

# The *Edge* of Service®



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## The State of Contact Centers: An Update

Recently, I delivered the kickoff to a virtual ICMI conference on "the state of contact centers."

The format was rapid-fire Q&A. What are the most pressing questions contact center leaders are asking today? What's happening with AI's impact on the workforce and turnover? What does service look like in the future?

So with ICMI's permission and encouragement, I'm posting [an excerpt of it](#) for you. Here's a summary of the themes we cover. I hope you find it helpful.

(You may be curious about what the image of *The Wizard of Oz* has to do with the trends and questions facing contact centers today. Stay tuned to find out.)

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We've been watching several interesting trends over the past couple of years. These include:

- Gen Z is calling (more than many researchers predicted)
- AI is changing the nature of contact center work
- Upskilling has become a major leadership priority

Here's a summary of some of the other themes we covered. You'll find more details to each answer in the video.

### **Is AI leading to a reduction of agents?**

Short answer: No. Not yet. And maybe not anytime soon. What's playing out on the ground looks different from what many had predicted.

### **If six out of ten contact center leaders are predicting staff reductions, why aren't we seeing that happen?**

A number of factors are adding to contact center demand—unmet demand, product and service complexity, more channels, business change, and others.

## **Where is AI producing the most benefit right now?**

Top use cases include interaction analytics, WEM (workforce engagement management) tools, and agent assist.

## **How do we develop our agents for the AI-enabled contact center?**

We suggest you strongly focus on preparing agents for more complex work, teaching them how to work with AI, and doubling down on human skills, such as empathy, judgment, and problem-solving.

## **What is happening with turnover? How do the best contact centers make improvements?**

The contact center environment today is highly bifurcated. Some organizations are struggling with extremely high turnover (50%+). But others, many in this community, have turnover rates much lower than industry averages (e.g., <10% in many cases).

## **How do we get the budget and executive support we need?**

Contact centers can create value on three levels: efficiency, customer loyalty and strategic value. Our encouragement is to focus especially on the third level, strategic value, and the contact center's role in helping the organization improve products and services.

## **Are contact centers becoming more or less important to organizations?**

According to the ICMI State of the Contact Center 2026 research, 74% of leaders say their organization now treats the contact center as a top business priority.

## **What metrics matter most? How do we gauge progress?**

We're seeing increased focus on resolution quality (did we truly solve the customer's problem and prevent it from happening to other customers going forward?), effort reduction, and how we made the customers feel.

## **What will separate the best contact centers over the next five years?**

Technology will play a key role, but we believe this answer comes down to embracing change and how well leaders guide this current transformation.

I recently saw the AI-enabled remake of *The Wizard of Oz* at the Sphere in Las Vegas. The original film is from 1939. Spoiler alert if you plan to go. During the tornado, the seats shake and leaves fall. Later, as Dorothy picks apples from a tree in Oz, foam apples fall into the audience.

With the help of AI, this 85-year-old movie has been transformed into an immersive experience that fuels ticket sales, travel, and dinners. In entertainment, just as in customer service, AI is growing the pie not just automating pieces of it.

We're in a time of profound change.



[Watch the video!](#)

## Did you know?

66% of customers do not complain when they experience poor service. (Qualtrics, Global Customer Trends Report)

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