

VALOIR 2023 PREDICTIONS

A VALOIR INSIGHT BRIEF

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As business and IT leaders prepare for another year of economic and geopolitical uncertainty, organizations still need to take care of customers – and employees. Key themes for Valoir’s 2023 predictions include how organizations will leverage technology to drive efficiency without sacrificing empathy, improve collaboration and connection, and maximize returns from existing IT and labor investments.

AI gets real in the contact center

Adoption of artificial intelligence in the contact center will reach beyond early adopters in 2023, as companies that moved to the cloud (finally) during the pandemic take advantage of new prebuilt offerings from vendors that flatten the learning and adoption curve. Advances in natural language processing (NLP) and the volume and structure of contact center data make it an obvious target for AI, not just for quality management but for managers to understand trends and potential escalations, relative strengths and weaknesses of their agents, and coaching opportunities in ways simply not achievable with human monitoring.

Taking care of customer care

Organizations will look to new strategies to onboard, support, and retain customer support staff in 2023 to combat staffing shortages, with a focus on retention. Valoir sees this happening in three areas: applying AI to understand where agents are being abused or need help or coaching, using workforce engagement management (WEM) and other tools to give customer service workers more agency, and providing hourly service and support workers with continuing education and mentoring opportunities normally reserved for salaried employees. The result for those who get ahead of supporting agents will be increased staff retention, reduced costs, and improved customer experience.

Personalization at a crossroads

Both business-to-business and business-to-consumer companies will struggle with personalization in 2023 as the looming end of cookies, changes in privacy policies, and increased regulatory scrutiny give them fewer options. Investment in customer data platform (CDP) technology will only be part of the solution, as the challenge is more than just technological. Digital leaders will need to explore new ways to develop trust, confirm consent, and deliver meaningful digital experiences.

Coaching and mentoring for all

Companies will adopt technology-enabled coaching and mentoring applications in 2023 as they recognize the need for tech to enable coaching and mentoring at scale in a hybrid work environment. Our 2022 Future of Learning at Work study found employees learn best from mentors and coaches, and increasingly consider opportunities for career advancement enabled by mentoring as a top factor in choosing an employer.

Employers will adopt these technologies to better attract and retain employees and scale their diversity, equity, and inclusion (DEI) efforts by nurturing a more diverse talent pool at all levels of the organization, not just the management track. Employers that don't lead will find employees seek it out on their own – and may seek employment elsewhere as well.

Training escapes HR

HR leaders will embrace a more outsourced approach to training in 2023, focusing on the orchestration of career objectives and training opportunities rather than the development, delivery, and tracking of training. Our 2022 Future of Work study found that most employees would give their employers less-than-stellar grades for delivering training that supported their career development.

There's a lot of great training out there, and HR and professional development teams that become effective curators of outside training (including certifications and degree programs) will do a better job of attracting and retaining talent by giving individuals access to expanded career development opportunities.

The sniff test for composable architectures

Composable architectures will get a lot of attention in 2023 as companies seek to enable faster time to value, greater flexibility and

agility, and more effective use of IT resources. Like the Web services and service-oriented architectures (remember those?) of the past, some composable architectures will be more marketing than reality. Savvy buyers will be looking for not just technical features like open application programming interfaces (APIs) and no-code capabilities but libraries, ecosystems, and communities around platforms promising composability.

The end of content as we know it

Companies will rethink their content strategies in 2023 as a means to reduce costs and increase agility. The past two years have seen big changes in digital experiences, but many organizations are still tethered by siloes and workflows tied to channels, departments, and geographics. This coming year, companies looking to do more with fewer resources while enabling digital channels will look to composable content platforms to ensure global consistency across sales, marketing, commerce, and service while reducing costs.

Collaboration hits the reset button

Companies will be forced to reevaluate their collaborative tools and strategies in 2023 as they renegotiate hybrid work schemes with employees. The magic middle between synchronous video and old-school e-mail is the real battleground, and we'll find more focus on collaboration in the stream of work, with employees adopting their own tools when the corporate standard doesn't cut it. Vendors gaining ground in the space in 2023 will be those with a high degree of usability and flexibility, with support for multiple styles and channels of communication without a lot of switching friction for users.

A new kind of belt tightening

As we navigate the first real economic downturn since the move to a cloud (and subscription) economy, IT leaders will look to trim budgets by taking a hard look at cloud subscriptions. One of the key promises of cloud – the flexibility to expand or contract usage and cost as needs change – will be tested as budgeters look to cut extra licenses and pay for only what they're using.

IT leaders will also sharpen their pencils in areas like license maintenance for on-premise applications where they haven't already, treating them more like subscriptions that need to be re-evaluated yearly than a fixed line item. We'll see a lot more talk about value-based pricing. This will benefit commodity players that deliver core value at a low price, those that can use telemetry to prove they deliver value and,

at the high end, vendors that can integrate and package solutions that deliver more predictable time to value and lower ongoing cost.

Valoir provides research and advisory services to leaders with a focus on the value of people and technology. Analyzing people apps, user adoption, and productivity, Valoir combines primary research and unique insights to help clients understand their strengths and execute strategies that support their goals and values. For more information, contact Valoir at www.Valoir.com or 1-617-515-3699.