Total Customer Focus™

Building Trusted Business Partner Relationships

ROI Case Studies and Quantifiable Business Results

GLOBAL PARTNERS TRAINING

The power of business relationships

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Generating Quantifiable Business Results with the Total Customer Focus Program

The Total Customer Focus (TCF) program enables Service, Support and other customer interfacing roles to develop the skills needed to transform their relationship with customers.

Organizations with a TCF culture achieve serious improvements in performance. Happier customers are more loyal, bringing repeat business, higher contract renewal rates, referrals to more customers, sharper competitive differentiation, greater market share and faster revenue growth.

Not only that, but substantially better relationships also drive out all sorts of inefficiencies in the customer relationship. Think about the amount of time people spend repeatedly trying to solve the same customer problem because they failed to find and address the real problem the first time. Or the amount of time people spend explaining to a customer that a request is unreasonable or completely impossible, rather than finding out what the customer is really asking and working with them to find a solution.

Organizations with a Total Customer Focus culture have higher employee retention and motivation rates as well. When employees, particularly those in the front lines of serving customers, are focused on contributing to the success of their customers, when they are able to discuss problems and issues in an open, transparent way and when they feel empowered to work with customers on collaborative solutions, their level of satisfaction with their own company naturally improves.

Despite the evidence, many organizations are skeptical about the measurable impact of becoming a TCF organization. Making such a substantial change in culture, as well as establishing new skills and behaviors, requires a sizeable investment. So how can companies make the business case? How can they measure the ROI of the Total Customer Focus program?

Listed below are a series of case studies reported by participants that have completed the TCF program. These participant case studies are one step in the unique Global Partners Training: **Training That Yields** measurement process, in which quantifiable business results are measured and rolled up at multiple levels: by individual, by manager (group) and by region/organization.

The case studies in this e-book are taken from the hundreds that been created by TCF participants. These cases have been organized into the 4 priority areas that enable a service organization to achieve a Total Customer Focus culture:

- Being Proactive

- Getting to the Customer's Real Issues

- Reaching Collaborative Outcomes

- Maintaining Customer Confidence in High Stress Situations

As you read through the individual case studies, you will understand how Total Customer Focus tools and skills directly and dramatically impact the participant, their organization and the customer.

ROI Calculation Methodology

Results from the application of Total Customer Focus tools, skills and behaviors are documented by each participant in the form of a case study. The case studies are prepared at the end of the TCF program and serve as documented evidence that the participant has applied his/her new skills to address an important customer challenge or opportunity. Cases follow a simple 3-part description:

1. Describe the situation where the participant applied the TCF tools and skills

2. Describe specifically how the participant addressed the situation using TCF tools and skills

3. Describe the results reached. These results can be in the form of:

    • New Revenue Opportunities identified and/or captured

    • Cost savings

    • Improvements in productivity/time/bandwidth

These results are accumulated for each group and presented in a summary report. In addition to business results for the supplier, results for the <u>customer</u> are also reported in the form of:

    • Equipment up time for the customer

    • Cost savings for the customer

    • Other time savings

The total ROI for any client group varies according to such factors as the cost of time and travel of the participants which is included in the total investment, as well as the cost per hour applied to the time savings identified in the case studies.

However, TCF organizations can expect an ROI of 5-10x payback on their investment. In addition nearly all companies realize this payback in the first 12 months of application. Importantly many of the case studies described in this e-book are recurring improvements.

Case Study Results from Being Proactive

Helping the Customer Achieve Their 'Big Picture'

The customer service manager for a high-tech company knew that a key factor in his customer's strategy for maintaining industry leadership was to adopt the latest advanced technology. However the customer was struggling to adopt the technology because its own engineers didn't understand the new technology and weren't communicating internally about their lack of knowledge. The service manager knew far more about this technology than his customer did, so he first applied **the Iceberg technique and Active Listening/ASQ** to build a high-trust relationship with his local customer. He then **proactively filled the customer's Knowledge Gaps** so that the customer could provide only information that they knew, relying on the supplier to provide the knowledge and expertise that the customer lacked.

As a result, the customer **significantly shortened the time needed to fully implement the new technology**. The supplier's customer used their new leading edge technology **to win back a significant share of business with a major customer worth hundreds of millions of dollars**. And this led to further adoption of the supplier's new technology worldwide. The quantifiable value to the supplier in terms of increased revenue? As the credit card ad says – **"priceless".**

Understanding the Customer's Big Picture Pays Off for Supplier and Customer

The customer was working on a high priority, urgent issue which was taking him away from supporting the rollout of a new technology. Being proactive and helping the customer understand the Big Picture, while at the same time addressing his short term urgent priorities enabled the FSE to stay on track for the technology rollout. **The result was staying on schedule for the technology rollout, saving $100,000 in costs and reducing time spent on escalations.**

Proactivity and Collaboration Leads to Significant Results

The customer was unhappy with the performance of new hardware and demanded redesign of the hardware to meet expectations. The Service Engineer (SE) engaged the customer with the TAUC technique, calming the customer down, conveying the right sense of urgency and maintaining control of the situation. Once this was done the SE was able to have a collaborative discussion with the customer and get to a solution that was possible and reasonable for the customer and supplier. Instead of redesigning the hardware, the SE modified the software that controls the hardware, resulting in hardware performance that exceeded the customer's original requirements. **Not only did this result eliminate significant redesign costs for the supplier, the software solution became a new upgrade opportunity leading to $1 million in new revenue opportunities for just one customer.**

TCF™ Tools Create a Competitive Advantage

The customer was very unhappy with the supplier's equipment performance, so much so that the customer was seriously considering switching to a competitor. The supplier applied TCF tools such as TAUC to reduce the stress and emotion on the customer side. At that point the customer was willing to collaborate to find alternatives to switching to a competitor's equipment. Together, customer and supplier arrived at 2 alternatives, based on a rigorous analysis of the technical problems as well as addressing the customer's hidden, non-technical issues (i.e. low trust and confidence in the supplier). **The result was the successful competitive defense of $1 million in business.**

Delighting the Customer Leads to New Revenue Opportunities

The customer and service supplier were experiencing problems with hand-offs during routine maintenance. Problems were sometimes caused by the customer, sometimes by the supplier and sometimes by both. Rather than meet the customer's basic requirements only, the supplier used **KANO analysis** to identify errors caused during handoffs in routine maintenance, regardless of who made them (More is Better). The supplier then fixed the handoffs so that he could verify that all handoffs were error free (Delight factors), resulting in **substantial increases in output for the customer and reduced rework and lost time for the customer and supplier. In addition, the actions of the local service team led to the identification of new revenue opportunities valued at more than $100k.**

Case Study Results from Getting to the Customer's Real Issues

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Getting to the Real Root Cause Reduces Rework and Speeds Results

When the customer doesn't understand a technical problem fully, they often have a tendency to throw parts at the machine. Under the waterline issues such as insecurity about lack of knowledge and pressure from a boss to "do something", complicate the problem even further.

In this situation, the supplier's tech support person started by **Acknowledging the customer's hidden issues**. He then did a careful analysis to identify the real root cause and provide alternative fixes and showed the risk associated with each one. The result? **Substantial rework avoided and the equipment was returned to full operations in a shortened time resulting in the avoidance of substantial operational losses.**

Being Empathetic Builds Relationships and Improves Results

A Machine Tech (MT) for a customer was not quite up to the task of doing some basic preventative maintenance. Problems due to his lack of knowledge caused the customer to escalate the problem, rather than admit his own limitations. Instead of becoming defensive, the supplier's technical support engineer applied **Active Listening** to get to the root cause of the issue, including the customer's below the waterline uncertainties. The tech support person then recommended that he stay heavily involved in some elements of the preventative maintenance, leaving the customer MT to do the activities that he felt confident in. The approach **reduced the downtime on the equipment by 60 hours, reduced the escalation time by 10 hours and preserved the relationship with the MT**.

Active Listening Saves Time and Aggravation

Often, internal customer communication challenges are far more difficult to solve than external. Possibly it is due to a lack of urgency when the situation does not involve a paying customer. This was the case with a Field Support Engineer who was trying to return a failed part for a failure analysis and customer credit. Unfortunately the numbers on the part didn't match those in the system. Rather than waste time and energy and becoming emotional in live conversations, the FSE applied the SHAPE technique in emails. He carefully **SHARED his facts, HELPED the other person understand the situation, ASKED for the right person to help, PROPOSED several alternative solutions and ENCOURAGED help by asking for it,** or for the name of the person who could help. After his email being passed to 6 people, the problem was solved. A fast solution, no meetings, no shouting.

Case Study Results from Reaching Collaborative Outcomes

Proactively Achieving a Collaborative Solution

A service supplier created a collaborative solution with a customer that applied Internet of Things (IoT) to improve logistics efficiencies. By being Proactive, leveraging knowledge that existed within the supplier's logistics organization and engaging the customer in a collaborative discussion using TCF tools, the customer reduced average downtime of their equipment by **100 hours. In addition, the project saved the customer $500,000 in direct supply chain cost.**

The supplier likewise realized significant reductions in wasted time which will recur on a regular basis. **Best of all the supplier identified $1 million in new revenue opportunities with the customer**.

Stop Wasting Time and Money on Customer Demands that are Not Possible and Not Reasonable

Consider the amount of time a service person spends dealing with **completely unreasonable customer requests**, such as providing service not covered in the contract or trying to increase the performance of equipment far beyond its capacity. In one case, a field service manager used a TCF tool called the **Reasonable/Possible Matrix** to track the amount of time he spent in discussions with customers on requests that were unreasonable or impossible to deliver. He realized he was spending nearly **20% of his time (one day per week)** in these discussions that were almost entirely non-value adding.

Using **KANO Analysis**, another TCF tool, he changed the conversation into one in which he and the customer could discuss what the customer was <u>really</u> trying to achieve and then address that issue collaboratively. As a result, the relationship improved and the customer and the service manager could stop wasting time on useless discussions.

Case Study Results from Maintaining Customer Confidence in High Stress Situations

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Reducing Escalations that Get Out of Control

A senior manager of one service organization told us that a major goal for creating a Total Customer Focus culture was to reduce 'out of control escalations'. Before adopting TCF skills and tools, customers were escalating requests or problems so frequently and to such high levels (including the company executive board) that the impact on the productivity and cost of the front line was significantly impacting profitability and killing morale among the field engineers. And the customer still wasn't satisfied!

The supplier company was experiencing an average of **10 out of control escalations per month**, i.e. escalations that far exceeded the norm in terms of time and cost. The additional cost to manage these escalations included additional time from expert technical people, oversight from senior management, compensation to the customer in the form of free parts and service. The estimated cost of 1 out of control escalation was between **$50,000 and $100,000**.

Over time, by applying TCF tools, such as **TAUC to regain the confidence of the customer, the Iceberg technique to get to the customer's issues and Reasonable Possible and SHAPE to get to a collaborative outcome** on contentious issues, the supplier was able to **reduce out of control escalations by more than 50%**, **resulting in annual savings estimated at $1.7 to $6 million annually.** This in addition to significant improvements in employee morale and customer satisfaction.

Simply Listening Actively Reduces Escalations and Improves Performance

A customer issue was in escalation for 2 months, creating significant downtime for the customer and lost productivity for technical support. By applying TCF tools such as **Active Listening/ASQ**, to fully understand all of the customer issues, the service supplier was able to **end the escalation** and return the equipment to production. In addition, by working collaboratively, the supplier and customer were able to **significantly improve the performance of the equipment going forward.**

Calming the Customer Down Saves Time and Builds Trust

The customer was near panic because a critical tool had been down so long that production was being seriously affected. The local service team applied TCF tools like TAUC and Reasonable Possible to calm the customer down, get to the real root cause and get to a solution that was both reasonable and possible to provide. **The result was a reduction in system down time of 24 hours for the customer and savings of 18 hours in rework and non-value-added activity for the service supplier.**

More Effective Fire Fighting with TCF™ Tools

Customers are always asking their service suppliers to do more, faster. In escalations this is even more urgent. So when an inherent design flaw on a tool caused the equipment to stop, which also stopped the production line the customer's sense of urgency quickly turned to panic and anger. Two TCF tools, the **Firefighting Checklist and TAUC** were used in combination to get the situation under control quickly and restore confidence for the customer. In this case, using these tools quickly led to assignment of tasks to different people in order that the **problem was fixed and the equipment back up and running quickly, saving thousands of dollars of lost production.**

In this case, an additional benefit was the identification of **$500,000 in new revenue opportunities** as the customer became more confident that the service supplier could and should provide a broader service contract.

Addressing Intermittent Problems and Building Confidence with TCF™ Tools

Intermittent issues are among the most difficult ones for technical service people to fix. One fix may appear to work, only to have the problem recur. As the customer becomes increasingly frustrated, the service person needs to maintain confidence that they will find the permanent fix. In this case the Service Engineer engaged in a collaborative discussion with the customer to consider alternative, 'out of the box' possible solutions. **A combination of TCF™ tools, including Reasonable/Possible, SHAPE and TAUC eventually led to an accurate root cause, from there the fix was easy. And the customer's output was increased by 50%**

Helping the Customer Improve their Business Results

The customer was struggling with the performance of his equipment which was leading to performing service more frequently expected, which caused even more downtime.

Using Informed Open Questions, one of the tools in the ASQ active listening model, the field service engineer was able to get to an accurate problem statement and root cause faster. Once the problem statement was understood, he used the SHAPE technique to share facts and help the customer understand the engineer's reasoning and strategies to address the situation. Taking it further, the engineer used the KANO model to present the action plan and identify the individuals who would be accountable for getting completing the actions – a delighter for this customer.

As a result, the customer realized **100 hours of cycle time reduction and improved the performance of the tool which improved the availability by 15% - leading to a $300,000 annual savings** for the customer.