

Business Continuity and Customer Relationships

# What's Your Communications Strategy?

Peppers & Rogers Group  
a division of Carlson Marketing Worldwide



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## Executive Overview

It's more likely to be a flooded highway than a hurricane. More likely to be a bad case of the flu that hits the office than a workforce-reducing pandemic. More likely to be a traffic accident than a terrorist attack. Disruptions in the workforce or your ability to communicate with customers don't have to result from big events with big consequences. But they will happen, and need to be planned for.

Too many companies are not prepared. A survey currently in progress by communication technology expert Dennis McDonald shows that *Fortune* 500 companies don't have the cultural flexibility to deal with decentralized communications if they are needed. He says "highly bureaucratic or heavily regulated organizations may be slow to adopt the greater flexibility that Web 2.0 represents in these areas." A Continental Research study of 200 small to midsized businesses found that 33 percent had no recourse but to give employees time off in the event of an office closing. That means no central coordination of messages and no access to contact centers. It means your customers can't reach you and you can't reach them.

Business disruptions can undermine the consistency and dependability of communication. Without timely communication—when, where, and how the customer desires to communicate—there *is no* customer relationship. Despite all the innovations in self-service over the past decade, the most important connection is often the voice a company can put on the other end of a telephone. Yet many companies underestimate how fragile that link to the customer is, how many different ways that connection to the customer can be jeopardized—and how broad their options are for ensuring that they never lose touch with a customer. This applies to customer-facing employees as well as executives that need to stay connected from remote locations. This white paper will show you the level of preparedness a company needs to achieve for consistent customer communications, the role of remote contact center technology in that consistency and recommendations for implementing an effective long-term strategy.

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### Read this if...

You are responsible for or have influence on communications, crisis management, planning and IT at your company.

#### You will learn:

- How to evaluate current communication plans for customers and different levels of employees.
- Reasons to consider building more of the contact organization around IP Telephony to address and support longer-term disruptions in operations.
- How to construct and participate in a continuous communication plan for your company.

## Relationships Under Pressure

Relationship continuity is subject to pressures great and small, old and new. Much of the high-profile effort put into relationship continuity planning revolves around high-profile threats—threats of terrorist attacks, pandemics, and devastating, wide-ranging natural disasters of flood, earthquake, and fire. Although substantial, by their very nature these are not the threats most companies face most of the time, as we alluded to at the beginning of this white paper. Companies must seek modern strategies to deal with this broad range of continuity threats.

“Some companies are well-covered for threats that have been long-established. If they think they are under threats from flood, or from fire, I do genuinely think they are well-covered,” says Ian Bevington, vertical market specialist at Mitel.

“But I think some companies still have business continuity plans that only cover them for traditional, well-understood threats that might have occurred 10 years ago.” Outdated continuity plans fail to account for modern threats and vulnerabilities. They fail to take an updated view of the importance of ongoing customer relationships. For example, a decade-old continuity plan would underestimate cellular coverage and deployment, consider long-distance data replication a problem seriously constrained by the costs of bandwidth and storage, and ignore the potential of voice-over-IP to create virtual contact center desks on demand.

Communication disruptions need to be viewed in a layered fashion. The first level, and most important, is between the company and its customers. Here, the contact center agents are the most critical touchpoint. One of the greatest threats to a company's communication strategies is the fairly common condition of overload. It may look like “business as usual” to see that the contact center agents are all busy, or that the e-commerce website is slowed down by more business than you have bandwidth for. But when customers are calling and cannot get through, the magnitude of the crisis is magnified.

Customers who cannot reach the company in the time and manner of their choosing represent a deferred or possibly lost revenue opportunity in the short run.

That would be difficult enough, were it the entire scope of the problem, but isn't. Customers continually re-evaluate the experience they enjoy and the benefits they receive from interacting with their chosen suppliers, vendors, and business partners. When that experience is interrupted or thwarted by a communications continuity issue, that experience is diminished. What began as an issue of deferred revenue can become a problem of depleting loyalty, to the extent that customers will in the long run take their value to the companies that provide them with seamless, trouble-free lines of communication.

“A few five-minute contact center downtimes, for the right kind of company, can be just as damaging as a 36-hour downtime,” says Bevington.

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*Ian Bevington,  
vertical market  
specialist at Mitel*

### Continuity By the Numbers:

A communications continuity strategy is essential for maintaining customer relationships. But upgrading communications systems that increase flexibility have some side benefits as well:

- IP telephony system upgrades, which are a key solution to the continuity issue, have produced overall communications systems savings of 25 to 60 percent depending on an organization's size and geographical distribution, and hardware maintenance costs.
- Companies that have had to change entire communications systems to be more prepared for business disruptions have seen an average savings of up to 85 percent a year when IP telephony is involved.
- Employee productivity has been increased by 30 to 60 minutes per person per day by allowing end-users to access e-mail, voicemail, and fax messages from a single inbox; gain access to an e-mail inbox from a telephone; check voice messages from the Internet; and forward faxes to any computer. These features have business continuity implications as well, by enabling access to voice messages and faxes even if—in the event of a power failure or severe storm, for example—phone systems are down and the office is closed.

## Creating the Continuous Customer Experience

To understand continuity, think through the customer's eyes. Your customers are not tethered to a specific phone or location when they call you. They can reach out from a home or office desk, a cell phone, WiFi hotspot, or a IP Telephony link. They have little sympathy for an accidentally severed fiber-optic cable, or a traffic accident causing a power disruption. All they know is that they are out of touch during crucial moments—moments when a customer wants to initiate a contact. The effects of those service interruptions can ripple through your organization with greater long-term effects than a major catastrophe. When customers can research and switch suppliers and partners in a matter of minutes, during even a modest interruption, your company simply vanishes from the customer's radar.

The cornerstone of any customer communication

strategy is accessibility. Know how your customers will access your company during a disruption of services or locations. On the other hand companies are not structured properly to provide to give employees accessibility to their jobs. Here the layered approach is important as well. This gets to the second layer of communication strategy, contact center employees. The conventional approach to providing access between customers and contact center agents is the distributed, "follow-the-sun" contact organization with widespread, even global, presence of physical facilities. Distributed contact solutions such as a multi-site, offshore contact centers or an overflow contractor can provide some protection against a lack of access. But in a high-value situation where both the customer and your representative have a strong history or

The most seamless customer experience solutions offer quick, plug-and-work access to agents, even if they have to access the system from an unforeseen physical location.

### Unusual Suspects Breakdown Business

Complete communication breakdowns or disasters are not the usual suspects for business disruptions. It's often smaller issues that can grow in size that require business continuity solutions. Among them:

**Global Issues:** Regardless of how connected your global operation is, global issues can be disruptive through simple time logistics. A New York office is going to have trouble responding to an Asia-Pac issue during business hours. A communication strategy needs to prioritize these disruptions. For example, Singapore-based medical assistance, healthcare and security company International SOS recently made standard access to its communications systems a priority for its 4,500 employees in 66 countries, according to CIO Asia.

**Supply Chain Disruptions:** B2B customers are still customers. The technology developed to deal with them efficiently such as automatic replenishment systems and complex inventory operations require constant communications. Small disruptions can be disastrous in this environment. If a CPG company, for example, advertises a sale on a new product at a major supermarket chain, that product needs to be at every one of thousands of locations when the advertising drops to support the product. If one market is late, that small supply chain problem becomes a bigger issue that will need to be dealt with between the CPG company and that account. Immediate communication to fix these kinds of issues is critical.

**Network Disruptions:** An entire corporate intranet can crash, or an entire VPN backbone can go down. But companies often don't have the plan B necessary for that. IP Telephony lines can be a viable option as a first or second communication choice. The bottom line is that small network disruptions happen. They can cut off a branch office or a key employee. The value missed from that lack of communication can be hard to estimate.

unique relationship, forwarding or transferring the call to new locations is not a winning strategy. Focusing on redundant or overlapping locations can be as expensive as it is expansive, and skirts the root challenge—keeping the best agents in touch with the most appropriate customers at all times.

Rather than dispersing agents and redundant hardware across the globe, companies should focus on making use of mobile and IP telephony capabilities to keep calls flowing to the representatives best suited to handle them—even if that representative's desk is temporarily out of bounds. "If you are having a conversation with a customer and you are told to evacuate the building for a fire or a drill, the technology exists today to switch that call to your wireless handset, allowing you to walk right out of the building and keep talking," says Sandy Janes, director of vertical marketing at Mitel. "And it will be seamless to the customer."

Building more of the contact organization around IP Telephony can also support longer-term disruptions in operations. IP Telephony installations make it easier to bring agents online and active in call queues in a short-term space, such as an emergency rental or a temporary office environment. The agent's profile can be immediately replicated and loaded on any IP phone the agent is credentialed to use. In conventional contact centers, information such as agent privileges and speed-dials are typically stored on-site, which could become unavailable in a crisis.

These features need not only be used in emergency situations. The same remote profile management that enables agents to plug in to a remote office desk IP phone as well as they could in the dedicated contact center, can be employed as part of the regular work environment. The technique is called hot-desking or "free seating." It reduces the emphasis on agent presence in a physical location by promoting greater network availability. Any desk equipped with an IP phone can offer the same access and

call-handling capabilities to any agent. This capability can be as close as a download with applications such as Mitel's SoftPhone. It enables remote contact center agent connection, which is critical to any consistent communication strategy. The most seamless customer experience solutions offer quick, plug-and-work access to agents, even if they have to access the system from an unforeseen physical location.

"Rolling out mobility and teleworking offers up interesting new opportunities for agent hiring and allocation, and helps protect against both the big and small continuity threats," Bevington says. "Whether there's a heavy snowfall and nobody can get to the center of the city, or there's travel disruption or simply a few key people in your organization happen to have the flu, you can realize a significant business benefit."

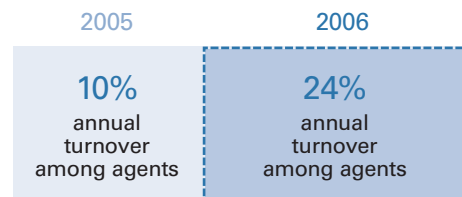
But the concepts of hot-desking and teleworking do not need to be limited to customer-facing employees. Level three employees, which are managers and executives that don't necessarily need to see customers but need to stay connected to their work, can take advantage of IP Telephony technology to stay connected in a crisis. "Everything you should expect from a phone can be expected from a PC," says Janes.

**"Everything you should expect from a phone can be expected from a PC."**

*Sandy Janes,  
director of solutions  
marketing, Mitel*

### Turnover Drives VoIP Urgency

Traditionally, the contact center industry has been marked by high absenteeism and high staff attrition, making substitute workers more important and remote workstations a key factor in responding to service disruptions. This year, almost 13% of productive available time is lost to absenteeism and sick leave, resulting in lost billable hours and a likely deterioration of service quality.



Source: Dimension Data, April 2007

## Continuity, Governance, and Planning

Remote worker strategies and contact center teleworking can represent a new investment for companies that have underestimated the importance of their availability. But they must be included in a complete analysis of both the technical requirements and the customer relationship advantages in a continuity plan. Only with those two components will continuity be seen as a strategy with business benefits and long-term impact on customer value and retention. "You need to be able to interact and communicate with your finance group if you are going to have a successful continuous recovery plan," Janes says. "You need to present the options to protect your availability and decide how to pay for it, whether it means always being ready to rent more space or

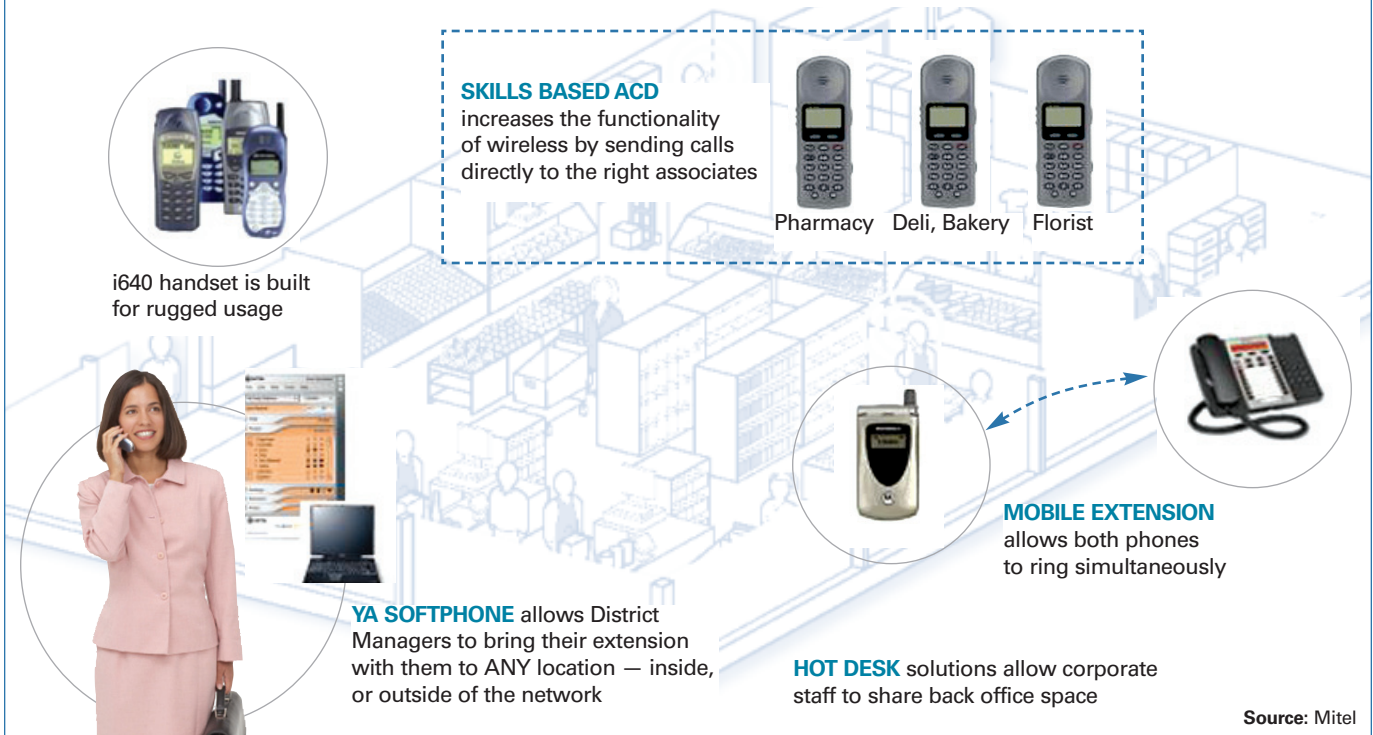
paying for more standby resources."

A continuity strategy aligned with maintaining strong customer relationships and increasing customer value is easier to defend against attempts to whittle away at the resources necessary to support it. Down markets, times of contraction, M&A activity, and even routine annual budget reviews often bring a critical eye upon continuity projects, challenging custodians to justify expenditures on resources that may not ever be used. When those resources are demonstrably part of the customer value chain and are relied upon daily to protect the brand and customer experience, rather than simply regarded as a "rainy-day expense," it is easier to secure the buy-in necessary to ensure that communications continuity

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### Defining the Customer-Driven Store

The diagram below shows how flexible communications can impact customer and employee interactions at a retail location.



stays as an important priority, enabling reliable communication between customers and your firm whenever it is needed.

"It has become a corporate governance matter, particularly for financial companies which are constantly pressured about pandemic planning," Bevington says. "But there is always a danger that someone may seek to gain a competitive advantage against another business by reducing operating costs—and decide to stop spending money on business continuity."

A company's value and the value of their customers is diminished in the event of an actual discontinuity. Customers cannot transact their business and open the options of switching

providers, incurring cost and inconvenience in the process, while the company loses the key relationships it needs in order to thrive. As a result, customer relationship continuity should be a best practice—one worth committing to as an organization, from the top down. "Governance has to be there to make sure that organizations are on a level playing field and can make the baseline investments that represent the right thing to protect their customers and provide continuity," Bevington says. "Companies can and do use their governance as a differentiator. Customers want to know that the companies they deal with can cope if they have a continuity issue of their own if there is some sort of disaster."

Accessibility is the philosophical and tactical cornerstone for customer communication. All operations in the contact center should be structured around it.

## Conclusion

Relationship continuity is a significant challenge. One great tragedy can ruin even the best-constructed plans, but the more clear and present threats are not the big, inescapable disasters, but are instead the interruptions, glitches, and unpreparedness that, over time, fatigue and ultimately repel customers. "There's a whole continuum, from the worst possible scenario, one where your company truly ceases to exist in material and personnel terms, right through to the other end where it could be as minor as five-minute interruptions to your online services once a day that really irritate your customers, and results in their defection," Bevington says.

Neither end of the continuum should be dismissed or ignored. Companies need to start the continuity strategy planning process by convening a meeting (virtual or on-site) that sets out every imaginable communication disruption from tragedy to traffic jams and design a plan to

cover for it. This should be seen not from your company's point of view, but from your customer's point of view.

This plan should adopt accessibility as the philosophical and tactical cornerstone customer communication. All operations in the contact center should be structured around that. Finally a remote worker strategy must be created and funded. Funding must be supported by technical requirements and the customer relationship advantages. Align the plan with customer value.

By building a continuity-minded contact organization based around principles that emphasize "being there" for the customer, tied to innovative technologies that allow agents to "be there" in a variety of ways, companies can minimize the risk of both types of danger, and continue to satisfy and delight customers whenever, wherever, and however they decide to call. ■

## Mitel

Companies don't make decisions, people do. That is why Mitel is leading the way toward a new and more personalized approach to communications for enterprise and small business. Our innovative solutions, applications and desktop appliances enable you to access, process and control your communications and information naturally, simply and efficiently. Our solutions allow you to collaborate over distance and time and to interact with your customers, colleagues and partners as never before. By combining the power of voice, data and video over converged high speed networks, Mitel provides you with flexible and personalized tools that let you leverage the latest advances for personal and organizational advantage.

More information is available at: [www.mitel.com](http://www.mitel.com) or 1-866-641-8082.

## Peppers & Rogers Group

Peppers & Rogers Group is a management consulting firm, recognized as the world's leading authority on customer-based business strategy. Founded in 1993 by Don Peppers and Martha Rogers Ph.D., the firm is dedicated to helping companies grow the value of their business by growing the value of their customer base. Our goal is to develop and execute strategies that create immediate return on investment and long-term customer value. Peppers & Rogers Group maintains a significant voice in the marketplace with its 1to1<sup>®</sup> Media properties. Led by 1to1<sup>®</sup> *Magazine*, these print, electronic and custom publications reach more than 250,000 decision-makers. Peppers & Rogers Group is a division of Carlson Marketing Worldwide, and is headquartered in Norwalk, Conn.

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