To Focus on Your Customer, Focus on Your Decisions

By James Taylor

Every day you interact with your customers. Every time you interact with them you make decisions — decisions about offers to make, prices to quote, exceptions to allow and much more. These decisions are typically small, often made by front-line staff and increasingly made by automated systems like a website or kiosks.

Across all business channels, and increasingly in real-time, these little decisions are adding up; they are building the total experience of your customers. Make good decisions and your customers will have a positive experience. Make poor ones and you could lose them. In a cross-channel, real-time, self-service world, focusing on your customers means focusing on these decisions.

To take the right *actions* for a customer, you must make the right decisions *about* those customers. You must decide if a particular customer will respond positively to this offer. You must decide how hard you want to try to retain a customer, or how flexible you should be in collections. You must decide if a cross-sell is appropriate given a customer's current state and concerns, and what offer you should use. You must decide that the tradeoff is worthwhile before you offer a new product to replace an existing one. You must identify the decisions that affect your customers and **manage** them.

Managing customer decisions, for an organization of any size, requires automation. Customers want to self-serve and use the website to manage their relationship with you. Any decisions you need to make while they interface with your self-service channels have to be automated, though there is no employee available. When customers reach the point that they engage with front-line staff, call center representatives or online chat, it is crucial your employees to make the right decisions.

Training, manuals and information at their fingertips can help. But with time at a premium, high turnover rates and ever-changing company policy and objectives, is this really efficient? Automating decisions at this stage lets your systems work *for* your staff. Their systems can present only the offers a customer is eligible for, ranked in likelihood of acceptance, or can optimize the workout strategy for a customer in trouble, thanks to the economic downturn. More consistent, more sophisticated decisions are the result. And staff will have more time to spend talking with the customer rather than searching for answers or analyzing data.

Decisions managed centrally and shared across systems also guarantee consistency — customers will get the same response on every channel, reducing confusion and improving your image. Managing customer decisions across channels and over time allows you to inject the right actions into every environment to build and grow your customer experience-to truly manage the customer relationship. Taking a centralized approach is critical as decisions managed only within a single channel will lack the broader context on which good decisions rely and will not be consistent with other channels.

Effectively managing customer decisions requires three things: a management discipline to focus on decisions; technology to automate those decisions; and information to inform them. The business discipline is known as Decision Management. Decision Management builds on your existing enterprise applications and IT infrastructure. It focuses on implementing core decision-making technologies such as business rules, data mining and predictive analytics, and optimization. It defines how you can effectively incorporate these technologies into your business. The discipline of decision management involves discovering the decisions that matter, implementing decision services to automate them and applying test-and-learn techniques through decision analysis.

This is where the technology comes in. Decision services contain rules that are defined by regulation, by policy, by expertise and by the customer's preferences. They must also contain segmentation models so that different kinds of customers can be treated differently and predictive analytic models that turn uncertainty about a customer's future behavior into usable probability. And they can use optimization technology to manage tradeoffs and ensure the best use of resources. Decision services also support adaptive control — the constant testing of "champion" approaches against potentially more effective "challengers" — to enable you to test new approaches and learn what works.

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"Tell me and I forget. Teach me and I may remember. Involve me and I learn." — **Benjamin Franklin**

And, of course, these decisions rely on information: information available at the point of decision; historical information to mine for insight and from which to build predictions; and real-time contextual information so the system knows what the customer is doing right now.

Building a centralized decision-making capability brings a customer focus to every conversation — support calls, invoicing, statements, and more. It brings all your information to bear. And it builds your customer relationships one decision at a time.

James Taylor (james@decisionmanagementsolutions.com) is a recognized expert and independent consultant in improving customer treatment with decision management. He co-authored the book Smart (Enough) Systems *with Neil Raden and is a regularly-published writer and blogger. For more information, please visit decisionmanagementsolutions.com/crm*