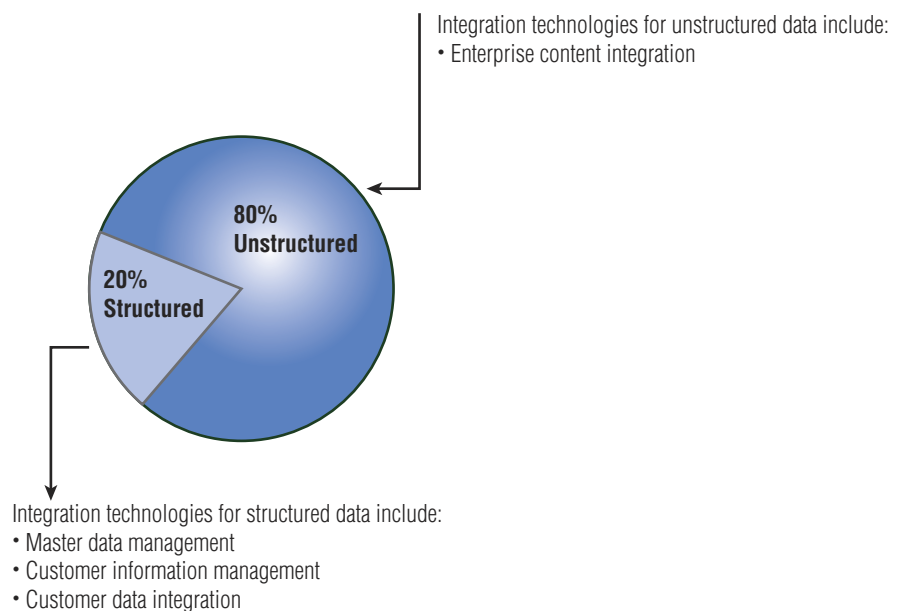
Customer information management or customer data integration software provides the means for integrating structured data within a customer service application—contact information, transaction histories, account balances, inventory availability and the like. This is an important step in the right direction, but many companies are finding that it is simply not enough.

While aspiring to great customer service may seem like a utopian ideal, the implications of accepting anything less are alarming. Consider these statistics:

- 80 percent of a company's interaction with its customers is through customer service¹
- 92 percent of customers form their opinion about a company based on their experience with its call center²
- 68 percent of customers will switch brands based on a poor service experience³
- It costs up to 10 times more to acquire a new customer than to keep an existing customer⁴

Business and IT executives are often surprised to learn that more than 80 percent of the data within their enterprise is contained within documents, files, images, reports, e-mail and other unstructured content (see Figure 1). This is information that customer service applications often cannot readily access, even when companies have invested in traditional data integration efforts. But with only 20 percent of the information available, the 360° customer view becomes a 72° view at best.

Figure 1: Most of today's integration technologies address only structured data, while 80 percent of data is unstructured



Although technologies such as master data management, customer information management and customer data integration are available for dealing with structured data integration, the reality is that unstructured content is very different from structured data. Data fits within the columns and rows of a database and can be queried, filtered, sorted and otherwise manipulated. Content, including images, documents and even e-mail, is not typically managed in a traditional database; it is handled instead through document management, or more recently, enterprise content management (ECM).

Over the past decade, companies have come to appreciate the value of unstructured data and its importance to business operations. Many companies have invested in ECM systems to capture, manage, classify and control this content. But while these systems have served valuable purposes when deployed, to solve departmental business problems, they have also created islands of content that cannot be readily accessed, shared or leveraged across the entire business. In fact, many medium- and large-sized companies have dozens of isolated repositories where critical content is stored and managed—but trapped.

Three key factors explain this isolation:

- **Departmental IT spending.** *Until recently, discretionary spending authority has been largely decentralized to internal departments and lines of business, enabling each to invest in content management systems to solve its own narrowly defined business problems. While many corporate IT functions have begun to reclaim control, this period of autonomy has left a vast array of content silos in its wake.*
- **Best-of-breed purchasing.** *Content can take many forms, ranging from traditional files and documents to rich multimedia formats, images, Web content and archived records. Companies have found there is no single solution for managing every type of content, and have consequently invested in the specific repositories for each type of content—again, creating multiple content silos.*

- ***Merger and acquisition activity.*** *Even when a company attempts to create a single enterprise standard for managing content, this standard can break when a merger or acquisition occurs. A company's content repositories can grow exponentially with a merger, magnifying the problem of unified content access.*

Alternatives for content integration

While there are several proven ways of handling structured data integration, very few viable alternatives have existed for unstructured content until recently. Traditional approaches have been inherently limited.

Migrating to a single enterprise content management platform

While the idea of a single standard platform is attractive in its simplicity, there are reasons why companies may not find this approach feasible. First, the time, expense and complexity of replacing existing content-related systems are difficult to justify. Second, applications and customizations that have been implemented with one system are often difficult or impossible to duplicate in another system with different functionality. And finally, companies experiencing mergers and acquisitions expect to be confronted with new and incompatible systems with every activity, and find it difficult to think in terms of a single ECM platform, attractive though it might be.

Point-to-point integration of priority applications

Some companies will attempt to create custom point-to-point integration between customer service applications and underlying repositories. But custom integration has many inherent risks and problems. These include not only the initial cost and time to market, but also the extraordinarily high cost of maintaining these often brittle integrations as a company upgrades to new

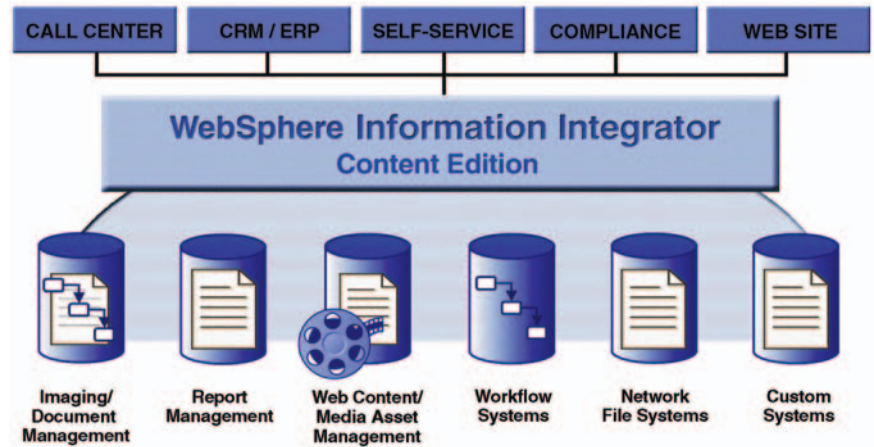
back-end repositories and front-end applications. In fact, upgrading to a new application or a repository often means that the initial integration must be rewritten from the ground up. As a company's IT infrastructure evolves, the cost of reworking these types of integration becomes an ongoing expense and maintenance burden.

Enterprise content integration: The sensible alternative

Enterprise content integration (ECI) has emerged as the preferred approach for solving the problem of accessing and managing content across multiple distributed systems. ECI enables disparate content repositories and workflow systems to act as a single unified platform, eliminating the issue of scattered and isolated content. In a customer service context, this means that a customer service representative (CSR) in a call center could access all of the contracts, reports, e-mails, images and other content related to a specific customer—as well as associated workflows—from within a single application.

Similarly, in a Web-based self-service environment, a customer could access the same information, initiate requests and check the status of processes without requiring assistance from a call center agent. ECI provides a single framework that preserves the existing investments in technology and process, enables content reuse, extends the value of existing systems beyond their original scope and minimizes the costs and risks associated with unifying disparate systems. In addition, for companies expecting to undergo mergers or acquisitions, ECI provides an acquisition-ready infrastructure that accelerates the ability to consolidate service organizations in order to maintain service levels and save costs following a merger. Figure 2 illustrates a typical ECI platform.

Figure 2: An ECI platform provides centralized access to distributed content assets



Why enterprise content integration matters to customer service excellence

Because unstructured content represents the vast majority of customer-related data any company has within its control, there are significant risks to ignoring the importance content plays in a customer service strategy.

Consider the role of content in two general customer service application types: call centers and Web-based self service.

Call center applications

Many banks have endured criticism for their inability to break through silos of information. “I don’t have access to that information from this location; I’ll need to transfer you to another agent” is the all-too-familiar refrain from the CSR or teller. When a CSR is unable to answer a question or address an issue because of limited access to information, the customer experiences frustration. Frustration makes customers look elsewhere for better service.

Lack of access to content is a primary reason that call centers have such a poor reputation for service quality. Whether a company uses an off-the-shelf CRM application or a custom-developed solution, ignoring content can have devastating consequences to customer service quality. Forward-looking companies that make ECI part of their call center strategy can reap powerful business benefits, including:

- **More effective cross- and up-selling.** *With telemarketing severely constrained by new “Do Not Call” regulations, a company might be expected to be delighted when customers contact its call center. Indeed, in some business circles, inbound service calls are now referred to as “the new Holy Grail: the captive cross-sell.”⁵ But once that call occurs, knowing what cross-sell offers to make requires a very comprehensive view of the customer, including access to that elusive 80 percent of data that exists as unstructured content. According to Giga Information Group, data integration is a necessary element in up-selling. Without an adequate view of the customer’s current situation, essential information for knowing what to offer the customer is not available.⁶ Gartner Group analysts concur, predicting that by 2007, 40 percent of all call centers will have a major impact on their companies’ revenue stream.⁷*
- **Better customer satisfaction and improved retention rates.** *Cross-selling efforts will always backfire if service-level thresholds are not first met. Companies must earn the right to make cross-sell offers by first impressing the customer with exceptional levels of customer service—which can only begin when the full customer context is accessible in a complete knowledgebase. When there is limited differentiation between competitive products and services and switching costs are low, customer retention depends on consistent, high-quality service; otherwise, customers will not hesitate to abandon a brand.*

In reality, wholesale changes are not necessarily required for improvements to occur. In some sectors, where service levels are still low, the Aberdeen Group finds that relatively small improvements in efficiency and effectiveness can result in substantial measurable increases in profitability.⁸ In fact, according to one study, a 5 percent retention increase can deliver a 100 percent profit gain.⁹

- ***Faster and lower-cost issue resolution.*** *A key metric in managing service costs is “incident disposition rate,” or the mean time it takes to field and close out an inbound service issue. When a CSR is unable to access a data source—such as images of processed checks, invoices, e-mail and correspondence or contracts—the customer incident cannot be resolved at the point of service. This results in an escalation, which directly adds cost to the service incident. To avoid more cost, the CSR must be armed with “a vast, multimedia (both data and content) and integrated network of customer data”¹⁰ so incidents can be fielded and disposed of efficiently and cost-effectively at the point of service.*

Web-based self-service applications

Many companies now recognize the cost containment and satisfaction benefits that Web-based self-service applications can offer. Retail banking is a notable early adopter of self-service. By providing secure sites that enable customers to access account balances, statements and check images, make payments and transfer funds between accounts, many banks have significantly reduced inbound calls to their call centers. Companies across other sectors are also catching on. According to a recent Gartner Group study, Web-based self-service will grow fivefold over the next five years.¹¹

The general notion behind self-service is something that all companies can appreciate: a customer who is able to resolve an issue quickly without burdening a CSR is a more profitable customer. But self-service applications are by no means a panacea; in fact, most self-service sites fail to provide the depth of data, content and process that customers need to address even their most common service issues.

Experience teaches the clear lesson that self-service applications must deliver as much or more value than a traditional channel or a customer will default to the call center. When executed correctly, however, self-service can deliver dramatic business impact in two key areas:

- **Reduced customer service costs.** *The average cost of an assisted call center incident is \$5.50 for relatively simple service scenarios and as high as \$30.00 or more per call for more complex, high-touch scenarios. Compare this with a \$0.24 average cost of a Web-based self-service session¹² and the opportunity for cost savings is stunning. The problem remains, however, that 92 percent of customer service interactions still go through call centers,¹³ in part because self-service sites fail to deliver the range of information a customer requires.*
- **Improved customer satisfaction.** *With the growth and ubiquity of the Internet and the rapid emergence of Web-based services, customers have come to expect self-service sites as part of a vendor's basic value proposition. As such, companies that fail to deliver self-service applications are at an immediate disadvantage. True competitive differentiation and real customer satisfaction, however, come with a fully integrated and highly usable self-service model that enables customers to access all of the data, content and processes typically reserved for a call center representative.*

How enterprise content integration helps customer service across industries

Integrating content into call center and self-service applications can have a transforming impact on business. A few industry examples follow.

Financial services

Using ECI, financial services companies have a single interface to all of the distributed content repositories and workflow systems across the enterprise. This offers true 360° customer visibility for better cross-selling, as well as access to the customer documents, images and workflows for resolving service incidents.

Insurance

ECI provides insurance companies a single interface that makes the millions of claims and account-related documents and images accessible from call centers, local agent offices and Web-based self-service applications.

Government

ECI plays an important role in the federal government's efforts to standardize information across agencies in order to improve processes, exchange information between agencies and deliver content to constituents and other external audiences. Many government agencies look to ECI as the preferred way to unify these disparate repositories and provide a single consistent interface to all of the content that is needed for effective self-service Web sites and citizen portals.

Manufacturing

In manufacturing, the single interface to enterprise-wide content and workflow systems that ECI provides helps to ensure that product and customer-related documents, images, multimedia and workflows are accessible at all necessary points, including technical support call centers and Web-based self-service applications for suppliers, retailers and distributors.

Combining content and data to improve customer service

Many organizations are beginning to recognize the artificial distinction applied to the worlds of structured data and unstructured content. Today, these previously divided domains are converging. Key business initiatives rely not on content or data independently, but on information collectively. This is certainly the case in the context of customer service. To provide the best service, a CSR may need access not only to data such as a customer's account balances, transaction history and up-to-date profile information, but also to unstructured content such as contracts, check images, invoices, applications and e-mail—all in a single view.

Optimized customer service requires a complete information services layer that provides a single interface to all information assets scattered across the enterprise—structured and unstructured, mainframe and distributed, public and private. When used in conjunction with a data-oriented integration platform, ECI enables organizations to build applications that span all of their distributed and diverse information domains.

Conclusion: What enterprise content integration means for customer service

Great customer service is no longer a high-minded ideal or an aspiration reserved for a select few companies. The expectation for customer service excellence has pervaded all industry sectors—at all levels of the price spectrum. Companies that truly hope to excel on the basis of customer service will recognize that a 360° customer view and a viable self-service strategy relies on being able to tap into the 80 percent of enterprise data that exists in the form of unstructured content and is often scattered across and trapped within multiple repositories. When ECI is incorporated as part of the customer service strategy, companies will quickly recognize the powerful business benefits it can deliver, including:

- ***More effective cross- and up-selling***—by unlocking isolated content and enabling CSRs to make better targeted offers that are more productive
- ***Reduced customer service costs***—by deflecting inbound calls to self-service sites and reducing the requirement for incident delegation or escalation
- ***Better customer satisfaction and improved retention rates***—by delivering value-added services faster, more conveniently and more effectively
- ***Faster and lower-cost issue resolution***—by arming CSRs with the information they need to dispose of issues quickly

IBM: The leader in enterprise content integration

IBM WebSphere® Information Integrator is a strategic information integration platform that helps an enterprise become an On Demand Business. It gives organizations real-time, federated access to business information—structured and unstructured, mainframe and distributed, public and private—across and beyond the enterprise. WebSphere Information Integrator virtualizes business-critical information, making it appear as if it were stored and managed in one place. It offers a range of integration technologies, including federation, replication, search and event publishing.

IBM WebSphere Information Integrator Content Edition

By providing a consistent, bidirectional interface to disparate content sources, IBM WebSphere Information Integrator Content Edition allows organizations to integrate key business applications quickly with the various content repositories that store documents, images, reports, digital assets, e-mail and other important business content. Users can then access and work with distributed content as easily as if it were stored in a single repository.

For more information

Please contact your IBM sales representative or IBM Direct at 1-800-IBM-CALL, or visit our Web site at ibm.com/software/websphere



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