Soar to Service Excellence with

Knowledge Management

Gain a competitive advantage by providing consistent and accurate customer service across all channels.
Today’s business mantra is customer experience.

Executive Summary

Organizations are focused on finding new ways to leverage customer experience as a competitive differentiator when attracting new customers and retaining existing ones. Customer service is one of the primary drivers for overall customer experience. As a result, service excellence has become central to organizations’ business models.

Yet many organizations fall short when it comes to service delivery. Increasingly large and complex product offerings and data distributed across global silos make it difficult for agents and self-service channels to provide accurate answers to customer questions in a timely and consistent manner.

This white paper describes how knowledge management empowers organizations to deliver exceptional customer service. Not only does knowledge management deliver satisfactory answers to customer questions quickly and effortlessly through self-service channels, it also gives service agents the timely information they need to address more complicated issues. By employing knowledge management in their customer service operations, companies are achieving profound and measurable improvements in customer satisfaction, support workload and cost, agent efficiency, training time and sales.
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An Emerging Focus on Customer Experience and Service

Customer experience has surfaced as a critical concern for most organizations. Gartner Research found that 89 percent of companies expect to compete mostly on the basis of customer experience in 2016. By next year, Gartner estimates that 50 percent of consumer product investments will go towards customer experience innovations.\(^1\) With customer service being one of the primary drivers for customer experience, this focus puts service excellence smack in the center of most companies’ business models.

The preeminence of the customer experience has grown out of a need for new competitive drivers. With increasing competition, organizations are turning to customer experience to gain an edge. Seventy-eight percent of companies surveyed for a recent Digital Trends report agreed that they plan to differentiate through customer experience this year.\(^1\)

And a Dimension Data report found that 75 percent of all organizations view customer service as a key differentiator.\(^i\)

Providing an excellent customer experience also bolsters customer acquisition and retention. It costs 5X more to acquire a new customer than to retain an existing one. An Accenture global customer satisfaction report found that the main reason for customer churn is poor customer service.\(^i\) Focusing on customer service helps remove customer service snags. Conversely, providing a customer experience that exceeds expectations becomes a unique and valued offering. Customers recognize that a competitor may not provide the same experience and won’t risk switching.
Struggles to Deliver

Despite their understanding of the customer experience opportunity, many organizations struggle to meet expectations. Fifty-three percent of U.S. customers participating in the Accenture survey reported having switched providers during the previous year due to poor service. And expectations are only rising. Technology has expanded the ways in which customers can contact organizations. Contact channels today extend far beyond email and voice. Customers expect service on every channel, including mobile, social and self-service pages. While customers demand consistent, high quality service and experience across all channels, both self-service and agents often let them down. Sixty percent of customers report failing to find the answers they’re looking for from self-service portals. Additionally, customer service agents fail to answer customer questions correctly 50 percent of the time, providing information that is inaccurate, incomplete or wrong. Customers often receive different answers depending on who they speak with or what channel they chose. To add insult to injury, support is slow.

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Organizations must overcome several challenges to provide the level of service customers expect. They need to manage increasing complexity, distributed information and a lack of adequate training and resources for customer service agents.
Daunting Challenges

Increasing Complexity

As many organizations continually grow their list of product offerings, product catalogs can include hundreds or even thousands of items. These products are often complex and change rapidly. Companies find it difficult to keep track of information about all these offerings and provide the right information to customers, customer service agents and field service engineers in an accurate and consistent manner.

Distributed Information

Product information housed in different silos across a distributed organization is difficult to find. Adding to the complexity, data can be available internally on the intranet, externally on the Internet, or on social media and community sites. Additionally, these sources can be spread across the globe.

Inadequate Agent Training

Distributed product information means customer service agents frequently lack access to the latest information; up to 80 percent of case resolution time is spent researching issues. Agents often find themselves relying on their own knowledge and experience. But because of the vast quantities of information in the organization, it takes considerable time and effort for agents to come up to speed. Once they do, their product knowledge can quickly become obsolete as new products are introduced and older ones retired. When a complicated question requires an expert, specialists are hard to find, in great demand and often unavailable when needed. To make matters more difficult, knowledge is lost when agents and experts leave the company.

Inefficient Resource Usage

Much of the time spent researching and answering questions is unnecessary. Customers often ask the same questions over and over. Because agents don’t know whether someone has already solved the same problem, they end up re-inventing the wheel, wasting effort and increasing costs.
Knowledge Management Delivers a Solution

Knowledge management solutions enable organizations to address these customer service challenges. Knowledge management is the process of capturing, distributing and effectively using knowledge. When knowledge management supports customer service, its definition expands to include the “delivery of actionable information to customers and agents to facilitate more effective service resolution.”

Service excellence is enhanced by integrating knowledge management into service processes. Connected information makes it easier for customers to obtain support through self-service channels and gives service agents tools and information to address more complex issues. Organizations that effectively deploy knowledge management and integrate it into their customer service strategy are better equipped to create a positive customer experience.

Transforming Omnichannel Customer Service

Using a knowledge management solution, organizations can amplify the impact of a single piece of curated content throughout the entire global service organization.
Consider how your organization can improve customer service by leveraging knowledge management for customer service in the following ways:

1. **Eliminate information silos**
   Many companies find valuable knowledge stored in numerous systems distributed across their organization. It can even exist in the form of social content that lives outside formal enterprise systems. The diverse locations and broad spectrum of subject matter makes it difficult to find, analyze and interpret information. Knowledge management solutions offer federated search capabilities that allow organizations to fully leverage existing knowledge stores, eliminating data silos. Federation searches across multiple repositories simultaneously and delivers comprehensive results in a single integrated view.

2. **Deliver consistent information across channels**
   Customers expect consistent answers to their questions across all channels — voice, email, chat and social media as well as web-based and mobile. Knowledge management solutions provide self-service and agent tools that deliver the same knowledge everywhere. Knowledge can even be optimized for viewing on smart phones, game consoles, tablets and GPS systems.

3. **Find information quickly**
   How quickly a customer finds answers significantly impacts the customer experience. Knowledge management solutions can help users and agents rapidly pinpoint relevant knowledge by providing automated and intelligent assistance throughout the search process. Rather than expecting the user to know where to look or use precise keywords, advanced search capabilities such as natural language processing (NLP) interpret the intent of the user’s own words. NLP even takes into account industry-specific terminology, different languages and concepts like product names. Self-learning search engines learn continuously from every interaction to deliver increasingly appropriate search results.

4. **Provide the most relevant information**
   In order to deliver the most relevant and useful knowledge, organizations need to track the effectiveness of knowledge. Such understanding enables them to promote the best answer to each question and improve answers when necessary.

   For example, knowledge management analytics enable organizations to:
   - Understand defection rates
   - Determine the most popular answers
   - Track content effectiveness, accuracy, and currency
   - Identify gaps in knowledge by showing which searches return no results

   By providing this feedback loop, the knowledge management solution enables organizations to continually improve knowledge quality and performance.

5. **Leverage knowledge across the organization**
   Sharing knowledge across the organization makes customer service agents more efficient, alleviates the problem of scarce experts, reduces training requirements and enhances self-service. A good knowledge management solution allows agents to use simple WYSIWYG tools to capture knowledge as they address customer issues. Workflows pass answers to subject matter experts (SMEs) and other users to view, comment on and approve updates to the knowledge base. Knowledge managers can then quickly publish the new knowledge across all self-service and agent channels. Global organizations can even translate knowledge into multiple languages. Comprehensive version control provides a full audit history so knowledge is never lost.
Knowledge Management Drives Customer Service ROI

By implementing a knowledge management solution, organizations can achieve many quantifiable benefits for the contact center. These include increased customer satisfaction, reduced support workload and cost, improved agent efficiency and productivity, lower training time and cost and increased sales and revenues.

**Greater Customer Satisfaction**

A well-implemented knowledge management solution can consistently deliver correct answers across channels with faster response times. These benefits have been linked to higher satisfaction rates, better long-term loyalty, and higher revenues. The results can be substantial. A study by McKinsey found that companies focused on maximizing satisfaction across the customer journey have the potential to increase customer satisfaction by 20 percent. One of the world’s largest financial institutions increased online customer satisfaction by 33 percent using knowledge management.

**Reduce Support Workload and Cost**

Self-service tools that allow customers to solve their own product issues deflect incoming calls, reducing the overall volume of requests — and costs — to the contact center. Gartner found that knowledge management lowered support calls by 8 percent and reduced inbound emails by 40 percent. CIOs have the potential to lower customer support costs by 25 percent using knowledge management.

**Improve Agent Efficiency and Productivity**

Arming agents with consistent knowledge means they can resolve customer issues accurately, the first time. This eliminates the time, cost and annoyance of escalating customer issues. Improved knowledge reduces the time it takes to resolve a problem by 20 to 80 percent.

**Reduce Training Time and Cost**

Many contact centers suffer from high staff turnover. The faster organizations can get new agents up and running the better. While having a steady source of knowledge doesn’t eliminate the need for training, it shortens the ramp-up time for agents. In interviews with knowledge management customers, Forrester reported that a leading global bank reduced agent training time by 50 percent.

**Increased Revenues and Sales**

Providing a good service experience can lead to a competitive advantage and alleviate pressure to reduce prices. A study by the White House Office of Consumer Affairs found that 80 percent of U.S. customers would pay more for a product or service to ensure a superior customer experience. A study by Avaya and BT research found that 82 percent of consumers will buy more from companies that make it easier to do business with them.
Conclusion

Knowledge management solutions can help organizations address the challenges they face in delivering accurate, timely and consistent customer service. Effective knowledge management solutions can help organizations eliminate information silos, deliver consistent information across channels, locate information quickly, provide the most relevant answers and effectively leverage vital information across global groups. Using the right solution, organizations are experiencing increased customer satisfaction, lower support workload and cost, better agent efficiency, reduced agent training time and increased revenue.

Sources

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