TABLE I.1. Frictionless Self-Assessment

Question	Yes	No
Do you understand the cost and volume of all customer contracts across your business?	We have clear reporting of the cost of our contact channels every week and every month.	
Do you understand the top 25 to 50 reasons for contacts by total cost and how they are changing?	We can easily track improvements in contact volumes and costs across a limited number of mutually exclusive reasons, none defined as "Other."	
Do you understand which departments drive contacts and hold those executives responsible to fix them?	Customer service informs the other departments, and the entire executive team pulls together to reduce points of failure and friction. We have had many successes and tell stories about them to spur more.	
How has the rate of customer contacts trended over time?	Our contacts per X (where X = active customers, orders, claims, etc.) has fallen over a sustained period by Y% per year.	
To what extent have your customers adopted and exploited your self-service?	Our customer self-service is now our dominant mechanism for our customers and is very popular. X percent of those who use it complete their goal.	
How well do your systems and processes predict and preempt contacts?	We spot problems and tell customers before they even know about them.	
How effective have you been in improving the customer experience?	We have data that show our customer experiences are simpler, take less effort, and are applauded by customers.	

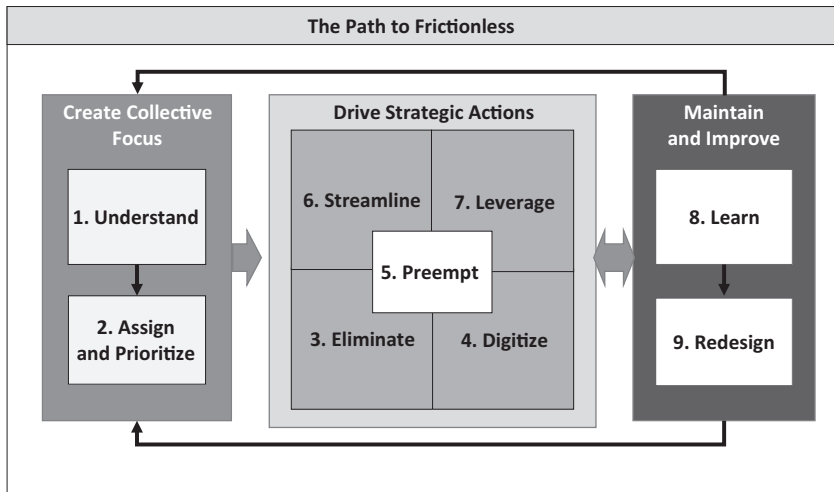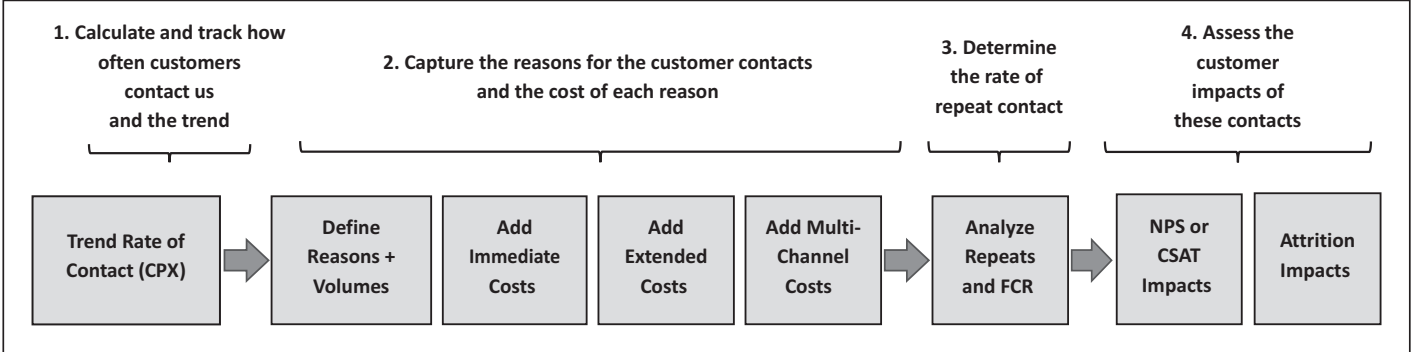**FIGURE I.1. The Path to Being Frictionless**

The Path to Frictionless

Create Collective Focus
1. Understand
2. Assign and Prioritize

Drive Strategic Actions
6. Streamline
7. Leverage
5. Preempt
3. Eliminate
4. Digitize

Maintain and Improve
8. Learn
9. Redesign

FIGURE 1.1. Understand Approach

1. Calculate and track how often customers contact us and the trend

2. Capture the reasons for the customer contacts and the cost of each reason

3. Determine the rate of repeat contact

4. Assess the customer impacts of these contacts

| Trend Rate of Contact (CPX) | → | Define Reasons + Volumes | Add Immediate Costs | Add Extended Costs | Add Multi-Channel Costs | → | Analyze Repeats and FCR | → | NPS or CSAT Impacts | Attrition Impacts |

TABLE 1.1. Core Measures for the Airline, by Year

Measure (in Millions)	Year 1	Year 2	Year 3
Customers	1.0 m	1.5 m	2.0 m
Accounts	2.0 m	3.5 m	5.0 m
Flights	20.0 m	40.0 m	80.0 m
Calls	2.0 m	3.3 m	5.0 m
All Chats	0.5 m	2.5 m	7.5 m

TABLE 1.2. CPX Ratios for the Airline, by Year

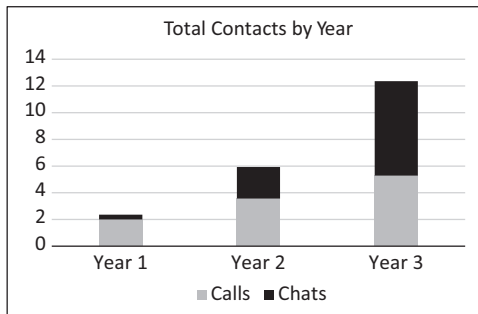| Ratios (CPX)	Year 1	Year 2	Year 3
Calls per Customer	2.0	2.2	2.5
Calls per Account	1.0	0.9	1.0
Calls per Flight	0.10	0.08	0.06
Assisted Contacts per Customer	2.50	3.87	6.25
Assisted Contacts per Flight	0.125	0.145	0.156

FIGURE 1.2. Contact Rate Visualization for the Airline, by Year

Total Contacts by Year

■ Calls ■ Chats

Contacts per Customer and per Flight

—— Contacts per customer (LHS)

- - - Contacts per flight (RHS)
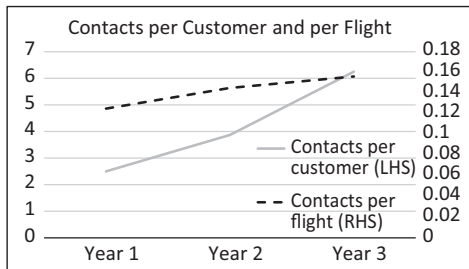
FIGURE 1.3. Contact Rate Pareto Chart

Weekly Contact Reasons—All Channels

Legend: Week 1, Week 2, Week 3, Week 4, Week 5, Week 6

Categories: I can't upload a photo. | Facial recognition is failing. | My XYZ ID doesn't work. | I didn't get the XYZ text. | I can't get my renewal to work. | My license isn't recognized. | I can't log on. | I can't find how to XX. | I missed XYZ. How do I fix? | Why do you need my original? | I haven't got an XX. Now what? | It's been over XYZ months, so I can't… | I can't log on.

FIGURE 1.4. Example Resolution and Outcome Analysis

Information provided	30%
Process completed	8%
Statement sent	3%

Resolved on the call—41%

Work request sent	5%
Call transferred	4%
XXX to act	3%
Form requested—mail	4%
Form requested—email	1%

Not resolved, xxx action required—17%

Member to act	26%
Form sent—email	10%
Prospect to act	3%
Call dropped	2%
No clear action	1%

Not resolved, caller to act—42%

0% 5% 10% 15% 20% 25% 30%
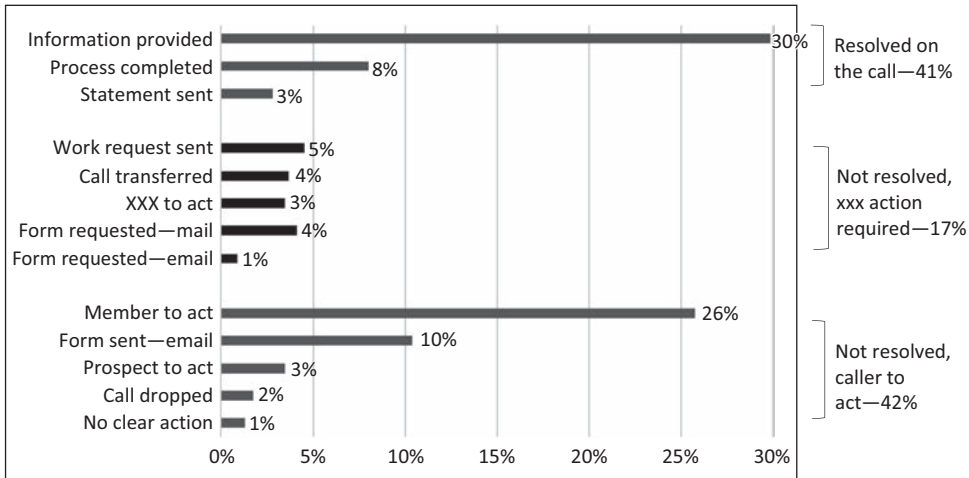
FIGURE 1.5. Repeat Rates Mapped Against Contact Reasons
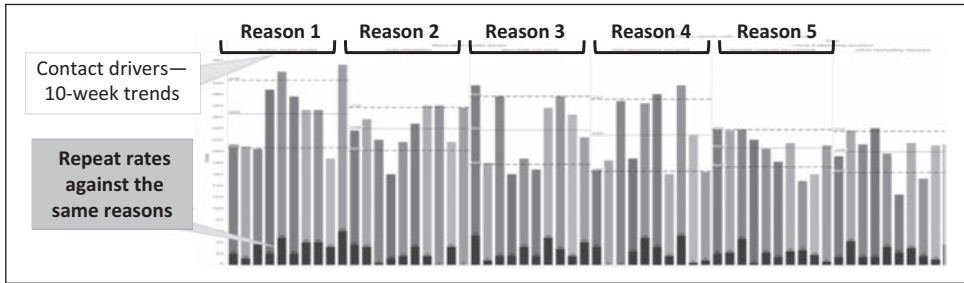
TABLE 1.3. CX Metrics and Their Benefits, Implications

Customer Experience (CX) Metric	Benefits, Implications of Linking to Contact Reasons
Net Promotor Score (NPS) and Customer Satisfaction	Proxies of advocacy and loyalty. May help indicate future revenue and how it varies by reason.
Customer Lifetime Value (CLV)	Reveals if some contact reasons occur more with different customer segments and therefore impact higher- or lower-value customers.
Customer Attrition or Churn	Linking to rates of attrition enables analysis of which contact reasons are attrition drivers and have a more direct revenue and cost impact.
Complaint Rates	The extent to which these contact reasons lead to complaints.
Customer Effort Score (CES)	Used to measure the total impact of this reason on customers and is a much better indication of the impacts on the customer. It gets the business thinking about cost to the customer rather than the company.
Customer Process Analysis	This links reason codes to particular stages of the customer process, like joining or annual premium changes. It helps narrow the focus on which processes need to be reassessed.
Subsequent Purchase Levels	Instead of focusing on scores and numbers, analyzes customers' actual purchases after association with each contact reason and will predict how much irritation that reason causes.

FIGURE 2.1. Assign and Prioritize Approach

1. Assign contact reason owners and align motivations

2. Agree on the strategy for each contact reason

3. Determine the current targets and priorities

Design Ownership Model

Select and Assign and Owners

Agree on Strategic Actions

Set Targets

Prioritize Key Contact Reasons

Reverse Reason Costs

Multichannel Action Analysis

4. Assess solution feasibility

Do Deep-Dive Analysis for Priority Actions

Reassess Benefits and Costs

FIGURE 2.2. Value-Irritant Matrix Format

	Irritant	**Value**
Value	Streamline	Leverage
Irritant	Eliminate	Digitize

Organization (vertical axis: Value / Irritant)

Customer (horizontal axis: Irritant / Value)
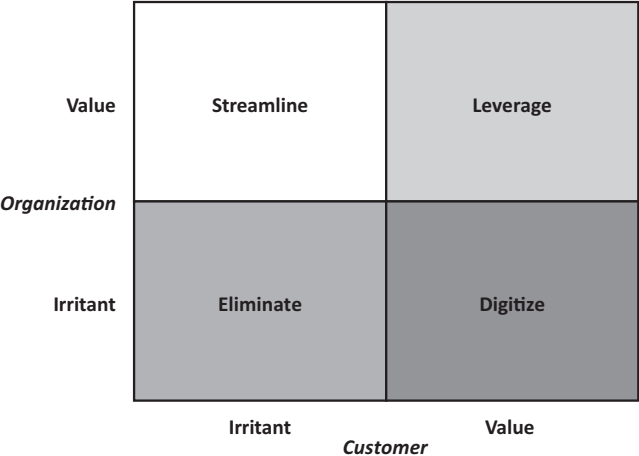
FIGURE 2.3. Sample Value-Irritant Matrix

Workload

Company Perspective

Customer Perspective

Value

Streamline ~15%

How do I do this process?	14%
Please explain arrears.	1%

Leverage ~22%

I want to change my direct debit.	5%
I want to change my address.	3%
I need to access my super.	3%
I want to roll funds out.	2%
Have you got my lost super?	2%
I want to surrender or cancel.	1%
Send me a withdrawal form.	1%
I want to change my premium.	1%
I want to change payment method or frequency.	1%
I want to roll funds in.	1%

Eliminate ~34%

What is the status of my work?	8%
The XXX letter is wrong.	5%
Did you receive my letter/form/fax?	4%
What's the status of my application?	3%
Please explain fees or charges.	2%
Where's my money?	2%
I haven't received …?	2%
Where's my statement/notice?	2%
Where's my form?	1%
Did you receive my money?	1%

Digitize ~29%

I need my account/policy details.	9%
I want to make a withdrawal/part withdrawal.	4%
What's the status of my account?	4%
Please explain product features.	3%
What are my current values?	2%
What's my account balance?	1%
I have a query about my premium amount.	1%
I need your form.	1%
Stop sending me …	1%
I want to pay my premium or one-off payment.	1%

Irritant

Irritant **Value**

FIGURE 2.4. Ishikawa Fishbone Diagram

- People
  - Not informed or trained
  - Can't find information
- Policy
  - Status updates not provided
  - Online account is inaccessible
- Customer Contact Reason
- Process
  - Steps unclear
  - Steps broken
- Systems/Technology
  - Not working or incompatible
  - Hard to use
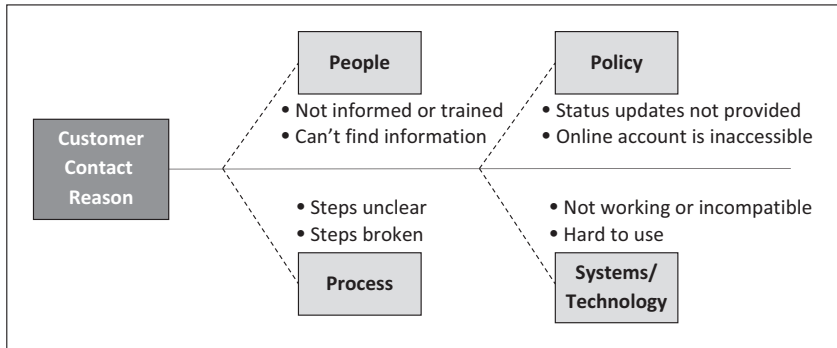
FIGURE 3.1. The Eliminate Approach

1. Determine the causes for this contact type

2. Identify feasible solutions

3. Assess solution effectiveness

4. Investigate complete elimination

Analyze the Causes in Detail

Break Down and Weight Root Causes

Assess Solutions

Select Pilots

Assess and Expand

Reset Targets

Train Speech and Text Analytics

Look for Common Causes

Decide Whether Alternatives Work (Preempt/Simplify)

TABLE 3.1. "Where Is My *X*?"

"Where Is My *X*?" Problems and Solutions	
Solution	**Example**
1. Deliver the same or next day	Delivering the same or next day reduces the tendency for customers to ask, "Where is my *X*?" It sounds simple, but the logistics and systems required to guarantee next-day delivery are challenging. Even Amazon doesn't offer this in all locations.
2. Shrink the process duration	Processes like insurance claims or loan applications can have many steps and take many days. Shrinking this end-to-end duration reduces the risk of mismanaging customer expectations. Another answer is to isolate exceptions and manage the customer's expectations of these in a different way or with greater levels of proactive contact.
3. Create a straight-through process	A straight-through process is one where the entered data goes straight into the required system. It is then processed immediately and can be enabled by RPA. This is cleaner and faster than any process that involves customer or staff completing paper forms that have to be checked, batched, and data-entered. The advent of more digital solutions for customers is more automation and upfront validation, so that cleaner work comes into the system. With RPA, there is less paperwork and less of a risk for errors and delays.
4. Set expectations on the outside and walk in "the customer's shoes"	Organizations will often say to a customer, "That will take 5 to 10 business days." First off, many customers hear the 5 but not the 10 and assume calendar not business days. Second, the time given may be for the internal process and may not account for postage and delivery time. The point is to think the process through from the customer's perspective, set the expectation "on the outside," and then beat it "on the inside." If it takes at most 10 days, and then 2 days to deliver, tell the customer, "That can be up to 12 days till you receive it."
5. Overcommunicate!	Amazon revolutionized order processing by sending updates at multiple stages of the process, such as when the order is received, when it leaves the warehouse, when it arrives in the depot, when it's ready for delivery, and so on. Keeping the customer in the loop moves from a reactive to a preemptive strategy.

TABLE 3.2. "My X Is Wrong"

"My X Is Wrong" Problems and Solutions	
Solution	**Example**
1. Bulletproof the process	Governments are moving away from paper forms (which are often incomplete or hard to read) and are using more digital forms that can be validated and checked for completeness and also fed "straight through" to the processing systems. Another bulletproofing process is checking key inputs. One smart bank has a team that uses software and smart people to check all mortgage applications before they go for approval. One European telco samples customer invoices before sending them out, often catching errors. It's worth the investment up front because it is cheaper to fix things at this stage than later.
2. Find the real culprits and give them a reason to change	Sales teams are often measured on sales performance and are not aware of their impact downstream. For instance, setting up accounts incorrectly may not impact their commissions or sales performance reviews. To correct this, some organizations use "quality-adjusted" sales incentives (rewards minus downstream costs or cancelations) to ensure sales teams do the process the correct way.
3. Shrink the promotions	Many of the "My X is wrong" reasons relate to promotional pricing that ends with the customer thinking that they are being charged the wrong amount. One U.S. telco shrank the number of promotions from 78 (they had no idea it was so many!) to under 10 and made sure to inform subscribers that their promotions were about to end, preventing sticker shock later.[1]

TABLE 3.3. "I've Told You About *X*"

"I've Told You About *X*" Problems and Solutions	
Solution	**Example**
1. Spot, measure, and empower snowball melting	Among the mechanisms for handling repeat contacts, described in the chapter "Understand," was the snowball process—a solution in which staff are given the time and authority to fix repeat work and are measured on it. The solution also includes a process that gives feedback to those who caused the problems in the first place.
2. Connect the business	Customers expect businesses to be joined up. If a customer has several relationships with a utility, they don't care that gas and electricity are on separate systems. If they communicate a change for one product, they expect it to apply to all products.
3. Provide process-timing transparency	Customers want their problem fixed or their change made. If they update details on a website, they expect it to be applied instantly or to be told when it will be. If it takes the company three days to load new addresses, then it's better to tell the customer than to have them be surprised.
4. Keep track	Some of the root causes for "I've told you about *X*" involve organizations failing to keep track of promises they've made to customers and, therefore, not delivering on them. Another common problem is when customers or their issues pass through multiple hands. It's often better to have a clear problem owner, along with a system that makes the outstanding issues and their timeliness visible to management.

FIGURE 4.1. The Digitize Approach

1. Understand flaws in current solutions

3. Create low-effort digital solutions

4. Maximize customer adoption of solutions

Yes

Is there an existing solution?

No

Root Cause Analysis

Consider Solution Options

Consider Solution Options

Assess Feasibility

Assess Customer Experience

Get Usability Test Solutions

Build Solutions

Manager Customer Change

Measure and Tune

2. Assess possible new solutions

FIGURE 5.1. The Preempt Approach

1. Decide when and what to preempt		2. Select the best preemptive actions		3. Increase the success of preemptive interventions		4. Prevent repeat or further contacts	
Identify Predictable Scenarios	Prepare for the Predictably Unpredictable	Design the Interaction and Message	Design the Best Channel Mix	Measure the Post-Message Impact	Refine Message and Channels	Manage Snowballs (Repeats)	Manage Snowball Route Causes

TABLE 5.1. Preemptive Message Examples

Industry	Mechanisms	Benefit for the Organization and the Customer
Health and services	Appointment reminders and warnings such as day-before confirmations ("Reply *Y* to attend your *X*") and day-of reminders.	Fewer missed appointments. Clear wait lists, keeping capacity full.
Delivery services	Multistage reminders of impending deliveries or pickups.	Fewer wasted truck rolls. The customer is in control and has more time.
Health insurance	Free checkups for ancillary services, such as optical and dental. Gym membership and exercise gear subsidies.	More expensive treatments like root canals are prevented by early intervention. General fitness prevents other health costs.
Telco and broadband	Usage-level warnings on plans with limits (e.g., "You are at 80% of your plan maximum, and it's only 50% of the way through the month.")	Allows upgrades for customers to avoid penalty rates or cut back usage.

TABLE 5.2. Types of Preempt Solutions

Type	Example	Design Impact
Information only	"We have received your email."	A simple message, usually in one channel.
Information and confirmation	"Your appointment is in 48 hours. Do you wish to proceed?"	Simple two-way automation and simple responses like, "Send *Y.*" Allow for all responses.
Information and choice	"You have exceeded your limit. Do you wish to upgrade, stay on this plan, or have a temporary upgrade?"	More confirmation required of each action. Likely need to link to additional information to help customer confirm.
Information and conversation prompt	"We think your privacy may have been breached. Please click here to talk to us."	Channel links that make it easy to get the contact to the appropriate staff.

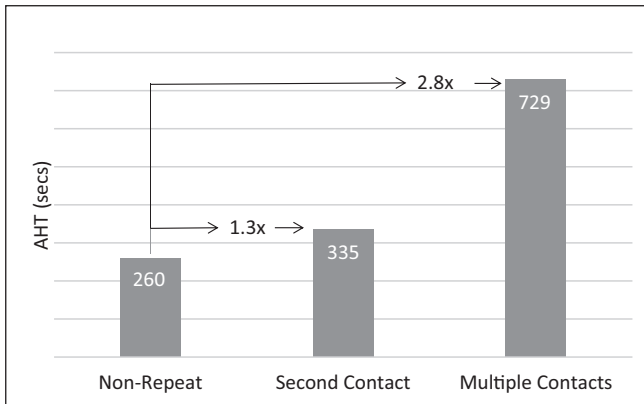**FIGURE 5.2. AHT for First-Time Versus Subsequent Contacts**

FIGURE 5.3. Solvers versus Repeat Creators
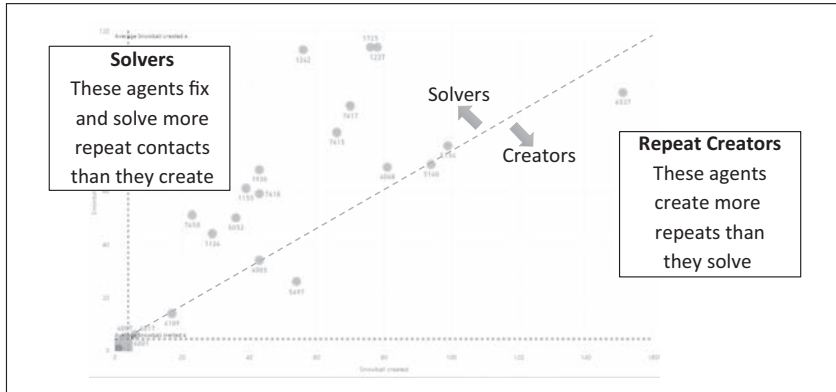
FIGURE 6.1. How to Streamline
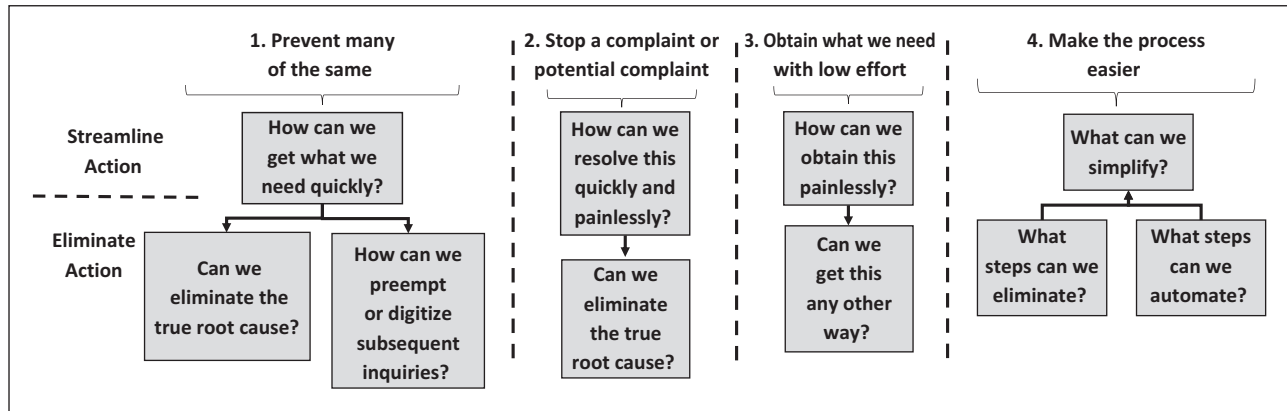
FIGURE 6.2. Within-Process Streamlining

FIGURE 7.1. Leverage Approach

1. Determine when, how, and to whom the leverage strategy applies (customer cohort, problem, situation, and channel)

2. Design the leverage experience required outside and in for each contact category

3. Implement the mechanisms to deliver these leverage experiences

4. Look behind the leverage experiences

| Map reasons, segments, and channels | Assess any urgency or other scenarios | Define the customer need per type | Define the organization need | Define people and processes needed | Do deep-dive analysis for priority actions |

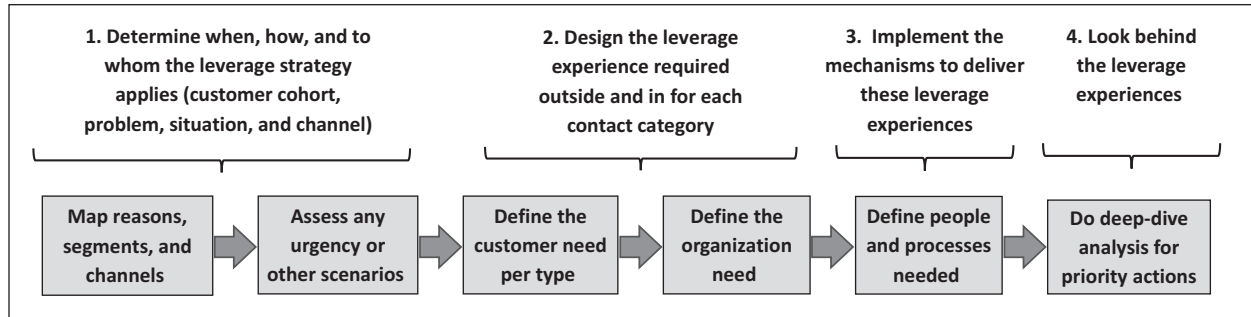**TABLE 7.1. Example Segment Strategy: When to Leverage or Digitize**
Leverage = *Bold italics*; Digitize = Plain text

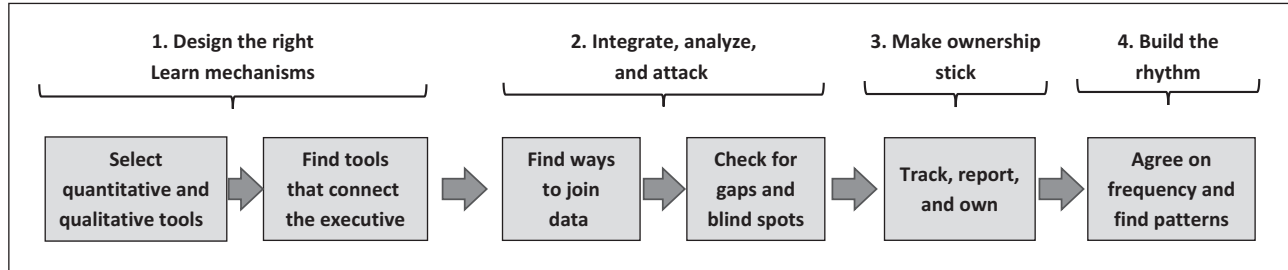| Customer Segment	Joining	Maintaining	Leaving (Cancel/ Save)
Gold: Highest lifetime value	***Phone and message-based sales team, but customer can choose any channel*** including digital.	***Phone and message based. Customer can choose any channel*** including digital.	***Dedicated saves team. Proactive save and preventative saves.***
Silver: The profitable majority	***Phone-based sales or digital sign-up. Customer can choose which channel.***	Mostly digital and app based with phone-based support and escalation. ***Chat and voice available for urgent reasons.***	***Combination of digital saves with some use of an assisted save channel. Recommend down-sell options.***
Bronze: Marginal lifetime value	Digital sign-up only.	Customer limited to mobile app, web portal, and chatbot. ***Escalation to assisted support only in exceptional circumstances.***	Customer can leave using digital channels.

FIGURE 8.1. The Learn Approach

Table 8.1. Mechanisms That Quantify Friction

Mechanism	How It Works	How It Is Used
Speech and text analytics of all customer contacts	Analyzes sales and service calls, emails, chats, and messages using a consistent analytics framework to report what is driving contact (see chapter 1, "Understand")	■ Keeping a constant watch on what drives contact ■ Quantifying the volumes and costs of customer contact reasons ■ Measuring improvements
CPX (X = the driver of contacts such orders shipped) overall and by reason	Measures the rate of contacts and whether a company is getting harder or easier to deal with (see chapter 1, "Understand")	■ Measuring "customer effort" ■ Yielding deeper analysis, including analysis of which reasons are most frustrating ■ Tracking results of process or other changes ■ Scorekeeping
CES—evaluating how much effort it takes a customer to achieve a goal during every interaction with a company	Can be based on customer survey or imputed as a composite of contact rates, durations, and other factors that show how much effort is being imposed on the customer	■ Revealing areas of potential improvement ■ Leading process breakdowns to be actionable by product and process ■ Placing the managers and executives "in the shoes of the customer"
Repeat contact analysis	Uses analytics to show how often customers are having to make contact about the same or related issues, either within or across channels (see the "Understand" and "Preempt" chapters, especially the resolution-tracking topic in "Understand")	■ Highlighting processes that are not working well and that need improvement (e.g., through training, knowledge, how-to guides) ■ Building performance management programs from frontline staff up through site leaders and different enterprises including BPOs
Volume and effort analysis of key processes, such as repair visits, faults, or repairs	Identifies key processes that reflect failures and problems and highlight their volumes and workload	■ Understanding faulty products and processes ■ Ensuring that changes are moving the needles in the right directions

Table 8.2. Richer Qualitative Insights

Mechanism	How It Works	How It Is Used
Frontline inquiry	Asks staff, "What are our customers saying?" (WOCAS) and "How often are they saying it?"	■ Identifying new needs or problems ■ Enabling drill-down by researching when these issues occur
Social media monitoring	Obtains feedback from social media sites on your products and services. Some companies offer scraping services to aggregate this for you.	■ Analyzing feedback that your products and services are receiving in the public domain ■ Providing early indicators ■ Intervening, where allowed, to address concerns
Customer exit process	Visits with or interviews former customers to figure out what went wrong. (This sounds easy, but many former customers won't be willing to share much!)	■ Understanding issues and problems or customer offers that were serious enough to tip customers over the edge ■ Applying these lessons to similarly situated customers who might churn as well
Customer observation	Watches how your customers use your products and services in their own environments. Merge observations with those in usability environments, if necessary.	■ Understanding the customer perspective and frame of reference ■ Grounding designers and product owners in customer reality
Mystery shopping	Samples your products and customers' experiences in a structured manner, either by engaging specialists or using your own staff	■ Demonstrating what customers actually experience and providing rich feedback and frequent monitoring ■ Showing managers how much friction their products or services are causing
"Staple yourself to an order" or happy/unhappy path analysis	Follows an order or other long and complex procedure through all processes. Happy path has no friction; unhappy path analysis flags what can go wrong.	■ Demonstrating the large number of steps and possible roadblocks ■ Quantifying failures
Customer journey mapping	Shows all aspects of the end-to-end journey of customers, from marketing, onboarding, and usage through renewal, continuation, or account closing	■ Bringing all departments together to get traction on action and change ■ Revealing even more friction (e.g., delays or lack of updates; see chapter 5, "Preempt")

Table 8.2. Richer Qualitative Insights *continued*

Mechanism	How It Works	How It Is Used
Customer feedback surveys	Asks, at the simplest level, How did we do?" and then uses analytics to mine responses. Many companies use this as score-keeping instead with complex multiquestion surveys.	■ Enriching data if requests are simple and/or use a free format (open fields)
Null search analysis	Mines every time when customers ask for something that has no "hit" on websites or in requests of sales teams	■ Indicating future product or service needs
Customer panels or communities	Uses a group of customers in constant contact to review products or services (e.g., website self-service look and feel)	■ Prompting ongoing two-way communications and, as close as possible, unvarnished feedback and recommendations

Table 8.3. Connection Mechanisms

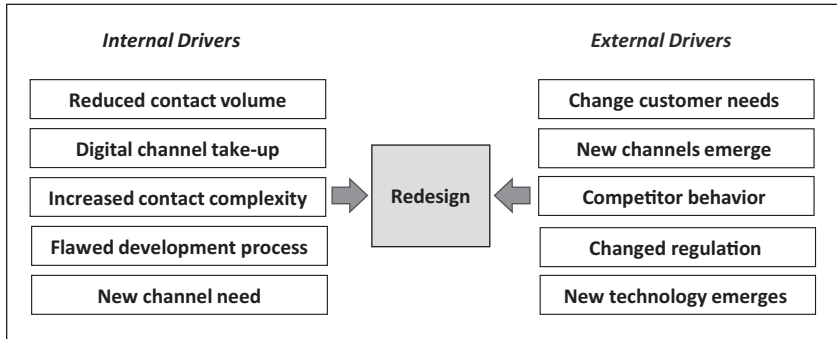| Mechanism	How It Works	How It Is Used
Management monitoring or "back to the floor"	Requires executives to spend one day a month, or a week at a time, working as or with frontline staff in retail shops or handling calls or chats	■ Grounding executives in the issues that customers and frontline staff face
New-hires start in service and vice versa	Schedules every person who joins the organization to spend time in customer service, and all service staff work in other areas such as in the fulfillment center, in billing or credit (e.g., in a utility), or in ride-alongs with field technicians	■ Creating broader awareness of how departments need to collaborate ■ Establishing useful links between and among departments
Customer days [where everyone talks to customers]	Mobilizes the entire organization to talk to a customer on a given day or week (very useful for Renovators)	■ Forcing connections with customers across the business to gather hundreds of stories ■ Finding crisp ways to collect insights as customers are experiencing them
"Worst call" playlist	Sets up sessions for executives, either together or on their own, to listen to 10 calls a month that represent complaints or bad experiences	■ Helping all departments understand the issues they cause
Customer stories	Obtains and widely publishes stories of success and failure (e.g., Trek and Nordstrom)	■ Educating staff to address/reduce friction ■ Showing "what good looks like" ■ Creating a culture of help and support ■ Granting permission for frontline staff to take initiative and "do the right thing" for customers

FIGURE 9.1. Driving Forces for Redesign

Internal Drivers

- Reduced contact volume
- Digital channel take-up
- Increased contact complexity
- Flawed development process
- New channel need

Redesign

External Drivers

- Change customer needs
- New channels emerge
- Competitor behavior
- Changed regulation
- New technology emerges

FIGURE 9.2. The Redesign Approach