

A 2019 Guide

Tips to take small and fast-growing businesses from good to great



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# Today's business imperative

"People do not care how much you know until they know how much you care."

- Theodore Roosevelt

It's a quote that's so often used when highlighting the importance of customer service in small businesses, and is more relevant than ever.

According to PwC, customers are roughly 60-70% of their way through the buying journey by the time they engage with a business.

That means competing on product and price are no longer options for most small businesses. Competitive differentiation is driven by a business's approach to customer interaction at the point of first engagement; and its ability to deliver a memorable, rapid and reliable customer service thereafter.

### **Great expectations**

The odds are stacked against most small businesses in the early stages: 80% of new companies wind up closed within their first 18 months.

According to the whitepaper, Top 6 reasons companies fail, customer communications is a major risk factor determining ongoing success and growth in small businesses beyond that first year-and-a-half of life.

And how customers interact is driven by a pervasive change in consumer behaviour and a growing demand for better expectations.

## "You have to make sure you retain your customer base as they come on board, and providing exceptional service is one surefire way to do that."

Psychology Today states that the average mobile phone user checks their device 150 times a day. Many businesses are now mobile-first, providing consumers with abundance of choice at their fingertips, and a need for instant gratification. Whilst this is driving our buying behaviour, it's affecting our tolerance levels for customer service too.

8x8 commissioned independent market research company Censuswide to interview a nationally representative sample of 2,000 UK adults for their recent research paper, <u>The Need for Speed.</u>

Nearly two-thirds (64%) of people said they were frustrated at the length of time it took a customer service agent at a company to resolve a problem.

Over half (56%) said they would stop buying from a business if they experienced slow customer service.

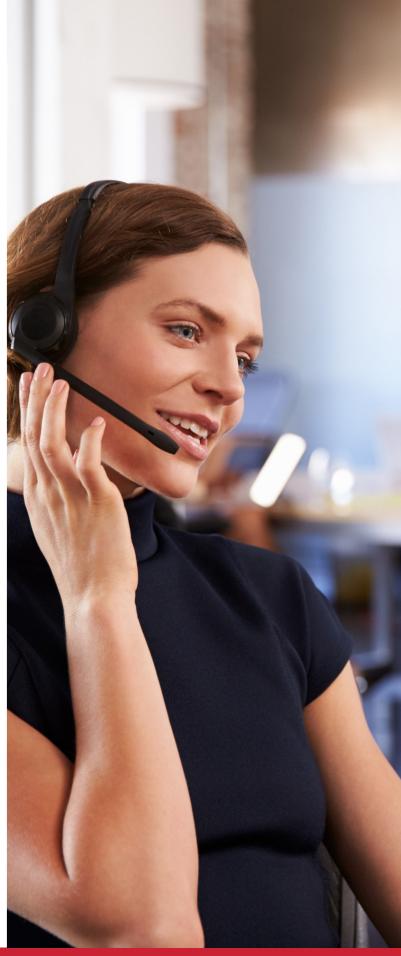
With the plethora of choice we now have from our mobile devices, it's 6-7 times more expensive for small businesses to acquire a new customer than to keep existing ones.

To put this in perspective – a business has a 5-20% chance of selling to a new prospect, whilst they have a 60-70% chance of selling to an existing customer.

"The command of the buyer has changed. It's increased dramatically," says Chris Angus, a senior director for small business UK at 8x8.

"There are three key stages of small business growth – existence, survival and sustainability, and then, after that, if you're lucky – success. In order to hit any of those benchmarks, you have to make sure you retain your customer base as they come on board, and providing exceptional service is one sure-fire way to do that.

"Historically, it was always about sales funnels, but now customers are much more connected and switched on than before and the instant feedback, social media era means that customer service cannot be neglected at any stage of your business growth."



### "Too often the ability to resolve queries and provide the right level of customer care on the phone is where small businesses can come unstuck."

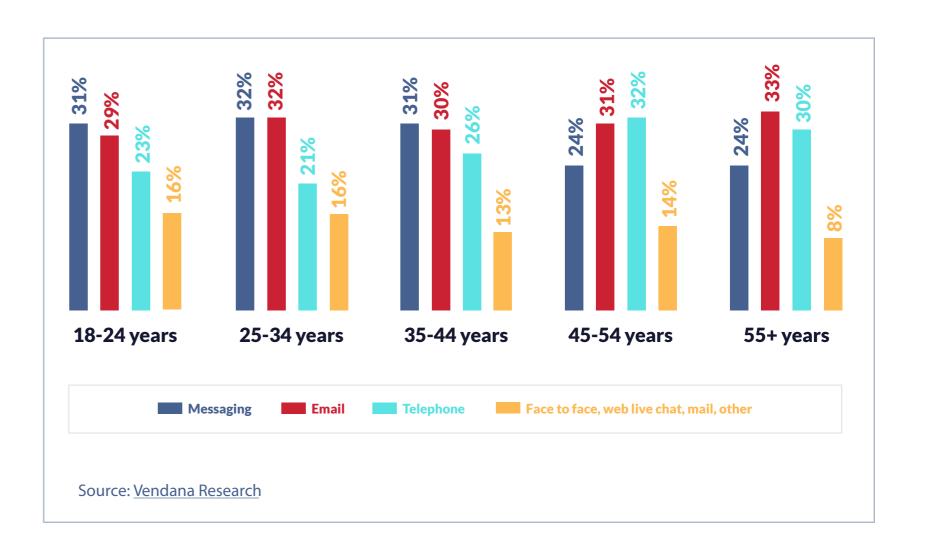
Small businesses face the unenviable situation of establishing customer service and communications channels to support diverse demographic needs.

Research by BT Global emphasises that 61% of customers will change how they contact an organisation depending on their situation. For instance, 73% like the autonomy that self-service tools offer them when trying to perform tasks such as updating their personal information with a business.

Crucially though, 52% will still pick up the phone and expect fast access to a well-trained employee to help address a problem.

In the paper How Fast-Growing SMBs Stay Ahead, 62% of small to medium sized businesses reported that their phone system is critically important for growth.

However, too often the ability to resolve queries and provide the right level of customer support on the phone cause problems for small businesses.

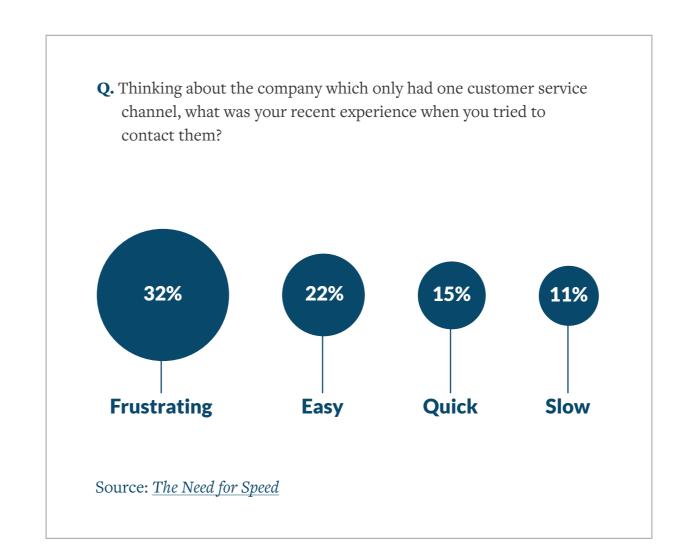


## "Investing in the right channels is now a critical part of the small business owner's planning – customer service can no longer be seen as a cost to be avoided."

How a business chooses its communication channels – and the service it delivers via those channels – plays a central role in determining that business's future success.

"Investing in the right channels is now a critical part of the small business owner's planning – customer service can no longer be seen as a cost to be avoided," adds Angus.

"The great news for small and fast-growing businesses is that the cost incurred is much less prohibitive now than it used to be. Technology can provide a much more bespoke, incremental route to success that aligns with the direction their business is taking."







## The always-on business

"If you're going to run a small business, you need to know what everyone is doing, be the first one in, the last one out, and work weekends."

- Glen Mazzara

Most small business owners have an 'always-on' approach by design, as reflected in the Glen Mazzara quote above.

This mindset stands many in good stead for applying an always-on approach to customer service within their business; which is becoming increasingly important during stages of rapid growth.

"A business suddenly has a more geographically-dispersed business model because, as humans, we're so much more globally connected now," says 8x8's Chris Angus.

Or because customers have complex questions at the first point of interaction with a brand and have high expectations about how quickly those questions will be answered.

"The point is, small and new businesses can't be complacent about customer service, because the stakes are so much higher now."

The always-on approach leans less towards Mazzara's assertion that business owners should be plugged in and oncall round-the-clock, and more towards an understanding of how the always-on customer operates.

In their research paper, Embracing The Always-On Customer, PwC outline trends occurring in buying behaviour, mobile device and social media usage and growing choice, means that businesses must become customer centric.

### **Small businesses must focus on:**

### Customer experience

Invest early in systems that allow real-time interaction and feedback, adopt a single customer metric for the entire business to score against and find a good balance between customer satisfaction and commercial gains.

#### Channels

Have a single view of the customer, be insight-driven, create a team that understands the need to be 'multichannel', and embed intelligent systems that aid customer engagement and automated responses to improve efficiency.

#### Product

Understand customer needs, and provide customers a community voice to test and suggest changes.

#### • Enablers

Adopt an agile approach, and an engagement ethos that focuses on mobile, and use cloud technologies that enable innovation and connectivity.

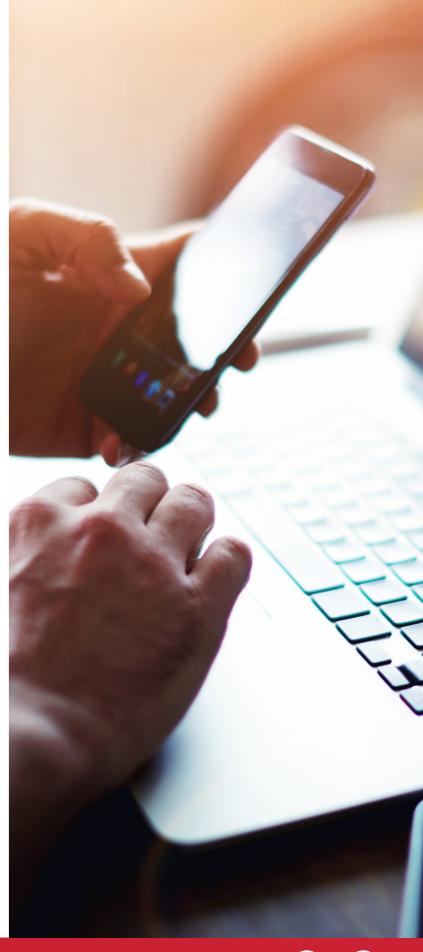
Understanding of how to work towards improvements in each of these areas is a must as a small business grows. However, it also aids the building of a customer service approach that aligns with the needs of the always-on customer.

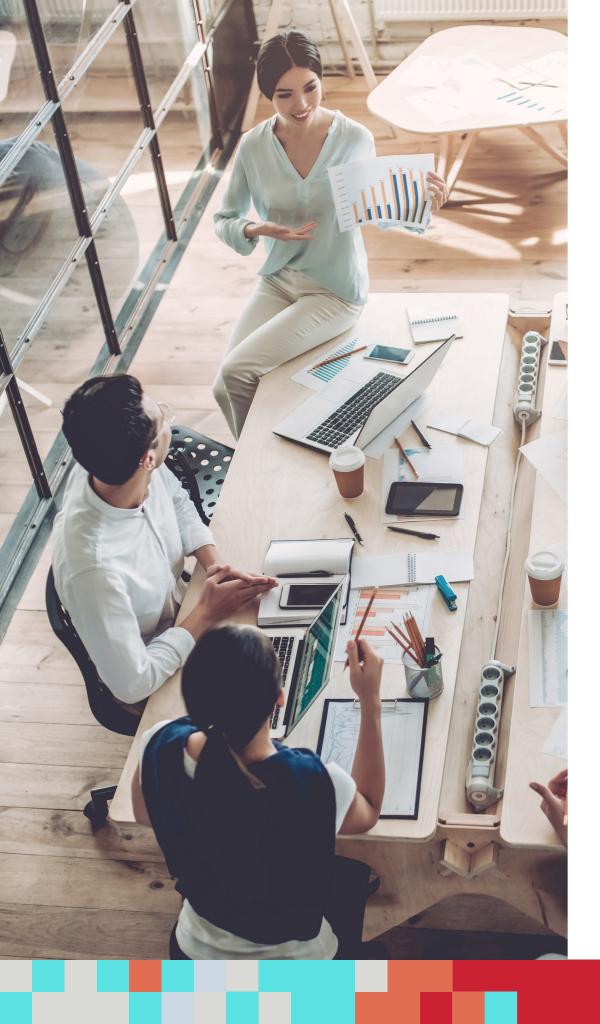
The whitepaper Business Communications - Rethink Your Approach best explains some real-life examples:

"Take a restaurant where the average bill per customer is £50: a potential customer looking to make a reservation comes up with a short list of exciting new restaurants after searching online or using a mobile app. If they can't make a reservation on the first attempt, they will likely try the next establishment on the list.

"By making itself available using an auto attendant or call queuing feature, the restaurant stands to make an additional £50 or more each time a customer gets through and makes a reservation. Delivering a fantastic customer experience clearly pays off! "

Other businesses can benefit as well. A home improvement contractor who spends most of the day on job sites can use an auto attendant to route calls, even if the office has a receptionist. Now, when calls come in after hours or during the receptionist's lunch break, they are routed to a person instead of sitting in a general voicemail box waiting for a response."





### "With cloud solutions at their fingertips, businesses can be much more confident in their technology investments than in years gone by."

### Single platforms

Small businesses have an advantage when it comes to buying technology to aid their customer service communications delivery. With cloud solutions at their fingertips, businesses can be much more confident in their technology investments than in years gone by, without worrying about costly legacy systems or storage requirements.

92% of small businesses are using one or more cloudbased solution, according to SMB Group stats.

ContactBabel's 2018 decision-makers report, states:

"Without a solid and scalable platform, separate applications, hardware and locations will remain isolated, or cost so much time and money to integrate that it would be better to leave them alone. Using a single open platform, this investment becomes much lower, and leaves the way open for businesses to add locations, channels and applications as needed."

"The single open platform should be a concept which is always in the minds of people making decisions about the future of their multi-site, multi-platform operations, with the cloud now featuring in many businesses' decisions."

Considering single technology platforms, even in the earliest stages of a business's incarnation, can simplify the process of expansion as the business evolves. It can also remove some of the risk involved in investment, providing the opportunity to plug into different communication channels and meet customer demand.

"Technology decisions are now based on the availability to your entire business and all of its systems, unified by a communications platform so that anyone dealing with a customer query across any channel can instantly tap into any information they need to resolve that issue," says Angus.

"Constant connection across all mediums, even in early stages of a business, is vital, while acknowledging that one size doesn't fit all.

"It's about having something that is bespoke to any given business. No two new businesses are the same. One business may only need access to voice channels, another may need to plug into an automated email system in their initial stages, another social media. So a mix-and-match approach that can be changed over time offers flexibility. Upgrades, new packages and scale are essential to a new business as and when the time is right for them."



## Scaling customer support

"Growth is never by mere chance; it is the result of forces working together."

- James Cash Penney.

No phase of a business tests its ability to deliver customer service greater than one that involves rapid growth.

Dave Kerpen, an entrepreneur and CEO for Likeable Media, highlights three areas that develop issues for companies during high growth phases - leadership, effective marketing and scalable infrastructure.

The third point - scalable infrastructure - is arguably the most overlooked. Yet, in terms of communications technology to support customer service, most small businesses will find it necessary to lean on a shared systems of engagement that can adapt to meet evolving needs.

### Leadership

"It's hard enough for entrepreneurs to let go of many of the functions necessary to grow a business" says Kerpen. "But as the business scales, the next level of leadership must learn how to do the same - mastering the skills of hiring and delegation."

### • Effective marketing

It's critical that the venture to build an effective marketing function separate from sales in order to keep the organisation focused on going after the right (and most profitable) customers."

### • Scalable infrastructure:

Kerpen adds: "It's imperative that companies ramp up the systems (IT) and structures (physical and organisational) to handle the communication and decision complexities that come with growth."

### **Cloud communication services**

Unified communications as a service (**UCaaS**) and cloud contact centre as a service (**CCaaS**) were once exclusively systems of choice solely for enterprise businesses, but today, they are available to businesses in their early stages of scaling up their customer support operations.

Some of the opportunities these technologies offer are:

- UCaaS Cost-effective internet-based telephony, conferencing and messaging tools, single-view navigation tools across multiple channels and screen sharing.
- CCaaS Tools to assist and intelligently direct inbound and outbound calls, advanced analytics to help customer service representatives access customer information, self-service tools such as IVR, internal and customer facing chat options.

Crucially, almost all UCaaS and CCaaS communication tools will scale to meet business demand, supporting both cost effectiveness and resource planning.

"Whether they plan to grow or not, having enterprise grade technologies at an affordable price with the tools that allow expansion is critical," says Chris Angus.

"It's not about being a small business; it's about being a business. The communications provider should understand this, and needs to have dedicated teams to offer support in whatever direction the business takes."

### Silos of information

As a business grows, silos of engagement can develop. In 2016, Gartner predicted that by 2020, silos of customer engagement would be one of the top three leading causes of customer dissatisfaction for businesses across all industries.

The by-product of silos of engagement is silos of information in a small, fast-growing business. A single platform communication tools can help diminish the likelihood of both types occurring in growing businesses, as the whitepaper How Fast-Growing SMBs Stay Ahead explains:

"A major virtue of cloud-based communications systems is the ease of integration with other systems, like your customer relationship management (CRM) platform."

This capability enables two-way benefits: employees in direct contact with customers have access to relevant information at the moment of greatest impact, and the information they get in those calls feeds directly back to the rest of your team, informing product and marketing decisions."

"Sometimes a customer absolutely wants and needs human assistance, but many times self-service is faster and every bit as rewarding."

### "Many small business owners have put their heart and soul into getting their business off the ground; it's their baby."

#### **Human touch**

One viable route many growing businesses take in building out their customer communications channels is self-service and automated tools. As How Fast-Growing SMBs Stay Ahead explains:

"Sometimes a customer absolutely wants and needs human assistance, but many times self-service is faster and every bit as rewarding.

"If you can identify opportunities to serve up truly useful recorded responses or implement a phone system that interacts with your data to handle frequent call topics in an automated manner, you improve the customer experience, reduce costs and free up agents for higher-value service and sales tasks."

However, small businesses should not lose sight of what customers often value most from service interactions – the human touch. As Chris Angus explains:

"Many small business owners have put their heart and soul into getting their business off the ground; it's their baby. Communications tools need to scale and automate areas of communications to engage customers in smarter ways."





### Next steps

### "The most important thing in communication is hearing what isn't said."

- Peter Drucker

Delivering exceptional customer service in small businesses is often about combining what you don't know about your customers with what you do.

This means analysing broad trends and habits, building systems that allow you to collect and analyse customer communications data, and examine customer feedback.

Consider taking the following steps.

1 Get insight

2 Map customer journeys

Support customers' channel choices

Gartner research suggests that 95% of companies claim to listen to their customers, with 84% regularly asking for feedback.

Yet only 25% have a systematic process in place for regularly turning customer insight into action, and crucially, as few as 2% of consumers actually complete business questionnaires when they are given to them.

This is where Drucker's point about hearing what isn't said comes into play – even as a small business starting out, it's important to consider methods of collecting unstructured feedback, whether via in-call recording, text and speech analysis tools and social listening tools, to build up insight that can be actioned.

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### Map customer journeys

2018 research from MyCustomer found that 67% of businesses now undertake some form of customer journey mapping exercise, with 85% saying it was having a positive effect on their understanding of their customers.

"Customer journey mapping is important, even at a small business level," says Chris Angus.

"Understanding your interaction touchpoints, understanding the demographics of your customer base, why they contact you, what they're contacting you about; that's priceless information.

"Not everyone acts or responds or wants to be treated in the same way, so having a tailored approach for your service model is super important for brand awareness and loyalty.

"It's so vital to understanding the reason a customer is choosing to buy from you, but you can't start small with journey mapping exercises – collecting certain intelligence about customers via feedback and logging their interactions with you is the first step, and then it's a case of mapping out their journeys with paper and pen to ascertain where the service issues and improvements might lie."

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### **Support customers' channel choices**

Ultimately, customer service is about solving queries via a medium that best suits the customer.

"Most customers are so well informed now that they know a huge amount about what they want from the outset," says Angus. "Small businesses should be looking to scale their customer service communications according to what their customers expect. This tends to start from a national focus but then there's often an international focus as some businesses grow, and that might mean using video conferencing or screen share technology.

"Real-time analytics, web chat; these are the tools that then tend to be taken on board as a business goes into growth phase and customer communication becomes more complex and needs better customer visibility.

"But the point to remember at all times is to connect technology and the personal touch. Technology gives you the ability to reach your customer base, but the human feel, is what will differentiates you in the end."

### About 8x8

8x8 cloud solutions help businesses transform their customer and employee experience. With one system of engagement for voice, video, collaboration and contact centre and one system of intelligence on one technology platform, businesses can now communicate faster and smarter to exceed the speed of customer expectations.

We provide cloud communications solutions to over a million business users worldwide, empowering them to deliver exceptional customer experiences. With one application for all your communication and collaboration needs, 8x8 helps your employees communicate easily and collaborate from anywhere on any device - from chat to voice to video to web conferencing with one click inside a single application. Whether you've got 10 employees or 10,000—one office or 1,000—8x8's one cloud communications platform brings it all together.

We are committed to your long-term success. From sales to support, implementation to operation, we go the extra distance to earn your trust every day.

Have a technical question? We'll answer it live. Need help setting up your service? We'll talk you through it. And our UK-based Customer Service and Support team is standing by whenever you need it.

