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eGain: Delivering Innovative Customer Interaction Hub Solutions

The Boardroom Report provides the CRM, customer interaction and call center industry's view from the top, featuring the sector's first in-depth, exclusive CEO-to-CEO interviews with leading executives regarding industry news, analysis, trends and the latest developments at their companies. As the industry's leading publication since 1982, it is our responsibility to recognize leaders with the best minds in the industry and share their vision and wisdom with our valued readers. For this installment of The Boardroom Report, Technology Marketing Corp. founder/chairman/CEO Nadji Tehrani interviewed Ashutosh Roy, co-founder, chairman and CEO of eGain.



Ashutosh Roy

NT: Please tell us about your company and type of business.

AR: eGain is a pioneer and recognized leader in multichannel customer interaction management software.

The first-ever provider of on-demand customer service software, we offer the most flexible and proven set of deployment options for the enterprise - on-premise, on-demand or managed services. Between eGain and Inference Corporation, a pioneer in knowledge management software and now an integral part of eGain, we have over two decades of experience in enabling blue-chip businesses to deliver superior customer service.

To elaborate this further, we help organizations transform their traditional call centers into what we call "customer interaction hubs" (CIH). Based on the Power of One, the concept of one unified platform for customer communications, eGain Service suite helps companies build these hubs to achieve key business-critical objectives:

- Differentiate themselves through innovative and distinctive customer service;
- Improve customer experience, contact center agent productivity and service process efficiencies;

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- Generate revenue through better online conversion as well as contextual upsell and cross-sell at the point of service;
- Reduce escalations, unwarranted product returns and field visits, while reducing overall service costs;
- Improve self-service effectiveness and adoption through multiple information access methods or what we call "multi-modal self-service."

NT: What are the greatest customer service challenges that businesses are facing and how do you think these challenges can be addressed?

AR: *Disjointed customer service experience:* One of the main sources of customer frustration and eventual defection is disjointed customer service across inter-

action channels, and between self-service and agent-assisted service. Businesses have built up these silos over the years and are trying to figure out how to integrate them, as customers continue to clamor for better experiences. Many of our clients — Costco, ABN AMRO, Eastman Kodak, and Vodafone among them, have addressed this issue by implementing eGain-powered multichannel customer interactions hubs. A concept advocated by Gartner, CIHs consolidate all interactions, business rules, knowledgebases, workflow, integrations and analytics in one platform, enabling a "joined up" customer service experience across interaction channels by ensuring consistency and context retention across channels, while curbing customer service costs and total cost of ownership. We are seeing a strong increase in CIH adoption among existing as well as new clients. ABN AMRO is taking the CIH to the next level by providing innovative Web self-service through their interaction hub, using eGain ChatBot, our virtual agent technology, which has been used by organizations to not only reduce phone calls and increase online conversion but also to provide a distinctive brand experience.

Leveraging contact center best practices in stores/branches: We see a compelling business need to integrate and optimize retail stores and branches (and associated workforce) with the contact center investment through multi-channel interaction hubs. This will require

presence management and VoIP infrastructure to work closely with the CIH implementation. The business benefit of optimizing work allocation across a huge retail/branch workforce as well as empowering store/branch workforce with best-practice interactions, leveraging contact center techniques, is significant. We have already started to address this market need through our recent OEM agreement with Cisco, where Cisco incorporates eGain's award-winning eService products in their unified contact center suites.

Interaction compliance and revenue generation: Agent churn, outsourcing and M&As, ever-tightening government regulations and the increasing requirement to sell within the context of service are driving the need for interactive process support tools that can guide agents through compliant and value-maximizing customer conversations. Clients in sectors such as financial services, telecom and retail are already using our solutions to address this challenge. For example, a premier brokerage firm in the U.S. is using eGain Mail and the eGain CIH platform to route and process incoming customer e-mails in a way that is compliant with SEC regulations. A leading prescription services company is using event or life stage based triggers to send proactive customer service notifications that also include contextual upsell/cross-sell offers, using eGain Notify, our notification product. A leading international bank is using eGain Advisor to help small businesses open new accounts while up-selling and cross-selling related products and services.

NT: Tell us about new developments in your company.

AR: This is an exciting time for eGain. Our multi-year bet on developing a broad and deep customer service software suite based on a single CIH platform is paying off — we are seeing strong CIH adoption among existing as well as new clients, as evidenced by many more multi-application deals and

upgrades than in the past. We were rated a leader in the interaction-centric customer service management space by Forrester in 2007, with top scores in strategy as well as key areas such as customer service product capabilities, architecture and platform. Unlike our competitors, we offer the most flexible and proven set of deployment choices in the industry — on-premise, on-demand, or managed services. This is serving us well in the market, as enterprises continue to adopt non-premise deployment models more aggressively.

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Partnerships are critical to driving our business growth, moving forward. We signed a landmark OEM agreement with Cisco, where Cisco will OEM our award-winning e-mail management, chat, and Web collaboration products as part of their contact center suites for unified customer communications. We are continuing to expand the eGain EcoNet partner program, adding several new reseller and SI partners on a worldwide basis, including 4C Consulting NV, Bizmatica, Bucher & Suter AG, Centric Consulting, Calence, LLC, D+S solutions GmbH, IntelliSolutions S.A., Inter-Active Technologies (Pty) Ltd., and Spanlink Communications.

Furthermore, we plan to train over a hundred professionals in the ecosystem, many of them dual eGain-Cisco partners, in the next twelve months. This will allow us to scale our professional services capabilities.

Last but not the least, our clients continue to get recognized for their innovation and performance, which is gratifying to all of us at eGain. For instance, Barclays was selected as the European call center of the year, while ABN AMRO was rated the #1 online banking Web site for cash management in Greenwich Associates' Web site benchmarking study, and was also selected as an InfoWorld 100 deployment for creative use of technology for transformational customer service.

NT: I hear that you are offering something called "Best Practice Assessment Study." Can you elaborate on what it is?

AR: Beyond new product offerings — we launched eGain Service 7.6 suite that includes nine new applications and enhanced capabilities in scalability and serviceability as well as pre-localized UI's for multi-language support — we have launched a service called Best Practice Assessment Studies (BPAS). This study makes it easier for qualified prospective clients to understand the what, why and how of our value addition to their business before they make the purchase. The service is a no-cost, no-risk offer, and also helps buyers articulate the value of the project internally to speed up the purchase and time to value.

NT: What is the significance of the following in the customer interaction space?

VoIP

AR: VoIP will continue to enjoy rapid adoption and its value proposition to the business has triggered an across-the-board assessment of the technology stack by contact centers. Many customer service and contact center organizations are also using this opportunity to replace fragmented customer interaction systems with unified customer interaction

hubs. This trend, combined with our OEM agreement with Cisco where we are embedded in their VoIP suites, positions us well for growth. The solution allows VoIP interactions to be fully integrated with eService interactions for a 360-degree view of customer communications, which improves customer service experience, effectiveness and efficiencies, while allowing contact centers to perform 360-degree analytics for improved customer service and contextual revenue generation.

Compliance

AR: The need for customer interaction compliance is driven by increasing government regulations, persistent agent churn and increased handling of front-line interactions by outsourced agents. And the need for compliance spans people (e.g., who is qualified to do something), process (e.g., what are the steps, and who does what and when), communication (e.g., secure e-channel communications) and content (e.g., what should and should not be communicated, archived, and analyzed). Without some level of automation, compliance can be a huge drain on efficiencies. As an example, a leading online brokerage firm in the U.S. is using eGain Service to route customer e-mails to agents with the right level of certification, while enforcing supervisory quality control for new agents, in order to be compliant with SEC regulations. A leading retail chain is using eGain Service to automate return of recalled products to manufacturers in a way that is compliant with FDA regulations, while also using the solution to respond customer inquiries coming in from their Web site.

Hosted/SaaS Solutions

AR: Hosted customer service applications have always been popular with small and medium-sized businesses and are slowly finding their way into the enterprise. Large organizations buy hosted solutions for various reasons - operational strategy or philosophy, where a company believes in keeping only core activities in-house, non-availability of IT resources for in-house implementations,

budget constraints that preclude them from making larger upfront investments, and a new trend - let's try hosted, before we buy on-premise. This trend is favorable to eGain since we have a proven track record of delivering on-premise and on-demand solutions for years, quite unlike our competitors, who have proved themselves in only one of these areas.

Speech Technology

AR: Speech-based user interfaces are becoming more powerful and usable. The adoption of speech interfaces opens up new opportunities for integrated customer experience across all channels — voice, e-mail, and Web. Improved vocabulary recognition will elevate the speech interface to the same status as keyboard/mouse based interfaces. Combine this with the convenience and potential ubiquity (think cell phones) of speech interfaces, there is a revolution waiting to happen in customer interaction management as speech technologies mature.

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Offshoring

AR: Rightshoring, whether it is in-shoring/back-shoring, near-shoring or off-shoring, has been around for many years and has experienced massive adoption due to the new economics enabled by networks linking large, inexpensive, trained labor markets with eager consumers in OECD countries. Regardless of where contact centers are deployed, propagation of interaction best practices and compliance becomes even more important in the age of outsourcing, increasing the need for our solutions. The world's largest outsourcers are using

our solution to handle customer service for blue-chip clients. Our multi-tenant capability allows them to serve multiple clients from the same deployment, saving money, while speeding time to benefit. In other instances, businesses have purchased our solution deploying it to in-house or outsourced agents or both.

NT: What is your company's greatest core competency?

AR: I'd say that our core competency is the ability to rapidly deliver innovative customer interaction hub solutions by anticipating or quickly responding to market needs, and leveraging global talent and domain expertise.

NT: What is your vision for the future of customer interactions and their value to the business?

AR: Globalization, relentless product proliferation and commoditization, information ubiquity and an ongoing shift of power to customers have brought customer service to the forefront of business differentiation. According to recent McKinsey research, business performance varied the most in interaction-heavy industry sectors. This kind of trend opens up a great opportunity for forward-looking companies to get ahead of competitors by maximizing the business value generated from customer interactions and make themselves "front-end effective." In fact, a large automotive company in the U.S. is even extending customer interaction capabilities to handling its interactions with its suppliers, extending the front-end effectiveness to all sides of the business. GenPact, the largest BPO in India, is using our solution to process supplier interactions in the accounts payable area for this company. Businesses can then integrate processes across the front, middle and backoffice through an interaction hub to also become "back-end efficient." You are then well on your way to extending your competitive advantage and enhancing business performance at the same time.

NT: Thank you very much for your time.