

## Using Video Collaboration Capabilities To Optimize the Value of Remote Advisers

By Joel Barbier and Doug Handler, Cisco IBSG Research & Economics Practice

Remote-adviser models are gaining attention as private- and public-sector organizations seek to complement, replace, scale, or extend the reach of knowledge workers and subject-matter experts.

Organizations are struggling to provide a differentiated experience while meeting the growing expectations of a customer base that enjoys unparalleled access to detailed information on products and services. Over the past 15 years, a majority of consumers and constituents have adopted a myriad of ways to find information online, including company financials, product and service evaluations, and price comparisons. This increased customer sophistication requires that experts provide cutting-edge knowledge and availability at a moment's notice.

### Benefits of Remote Advisers

By offering customers and constituents access to remote expertise, private- and public-sector organizations can increase their relevance and convenience, improve service levels and public perception, drive customer satisfaction and loyalty, and ultimately improve customer lifetime value.

Remote-adviser solutions provide the following benefits:

1. Reduced customer leakage and improved peak-load management
2. Better sales-closure rates, up-selling, and cross-selling
3. Improved customer satisfaction and retention, with better service / relevance
4. Increased reach of scarce talent
5. Decreased labor costs resulting from better utilization of experts

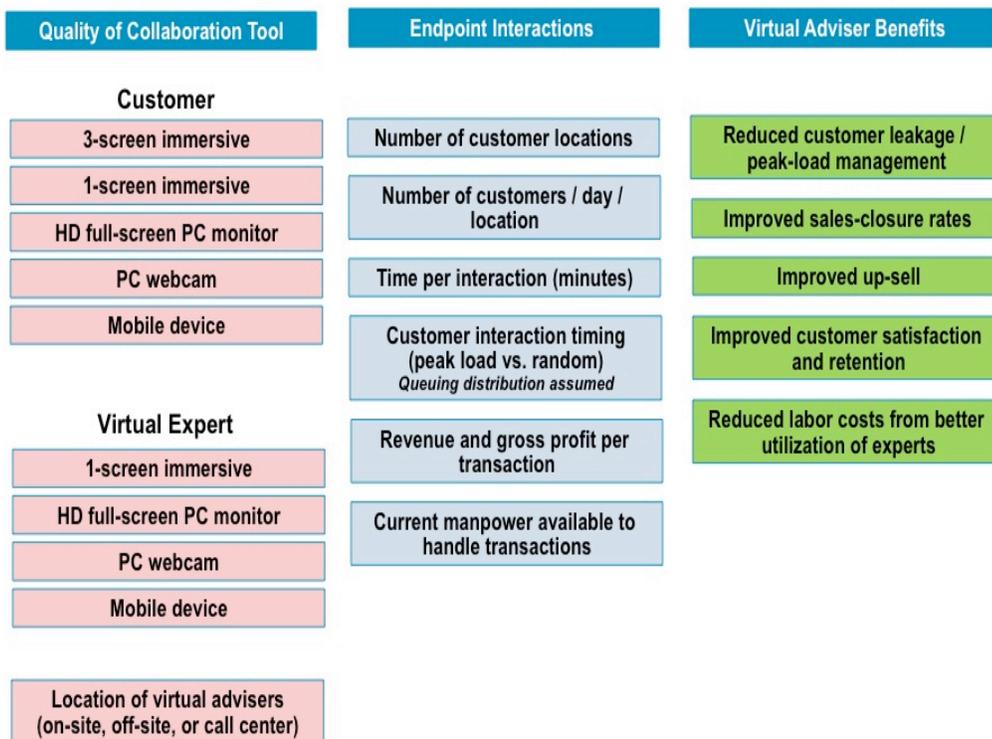
In this paper, the Cisco Internet Business Solutions Group (IBSG) Research & Economics Practice identifies the key questions organizations must answer to determine which remote-adviser models and technologies will help meet their objectives.

## Improving Economic Viability

In the retail, financial services, healthcare, and education sectors, the relevance of local “generalist” expertise is fading; the need for specialized knowledge now supersedes the value of maintaining on-site “experts.” At the same time, the physical, in-person interaction channel is losing ground to the online channel. It’s becoming increasingly viable for companies to offer richer interactions with remote, online specialists for a number of reasons:

- Network bandwidth costs, both fixed and mobile, are decreasing rapidly.
- Broadband connectivity is now pervasive, and Internet access exceeded 2 billion people worldwide in 2010 (source: Morgan Stanley Internet Trends, November 2010).
- Video adoption is spreading rapidly, thanks to significant improvements in video availability, quality, and performance.
- With rapidly changing consumer attitudes toward video, the effectiveness of “video selling” is growing.

Figure 1. Remote-Adviser Economic Model: Information Checklist



Source: Cisco IBSG Research & Economics Practice, 2011

Few organizations, however, have implemented a full-scale remote-adviser model, although several early adopters are conducting pilot tests. As Figure 1 indicates, remote-adviser models contain a plethora of options to consider. For example, the range of collaboration tools used by customers can range from mobile phones or PCs to an immersive video (telepresence) setup. The location of experts can also vary, from the organization’s physical location to a centralized calling center. Remote-adviser models also need to consider the nature of the questions being asked, and the value of the responses.

## Questions Organizations Must Address

- What are the principal objectives of implementing a remote-adviser model? Knowledge dissemination? Customer contact effectiveness? Cost reduction? Sales efficiency?
- Which remote-adviser models are economically viable, and in which situations?
- Which supporting technologies make sense for remote advisers? How can organizations evaluate them from an economic perspective?

## Value Drivers: Seven Key Criteria

To optimize the economic opportunity of a remote-adviser solution, seven key factors must be considered:

1. Customer relationship value and possible upside with improved customer relevance, geographic and market segment coverage, and expertise
2. Price and margin for product / service offering
3. Business model (customer service, collaborative selling, remote expert, etc.)
4. Cost of adviser
5. Richness of the experience and associated capabilities costs
6. Timing of incoming requests, and speed of responsiveness required
7. Channel location: home, store, branch office, or mobile

## Remote-Adviser Model Options: Flexibility of Remote-Expert Location

Another question organizations must address is the location of their remote advisers, which is determined by consumer or constituent preferences, availability of the employee talent pool, and physical space constraints. We have identified the following remote-adviser model options:

- Replace on-site contacts with remote advisers in a central location, or in another branch (branch automation)
- Supplement branch representatives with remote experts in a contact center, or in another branch (collaborative selling)
- Offer pervasive access to remote expertise from home or from a personal mobile device

The appropriate remote-adviser model is determined by an organization's objectives, which can include:

- Reduction of lead leakage and customer walk-aways that resulted from unavailability of salespeople or relevant expertise
- Delivery of best expertise for complex or high-value selling situations
- Improved customer satisfaction, particularly during peak-load periods or for uncommon transaction types. Pleased customers lead to improved retention and greater up-selling opportunities.
- Achievement of internal efficiencies or cost savings by having the best information delivered exactly when it is needed, without causing process delays

A video-based business-to-consumer interaction can range from a life-size, immersive experience to a thumbnail picture on a PC monitor or mobile device. The ideal configuration will vary with the value at risk and the need for on-the-spot responsiveness.

## Illustration for Retail Banking

The following example of a bank implementing remote-adviser capability in its branches demonstrates how these decisions might be handled.

Bank branches may consider an “immersive” experience valuable when selling complex products like investment funds, mortgages, or small-business loans. Availability of the video-based remote adviser may either supplement the internal bank-branch staff or even completely replace them in certain product-selling situations. If a replacement option is chosen, then the bank staff need not be trained to sell these products, and the bank is assured that it will have a top-rated salesperson available to speak with a prescreened customer. As a specialist with the experience of many customer interactions, the remote adviser can be expected to have better-than-average transaction closure rates and higher revenue per transaction through cross-selling of ancillary products.

Any remote-adviser model must also address the physical location of advisers. In the bank-branch model, advisers may be located in the branches themselves and connected so that they can respond to the needs of other area branches. Or, the advisers may be located in a centralized calling center, with whoever is “up” receiving the next query. If the requirement of remote advisers is infrequent or sporadic, or if a local presence is important to the selling process, a bank-branch location may be preferred. If the requirement is ongoing, repeatable among many customer locations, or clustered during specific times of day, then a call-center model should be considered.

In situations where less value is at stake but immediate responses are either required or highly desirable, a PC- or mobile-based contact mode may be more appropriate. These types of interactions tend to be more technical in nature, often explaining how a product or process works, or handling questions about a recent or pending transaction. The simple but immediate availability of an expert’s advice offers sufficient value; it is not necessary to provide a fully immersive selling environment. Office-to-expert or home-to-expert technical models of connectivity need to be considered in these situations. Here, too, the experts themselves may be located in a call center or in dispersed locations, such as part-timers working from their home offices.

Cost-cutting objectives also enter into the location decision. For example, if each bank branch has one person selling mortgages, with half the day spent selling and the other half dedicated to various administrative tasks, the creation of a call center to handle mortgages will force a reallocation of labor within the branch. Moreover, it is entirely possible that, in aggregate, the remote advisers will sell mortgages more efficiently than the people in the branches and, therefore, require fewer man-hours to do this.

Similarly, in company-internal remote-adviser environments, most of the experts’ value will come from their technical knowledge and acquired wisdom. Here, too, immersive technology may not be required, but certainly the experts need to be equipped with a wealth of collaboration tools where their company wisdom can be stored. In the office, thumbnail-sized videos may not add much collaborative value compared with an office’s instant

messaging or email capabilities, but a full-screen, desktop video collaboration tool can help with the conveyance of the problem and the solution. This is particularly true if the collaboration requires viewing of a product or document, or the ability to see hand gestures. The benefits of an internal remote-adviser center include finding experts more quickly, eliminating duplicate searches for information (perhaps with different results), and ensuring that the best person to answer a question actually is the one who answers the question.

### Technology Options

Technology capabilities (matching viable delivery mechanism with value-add level) include the following options—from a high-end, immersive experience to simple, low-cost options:

- Cisco® TelePresence®: single-screen or 3-screen immersive video interaction
- High-definition room video
- Standard- to high-definition full-screen PC monitor
- PC webcam—usually in conjunction with screen sharing or rich-media experience
- Low-cost, 1-way video, such as IPTV or video on demand (VoD)
- Mobile device video interaction, or VoD (smartphone, tablet PC, etc.)
- Supporting capabilities, such as presence, calendaring, queue management, etc.

### Linking Remote-Adviser Value Opportunities to Technology Options

Depending on the business value at stake, different formats of video and qualities of experience may be economically viable. In this analysis, we are mapping the video recommendation to various customer-interaction situations. Figure 2 below provides affordable technology options based on margin generated and cost of one hour of video-based customer interaction.

Figure 2. Technology Affordability Map

Value opportunity (margin potential)	\$100-\$1,000+	\$50-\$200	\$5-\$100	Applicable for most offerings
Adviser model and video technology recommendation	Immersive, reciprocal with remote adviser	High-definition, reciprocal with remote adviser	Standard-definition video with remote agent	VoD on PC or mobile device
Full solution cost per hour	\$100-\$300	\$50-\$100	\$3-\$50	\$0.01-\$3.00
Industry applications (illustrative)	Enterprise banking: financial adviser (wealth) Retail: “big ticket” items	Banking: remote adviser, branch automation (mass) Retail: customer service	General / cross-industry: product information Public sector: tax support	Cross-industry: product information and price comparison, online marketing

Source: Cisco IBSG Research & Economics Practice, 2011

The remote-adviser model can also be used for sensitivity analyses that allow customers to explore various combinations of technology and usage assumptions. For example, using telepresence in place of desktop video at the customer location may cost more, but the benefits, in the form of higher deal-closure rates, may justify the additional investment. The model can also help determine the number of endpoints needed, the skill level (salary) of the experts, the potential efficiency gains of consolidating experts in a call center, or the transaction-quality requirements necessary to implement a cost-effective solution.

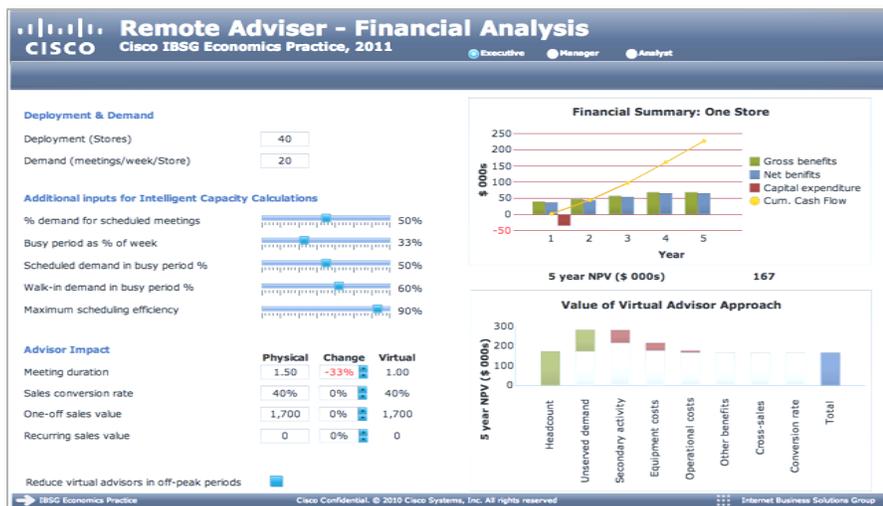
## Conclusion

The feasibility of a remote-adviser sales or information-dissemination model can be determined from a straightforward cost-benefit model. The two central questions that an enterprise or public-sector organization must address are (1) “Which type of collaboration tools are needed?” and (2) “Where should the remote advisers be located (based on consumer or constituent preferences and physical space limitations)?” An intermediate goal of the model is to ascertain how many transactions remote advisers will handle and, therefore, how many experts must be supported. This will drive capacity requirements and, hence, the costs of the remote-adviser solution. On the flip side, the calculation of remote-adviser benefits involves a before-and-after analysis of the in-scope transactions, identifying the incremental revenue (and gross profit) and cost improvements from having certain transactions handled by experts.

Thus far, based on consulting engagements in the banking, retail, and healthcare industries, the Cisco IBSG Research & Economics Practice has found the business cases for remote-adviser capability to be extremely profitable. Please contact us for further analysis and supporting evidence.

## Sources

- Cisco IBSG Economics Green Business Value Calculator, Video Business Value Tool, 2011.
- Cisco IBSG Research & Economics Remote Adviser Model, 2011.



Source: Cisco IBSG Research & Economics Practice, 2011

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### More Information

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