Benefits and Forecast White Paper

Why is it important to understand your self-service Return on Investment (ROI)?

Traditionally, knowledge base and other self-service investments are made on the assumption that:

- There will be a significant improvement to customer service and support, and
- Self-service reduces the use of more costly channels e.g. voice, chat & email.

Given the growth in the preference for self-service, and the scale of today's self-service projects, relying solely on those assumptions, rather than hard numbers, will often jeopardise your business case.

Quantifying self-service ROI will assist you to improve your digital support services through prioritised investment, accurately forecast customer volumes switching to self-service channels and perform effective and prioritised content improvement.

A performance dashboard will bring together key information pertinent to delivering maximum value from your organisation's self-service asset. It also enables data driven business decision-making, such as:

- **Content Improvement** – directs content improvements efforts to the content that is highly used and not well rated by customers. This approach allows you to focus your content team's efforts and maximise impact on customer experience.
- **Content Additions** – identifies opportunities to add content to improve customer satisfaction and reduce contact volumes, by understanding current contact drivers.
- **Forecast frontline channels impact** – understands changes to the number of people required to handle customer interactions through other channels.
- **Forecast value of new initiatives** – values each initiative to bring forward benefits. There are endless ideas on how to improve the knowledge base and other self-service channels.
- **Understand ROI and set clear targets** – enables you to understand the benefits of self service and for you to set and track performance targets by having clear and concise ROI measures in place.

What is the link between self-service performance and cost reduction?

The commonly viewed key financial benefit from self-service is the cost savings achieved from a reduction in the planned full-time equivalent (FTE). It is important to remember that no true cost savings can be realised until there is an actual reduction in FTE.

It is also important to be able to accurately forecast the cost savings. Forecast accuracy is imperative to avoid deteriorated service levels if customers do not switch to digital channels.

ROI calculations can track benefits achieved to date, as well as forecast future benefits. Both stages use the same principle where the relationship between self-service uptake and its impact on other customer interaction channels is measured and analysed.

To increase confidence that staffing levels can be reduced, the same rigor as contact centre forecasting is required. You need to be able to quantify the actual shift in channel usage. To achieve this, a comparison must be made between the customer uptake of a specific content group and its related interaction channel to understand what shift in channel usage has changed. With this specific information, the associated reduction in work within a specific channel or queue can be measured or forecasted. Cost reduction is calculated based on the number of avoided resource and FTE cost.

Projects aimed at improving content or adding content as part of a new product or service launch can also track their own ROI. Project-specific content needs to be analysed, aligned with related channel/queue in order to identify avoided FTE.

Input requirements

A degree of data complexity is necessary to clearly understand and quantify all aspects of how your customers interact with your organisation in an omni-channel environment.

Key data requirements can be broken into two groups:

- **Customer interaction** – tracking how customers engage your organisation is critical in order to understand how your channels impact one another. Specifically, how does each content category impact both the volume, cost to serve and the type of customer contacts through your other customer interaction channels i.e. voice, email, chat, SMS, social, etc.
- **Organisational roadmap** – understanding key organisational goals and planned initiatives that are occurring in the same timeframe is important to achieve forecast accuracy. It can be improved by consolidating known events that are expected to impact customer channels.
  - Upcoming events and marketing initiatives that may impact any channel.
  - Planned self-service initiatives: estimated impact, assigned FTE and other related costs.

Forecasting channel metrics

Proven forecasting techniques can remove common variations that impact on channel volumes and performance from forecasting channel shifts. Three types of variation can be identified using historic data:

- Event variations
- Seasonal variations
- Cyclical variations

Planned initiatives are thoroughly analysed and their estimated impacts are added to the projection along with the seasonal and cyclical variations.

The result is a forecast of all customer interaction channels including self-service.

Looking forward - Forecasting future ROI

ROI forecast is created by leveraging the same channel metrics and calculations, with the only difference being the use of forecasted metrics rather than actual:

- Forecasted interaction channel data is gathered and expected FTE reduction is calculated. The financial benefits are derived based on known FTE cost.
- Self-service running costs are also identified as part of the projection and are then subtracted from projected financial benefits resulting in an ROI forecast.

Projects aimed at improving content or adding content as part of new product or services launches are also included – content uptake and maintenance costs are forecasted and individual project ROI is forecast. Based on ROI forecast each project can be prioritised with much more certainty.

Conclusion

The self-service ROI methodology described in this paper has evolved over the past few years. From the early struggles of proving the relationship between self-service and contact centre resourcing, to adapting to increased channel complexity.

Now the capacity exists that enables data driven decision making integrated with all customer interaction channels, which ensures the business understands the value of the self-service strategy.

With this understanding of value being realised from the self-service strategy the business is often more receptive to future investments in self service capability.

Connections Ltd

Connections Ltd has successfully implemented this measurement approach with organisations of different industries.

We can compile a set of reporting requirements specific to your organisation, set up the benefits and forecasting calculations and help align your targets with your forecasted performance figures.