

Back Office Operations

Reduce Costs and Increase Customer Satisfaction

As the economy continues to rebound, companies are taking a hard look at where they can cut costs without impacting customer satisfaction.

The back office is not the first area executives normally turn to when developing a competitive strategy, however, leading organizations know it is a major contributor to their overall success.

With the right systems and strategy in place, organizations can effectively assess and manage their back-office operations to increase productivity, reduce errors, minimize costs and maximize the customer experience. Consider the following questions to see if your back office solution is helping you gain a competitive advantage.

1. Do you rely on management experience to handle the ebb and flow of transactional volume?

Back office managers know their business. They understand the work and the cyclical nature of the business. They rely on experience and intuition to manage the ebb and flow of transactional work. A dramatic growth and seasonal peaks, however, can wreak havoc on day-to-day back office operations. The inability to forecast and match production volumes to worker skillsets puts the entire workflow at risk. To compound matters, managers often react to production backlogs in expensive and disruptive ways.

Managing volumes of transactions in a consistently high-quality and efficient manner is challenging but critical to an organization's overall success. Business process management (BPM) can help firms gain control of their back office operations by driving efficiency and flexibility in workflow dynamics. BPM integrates workflow and workforce technologies, digital exception processing and dashboard reporting to improve customer service, reduce cycle times and lower costs in the back office.

2. Are resources trained to 'do it all'?

Cross-training is a popular approach to staffing the back office and the philosophy appears sound. Fewer people are needed to handle a wide range of functions which increases flexibility and offsets training costs. The philosophy takes a hit when, for instance, an unexpected production spike throws workers into roles they trained for but haven't done in six months. No matter how skilled the worker, it takes time to regain speed and accuracy when switching roles. Instead of reducing costs, the do-it-all workforce typically increases costs through errors and production delays.



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Leading organizations are taking a cue from the call center and implementing a workforce optimization strategy to better align the workforce with workflow. Automated workforce management and analytic tools help firms forecast appropriate staffing levels and skillsets needed to meet SLA requirements. This puts the right people in the right place at the right time.

3. Does worker boredom impact customer satisfaction?

If you have the right people in the right place at the right time, chances are they're doing the same thing day in and day out. It's no surprise that this can lead to employee boredom and a lack of motivation to do quality work. Errors on customer statements and invoices can often be traced back to highly skilled but unmotivated workers. Disgruntled customers will then call the contact center to resolve the issue, or they'll head over to the competition in search of better service. Either way, these back office errors caused by worker boredom put a needless financial drain on the enterprise.

Performance management tools offer an effective, self-motivating remedy with benefits for both the organization and the worker. Performance management tools, linked to the worker's login ID, reward employees for quality and efficiency in real time. When employees understand the power they have to increase their pay simply by doing high quality work, organizations can expect to see a dramatic rise in productivity, quality levels and customer satisfaction.

4. Are back office operations hidden from the rest of the organization?

Back office operations are engineered to meet specific operational needs. Statements are processed separately from personalized marketing campaigns, which makes perfect sense at the operational level. From an enterprise level, however, departmental silos create a disjointed customer experience.

A 360 degree assessment of operations across the enterprise will help pinpoint and rectify problems caused by departmental silos. The assessment will identify inefficiencies within the back office as well as touchpoints up and downstream from the back office including customer care, billing, marketing and IT departments. By collecting and analyzing data from every corner of the enterprise, organizations can better measure back office performance and resolve issues impacting the customer experience.

5. Is your back office considered an enterprise cost center?

Inefficiencies in the back office drive up costs on several levels. From labor to production costs, the back office can be a financial strain on any organization. The biggest cost driver, however, is customer churn. Leading companies understand that increasing quality and efficiency in back office operations improves the customer experience across the enterprise and increases profitability.

Optimizing back office operations can be challenging; however, a strong partner can help organizations develop a competitive strategy to reduce costs and increase customer satisfaction. With the right partner, tools and strategy in place you can drive costs down and transform the back office from an enterprise cost center to an enterprise profit center.

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