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**Mark Angel - Senior Vice President of Corporate Development and Strategy,
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Senior Vice President of Corporate Development and Strategy
KANA Software

What has been the greatest challenge the contact center industry has faced in the last 12 months?

The #1 challenge for the contact center industry has been coping with the transition from robust economic times to a more uncertain and fragile environment, even as the explosion in touch points continues unabated.

Why has this been a challenge?

The customer service world has been poised to move from a cost center to a strategic driver. For years, the core metrics for the contact center have been about efficiency. Average call handling time, cost per call and similar metrics emphasized the contact center's fundamentally non-strategic mission. Recently, the focus has rightly shifted to effectiveness. Metrics such as first call resolution and [customer satisfaction](#) are a recognition that the fundamental value of the contact center is creating loyalty and reducing churn.

As the economic climate has shifted, there is growing pressure to return to a cost-driven perspective. Even more significantly, this downturn has been driven by credit issues. Credit issues induce a rift between the enterprise and customers: forcing the enterprise to manage the relationship more aggressively and changing the emphasis from expanding the customer

relationship to minimizing the risk around the customer relationship.

Worst of all for the contact center, economic pressures have not and will not reduce the demand for interaction. The number of electronic touch points (email, chat, web self-service) continue to explode. For most companies, phone volume continues to trend up to sideways. And, as consumers cope with increasing economic pressure, the need for interaction is unlikely to dissipate.

So, the need to focus on the quality of the service experience is greater: there are more interactions with increasingly demanding customers. But, the cost of investment is now higher: economic uncertainty makes the risk of process and technology re-engineering more difficult to bear.

In 2008, what do you think will be the top priorities for a) Contact Center Managers b) Company Executives?

2008 is likely to be a year for making critical choices around whether to persist in the historic model of cost-control or whether to move aggressively towards a technology-centric, loyalty driven approach to customer service.

The tension between economic pressure on the one side and the huge gap in enterprise capacity to deal with service demand is going to mean most contact center managers and executives will face a clear, stark choice. One possibility is to respond to the economic climate by constraining investment in customer service. The other is to recognize that the seemingly irreconcilable problem of dealing with exploding service volumes without dramatically increasing agent count can, in fact, be reconciled. Process and technology re-engineering around a multi-channel approach to customer service can enable service levels to improve, while moderating costs. For enterprises willing to stay the course around putting loyalty and satisfaction first, the top priority will be to re-engineer around a Web 2.0 approach.

What do you believe will have the biggest impact on the industry over the next 12 months?

There are 2 technology trends that will continue to impact the contact center world:

The convergence of channels around the Internet Protocol (IP). As Voice over IP continues to mature, the industry will continue to migrate from channel silos towards an “omni channel” approach around seeing all interactions as merely mild variations on top of an internet infrastructure;

The lessons learned from Web 2.0 companies like Google and FaceBook about usability, collaboration and leveraging multi-media will increasingly influence customer service. Customers have been taught by the great e-Businesses what a good online experience looks like. This expectation will force most enterprises to step up to a higher bar around making e-Service friendlier and more intuitive.

What impact have "external events" even had on your company, and how have you adapted your business?

The two external events we believe will impact us in 2008 are the changing economic conditions and the "refresh" around Service Oriented Architecture (SOA).

In regards to the former, we've adapted by helping our Clients to plan for rapid and incremental benefits from process and technology re-engineering. More and more Clients are looking to fund investment from opex. More are looking for strategies that reduce deployment risk and length. More are looking to escape the shackles of 7 to 10 year old technology without having to throw that technology away. Our approach to these demands has been to build even better models for demonstrating ROI, sharpening best practices around phased roll-outs and helping Clients understand how next-gen technology need not impose the pain they experienced in installing the last-gen.

The second external event that is shaping our business in 2008 is the emergence of SOA. I.T. organizations have been struggling towards Service Oriented Architecture adoption for the past 2 to 5 years. This struggle is destined to continue for the next half-decade. But, the maturity of SOA infrastructure has now reached a level where deploying real, SOA-based "composite applications" is possible. We're preparing for the day, which we believe is coming soon, when customer service is driven by the power of many I.T. assets working together, orchestrated by Service Managers operating largely independently of I.T.

Do you feel the service you personally get as a customer is better or worse than it was a year ago?

While some service experiences continue to be laughably bad, the trend is in the right direction. [IVR](#) is smarter. Web site design is better and more interactive. [Quality monitoring](#) and feedback is both pervasive and less intrusive. More and more enterprises are recognizing that the quality of the service experience is the key to customer loyalty. As a consequence, overall, the service experience is improving.

About Mark Angel:

Mark Angel has worked in the fields of customer service software, knowledge management, and search technology development for more than two decades. At KANA, Mr. Angel is responsible for defining, guiding, and evangelizing the company's strategic vision. He is also closely involved with M&A activities and works with key customers and prospects to ensure that they achieve maximum business value from KANA's solutions.

About KANA Software:

KANA is a provider of multi-channel customer service. KANA's integrated solutions allow companies to deliver service across all channels, including email, chat, call centers and Web self-service, so customers have the freedom to choose the service they want, how and when they want it.