case file

BY DAVE BROWN

Solomon Software

The combination of outsourcing and technology was at the core of Solomon's successful re-engineering.

The Problem

Solomon Software's technical support group was in trouble: Solomon agents were able to answer only about 30 percent of the center's 500 daily incoming phone calls, and the average hold time for those lucky callers was 45 minutes! The remaining callers either left voice messages requesting a callback, or they simply abandoned. As for the callback messages, only a few calls were returned within 24 hours. The typical timeframe for a callback was five to seven days—and many customers waited 30 days or longer. This contact center needed help, and it needed it fast.

Background

As the result of a series of acquisitions (Great Plains acquired Solomon Software; Microsoft is acquiring Great Plains), Solomon will soon be part of Microsoft. But less than a year ago, Findlay, OH-based Solomon Software was a fast-growing, independent provider of business-management software for small to mid-size businesses that are based on the Microsoft technology platform. Solomon's client base now exceeds 45,000 customers and has grown rapidly over the past few years. Companies use Solomon's products to make mission-critical business decisions and perform key business functions (e.g., generate payroll checks); and when they need support, their need is immediate. Solomon also has over 450 channel partners that resell the Solomon product line. Many of these partners provide support directly to Solomon customers, and they rely on Solomon for back-up (second-level) support. When a partner call for support comes in, the caller is likely to be on-site with a customer and cannot wait days (or even hours) for a return call.

Solomon's sales growth (roughly 50 percent per year for several years) was severely challenging the company's support organization. In fact, many Solomon clients and channel partners had come to question the wisdom of their decision to choose Solomon. The growing problems with support resulted in a constant barrage of customer complaints, and much of Management's time was spent dealing with calls from upset clients. A survey revealed customer satisfaction at just over 5 (on a scale of 10).

Still, Solomon didn't immediately jump into re-engineering. It tried "incremental improvements," investing in good ACD call management systems and outsourcing a portion of its support calls. The changes helped, certainly, but did not solve all of the problems.

Eventually, Management realized they needed outside help, and my firm was called in. We started with an operational assessment, which uncovered a lack of process and management discipline. The biggest issue: The proper level of staff was not placed on the phones to handle the incoming calls. Consequently, hold times were

extremely long and many callers opted to leave voice messages and wait for callbacks. Then, because of the backlog of callbacks, Solomon was allocating a good portion of staff to returning calls. And because so many staffers were busy with callbacks, there was never enough staff to properly man incoming calls, so customers were leaving messages....Sound like a dog chasing his tail?

There was also a lack of a defined escalation process or a severity/prioritization scheme. The level-two support group members didn't normally speak to customers; they served primarily as a resource to level one. But level one was supposed to hand off to level two only when all else failed. Therefore, level one often struggled longer than necessary or appropriate before escalating a customer to level two.

Solomon's support process was so broken that the group couldn't be effective. In fact, we determined that if they *wanted* to, Solomon could provide the same inefficient levels of service with 35 percent less staff—if they fixed the process problems. But altering the process *without* reducing the headcount would, essentially, have the same effect as adding 35 percent more staff! Management decided what they needed was to redesign the support organization, and the process was begun.

Solomon made a bold decision: outsource support.

A Phased Approach

The re-engineering process began when Solomon's executive management team reassigned Eric Kurjan, VP of Sales and Marketing, to take over the support services for the company. Kurjan's mission was to re-engineer the support processes and transform the group into a "world-class" organization. Executive management then made an unusual decision: They concluded that "Customer Support is *not* a core competency of Solomon Software." Yes, the company wanted to maintain control of quality, and it wanted to monitor activity; but management decided they did *not* want to hire the staff and build the organizational capability that would be required to provide top-notch support. They would outsource the majority of support. There were three distinct phases of the re-engineering project:

Phase One

Keep the boat afloat while rebuilding. The objective of Phase One was simply to "answer the phones." We emphasized handling incoming calls in a responsive manner and "doing business at the customer's pace." Solomon realized that re-engineering would take six to nine months, but the company knew that, during that period, it couldn't just let things stay as they were. Additionally, I felt it was important for the support organization to have some "quick wins"; it had been in reactive mode and losing ground for too long. Staffers were demoralized, disorganized, and confused about roles and responsibilities. Teamwork was non-existent. They needed positive feedback.

One of the first things Solomon did in Phase One was release to the channel partners a web-accessible version of "WebTech"—the same knowledgebase of problems and solutions that Solomon's internal support staff used. It was an instant hit. The partners found it to be extremely powerful and especially useful as an alternative to the long hold times. The ever-expanding call volume began to level off.

Because our plan required an expansion of the relationship with the outsourcer, we asked the outsource provider to increase its staffing, and handle more calls. The outsourcer then initiated a program to add staff and build skills through joint training efforts.

With increased staffing and the leveling of call volume, we began to see improvement in Solomon's ability to answer incoming calls. Within six months, improvement was so significant that channel partners and clients began to notice. To help build morale, we celebrated the victories—large and small—with group lunches and the like.

Phase Two

Develop a completely new model. The goal of Phase Two was to design an effective, efficient support center model that would *exceed* the demands and expectations of Solomon's customers and channel partners. We established six voluntary task-force teams, each with six internal members plus one member from the outsource partner. (There were no management members on the teams, although Management participated in an advisory capacity.) The teams were directed to investigate and rethink

Continued on page 36

Case File continued from page 31

various functional areas and develop recommendations. The teams and their respective responsibilities were: *Priority and Escalation* (design the call routing/handling process); *Scheduling* (design staff schedules to meet service level objectives); *Metrics/Key Performance Indicators* (design measurements and set standards/targets for KPIs); *Training* (design and implement training programs specific to the technical support department's needs); *Communications* (get the new message out to the department and the rest of the company); and *Facilities* (design a new support center layout). The teams developed several key concepts that would guide their design:

- As directed by management, they would utilize a third-party support provider for the bulk of the work (and headcount).
- To offset concerns about losing visibility of issues or losing touch with customers, Solomon would maintain control of the call routing and information collection.
- The design goal was to quickly route each and every caller to the best-qualified agent available, then efficiently resolve the call or escalate it to someone who could.

The final design summary:

- Solomon would outsource 100 percent of the frontline call handling. The outsource partner would become "level one."
- The Solomon support team, based in Ohio, would transition to "level two" and handle calls escalated to them by level one. The team would also have prime responsibility for the growing knowledgebase, and for interfacing with Product Development.
- All calls would come into Solomon's ACD system in Ohio and then be "transparently" transferred to the outsourcer in Wisconsin and routed to a level-one agent.
- Calls would be routed to agents using skills-based routing (SBR), increasing the likelihood of a customer getting an agent capable of resolving the issue. It would also simplify training requirements (agents wouldn't need to be trained on everything) and would reduce the average handle time of calls (an agent with appropriate skills would solve problems more quickly).
- Level-one agents would share the same systems (phones and call/customer management) with the level-two agents. They would view customer records, share data, and seamlessly transfer calls. They would have access to all the same information that was accessible to level two at headquarters.

There were a number of less-critical design features and improvements, such as the new facility layout, new management structure, new training programs, and more. All of these factors, *combined*, contributed to the overall success of the project.

Phase Three

The new 'two-tiered' model. In Phase Three, we implemented the design. Solomon moved to a two-tiered model with a well-defined escalation process. We implemented a sophisticated call distribution system that utilizes CTI and SBR. Solomon's highly customized system includes an Aspect (www.aspect.com) ACD system and the Scopus customer management applications from Siebel Systems (www.siebel.com). These two systems "talk" to each other through CTI. As calls arrive, the ACD queries the Scopus database to identify the customer, using automatic number identification (ANI). Or, if necessary, the customer is prompted to enter her corporate phone number. The system verifies that the caller has a valid service contract, prioritizes the call based on the service plan, and then, based on the reason for the call, offers a short menu of options. The system next "looks" at the logged-in agents and either routes the call to an available agent with the needed skills, or queues the call for the next available agent with those skills.

The system presents the caller's information to the agent as a screen pop, along with the phone call. The level-one agent uses his problem-solving and troubleshooting skills to gather information and diagnose the client's issue. The level-one agents have access to the knowledgebase and to on-site "advisors"—essentially, level-two-capable staff who are dedicated solely to assisting the level-one reps. As opposed to the "real" level two that is located at Solomon's headquarters, the on-site advisors are part of the outsourcer's staff and are co-located with the level-one reps. The advisors' mission is to help level one close calls and minimize the number of calls escalated to level two. With the aid of advisors and the knowledgebase, level one now resolves 80 to 85 percent of support calls. Incidents not resolved by level one are escalated (transferred) *live* to level two.

The new level two consists of

four teams: *Financial Applications, Financial Reporting, Distribution and Manufacturing Modules,* and *Environment/Platform Issues.* Calls escalated from level one are transferred to the correct "skill queue" in level two. All escalated calls are owned and resolved by the level-two agents. To close the loop and provide ongoing education, the level-two specialist provides direct feedback to all agents who worked on an escalated issue.

'Phenomenal' Improvement

Approximately 95 percent of Solomon's daily inbound calls are now answered live by qualified support reps. Average speed of answer (ASA) is roughly two minutes. Approximately 75 percent of calls are resolved during the initial contact (at level one). Today, only 10 to 15 percent of calls are even escalated to level two. Most escalated calls are transferred live to level two; and when callbacks are necessary, more than 50 percent occur within three hours—with the remainder *always* placed within 24 hours. Customers now rate Solomon's support a 9 on a scale of 10.

Solomon is now a "world-class" support provider and is being acquired by Microsoft, a company that values the customer. And Kurjan has been recognized as "Support Professional of the Year" by the Association of Support Professionals (www.asponline.com). Coincidence? I don't think so...■

Dave Brown, *industry consultant, teacher, and author, is founder/CEO of Service Management International (SMI), a global management consultancy focused on customer service/support. Brown is an expert in process improvement/change management, with over 25 years of operational management experience at top corporations. He has published* Optimizing Support Center Staffing, *numerous articles and columns for industry publications, and is a speaker at industry events. For more information, e-mail info@smiweb.com, or visit www.smiweb.com.*