

Getting the most from your IVR

A three-step best practices guide to ensuring the highest ROI from voice self-service systems in tough economic times

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Executive Summary

In a challenging economic climate, customer loyalty separates the winners from the losers. As a result, businesses should demand more from the system that greets every customer call: the interactive voice response (IVR) system. Improving the caller experience in your IVR system is a highly visible and high-impact way to differentiate your company through great service.

This white paper provides a simple three-step approach to getting the most out of your IVR investment. In many cases, this simple evaluation can help identify cost avoidance opportunities while increasing customer loyalty, without additional investments.

This framework recommends a single quantitative metric – task completion rate – to easily illuminate the Return on Investment (ROI) associated with changes to your IVR. Executives and managers alike can quickly understand whether the current IVR maximizes caller success and identify IVR improvements which minimize the resources needed to achieve caller success.

“ Rather than be swayed by the technical metrics of individual components in your system, consider your IVR investments with this question:

How will this affect my task completion performance? ”



1. Set clear goals for your IVR investment

The unmet potential of IVR

Many businesses miss out on millions of dollars in potential cost savings because they limit their IVR use to strict routing logic. Properly deployed, an IVR can enable callers to accomplish self-service tasks in a consistent, satisfying manner that is highly cost-effective for the business. Using thoughtful design, good IVR applications reinforce the brand and contribute to a unified cross-channel experience.

Successful IVR strategies

Without a clear goal, many companies let their IVRs stagnate, which ends up eroding customer satisfaction. Businesses who implement automated voice systems typically achieve success by aiming for one of three goals:

Maximize cost savings

Self-service tasks cost a business pennies compared to dollars with agent-assisted tasks. Multiplied across millions of calls a year, the clear ROI makes IVR a compelling investment. Rather than striving for maximum automation by making live agents less accessible, companies achieve the highest cost savings by optimizing the system for caller success.

Provide great customer experience

With a well-designed IVR, customers gain fast access to the right information when completing regular transactions and they spend less time on hold. Companies invest in IVRs to provide a consistent, positive customer experience for these tasks.

Differentiate with a unique, positive brand experience

Companies that lead their industries in tough economic times understand the importance of great customer service to foster customer loyalty that buffers against competitive pressures. The IVR is one way a company can provide successful experiences to its customers that, combined with a positive experience in other interaction channels with the product or service, can add up to brand preference in the customer's mind.

What is your business goal for implementing an automated voice system?

2. Measure performance with task completion rate

Most companies track their IVR performance by automation rate. Managers who want to improve their automation rate need to look one level deeper. A successfully automated call is made up of one or more completed tasks. Tracking task completion rates within an IVR menu can reveal clear performance improvement opportunities.

Task completion rate: The one metric that matters

The moment of truth for an IVR is whether or not a customer can accomplish his intended task. For example, if a caller wants to check on the flight status for an



upcoming airline reservation, he should be able to do get the status information quickly. If there are too many steps in the way, the caller will give up and opt out to an agent. Even if the intended task is to speak with a live agent, the caller should be able to do that efficiently, not after becoming frustrated. For companies receiving tens or hundreds of thousands of calls a day, a scalable metric must be used to understand whether callers are accomplishing their intended tasks. To analyze the rate of caller success against a large number of calls, it's best to use the task completion rate metric.

Every point counts

Companies with large call volumes will notice dramatic shifts in cost savings and caller satisfaction as a result of small movements in the task completion rates. These companies often manage to within one-tenth of one percent (0.1%) in change to automation rates. Whether your IVR strategy is economic, customer-centric, competitive, or all of the above, task completion rates are a strong leading indicator of the phone channel's impact on all three.

For IVRs that focus primarily on *call containment*, higher task completion rates mean more calls served without a live agent. The increased success of self-service tasks reduces loads on agent queues and can yield a more efficient contact center workforce. Furthermore, agents receive fewer callers frustrated by poor IVR performance, allowing the agents to spend more time providing high-value services to customers. For companies with millions of annual customer calls, every point in task completion improvement can yield millions of dollars in savings.

IVRs that focus on improving *caller satisfaction* will also see an improvement in caller satisfaction as self-service success improves. Increased task completion rates mean that callers are accomplishing routine tasks quickly and consistently, building trust in the automated service and your brand.

Industry leaders understand the importance of great customer service to *attract and retain customers*, especially in recessionary times when unsatisfied customers are more likely to switch to a competitor. Task completion success is an important contributor to the caller's perception of service quality.

When is 2% greater than 25%?

When it comes to IVR performance, a little goes a long way. Recent enhancements on the Tellme platform have contributed to a 2 percentage point improvement in task completion rates, which can mean \$4 million in annual cost savings for typical Tellme customers.

Other speech technologies boast about large percentage improvements in various technical metrics, but those improvements may not improve your IVR performance. For example, a 25% improvement in word error rate (WER) on a recognition engine doesn't necessarily make any appreciable impact on task completion rates. In this case, a 2% improvement in task completion rate yields much higher ROI than a 25% increase in a technical metric.

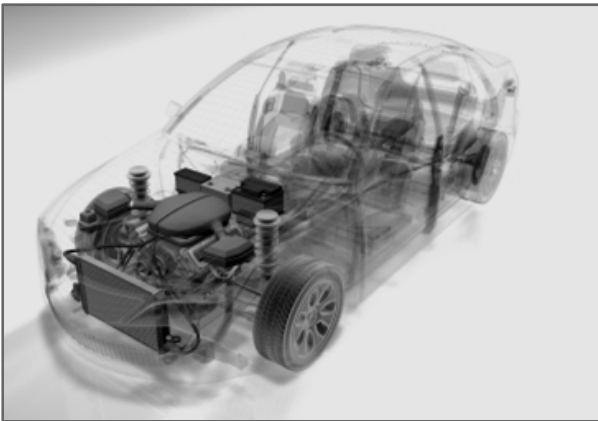
When evaluating IVR systems, remember to focus on the metric that *really* matters: task completion rate.



How to increase task completion rates: A formula for performance

Many factors contribute to successful task completions. When seeking performance improvements in the IVR, companies can make changes in several areas that contribute to success: voice user interface (VUI) design, speech grammars, audio quality, speech recognition technology, network quality, personalization, and integration with other channels. However, extra investments in the wrong area may not yield the desired performance impact. How can a company know what to change?

A car, like an IVR, is made up of many parts. Each part plays a role in the car's performance, but optimal performance is achieved when an expert understands how each part interacts with the others and can select the best mixture of quality parts to achieve the greatest performance for the lowest cost. The result is not just the sum of many parts, but is a carefully optimized formula for the highest performance.



Vendors that specialize in tires would like you to believe that tires matter most to a car's performance; vendors that specialize in motor oil would like you to believe the same about oil. The same holds true in IVR platforms; individual component vendors that specialize in speech recognition engines will try to confuse recognition performance directly with overall IVR performance, and vendors that have bought large amounts of capacity will talk to you primarily about scalability.

Rather than be swayed by the individual technical metrics of each component, it is best to frame every IVR upgrade decision in these terms: How will this affect my task completion performance? The more evidence an investment can demonstrate for improving task completion, the more certain you can be about that investment's ROI.

Consider the complete formula You wouldn't select a car just based on its transmission; don't pick an IVR just based on its underlying recognition engine

3. Choose IVR investments based on performance

The task completion metric can dramatically simplify your IVR investment decision process. By focusing on performance, IVR system comparison boils down to proven performance history.

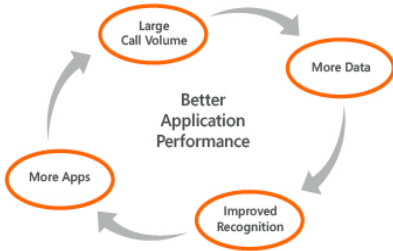
Performance-based IVR selection criteria

Consider features in the IVR system at two stages of IVR maturity: initial design (or re-design), and ongoing optimization:

1. **Do features on the IVR system enable the application designer to vastly improve the application design?** Examples of design-enabling features are personalization frameworks, natural language support, experience management portals, and audio synthesis technology.
2. **After the initial redesign, does the IVR system provide continual refinement to improve year-over-year performance?** A key

Data is king

Tellme's collected corpus of utterances is an order of magnitude larger than any other speech service in the world.



This growing set of data allows us to improve our speech recognition based on actual speaking characteristics from a wide variety of callers.

consideration when comparing solutions is to check whether each option leverages shared tuning data to improve the platform performance for everyone. Most IVR options limit tuning to your own call data or just a few customers in a hosted data center, which limits performance improvement potential and can be a major pain when component vendors change pieces of your IVR mix.

Pick platforms optimized for performance

Consider the car analogy in Step 2. Some companies buy all the parts separately and build their own car; this is analogous to assembling an on-premise system. Just as building one's own car may not yield the best performance or cost-efficiency, building one's own IVR can lead to technology choices that become obsolete or do not integrate well with one another. Before open standards became widely adopted for IVRs, many companies bought proprietary technologies and have had to deal with painful migrations during IVR upgrades.

To get the best-performing IVR, it's best to choose an IVR platform that is designed, implemented, and maintained by experts. Just as most people buy respected car brands to get the performance, luxury, safety, or efficiency they want instead of becoming automotive experts themselves, you can select an IVR platform provider based on their performance track record without distracting internal resources from your company's core competencies.

Conclusion

Tellme's recommendation for assessing IVR performance includes three steps:

1. **Identify a strategy based on your IVR's potential.** Strategies can be economic, such as cost avoidance; customer-centric, such as caller satisfaction; or competitive, such as brand alignment across all customer contact channels.
2. **Measure task completion rate.** Focus on caller success, which is the key to all three types of IVR goals listed in Step 1. The best caller success metric used in IVR analysis is Task Completion Rate.
3. **Choose IVR investments based on performance.** Now that you can focus on a single performance metric, you can truly compare solutions that achieve your IVR performance goals.



Related Resources

Several factors can affect whether a premise-based system, hosted service, or on-demand platform is best for you. The white paper "Selecting an IVR Deployment Model" provides five questions to help discern which model matches your needs:

1. What is the strategic value of the self-service channel, and how does each platform support the goals of the business?
2. What is the capacity profile of the application, and what are the requirements for reliability and availability?
3. How will the platform protect and extend the investments I have already made?
4. How future-proof is the solution? What feature enhancements and technology upgrades are anticipated?
5. What is the total cost of ownership for the different platform options?

For a full explanation of these considerations, download the white paper from the Resource Center at www.tellme.com/spring09.

About Tellme

Tellme is the world's largest VoiceXML platform, processing over 2 billion calls per year for small businesses and Fortune 100 companies alike. To deliver this world-class service, Tellme builds and maintains an award-winning platform that encompasses the following features:

- **Tellme's Network:** Tellme's Network encompasses carrier-grade TDM and VoIP telephony infrastructure to support your voice traffic, as well as a highly reliable web infrastructure to support data transactions.
- **Call Processing Services:** Once callers connect to Tellme and begin using a voice application, they interact with VoiceXML and voice recognition services that provide the best possible caller experience. Tellme is a leader in VoiceXML technology, wedding it to a variety of voice recognition solutions from leading providers in the field.
- **Caller Experience Solutions:** In addition to providing an ultra-reliable network and bleeding-edge call processing services, Tellme offers solutions to enhance your voice application that enrich the caller experience, ease voice application management, and leverage opportunities for further business growth.
- **Application Management Solutions:** Tellme offers a variety of tools to ease voice application management. Tellme helps you accomplish tasks such as: building and testing voice applications with Tellme Studio, changing your voice application via the telephone with Tellme Experience Manager, recording calls for tuning purposes with Tellme Whole Call Recording, analyzing call patterns with the Tellme Extranet, and much more.

For more information, visit <http://www.tellme.com/business>.

