

Operations Practice

An on-demand revolution in customer-experience operations?

Whether relying mainly on in-house or external talent, gig-style staffing models—when managed carefully—could give customer care the horsepower and flexibility it needs for today’s increasingly volatile markets.

This article is a collective effort by Vinay Gupta, Raelyn Jacobson, Paul Kline, Manu Mehndiratta, and Julian Raabe.



When businesses across the globe were forced to shutter in 2020, the leaders at one regional North American bank shifted to virtual mode. Anticipating that customer-call volumes would remain elevated through the early months of the COVID-19 pandemic, bank leaders created a streamlined training module to cross-train sidelined branch workers. The extra support from branch colleagues helped the bank to manage the high volume of calls. Better still, because the supporting workers were branch personnel, their knowledge of the bank's processes, products, and culture helped maintain the high level of customer satisfaction that the bank had worked so hard to achieve. Leaders learned that this internal "gig worker" approach could be a solution for managing future spikes in demand, whether from unforeseen events or seasonally based capacity increases. And, during a time of great uncertainty, it gave employees new opportunities—to work flexibly, learn new skills, and even find new career paths. That flexibility may give companies an edge now that many are fighting a "Great Attrition."¹

The COVID-19 lockdowns sparked a major scramble to move business to online and phone-based channels. Not every company, however, was prepared to handle the ensuing digital deluge; at this point, there are little data on how effectively companies coped. But the experiences of companies to date show that many organizations are now rethinking how they staff customer-care operations.

Flexible staffing—the use of external talent from outsourcing providers or independent freelancers—has been a staple of customer service for decades. But the pandemic may well be the first time that the redeployment of in-house talent from other departments has occurred on a relatively large scale.

Both approaches, externally and internally sourced, constitute the core of what we call "gig customer-experience operations," or Gig CX. And it behooves companies from across the industry spectrum to consider making this strategy a part of their regular

operations. In this article, we explore the pros and cons of Gig CX and identify four essential elements that must be in place to make it work.

The gig advantage

The idea of Gig CX arose as a natural offshoot of the ever-expanding gig economy, manifesting in high-profile companies in sectors ranging from ride hailing and food delivery to cleaning and odd-job services. More generally, the gig economy refers to the use of independent contractors, freelancers, contract-firm workers, and other temporary workers. Typically, gig workers connect with clients or customers through an online platform.

Gig's greater numbers

The size of the gig economy is hard to ascertain for a number of reasons (not least because tracking gig jobs is not well established). Gallup, for example, used what it described as a "broad definition" in 2018 to estimate that 36 percent of US workers had a gig-work arrangement in some capacity, including independent contractors, online-platform workers, contract-firm workers, on-call workers, and temporary workers.²

Roughly two decades ago, companies began outsourcing in earnest, primarily as a cost-saving measure. Customer service, in particular call centers, was perhaps the most common business process to go that route. Over time, the use of gig labor has evolved beyond sheer cost savings into more of a general efficiency lever, allowing companies to focus on core competencies and manage demand volatility and resources more strategically.

The role of gigs in customer experience

In customer-experience operations, the advantages of gig labor can be many, for companies and workers alike. In addition to the greater flexibility that an on-demand model confers, using gig workers can help overcome geographic limits to talent sourcing—it offers efficiencies by reducing the need for

¹ Aaron De Smet, Bonnie Dowling, Marino Mugayar-Baldocchi, and Bill Schaninger, "Great Attrition' or 'Great Attraction'? The choice is yours," *McKinsey Quarterly*, September 8, 2021, McKinsey.com.

² *The gig economy and alternative work arrangements*, Gallup, 2018, gallup.com.

physical infrastructure, allowing costs to be scaled more closely to output requirements.

Companies can also tap domain experts (such as brand advocates) to interact with customers, creating a more informed and enthusiastic service environment. Workers, for their part, get the opportunity to work with multiple client companies simultaneously, which can translate into broader exposure, potentially higher earning potential, and greater scheduling flexibility.

Gigs go internal

The use of internal talent in a “gig” manner is relatively new and has its own set of advantages. For one, companies gain flexibility and can optimize staffing by moving away from a shift model to a more on-demand model. Within days of the first COVID-19 lockdowns, a European bank converted several branch sites into call centers and moved nearly half of its support staff to a work-from-home arrangement; today, the bank’s contact center operates out of several dozen locations.

Exhibit 1 shows how a gig approach can solve the mismatch in supply when call volumes spike. By supplementing with gig workers (either external workers, redeployed internal employees, or a combination of the two), companies can quickly meet fluctuating demand.

Companies can also enhance the customer experience by enlisting talent that is outside of the CX environment. Branch and store staff can field general inquiries and requests. For more technical topics, companies can bring on external gig workers: professional gamers, for instance, could be engaged to handle calls related to gaming-hardware recommendations.

Using internal gig workers dramatically reduces the risk of losing money on training external workers. Finally, existing talent is already familiar with the company’s systems, policies, and culture. By rotating to CX roles, these workers can help cross-pollinate best practices. And broadening their exposure to company operations

Exhibit 1

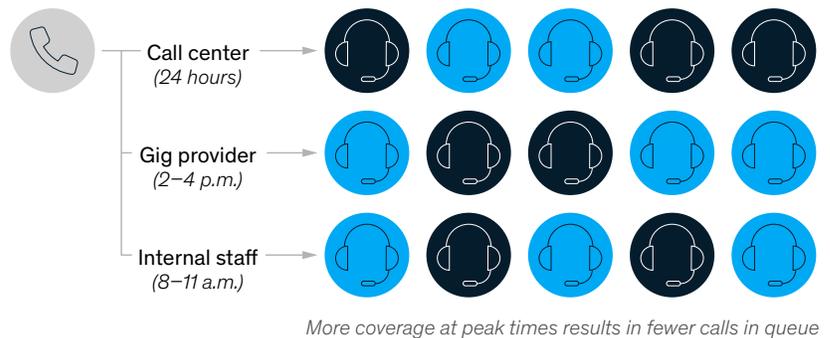
A gig-worker model provides more staff from inside and outside the organization.

Staffing-model comparison, illustrative

Traditional staffing model



Gig-based model



can provide new sources of motivation and engagement.

Managing the hurdles

Gig-based customer experience comes with its share of challenges, although innovative solutions are already emerging.

Maximizing returns on training investments

As with any training program, companies want to achieve a good return on their investment and may question whether external gig workers (or even internal gig employees) are more likely to leave. Companies can lower the impact of these concerns by reducing the cost of training and minimizing the time it requires—two changes that can also make training more available throughout the entire organization.

- *Solutions:* Reducing the upfront cost of training gig workers is particularly important. For example, companies might adopt one of the many emerging tech platforms that use voice bots to simulate customers in training scenarios. The bots are programmed with different personalities and different types of queries; when the call ends, the bots rate the conversation based on tone, empathy, and quality of the resolution. These types of tools can automate a significant portion of on-the-job training.

Another way to reduce cost is to tailor a training program to each employee's exact needs. Breaking a long curriculum or module into discrete, bite-size components allows managers to be more precise in their training recommendations so that gig employees can get up to speed as efficiently as possible.

Crucially, this approach also reduces the necessary training time, which companies can further compress by reassessing how they segment calls. With predictive analytics and next-generation routing technology, companies can direct incoming calls on more complex issues to the most skilled agents, who

have already been trained and have likely been with the organization for some time—thereby reducing the scope of training required for the rest of the team. Finally, introducing more flexibility into training—such as by making it as self-directed as possible—lets employees finish modules during slow periods, further reducing the time commitment.

Maintaining consistent service quality

Traditional metrics, oversight, and performance-management standards don't always translate to gig-worker models. Standard scorecards that emphasize availability and schedule adherence may no longer be applicable. Rather, companies will want to shift to more outcome-based scorecards. They will also likely need to factor in more time for coaching and dialogue, as well as for initiating virtual huddles.

- *Solution:* Some companies are using dedicated gig-model providers to staff more specialized, experienced, or high-quality gig agents. These providers have thousands of registered agents who can be engaged for on-demand work. Moreover, these companies usually assign their agents a minimum of ten to 20 hours a week to guarantee continuity and income for the workers and to give the companies sufficient time to measure performance.

Regulatory and reputational risk

Regulators in some jurisdictions, including California, Spain, and the United Kingdom, have started enforcing new regulations on gig labor. Managing the issues regarding gig models requires sensitivity to not only explicit legal requirements, but also the commitments that companies have made to raise their environmental, social, and governance (ESG) standards.

- *Solution:* Due diligence on the legal and social context of gig-based operating models is essential. Companies will want to prepare by thinking beyond minimum legal compliance to ensure that the people doing the work are being treated fairly, regardless of the model under which they work. This continuous assessment

is most effective when backed by rigorous monitoring of dynamics in the relevant industries and regions, with particular attention to how other companies are responding. Based on this intelligence, companies can define scenarios that shape contingency plans should the situation change.

Gig customer experience does have some advantages over other gig-based fields, insofar as the skills involved are typically more specialized. A gig model can allow talent to apply their know-how and experience in a customer service role without being confined to the conventional eight-hour shift of a contact center. Indeed, schedule flexibility has grown more important to workers in general: in a survey our colleagues conducted earlier this year of more than 5,000 corporate and government workers, more than half of

respondents said that they would prefer a more flexible working model postpandemic.³

Four essential enablers

Regardless of the exact gig model a company chooses, the experiences of several early adopters point to four essential enablers: the right strategy, appropriate technologies, digital training tools, and digital performance management.

Crafting the right strategy

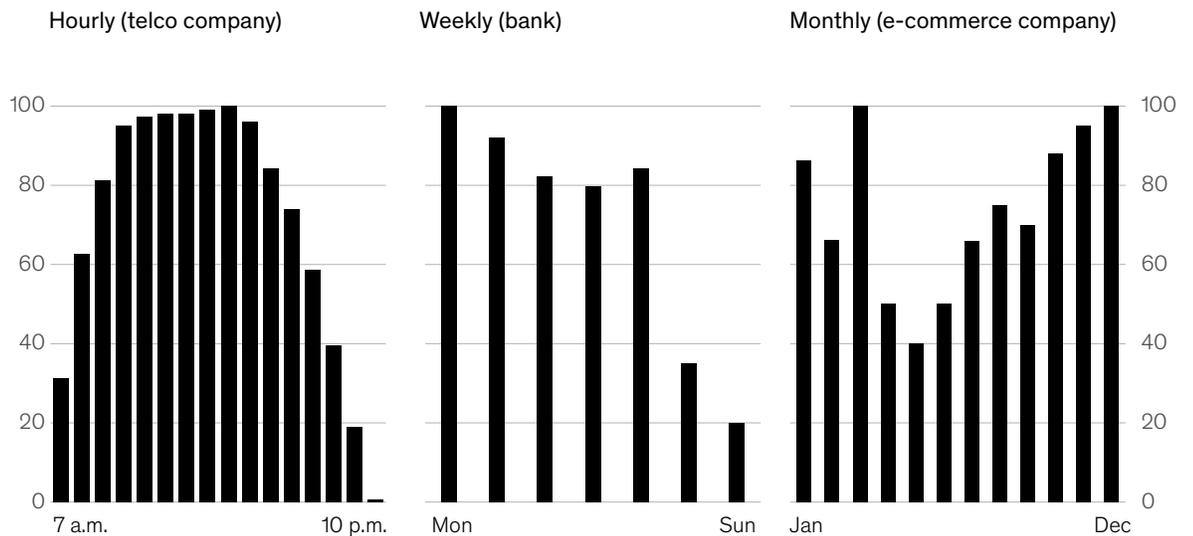
Organizations may benefit from a future-proof strategy that best applies Gig CX models in service-delivery functions. Most important, this strategy can account for the range of daily, weekly, and seasonal demand fluctuations, while defining a clear path for scaling and sustaining the models across products and departments (Exhibit 2).

³ Andrea Alexander, Aaron De Smet, Meredith Langstaff, and Dan Ravid, "What employees are saying about the future of remote work," April 1, 2021, McKinsey.com.

Exhibit 2

A gig customer-experience strategy must grapple with call-volume fluctuations across days, weeks, and months.

Incoming call volumes, indexed to peak periods



Deploying the right technologies

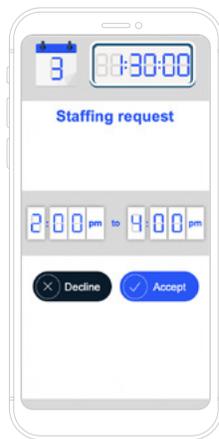
A range of tech solutions play a role in designing a Gig CX operation. Cloud telephony can support workers at offsite locations, for example. Another important tool is an application or system that manages real-time availability of resources, such as simple apps that facilitate on-demand staffing

for both the company and the gig agent (Exhibit 3). And given the rise in cybersecurity risk due to a distributed-workforce model, companies will want to implement advanced cyber- and data-security systems, such as VPNs and access-controlled platforms.

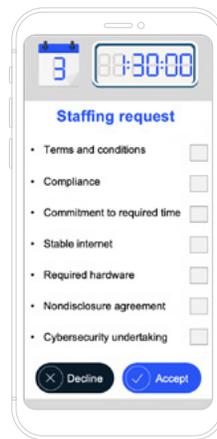
Exhibit 3

On-demand staffing of agents can be managed through an app.

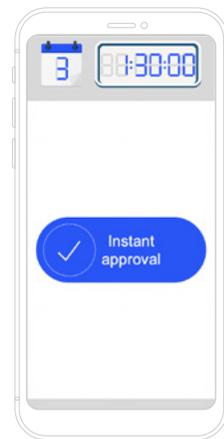
Process for managing staffing via app, illustrative



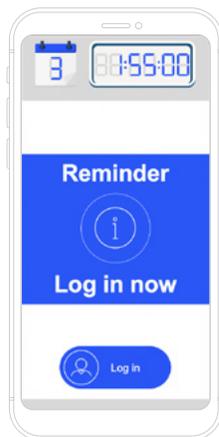
1 The app sends out a staffing request to all workers with the appropriate skills



2 The request can incorporate additional steps to cover issues such as compliance, IT availability, and training requirements



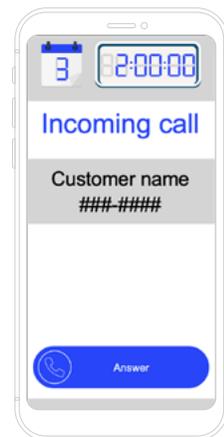
3 If the worker meets the requirements and accepts the request, the request is approved



4 Shortly before the shift begins, the worker receives an alert



5 The app walks the worker through a brief equipment diagnostic to ensure that the technology is working



6 Once the shift begins, calls are routed through the app

Providing the right digital learning opportunities

A digital training curriculum and digital platforms can provide faster, more targeted training that usually is also more cost-effective than traditional in-person courses. This can be especially useful for in-house gig workers who are already familiar with company operations, processes, and culture.

Support with the right digital performance-management systems

Robust performance-management practices and tools—designed to manage Gig CX workers—are crucial, especially as the program matures. Because gig agents are less steeped in the organizations they serve, it is especially important for these workers to be able to access resources that will help them respond to customer queries competently and efficiently. Toward that end, companies can implement an advanced AI-enabled knowledge-management system that provides real-time aid. AI comes in handy elsewhere, too: an AI-enabled “nerve center” can monitor adherence to norms and track metrics for the Gig CX agents.

Getting going with Gig CX

Businesses that experience predictable demand or that operate in a stable environment might not gain much from adopting Gig CX. But today, such circumstances are the exception, not the norm. More companies experience demand variability than stability, and the majority would welcome greater operation agility and adaptiveness to a changing environment. In other words, they are good candidates for Gig CX.

To ease into Gig CX, companies can launch a small pilot program with regional or product teams. They might start with either internal-only or external-only agents, expanding coverage to the entire CX operation. Later, they can add both internal and external agents to reap the full benefits.

New sourcing models are more feasible today than even a decade ago. The massive shift to working from home over the past year demonstrates that call centers needn't necessarily rely on a physical location—or maintain the traditional eight-hour-shift; agents can work flexible hours. Gig CX can make multisourcing more manageable than it is in a physical environment: when combining a core business-process outsourcing as the backbone of customer service with Gig CX capability, companies can achieve the flexibility while minimizing complexity. Gig CX can also provide additional opportunities for growth and development, which is increasingly essential in an era when more and more executives report that their organizations are struggling to retain talent.

The COVID-19 pandemic has forced companies everywhere to rethink their staffing models. Creative approaches to customer care, through internal as well as external gig workers, can pay off for many organizations—and employees—often in unexpected ways. If the right enabling technologies are in place (including residential broadband), along with a supportive organizational culture, Gig CX may very well be the next big thing in customer care.

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