



THE UK CONTACT CENTRE  
DECISION-MAKERS' GUIDE  
(9<sup>TH</sup> EDITION - 2011)

**SPEECH ANALYTICS**

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### **Nexidia Offers Multi-Channel Customer Interaction Analytics**

Nexidia provides customer interaction analytics solutions that encompass patented technologies and breakthrough applications to enable companies to drive business transformation. This is achieved by capturing, making sense of, and using the full range of communications organisations have with their customers. As the traditional “voice of the customer” expands from the contact centre to include surveys, email, chat and even social media sites, Nexidia provides software and service expertise to help companies synthesize this data into both a tactical tool for operational improvements and a catalyst for strategic business transformation.

The full range of [Enterprise Speech Intelligence products](#), [managed professional services](#) and [customer success stories](#) can be found at <http://www.nexidia.com>

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## INTRODUCTION AND METHODOLOGY

The "*UK Contact Centre Decision-Makers' Guide (2011 - 9<sup>th</sup> edition)*" is the major annual report studying the performance, operations, technology and HR aspects of UK contact centre operations.

Taking a random sample of the industry, a detailed structured questionnaire was asked to 208 contact centre managers and directors between April and June 2011. Analysis of the results was carried out in Summer 2011. The result is the 9<sup>th</sup> edition of the largest and most comprehensive study of all aspects of the UK contact centre industry.

ContactBabel is very grateful to the support which it has received from the sponsors of the report. However, complete editorial independence has been insisted upon and given at all stages, and readers can be confident about the objectivity of the report's findings.

## HOW TO USE THE REPORT

Unlike previous reports, which looked at discrete solutions without prior reference to the commercial and operational issues which they address, the UK Contact Centre Decision-Makers' Guide first identifies seven of the major pain points and issues that affect the contact centre industry:

- Improving quality and performance
- Maximising efficiency and agent optimisation
- New media and the customer of the future
- Increasing profitability
- Choosing a location
- HR management
- Strategic directions.

Within each section, specific solutions are identified that can be used to solve these issues, along with the analysis of the primary research data that are relevant to this area, including a comprehensive statistical analysis in graphical and tabular form.

Third-party White Papers, case studies and thought leadership pieces may also be used to assist readers who may wish to look more in-depth at specific areas or gain another viewpoint.

This section - Speech Analytics - is sponsored by Nexidia.

**The entire 300-page report is available free of charge from [www.contactbabel.com](http://www.contactbabel.com)**



# Harness the Intelligence



**Whilst 70% of all customer contact is still taking place over the phone an increasing percentage now happens via email, web and social media... Nexidia customer interaction analytics extracts the invaluable front-line intelligence from these multiple data sources to help you transform your business and make the changes your customers really want.**

Nexidia has applied its award-winning Speech and Customer Interaction Analytics Technology to enable you to improve customer satisfaction, increase agent performance, ensure compliance and drive business growth. Together with Managed Analytic Services, Nexidia has a proven expertise to help you solve your core business challenges.

**To find out more about**

**Nexidia Customer Interaction Analytics**

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**[www.nexidia.com](http://www.nexidia.com)**

**nexidia**   
Customer Interaction Analytics

## SPEECH ANALYTICS

For the past decade, there has been increasing desire within contact centres to improve upon customer satisfaction and experience, in order to keep customers loyal and profitable for longer. ContactBabel studies have consistently shown that increasing customer satisfaction is the no.1 focus of UK contact centres, outperforming other key areas such as decreasing costs or increasing sales.

Call recording and monitoring may have been around for a long time, but it is at the forefront of the battle to improve quality and thus customer satisfaction and loyalty. The new generation of interaction recording solutions brings the whole contact centre into play, potentially gaining at several levels of the business through using the solution in different ways. Call recording is one of the most widely-used applications in the contact centre, with 84% of respondents using this, and only 4% stating that they have no intention of doing so.

Of those contact centres which use interaction recording, the majority use it for both quality assurance and training purposes, so that the supervisor and the agent can both learn from it. Two-thirds of those using call recording solutions are trying to get their senior management involved in what goes on within the contact centre. Compliance has also been a major reason to implement call recording.

In the late 1990s, data warehousing was a big growth industry, especially in sectors such as retail, where the widespread usage of customer loyalty cards gave huge amounts of data about customers, their buying patterns and preferences. However, getting the data into storage was not the difficult bit: the greatest value came from being able to identify and analyze the relevant and insightful patterns within these data, through data mining. In many cases, the reality never lived up to the hype, as the analytical capabilities of data mining tools and businesses' ability to use them effectively did not match the ease with which the data warehouse was filled in the first place.

Speech analytics solutions are analogous with the data warehousing and mining applications in as far as they analyze huge quantities of data - here, call recordings - and identify important and insightful patterns in caller and agent activity. Hence, speech analytics is also called audio mining. (It should be noted that some speech analytics solutions act in real-time, so the analogy is not quite exact). However, unlike the gap in functionality between data warehousing and data mining that we saw a decade ago, speech analytics solutions offer a proven and insightful option to release the customer value that is stored in these enormous quantities of information: insight about the customer, the agent, the business processes and the products and services that the business sells.

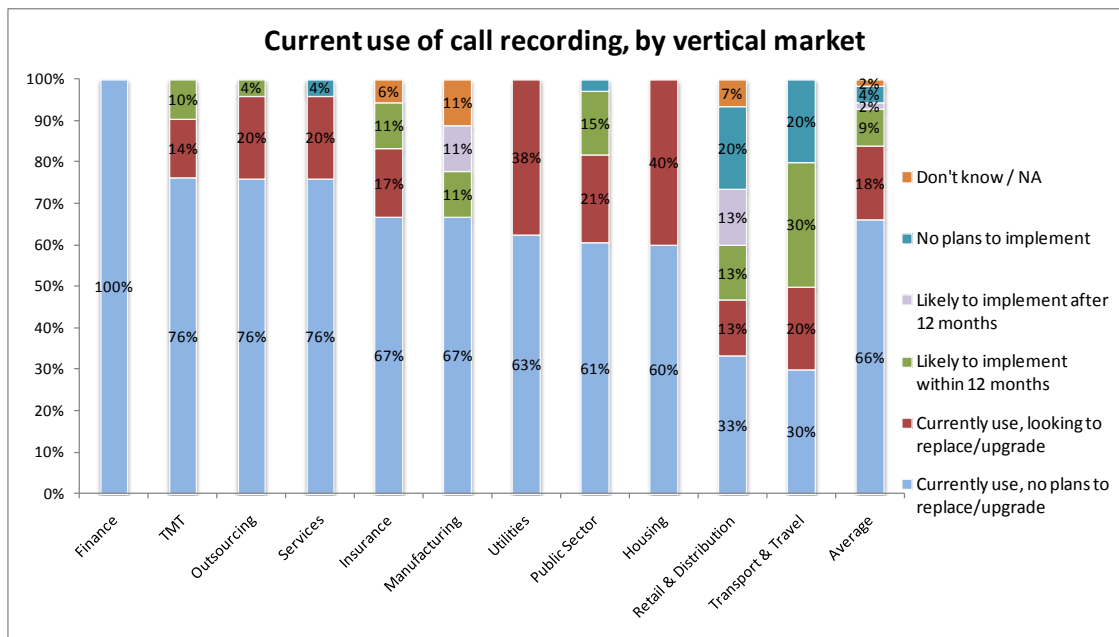
### ***The elements of speech analytics***

There are various elements to speech analytics solutions, including:

- **Speech engine:** a software program that recognizes speech and converts it into data (either phonemes - the sounds that go to make up words - or as a text transcription).
- **Indexing layer:** a software layer that improves and indexes the output from the speech engine in order to make it searchable
- **Query and search user interface:** the desktop application where users interact with the speech analytics software, defining their requirements and carrying out searches on the indexed data
- **Reporting applications:** the presentation layer of speech analytics, often in graphical format
- **Business applications:** provided by vendors, these pre-defined modules look at specific issues such as adherence to script, debt collections etc, and provide suggestions on what to look for.

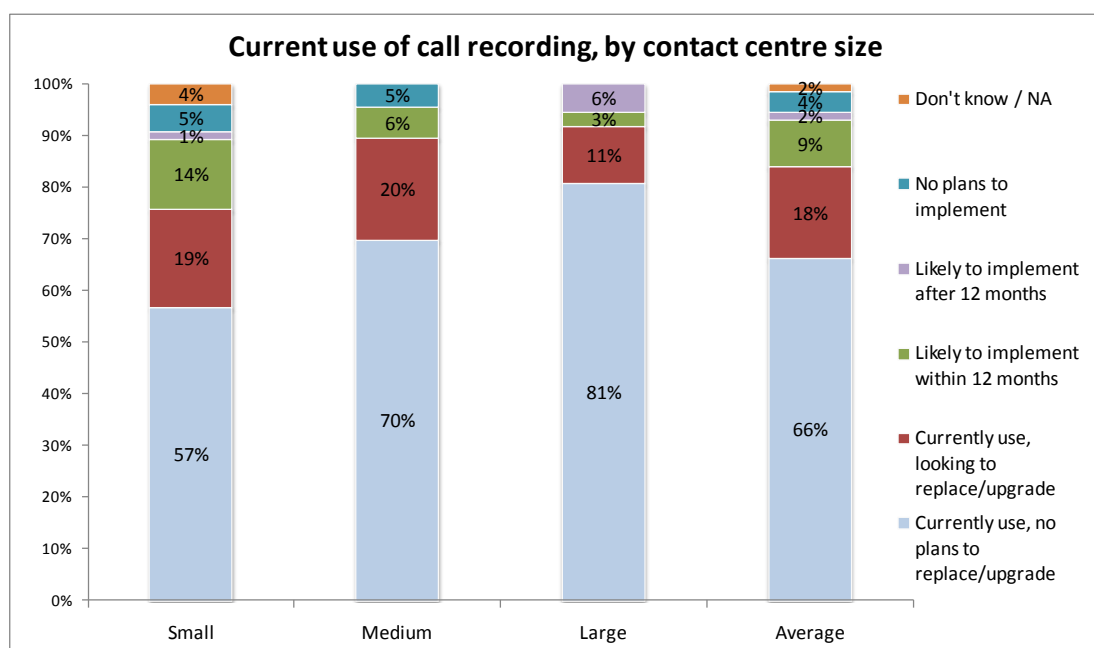
Call recording is one of the most prevalent contact centre solutions, having many applications around quality assurance, compliance, security and agent training. It is used by 84% of respondents, of which 21% state that they wish to replace or upgrade their current system. The majority of respondents in all sectors surveyed, except retail & distribution, use call recording today and only 4% state that they do not wish to use it at all. These figures are a solid background upon which new applications based on call recordings can thrive.

**Figure 1: Current use of call recording, by vertical market**



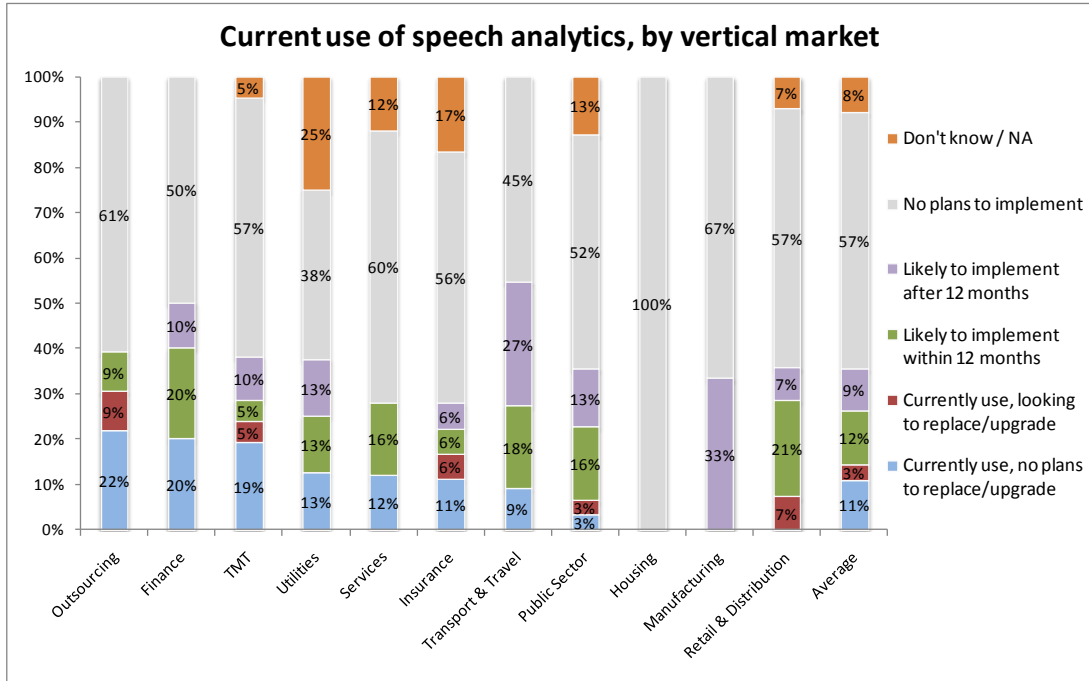
The use of call recording is partially influenced by the size of the contact centre operation, although the figure of 76% penetration in small operations shows that vendors have been able to offer solutions successfully at various price points.

**Figure 2: Current use of call recording, by contact centre size**



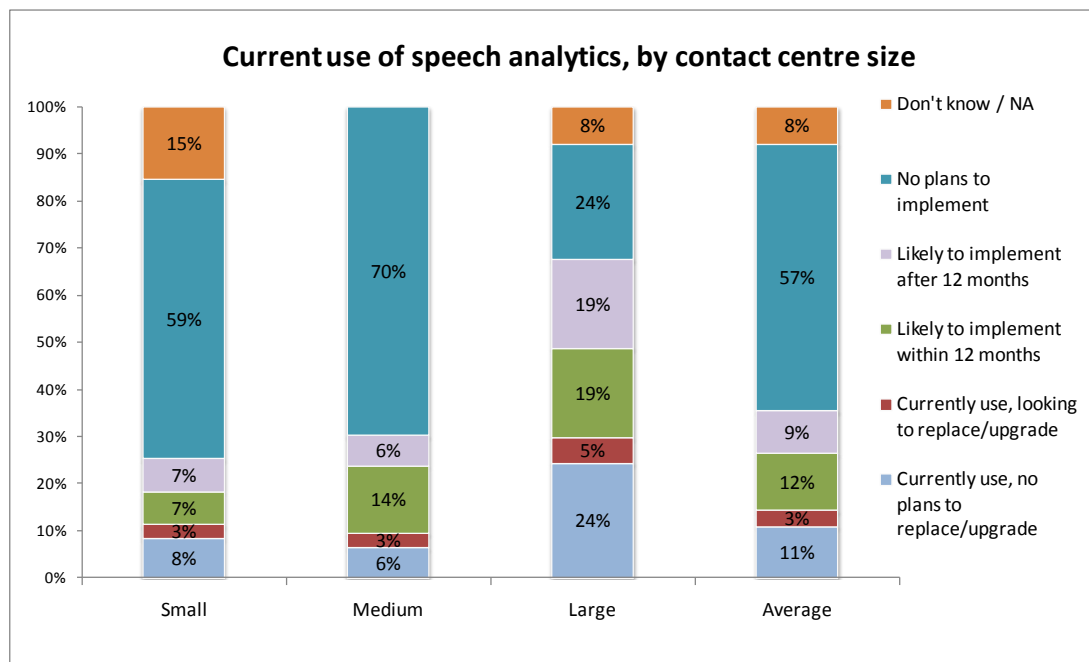
Against this ubiquity of call recording, the penetration rates of speech analytics are low, with 14% of respondents using it today, higher in the outsourcing, finance and TMT sectors.

Figure 3: Current use of speech analytics, by vertical market



The correlation between size and penetration rate is very noticeable for speech analytics, which may require significant investments. Having very large amounts of recorded calls means that business patterns can be identified more accurately, and any improvements reap correspondingly higher rewards.

Figure 4: Current use of speech analytics, by contact centre size



## THE COMMERCIAL APPLICATIONS OF SPEECH ANALYTICS

Most contact centre solutions have a specific, easily-communicated reason for purchase, usually around cost savings. The most popular and widespread solutions, such as IVR, workforce management, CTI and outbound dialling, have all had a clear and quantifiable route to cost savings and improved efficiency.

Speech analytics has a different appeal to contact centres, and can be used in many different ways to address various business issues. This is an advantage - it is hugely flexible - but it can also make its message to the market more complicated, and to the cynical, it can seem as though speech analytics is claiming to solve every problem that a contact centre could possibly have. However, depending upon how speech analytics is used, it can certainly assist in cost reduction, agent improvement, business process optimisation, avoidance of litigation and fines, customer satisfaction and loyalty improvements, and increases in revenue.



The benefits of Speech Analytics are indeed many but are often most easily identified in sector specific applications such as debt collection, banking and finance, healthcare, telecommunications, etc. Apex Credit Management, one of the UK's leading ethical Debt Collection Agencies, for example, quadrupled the number of calls handled while only growing seats by 35%. Analysing 100% calls has improved compliance, shortened complaint timescales, enabled targeted coaching dramatically reducing attrition and increased cash collected per agent hour by 30% - achieving over £1m ROI within the first 7 months of implementation.

## COMPLIANCE

Many businesses, especially those in finance, insurance, public sector and debt collection, have become encumbered with regulations which they must follow strictly, with potentially expensive penalties for failure, including heavy fines and criminal prosecution.

Contact centres have tried to reduce their risk through scripting, call monitoring and call recording, but these do not offer any guarantees or proof of compliance. Speech analytics means that 100% of calls can be verified as compliant - and be proven to be so - preventing disputes or escalation of enquiries by monitoring the exact language used within each call. Return on investment comes from the avoidance of litigation and fines, and the use of speech analytics for compliance is widespread, but more in North America than the UK.

## AGENT EVALUATION AND IMPROVEMENT

### ***Improve the quality monitoring program***

Speech analytics tries to take the guesswork out of improving customer experience, agent performance and customer insight. By moving from anecdotal or fact-based decisions, from qualitative to quantitative information, some order is put on the millions of interactions that many large contact centres have in their recording systems, improving the reliability of the intelligence provided to decision-makers. It doesn't remove the need to listen to calls, but it means that the calls listened to are far more likely to be the ones that should be listened to, whether for agent evaluation or business insight.

### ***Identify agent training requirements***

Apart from 100% monitoring of calls, speech analytics is used to flag cases of talk-over, as well as silence detection. The former can be a source of irritation to the customer and long silences can indicate lack of agent knowledge, although long system navigation times or delays in system response times can also cause this. The analysis of these types of call will identify which of these issues is really the problem.

### ***Cut new-starter attrition rates***

Additionally, speech analytics will also make the training and coaching received by new agents in particular far more effective and targeted. This is especially important for this class of agent, as many operations report that half of their overall staff turnover occurs in the first 90 days of the job, when agents are obviously less-skilled or confident about their role or the organization.

## CONTACT CENTRE PERFORMANCE IMPROVEMENTS

On first glance, speech analytics can be seen as providing similar information to management information and reporting systems - taking masses of data and making sense of what they mean to the contact centre's performance and perhaps even inside the wider business. However, the vital thing to understand about speech analytics is that it gives contact centres the answer to 'Why', not just 'What'. Why are average handle times so different across agents? Why are customers of this product upset? Why are people calling the contact centre? With high quality data inputs, mixing audio information with data such as call outcomes and revenues, analytics also identifies patterns which the business had no idea even existed, suggesting best practice and identifying areas for improvement at agent, contact centre and process levels.



A major UK high street retail chain have implemented Speech Analytics and built a true 'Voice of the Customer' insight tool that details **Why** customers are calling. Monitoring more than 15,000 calls per week over 600 agents they are now able to do quality monitoring on 100% of calls, track repeat calls, measure customer handle times and put in place actions to improve first call resolution. Although they're early in the implementation £900K business benefit has already been identified.

## ***Why are customers calling?***

Categorizing types of calls, and then analyzing them for the occurrence of similar types of words and phrases can give an insight into the reasons for customers' calls. For example, a category such as 'sales' might be analyzed for patterns, and it is discovered that the words 'delivery' and 'website' are mentioned in a disproportionate number of them. Listening to some of these conversations, it may be found that the website does not highlight delivery times effectively enough, leading to unnecessary calls to the contact centre, rather than the customer purchasing on the website.

## ***Call transfers***

Rather than making an agent use a call disposition code when they pass a call to another agent (which they may forget to do, or code inaccurately), speech analytics can identify the reasons for passing calls to other agents and putting customers on hold (whether lack of training, broken processes or lack of access to the right systems).

## ***First-call resolution***

A major metric for contact centre and customer experience success, first-call resolution can be increased by identifying repeat callers and eliminating the root cause of repeat calls.

An example of this was an organization where they had identified repeat issues as being a problem. Analyzing the calls categorized as such, it was found that agents were saying "we'll call you back within 3 hours". As the callers were very keen to get the issue resolved, they were prone to overestimate the time passing, so analysis found that many called back before the three hours were up. By changing the script to e.g. "It's now 11.45am, we'll call you back by 2.45pm", customer expectations were set and call-backs dropped immediately. A few weeks later, call-backs went back up, and it was found that many agents had gone back to the 'old ways', and had forgotten to give the exact time.

## ***Average handle time***

Average call duration / average handle time has traditionally been one of the main measures of a contact centre's 'success', at least when judged by those outside the operation whose focus has often been on cost reduction.

Long call durations may be linked with poor agent abilities, lack of knowledge, navigation between systems or very complicated calls, and of course, impact on cost, queue times and the customer experience. Short AHTs can be as bad, if not worse, as they can indicate lack of agent capabilities (so agents pass the call to a colleague, or even deliberately lose the connection); that the contact centre is handling too many simple calls that might be better handled by self-service or that there is a quick and easily-resolved common issue, the solution to which could be propagated in the IVR announcement, on the website or via email/SMS. The problem for businesses is that they often don't know with any level of confidence **why** call durations differ.

Speech analytics allows businesses to categorize each type of call, and through root-cause analysis, determine what a reasonable length for each type of call is, and investigate the outlying anomalies, either on an agent level, or more widely, by comparing the amount of time taken on each category of call now compared to the past. The identification of calls resolved successfully in a reasonable amount of time will also provide the training department with examples of best practice.

## nexidia

Ventura, a UK outsourcing company uses Speech Analytics to define and quantify issues affecting each of their customers. With increased intelligence Ventura have been able to reduce average handle times by 42 seconds, increase cross selling of particular products by 50%, reduce non talk time and their initial ROI of £1+m was achieved within one year. “We quantified that it would have taken us 11 man years to analyse the same volume of calls that Nexidia did in the 90 day Proof of Concept’, Neil Conway, Head of Operations.

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### BUSINESS PROCESS IMPROVEMENTS

Everyone connected with the contact centre industry has always known that there is huge insight and knowledge held within the operation and its agents, but which has never before had the ability to be quantified or acted upon by the wider business. Speech analytics offers the ambitious business the greatest potential for improvements in business processes, but there is a great danger of underachievement with so many departments and divisions potentially involved.

In the course of researching the report, we have found that the marketing and website departments are the non-contact centre areas most likely to be benefiting currently from insights about customers' views, but there are also examples of how delivery, provisioning, billing and even warehousing departments have learned from the analysis of customers' experiences in the contact centre.

The quality of insight and its actionability is totally dependent on a swift reporting process, simple yet rich intelligence, the ownership of process improvement at senior level and before/after comparisons to prove success. Cross-department rivalries or poor communication are a real risk to this, and the importance of having a project champion of sufficient seniority to exercise cross-department control cannot be underestimated.



## Transforming Business with Customer Interaction Analytics

### Nexidia Analytics provides powerful business insight

Gartner is predicting that the next big emergent market will be the ‘Voice of the Customer,’ and it’s easy to see why: As customers reach out in new and varied ways, multichannel communications with organisations are on the rise. While the vast majority of customer interactions still take place over the phone within the contact centre, now other customer touch points such as email, chat and social media are becoming increasingly prevalent.

These silos of information are often used by individual departments such as marketing, operations or customer services for their own purposes. Rarely is the information shared across the organisation, to provide a holistic view of customer feedback. However, by improving their multichannel management, companies will have even more access to the voice of their customers to drive operational change to transform their businesses.



Harnessing this powerful reservoir of business intelligence enables companies to quickly respond to changing customer needs, allows for speedy problem solving, reduces complaints, improves service excellence, and unearths latent business opportunities before competitors have time to react.

Customer Interaction Analytics allows organisations to analyse every phone call, chat, email and tweet and translate this information for a total picture of the voice of the customer. Leading customer-centric organisations are already engaging speech technology and customer interaction analytics technology with staggering results:

- *A leading financial services institution uncovered £1.6bn worth of up sell and cross sell opportunities*
- *After evaluating 100% of calls, a major high street bank discovered that they were only 42% compliant in one of their business areas, immediate remedial actions were put in place and the risk was mitigated*
- *A leading debt collection agency increased cash collected per agent hour by 30%, quadrupled throughput while only growing capacity by 35%, and dramatically reduced attrition*
- *Companies in diverse sectors have made substantial operational savings, improved agent performance, identified process change, ensured compliance and boosted CSA and KPI scores*

Created with Nexidia’s patented phonetic search technology, Nexidia customer interaction analytics solutions deliver proven results, with more customers demonstrating actual return on investment (ROI) than any other solution on the market. Nexidia works in partnership with its clients, leveraging industry expertise with its vast experience of contact centre operations. Additionally, a range of flexible deployment options enable companies to launch customer interaction analytics at a minimal risk, proving ROI in weeks—not years. Transform your business with Nexidia customer interaction analytics.

For more information contact: Jonathan Wax, VP EMEA, on 07818 425486, [jwax@nexidia.com](mailto:jwax@nexidia.com) or [www.nexidia.com](http://www.nexidia.com)

## BUSINESS INTELLIGENCE

### ***Customer Satisfaction Surveys***

There has been a great increase in customer satisfaction surveys in recent years, with the widespread uptake of Net Promoter® being a good example of companies' desire to learn what their customers actually think about them. However, research has shown that a 'satisfied' customer isn't necessarily a profitable or loyal one, and the results of customer surveys, particularly the written or telephone-based variety (the latter of which, despite its limitations and expense, is still seen as the best method), are carried out at a time when any feelings about the original interaction may have changed or dissipated, are prone to inaccuracy, delay and lack of detail.

With all of the methods of customer surveys, the questions are fixed in advance, and if the right questions aren't asked, the level of actionable insight is low. In many cases, a business might know that x% of its customers are satisfied, and y% dissatisfied, but it still has no real idea why this is, or even how it will impact upon their profitability. As an alternative to customer satisfaction surveys, speech analytics allows a business to gather customers' views within the interaction itself - guaranteeing immediacy and accuracy - and can be applied across 100% of calls, rather than focusing on the outlying 'very dissatisfied' or 'delighted' customers. Furthermore, through widespread and detailed analysis of what the call is about, the type of language or messages used in the call, how the customer was handled, and the eventual outcome, businesses will be able to learn how to improve their customer retention and satisfaction in real-life, by-passing the standard metric (e.g. "83% of customers are satisfied") and getting to the root causes of satisfaction or dissatisfaction and sharing the results with the rest of the operation.

### ***Customer Insight***

As introduced above, one of the greatest advantages that speech analytics can provide is the ability to understand **why** things are happening, rather than just **what** is going on. With some solutions, it is not even necessary to know what you are looking for: automatic categorization of calls into their constituent types is a starting point, based on the types of words and phrases that typically get used within these types of calls (e.g. "complain", "not happy", "disappointed", "speak with a manager" etc, will often relate to customer complaints). Non-audio data, such as the activity of account closure, refunds etc can also be captured from the screen and linked with the call to provide richer data for analysis. The tracking of word usage compared with its historical use (e.g. a 300% rise in the use of the phrase "can't log-on" after a software upgrade) can quickly indicate and identify issues that can be handed to the relevant department much more quickly than typical inter-department channels could usually manage. Regular references to competitors and their products can be captured, analyzed and passed to the marketing or pricing teams to provide them with real-life, rapid and accurate information upon which to base decisions.

### ***Crisis management and reaction***

A solution with automated root-cause analysis capabilities - constantly looking for anomalies and new patterns - can identify spikes in unusual activity shortly after it happens, alerting specific users to the key issues so as to handle them before it runs out of control, damaging brand or customer satisfaction.

### ***Product and pricing feedback***

Speech analytics allows businesses to seek out key words and phrases, such as competitors' names or any instances of pricing, or to gather feedback after a marketing campaign goes out.

## IMPROVING THE CUSTOMER EXPERIENCE

Factors that impact the customer experience - such as first-call resolution and shorter call and queue times - have been addressed already. This section looks at the handling of complaints, and how speech analytics can take into account the entire customer experience outside the contact centre.

### ***Complaints handling***

Complaints are a potentially rich environment for businesses to understand where they are going wrong, and which issues are in danger of turning a customer into an ex-customer. For many businesses, each complaint is dealt with on a case-by-case basis, with little in the way of categorization or structure being put in place formally, and little chance of communicating findings in an actionable way to the relevant department.

Speech analytics gives businesses a chance to quantify the reasons that customers complain, identifying the most important factors, assessing trends and spikes, and providing hard recommendations based on every call taken. 4% of UK calls and 8% of US calls received by contact centres are complaints, with respectively 90% and 80% of these being about problems elsewhere in the enterprise (rather than in the contact centre).

Understanding and acting upon what is driving these complaints will clearly make a huge difference to cost and customer satisfaction.

On an individual-call basis, real-time analytics allow businesses to track words and phrases related to complaints (such as 'supervisor', 'manager', 'complain', 'unhappy' etc.), allowing escalation to a supervisor, or screen-pop to the agent to provide them with a revised script or suggestions of how to handle the call. Emotion detection may also be used to identify these customers.

### ***The customer experience outside the contact centre***

There is an increasing requirement and interest in multichannel analytics, including considering email, text chat, IVR and web browsing sessions to get the full picture of the customer's real journey in a single interaction, in order to identify and improve any channels that failed to fulfil their requirements. Improving self-service optimisation is often a quick win that can provide immediate economic benefit to businesses: in the UK, a mean average of 9% of calls that go into an IVR system are 'zeroed-out' - rejected by the customer in favour of an operator - and in the US, a staggering 26% fail the self-service test.

Businesses using speech analytics to review these failed self-service sessions will be able to categorize many of them in order to improve the processes at a macro-level. Common findings from the analysis of these calls is that the IVR system was poorly worded or menu choices are not intuitive or match current service choices. Other failures occur through mistakes in IVR routing, and there may also be problems with a lack of customer awareness that various activities can be carried out by self-service.

## INCREASING PROFITABILITY

### ***Debt collection and improving cross-selling & up-selling***

Although many debt collection firms have detailed scripts for their agents - often driven by the need to comply with regulations - the results, such as the promise-to-pay ratio - can differ widely by agent. Speech analytics provides two benefits for debt collectors: the ability to prove compliance, and through the analysis of successful and unsuccessful calls, the chance to understand the type of agent language and behaviour that yields the best results, and share these with underperforming agents.

The same principle of matching successful outcomes with particular call traits can be used for improving cross-selling and up-selling rates in sales environments.

### ***Managing customers at risk of churn***

Using real-time analytics, linked with a company's own CRM systems, agents can be provided with up-to-the-second advice on how to handle customers identified as being at risk of churn, including linking what the customer is saying on the call back to the transactional model in order to update the best offer available for that customer.

### ***Feedback on marketing campaigns***

Tracking customer comments and outcomes after the advent of a marketing campaign can mean the difference between success and failure. Messages that are incorrectly understood can be identified and altered quickly before the contact centre becomes swamped with calls about the issue.

### ***Phone-based contracts***

Real-time speech analytics mean that phone-based contracts can be seen to be completed first-time, with all relevant information provided to the customer on the call, and red-flagged on the agent's screen if they have missed saying anything vital, or made an error. This reduces the need to call a customer back and avoids any dispute over whether a legitimate contract has been made.

## ESTIMATING RETURN ON INVESTMENT FOR SPEECH ANALYTICS

As part of the research for ContactBabel's new report "The Inner Circle Guide to Speech Analytics", thousands of contact centre professionals were asked for their views on speech analytics, particularly about what would hold them back from implementing it. By far the most important issue raised was how to build a strong enough return-on-investment (ROI) case to get the required corporate buy-in.

Lots of budget is now held within marketing, website or customer experience teams, rather than at contact centre level, and these teams must be made to understand that the contact centre is a big part of people's experience of dealing with a company. To get the most from a speech analytics solution, especially the more complex systems, businesses need to identify and empower a senior project champion, overseeing a cross-functional team. The champion must have a strategic view of what analytics can provide, as well as being able to understand the operational and technical requirements of the contact centre and IT teams.

ROI for speech analytics can come from numerous sources, depending upon how the solution is used. Generally, it will come from the avoidance of a specific cost, (including the reduction of a risk in the case of compliance), or the increase in revenue, despite the fact that much of the benefit from speech analytics comes from actionable insight around **why** customers are calling.

Speech analytics is used extensively in North America for compliance, for which ROI can be proven through the avoidance or reduction in litigation and regulatory fines, placed against the cost of the solution. Large banks will have funds allocated that run into the tens of millions of pounds each year against the possibility of paying out, and any significant reduction in fines would pay for a speech analytics solution very quickly. In the UK, the banking industry has additionally put aside several billion pounds to pay compensation for the mis-selling of PPI (payment protection insurance), and having the ability to prove that no regulations had been broken would have been of great use.

Variables to be considered for ROI measurements include:

Cost reduction:

- Reduction in headcount from automation of call monitoring and compliance checking
- Avoidance of fines and damages for non-compliance
- Reduction in call volumes after understanding **why** customers are calling, and acting to optimise any broken processes elsewhere in the organisation (e.g. website, marketing, distribution, etc) that are causing these calls
- Reduction in cost of unnecessary callbacks after improving first-call resolution rates
- Avoidance of live calls that can be handled by better IVR or website self-service
- Reduced cost of quality assurance and monitoring
- Lower cost per call through shortened handle times and fewer transfers
- Lower new staff attrition rates and recruitment costs through early identification of specific training requirements

Revenue increase:

- Increase in sales conversion rates and values based on dissemination of best practice
- Increase in promise-to-pay ratios (debt collection)
- Optimised marketing messages through instant customer evaluation

- Reduced customer churn through dynamic screen-pop and real-time analytics tailoring calls to the customer
- Quicker response to new competitor and pricing information

Also, the improved quality of agents, better complaints-handling and improved business processes outside the contact centre should be considered.

Against these potential positives, costs to consider include:

- Licence fees or cost per call analysed
- IT costs to implement (internal and external)
- Possible upgrade to call recording environment may be required
- Bandwidth if hosted offsite: the recording of calls is usually done on a customer's site, so if the speech analytics solution is to be hosted, it will involve a lot of bandwidth, which will be an additional cost, especially when considering any redundancy
- Maintenance and support agreements, which may be 15-20% annually of the original licencing cost
- Additional users - headcount cost - decide who will own and use it, do you need a speech analyst, etc.
- Extra hardware e.g. servers will be required for audio processing and analysis, the number of which is dependent on the volumes of calls and the speed which customers require the analysis to be completed by
- Ongoing and additional training costs if not included
- Extra work across the enterprise generated by findings
- May need extra software to extract data from the call recording production environment if using different vendors for recording and speech analytics.

A major inhibitor to uptake is an awareness within the company that their environment is not yet ready for speech analytics, in that they may still not have a reliable recording environment or an optimized QM or QA process. Some businesses consider that their existing call recording and manual quality monitoring processes are sufficient, and fail to understand the potential business value of speech analytics.

Vendors' own estimates of the time taken for the solution to pay for itself vary between 6 and 18 months, with most current implementations having been in the 100+ seat contact centre sector. Apart from calculating figures for ROI, perhaps the most difficult element of the business case is to ensure that executives beyond the contact centre understand and support the contact centre's role in enterprise success. Finance, marketing, IT and senior management need to be talked with in the terms they understand - customer retention, product satisfaction, revenue, competitive metrics, and more - showing that speech analytics is an effective way to give a window into these trends.

Have your vendor help you to create an ROI to justify the project to the corporation in terms they understand: most vendors have tools which can be used to estimate return on investment, often based on what they have seen in similar operations elsewhere, and they are keen to share them with potential customers. Start with a project that you are comfortable managing from a cost and resource perspective to ensure you can track and present an ROI. Once you've achieved those results, it will be easier to justify expanding the project into other areas.

For more information about speech analytics, please download ContactBabel's ["Inner Circle Guide to Speech Analytics"](#).



## APPENDIX: ABOUT CONTACTBABEL

ContactBabel is the contact centre industry expert. If you have a question about how the industry works, or where it's heading, the chances are we have the answer.

The coverage provided by our massive and ongoing primary research projects is matched by our experience analysing the contact centre industry. We understand how technology, people and process best fit together, and how they will work collectively in the future.

We help the biggest and most successful vendors develop their contact centre strategies and talk to the right prospects. We have shown the UK government how the global contact centre industry will develop and change. We help contact centres compare themselves to their closest competitors so they can understand what they are doing well and what needs to improve.

If you have a question about your company's place in the contact centre industry, perhaps we can help you.

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