



Insights from CGS

# Call Center Nightmares: From Potential Bad Dream to Positive Preparedness



🌐 200 Vesey St - Brookfield Place - New York, NY 10281-1017

☎ 212-408-3833

✉ [outsourcing@cgsinc.com](mailto:outsourcing@cgsinc.com)

🌐 [cgsinc.com](http://cgsinc.com)

# Call Center Nightmares: From Potential Bad Dream To Positive Preparedness

READY OR NOT:

only **58%**

of executives were aware of any proactive plan in place for handling major disruptions that could affect customer service

Corporate call center executives know better than anyone that their facilities and staff are on the front line when a business problem becomes a crisis. All types of emergency situations require specialized contingency plans to properly prepare and scale for incoming as well as outgoing communications and the ability to execute these plans properly. However, in a recent study conducted by CGS, only 58% of executives were aware of a proactive plan in place at their company for handling any major disruptions that could affect customer service.

Below are some key considerations for which call center executives can plan for, deal with and avoid potential nightmare scenarios.

## 1. DEFINING A CRISIS

Understanding how to avoid the “nightmare,” requires understanding what kind of crisis creates these disastrous consequences. Simply defined as it relates to customer service/call center function: **A crisis is any situation that requires special treatment and where normal operations such as taking customer orders, or servicing the general help-desk will simply not work.** For example, the theft of customer information through cyber attacks, product recalls and service disruptions, all of which will result in a flood of panicked or angry calls that can quickly evolve into a nightmare for a call center, and effectively compound the business problem that prompted the calls. As well, natural disasters or infrastructure disruption could negatively affect your business and prompt customers to inquire about how you are handling the situation. And, while you are dealing with the crisis, word is spreading: Whether through word of mouth or external media outlets, your response could become public and may even threaten the future of your business.

## 2. INVOLVE CUSTOMER SUPPORT LEADERS EARLY

Heads of customer support must be involved in the conversation and strategy at the earliest stages of a crisis to understand where they should focus their efforts, and how best to execute their contingency plans. If the customer support team is involved early on, and can find out details such as: **How many people will be affected? What is the company doing to address the crisis? Where is the crisis located (if it has a specific geography)?** When might it be fixed? For example, just understanding the sheer numbers is important. In one notable case, retail giant Target had its systems hacked, and 40 million customer credit card numbers were stolen. Target call centers quickly found themselves under siege. As consumers called Target information, they faced long wait times because they used the normal customer service number on the website, rather than the newly posted hotline.<sup>1</sup> One way to avoid these types of problems is making sure that customer service teams are completely up-to-date – through conference calls and check-ins – on the crisis as it evolves.



40 million customer credit card numbers were stolen when Target systems were hacked

### 3. SUDDEN CALL VOLUME: A CRITICAL PROBLEM



Volkswagen  
set aside  
**\$7.3 billion**

to handle costs from  
recall and legal actions

Another major concern, both in a real-time crisis as well as in crisis planning, is the spike in call volume. Experts agree that in these situations, the typical response is to pick up the phone and call the company, often the most publicly available number, or the number they have used before.<sup>2</sup> Events that trigger mass public communication can quickly strain systems that are designed for regular and steady customer service calls. Along with technology and infrastructure, there must be a plan to quickly onboard temporary agents who are able to handle difficult calls. For example, big-brand product recalls can provoke a tremendous public reaction and large number of calls. Think Volkswagen and Firestone/Ford just to name a couple. In 2000, Firestone and Ford recalled 13 million tires<sup>3</sup> that posed a safety concern and in 2015 Volkswagen began a recall campaign for over a half million vehicles that had emissions above the allowable limits. Though the impact of lost consumer confidence may be hard to measure, Volkswagen has set aside \$7.3 billion<sup>4</sup> to handle the recall and legal actions.

#### SUCCESSFUL APPROACH TO CRISIS: A Case Study From A Leading Household Electronics and Appliance Company

While things can go very wrong for call centers in a crisis situation, they can also go well. From what we have seen, positive preparedness often means working with experts that can help companies, and their call centers, get through these situations smoothly. For example, a leading household electronics and appliance company experienced a major recall of its hair dryers and food processors. CGS provided expertise and support, resulting in a successfully managed situation.

CGS worked closely with client to **calculate volume of consumer contacts expected**

As one of our first steps, CGS worked closely with the client to calculate the volume of consumer contacts expected, and we determined that the number was from 1% to 3% per product sold. Ascertaining these estimates is both an art and a science, and while there are industry standards, we believe you can get a much more accurate number by looking at factors related to the specific situation. In the case of this recall, CGS created the estimate based on factors including the date of production and sale, the cost of the product, and the issue reported.

**7 Day Ramp-Up:**  
CGS screened, hired and trained agents, secured workspace and all necessary equipment

Additionally, at the outset we knew we were going to need to ramp up quickly, because there was pressure from the CPSC (Consumer Protection Safety Commission). To meet these requirements, the client requested that CGS launch the effort with 20 CSRs (Customer Service Representatives) in just one week. CGS met that requirement!

**Service levels were met and exceeded** during the crisis

Setting up the 20 CSRs meant making space available, acquiring and setting up equipment and working through phone-routing configurations as well as business processes. CGS was able to move a few existing resources to "seed" the project, we then recruited through one of our agency partners and, in that way, we were able to post, screen and hire the needed 20 FTE (Full Time Equivalent) in one week.

Proactive measures were also handled by the client and included news articles, printouts and signs for shops that previously sold the products. These all included a specific toll-free number to call with questions, along with instructions for how to make a request online.

The project lasted for approximately three months but we still, today, get about 40 to 50 calls from the published articles that remain in circulation; these calls route through to the normal client CSRs who have special processes for handling.

Service levels were all met and exceeded during the crisis; and the client was very happy with the results.

With a heavy volume of customer inquiries, companies find themselves scrambling to add capacity in their call centers, which means recruiting, training and on-boarding additional agents right at the time that they are already under additional stress. Scaling to meet these volume spikes is often not thoroughly considered in advance. The assumption that HR and IT departments can simply add people and infrastructure at the needed speed is problematic. In the case of the Target data breach, the company was forced to build capacity on the fly, which took several months, in order to eventually meet the call volume.<sup>5</sup>

Any crisis contingency plan for the company must include the ability to scale call center capacity very quickly while continuing to utilize and shift the amount of capacity for as long as the crisis is occurring. Depending on the nature of the crisis, there may be a fairly extended period of time before the situation has been reduced to a manageable level and during that time, capacity may need to be increased or decreased many times.



**First Line Of Defense:**  
A Carefully Prepared  
Holding Statement



*We understand there has been an issue with [product or service].*

*Our teams are looking into this and we will be providing additional information shortly.* ”

#### 4. SCRIPTS AND AGENT RESPONSES

Assuming that the call center team is involved from the start, the team can utilize information about how the company is planning to address the issue, as it starts preparing the statements and scripts for agents.

Great care must be taken in preparing these statements, as it is most likely that these responses will become public. In many cases, it is necessary to prepare a “holding statement,” which serves as the first line of defense while a more-detailed response can be prepared. For example, crisis communications experts suggest something such as: “We understand that there has been an issue with [fill in product or service]. Our teams are looking into this and we will be providing additional information shortly.”<sup>6</sup> Of course this script will change and evolve as the company works with its product experts, lawyers and communications teams to determine exactly what they are going to do, and a more robust script is underway; this may include specific information, as well as channels for resolution. Systems that allow for texts and automatic call-backs with updates on specific situations can also be very useful and could efficiently direct callers to the right solution.

To successfully deliver these scripts, call center agents responding to a crisis must have the ability to deal with angry, frightened callers, and project empathy and concern. These agents must be carefully selected for the ability to remain calm and patient in high-stress situations. These agents should also receive the right kind of training to help them develop their skills, and ultimately make the best possible impression for a company. When customers call because of a security breach, recall or service outage, the agents are truly the first line to helping reverse the negative impression of the company or product, and investment in these skilled professionals is a very important part of crisis management.

Agents answering these calls should also be empowered with the most up-to-date information and resources to help resolve each customer’s problem. They should have a clear understanding from the executive team of how important each interaction is and

The CGS call center team successfully maintained  
**75% capacity**  
through the five-day period covering Hurricane Sandy in 2012

### SUPERSTORM SANDY: Going Above and Beyond

During Superstorm Sandy, CGS's call center executives went to great lengths to sustain capacity in its New Jersey call center. Call center employees lost homes and property, and the call center building lost power and internet connections. The team was able to successfully maintain 75% capacity throughout a five-day period, while at the same time providing support and empathy to employees and clients, who were all in difficult personal situations. The CGS team went above and beyond by:

- Working with the client to secure alternate call center space
- Having executives personally coordinate a shuttle bus rental and drive the buses themselves to transport employees to the alternate space - this leadership and self-sacrifice inspired employees to make it to work and push through hardships
- Managing to sustain 75% of full capacity throughout a five-day period while empathizing with employees and a client that were all in difficult personal situations

how valuable the work that they are doing is to the company.

### 5. PROACTIVE vs. REACTIVE CUSTOMER CARE

As part of any response plan, customers should be offered help with the immediate problem as well as some other additional perks from the company. So for example, a company might offer free-credit monitoring, discounts or make it easy for customers to replace products. In the case of a recent recall by Cuisinart for a faulty part in 25,000 food processors, customers were provided a simple way to receive a replacement part and thus be able to continue using the product.<sup>7</sup> Cuisinart widely publicized the product replacement part, providing reporters and major publications with access to the Recall Page, including special customer service numbers for additional information.

It is important to note that the customer response team does not need to simply field incoming communications. Airlines have made extensive and successful use of outgoing notifications, such as flight changes, by texting or emailing customers in advance.<sup>8</sup> With the proper information easily at hand, the customer may not need to initiate any additional communications. Also, social media is a great way for companies to inform large numbers of customers (and the general public) of plans in response to crisis situations.<sup>9</sup>

**Emergency management experts have noted that Superstorm Sandy, which crippled the East Coast, marked a turning point in the use of social media in anticipation of and in response to a natural disaster,** with government, first responders and emergency relief organizations making extensive use of Twitter, Facebook and other platforms to alert citizens of safety information, evacuation orders and to organize relief efforts after the storm. Corporations can use social media to disseminate information and reduce both the urgency and the volume of incoming communications. For example, when a Southwest jet made a nose-first landing at LaGuardia Airport, one of the busiest and most closely covered airports in the world, the company quickly addressed it on social media, providing immediate and helpful information on its Twitter platform.<sup>10</sup>

 **20 million tweets were posted on Twitter** over five days covering the approach and aftermath of Hurricane Sandy in 2012

Pew Research Center's Project for Excellence in Journalism



## 6. ANALYZING THE AFTERMATH

Finally, after any crisis situation that has engaged a call-center, it is useful to do a thorough assessment of how the systems performed and whether they could be made more efficient and cost effective. It was reported that the breach of T.J. Maxx and Marshalls in 2007, which affected 94 million customer accounts, resulted in tremendous expense, including call center response costing the company \$228 million.<sup>11</sup> Companies can always make their responses more effective and efficient.

### Surviving a Crisis: Post-Event Checklist



#### After any crisis is resolved, call center executives should ask:

- How long did it take to scale the customer response systems?
- What was the average wait time, if any? Did customers have to wait long periods on the phone/or wait longer than usual for email responses?
- Was there any proactive outreach on the part of the company?
- What was the sentiment of customers as they exited calls?
- Was it easy for agents to access information to address customer problems?
- Did the agents feel positive about their efforts? Did they feel they were contributing?

**In conclusion, being prepared for these unpredictable, yet inevitable, contingencies is a crucial part of call center strategy and a requirement for preventing call center nightmares.** If you have been lucky enough to not had a crisis so far, now is the time to review your system resiliency and make plans, while you are in “business as usual” mode. If there has been a recent crisis, it is worth doing a review of that occurrence to be certain that all glitches have been fixed. A regular review of all call center related crisis plans, including all decision makers and functions, is a great idea. Remember, anything that prevents an unhappy customer from choosing a competitor, or reducing dependence on your services, is an unmeasurable benefit for the long-term health of your company.

#### SOURCES

1. <http://www.cnbc.com/2014/01/08/>
2. <http://www.empathia.com/whitepapers/preparing-your-organization-for-a-crisis-an-empathia-report/>
3. <http://money.cnn.com/2001/05/22/recalls/ford/>
4. <https://www.yahoo.com/autos/volkswagen-gives-diesel-owners-500-gift-cards-161952233.html>
5. <http://www.cnbc.com/2014/01/08/>
6. <https://www.themuse.com/advice/crisis-communications-102-what-to-say-and-how-to-say-it>
7. <http://www.cuisinart.com/recall>
8. <http://www.smartertravel.com/travel-advice/sign-up-for-airline-email-or-text-message-alerts.html?id=2652996>
9. <http://www.emergencymgmt.com/disaster/Sandy-Social-Media-Use-in-Disasters.html>
10. <http://blog.spinweb.net/3-great-examples-of-crisis-management-on-social-media>
11. [http://www.wired.com/2007/03/data\\_breach\\_wil/](http://www.wired.com/2007/03/data_breach_wil/)