

# STRATEGIC FACTORS OF CUSTOMER KNOWLEDGE MANAGEMENT

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## ABSTRACT

As enterprises increasingly use customer service to differentiate themselves, Customer Knowledge Management (CKM) has gained prominence as a strategic initiative. It allows businesses to use their knowledge assets to provide better customer service. In this paper, we discuss the strategic factors of success as it relates to customer knowledge management strategy, technology, people, and processes in customer support and services.

## INTRODUCTION

Customer Knowledge Management (CKM) is the application of Knowledge Management (KM) instruments and techniques to support the exchange of knowledge in a Customer Relationship Management (CRM) process. Four aspects distinguish CKM instruments: content, competence, collaboration and communication [1]. CRM processes can be considered knowledge-oriented processes where knowledge intensity and process complexity are strongly correlated characteristics. Knowledge flows in CRM processes can be classified into three categories: knowledge or profiles about customers, requests and communication context of customers, and knowledge of the services and products. Managing these different knowledge flows is a critical challenge and crucial for companies' success in the business.

As many emerging business processes rooted in technology, knowledge management is defined somewhat differently by different organizations, and by different individuals within those organizations. Some organizations see knowledge management as a form of document management—a system that lets engineers share design data, consultants share best practices, and so on [2]. To customer service and call center management, it may mean a searchable database or a guided problem-resolution tool. We take a broader view of CKM and define it as a set of processes that maximizes the business value of customer support by gathering, structuring, and delivering beneficial information through customer interaction.

## CKM: A ENABLES VALUE ADDED PROCESS

CKM improves customer service and also brings in new business opportunities and add more values in various areas such as quality control, cost cutting and enhancement of customer loyalty [3].

Global outsourcing: As more and more call centers and customer support services are going offshore, an effective CKM become more important factor in global outsourcing practices [3]. When a company decides to outsource customer service, it is not a simple matter to train a whole new crew of agents on the intricacies of an unfamiliar product line. CKM can make the transition virtually painless, while significantly lowering the cost of training. This factor can be used as a negotiating point to lower the price of outsourcing contracts.

Merging multiple call centers: This challenge is in many ways similar to outsourcing, in that a large number of agents often need to be trained in areas that are completely unfamiliar to them. CKM can enable the creation of a central repository for all knowledge required for both groups, ensuring a consistent approach to problem resolution [4].

Extending call centers to the web: As the web becomes an increasingly important media for customers, enterprises must understand the important role CKM can play in web-based interactions. Though telephone calls are still the most popular channel of interaction for customers, accounting for 75% of all interactions, Internet-based interactions (email, web self-service, live web sessions and voice-over-IP) already account for the other 25% and are growing in importance [5]. Most enterprises are likely to have multi-channel customer response systems and allow cross-channel escalations. Obviously, one of the most important strategic considerations is ensuring that CKM systems are available for both the telephone and online channels. There are also important integration issues to consider. For example, most email CKM systems provide for some level of standard response, which agents can accept, tailor, or reject in favor of a customized response. This is an area where CKM can play a major role if it is integrated into the larger email management solution.

### **Strategic Factors Of Ckm**

To ensure the success of a CKM based customer service, we must establish a mechanism to evaluate the economic value of CKM system. The following factors should be considered:

*Efficiency:* As the typical call center implementations, a set of parameters can be measured by most call centers.

*Web-based self service:* CKM applies to implementations where knowledge management is used not only to support call center agents, but also to serve as the engine for web self-service. CKM must offer web-based self-service able to reduce incoming phone calls. The evaluation of the usability of a customer support web site is very important. The evaluating factors that are applicable can be found in many literatures [6][7]

*Reduced customer complaints:* The increasingly complex nature of products and services often meant customer frustration and, defection. A common reason is, in high-technology services, that customers simply don't understand how to use these services correctly. CKM should enable agents to educate customers during service interactions [8].

*Repeat business and increased sales:* Measurement the repeat business due to good customer service can be obtained by after-sale survey or during the ordering fulfillment process. This measurement includes revenue from up-selling and cross-selling. CKM should be designed to prompt agents to suggest specific products or services based on the nature of the dialog between the agent and the customer.

### **Deployment Of Ckm In Customer Services**

The first challenge in deploying CKM in customer services is the knowledge-gathering process that is determines what knowledge to gather. For example, while identifying the most frequently asked questions is critical for a self-service web site implementation, call centers will also need to know the most frequently escalated questions. The following strategic factors that should be addressed in the process of CKM deployment:

*Knowledge validation and evaluation:* The best way to determine what knowledge should be gathered is to estimate what the value to the business would be, if all agents manage the service interactions through effective use of knowledge. For example, if the ten most escalated inquiries could be handled by L1

(level one) agents, how many fewer L2 agents would you need, and how much would that cut operating costs? When assessing value, it is also important to identify the questions that entail the most risk if responded incorrectly.

*Knowledge boundaries:* When defining the scope of the knowledge base, the most common mistake is to try to include too much. If agents cannot find the answers they want most of the time, or get the wrong answers, they will quickly stop using the system. It is better to be thorough with a limited domain than to cover a broad area superficially. For instance, for an enterprise that sells printers, scanners, fax machines, and copiers, the best approach would be to cover one product line thoroughly, rather than all products at once.

*Prioritizing knowledge:* Establishing comprehensive knowledge base for customer support is an evolving process [9]. Therefore, we must prioritize the knowledge based on its value and demand, which is a process involving trade-offs.

*Setting time boundaries:* During the deployment of CKM systems, a time-boxed approach to knowledge gathering may work well [10]. If the deployment appears to be falling behind schedule, narrowing the scope of the knowledge base and finishing on schedule is the choice. The longer it takes to get the system up and running, the longer it takes to achieve the overall goal. If the knowledge scope has been correctly identified and prioritized, the most important questions will be covered. Furthermore, it is always possible to expand the scope later. As a rough guide, a typical enterprise deployment should not take longer than three months [10].

*Managing domain experts:* Obviously, the people who contribute to the knowledge base must be competent technically and professionally, but it is equally important that they not be too far removed from day-to-day customer contact [11].

*Content Control:* Once the knowledge gathering process has been completed, results must be reviewed in light of strategic objectives. It is critical for organizations to set up a review process for approving the final content of the knowledge base [12]. This includes determining who should review the content, and who has the authority to make final decisions. There are good reasons for not leaving these decisions to domain experts alone. Any material an enterprise presents to the public can have legal or social implications. One good approach to quality control is the use of workflow authoring software where agents or customers can suggest additions or changes, but only authorized individuals can approve them [12].

*Treat knowledge management as an Ongoing Process:* The managers must realize that the CKM is an ongoing process. Most CKM deployments follow a predictable pattern of dramatic initial success and glowing upper management support, followed by a period of decline, and then a gradual recovery and rise to greater levels of benefit.

## **Strategic Activities In Ckm System Maintenance**

*Managing routine updates:* The most obvious need for managing change has to do with routine updates required by the introduction of new products and services, as well as changes in existing products, services, or policies. There must be a simple and clearly understood procedure for making updates to the system. It is also important to routinely evaluate all knowledge items based on their creation and revision dates to make sure that they are still current. This should be a software-assisted effort.