



KPMG Future of Podcast Transcript

Future of Service

Julio (00:20) So I'm very happy today to have both Terry Walls and Lisa Bora join me to talk about the Future of Customer Service and the Connected Front Office. In today's environment, there is a lot of change. And there's a lot of pressure on our clients in the marketplace to take care of customers, especially with the spike of AI and interest in understanding what's happening with businesses they're interacting with. So I'm really pleased to talk to them today about intentional customer service, potential customer experience designing from the customer back. So Lisa and Terry, very welcome to the conversation.

Lisa, what are you seeing with your clients today in terms of intentionality; delivering a great customer experience in the customer service environment?

Lisa (01:02) I think the key thing that we're seeing is very much that customer service is now even more critical than ever before, was often spoken about the age of the customer. But whenever we see disruption in any landscape, it heightens the need to invest in focus on it. So from our perspective those conversations are more entrenched, they're more critical to a business and its recovery. And it is enterprise wide.

Julio (01:28) So Terry, when you think about delivering great customer experiences in the customer service environment today, what are you talking to your clients about? And what are they thinking, especially with their customers today?

Terry (01:42) Yeah, I think there's a multitude of types of conversations that are happening, but I think they can be distilled down into, I would say, like three or four main topics, you know. So Lisa talks about the importance of customer service. You know, happening with all the pressures that are happening currently. I think though there's a group of clients who are already starting to think about, you know, well, what's next? Right, we've we've experienced, you know, a set of pressures and challenges here. As we come out of this, how are we going to have to, you know, if you want to call it future fit, you know, be able to think about our operating model in a different way? Because I think these challenges that some of our clients are having today have really opened their eyes to maybe how inefficient their operating model as well as, you know, this idea around being intentional, where they didn't invest that time. I think being intentional versus just being you know, sitting there and waiting for your customer to reach out to you are two completely different things and a number of our clients have realised that it is different and that they're going to at some point have to spend the time and the effort to think about In making the investments around what it means to be intentional and be out in front and being proactive with customers, as opposed to waiting for, to respond to needs.

Lisa (03:11) Just further to what Terry said, I think also what we're seeing more and more is that we've often spoken about the deep connectivity of customer experience and service and that of employee experience. And I think now more than ever, those two things are deeply intertwined. So we are seeing very much that employee experience is equally as important to our clients now, because without that, true customer centricity is not able to be enabled.

Julio (03:42) So when you think about that also in the context of just the stress, and the pressure that individuals and enterprises are feeling today, around just navigating here in the now, how do clients think about the emotive connection that they have with their customer? And especially the question around employee customer centricity. How do they think about that when they're trying to leverage digital channels, as opposed to voice to voice channels?

Terry (04:10)

I think so, the first thing I would say is, if I think about being able to answer that need. If you think about it a channel is, a channel is only a channel. It's, at best, it's a vessel to be able to interact with the customer. And more important than, if you will, the channel and the method by which they do it firsthand. Or Firstly, is this idea around - how do I think about my processes and my policies? Or what are the things that I just need to know? So it may be that, you know, one of the leading telecommunications organisations here in the United States, that handles you know, internet service,, basically decided on a policy that they were going to, you know, eliminate overcharges on data for the foreseeable future. And there, I think it accomplished two things. Right. The first thing is that policy allowed them to show their customer base that they really get the challenges that they're having to deal with. Right? So if you've got, you know, kids at home, and they're, you know, using teleconferencing for school, both parents are trying to work etc, naturally, there's going to be an overage in data. And so, you know, by them looking at their policies and saying, one of those things that right now, we just need to either forego or we need to change. Customers are going to be like, wow, you get me. You understand, you know, the challenges that we're facing. On the flip side of that, when when a company has done that, especially in this example, what the company says, you know, hey, this benefits us too, because it kind of simplifies, if you will kind of like our business model, it's gonna eliminate a significant amount of calls, where people would call us and invariably say, listen, can you just, you know, can you give me credit on this? You know, I'm a loyal customer. You know, I've always paid my bills, and this is what's going on right now. You eliminate all those calls coming in, you're invariably reducing your costs, while at the same time showing your customers that you care. So I think it's, it's less about first channel, and it's more about first, what are my policies and my processes that are going to impact my customers? And thereby, then you know, if you will, kind of flipping the dynamic around how I interact with them.

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Julio (06:49) Thanks, Terry. So Lisa, if we think about the KPMG, six pillars of customer experience, one of the pillars is empathy. How are you advising your clients to embrace concept of empathy, especially in the early stages of the challenges we've had?

Lisa (07:06) The words of customer experience of being absolutely critical for our clients most recently. I think for myself, we always start off referencing guides because they're firstly a great compass for organisations to use in their operational planning. We're finding very much the simple frameworks of focus for their teams in their channel development in their customer engagement, and in their prioritisation. And clearly, empathy is absolutely critical. Now more than ever, we are under really uncertain times and with uncertainty is a need for empathy above anything else, in addition to you know, clear communication, and being responsive. So, from our perspective, empathy is critical. It's recognising also, that empathy needs to differ depending on the customer segments that you have, because no one version of the truth applies to all customers. Now more than ever, we have economic uncertainty. And therefore that empathetic nature and hardship management is going to be crucial.

Julio (08:08) You know, that's very interesting. It really it triggers this thought right about really understanding and responding to your customer. So, you know, Terry talked about some policies and procedures around for instance, billing for data overages, but at the same time understanding customers and responding to them, especially as companies start to think about not only personalization, but just basically representing and serving the customer in the right way. So Terry, how are you now seeing others respond to this need to have a deeper customer understanding and then tailor the treatments accordingly?

Terry (08:46) Well, I think you know, you can look at it through two different lenses. There's the business-to-consumer lens, and then there's the business-to-business lens. And I think, you know, so so for example, like business-to-business. You know, our you know, a lot of our models typically are that you have like a, you know, small inside sales team that supports a larger, you know, Field Sales Team that also has some sort of account management or commercial management that involves service, right? Well, right now everybody's an inside sales team and an inside support team. And so you know, what we're saying our client is trying to think about, okay, I've got, I've got a different model here where I can't necessarily have face to face interactions with my customers. And I've got to be thinking about interacting and supporting them and servicing them in a different way. And at the same time, though, I need to be thinking about how do I deliver, you know, what's relevant to them, right, because time is valuable and even more so now. So how do I make sure that I'm creating if you will, the linkages between You know, my teams that invariably had some sort of part of the lifecycle that touch service? And how do I configure them in a way that makes it as effective for that business to business customer, so that we're giving them the right touch? On the business to consumer side, right, I think the most important thing that, you know, I see customers responding to, and where companies are trying to focus is, if you will, engagement. And so again, this whole idea around proactivity, like, you know, how can I tap into what I know most about you? And what I think that you need the most of, so, this isn't about how do I, you know, how do I sit back and wait for the marketing organisation, just to bombard you with, you know, all kinds of, you know, emails, coupons, offers and things that just You know, trying to gin up, you know, demand. The best organisations, I see where the marketing and the service teams are working together to say, you know, hey, here are the certain things that we need to deliver from an insights perspective that are relevant for a customer so that it becomes more about the relationship as opposed to what the product or the, you know, the service that they're selling, to be able to kind of engage. Because customers right now are just being so bombarded with messages and advertisements. You have to be able to cut through that noise in the way that I'm seeing organisations doing these things about this focus on engagement.

Julio (11:39) Got it. So Lisa, if you think about this engagement model and idea, you know, it's a good call out Terry, where, you know, you don't have outside salespeople anymore. Marketing is inside, Sales is inside, Service is inside. A lot of the work is either being done on the phone or it's being done with digital channels. How Lisa, are you helping your clients to break down the barriers between the front middle and the front in the middle sales, marketing and service so that they can actually have a better informed perspective of the customer, but also prioritise the communications out to the customer?

Lisa (12:18) Yeah, I think it's a development on what Terry said earlier, I think what we're now seeing is very much a more drilled down focus into customer engagement into acquisition, and also into retention. And with that, you see alignment at the enterprise against those three areas. Obviously, engagement is critical to those customers that you already have business with, and to try and retain loyalty towards. But there's a lot more of a renewed focus now in both B2B and B2C environments of driving new customer acquisition, considering trial into your brand, and also in obviously, looking at the data and ensuring that you're definitely on top of any leakage that you're seeing in terms of churn. So from our perspective, in clients that are in the B2B segments, we're seeing significant shifts and collaboration of marketing and sales teams, because the traditional call cycles and the geographic coverage that one needed to do to meet some of your sales criteria, are now definitely under change. Everything is being digitally enabled, which means that collaboration is far stronger, you actually get to have far more call and account frequency because you've got less transit time. And so what we're seeing is a lot more proactive content led discussions, that you can bring subject matter experts into, versus traditional transaction by selling. And on the B2C side, you know, we're seeing a lot of workforce reshaping, if you think about industries that have been highly reliant on human capital, such as retail, such as telco, there is a lot more workforce reshaping, a lot more collaboration and moving people that were traditionally pivoted to providing physical experience through great retail, to now moving to dark stores and back-of-house operations to fulfil and growing e-commerce growth that we're experiencing right now.

Julio (14:12) Right. So there's an increased need for collaboration and the increased need for knowledge sharing. And just a kind of recognition that it's a team effort to really, especially in the B2B environment, support both outreach from marketing and the outreach from sales and a much more coordinated way. And this idea of workforce shaping is also very interesting because some of the roles are changing. So as you think about these roles changing, and folks taking a little bit more complex types of issues, how do you think the workforce is going to need to evolve to be able to support these complex needs?

(Terry) 14:48 To be honest with you, I think the way that many companies have thought about it, I think erroneously to begin with is that hey, you know this whole idea around automation will eliminate, you know, the need for a lot of the workforce. Right. And that started a few years ago. And I think what we're going to see is that, you know, this isn't about machine or human, it's machine and human working together. Right. And I think that's where you're starting to see a lot of the dialogue start to, really, I think, take shape is, you know, our employees. It goes back to this whole point that you were talking about earlier, Julio around, you know, this empathy and like, how, you know, because, when times are tough, people need people, right, especially when there's when there's complicated situations going on.

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So there's always going to be a need, or an opportunity for us to be able to automate simple transactional tasks. There always will be and I think can companies do more of that? Yes. But I think what organisations are starting to see is that a) you can't automate everything b) there are going to be complicated things that only you know somebody who has good, expert knowledge and can have the you know that right touch with a customer that only that that type of a resource can be able to help. So, how do you how do you equip and you arm that individual that that person in your workforce with the resources and tools to make sure that a) they understand who the customer is? b) understand what the situation is that that customer you know, is facing or could be facing? and c) be able to connect all the dots, to be able to say, you know, I'm going to help you. I'm going to own this I'm going to help you through whatever this complex situation is. They fundamentally are more of a, if you will, a relationship manager and a case manager, as opposed to a button pusher, right? And so I think organisations are fundamentally looking at how do I for my, my individuals who care and feed for my customers, how can I equip them in the right way so they can connect the dots, and truly understand what the customer needs and who they are, so that we can continue to deliver that service that our customers need. Right. So it's not about how do I reduce my workforce? As much as it is like, how do I, how do I use my workforce in the right way, when my customers had those specific needs that I can't automate?

Julio (17:43) So Lisa, Terry talked a lot about responding, right? There's not a button-pushing job anymore, so to speak. He's talked about responding, you know, changing the pivot from responding. So the corollary to that right would be being proactive. So if you think about orchestrating great customer experiences and creating a converged front office way across multiple touchpoints and the functions of marketing, sales and service, how do you become proactive?

Lisa (18:10) Well, I think the key thing is to make sure that you're really clear against those three, I guess focus areas of - you've got to be proactive when it comes to acquisition, equally proactive when it comes to engagement with current loyal customers, and definitely proactive and looking at leakage and retention measures, and driving the whole workforce towards analysing that data, testing and learning against programmes that you initiate and learning from both. But I think the key thing in all of this is definitely ensuring that you've got the right metrics in place to deliver success against these initiatives. So from our perspective, you know, back to Terry's point earlier, automation, digitization, they are all benefits to great service from our employees. And I think the key thing that's happened here is it leads to greater personalization, and actually flexible arrangements. I think now more than ever. We've got workforces that are more flexible that are not bound to a geography or centralised location. As we're seeing, particularly in the telco industry, we're now remote working, that were historically delivered through centralised call centre functions. And now it's being delivered very successfully in a home office scenario.

Julio (19:26) Right so they're able to flex that capacity. I know it's amazing across industry over industry over industry, the pivot from basically being on prem to work anywhere work from home has been incredible. And leveraging the distributed technology and telephony is really is made a difference and a lot of companies engage with their customers.

So Terry, do you have an example of an enterpris ethat is actually doing a great job being proactive with the service experienced today?

Terry (19:57) Yeah, I do. Julio. I think though, the one thing that you have to look at is like across, you know, so each industry has started to start to think about how they can leverage the data about their customers, how they can leverage the, you know, if you will, not only about who the customer is about the services that they're consuming, and then how do you start to get out in front of that? Right. And I think in the financial services industry, you know, here in the United States, and especially around the credit card business, you all know, so the last few years, you know, I think organisations, credit card businesses have tried to look at fraud as a way of, you know, getting out ahead of just risk and exposure from a financial perspective. But what they realised was that they could engineer a great experience, right. So let me give an example. It used to be like in so risk organisations started using data and analytics to identify potential fraudulent situations, and the models would be, you know, conservative, they're they're trying to make sure that they find every opportunity. So there's a lot of false positives. And what they would do initially, you know, years ago was that they'd immediately shut the card down. Me as the customer, you didn't know about, you know, the card being shut down. If you went to a store and try to use your card, realising there was decline, you call and then they say, well, we suspected that you had fraud on the card. And you said, Well, no, that's actually my purchase. And now we have to go through this whole painful ordeal of trying to get a new card or get that card reactivated. And the company spent a lot of money to only have you call them and complain. And so they were able to start thinking about proactive service in a different way and saying, Hey, we're going to continue to have like, if you will, this conservative mindset and our models, but now let's use in effect, let's use inexpensive communication channels. That where we can reach out to the customer via text message or a push notification on the app and say, was this, you know, was this your purchase? And if it wasn't, okay, shut down the card now we can work through that process of getting you a new card and all that stuff. But if it was your purchasing respond back, yes, it's my purchase. Everything's good. Right and so the customer appreciates being you know, app, and you know, the company being proactive around, you know, hey, we just want to make sure before we do anything else. So the financial services companies now have taken that and now they have started to you know, use that to continue to have conversations with the customers. For example, you know, the credit card company starting to look at Hey, your spending patterns and said, Hey, you notice that you know, you're spending on your electric bill, this past month was 75% higher than it was in previous months. You know, you might want to take a look at that. Right. So it's those types of things now where it's moved from, like risk prevention exercises, engineering into a really good experience to now how can we be more consultative, so that our, our customers like, wow, they're actually looking out for me, and that this is a win win proposition. So I think that's a great example of of what you're seeing. And I'd say it's in terms of word practice services going.

Julio (23:24) And Lisa, are there examples down under that, that you think would be worthy of calling out?



Lisa (23:32) Yeah, I think our telcos have done a significant job with the collaboration with NBN, our national footprint service provider. I think, you know, the critical thing is, the experience of having more isolation and time at home has meant that there's a growth in streaming, a growth in online learning that's taking place as we're homeschooling our children. With all of that in place, internet connectivity becomes even more important, and so the industry has really had to collaborate. And really triage around customer service, both in terms of pre-emptive measures, but also in triaging, I guess, current negative experiences. So using deep analytics, they're looking at speed plans, providing suggestions as to where clients should move and consider providing purpose in the hardship in payments and being really proactive in monitoring adoption of all of your plan, and accessing information online has been critical to them delivering great service. And then on the flip side, I think there are categories that are really driving opportunity that historically has relied on footfall. I think the beauty industry is doing a fabulous job in looking at purchasing behaviour and, and using that to predict when replenishment of supply might be needed and suggesting that they buy online now, when obviously, traditional stores are no longer open. So I think there's just the proactive scenario. And then there's obviously the measuring and monitoring of internet connectivity that's being done really well in Australia.

Julio (25:01) Interesting. So in today's conversation, we talked a little bit about KPMG's six pillars of customer experience and the importance of empathy, the need to maintain integrity, the idea around time and effort, resolution to name a couple of them. As we think about just, you know, the end of this conversation. What do you think the biggest challenge is for our clients who really want to continue to make this pivot to becoming customer centric in an environment where, you know, it's very distributed and people are having to align the organisation remotely? What do you see the biggest challenges to becoming customer centric or for these companies?

Terry (25:42) I think the challenge that organisations are going to have to think about in the next year, as budgets are going to be extremely hard pressed, right in terms of the where they can make investments and where they think that they're going to have to cut costs. They're going to have to be very present minded around, what are those things that matter most to customers? Right? Because we know that delivering a great experience can, you know can be met with, you know, spending too much when we're not spending it on the right things? Right? If we far and away exceed our expectations of our customers, we lose profit. And as we start to think about having to reduce costs or dealing with, you know, limited budgets, we risk the ability or we we risk the, you know, the outcome of not meeting customers expectations. And so, to me, the biggest challenge this next year, you know, is going to be for companies to think about where the things that are going to be the most important that they're going to either a) have to invest in, or be able to invest in, or b) that they're going to have to protect. So that, as they, you know, as, as customers continue to have expectations, what are what are those right things? You know, you know, so if you think about just very easy, simple things, you know, my hours of operation, you know, how quickly I can respond to a customer, you know, the amount of, you know, if you will, customers, you know, customer give backs, or, you know, customer credits that I can consume, you know, all of those types of things are financial decisions. But you have to understand, well, what matters to your customer at the end of the day. So that as you're dealing with the pressures of your budgets and your costs relative to the expectations of the customers, you can, you can try to figure out what the balance is.

Julio (27:49) And Lisa, what do you think?

Lisa (27:51) I think what Terry mentioned in terms of the ROI is absolutely critical. I think the reality is that also customer experience is never static. So to assume you've aced it ever is a fallacy. It's one of continual trends. And it's one of continually learning from other categories and industries as our experiences are set by our whole life experience. And so I think that's just an ongoing challenge is that once you feel you've nailed it, move on to a new set of requirements by our customers. But the other one is that no one size fits all service model works. There are too many service delivery plants that assume all customers want the same thing. And so what is critical is recognising that for some it's really personalization. Others it's human service, and others. It's actually the service that extends beyond the transaction in terms of flexible returns and aftercare. So all of that is really critical and building that detail and flexibility is going to be key.

Julio (28:52) Well, I want to thank both of you, Terry and Lisa, for joining me today to talk about customer experience in the context of the here and now and how some of our clients and others are thinking through navigating, delivering a better customer experience, and really balancing the real world challenges are going to have moving forward around budgets, attention and a distributed workforce. So thank you for taking time to talk to us today. We very much appreciate it.

Terry (29:19) Thanks so much.

Lisa (29:20) Thank you.