



ceocfointerviews.com
© All rights reserved
Issue: August 10, 2020

Humach is revolutionizing the Customer Service and Sales Experience combining AI-powered Digital Agents with a Company's Existing Human Team



Tim Houlne
CEO

Humach
www.humach.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

"The reality is that you actually need that human, first and foremost, for conversational design in order to be able to design the call flow or the workflow to be able to go through where the machine can actually work." Tim Houlne

CEOCFO: *Mr. Houlne, what is the idea behind Humach, today?*

Mr. Houlne: The name "Humach" actually come from the combination of "humans" plus "machines." If you look at the first four letters of humans and the first four letters of machines, you end up with "Humach." It was really to capitalize on the human in the loop as you look at AI and automation, focused on customer experience.

CEOCFO: *How does the human element come into play?*

Mr. Houlne: One of the biggest things we have learned as we have embarked on this journey almost five years ago, was that people were talking about AI and running unstructured data through a machine and it was going to fix everything. The reality is that you actually need that human, first and foremost, for conversational design in order to be able to design the call flow or the workflow to be able to go through where the machine can actually work.

Then you have data tuning and tagging and exceptions that are kicked out and a human has to review those to plug them back into the machine, so you have the machine learning component. Therefore, one of the biggest things that we have found is that conversational design is really what drives higher automation containment rates.

CEOCFO: *Are you able to build in something where the AI will show, "The customer is annoyed, switch tactics," or "This customer is telling you they do not want to hear 'XYZ,' they just want you to get to it?"*

Mr. Houlne: Yes, absolutely! That actually plays back in to what I just said, Lynn, it is back to the conversational design. If you look at UIs (User Interface); any mobile app you use right now with your user interface, you want it to be real simple. You want it to be two or three clicks to get to what you need. We have all been on those apps where you are clicking and clicking and clicking and you are still not at where

you need to get to. I think that Amazon has really driven the whole user interface like, "you should know me when I come back in, you should make it very simplistic, and one click, two clicks, three clicks to get to what you want." The same holds true with AI and automation as you look at customer experiences.

We are looking to reduce customer effort. Therefore, in order to do that, the conversational design needs to assume some things. When you are calling in, we should know that it is you, based on your mobile number, based on your profile. Once we have identified that it is you, we should be able to access information to know that you are interested in these things and not interested in those things. I think that is what gets back into the conversational design, which is to design a personalized experience based on your customer and the transaction is not only based on having a higher customer satisfaction rating; you can build a higher resolution rating and I think that is what consumers want today.

CEOCFO: *Who is using your services and who should be?*

Mr. Houlne: I think everybody should be! We target innovative companies with forward thinking executives. I think it has gotten to the point where more and more people, mainstream, are starting to look at this opportunity. I think the COVID crisis has really opened people's eyes to automation. If you went dark as a company and could not answer your phones or respond to your emails or your chats from a support perspective, shame on you! There is too much technology out there that allows you to be able to interact with your customers. If your business is open twenty-four hours a day for your customers to reach you, you have to have that support to have the ability to support them twenty-four hours a day.

CEOCFO: *Would you give us a couple of examples, maybe in different industries, of when someone turned to you, what they were looking for and what you were able to provide?*

Mr. Houlne: We used to target high volume, low complexity transactions, because we felt that those were the only ones that you could automate. Now you have the ability, and I have been corrected several times by our internal staff, that we can do some pretty complex transactions!

If you think of someone calling an eight hundred number and coming through and they want to reset their password or they want balance information, you do not need to go to a human agent for that. You have the ability to use natural language speech and go out and access CRMs or data bases and come back with that information, so that you can transact right on that call. That is really what is driving the automation; that you now have the ability to access different systems with open published APIs, where in the past, it was heavy lifting to be able to get this system and talk to this system and, "Oh, that is my billing system and that is different than my customer system."

Now, all of these systems have the ability to talk to each other and you now have the ability to access that information. Therefore, as long as you can collect and disseminate information through those systems, you have the ability to transact with a digital agent.

CEOCFO: *Is there one solution? Is it customized for each company? How does it work?*

Mr. Houlne: It is pretty narrow. In order to really automate transactions, you have to keep the AI narrow. That is what you see with some of the bigger players like Digital Voice, with Google Voice and Amazon Voice, where they are building Alexa to be able to satisfy every question that anybody or everybody will ask and we approach it a little differently. We approach it more "narrow," as if we are talking to an insurance company, we know the total number of variables.

We have a library of what variables that most insurance consumers who call need help with from a support perspective. Therefore, the more narrow you can keep that conversation, the higher your automation containment rate will be. As you are looking at having the ability and the confidence level of the machine actually goes higher, because we know the total universe of variables that are actually being presented.

CEOCFO: *When do you know you have enough? When do you know you are ready in any given area with AI?*

Mr. Houlne: I think executive teams should start to demand that their departments find a way to use AI. It is not just how we use it for improving customer experience, I think you can use it, as you look at our process automation, our PA, as you look at different workflows, AI will be a part of every department as we use forward. As an executive I would challenge your teams to find a way to use AI to your competitive advantages.

CEOCFO: *Would you tell us about the recent acquisition of Infinite AI and what that adds to Humach?*

Mr. Houlne: That was interesting. We use AI for sales and support. We use it for digital voice agents as well as chatbots, as well as we have some email digital agents. What Infinite AI gave us was an agent assist automation, helping the agents in a contact center become better. The machine actually presents options that the caller could potentially want. If you might start automating at the confidence level of what we thought you were asking for, Lynn, is not high enough, I would kick that to an agent.

When I kick it to an agent can now actually present, "I think Lynn was looking for these two things," and so I might present that for where the agent can start. What is nice about the agent assist is that it actually learns from some of our best agents on what to do, so that it teaches the newer agents as you onboard new agents; it becomes kind of a training tool as well. Therefore, Infinite AI completed our product offering by giving us the agent assist automation.

CEOCFO: *Are you able to have a situation where when the agent or the AI can see "this woman has complained before when you are doing a chat back and forth, and that she does not want to get 'thank you for the information' with every response." Is there a point where you might be able to get that kind of personal information?*

Mr. Houlne: Back to conversational design Lynn, nothing makes me more upset that somebody who has to say my name six times in the conversation. That is just bad process. That is where you have people

checking the box from a QA perspective of, "We would like you to address Lynn by her first name six times before you respond every time and repeat the question that she asked every time," and I think that is just poor design.

We have a little different philosophy because we have live agents as well, and that is to identify, recruit and hire the right individual with the right skill set and then empower them, so that they are having a conversation with you as opposed to reading a script or going through this QA process that they have to get one hundred on or they get penalized. Therefore, I think a lot of that is design.

With AI, that is where we are finding our biggest competitive advantage. That actually came with our Infinite AI acquisition as well. We picked up someone who has a PhD in some writing, which we are chalking up as conversational design, to really assist us with what makes the transaction not only convenient, but pleasurable. How can we increase customer satisfaction rating using a machine? People say, "That is unheard of, people want to talk to a human." Actually, if I talk to a machine and I get resolution in half the time it takes me to talk to a human, I would rather talk to the machine.

CEOCFO: *How are you reaching out these days? What has changed in your approach under the COVID era that we are in now?*

Mr. Houlne: With regard to COVID, we actually have a background in remote agents. We rolled these assets out of another company that I was CEO of and we were one of the original pioneers of the home agent model. Therefore, having expertise to work in a virtual model helped this model grow. Then, questioning how companies operate today; not enough companies have moved to the cloud to be able to transact in the cloud or have a disaster recovery or business continuity strategy in place. Actually, the digital agent in automation is really just part of that strategy. We are not saying you have to move one hundred percent of your transactions there, but if you can start out with twenty or thirty percent you will reduce your expenses, you should increase customer satisfaction rating and you have an inherent disaster recovery, business continuity strategy in place.

CEOCFO: *Why choose Humach?*

Mr. Houlne: Our approach has been a little different from a delivery perspective in that we are delivering a full managed service. I think that it holds true to the name, that there is the human in the loop. Many companies are technology companies that turn the technology over to you. It is funny, I have seen many companies where they tell me that it is not working in house and then it is like, "Well, who is tuning it," and they are like, "We did not know you had that continues tuning." Yes, it is a continuous improvement and tuning in order to leverage the AI.

We deliver the full managed services. We are designing the application, we are doing the conversational design, we are doing the tuning, the data tagging, the exception, the intent and actually running that so that we can continue to increase and get better and get the machine better and better and better. That is probably the biggest difference as we

deliver that entire solution without a whole bunch of managed services or professional services. It is all inclusive.

CEOCFO: *What, if anything, might people miss when they first take a look at Humach?*

Mr. Houlne: As a company, they look at Humach as just another technology company and they really miss the experience and background of the team. We have decades of experience running contact centers and customer experience and how to help companies sell and support customers. That is the first thing you start to miss when you look at the company. You want to classify it as a technology company, but it is not. It is humans plus machines. We sell agents and we have technology enablement for customer experience.