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The Contact Center Is Having Its Model T Moment
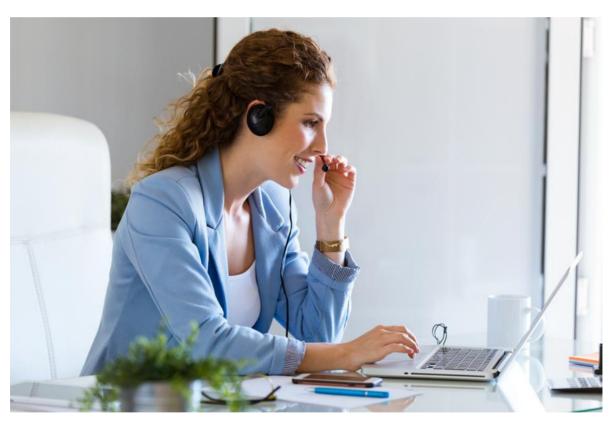
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In 1913, Henry Ford famously implemented the assembly line in his factories -- the innovative process that would ultimately make cars inexpensive enough to be owned by the general populace. By standardizing automobile parts (the Model T was available in any color a customer wanted, as long as it was black), implementing the pulley system

that moved parts down the assembly line and cutting labor costs by hiring only unskilled workers to do a few routine tasks, Ford built 300,000 cars with 13,000 employees in a single year -- a higher output than his competitors produced with more than 66,000 employees.

This level of efficiency has since been adopted not only by other car manufacturers but by most manufacturers across industries. The factory -- whether it be clothing, food packaging, car manufacturing or even airplane assembly -- has become increasingly streamlined and automated. Labor statistics reflect this shift: In 1910, 32.4 % of the population worked in manufacturing; in 2015, only 8.7% of the population did.

Fordism -- the mass production of inexpensive goods produced by automation and well-paid workers -- continues to be the gold standard of industry excellence. And yet there is one industry that continues to operate like it's 1905: the customer service industry.

Why Contact Centers Need Automation

The Philippines currently employs over 1 million workers in call centers. And despite the lower labor costs associated with outsourcing, this system still costs $1.3 trillion for just 265 billion customer service calls each year. That means most businesses spend $5 for every single customer service call that comes through. And yet despite this massive cost, customers are still dissatisfied. According to Forrester, 73% of people say that valuing their time is the most important thing a company can do to provide them with good service, and yet most American consumers say they spend 10-20 minutes on hold *per week*. And even when customers aren't on hold, most consumers report that phone/voice is the most frustrating customer service channel. In other words, human-to-human contact is not a satisfying avenue for customer service anymore. Businesses are shelling out trillions only to disappoint customers.

Much like the car manufacturing industry, this means that "factories" with hundreds, if not thousands, of workers are not actually producing the best output. Instead, companies that offer automated self-service options,

including menu-based chatbots and other forms of back-end process automation, end up with higher CSAT ratings -- and lowered costs. Chatbots even act as an assembly line on their own, with different chatbots programmed to serve different functions in succession.

Chatbots Are The Assembly Line

In fact, 70% of customers expect a company's website to include a self-service application, and even as early as 2013, chat had already edged out phone and email for the highest level of customer satisfaction because of the immediacy it provides. This semi-automated version of the call center is a simple economic solution to a massive business pain point.

Companies that provide rapid response rates and proactive self-service options will operate much like Ford's factories did: The chatbots act as the assembly line, streamlining and partially automating processes to increase speed and decrease reliance on human labor. This cuts costs and improves the consumer experience. For Ford, it meant more people could afford cars. For customer service, it means that people will save time and receive improved customer experiences.

We are already seeing some of the Fords of our day crop up, particularly in the hospitality and travel industries. Marriot International, for instance, recently launched a chatbot that allows guests to text message with the chatbot for services, information about the hotel, questions about a stay or even just to request to chat with a front-desk person. Already, two out of three guests are using the service and it has maintained an average response time of five seconds.

Automation Will Bring Jobs Home

Despite much doomsday talk about automation and imperiled jobs, it's worth looking at what actually happened to wages and the economy during Ford's time. Despite the lower number of workers that he hired, Ford is known for implementing the five-dollar-a-day wage -- an unusually high daily rate. Ford was able to pay this amount because of the

higher productivity of his assembly line, which generated more profit that could then be returned, in part, to workers through higher wages.

Similarly, as the customer service industry emphasizes automation over sheer human numbers, the cost-savings associated with this shift will allow businesses to pay higher wages to fewer higher skilled people. For Americans, it means that previously outsourced positions can now be brought back home.

Get Onboard Or Become Obsolete

Regardless of one's feelings toward automation and American jobs, the fact is that there are enough companies still operating with massive outsourced human-powered contact centers that will find themselves at an untenable competitive disadvantage. The industry is at a tipping point, where visionary leaders (including Marriott, Capital One, Uber and numerous airlines such as IcelandAir) have already begun to cut costs and streamline processes through chatbots, self-service and intelligent ticket triaging. And while those who don't get onboard may be able to survive in the short run, eventually the massive costs and the backlash from dissatisfied customers will take a toll.

Today, Ford is by no means the only car manufacturer that has automated the automobile assembly process: It would be ludicrously expensive for any competitor *not* to. In the very near future, it will be just as ludicrous for organizations not to automate aspects of the contact center.

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