



HFS

# Propel your business operations "Straight to Digital" with Digital Associates

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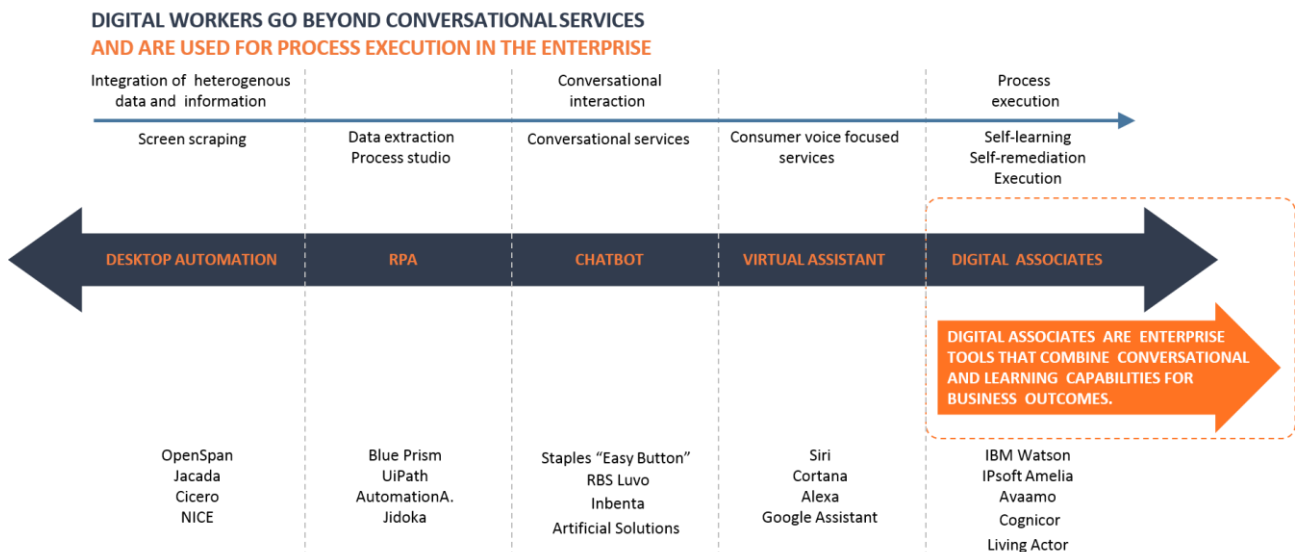
Defining Future Business Operations

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Enterprises’ desire to progress customer and employee engagement from physical to digital has never been more intense, and many companies have no choice but to make this shift rapidly. HFS uses the phrase “straight to digital” to refer to the concept that many organizations are actively seeking to bypass traditional levers such as outsourcing to get to their desired digital end-state. The conversation has shifted away from better, faster, and cheaper toward fundamentally rewiring operations to meet the needs of all stakeholders—customers, employees, and partners. Taking this [OneOffice](#) approach focuses on the human elements of business, but it requires increasingly intelligent technology to support these experiences.

We’ve been following the development of [cognitive assistants and their role in this shift for several years](#), but discussion of tools has recently accelerated and matured. Cognitive assistants are actually “digital associates” that work for and with enterprises to create better experiences across their stakeholder ecosystems. Digital associates such as IPsoft’s [Amelia](#) can be an integral element to making data flow easily and intelligently and helping everyone in an organization make better decisions—not just in the digital front office but across all business processes, as seen in Exhibit 1.

**Exhibit 1: Digital associates go beyond conversational services, and enterprises use them for process execution**



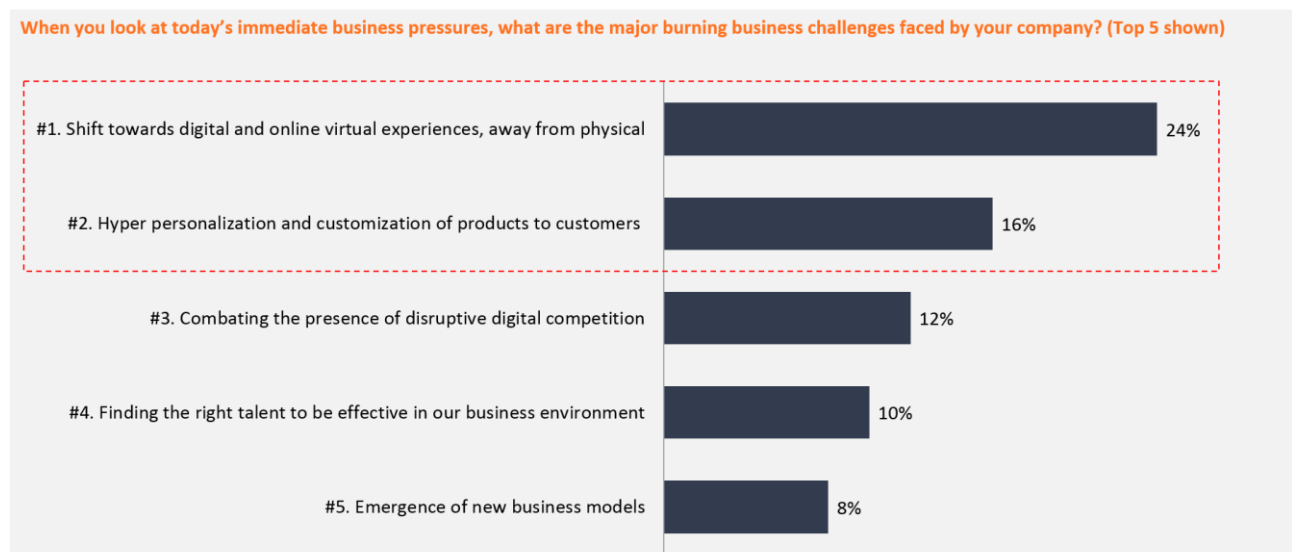
Source: HFS Research 2020

In this POV, we highlight the stories of five companies that shared their approaches, use cases, and lessons learned in implementing digital employees to make their customer-facing and internal processes better and smarter. Within these examples, we found five fundamental truths that enterprises’ digital leaders must not ignore; these are the principles of using digital employees for creating OneOffice experiences.

## We're deep in a critical transition from traditional labor and physical business models to those that are touchless and less physical

Customer expectations for digital experiences have been influencing and changing the nature of the front office for many years. The greatest challenge for enterprise leaders today is adjusting to the shift toward digital experiences and away from traditional, physical experiences (Exhibit 2). This shift to digital is now permeating all facets of our lives, including our work experiences and interactions. Savvy enterprises realize that expectations and experiences from people's consumer lives must be replicated in their workplace ones—real-time access, immediacy of services, virtually instant transactions, etc.—to be more efficient and competitive. Digital and virtual interfaces now permeate the workplace to meet or exceed those expectations and experiences.

**Exhibit 2: The shift toward digital experiences is the greatest business challenge for enterprises' digital leaders**



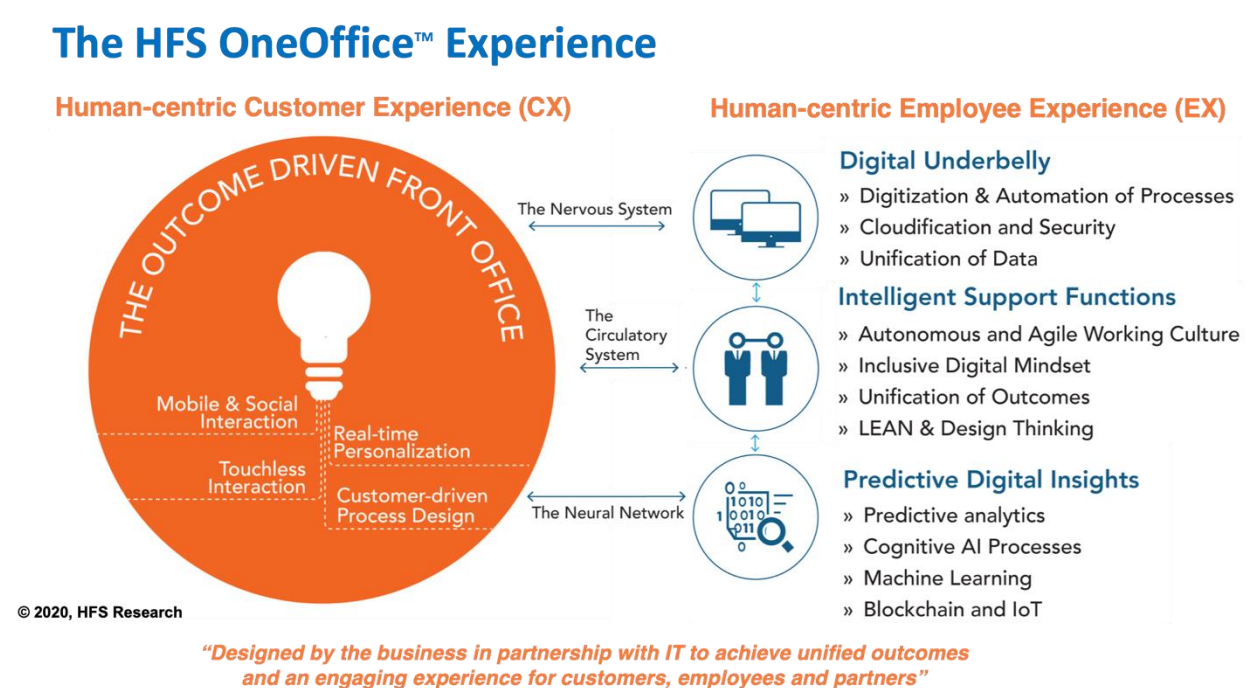
Source: HFS Research supported by KPMG, "State of Operations and Outsourcing" 2019, n = 355 Global 2000 enterprise leaders

# Digital associates are a key component of developing a OneOffice experience

This shift toward digital experiences is a foundational element of HFS' OneOffice Experience for employees and customers in terms of employee experience (EX), customer service (CS), and customer experience (CX). We expect that enterprises will increasingly consider CX as an umbrella concept for the experience of interacting with an entire organization—whether it's a customer, partner, employee, or any other entity. Organizations need to ensure they get the balance right when delivering a positive CX to all of these potential audiences, which requires optimizing the use of emerging technology with a robust business case to improve CX for the long-term benefit of the business, getting the right information flows in place, and ensuring exceptional CX across different channels and formats.

The HFS OneOffice Experience (Exhibit 3) typifies how customer, partner, and employee experiences are coming together to drive unified mindsets, goals, and business outcomes. OneOffice conceptualizes how customer-centric experiences can be designed and supported by end-to-end processes across what we had previously termed the front and back offices. Digital associates are emerging as critical components to develop and design overall CX.

**Exhibit 3: Digital associates are one of the cognitive AI processes enabling OneOffice experiences with customers, employees, and partners**



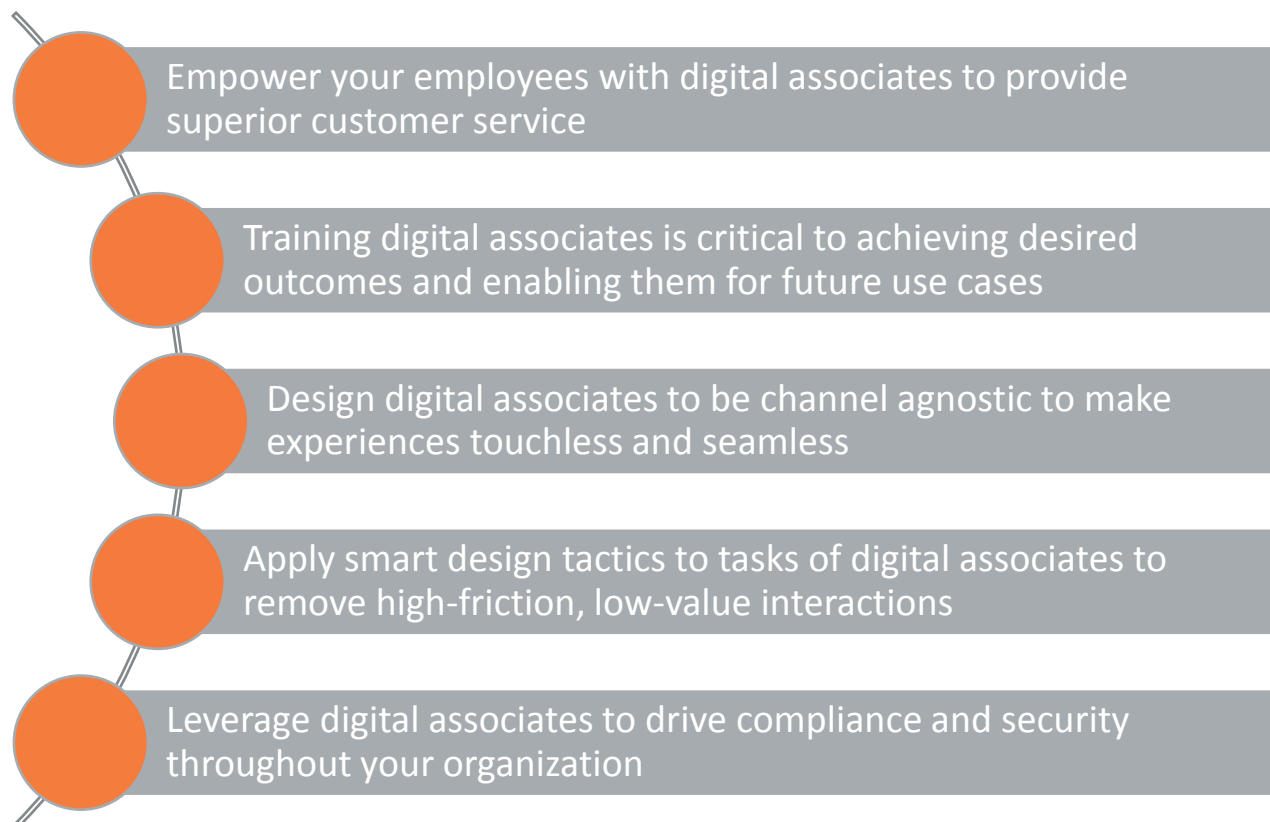


## Five principles for using digital associates to help your company realize OneOffice experiences

Through discussions with five of IPsoft's customers, we asked about their approach to "straight to digital," attempting to understand how and where enterprises are using digital associates to create touchless experiences that the OneOffice Experience requires. While there were a wide variety of use cases and approaches among the customers we interviewed, each is fundamentally using digital employees to change the way their business operates, while aligning to human-centric processes. Each is also seeking something beyond improved cost, speed, and efficiency, reaching toward very human-focused outcomes that are changing how the company runs and competes in its market. During these conversations, we discovered five important principles of using digital associates that all companies need to consider before implementing these solutions (Exhibit 4).

For this report, the interviewed customers have either fully deployed or are preparing to deploy instances of IPsoft's Amelia as a front-line digital associate to enable various experiences for customers or employees. Third-party analyst firms regularly recognize Amelia as a market-leading conversational AI technology. Customers and employees communicate with Amelia via natural language (voice or chat) to resolve support issues, issue queries, or submit transactions. Amelia, working as the front-end interface, responds and carries out tasks for users by connecting with back-office applications.

**Exhibit 4: The five principles of using digital associates for OneOffice experiences**



## Straight to digital principle #1: Empower your employees with digital associates to provide superior customer service

Digital associates for OneOffice are about enabling great internal employee experiences and generating valuable customer experiences. AAA of Southern California began exploring the use of digital associates to create better member experiences by making their customer service employees' jobs simpler. The company is now using Amelia as a whisper agent for insurance call center agents to assist with inquiries about insurance services. A whisper agent can suggest responses to the agents via chat and provide correct policy documentation. This solution uses elements of AI and machine learning to access the right information for the agent on a call with a customer, allowing the agent to focus on the conversation and the customer rather than locating information. In the pilot, which recently ended, Amelia worked with 300 agents and was able to recognize callers' intent in 97% of conversations.

With Amelia, employees do a better and more effective job, which lends itself to meeting the company's business goals. There is often frustration when agents have to spend too much time finding information as part of their regular duties, in part leading to an average of 35% attrition in call centers. The company sought to make the employee experience easier, reducing human effort. Now AAA of Southern California has assisted more than 5,000 conversations using the whisper agent solution, with active use rates among agents. "The goal is to have legendary service. It's not about reducing staff; this is an employee-focused initiative," said Goutham Nellutla, Chief Architect and Group Manager at AAA of Southern California.

## Straight to digital principle #2: Training digital associates is critical to achieving desired outcomes and enabling them for future use cases

Getting a digital associate up to speed and working to a required state, as with a human employee, will take an investment of time to thoughtfully design and train the solution to deliver on desired outcomes. TD Bank is still in the early stages of developing its digital associates, following careful analysis and several pilots with IPsoft. While the solution is not currently in production, TD Bank has done a tremendous amount of legwork to develop the right use cases and identify potential opportunities for using Amelia in its customer-facing interactions, such as putting personalized pre-approved offers in front of customers.

To maximize the value TD Bank receives from its digital associates, the company has dedicated resources to train and develop the platform to align it to desired outcomes. The bank is creating a "cognitive training team" within its contact center, not only to train Amelia but also to identify areas where the digital associates can create the most value. Using a team ensures that people who know and understand the processes well will have a direct impact on how Amelia will create better user experiences, which can generate quick wins to fuel the adoption of the solution. As a result of this approach, TD Bank has seen tremendous enthusiasm for the solution across the company, with business leaders eager to learn how digital associates can benefit their departments, teams, and processes. "There is no shortage of use cases and people interested in working with us on this internally," said Robert Skaljin, Sr. IT Manager at TD Bank.

### Straight to digital principle #3: Design digital associates to be channel agnostic to make experiences touchless and seamless

As much as businesses relish categorizing communication in terms of “channels,” people don’t think in terms of channels—people just want issues resolved, quickly and seamlessly, using whichever mode of communication is easy and available. Unisys found that the key issue with their customers is that people often don’t know where to go for support. The company wanted to create one single app, a support hub, for someone to initiate a help request, whether on a laptop, landline, or mobile device. The company wanted to bypass a traditional call-based IVR (interactive voice response) system that could leave customers languishing on hold or a labor-intensive and time-consuming manual process of filling out and filing support forms. In addition, Unisys required an ability to move between channels, such as switching from a digital associate to a live person or from text to voice, depending on customers’ preferences.

IPsoft partnered with Unisys on its IntelliServ Platform for its service desk platform for enterprise IT services. Currently, the platform serves more than 300 clients, and it has a wide range of demand (between 5,000 and 150,000 callers per month), with requests that vary in complexity. Unisys has implemented Amelia as the conversational interface for the IntelliServ Platform across all channels. Voice is still the number-one service method, and password resets are the most common request, which made this process a prime target for automation via Amelia. When users contact the service desk, Amelia is their first contact, where she either resolves their issue, submits a ticket, or hands off the user to a human agent. Implementing Amelia has significantly improved productivity for Unisys’ customers, with a 32% deflection from the service desk, and the company expects that this figure will continue to climb. Most importantly, customers have a central, seamless hub from which to get the immediate support they need.

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*“The goal is to have legendary service. It’s not about reducing staff; this is an employee-focused initiative.”*

*Goutham Nellutla, Chief Architect and Group Manager at AAA of Southern California*

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### Straight to digital principle #4: Apply smart design tactics to tasks of digital associates to remove high-friction, low-value interactions

Sometimes digital associates can have the dramatic effect of completely replacing the need for any human intervention. A large telecommunication company’s implementation of Amelia is perhaps the ultimate “straight to digital” example for customer-facing interactions. The telco firm took a decidedly anti-chatbot approach to exploring the market for an automated solution to improve customer experience and optimize costs, and it landed on IPsoft to be the face of its “intelligent call center agents.” The company’s approach was to identify specific interactions that its intelligent digital agents could completely take over, replacing the need to use contact center representatives in high-friction (in other words, time-consuming and repetitive) and low-value interactions.

However, the company was mindful not to take IVR design and processes as the starting point for this implementation. The first approach was to replace IVR flows as they were, but the results were sub-optimal. The company quickly concluded that a different approach was needed and changed its mindset to improve and change the flow of interactions. Rather than an IVR-based approach, the company considered redesigning the processes based on how a human would react to each query; the way we ask questions, repeat questions, and conduct entire interactions. As a result, this telco was able to completely automate more than six million high-friction and low-value calls per month. Now, human customer care representatives focus on interactions with more value to the customer and higher revenue potential for the company.

## **Straight to digital principle #5: Leverage digital associates to drive compliance and security throughout your organization.**

While cost and efficiency are major drivers for the adoption of digital associates, you must consider their potential to make your business more secure and to take advantage of their role in OneOffice experiences. Carestream's take on digital associates, which they call "digital engineers," supports an increase in the volume of IT support tickets while reducing cost *and* improving security. Carestream uses IPcenter, IPsoft's end-to-end automation solution, to process 77,000 tickets per quarter, and it is shifting to IPsoft's 1Desk platform (which includes Amelia as the cognitive front-end). Users can extensively self-serve many internal processes, such as logging PTO, resolving account lockout and password resets, providing guest Wi-Fi access, processing MDM enrollment requests, and fulfilling any service catalog request. The automation of these processes has greatly improved efficiency and lowered costs.

Even more compelling are the security and accuracy that Carestream's digital engineers have brought to the table. They replace the work and validation of several people across procurement, IT, and other departments, which reduces what previously could have been countless hours of required resolution time per ticket to on average of 10 minutes, without human intervention. For processes that cannot be automated, the platform creates a ticket to escalate the task to a human colleague. While this improves employee experience tremendously by making onboarding and support processes seamless and quick, it also increases the security of the processed information, and it reduces the risk of errors that can trigger security and regulatory issues. For healthcare-related organizations such as Carestream, a slip-up in these processes (for example, allowing unauthorized access) raises serious issues and implications in security audits. 1Desk records solutions to problems that create errors in the automated process requiring employee intervention, and the system continuously learns how to resolve those errors. This success is a win-win situation, with additional security as a benefit, which is invaluable to their organization. "We're excited to implement Amelia. We have already achieved 90%-plus automation, along with 30%-plus IT savings," said Gerson Benker, Vice President, IT-Global Infrastructure, Carestream.



# How to execute on the five principles of digital associates for OneOffice

As you move forward with using digital associates to align your company to OneOffice experiences, consider these words of advice from the digital leaders we interviewed.

- **Across the company, align leaders to automation initiatives, and ignite enthusiasm internally.** Allow leaders of other lines of business to have access to and replicate previous successes. Otherwise, you end up re-inventing the wheel with each process or line of business and spending time re-creating the same digital associate. Getting people genuinely excited will require some effort, but work to recruit champions and people who are interested in what the technology can do for them. Consider doing “lunch and learn” demos and events for internal developers to show off the solutions they’ve built. Getting people organized and enthused across the company is key, and having clear messaging and communication is required. Find people who are excited and invested in making your “straight to digital” initiatives proceed.
- **Define what success looks like and measure it.** You don’t have to set it in stone, but develop and define some kind of fluid metrics that measure the impact of the implementation. Call deflection and cost savings will certainly be on the list, but also consider elements like employee experience and customer satisfaction metrics.
- **Put the human approach first.** Think of all the potential user experiences and journeys that could be impacted by implementing your digital associates. Then, design your workflows and learning models around those experiences, while keeping consistency in mind. For example, it shouldn’t be possible to get different outcomes from a digital associate for the same request, even if each user phrases their request or query differently. Be ready to challenge the technology and make changes to improve the experience.

**The bottom line: Digital associates are a powerful tool for connecting customer and employee experiences to drive a unified mindset, goals, and business outcomes.**

Going “straight to digital” with digital associates looks different for every organization, but taking into account these five principles will help your company define and execute on a strategy that benefits all of the stakeholders in your ecosystem rather than just having a “tick the box” approach to the technology. Some companies will focus first on customer-facing systems; others will start by making internal processes easier and more intelligent. Implemented well, digital associates can better connect CX and EX, helping to provide the digital insights and intelligent support that a OneOffice experience requires.

## HFS Research Authors

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Melissa O'Brien is Research Vice President, Customer Engagement, Retail and Travel Strategies at HFS Research. Melissa leads HFS' research initiatives for digital front office services, including customer engagement operations, digital marketing, cognitive agents and CX design and consulting, digging into the trends and change agents that are driving customer experience across the enterprise.



### Phil Fersht | CEO & Chief Analyst

Phil Fersht is a world-renowned analyst, writer and visionary in emerging technologies, automation, digital business models, and the alignment of enterprise operations to drive customer impact and competitive advantage.

Fersht coined the terms the "Digital OneOffice" and the "Hyperconnected Economy" which describe HFS Research's vision for future business operations amidst the impact of automation, AI and disruptive digital business models. In 2012, he authored the first analyst report on Robotic Process Automation (RPA), introducing this topic to the industry and is widely recognized as the pioneering analyst voice that has driven the evolution of the RPA industry.



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Miriam's focus is on Integrated Automation across the Triple-A Trifecta (automation, AI, and analytics) from a people, process, and technology lens and her key areas of expertise include IT services contracts and market evaluation. Miriam also has considerable experience in systems implementation, systems integration, business analysis, technical analysis, consultancy, and strategic marketing.



### Callum Moore | Research Analyst

Callum Moore is a Research Analyst at HFS Research, based in Cambridge. He previously completed a Master's programme covering Intelligence & Strategic Studies at Aberystwyth University. His research focused on counterinsurgency in rural and urban environments. Callum proceeded to work in several security-related positions following his studies



A nighttime cityscape with a digital network overlay. The network consists of numerous red dots connected by thin, glowing orange lines, creating a complex web across the sky. The city below is illuminated with warm orange and yellow lights, with a prominent light trail from a train or car in the foreground.

# 2020 DEFINING BUSINESS OPERATIONS IN THE NEXT DECADE

## About HFS Research: Defining future business operations

The HFS mission is to provide visionary insight into major innovations impacting business operations, including: automation, artificial intelligence, blockchain, Internet of things, digital business models, and smart analytics.

HFS defines and visualizes the future of business operations across key industries with our Digital OneOffice™ Framework.

HFS influences the strategies of enterprise customers to help them develop OneOffice backbones to be competitive and to partner with capable services providers, technology suppliers, and third-party advisors.

Read more about HFS and our initiatives on [www.HFSresearch.com](http://www.HFSresearch.com) or follow @HFSResearch.

The HFS logo is a solid orange circle containing the letters "HFS" in a white, bold, sans-serif font.

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