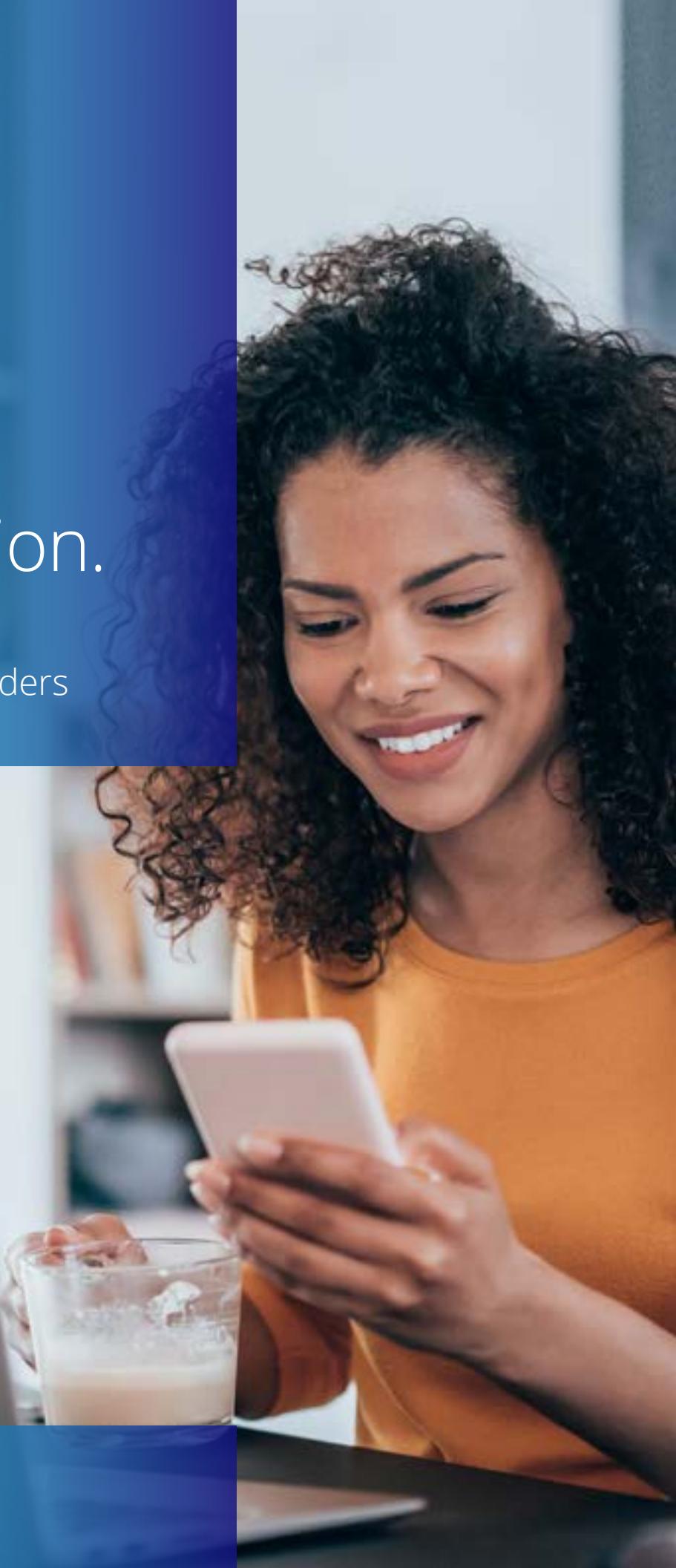




# Rethinking digital transformation.

A survival guide for  
customer experience leaders



# A survival guide for customer experience leaders.

## Epic CX challenges put transformation top of the agenda

In 2019, only 15% of enterprises prioritized digital transformation<sup>1</sup>. In 2020, that changed forever.

The COVID-19 pandemic forced every business to make digital transformation a critical priority. Five-year digital implementation timelines were shortened to five weeks. New digital platforms—like virtual assistance and live assistance through asynchronous messaging channels—were deployed at speed to enable remote workforces to collaborate and work efficiently and productively. And AI and automation took center stage in the race to respond to consumer needs and expectations brought on by the enormous disruption and uncertainty created by the pandemic.

For customer experience leaders, there was a radical shift in the number of support requests that began pouring in from customers. Massive surges in contact volumes led to lengthy queues, overwhelmed contact center agents, and frustrated customers. To add to the disruption, agents suddenly had to work securely and efficiently from home—something they weren't fully equipped to do and that demanded a tremendous adjustment in how they serviced customers.

Alongside this epic upheaval in the contact center, most enterprises saw a dramatic rise in the number of digital engagements offered by organizations and initiated by customers. And that growth in digital is here to stay—Forrester predicts a 40% rise in digital customer service interactions in 2021<sup>2</sup>.

To cope with these changes, CX leaders have used a variety of technologies to quickly transform their operations and their digital capabilities. But what's next? How can you ride this wave of digital transformation to deliver the experiences customers demand today—and the experiences they'll expect in the future?

## In this guide:

- Why digital transformation is so critical for brands that want to **differentiate on experience**.
- How conversational AI helps you **turn ambitious digital visions into operational realities**.
- Five steps every CX leader must take** for a successful digital transformation.
- Stories from pioneering enterprises** that are transforming CX to build competitive advantage.

## CX digital transformation has begun – where will it go next?

In the heat of a crisis, CX leaders had to deploy digital solutions quickly just to stop things from falling apart and keep up with surging demand. And for organizations that implemented AI and automation tools to relieve the pressure on their operations, it didn't take long for them to see the true business benefits of digital transformation:

- **Queues shortened** as automated experiences deflected calls.
- **Resolutions were faster** because routine inquiries were handled automatically, and agents were better equipped with tools to handle more complex cases.
- **Customers were happier** because engagements had less friction, and they could self-serve and easily engage with an agent through their preferred channel.
- **Agent productivity increased** as they increased their ability to serve more customers simultaneously while reducing average handle time (AHT) per customer.
- **And contact center costs shrank** as customers turned to the new-and-improved self-service options.

With the evidence stacking up, CX leaders no longer have to convince the board that digital transformation makes sense—COVID-19 has already made the business case.

Now it's time for CX leaders to move beyond crisis response towards a more proactive and thoughtful CX service model that will help guide them to the next level of their transformation. So, as you begin to plan your own path to future CX success, look for ways that you can provide the experiences customers are looking for:

- **Create compelling self-service experiences** in every channel to meet customers where they are, while also reducing costs.
- **Provide personalized interactions and journeys** that build customer satisfaction, trust, and loyalty.
- **Offer proactive service** that eliminates customer effort while increasing revenue.

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"Shifting from reactive to proactive conversations is a game-changer, delivering nearly effortless experiences, reducing cost and increasing customer lifetime value."

— John Quaglietta, Senior Director Analyst, Gartner<sup>3</sup>



## Prioritize the agent experience

As you ramp up AI and automation throughout your customers' journeys, you'll need to prepare your agents for the new demands of their role. With automation resolving routine inquiries, agents must have the skills, tools, and real-time insights to take on more complex edge-case scenarios to adhere to compliance and improve sales with upsell/cross-sell recommendations.

Your contact center chat agents are your organization's frontline in fostering customer relationships, and AI empowers them to support customers quickly, effectively, and accurately. AI-powered agent tools can help accelerate agent training and ramp up, ensure agents follow compliance protocols, and increase sales with relevant upsell and cross-sell recommendations.

By empowering your agents to make the best decisions in each case, they can become trusted customer advocates and valuable assets to your brand.

## From cost of doing business to profit generator

It's important to hit short-term goals (and making small changes fast is certainly a priority), but it also pays to keep one eye on the long-term impact of your digital transformation investments.

By using conversational AI to offer personalized, proactive digital engagements, you can reduce costs while increasing sales and customer lifetime value, turning customer service from a cost center into a profit center.

"By 2025,

**40%**

of customer service organizations will become profit centers by becoming de facto leaders in digital customer engagement."

Gartner<sup>4</sup>

## Transform CX at every touchpoint with conversational AI

Modern enterprises have a broad range of touchpoints to communicate with their customers. But it's critical to engage in their channel of choice, and ensure that they can move seamlessly between any channels. The key to making this happen is conversational AI.

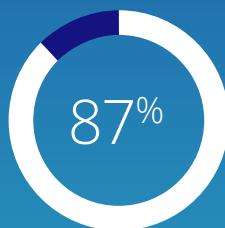
Conversational AI transforms the customer experience by predicting, interacting, and analyzing, using a balance of cognitive engines and human assistance. By taking an AI-first approach that combines automated and human-assisted service, you can drive customer loyalty, enable personalized and contextual engagements, and make predictions based on consumer behavior.

These AI capabilities can come into play throughout the customer service lifecycle, and can be used:

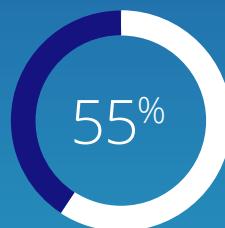
Before contact	At contact	During interaction	During transfer	During agent interaction	After contact
<ul style="list-style-type: none"> <li>➤ to predict customers' needs using data</li> </ul>	<ul style="list-style-type: none"> <li>➤ to deliver a personalized, contextual engagement</li> </ul>	<ul style="list-style-type: none"> <li>➤ to validate the user and collect even more information</li> </ul>	<ul style="list-style-type: none"> <li>➤ to ensure all the information is transferred to the new channel</li> </ul>	<ul style="list-style-type: none"> <li>➤ to provide the agent with relevant information and next best action suggestions</li> </ul>	<ul style="list-style-type: none"> <li>➤ to use insights to continuously optimize and to predict future customer intent</li> </ul>

# CX transformation in action

A major global telco combines our conversational IVR, live assist, and voice biometrics technologies to direct customers to over 400 destinations and identify them securely using just their voice. Customers get faster access to the service they need, whether it's a self-service option or a live agent, and agents have more time to spend on complex cases.



recognition  
of intents in  
the IVR



choose live assist  
and virtual assistant  
over voice



increase  
in customer  
satisfaction



The change we've seen moving from our legacy infrastructure to the new system has been huge. We're better equipped to handle our customers' problems, and we're now providing a more seamless contact experience."

Customer experience leader, major telecommunications company

## Customer engagement is a journey AND a destination

Let's look at an example of how this customer journey might look.

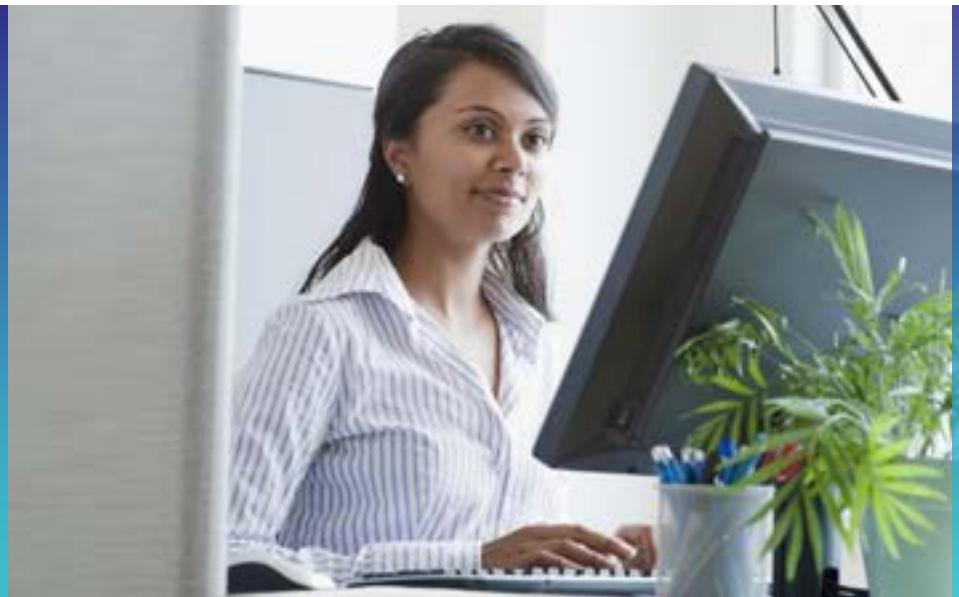
Meet Mark. While watching his favorite show, he sees an offer that gets his attention. Best Brands will enable many channels and devices for digital engagement to target, convert, onboard, collect, support and retain Mark as a happy, satisfied and loyal customer.



## Digital transformation CX: 5 steps for success

Deploying quick digital fixes to plug gaps in the customer experience can be relatively simple. But implementing widespread transformation across the entire omnichannel customer experience is a complex challenge. In general, it helps to think of your transformation journey in five steps.

- 1 **buy-in**
- 2 **culture**
- 3 **assessment**
- 4 **plan**
- 5 **agility**



### 1 The buy-in

In the past, getting board-level support for CX transformation projects could be a lengthy process. But after the experience of responding rapidly to the recent global disruption, business leaders have already bought into the value of digital transformation. They had to act fast, and now they've seen the positive results of those initial choices.

Today, getting senior leadership buy-in is about building on the existing appetite for digital transformation, so you can implement more strategic initiatives around conversational AI. It's about moving away from a short-term, quick-fix mindset and getting behind a long-term strategic vision.

If you can capitalize on recent digital successes to instill this new way of thinking at the top of your organization, you can create a team of senior champions who will generate buy-in throughout the business. Look for a group of leaders from across the organization who:

- Have a deep knowledge of the business and its digital culture
- Can embrace customer-centricity
- Have a collaborative mindset
- Aren't afraid to take risks

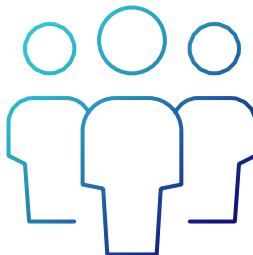


# 5 steps for success

2

## The culture

Of course, any digital transformation will have an impact on organizational culture. And when you're deploying new AI-powered capabilities to enhance the customer experience, it will certainly have an impact on the teams who deliver that experience today.



- The role of agents will change as more routine inquiries are automated. Agents will need new skills when they spend more of their time handling complex cases. They'll also need to work in harmony with their new AI co-workers, and maybe even use their expertise to help AI models.
- Designers and developers will need a new focus on customer-centricity, working alongside customers throughout the development lifecycle—from initial dialogue design to ongoing UX optimizations.
- Business leaders will need to accept that experimentation is the route to innovation, and encourage a risk-taking, test and learn approach in their teams.

3

## The assessment

With your organization on board, you're ready to get started. But a transformation only works if you know what you're transforming and what you have to work with.

So, you'll need to assess the current state of your customer experience program, including:



- The reasons why customers contact your organization, and their expectations for service
- What customer journeys look like in your organization
- How the customer experience flows between different engagement channels
- The data available to each channel and the extent to which it's shared across channels
- How your current engagement capabilities align with customer needs
- Performance, KPI results, and service costs for each channel

With your assessment complete, you can start to work out the gaps in your customer and agent experience, and identify your opportunities to innovate and transform.

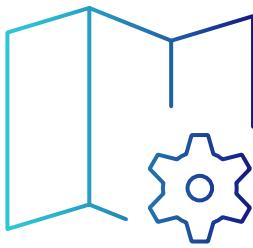
# 5 steps for success

## 4

### The plan

With opportunities identified and executive support behind you, you're ready to translate those opportunities into an actionable implementation plan.

But first, you'll need to answer some important questions to help you prioritize your transformation opportunities. That will give you a roadmap to follow—from quick wins to long-term goals—that maximizes the expected benefits for your customers and your organization.



To create your plan, review each opportunity and ask yourself:

- What customer journeys and experience gaps does it support?
- What customer expectations does it meet, and what benefits does it offer customers?
- What benefits does it bring to our organization?
- Is it a high-priority opportunity that must be deployed first?
- Is it dependent on other recommendations being deployed first?
- How complex is it to implement, and what's the expected cost?
- Are the right funding and staff resources available to support its deployment?
- What is our release schedule, and will it fit into it?

## 5

### The agility

No digital transformation ever ends—you must constantly focus on innovation and continuous improvement to keep up with (or better, keep ahead of) customer expectations.

A new culture of rapid experimentation, testing, and optimization must be supported by fast, flexible processes. As part of your plan, consider what platforms, tools, and training your teams will need to:



- Gain the agility to make fast changes to customer journeys
- Test new hypotheses quickly and cheaply, and pivot or scale at speed
- Anticipate emerging customer needs with predictive analytics
- Collaborate across IVR, contact center, digital, and IT teams

# Digital transformation success with Nuance

## Major US telco continually enhances the customer experience

One of the largest telcos in the US has been working with Nuance for more than 12 years to continuously improve its customer experience. To help it offer standout experiences, the company collaborated with Nuance to integrate its live chat platform with its other customer experience solutions.



**100%** outbound sales chat provided by Nuance agents



**50%** increase in customer satisfaction scores over three years



**38%** increase in conversion rate over three years

“Flexibility is the key to our relationship with Nuance. Integrating Nuance products with our existing platforms—and new platforms we adopt—has enabled us to offer our customers a unique service that can’t be found anywhere else.”

— Platforms & Operations team member, major US telco

[learn more](#)



## Providing real-time digital assistance to a growing number of online shoppers

As demand for online grocery shopping grew during the COVID-19 crisis, Albertsons—one of the largest food and drug retailers in the US—turned to Nuance’s virtual assistant and live chat solutions to help it support digital shoppers.

Now, Albertsons’ customers can get assistance throughout their shopping experience and real-time answers to inquiries such as how the delivery service works, item availability, online order tracking status, and store locations and hours.

“Our associates are fully committed to assisting our customers in the stores, and now we can extend that same Albertsons experience to our digital channels, ensuring our customers’ needs are met however they choose to shop.”

— Chris Rupp, EVP and Chief Customer and Digital Officer, Albertsons Companies

[learn more](#)

# Digital transformation success with Nuance

## Top utility company increases payments through automated customer interactions

Public Service Electric & Gas—New Jersey's oldest and largest publicly owned utility—needed to generate more payments at a lower cost by reaching more delinquent customers without adding to the workload in its contact center.

Now, the company uses Nuance solutions to send personalized, automated reminders and self-service payment options to past-due customers. It also works closely with Nuance to adjust its tactics to continually improve the results it achieves.



**\$5.3M - \$6.6M** increase in monthly revenue from a 6-9% increase in payment rates



**34%** lift in engagement due to script changes



**4.5%** monthly return on investment

"Nuance has a lot of best practices and we work really well together. We do analysis on our strategies and Nuance suggests minor tweaks that make a big difference."

— Christy Barone, Strategic Analyst Credit Collections Team, Public Service Electric & Gas

[learn more](#)

## Virginia Credit Union improves the member experience and agent satisfaction

Virginia Credit Union uses Nuance voice biometrics technologies to remove the need for PINs, passwords, and other forms of knowledge-based authentication (KBA). It now offers members frictionless authentication, significantly reducing average handle time (AHT) and improving agent satisfaction too.



**6 seconds** time to authenticate



**4 full-time employees**  
productivity improvements equal to four extra fulltime employees



**84 seconds** faster authentication compared to KBA

"With Nuance voice biometrics, we've reduced AHT dramatically, but it's about more than just time and cost savings. We've made authentication stress-free for members and agents, all while strengthening fraud protection for members and our credit union."

— Paul Hendricks, Chief Information Officer, Virginia Credit Union

[learn more](#)

# Proven results for your digital transformation

- Improved contact center efficiency
- Reduced costs

- Increased customer satisfaction
- Delivered high first contact resolution



## Let's get started.

If you're ready to push forward with your digital transformation, and create experiences that deliver more value for your customers and your business, we should talk. **Get in touch at [cxexperts@nuance.com](mailto:cxexperts@nuance.com).**

### FOOTNOTES:

1 <https://go.forrester.com/blogs/digital-business-predictions-2021/>

2 <https://go.forrester.com/blogs/customer-service-predictions-2021/>

3 <https://www.gartner.com/smarterwithgartner/how-proactive-customer-service-will-transform-customer-experience/>

4 <https://www.gartner.com/smarterwithgartner/top-customer-service-and-support-predictions-for-2021-and-beyond/>



### About Nuance Communications, Inc.

Nuance Communications (Nuance) is a technology pioneer with market leadership in conversational AI and ambient intelligence. A full-service partner trusted by 77 percent of U.S. hospitals and 85 percent of the Fortune 100 companies worldwide, Nuance creates intuitive solutions that amplify people's ability to help others.