Moving from Transactions to Journeys: How and Why Operations Thinking Should Make the Shift

Abstract

This paper outlines the need and approach for a customer journey-driven differentiated business model for flexible, scalable, efficient and experience-driven operations for all stakeholders, including customers, advisors, operations and other enterprise users. It states that the narrowed focus on transactions and services requests intake, processing and fulfillment doesn't fully recognize and address holistic customer needs and experience, which span across multiple service encounters, touchpoints and channels.

It then recommends that by following a holistic customer journey-based approach, operations can provide a seamless, consistent and true omnichannel service experience, thereby enabling organizations to build and strengthen relationships with customers, which in turn results in improved customer satisfaction and retention, profitability, business growth, positive word-of-mouth and employee satisfaction.

Introduction

Life insurance, pensions, annuities and retirement services customers interact with their financial services providers through various channels of their choice. Some of these channels include different portals, phone, IVR, email, chat messengers, chatbots and other electronic mediums. These interactions are primarily inquiry and transactional requests for processing and error resolution, advisory and other services. These are then processed, fulfilled and realized by automated or manual processors such as phone, chat, email, back-office, digital/portal/mobile (automatic), chatbots (automatic) and agents/advisors.

This diverse nature of requests and the multi-transaction, multi-function, multi-step, multi-hop, multi-touchpoint, multi-stakeholder, multi-channel nature of interactions poses a significant business challenge to manage end-to-end customer service experience seamlessly. It is because the traditional operations approach of customer request handling and management is more discrete, episodic and fragmented.

The challenge can be tackled effectively by adopting a customer journey-based approach driven by a holistic view of customer-organization interactions. Insurance, pensions and other financial services operations will have to reimagine themselves as Customer Service Experience Centers and adopt end-to-end customer journey-based approaches that are business outcome-driven to seamlessly deliver their services to customers across multiple touchpoints and channels.

This transformation would involve establishing a digital operating model with new journeys, channels, tasks, controls, organization designs and success measures, thus ensuring that all customer touchpoints are viewed as part of a seamless customer journey that is non-linear. It could involve a series of value-adding handoffs between intelligent operations and self-service channels, depending on the complexity of requests, stakeholders types (such as customers, advisors), customer needs and preferences.

Challenges

The convergence of consumerism, customer-centric business models, omnichannel business context, and outcome-oriented, experience-first interaction models is disrupting financial services operations, making it traditionally siloed, complex and difficult to navigate. The key trends include:

- A customer journey strategy that is reliable, responsive and empathetic, as opposed to a service delivery strategy that is solely focused on transactions and service requests. The strategic intent to build a customer journey-driven differentiated business model

for operations provides the opportunity to reimagine service delivery and offer an attractive value proposition for customers to achieve an end-to-end customer service experience.

- Customer journey mapping and service blueprinting underpinned by integrated service, stakeholder and experience design for service delivery, improvement and innovation. Customer journey mapping focused on consistent and true omnichannel service experience with clearly defined digital branching/converging/migration points optimized for customer interactions across the journey.

- Service blueprinting focused on delivering and operating seamless end-to-end customer experience with suitable organizational design, service journey design, controls and success measures.

- The transition from discrete service requests handling to continuous service experience across the journey positively influences customer experience. Unified omnichannel service platform to holistically handle end-to-end customer service journey to achieve the required business outcomes instead of episodic or fragmented handling of service requests.

- Holistic service quality measurement driven by business outcomes and interaction quality that positively influence brand experience, emotions, feelings and sentiments of customers across all interactions. For instance, measuring and continuously improving first-time resolution of customer requests balanced with flexibility and transparency, as opposed to a siloed focus on traditional service quality measures such as timely answered calls, abandoned calls, resolution time.

Today's challenge is to seamlessly coordinate needs and activities across channels and different stages of the customer journey financial services. However, traditional operations are wired to maximize productivity and scale economies through the functional, process- and product-based units that are, in turn, wired for transactions, not journeys. This leads to missed opportunities to drive end-to-end service experience. Customer journey-based operations provide significant opportunities for delivering holistic customer experience – strongly correlated to business outcomes such as retention, growth, operational cost reduction and profitability.

Recommendations

To design unified omnichannel customer service experience operations that are driven by customer journeys, organizations should follow an experience-first transformation:

- **Focus on Business Outcomes:** Change measurements of customer service delivery success from legacy transaction-based SLAs to achievements of customer outcomes to holistically fulfill customer demand at first contact instead of only optimizing response

and resolution times. Speed and flexibility outcomes are defined by minimum processing time, responsiveness, resolution accuracy, value-adding handoffs, and needs-based service.

■ **Establish Customer Service Experience Centers:** It's time to move away from traditional contact centers and back offices to get work done quicker and optimize customer retention strategies and operations efforts. By default, demands are fulfilled at the inception point within a customer service experience center, characterized by service journeys with utmost interaction quality and care, comprehensive competence, speed and flexibility, simplicity and clarity, personal attention and empathy.

■ **Establish Journey-based Operating Structures:** Transitioning operations from the process and product-based teams and aligning operations by key customer journey verticals to focus on achieving rich outcomes. Each of the journey verticals retains complete ownership across all channel-based interactions. This is to ensure that organizations apply an omnichannel lens to customer service journeys across different channels such as portals, phone, IVR, email, chat, chatbot, mail and electronic channels to strike the right balance of speed, flexibility and transparency in customer service experience within and across channels.

■ **Establish Journey Centers of Excellence for Designing Superior Journeys:** Set up focused Journey Digital Operating Model teams to deliver consistent omnichannel digital journeys for all key stakeholders – customers, advisors, operations and other enterprise users. Net Promoter Score, Churn Score, Brand Experience Score and Customer Satisfaction measures won't always highlight or give insights into challenges or issues, or sentiments in specific parts of customer journeys. Hence, Journey Centers of Excellence implement, monitor, measure and leverage granular measures at the journey level for meaningful performance management and continuous improvement of customer service journeys.

■ **Strengthen and Integrate Controls within the Core Journey Digitally through the Right Technology and Tools:** This eliminates legacy human-based controls and implements technology-enabled operational controls, real-time compliance checks and quality assurance within the journey.

■ **Design and Deploy Smart Communications:** Include ones that are engaging, proactive, and multi-media (e.g., email, SMS, portal, mobile app, chatbots) based on the spirit of content. Phase-out all communications that are monolithic in design, lengthy, less engaging and almost always reactive. These proactive and smart communications will not only significantly reduce the inbound call volumes, but also demonstrate the reliability, transparency and trustworthiness of the organization to customers.

■ **Fortify Automation and Analytics through Customer Journey Analytics and Insights:** These can seamlessly integrate end-to-end customer service journeys powered by artificial intelligence and machine learning for minimal touchpoints and

provide 360-degree information visibility for customers, products, services, interactions and communications. This will help predict issues, sentiments, reasons for interactions, next best actions and offers, and coaching and promoting behavior of operations that can improve customer experience, actionable insights and automation – thereby enabling superior customer experience.

Conclusion

Historically, life insurance and pensions operations are obsessed with efficiency and optimization of customer service requests management, leading to improved service excellence. However, today's and tomorrow's organizations need to widen the lens of operations beyond transactions and efficiency and quickly adopt digital operating models that bring a holistic omnichannel customer service experience perspective across the entire customer journey, spanning multiple transactions, service encounters, touchpoints, channels and stakeholders. Otherwise, they run the risk of becoming less relevant in the primarily experience-driven future. Hence to succeed and thrive in the experience economy, the shift from transactional to business outcome-driven journey-based operations is crucial.

About The Author

Sathish Punyakoti

Sathish Punyakoti is a Transformation Strategist with the TCS BFSI Platforms business unit that provides end-to-end Digital Platform-as-a-Service capabilities for Banking, Financial Services and Insurance customers. Sathish specializes in strategizing, architecting and delivering large scale transformation solutions and has led several strategic business transformation initiatives for US, Africa, APAC clients, primarily in the Insurance (Life, P&C, Pension, Retirement), Retail Banking (Consumer Loans, Real Estate) and Marketing domain. He holds a Master of Business Administration in Banking & Finance and a Bachelor of Engineering in Electrical & Electronics.

Contact

For more information on TCS' Banking, Financial Services, and Insurance unit,

please visit https://www.tcs.com/banking-financial-services or https://www.tcs.com/insurance

Email: bfsi.marketing@tcs.com

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