

A woman with brown hair tied back, wearing a yellow button-down shirt under a black blazer, is looking down at a light blue tablet computer. She is holding the tablet with her left hand and has her right hand near the screen. The background is a blurred city street at night with bokeh lights.

# A Quick Guide to Modernizing Customer Service

Go Above and Beyond Customer Relationship Management (CRM)

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Forrester survey,

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Only

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### It's time to go beyond customer relationship management (CRM)

Businesses have adopted CRM systems to capture customer contact information, track customer issues, and nurture customer relationships. However, it's not a panacea.

Despite massive investments in CRM systems, organizations continue to struggle with customer service. According to a survey conducted by Forrester Research, 80 percent of businesses believe they deliver a superior customer experience. However, only 8 percent of their customers agree.<sup>1</sup> Clearly, there is enormous potential for companies to deliver a better service experience.

It's time to consider a more holistic approach to customer service management, one that extends beyond today's CRM and customer support systems. Rather than just focusing on managing contacts and tracking issues, modern customer service management should connect the entire organization to address the root causes of problems, deliver effortless service, and enable proactive improvements, so teams can anticipate problems before they occur.

This paper explores how to redefine the fundamentals of customer service by bringing together people, workflows, and systems to proactively resolve issues and optimize the service experience.

### Customer service is hard to get right

Improving customer service is among the top priorities for most businesses, and for good reason. Studies show that a 5 percent increase in customer loyalty can increase profits by up to 95 percent.<sup>2</sup> And acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one.<sup>3</sup>

Yet, despite the obvious financial rewards from delivering a superior customer service experience, most businesses aren't doing it. In fact, most customer service functions struggle with:

- **Inefficiencies.** Customers are inconvenienced by having to call and wait for responses from the service department and frequently have no options that can help them resolve issues themselves. According to a Harris Interactive survey, 75 percent of customers believe it takes too long to reach a live agent.<sup>4</sup> At the same time, agents spend hours each week grappling with cumbersome, manual service processes.
- **Poor service quality.** Often, customer service agents do not effectively address customers' questions or solve their problems. In fact, data indicates that agents fail to answer customers' questions up to 50 percent of the time.<sup>5</sup> While the speed at which service is delivered is important, organizations have not really invested in processes and systems that can effectively resolve the root causes of issues.
- **Reactive focus.** Customer service teams spend most of their time reacting to customer problems. This leaves them with little time to focus on strategic new services and transformational work. When customer service cannot be proactive, companies miss opportunities to generate more revenue and drive continuous business improvements.

<sup>1</sup> Forrester Research, The Consumer Experience Index.

<sup>2</sup> The Value of Keeping the Right Customer, Harvard Business Review, October 2014.

<sup>3</sup> Ibid.

<sup>4</sup> Harris Interactive.

<sup>5</sup> Ibid.



## Managers' top goals for customer service

ServiceNow commissioned Intergam Research to survey customer service executives at 200 companies with at least 500 employees. When asked to name their top customer goals, they said:

"Become **more efficient**"

91%

"Improve **customer satisfaction**"

95%

"Make customer service a **strategic asset**"

85%

## The limitations of CRM

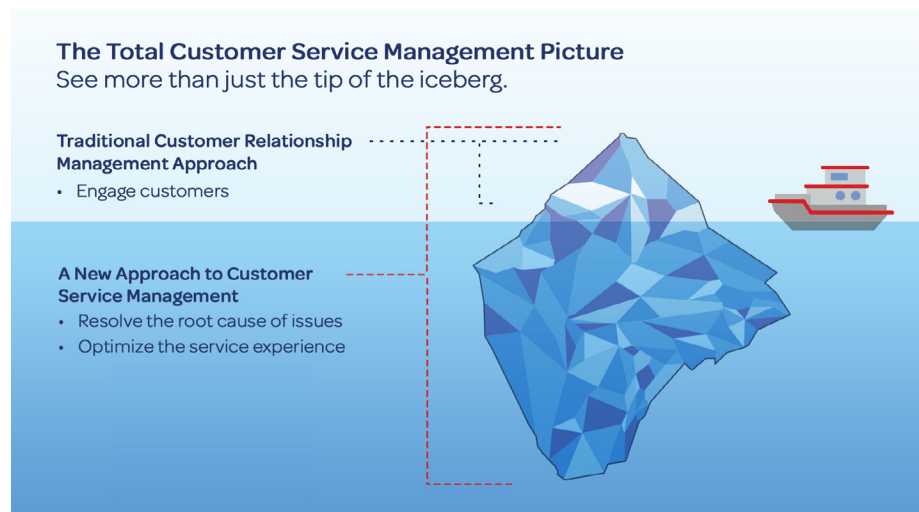
Traditional CRM and customer service systems have limitations. They were not designed to proactively identify and remedy the root causes of customer dissatisfaction. As a result, the same problems surface repeatedly, which increases the number of frustrated customers and overwhelmed agents. Using a CRM system to deliver service is like trying to bail water out of a leaky boat. You can keep removing the water, but it will continue to fill up, faster and faster over time, until you find and plug the holes.

Trying to counter growing ticket volumes by adding more agents is expensive and not sustainable. Already, labor costs make up most of a customer service organization's costs. That's why companies should move beyond CRM and invest in new service strategies that help remedy the underlying causes of customer dissatisfaction.

## A new approach to customer service

Where CRM manages individual customer interactions, modern customer service management looks at customer service holistically. It connects teams, systems, and workflows across your organization so your people can diagnose problems and fix the underlying issues. It also automates common requests and enables support through email, phone, social media, and chat so customers can help themselves when and how they want. With flexible workflow technologies, agents spend less time working around manual, inefficient processes.

Modern customer service management isn't a new and faster way to pump water out of a leaky boat. Instead, it helps you find the leaks and see the icebergs in your path, so you stay afloat with much less effort. As a result, customer service can operate efficiently and effectively.



*Consider an approach to customer service management that helps expose what lies beneath the surface.*

Modern customer service should enable customers to engage when and how they want.

#### A checklist for modernizing customer service

This checklist can help you gauge where you are on your journey to delivering a superior customer service experience. Your customer service organization should be able to:

- ✓ **Provide an effortless customer experience.** Customers should be able to engage when and how they want, and you should be able to provide self-service by automating recurring service requests such as password resets or address changes.
- ✓ **Make customer service a “team sport.”** Your entire organization—not just the service department—should be involved in customer service case management and resolution.
- ✓ **Find the root cause of issues and fix them fast.** Your customer service teams should be able to identify, diagnose, and resolve the root cause of issues by working seamlessly with engineering, operations, finance, and other departments.
- ✓ **Capitalize on IoT and new technology.** Your customer service management system should take advantage of the Internet of Things (IoT) to provide real-time visibility into customer systems—such as servers, devices, applications or hardware—to identify potential problems before customers do.
- ✓ **Deliver an end-to-end customer experience.** Your customer service management system should integrate front- and back-end processes across customer service, field service, problem and change management, asset management, and portfolio and project management.
- ✓ **Proactively identify opportunities and issues.** Your customer service management system should support strategic work, such as developing new services and continuously improving existing ones by leveraging advanced analytics, alerts, and notifications on usage, system activities, and performance.



“More than support, we’re focused on providing the right set of services to our customers to enable them to grow their business. A service management approach ... made more sense than traditional CRM to engage our customers’ business holistically.”

—Chris Orr  
VP, Support Strategy, Epicor

By modernizing customer service, you can close the gap between how you rate your customer service and what your customers really think.

#### How you benefit

By modernizing your customer service function and the systems that manage it, you can help your business:

- **Deliver effortless service (for customers and agents).** Self-service and omni-channel case management lets your customers help themselves when and how they want. Automated service workflows and intelligent recommendations mean service agents can be assigned quicker, respond faster, and solve problems in less time.
- **Connect engagement to issue resolution.** When you connect teams, workflows and systems, you can fix the real causes of customer dissatisfaction. Root cause analysis and resolution paired with advancements in technology such as IoT results in better service quality and effectiveness and higher customer satisfaction, NPS, or CSAT.
- **Be proactive.** Operational monitoring, event management, and trend analysis can help you prevent service calls before they happen. They can also help customer service teams shift their focus from reactive operational activities to strategic, revenue-generating opportunities.

#### Changing the way you deliver customer service

We believe the future of customer service lies beyond CRM. In a modern customer service organization, customer service teams will fix problems for many customers at once, instead of chasing issues one at a time. They will respond faster to concerns and move beyond operational demands to deliver proactive strategies that drive business growth.

This new approach to customer service can help you close the gap between how you rate your customer service and what your customers really think. If you're interested in learning more about reinventing customer service, we invite you to visit our [website](#).

#### About ServiceNow

ServiceNow is changing the way people work. With a service-orientation toward the activities, tasks, and processes that make up day-to-day work life, we help the modern enterprise operate faster and be more scalable than ever before. Customers use our service model to define, structure, and automate the flow of work, removing dependencies on email and spreadsheets to transform the delivery and management of services for the enterprise. ServiceNow provides service management for every department in the enterprise including IT, customer service, human resources, facilities, field service and more. We deliver a 'lights-out, light-speed' experience through our enterprise cloud—built to manage everything as a service.