



# CUSTOMER REACH

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## Getting a Close Shave in Customer Service

Ed Fine is the President of FINEworks, a company that assists organizations in aligning their operations with their corporate strategies. The firm specializes in strategic planning and organizational design and development.

With so many companies investing heavily in customer service, and moving the customer experience “up the value chain”, consumers’ expectations for truly seamless service are rising sharply. So rapidly, in fact, that even strong (and expensive) corporate efforts at providing excellent service can prove disappointing to the consumer. A recent experience I had demonstrates this more complex consumer landscape.

Last year I purchased a Philishave electric shaver. It was bought on-line in a wonderful process that involved emails to me at each point of the order process (your order has been received, your order has been processed, your order has been shipped . . . .) By the way, this was my fourth Philishave in 35 years. So what if I am boring – I do like the product, and my decision had absolutely nothing whatsoever to do with the fact that the latest model was featured in a recent James Bond movie. I had no expectations of attracting a bevy of winsome (if often lethal) young ladies. Not one. Not even dreams. No, the thought did not cross my mind – but I digress.

After less than a year it stopped charging (and I am not referring to my libido!). Of course, who can find the warranty papers? So I browsed the Philips websites. Among their 55 (yes, I counted them!) country sites I found Canada. From the vast range of their products and services, I selected consumer products and then Personal Care, Men’s grooming and somehow found a 1-800 number. I called one evening and was answered on the 2<sup>nd</sup> or 3<sup>rd</sup> ring. Way to go for service level and speed to answer! And the rep was clearly intent on helping me. After explaining my problem (or rather the shaver’s problem), I heard the magic words every unhappy consumer longs for “No problem, we will replace your shaver”. Just like that. No hassle.

She was a little uncertain about the precise procedures in Canada, so after checking with her supervisor (which took about a minute), she told me that I would be sent a letter (from the Philips centre in Atlanta) with instructions. When I asked if this could be emailed, I was told no, since the letter would contain a courier envelope to return the shaver for a replacement. Clearly, Philips has invested heavily in a gold-plated warranty system to ensure customer delight – not just satisfaction.

I waited for the letter – and waited. Hey, these things take time. A few weeks later, now sporting an itchy beard, I called again, and again was answered within 3 rings. The service rep quickly found my file (without need for me to provide a reference number – another plus!), and said she would follow up. Her prompting must have worked, because the letter arrived about 10 days later – about 1 month after my initial call. My beard was past the itchy



stage.

But the letter contained no envelope. It did contain a form and a courier account number to use to return the shaver at Philips' expense. Good process? Somebody in marketing may have thought so, but not I: after all, the information could have been emailed to me and the whole process completed by now.

I dutifully completed the form and returned the shaver and accessories. And waited. A service manager from Markham called me to advise the shaver was on back order – it would be another 2 or 3 days. Another positive touchpoint. So I waited. And waited. Another follow-up call to the call centre again answered in 2 or 3 rings. The file was up to date, and I was given the name of the service manager in Toronto who had called me, and her phone number. (At this point, I am beginning to wonder what James Bond would do?) A call the next day resulted in telephone tag between our respective voice mail systems spanning 2 or 3 more days. When we finally connected, the service manager asked if I would rather have a replacement shaver or cash refund. I thanked her for offering to go the “extra mile” in customer service but I stuck to my 007 guns. I wanted a new shaver. My beard was now at the stage that travel to the USA would be difficult, if not outright dangerous.

The shaver did arrive a couple of days later, but not before I received a call from a market research firm to survey my experience with the Philips call centre. Was my call answered promptly (YES); courteously (YES); were the reps informed (YES); helpful (YES), and so on. On the 10 point Lickert scale I probably scored them at 8 or 9. On the same scale I would score my own satisfaction a 3.

Everyone involved was sincere and interested in providing good customer service. Too many steps, unclear procedures, policies and practices for what sounds like a low incidence occurrence. All added to the cost for the company.

So here was a company that had decided at a corporate level to invest heavily in after sales service and product satisfaction. However, it failed to take account of two important dimensions. The first is the complex interaction of other business processes involved between the initial problem call and its successful resolution. Operational staff was clearly aligned to the company's objectives of providing high end service; however, they were not supported by business process design. What were the internal steps involved in getting a letter issued? What internal tracking processes are available to ensure internal service standards and timelines are achieved?

The second dimension is to understand more fully the ways that customers are interacting with the company and its products. For a complex enterprise such as Philips, should its websites be organized to facilitate internet searches? For example, Googling Philips customer service Canada does not yield any of the Philips websites on the first page. (The second entry, “Philips banks on customer service” is about a Canadian named Phillips working in Denver). And why not enable the call centre to respond directly with email to initiate the warranty process?

Bottom line: I love the product, and based on my (too many!) interactions, I believe the Philips staff are very customer focused. And so is the firm. However, I am concerned that somebody may review these processes and (correctly) conclude that they are too expensive to justify. A less generous policy, however, may not align with the company's strategic objectives, such as dominating the high end of the market. A more appropriate conclusion might be to re-engineer the business processes to improve service and reduce costs, and thus reinforce Philips' position in the marketplace.

Let us know what you think of this article or any suggestions you have for future issues by email at

[feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com) .





# Alignment...the best tool to keep your call center on track

We have likely all had problems with our cars' wheel alignment, we are driving along fine and then it starts pulling us to the left or to the right. In short it is pulling us where we don't wish to go.

Call centers may not have a great deal in common with your vehicle but alignment is every bit as important to any call center operation. Some times when we think we are pointed in the correct direction we get a rude awakening to find we are dramatically off course. Consider the following 'real-world' experiences;

A call center that noted that their AHT (Average Handle Time) had grown dramatically over the past year was determined to bring this into line. They offered an incentive to all agents who completed their calls and were back in 'available' state within 3 minutes. Sounds like a reasonable approach on the surface, but it led to a dramatic increase in overtime with these very same agents staying late every night to complete their 'paper-work'. In addition their error rate increased as they agents were completing this work disconnected from the caller.

A call center that in order to meet their budget wished to reduce the Talk time for their agents. Once again an incentive was implemented to reward all agents whose handle time was under 2.0 minutes. The program was a great success many agents received incentive dollars, unfortunately call volume increased at the same time as did a new complaint from customer...that the agents were hanging up on them!

Be careful what you wish for you just might get it!

Both of the above examples illustrate a center and a management approach that didn't understand the fundamental tenet of alignment...every minute action taken in the center must support not only the managers, but the centers and the organizations goals.

It is easy to chuckle at the above examples, but we can't dismiss them completely as a naive or inexperienced manager. These examples and the countless others show us how easy it is to lose sight of the 'big-picture'. Let us know what you think of this article or any suggestions you have for future issues by email at

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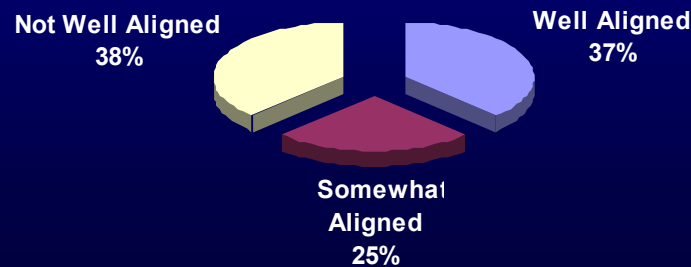


## Poll of the Month

Each month on the TRG website ([www.thetaylorreachgroup.com](http://www.thetaylorreachgroup.com)) we ask you to cast your vote in our monthly poll.



How well aligned is your Quality Assurance (your internal quality measure) with your Customer satisfaction (your external quality measure)?



Only 37% of the respondents to this month's poll indicated that their quality assurance program is aligned well with their Customer satisfaction program. These results are somewhat disturbing; if we are not aligned with what 'quality' is from both an internal and external perspective how can we hope to improve it? Internal Quality Assurance, from an agent facing perspective is assessing and measuring the aspects and attributes of the call that we feel are important to our customers to have a high 'quality' interaction. Customer satisfaction on the other hand assesses the 'quality' of the interaction from the customers' perspective. Our goal as call center and/or quality assurance managers must be to improve the alignment and reduce the 'gap' between these two perspectives if we are to improve the customers' impression of the call.

Do you have an idea for an upcoming poll? If so we would love to hear it.

Please email your suggestion to [feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## Newsworthy

In this regular column we review the latest news, predictions and trends impacting on the Customer Interaction Industry.

### Hong Kong outsourcer moves into China

Hong Kong call centre company PacificNet has announced it will launch a new 250-seat call centre in the Chinese city of Guangzhou.

The move comes in response to a significant increase in customer demand for call centre services in Hong Kong and China. PacificNet's subsidiary, PacificNet Epro, believes that the call centre expansion will lead to over 40% annual revenue growth in the coming years. Furthermore, the new facility in China should lead to growth in profit margin because the labor cost and office facility is less than half of the cost in Hong Kong.



The new Guangzhou facility will supplement the company's existing 400-seat call centre in Hong Kong hosting over 800 call centre agents, which has been operating in above full capacity for the past year. The combined Hong Kong-China operation will expand Epro's total call centre capacity to 650 seats and over 1,200 agents, serving existing and new clients in both Hong Kong and mainland China.

[Callcentres.net](http://Callcentres.net)

### **New study shows USA losing ground**

Outsourced call centre agent positions in the United States are losing their share of the global market as Indian firms gain a larger chunk of the global outsourcing pie, market analyst Datamonitor has said. Tight profit margins are driving outsourcers to move offshore and automate where viable. 'Canada, India and the Philippines are expected to be the beneficiaries,' said the Datamonitor report on 'Contact Center Outsourcing in the United States'.

Nine out of ten jobs lost in the United States contact centre outsourcing industry will be outbound telemarketing jobs as a consequence of the Do-Not-Call registry and the higher revenues offered by inbound work. 'In addition, the number of agent positions in offshore and near-shore countries will continue to grow, due to the growing demand from US and captive market businesses,' it said. In 2004, 37 per cent of the world's outsourced contact center agent positions were in the United States. By 2008, Datamonitor expects that number to shrink to 25 per cent. In fact, the number of US agent positions is expected to drop from 315,000 in 2004 to 291,000 in 2008. 'The boundaries between US-based contact center providers and other business process outsourcers are dissolving, and firms are invading each others' territories,' said Datamonitor Associate Analyst Ri Pierce-Grove.

The report further points out that contact centre outsourcers are introducing new services to grow revenue and compete more effectively in the US market. Firms that were founded as contact centre outsourcers are offering services which overlap other business process outsourcing (BPO) areas, and BPO providers are acquiring contact centre capability. 'As the market contracts through to 2009, it will be imperative for outsourcing service providers to choose between competing on the basis of cost or reinventing themselves,' he added.

#### **Asia Pacific Call Centre News**

### **State minister calls for No Call register**

The New South Wales Fair Trading Minister is calling on the Australian Federal Government to establish a national 'Do Not Contact' telemarketing register. Consumers listed on the register would not receive any direct marketing by telephone or mail. Diane Beamer says despite state laws being introduced last year to regulate telemarketing, consumer complaints are increasing and national action must be taken. "If I raise telemarketing with individuals they start telling me about how many times they're rung each and every week," she said. "And the Federal Government can help by providing real protection from consumers from unwanted or nuisance calls. "We want to make sure that this register is available so that consumers don't have to suffer telemarketing if they don't want it. "They can opt out."

#### **Asia Pacific Call Centre News**

### **Even death does not stop telemarketing**

The US Direct Marketing Association (DMA) has set up a registry to remove dead people from its telemarketing, e-mail and direct mail lists — for US\$1. The DMA, which has more than 5,200 members in the United States and 44 other countries, said its Deceased Do-Not-Contact list was designed to help families dealing with the loss of a loved one. "The DMA recognizes how emotionally and logistically difficult the process of handling someone's final affairs



can be," Pat Kachura, the group's senior vice president for ethics and consumer affairs, said in a statement. The organization said the \$1 fee was for credit card verification, and was designed to prevent fraud. "We're concerned people will abuse the list, putting the names of friends on it, that kind of thing," Kachura said in a telephone interview. "So we're very concerned that those who are on the list are those who should be on the list."

The idea follows the government's popular Do Not Call list, which allows consumers to sign up online and imposes fines on telemarketers when they call those consumers. The list, set up in 2003, has more than 97 million numbers. The DMA said it would also provide its list of the deceased to companies that are not members of the organization. Mitch Katz, a spokesman for the Federal Trade Commission, which set up the Do Not Call list, said relatives and spouses can still register the deceased's phone number on the list, provided they live in the same residence. "It's horribly upsetting to someone who's alive if you get a call and it's for your husband who has passed away," he said. "I can imagine why people wouldn't want to get those calls."

Asia Pacific Call Centre News

## Ask the Experts

The following are actual questions posed to the TRG experts. You can pose your questions on our website.

Question:

### ***What due Diligence should be done when doing site visits to off shore candidate locations?***

Jim F.

Expert Response:

This question addresses likely the most activities that you must address not when you are looking to move your call center offshore, but also when looking at local and nearshore locations as well. The fact that you are looking at completing site visits suggests that you have already completed a detailed process of assessing the risks/benefits of numerous locations. You have likely examined;

- Infrastructure in the location; electricity, telephony network design, reliability, uptime, survivability and susceptibility to disasters, weather etc.,
- Availability of a suitable workforce; language skills, educational skills, desired wages etc.,
- Availability of suitable real estate; size and layout, facilities, distance to central office(s), availability of transit etc.,
- Ease of travel to the remote location,

When completing on on-site visit we like to examine the local market and see if the information we have been given seems accurate based upon local research. What are the other employers thoughts on labor availability, wages etc. Who is hiring, who is closing or laying off staff etc. It is also worthwhile to assess the number of days lost to weather or power/telephony outages. For example many of the Indian call centers have built their own telephony infrastructure and claim 99.99% uptime. This sounds very good, in North America we are used to 99.999% (5 9's) uptime. But if we look at the difference in these to figures over a year we see a significant difference; under 99.999% uptime we would expect to be 'down' on average 5.25 hours per year. At 99.99% we would be down 52.5 hours



(more than 2 days!) per year.

Where you are looking internationally you must also assess the political risks associated with a location in these countries. For example India regularly experiences heightened tension and low scale skirmishes and border disputes with Pakistan, the Philippines is subject to higher terrorist activities and attacks on Americans, Mexico still experiences on of the highest levels of kidnapping of executives anywhere in the world.

Lastly you should examine the fit between your requirements and the local culture of the location you are considering. The culture and your ability to effectively train staff to understand the cultural context of the callers is critical to the success of an offshore call center.

Let us know what you think of this response. How would you have answered this question? Let us know at

[feedback@thetaylorreachgroup.com](mailto:feedback@thetaylorreachgroup.com)

## Inside TRG

### **A busy summer for TRG**

Well it certainly has been a very busy summer. I hope that each of you was able to take some time off to relax and unwind. Unfortunately or fortunately there was little of that happening at TRG over the past two months. We are presently engaged assisting one client to purchase a new enterprise wide telephone system, working with another to complete site selection location cost modeling; we have two call center reengineering projects underway as well so it is not too surprising we had little time off. Our fall is looking very busy as well as we will continue many of these projects and expect to secure two other engagements as well. In addition we will be attending ICCM in Las Vegas at the end of September and the Call Center Summit in Las Vegas in October. If any of you are attending these events please let me know as I would like to meet and discuss our industry and its challenges with you.

### **TRG Grows Again**

TRG has welcomed Michelle Fernandes to our team. Michelle is a Ryerson B. Comm. Honors graduate. Michelle has accepted the role of Analyst at TRG where she will be supporting our consultants and our clients in analyzing call center requirements, technologies, configurations and operational methodologies. Please join me in welcoming Michelle to the team.

### **Leverage TRG's knowledge to your benefit**

More than 700 senior business executives around the globe rely on Customer Reach to keep them informed regarding call center strategies, tactics and news, but did you know that the TRG website [www.thetaylorreachgroup.com](http://www.thetaylorreachgroup.com) has numerous whitepapers and additional resources available to registered members?

Today there are more than a dozen whitepapers available for you review inside the website on topics including;

- Staff Budgeting,



- Forecasting,
- Quality Assurance,
- Team Building in Call Centers,

The TRG website receives more than 23,000 hits for our content each month!

Register today.



## Case Study

In this regular column we review the successes that TRG is part of.

### *TRG Model Drives Service Level Improvement*

*TRG helped an established services organization dramatically improve their service through an integrated approach to service delivery.*

#### **The Challenge:**

This very successful services organization faced a number of challenges; high turnover, low agent productivity, incomplete and inadequate training materials. All of these deficiencies lead to continued poor service performance. The company's service level was very unsatisfactory with very few calls being answered in 20 seconds, and more than 35% of all calls abandoning. They sought out the guidance of TRG to improve the service performance of their call center.

#### **The Process:**

TRG conducted a complete end to end assessment of the call center, its processes and those processes that impacted on the call center. TRG developed a call center operational model and worked with the center management and staff to implement a model that incorporated new approaches for;

- Hiring,
- Training,
- Monitoring,
- Coaching,
- Staffing,
- Forecasting,
- Quality assurance,
- Call routing,
- Staff Budgeting,

#### **The Solution:**

New hiring practices were implemented to recruit for the desired skill sets. The process mapping resulted in revision to many of the processes to align them better with the objectives of the business. A number of these processes involved groups outside of the call center operation. The result of including these non call center





processes was a significantly better alignment between the company objectives and those of the call center. Workforce management was introduced to support more accurate forecasting and scheduling.

### **The Result:**

By implementing the TRG Model, the company improved the service level more than 1200%, reduced abandoned calls by more than 75%, Improved First Call Resolution by more than 50%, Reduced Average Handle Time by 25%, increased customer Satisfaction and Loyalty by more than 10%. All of this was achieved in less than 4 months!

**The Taylor Reach Group, Inc. provides Strategic and Operational customer interaction consulting services that deliver Operational Innovation breakthroughs in Contact Center operations.**

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