



White Paper

AI Simulation Training Within Business Process Outsourcing **A Modern Approach to How Agents Learn & Perform at Scale**



Introduction

The Business Processing Outsourcing (BPO) industry, a major component of today's global business landscape, continues to evolve and grow. Grand View Research reports BPO industry growth remains robust, with the global market size valued at US \$261.9 billion in 2022 and projected to expand at a CAGR of 9.4% from 2023 to 2030. Additional research from Statista states the BPO market is projected to grow by 3.58%, with a market size of US \$152.50 billion in 2028 in the United States alone.

This industry paper will focus on the ever-important contact center segment of the BPO business. With technological advancements and increasing customer demands, we'll examine the challenges and opportunities of developing top-performing agents through AI-based training and upskilling.



BPO Challenges Abound

Like all industries, the BPO industry faces the challenge of keeping pace with rapid technological change. As businesses increasingly digitize their operations, BPOs are working to ensure they are included. This necessitates a continuous investment in technology and, when it comes to customer care representatives, a commitment to train and upskill agents to deliver exceptional customer experiences.

It's also no secret that customer demands have also evolved. Today's customers expect fast, personalized and efficient service, putting pressure on contact centers to be agile and dynamic. This underscores the importance of comprehensive and ongoing agent training to ensure agents have the necessary skills to meet these higher expectations.

Remote work is another seismic trend brought on by the COVID-19 pandemic. While it offers flexibility, it can also lead to feelings of isolation among agents and make training and supervision more difficult. High agent turnover rates and retention issues are other problems plaguing the industry. These issues are often linked to job dissatisfaction, inadequate training, and lack of career progression opportunities.

However, these challenges also present opportunities for the BPO industry. By investing in innovative training programs, BPOs can create a workforce of top performers capable of delivering exceptional customer service. This not only improves service delivery but can also boost job satisfaction and retention. Furthermore, flexible work arrangements and support for remote workers can make the industry more attractive to a broader talent pool.

Foundever and AI Simulation Training

Foundever™ is a global leader in the customer experience (CX) industry. With 170,000 associates across the globe, it's the team behind the best experiences for +750 of the world's leading and digital-first brands. With Zenarate, Foundever augments its customer-centric CX training program with the AI Coach Platform to revolutionize customer service training. The partnership highlights both companies' forward-thinking approach to employee training and development to create an environment conducive to experiential learning.



Equipping our people with the best training tools and resources is key to delivering exceptional customer experiences, Zenarate's AI-training technology is accelerating our agents' proficiency dynamically and efficiently.

Laurent Uberti, President, CEO & Founder of Foundever

Emerging Trends for BPOs

To evolve in the digital age, BPOs are at the forefront of using more modern and innovative ways to train and upskill representatives to deliver superior customer service. Here are four emerging trends we see from working with our global BPO partners:

Talent Gap Analysis

A key strategy being adopted by customer care leaders is Talent Gap Analysis, which identifies the skills currently lacking among agents and those delivering exceptional customer service. Through talent gap intelligence, leading companies are tailoring training programs to bridge skills gaps to ensure agents have the necessary skills to meet customer expectations.

Utilization of AI

Artificial Intelligence (AI) is everywhere, and it's certainly helping to transform the BPO industry. AI technologies not only automate repetitive tasks, but within the scope of training, they enhance agents' ability to learn more effectively and resolve the most complex issues they face with customers. Through AI simulations, agents develop into top performers through personalized learning experiences and real-time feedback to ensure improved customer support.

Continuous Training

As the nature of customer service evolves, so does the need for constant and ongoing training. It's no longer enough to train agents at the start of their engagement and hope for the best regarding upskilling. Instead, leading BPOs implement ongoing training programs to ensure that high-performing representative's skills continually improve. This includes training in best practices, important soft skills and updated company policies.

Investing in Upskilling

Recognizing the value of a skilled workforce, BPO companies are investing in upskilling their agents. This involves providing training and development opportunities beyond their role's basic requirements. Companies improve service delivery and boost agent satisfaction and retention by investing in their agents' professional growth.

BPO Customer Care Focus Areas

Looking at specific issues facing our BPO customers, the following contact center factors must be addressed to meet customer expectations:

- **Talent Loss and Poor Knowledge Transfer**

BPO contact centers are experiencing the challenge of losing key talent due to turnover, leading to a loss of institutional knowledge and experience. Uncertainty created by outsourcing can cause existing employees to leave, taking their skills and expertise with them. This can disrupt the continuity of service delivery and impact customer care quality.

- **Quality Control and Compliance**

For BPOs, maintaining high-quality customer service while meeting compliance requirements is a significant challenge. Investing in call monitoring software is vital to address operational challenges and ensure consistency in service delivery.

- **Long Wait Times and High Abandonment Rates**

These long-standing issues lead to unsatisfied customers. Finding the right balance between efficiency and effective customer service can be difficult, especially when dealing with high call volumes.

- **Adapting to Digital Transformation**

As companies of all types focus on digital, BPOs face a balancing act to adapt and evolve while smoothly integrating new technologies. Due to rising complexity, it is particularly tricky for large enterprises with specific digital requirements or expectations.

Zenarate, Simulation Training and BPOs

At Zenarate, we're proud to work with leading global BPOs and contact center leaders to transform agent learning and training. Our unique AI Simulation Training provides an immersive learning experience that has been game-changing for new and experienced agents. By leveraging artificial intelligence, we create lifelike simulations that mimic real-world customer interactions. This allows agents to practice their skills in a safe environment and provides immediate feedback to help them improve. With Zenarate, scaling training programs is no longer daunting; we can easily replicate our AI-based training modules across different teams, locations, and time zones. We're not just transforming how agents are trained but helping BPO companies raise the bar for customer service excellence.

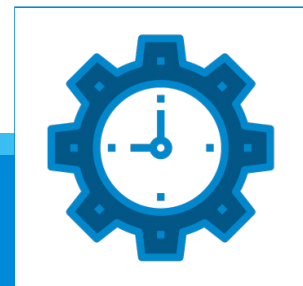
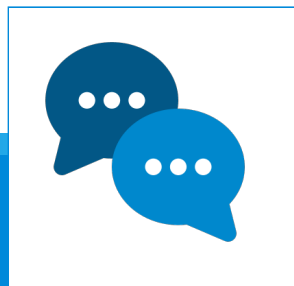
Soft Skills Matter

To assist customers, today's agents must be knowledgeable and possess the soft skills vital to any successful contact center. Because of the high sensitivity and emotionally charged challenges, contact centers must prioritize soft skills when training new and tenured representatives.

Today's top-performing agents possess high proficiency in soft skills like empathy, active listening, and compassion. Customers expect the people they engage with to understand their needs and offer personalized solutions quickly and efficiently.

However, providing this level of service can be challenging, especially for new team members who are learning their way and may not yet have the same level of emotional intelligence as more seasoned agents.

Without proper training and support, associates can continue to struggle to fall short in providing a superior level of service that customers expect and demand.



The Rise of Immersive Learning and AI Simulation Training

Today, with the emergence of advanced digital practices and AI, new training methods are helping top BPOs overcome the shortcomings of traditional passive training. With static PowerPoint and dull classroom training coming up short, immersive learning and natural language AI Simulation Training practices are transforming how people learn and perform.

At Zenarate, we help global enterprises implement AI Simulation Training that uses Artificial Intelligence to create life-like, realistic scenarios that allow agents to practice in a low-stress environment. We describe our AI Coach as the "flight simulator" for customer service and sales representatives. In training, they are immersed in life-like conversation, screen, and chat simulations to master high-impact topics they will face with live customers and prospects.

Mastering Customer Interactions with AI Simulation Training

We believe the goal of every training program is to empower associates to consistently deliver the ideal brand experience using company-specific call skills, compliance requirements, and empathy. With AI Simulation, agents train and certify against those, and when they move into live customer calls, they are assessed and continuously coached against those requirements. Representatives must solve customer problems and follow best practices to provide exceptional customer experiences – and practicing, like any endeavor, is essential.

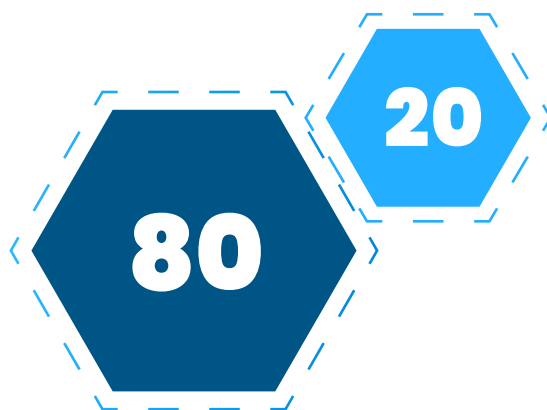
Natural language AI Simulation Training helps prepare new hires before interacting with their first live customer or prospect. Tenured associates leverage AI Simulation Training to build new skills and close skill gaps. Companies can effectively train their entire agent workforce when launching a new product, service or way of conducting business vs. old-fashioned methods such as huddles or relying solely on knowledge articles.

AI Simulation Training helps develop contact center agents to learn complex new skills through hands-on, active learning. The 70-20-10 learning method proves that human beings learn best by doing. 70% of learning is achieved through hands-on learning. By leveraging AI, a more modern approach is used to practice high-impact call scenarios in their own words without a script. Contact center leaders can also use AI Simulation Training for tone, soft skills and best and required practice feedback. Agents practice, solve problems, make mistakes and build confidence through simulated life-like scenarios.

Guidelines to Call Scenarios and Stories

At first, building out all the potential scenarios may seem overwhelming. With so many possibilities, top KPIs can get lost in the mix. Here are guidelines for you to consider:

- The 80-20 rule helps keep you on track. On average, 50-75 simulation stories will cover 80% of any call type.
- Prioritize call scenarios for associates to be amazing at 50-75 stories per use case.
- It may take a significantly larger number of stories to cover the remaining 20% of potential call types. By aiming to have agents confidently handle 80% of the most critical calls, they will often figure out how to handle the remaining 20% for the first time with finesse and confidence.



BPOs have unique KPIs to determine contact center success. It is up to each contact center leader to determine the most critical metrics based on their specific needs.

Major Metrics/KPI improvements

1 Speed-to-Proficiency

Simulation training used by global BPOs has improved how quickly representatives can provide accurate and timely customer replies according to regulatory and quality standards.



Zenarate customers achieve
40 - 70% faster
speed-to-proficiency.

2 CSAT

By solving customer inquiries for the first time with personalized, empathetic customer experiences - customer satisfaction scores significantly improve. Customer satisfaction also plays a major role in customer retention and long-term loyalty.



Zenarate customers improved
CSAT scores by
20 - 50%

3 Drive to Digital

The digital world is moving rapidly. Highly trained agents who are well-versed in digital services help save customers time and prevent future callbacks. Improving the drive-to-digital metric empowers customers to help themselves, saving them time and frustration from waiting to speak with a customer service representative.



35% of Zenarate
customers believe
AI/Automation will yield the
greatest return on investment

4 Agent Attrition

Many associates leave in their first 90 days of employment. Many leave because they don't feel adequately prepared for success in the role. Agents trained with advanced techniques, like AI Simulation Training, are more likely to feel confident in their role and thus more likely to stay longer at their job.



Zenarate customers experienced
10 - 40% lower
employee attrition

5 Reduce Average Handle Time

All contact centers want to improve service delivery while reducing costs. AHT allows contact center leaders to identify potential bottlenecks, diagnose areas for improvement or provide additional training.



43% of Zenarate customers ranked Handle Time/Volume as the most closely tracked agent-related KPIs

6 Improve First Call Resolution

The better agents are trained and prepared, the better they can prevent callbacks and reduce costs. This metric identifies trends in customer inquiries that may require further training or process changes to improve first-contact resolution rates. Contact centers can quickly resolve issues by emphasizing continuous process improvement and agent training.

7 Reduce Average Wait Time

When a customer spends excessive time waiting to speak to an agent, it can lead to a negative brand image. Contact center leaders need to balance staff levels, streamline processes and leverage self-serve options to their advantage. Lower wait times are directly correlated to higher CSAT scores and fewer complaints, as well as driving customer and prospect loyalty.

8 Reduce Abandonment Rate

High abandonment rates indicate long wait times, poor communication or insufficient staffing levels. Tracking this metric helps leaders understand where service improvements are needed, such as optimizing staffing levels, improving call routing or providing customers with self-service options to reduce wait times. By reducing the abandonment rate, the contact center can reduce the percentage of customers who give up and offer an improved customer experience, leading to higher customer satisfaction rates, increased brand reputation and retention rates.

BPO agent performance and training will continue to evolve rapidly, driven by trends and best practices covered in this paper. As BPO leaders, you are at the forefront of a transformative time as you modernize training approaches. New technology will continue to advance to deliver immersive, realistic training experiences for complex customer interactions. By embracing this change, you'll be better positioned to manage the increasing demands of ensuring agents have the skills and knowledge to deliver exceptional customer care. The future of contact center training is here, and it's powered by artificial intelligence that provides engaging and effective approaches to customer care training and agent performance.

About Zenarate

Zenarate is a leader in AI Simulation Training and Agent Development focused on growing top-performing customer-facing agents who consistently deliver superior experiences. Our AI Coach platform trains, certifies, measures, and coaches millions of agents in over 79 languages worldwide based on our customer's perfect call skills and brand requirements. Ensuring they're prepared before they ever go live with customers and continuously developing them once they do. Zenarate has improved agent Speed to Proficiency, First Call Resolution, and Agent Retention for leading enterprises worldwide in financial services, healthcare, insurance, telecommunications, technology, retail, and travel industries. For more information, visit www.zenarate.com.





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