

# Centering Operations on the Customer

*Priorities are changing from cost cuts to service improvements.*

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The top-three strategic priorities for contact centers in 2006 will be customer satisfaction, quality/process improvements, and technology strategy, according to Dimension Data's annual Contact Center Benchmarking Report, a survey of 363 contact centers in 38 countries. This represents a significant shift from last year's focus, when head count and tech strategy topped the list of priorities.

"Last year, organizations focused on cost reduction and improved workflow efficiency in their contact centers," says Ed Bosak, national practice director of customer interactive solutions at Dimension Data. "This year customer service is the driving force. The one-dimensional cost focus is less prevalent."

The increased emphasis on improving customer satisfaction is the main reason technology strategy remained a top priority from 2005 to this year, Bosak says. Dimension Data found that 75 percent of respondents are planning to use technology to do more within their contact center to satisfy customers. The technology investments are aimed at shortening hold times, facilitating the transfer of customer data to agents, and efficiently handling complaints.

Survey results underscore the shift toward IP-based infrastructures. Half the contact centers surveyed indicated they have hybrid or pure IP PBX and ACD switches in their centers, and all respondents planning to install an ACD (10 percent) indicated that it would be a pure IP solution. "An increasing number of organizations are developing strategies to better utilize VoIP, CTI, and other technologies to better meet customer expectations," says Grant Sainsbury, practice manager of customer interactive solutions at Dimension Data. "IP technology will help to streamline call center operations across the board and will be a big player in improving customer satisfaction."

The use of speech recognition is also on the rise. About one third of contact centers use speech recognition technology and a further 17 percent plan to install it within the year, meaning almost half of all contact centers surveyed could have it by next year's survey. In addition, CRM continues to grow in popularity, with 68 percent respondents stating they use a customer database to identify their customers during an interaction, and 46 percent stating they now use some sort of CRM application.

Last, Dimension Data found a significant increase in the renting and hosting of contact center infrastructure. A quarter of centers chose to rent technology (compared to 4 percent last year), 15 percent bought hosted technology (5 percent last year), and 31 percent purchased hosted technology from their telecom provider (3 percent last year).

Beyond technology, Dimension Data also found that organizations increasingly understand the strategic importance of contact centers. Seventy percent of contact centers now report to directors or above, including 25 percent who now report directly to the CEO. In addition, 51 percent of survey participants are now aligning their contact center development strategy with the corporate strategy.

Although the contact center continues to be used in the strategic vocabulary of C-level executives, the study also found that contact centers aren't doing a good job putting their plans into practice. The report indicates slow progress in moving these facilities from cost to profit centers and no improvement in the ability to measure key financial indicators since the 2005 report. Less than half of contact centers can measure the key financial indicators needed to understand the cost and value of services.