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CONVERSATIONAL AI



Turning compliance into  
competitive advantage

# Turning compliance into competitive advantage

Compliance is a growing challenge for every sector and is regularly cited as one of the top risk concerns of Board directors<sup>1</sup>.

The implementation of stricter privacy regulations and the tightening of financial conduct governance mean businesses must ensure they meet regulatory requirements in every aspect of client relationships. Failure to do so exposes the organisation to compliance risk, which can result in crippling fines, legal penalties and loss of reputation.

There is more than just a regulatory aspect to compliance, however. In today's values-led consumer environment, businesses need to prove their authority and integrity. They need to make sure that every contact with customers is a true reflection of the company's brand values. At the same time, they want to gain maximum performance from sales and customer service teams by ensuring that they operate in accordance with successful techniques and models.

Get all this right and the business strengthens its compliance posture, brand equity and sales success. Get it wrong and the risk of commercial and legal penalties is high. And, while regulatory fines may be headline-grabbing, it is almost impossible to put a price on the loss of business caused by weak brand performance and sales/support functions.

Monitoring and improving compliance is no easy task. This is particularly the case in today's omnichannel communications world that includes live web and text chat services and voice calls. With up to 50 per cent of customer contacts taking place through phone, voice apps and video, even a small business can have millions of touchpoints to control and analyse.

This white paper looks at the challenge of compliance and how it can not only protect the organisation from regulatory risk, but also be turned to competitive advantage. It will look at three key areas:



- 1. Regulatory compliance** – meeting external regulatory requirements
- 2. Non-regulatory brand compliance** – aligning customer communications with brand guidelines
- 3. Non-regulatory sales process compliance** – ensuring sales teams follow successful sales processes

<sup>1</sup>[https://www.protiviti.com/sites/default/files/united\\_states/insights/nc-state-protiviti-survey-top-risks-2019-executive-summary.pdf](https://www.protiviti.com/sites/default/files/united_states/insights/nc-state-protiviti-survey-top-risks-2019-executive-summary.pdf)

# 1. Regulatory compliance in the data age

Financial mis-selling scandals and failure to protect the security of customers' personal data have put the conduct of companies and their treatment of clients firmly in the public spotlight. While the monetary fines can reach millions – as the ICO has shown recently with fines of Marriott and British Airways – the reputational effects are no less significant.

An era of heightened consumer awareness has been ushered in by PPI claims and consolidated by the high-profile implementation of the GDPR. Customers know that the data they share has considerable value and that, if it is lost or stolen, they can find themselves at personal risk of identity theft and fraud. They understand that it deserves to be protected by the companies they give it to and used only for authorised purposes.

Similarly, the exponential growth of financial fraud has driven regulators such as the Financial Conduct Authority (FCA) to implement more stringent regulations to protect customers. Customer identification and verification are just two key aspects that contact centre agents need to undertake in a fully compliant way.

## GDPR one year on – people power speaks

***“64% [of Data Protection Officers surveyed by the ICO] state that they either agreed or strongly agreed with the statement ‘I have seen an increase in customers and service users exercising their information rights since May 2018.’”***

***“From 25 May 2018 to 1 May 2019, we received over 41,000 data protection concerns from the public. The figure for 2017/18 was around 21,000.”***

Source: Information Commissioner's Office (ICO)

This means monitoring and documenting/recording all customer interactions is critical. Customer records must be as complete as possible and businesses need to be confident that their staff meet regulatory requirements in every conversation, text or web chat. Given the vast number of interactions that may be subject to regulation, a technology-driven approach is the only way to achieve full visibility and assurance.

AI-powered speech/voice recognition and analytics is proving its value for both historical compliance auditing/assessment and real-time compliance support.

## Records, reports and audits: boosting accuracy and insight with speech recognition and advanced analytics

The first challenge of compliance is accuracy. A particular risk lies in voice and video calls at the contact centre. Relying on sales and customer service agents to correctly enter all the details of a call leaves considerable room for misunderstanding, omission and human error in general. This data delta can be bridged with advanced speech recognition technology that instantly translates speech-to-text, creating a highly accurate text record of what happens on a call.

Once captured, this text data is analysed by artificial intelligence to assess the compliance status of the call. Were the required questions asked by the agent and the customer's replies recorded accurately? The call is then rated for compliance status.

The real power of this technology is that analysis can be conducted not just on a call-by-call basis, but across every communication the contact centre handles across all channels. Compliance managers can search the data for all interactions that fall below the required compliance level, or that don't contain a particular regulatory question. This gives visibility of agents or teams that need further training, so managers can proactively address weaknesses before they become a major risk issue.

### Briefing the Board

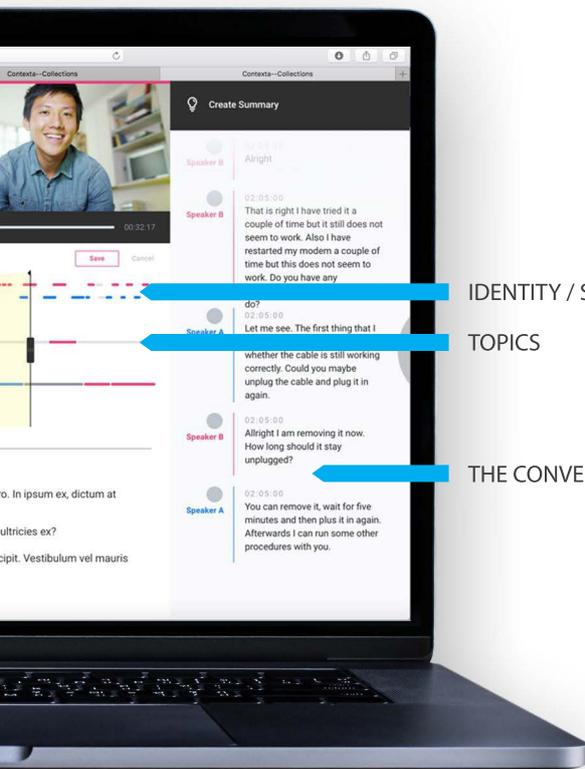
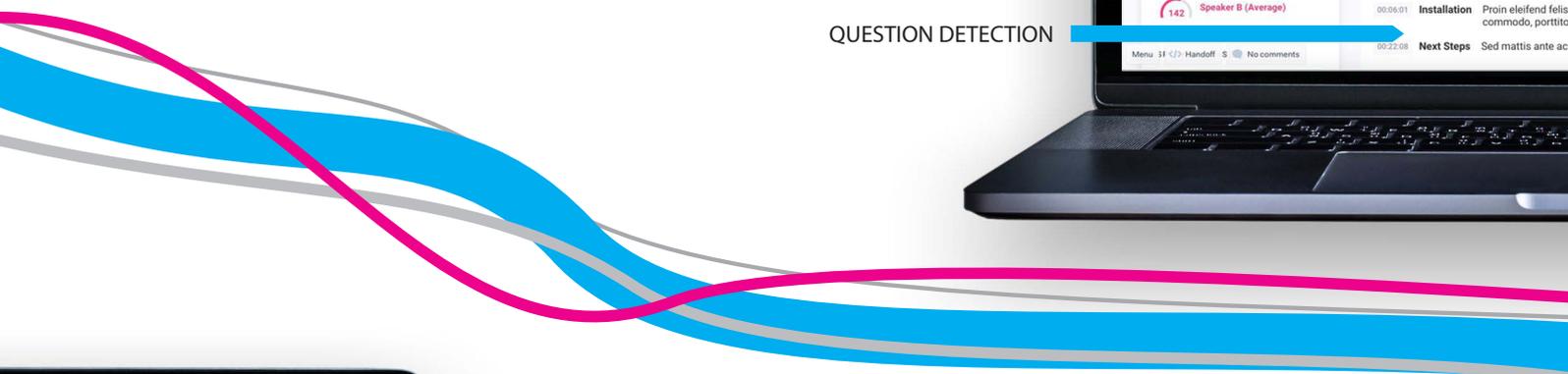
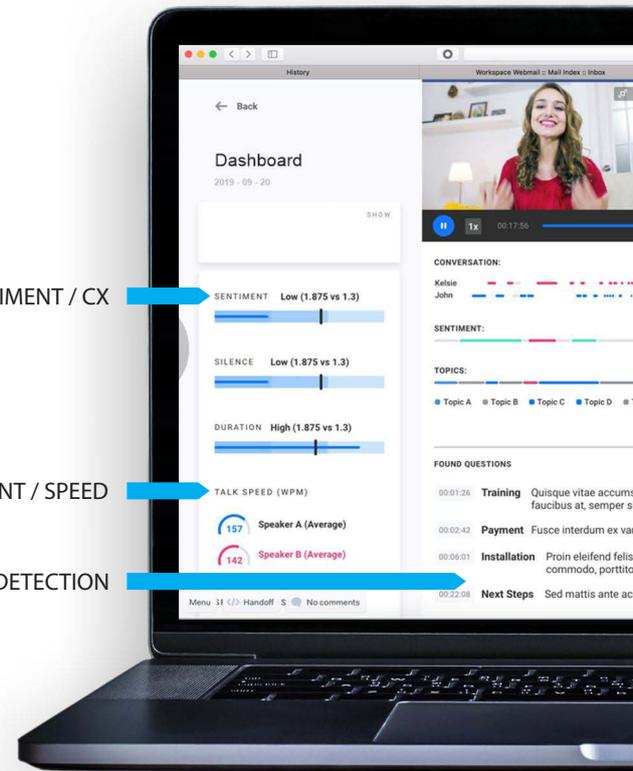
This also allows compliance managers to establish a clear picture of compliance risk in customer communications, something that is essential when reporting to senior stakeholders.

The Board is the ultimate custodian of governance within the business, and compliance risk rises rapidly up the agenda as the penalties for non-compliance grow ever-higher. Boards need straightforward reports with black-and-white metrics that can be easily understood and provide a benchmark from which the company can aim to improve over time.

## Diving into the data haystack

The ability to search and retrieve complete data from customer interactions, including voice and video, also gives businesses far greater control. This is critical when compliance is called into question. If a regulator requires information about a particular customer transaction, suddenly the organisation's compliance status rests on its ability to find a tiny needle in a giant haystack of data. Finding that data is a mammoth task for a business that is reliant on legacy technology. However, if all customer interactions are fully digitised and searchable, the information can be retrieved in seconds, not months.

In the light of the GDPR's much publicised "right to be forgotten" rule, this is even more important. Organisations need to be able to identify, retrieve and ultimately delete all data relating to any subject that requests to be "forgotten". Yet this is not possible if the business has a repository of historically recorded voice calls that cannot be searched digitally.



## Real-time compliance support for agents

While historical analysis, audit and reporting capabilities are incredibly valuable, the constantly evolving regulatory landscape means compliance also has to be addressed up front and in real time.

Contact centres run regular training sessions for agents in a bid to help them keep on top of what is required, but the frequent introduction of new requirements, alongside a typically fluid workforce, mean it can be difficult to ensure consistently good performance.

Here, real-time speech intelligence can be deployed to support the agents as the call takes place. The required compliance questions and/or disclaimer statements are entered into the system, which then "listens" for them during live calls/chats, digitising the conversation as it takes place. The management interface prompts the agent to ask any questions that have been missed, flagging that the call is not yet compliant. Once all the questions have been answered, the status switches to "compliant" so the agent knows that they have covered everything necessary. This means that no call ends before it is compliant.

The rigour and complexity of the modern regulatory environment means compliance has to be a high priority for business. Applying speech intelligence offers greater control, assurance and insight. That said, regulatory compliance should not be the only motivation for businesses in monitoring the quality, content and consistency of their customer communications.

## 2. Non regulatory brand compliance

### Empowering brand-led businesses

Brand power is one of the most important assets of consumer-focused businesses today. The way a brand presents itself and the consistency of the brand experience have a direct impact on corporate revenues. It is therefore not surprising that businesses spend significant amounts on developing and marketing their brand to attract customers and gain market share.

Ensuring brand consistency across all touchpoints in the customer experience is a major challenge, but research from McKinsey<sup>2</sup> indicates that getting it right is worthwhile. The report found that consistency across customer journeys, including in emotional interactions and communications, was linked to up to a 20 per cent increase in customer satisfaction and a 15 per cent uplift in revenues. It also found an up to 20 per cent drop in the cost of serving customers.

While brand managers have a high degree of control over the messages conveyed in above-the-line activities such as marketing and advertising, that control lessens the closer the business gets to the customer. Once contact becomes direct, through phone, text or video chat, it is more difficult to influence the content and direction of the interaction. Yet it is these direct touchpoints that, more than any others, have the potential to communicate the brand's personality and values.

This means it is critical that brand managers and customer experience professionals have visibility over the content of customer interactions across omnichannel communications. Knowing what is being said by customers and their sentiment offers valuable insight that can help inform future strategy. On the other side of the conversation, knowing how agents are conducting calls and chats helps to deliver that all-important consistency.

Speech intelligence and AI-derived analysis deliver this insight. The technology can listen out for key phrases – for example, those indicating a customer is considering cancellation. Calls containing this phrase can be analysed to establish whether there are common issues that are prompting the move to cancel. Similarly, advanced neurolinguistic programming can be used to assess the sentiment around interactions, so brand managers can get all-important feedback about how the brand is connecting with customers on an emotional level.

Speech intelligence also comes into its own when coaching contact centre agents to conduct calls according to brand guidelines. The technology listens during the call to monitor brand consistency. Does the agent greet the customer in the right way, do they adopt an appropriate tone and speed of speech, do they include particular questions or offers in the course of the conversation? Real-time prompts ensure that the required questions are asked, in the same way as for regulatory compliance questions, so the business gets the information it needs to make improvements or to inform strategic planning.

In this way, brand managers can protect the brand during critical close-to-the-customer interactions across telephone, video and chat channels ensuring that the customer gets a consistent experience, whichever route they choose.

*"It may not seem sexy, but consistency is the secret ingredient to making customers happy."*

Alfonso Pulido, Dorian Stone, and John Strevel, McKinsey

Consistency across customer journeys results in:

**20%**  
INCREASE IN CUSTOMER SATISFACTION

**15%**  
UPLIFT IN REVENUES

**20%**  
DROP IN THE COST OF SERVING CUSTOMERS

*More than 80% of businesses expect to compete primarily on the basis of customer experience this year.*

[Gartner research](#)



### Brand compliance monitoring in action

Brand consistency is critical when you operate in an experience-driven industry. A major global cellular company recognised this and had a team of 40 employees who between them had the capacity to manually analyse 5 per cent of all recorded calls. This didn't deliver a truly representative picture of brand compliance in the business.

The business deployed Contexta360: COMPLIANCE enabling it to analyse 100 per cent of call recordings within minutes. The outcome is a true black-and-white metric that displays the brand compliance of the company's contact centre. This is a critical benchmark from which the business can work to improve performance and coach agents.

<sup>2</sup><https://www.mckinsey.com/industries/retail/our-insights/the-three-cs-of-customer-satisfaction-consistency-consistency-consistency>

## 3. Non regulatory sales process compliance

### Boosting successful sales – the power of process

Whether you have a B2B or a B2C strategy, the sales team is the engine of a customer-focused business. Energetic and target-driven sales executives are on the front line of the organisation and undoubtedly what they do is both an art and a science. However, with the increasing availability of big data insight, linked to the importance of brand consistency discussed above, the days of the maverick sales exec are largely behind us. Today's top sales executives and their managers build strategy around knowing their customer. For that they need a 360-degree view of all communications and conversations (voice, video, forms, chat email) between the customer and the business. This includes any communications with other divisions such as support service and returns.

Managing sales teams to get the best commercial outcomes is today far more closely connected with developing the right sales process and building big data insight.

In fact, evidence shows that 50 per cent of highly performing businesses have a closely monitored, formal sales process<sup>3</sup>. Furthermore, companies with a defined sales process generated 18 per cent more growth revenue on average than those that did not<sup>4</sup>.

Having a defined sales process is, in itself, not a silver bullet for success. Businesses need to be sure that sales executives are using it. They also need the facility to train agents and improve their performance over time. This is particularly valuable for early-career sales consultants.

For sales teams that conduct outbound calls, real-time speech intelligence software helps ensure that they adhere to the sales process and obtain all the relevant information from the customer.

For example, on every call the agent should aim to ask about budget, the timescale for the potential sale and establish who the key decision-makers will be. By adding these key questions to the call compliance monitoring system so the agent is prompted to ask them, managers can ensure that sales consultants get the maximum value from each call.

Calls can also be analysed retrospectively to establish what percentage are compliant and this metric can be linked to sales figures to establish the strength of connection between adherence to the defined process and strong sales figures. If all calls are compliant, but the figures don't show a positive correlation, it may be that the process requires adjustment.

This kind of strategic insight can be gained in seconds when fully digitised, searchable call transcripts are available for in-depth analysis.



### Compliance: a three-pronged approach

A major investment bank is deploying Contexta360's real-time speech intelligence to monitor regulatory compliance, understand the brand compliance of customer interactions and strengthen its advisors' knowledge and product awareness. Together, this will deliver significant performance improvements across the board.



**MONITOR REGULATORY COMPLIANCE**



**UNDERSTAND BRAND COMPLIANCE**



**IMPROVE KNOWLEDGE AND AWARENESS**

<sup>3</sup><https://hbr.org/2015/01/what-top-sales-teams-have-in-common-in-5-charts>

<sup>4</sup><https://hbr.org/2015/01/companies-with-a-formal-sales-process-generate-more-revenue>

## Supporting sales consultant performance

When a sales agent is on a call, they rely on their skills and training to spot opportunities to upsell or cross-sell to maximise revenue. However, fatigue and inattention can often creep in, meaning golden opportunities are missed. Giving sales consultants support from real-time call analytics means that when certain topics and opportunities arise, they can be prompted to offer the right product or service.

This can be taken a step further, too. By “understanding” the call in real time, the sales agent’s AI assistant can flag relevant information connected with the topics discussed, such as new product launches, recalls or market data that the agent may not have been aware of, with real-time feeds that integrate with the agent’s interface. This is particularly critical in fast-paced sectors such as finance and investment, where a change in share price or a company announcement could have a profound effect on the customer’s decision or the advisor’s recommendation.

These tools are incredibly valuable in shortening the training cycle for sales consultants, thereby reducing the overall cost of sales.

## Conclusion

### Beyond compliance – AI-powered speech intelligence empowers the enterprise

It is important for businesses to recognise that compliance has a value beyond simply mitigating regulatory risk. It is not just a headache requiring a tick-box approach. Powered by technology that delivers full visibility into customer interactions, compliance efforts can be used strategically to obtain business advantage. They can unlock major opportunities to create sales revenue and support brand experience consistency, to build a more successful enterprise.

With customer experience being the new battleground on which businesses are competing for hard-to-win customer loyalty, enterprises need a 360-view of the state of compliance within their organisation. Metrics that offer straightforward, auditable information are essential to driving continuous improvement. The ability to conduct in-depth, data-driven analysis and report on the compliance of all customer touchpoints, be they voice, live chat, video or any of the multitude of omnichannel options, helps to achieve this.

Contexta360’s speech intelligence and AI-powered analytics enable businesses to turn compliance into a commercial advantage. By delivering metrics, analysis and real-time support, they offer compliance teams, brand managers and sales team managers the comprehensive insight they need to conquer the compliance challenge.

Want to know more about the possibilities for your business?

### Get in touch



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### About Contexta360

Contexta helps enterprises capture voice and video conversations across multiple languages, transcribing and analyzing them for biometric, compliance, sentiment, topic, context, effectiveness and CX. Build a 360-degree view of customer interaction by analyzing your conversations or transactional history from chat, email, social and CRM / ERP data files.