

## Incubator

### *Background*

Change is a necessary part of every modern, forward looking organisation and a vital part of change involves revising attitudes towards the business partners - customers, staff, suppliers and so on - and adopting new ways of working. Some of these new working methods will be simple adaptations of a current procedure or process, whereas others will involve dramatic re-work of processes to ensure that the business can continue to meet and exceed its customer requirements, satisfy staff and at the same time continue to be efficient and cost-effective.

The problem with many organisation structures is that they are organised around specific functions or skill sets and whilst change is accepted, the method of implementation is all or nothing as opposed to testing and experimental. This approach has inherent risks, not least of which is wholesale re-training in some instances and potential excess and unknown costs.

For most greenfields organisations a part of the project plan involves a 'dress rehearsal' - which, as the name implies, is a dummy run at macro and micro level of the proposition before its wholesale launch. This usually involves a group of test customers - often referred to as early adopters - who, amongst other things, are asked to respond to the product(s) and services, the method of delivery and the proposition itself.

For existing organisations, it is often the case that some functions believe they know better than others and although they test market response to a changed or new product or service prior to full launch, it is usually through methods which rarely involve the staff who are the actual, practical deliverers. As a result, the launch may or not be costly and/or effective, it may or may not have the support of staff (who may or may not be trained properly to accommodate any new skills and/or knowledge) and it may or may not pick up some of the subtle infrastructure issues which are so frequently missed.

So, how can this be overcome? Well one way is to adopt an Incubator approach - essentially an approach which enables tests and experiments to be undertaken within a carefully considered and representative group of prospects and/or customers. When the tests prove successful (or otherwise) they can be rolled out to the entire organisation against an already established blueprint, complete with known cost impacts, risks and benefits. Furthermore, for organisations who say they believe in empowerment, then the Incubator approach can bring the practicalities of empowerment into sharp focus - in fact it takes empowerment to the next step, where staff have a very key, practical and influential role in changing the way the organisation works and treats its customers. An Incubator can set the example for the rest of the structure and can start to quickly change attitudes/methods, approaches and indeed the culture of the structure, from the inside by an amoebic growth as opposed to attempting to do everything at once and trying to be all things to all people.

### What is an Incubator?

An Incubator is a group of people – in the context of this document - within a customer service operation or a call/service centre, or any other part of a structure, where change management is the order of the day. The Incubator can often be used in acquisition and/or telemarketing/teleselling environments or where an organisation wants to try out new things but believes them to be potentially costly and where gain/offsets are not clearly understood or believed. Other uses for the Incubator include testing markets for new product or service introductions or functionality, special offers or implementation of new technology to the customer base (for example - use of IVR and messaging in a call centre). Additionally the Incubator can test new business processes in a controlled environment; test new reward, motivation and compensation plans; different approaches to gathering customer attitudes; training programme effectiveness and so on. They can also be used effectively in the customer servicing arena - that is to say the on-going relationship with the customer post-initial sale - to test changes to various processes and procedures, including complaint handling. In this way customers and staff alike can have a genuine input into shaping a truly workable process which satisfies all parties and maintains that essential competitive edge.

Another use for the Incubator is where other parties, often those representing the interests of the workforce, may need to be convinced of new working methods before agreeing to any more global changes.

An Incubator affords the opportunity for a professional testing ground for new concepts or ideas or changes to existing practices - but with a significantly minimised risk to the organisation and to the customer base – and also staff who may be reluctant to change but who will be more likely to do so when they see the clear, positive and proven advantages.

The Incubator is normally a team of people who should directly or indirectly remain an integral part of the function(s) from which they are drawn, although an Incubator can be a separate part of the business activity in some situations.

### Structure

The Incubator operates best in a flat hierarchy where its members can deliver benefits against the backdrop of a team of equals - a team where all ideas can be discussed openly in the group and where the best ideas emerge naturally and are honed by the group themselves. If the organisation is not truly committed to listening to and empowering its staff, then it may well struggle with this concept and its practical application.

Incubators are generally relatively small to begin with but of sufficient size to operate within the same working hours framework of their colleagues elsewhere within the organisation. The Incubator can operate to different working hours but this can create an elitism which is to be avoided where possible - furthermore any attempt to operate a controlled environment relies on consistency and where a customer base is passed from one group to another, depending on the hours of work of the control team, such consistency is not possible.

An Incubator requires a leader or a manager who is well versed in existing company processes and procedures and who has a good understanding of the company structure and likely roadblocks. This manager needs to be able to divert around any roadblocks and persuade others to the course of action which the team and/or its sponsors have agreed on. It must be remembered that the Incubator team members and the team manager will be re-integrated back into the main body of the organisational structure at some time in the future (or vice-versa) - therefore it is vital to work alongside other teams and colleagues and not to alienate them.

Incubator structures need to be communicated to the entire business - often at different levels of detail depending on the audience concerned - and communication regarding progress must be on a regular and formal basis.

### Infrastructure

This properly constituted Incubator will need to maintain on-going relationships with all parts of the business. Incubator members may well have closer and more frequent contacts with more people, different people and often more senior people than would their colleagues. And Incubator members will frequently have considerably more knowledge than these more senior colleagues will.

An Incubator will often need to establish a 'master of all trades' capability within its midst but at the same time seek to gain help, advice and co-operation from others. An example of this is documentation fulfilment where maintaining independent Incubator stocks of brochures, forms or whatever; despatching self-created and signed letters in envelopes with stamps and so on, may well be what is required (one of the tests may be the ability to enact faster fulfilment times or to personalise responses and so on).

An Incubator will - normally much more so than any of their colleagues working elsewhere in the customer services structure - have considerably more frequent contact with the IT/IS function - for trialing screen changes, system enhancements, to record customer survey results or for implementing proper measurement systems - to name but four.

### Objectives

The broad role of the Incubator can be to trial, measure and report against any and every issue, change, new product or service - or anything which will add value to the company or the customer, increase penetration, gain loyalty and/or improve perception by prospects and customers. 'Anything' is that which is deemed by them (the Incubator), by their management and/or by other parts of the business (including an interface, if necessary with the quality programme) as necessary (generally referred to as sponsors or clients - that is those internal customers who desire to test something prior to general release) or desirable to do within budget and provided it has been properly prioritised and agreed.

In telemarketing and teleselling environments, the Incubator will usually test several acquisition/up-selling methods/propositions at one time and maintain extremely detailed statistics to prove, for example, highest percentage penetration, in fastest turn-round time for least cost and maximum benefit. Such data may be profiled against socio-economic groupings of customers or whatever. Examples of testing could include whether conversion from enquiry to take up of offer is best when the offer to a new customer is made against a cash incentive or a gift; whether such conversion is more likely to be successful via a telephoned enquiry or a mailed enquiry; whether chasing a promise to buy is best via a telephone call from the company or via a letter followed by a telephone call - the variations for tests and trials are considerable.

#### Administrative structure and discipline

Inherent in the running of the the Incubator is a strict adherence to detail. At least one of the members of the Incubator should have the desire and the ability to keep and maintain detailed records including a diary of events and dates such that every action taken has an effective audit trail. It is a key responsibility of the entire team to ensure that any implementation of any ideas first tried and tested in the Incubator, be proven to work to the benefit of all parties and that they add true value to the relationship with the customer and/or the business. Rolling-out half-baked and incorrectly proven theories will be to the distinct disadvantage of everybody concerned and will perpetuate or increase any negative customer perceptions and feedback and underline any negative reactions by the organisation itself towards the Incubator theory. The objectives of the exercise must be constantly re-enforced.

#### Importance of measurement and reporting

Determining measures and reporting against those measures is a key and critical part of the entire Incubator process and requires some detailed attention at the beginning of the establishment of an Incubator concept.

Each and every time the Incubator agrees to test a new capability, implement a change, or whatever, it is an absolute requirement that alongside the administrative structure is described an appropriate series of measurement devices. The Incubator frequently, in the early stages at least, learn more from having to compile manual tally sheets to gather data than from relying on inherent management systems. In fact, in many cases, a sophisticated management information may not actually exist anyway - because the Incubator is established to help define the requirements from a practical perspective. Using manual tally sheets, if done within the culture of the established Incubator team ethic, enables members to track progress instantly and to share such information with team colleagues.

Whilst manual tally sheets are advised, the team will need to consolidate reports and data into one format/reporting device. The team usually needs, therefore, a PC with suitable database, word processing, mail merge and spreadsheet packages.

Against each item taken into the Incubator, the team - via its manager - must agree on the success criteria - that is - how do we know whether the trial is a success and thus how can we determine its roll-out? This requires that the sponsors (those individuals or teams or functions that ask the Incubator to test out a theory or a principle or set of principles) clearly state their requirements, date deadlines, cost implications and so on. The experience of the Incubator group can help the sponsors in outlining their requirements.

It is very important to be able to compare gathered data in the Incubator with that from the operation as a whole (that is - the rest of the function(s) not taking part in the controlled experiments) - without such information success or failure will never be known. This could prove somewhat difficult - but 'difficult' is a challenge - in an organisation, which has limited data, poor systems or a lack of measures. However, it is very important to agree a current position based on as much historically factual data as possible so that the outputs of the work of the Incubator can be genuinely compared. Taking decisions based on results of the Incubator outputs that turn out to be worse scenarios than is currently the case would be retrogressive. To avoid this happening, it is often advisable to start by testing the more tried procedures/processes - ones which are known by fact or by anecdotal evidence - and leave some of the more difficult aspects to later on - although they must absolutely not be avoided. An alternative is for the Incubator to test out two or three variations of one principle within the Incubator - that is - a Group within a Group.

#### Continual change and improvement

Incubators are about implementation of change and about improving existing processes, procedures and methods of working by trial, test and experimentation. The best Incubators know their customers and use

such knowledge intelligently. The best Incubators operate with staff who are close to their customers - people who can put themselves in the shoes of customers, largely because they too are customers.

Incubator members must also be selected for their willingness to test out new ideas and principles and to take risks along the way. Members must be active questioners.

The organisation has to be ready for the Incubator and what they can bring to bear. The existence of the Incubator often challenges the organisational structure within which it operates and in a very real way the Incubator is also used for testing the culture and devolution of responsibility and authority.

The best Incubator teams operate with an exclusive customer base allocated to it for the duration of the control exercise - in a call centre this typically might be based on STD codes of customers such that any calls from the agreed STD set are automatically diverted to the Incubator at all times. In this way customers need not know that they are part of an Incubator - and are, therefore, unlikely to act any differently. The chosen grouping of customers/STD code(s) should be as representative of the cross-section of customers throughout the entire business as possible. As a second best alternative, an Incubator customer base could be requested to make contact on a specific/dedicated inbound telephone number but this is not often the best way forward.

The Incubator should normally embody both calls and correspondence. Team members with less experience on calls than correspondence or vice versa, will need to ensure that they all exit the Incubator process familiar with and capable of handling all tasks within both areas.

#### Incubator size

The size of an Incubator depends on many factors but should probably be restricted, at least initially, to between six and 12 'operating' members. The exact numbers will depend on days and hours of operations, spread of and type of customers, staff skills and so on. In addition to this, the team will need other members or to be able to call upon the services of others as required. This will include a marketing/sales specialist, someone from systems, one person from HR/Training. In addition, you will probably need someone to manage the project plan and task inter-relationships.

The Incubator concept, once established, could extend out to cover more than one group. In organisations where customer service extends beyond staff who are working in a customer service/call centre, it adds considerable value to embody within the Incubator, other staff who have a regular and key customer contact role. An example of this might be an installation and/or maintenance team in an organisation where customers are acquired and serviced through the telephone but where the product requires installation and on-going in-home maintenance. This 'virtual' team may mean that the Incubator team have minute-by-minute contact with their colleagues - wherever they are - and that their colleagues only perform work for the exclusive customer base which has already been created within the Incubator(s). All members of the virtual team must know each other and attend a certain number of compulsory face-to-face meetings of the entire team to establish the team bond. The virtual team must be managed by the same structure as described above - regardless of functional reporting.

#### Responsibility and authority

The manager of the Incubator should have complete authority to do whatever is deemed necessary to test any and all activities which have been previously agreed and prioritised and to measure results. This will be done within the overall framework of any other improvement/change projects.

The general rule is that any responsibilities and authorities which are given to the Incubation manager are automatically vested in the Incubator team members. At the very least, the Incubation manager would be given higher decision making authority (including ex-gratia payments, refunds and so on) than their other line management counterparts as this higher authority may well be part of the Incubator process itself.

Work has been done elsewhere which proves that empowering staff at all levels to make decisions, including those which result in financial awards, results in faster decision making, happier customers and less cost - not more.

#### Who fits the bill?

The Incubator(s) will only be resourced with individuals who are motivated by, thrive on and get excited by change - as there will be a lot of it in very short timescales. An Incubator appointment is not for those who

want an easy nine to five existence and/or who prefer laid down routine, formal controls, firm guidelines and minimal surprises. Incubator teams take risks!

#### Skill set(s)

- Risk takers who can turn risks into opportunities and gains for themselves, for their team, for the company and for their customers.
- People who are flexible in approach - prepared to switch and swap tasks and roles on a regular basis.
- People who are prepared to deal with the unexpected.
- People who can apply innovative solutions to dynamic situations and articulate them and report back on them to implement for the future and for other team members.
- People who can take on routine tasks one minute and stretching tasks the next.
- People who are willing to stand up and be counted.
- People who are prepared to make mistakes once.
- People who are self-motivated, who can constructively criticise self-performance and that of team members.
- People who can demonstrate good administrative skills.
- People who are literate, numerate and articulate.
- People who can create and maintain strong customer rapport.
- People who make clear decisions and stick to them.
- People who are prepared to put themselves out in order to solve their customers' problems without buck-passing - task ownership and follow-through.
- People who are not intimidated by rank and hierarchy and who are prepared to get things resolved within a supportive team culture.
- People who work well in a team - as an active, weight-pulling member, as a coach, as a mentor, as a counsellor and as an individual with individual style and flair.
- People who are not afraid to actively speak to customers - make outbound calls and use 'selling' skills to gain confidence, commitment or whatever.
- People who are prepared to take the rough with the smooth and to take setbacks as part of the journey to success.
- People who are actively keen to share knowledge, experience and skills and not in any way feel compromised or threatened by imparting such understanding to other team members.
- Customers first, team second, self last.

#### Training

The first Incubator established should consist of staff who are experienced individuals who have undertaken standard training programmes and are fully 'accredited'. Subsequent Incubators can start to embody less experienced individuals. In both cases the skill sets listed above are pre-requisites.

Incubator staff should be expected to develop their career and interests whilst within the Incubator and will be encouraged to do so as normal practice but also as part of the control itself.

All staff within the Incubator(s) should undergo a minimum of three full days induction programme whereby the structure and principles of the Incubator concept are outlined and imparted. This induction should include an introduction to the practical aspects and should include role plays - fictitious or real examples of how to identify and prioritise issues for testing within the Incubator; how to set measures; how to review progress and report against measures and so on. This induction training would be a formal session (but not all talk and chalk) and would need to be an on-going part of the Incubator(s) as more groups are established and/or as team members rotate.

It is also likely to be of considerable value, in the early stages of the Incubator programme, to undertake three further programmes, namely:

1. Telephone techniques - even though this should have been covered in the normal run of customer service training modules, there is much advantage in message re-enforcing from a fresh, external perspective, using perhaps slightly different approaches and techniques.
2. New skills and techniques need to be imparted with specific regard to pro-active, outbound calling to cover, for example, customer surveys and active pre-issue calls (for example anticipating problems and implementing preventative techniques). These outbound skills are quite different to inbound and demand a new and supplemental approach to telephone

techniques training - the skill set is different and generally speaking only 10-20 per cent of customer service staff at the telephone will have the skills to do perform such tasks - some may not want to acquire them and this must be taken into account when selecting staff for the Incubator.

3. Team building skills - decision making, problem solving exercises and training using specific case studies and role-plays.
4. A fourth area of training is also likely to be required for at least some members of the Incubator(s) and that is training in the input, analysis and graphical representation of data in meaningful ways.
5. A final, fifth area of training may be in presentation skills. This will enable members of the Incubator to represent outcomes to others and gain exposure to some of the senior management within the organisation - good from both sides!

### Commitment

The best Incubators work in an environment where everybody commits to its principles completely (although not without question!). In an environment where committing to a working hours schedule which maps that of the larger customer services/call centre operation but without the benefit of a larger team which that implies, staff may have to work abnormal times at short notice and perhaps for minimal cash recompense - if any.

Team members will likely have to commit to a certain number of focused team meetings outside of their normal schedules. Whilst these should be kept to a minimum, operating across a wide band of opening hours will inevitably create such demands. These total team meetings are key to the on-going success of the Incubator concept and provide a full opportunity for each team member to make a full contribution by being involved at all levels of the plan - everybody works together on an equal basis - all inputs are welcome, good and bad. One of the Incubator manager roles is to prioritise ideas and give reasons for decisions and why some ideas are not workable.

### Rotation

Every possible effort should be made to ensure that as many customer service staff as possible become involved, or have an opportunity to become involved in the Incubator(s) at some stage.

Everybody has something to offer - even the cynics. Additionally using the same team members will create a potential innovative stagnation, create resentment and a potential elitist view - these factors could contribute to the quick decline of the Incubator - as could a lack of regular and consistent communications to the wide internal world.

There are many areas of detail which must be considered and planned before implementing the Incubator approach recommended in this document. These include the necessity to consider the formality, nature and regularity of communications of progress, success and failures of the Incubator; detailing the initial roles and tasks which the group will be undertaking and the prioritisation of such roles and tasks; the detail of the success criteria, measurements and comparisons which will be made together with full details of the reporting procedures and mechanisms to be used; a full and detailed plan for the gathering of the customer voice, the dissemination of gathered data and the use of such data in progressing further work of the team. In addition to this, the Incubator manager and the team must give careful thought to their physical requirements and environment, equipment required, technical interfaces and so on; agree a workable budget in such a way as the team can act as a responsible, cost-effective and targeted part of the business. The group must also commit the whole concept, timing and detail to a project plan and use such a plan as the absolute basis for on-going progress.

In short, the concept requires some careful thought but the outcome is likely to be positive, refreshing, informative, challenging and dynamically exciting. This kind of approach starts to put some of the responsibility and power back in the hands of the people who have direct day-to-day understanding of work processes, procedures and customers - the front-line staff!

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