

Medallia

Total Economic Impact™ Study: The ROI of Empowered Contact Center Teams

November 10, 2022



Today's Speakers



Christina McAllister

Senior Analyst at
Forrester



Sean Owens

Principal TEI
Consultant at
Forrester Research



Victoria Harrell

Senior Manager of
Product Marketing,
Contact Center Suite

Managing Contact Centers Post Pandemic



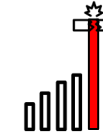
50%

Of workforce wants to remain
remote employees



> 50-70%

YOY **decrease in FTEs**



300% - 800%

**Call volume increase in
enterprise contact center¹**



Work from
Home

Return to
Work

Gig Economy

Vulnerable
Customers

Managing
Surge

68%

Increase in escalations

34%

Increase in hold times

50%

Increase in difficult calls



MEET

Medallia

AGENT CONNECT

20+ YEARS OF CONTACT CENTER EXPERIENCE

Today over 600 Contact Centers Rely on Medallia



One unified solution for your customer service needs



Real-Time Feedback

Stella Connect

Mariana's Feedback Stream

★★★★★

★★★★★

Someone needs to give Mariana a raise. 5 stars!!

★★★★★



Coaching & 1:1s

Stella Connect

New 1:1 Meeting Note

Title

Mariana's Monthly Check-in

Notes

You crushed it last month with your empathy! You have also been doing a great job on your chat interactions. Way ahead of the company average!

Give Kudos

Keep up the great work Mariana! 🏆

Actions (2)

✓ Acknowledge the customer issue before responding



Quality Assurance

Add Annotation

The sizing chart for any item can be found on it's product page

It's great that Emma clarified the sizing chart location! This comes up a lot (needs to be fixed on our site) and is crucial for correctly processing returns / exchanges.

Save Annotation

Rewards & Recognition



You're on fire! 🔥 Keep it up!

Celebrate

Medallia Agent Connect

A comprehensive frontline engagement and quality management solution



Reduce Contact Center Costs

14% reduction in customer support calls in the first month resulting in significant cost savings



Drive Service Recovery

Williams-Sonoma achieved a 4x's higher CSAT by optimizing QA and service recovery workflows



Improve Customer Satisfaction

The BLK TUX increased their CSAT score by 12% through improving experiences



Reduce Agent Attrition

ESPN reduced attrition to 8% with a feedback driven culture and implementing rewards & recognition

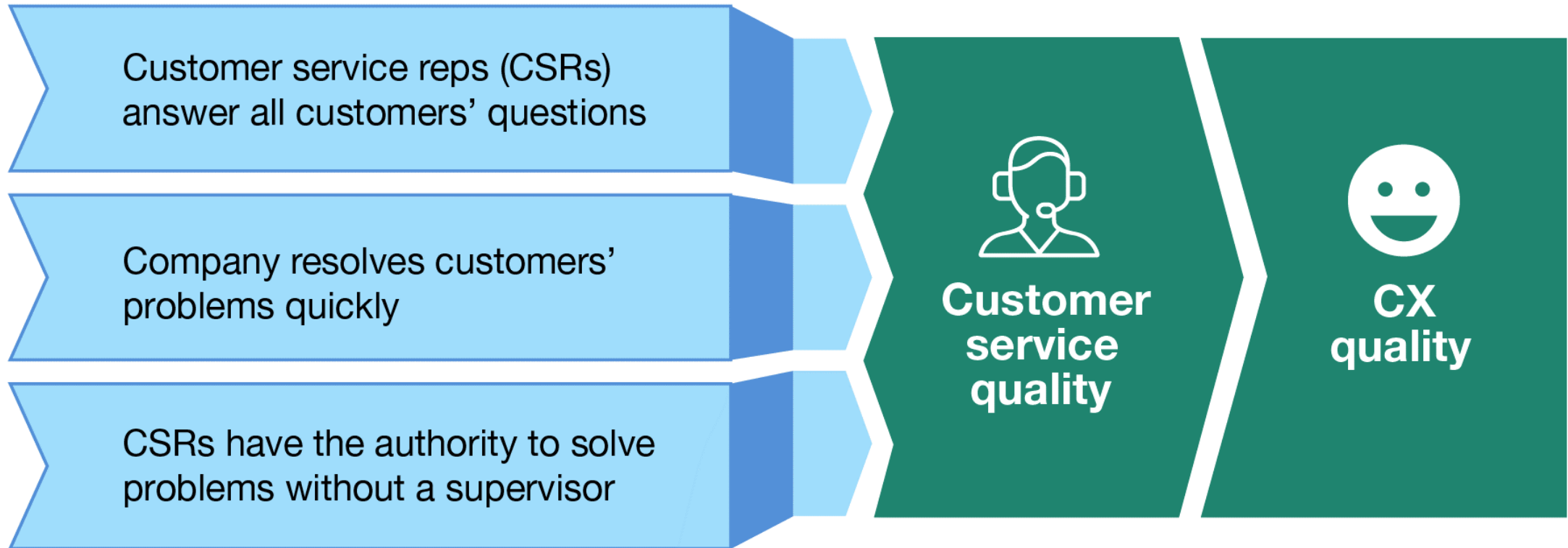


State of Contact Centers

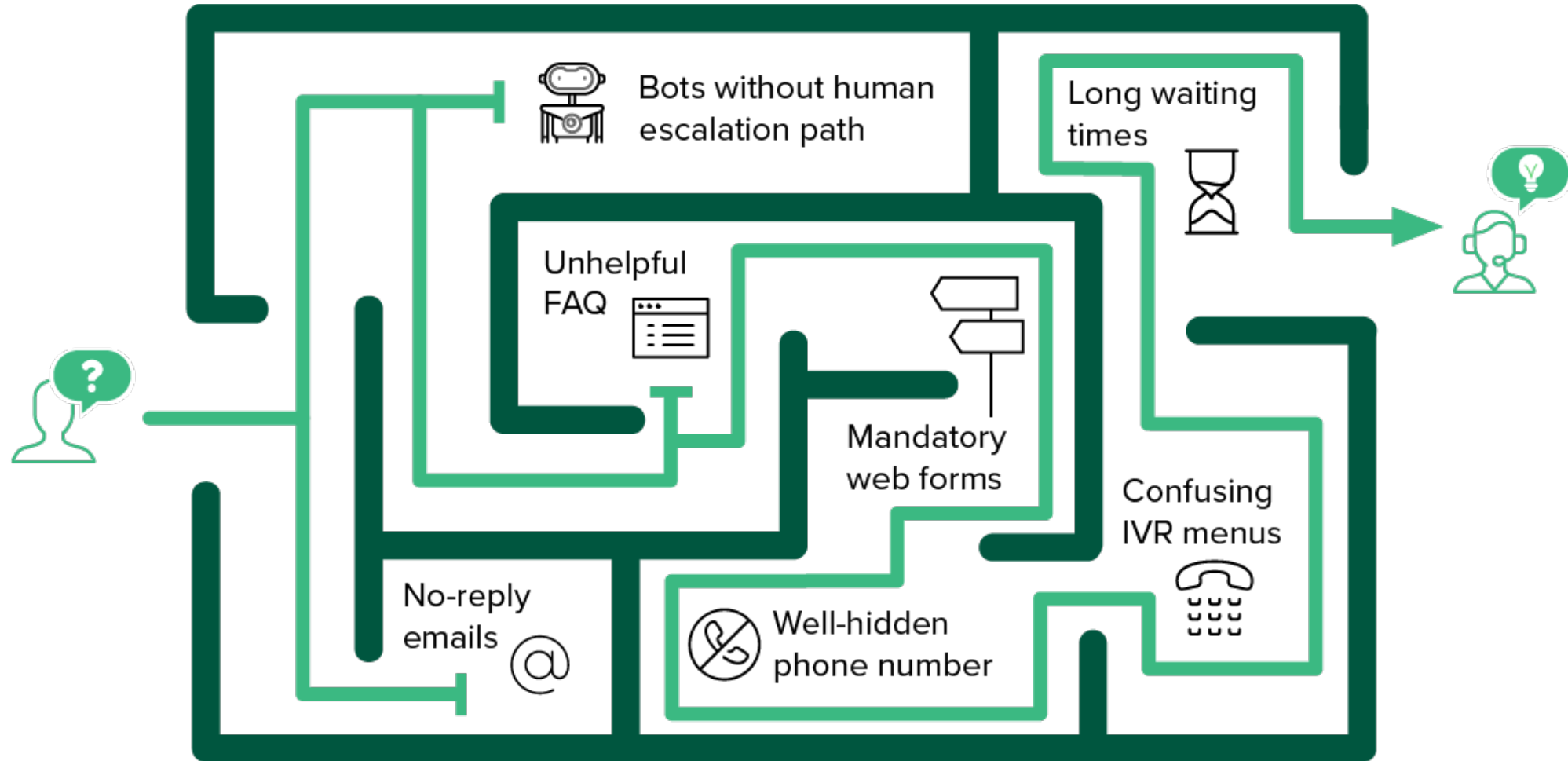
Christina McAllister
Senior Analyst at Forrester



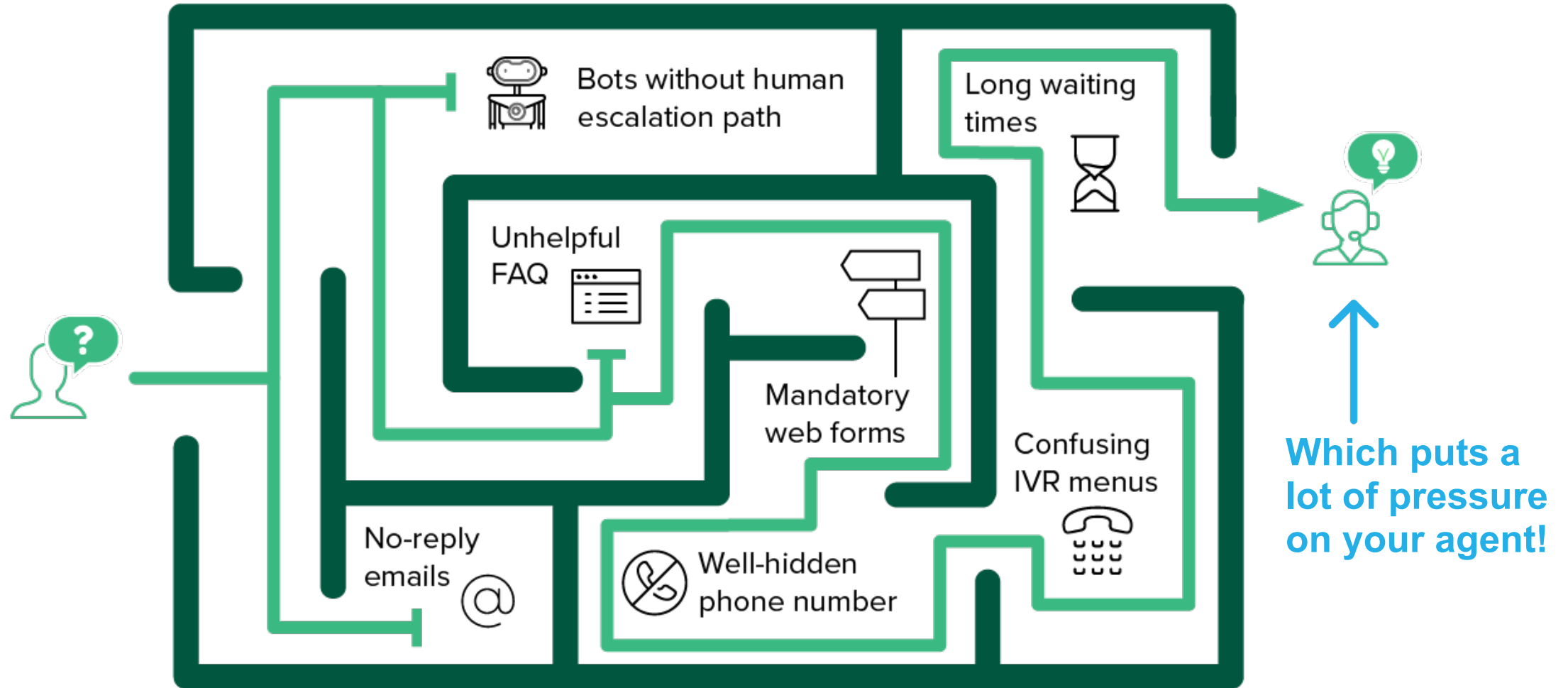
The agent-customer touchpoint has a major impact on CX quality



Today, many customer journeys look something like this...



Today, many customer journeys look something like this...



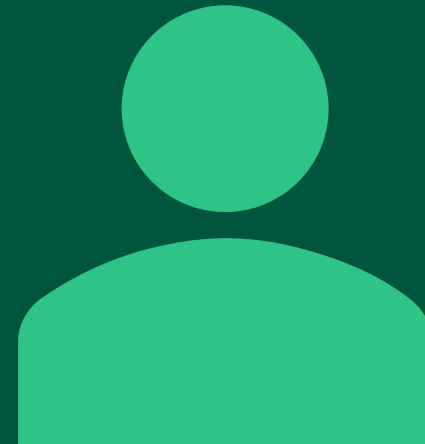
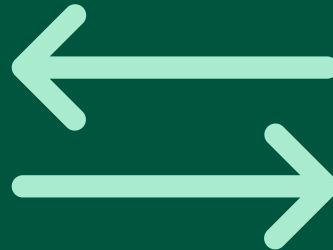


High turnover =
constant novices

WFH, outsourcing, &
gig CX create a
complex training
environment



Business needs often
outweigh agent
experience

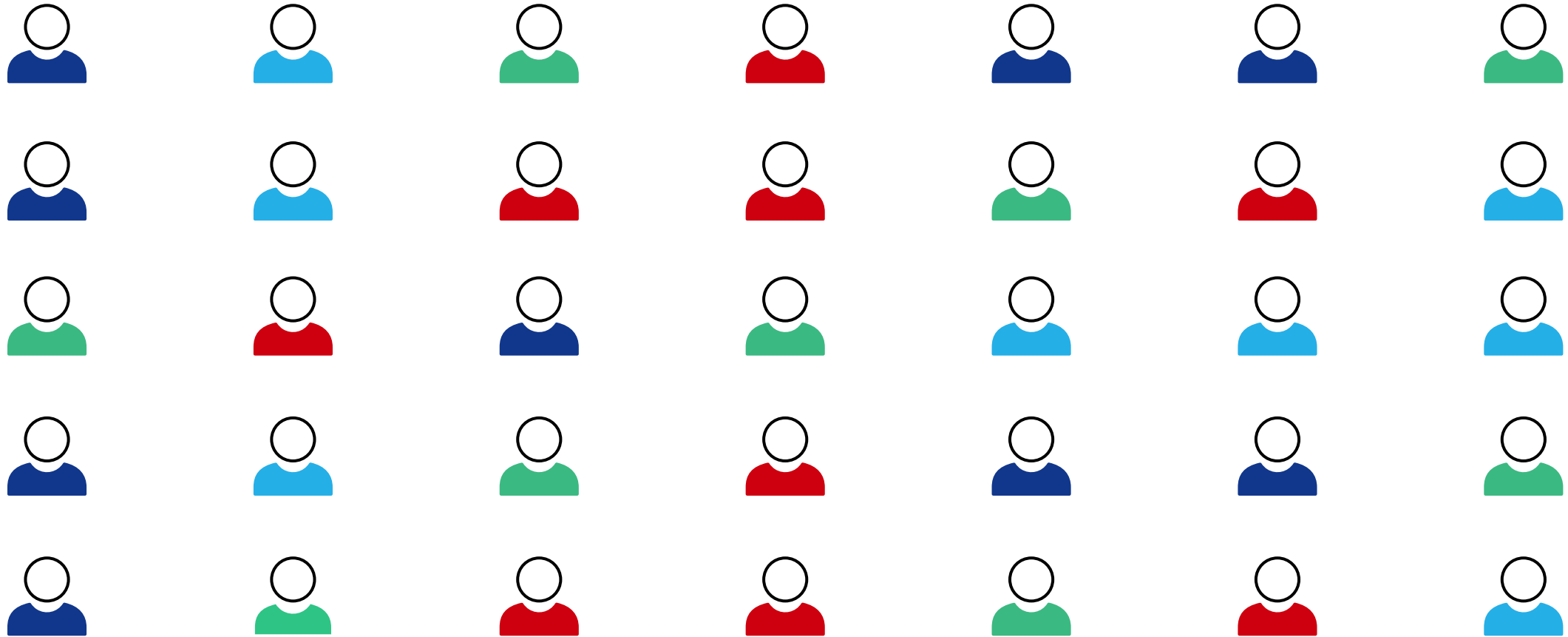


What will do the most to reshape (and improve) your CX capability in the next 12 months?



1	Employee enablement (technical skills and training)
2	Employee enhancement (e.g. knowledge and navigation tools)
3	Service personalization
4	Analytics (incl. data management and visualization)
5	Proactive CX
6	Systems integration (i.e. connected customer journeys)
7	Migration to digital-led solutions
8	Evolving technology architectures (e.g. hybrid cloud, PaaS, IaaS, etc.)
9	Other emerging technologies (e.g. IoT, 5G, Edge computing, Blockchain, etc.)
10	AI solutions (incl. machine learning)

Lots of Agents. Lots of Opportunities.



20%

Quality Assurance is (over)due for transformation





Win vs Loss

Total performance

Coach guidance



Many agent performance programs:

- Over-index on operational metrics
- Rely on random call sampling
- Provide feedback ~1-2 weeks post-call

Enterprises should evolve the Quality paradigm to enable meaningful coaching moments.





Enterprises should evolve the Quality paradigm to enable meaningful coaching moments.

- ✓ 100% call visibility
- ✓ Ability to tie agent performance to *CX outcomes*
- ✓ In-the-moment coaching
- ✓ Provides agents transparency & visibility into levers of improvement

Customer Service in 2022



Companies are future-proofing their customer service stacks.



Activation of unstructured “dark” data is driving CX and EX orchestration.



Initiatives to humanize the contact center are front and center.

Customer Service in 2022



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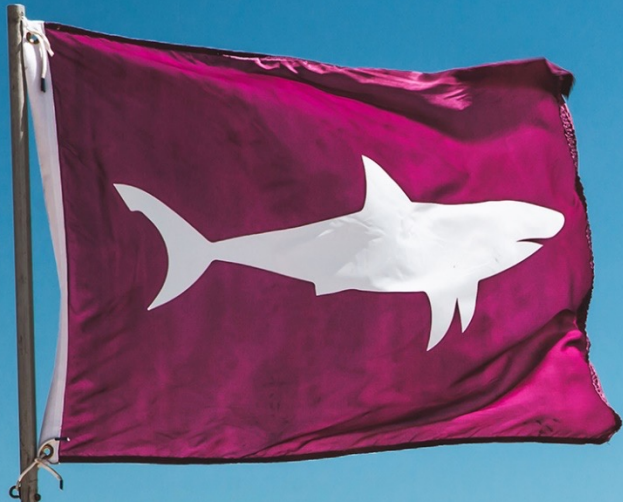


Activation of unstructured “dark” data is driving CX and EX orchestration.



Initiatives to humanize the contact center are front and center.

**Customer Service doesn't
generate its own demand.**



**But with the right tools,
customer service can
flag important issues
for other departments**



Spike in negative sentiment calls about plan pricing

Looks like SuperTelco launched a new plan that is \$10 cheaper per month



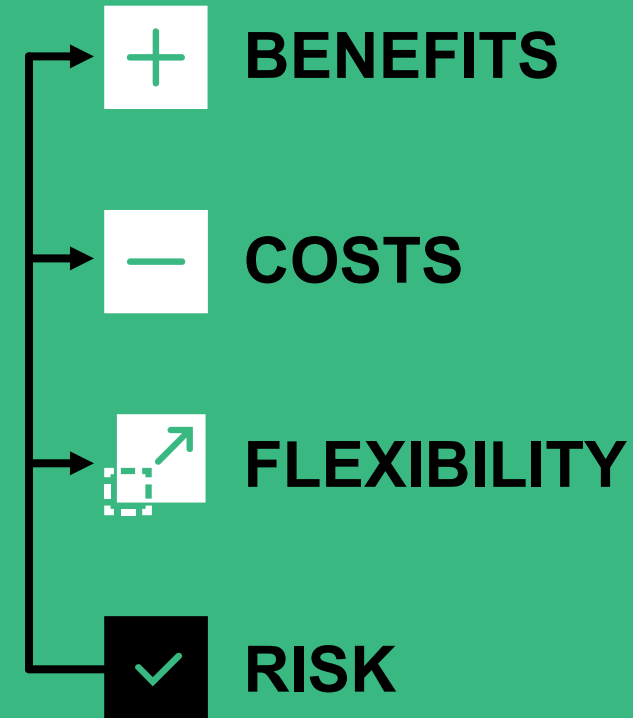
The Total Economic Impact of Medallia Agent Connect

Sean Owens

Principal TEI Consultant at Forrester Research

TEI™ is a proven,
consistent, repeatable
methodology to
justify technology
investments

TOTAL ECONOMIC IMPACT



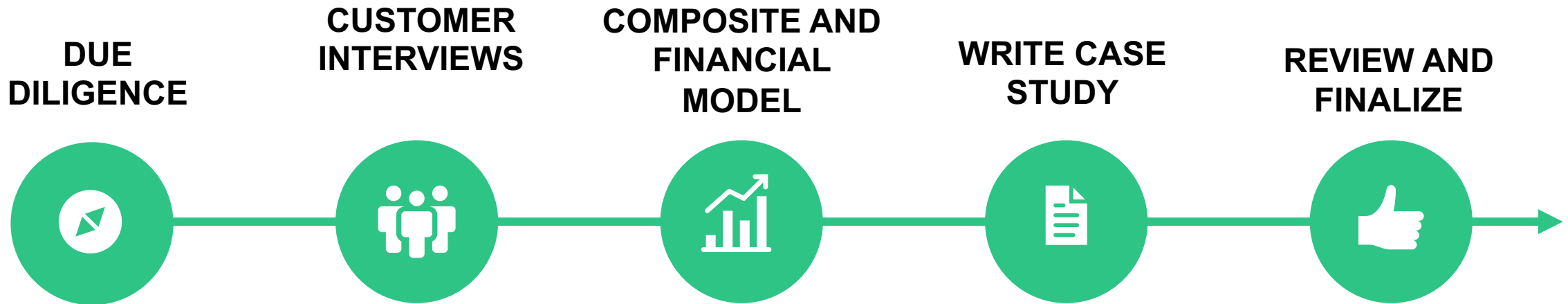
Disclosures

The audience should be aware of the following:

- This document is an abridged webinar version of a full case study.
- For a full explanation of methodology and details on model calculations, please refer to the full case study (The Total Economic Impact of Medallia Agent Connect, September 2022)
- The study is commissioned by Medallia and delivered by the Forrester Consulting group.
- Forrester makes no assumptions as to the potential return on investment that other organizations will receive. Forrester strongly advises that readers should use their own estimates within the framework provided in the study to determine the appropriateness of an investment in Medallia.
- Medallia reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.
- The customer names for the interviews were provided by Medallia.
- Forrester does not endorse Medallia.

Project approach

Forrester took a multistep approach to evaluate the impact of Medallia Agent Connect



Forrester interviewed 4 users of Agent Connect

Director of customer experience	E-commerce	North America	15 agents \$25M revenue
Sr. director of CS operations	Publishing	Global	200 to 350 agents based on seasonality \$1.9B revenue
Sr. manager of workforce quality	Retail	Global	350 to 650 agents based on seasonality \$1.6B revenue
Director of performance management	Hospitality	Global	1,000 to 1,500 agents based on seasonality \$1.1B revenue

Creating a business case for Agent Connect

Forrester created a composite organization to convey the aggregate financial analysis - “before” state

AGENTS

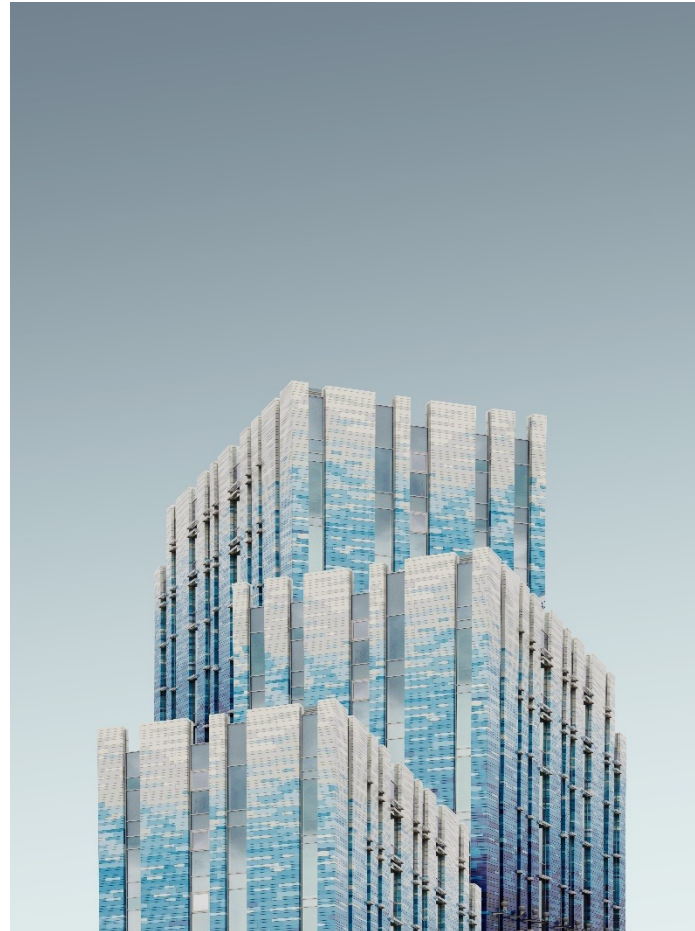
400

QA SUPERVISORS

25

AGENT ATTRITION

50%



NEW AGENT HIRES/YR

200

NEW AGENT ATTRITION

18%

Customer journey

The interviewees shared experiences from before and after their Medallia investment

BEFORE STATE

- No standard agent feedback or QA processes
- Manual scorecards and spreadsheets developed and updated ad hoc
- To measure satisfaction, had to audit all calls

PAIN POINTS

- Inefficient QA
- Limited agent visibility
- Lack of standard metrics

WHY AGENT CONNECT?

- Central platform to collect contact center interaction, feedback, and metrics
- Standardize QA
- Integrate with CRM and other systems

“[Agent Connect] provides us insights regarding what to focus on, the validation of what is working, and the opportunities to meet evolving trends in customer needs.”

— Director of performance management, hospitality

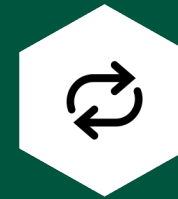
Three-year risk-adjusted benefits

Based on interviews with current customer organizations, four quantified benefits of Medallia Agent Connect are summarized for the composite

- Avoided reporting time and business analyst costs
- Reduced QA supervisor needs
- Reduced agent attrition
- Improved new agent ramp efficiency

Three-year impact

Based on an analysis of Agent Connect customer feedback and quantified benefit, cost, risk, and flexibility factors.



ROI
325%



BENEFITS
\$2.4M




NPV
\$1.8M

“Our analysis used to be fundamentally limited to singular interactions and snapshots of performance. We tried to add it up, but it was impossible to get these from a spreadsheet to upload it to a database.”

— Sr. director of customer service ops, publishing

 **One-half less FTE**
needed to create QA and
survey reports, datasets, etc.

 Reports **created in
seconds** with Agent
Connect

 **Business Analysts** can
focus on their key work

Avoided Reporting Time And Business Analyst Costs

*“All the same data that I have
access to is now also available to
management, saving time on
reporting.”*

— Sr. director of CS operations, publishing

Avoided Reporting Time And Business Analyst Costs

Three-year risk-adjusted benefits, based on interviews with current customers, for a composite organization

Benefits (Three-Year)

Avoided costs of creating
engagement data sets and reports

\$123.1K

Reduced cost in ramp to
proficiency

\$727.4K

Reduced agent attrition

\$761.0K

Reduced FTE QA supervisors due
to engagement platform
efficiencies

\$783.4K

Reduced QA Supervisor Needs

“I can see patterns, create improvement plans like soft skills training or additional tech support training, and quickly check on the traction the agent.”

— Sr. director of CS operations, publishing



20% Improved in QA supervisor efficiency



5 supervisors

reallocated to higher value work



10-15% improvement in agent quality with better standards and monitoring

Reduced QA Supervisor Needs

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Agent attrition overall
reduction from 50% before
Agent Connect to 32.5%



New-hire attrition
reduction from 18% to 10%



70 new hire ramp-up/
training avoided per year



25% efficiency in new
hire ramps that do happen

Reduced Agent Attrition & Ramp Efficiency

“Celebrating our associates was so ad hoc before. We would have to wait for a customer to send a letter or an email on their own to learn of a special interaction.”

— Sr. manager of workforce quality, retail

Reduced Agent Attrition & Ramp Efficiency

Three-year risk-adjusted benefits, based on interviews with current customers, for a composite organization

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There are benefits to using Agent Connect that were not quantified



Improved
customer
service



Customer-
centric culture



Expanded
adoption to
helpdesk and
sales support

“The feedback shows so much. We see how agents go above and beyond and can confidently make the best decisions.”

— Sr. manager of workforce quality, retail

Licensing costs estimated per agent totaling about \$210K per year

Setup and management costs of about \$10,000 per year

For ROI analysis, cost estimates are considered

Financial summary

Three-year risk-adjusted results

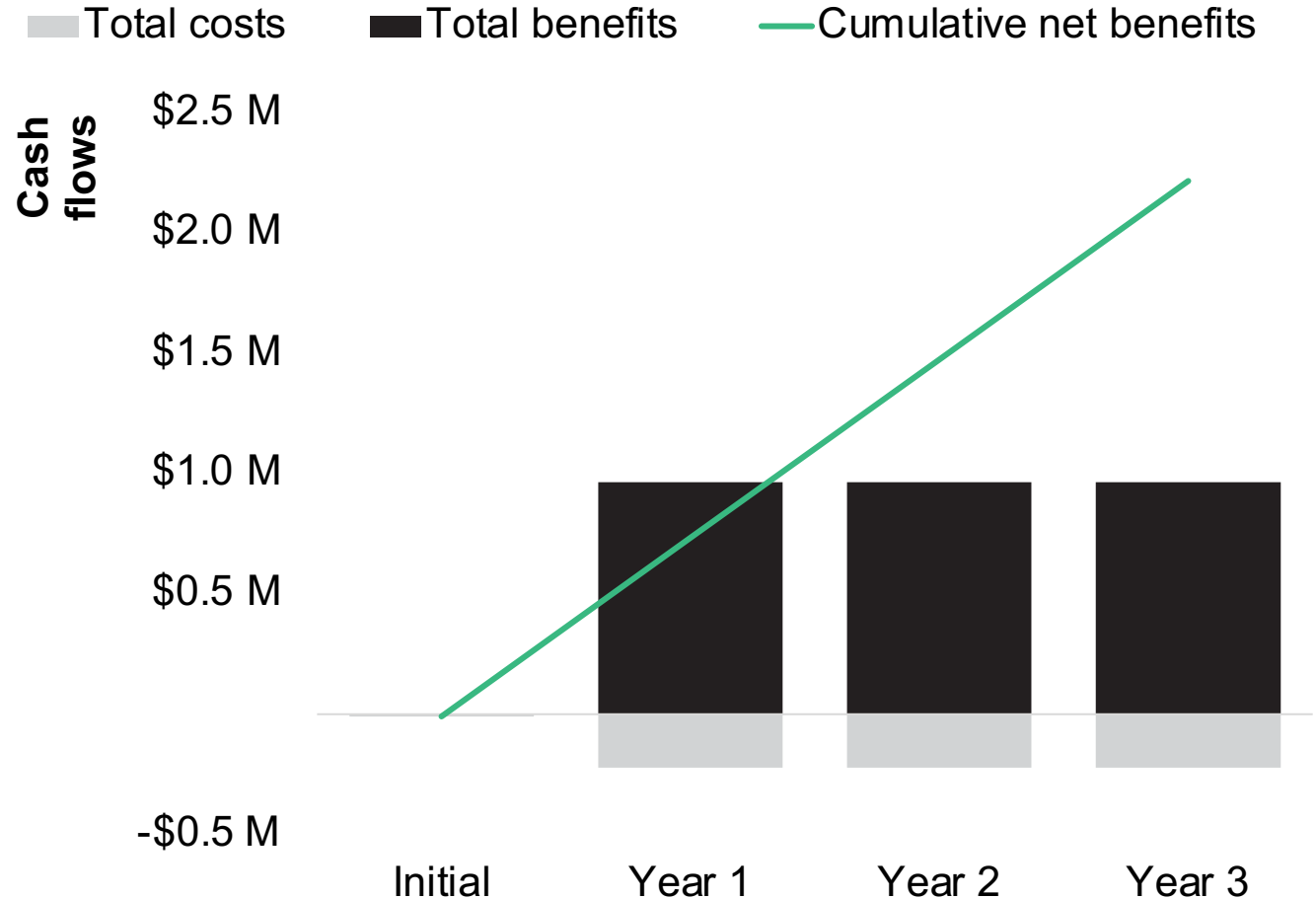
325%

Return on investment (ROI)

\$1.8M

Net present value (NPV)

Cash Flow Chart (Risk-Adjusted)





Q&A



Thank You

Check out Medallia's Contact Center solutions
at medallia.com/contact-centers and request
a demo!

Medallia