

Reengineering Customer Support

Part I: Eight Key Indicators That Your Organization Requires Reengineering



***Editor's Note:** Stay tuned this year for Dave's insight on the topic of "Reengineering Customer Support" via a new column series. Dave's expertise in customer support is unmatched, so if you're in the industry, you'll want to turn to his pages.*

Reengineering is not a simple, easy process that every company should perform. It is an intense, complex, and often painful journey. However, the result can be a quantum-leap improvement in service levels, service quality, and a coinciding improvement in efficiency that reduces operating expenses. This type of dramatic improvement only can come from equally dramatic change. However, change can be very difficult, and not every organization is capable of surviving the stress of reengineering—nor does every organization need the complete makeover that is reengineering. Therefore, each

company should consider their situation carefully and weigh the potential benefits vs. the effort and cost before embarking on reengineering.

What Is Reengineering, and Why Do Companies Do It?

First, let's be clear on what reengineering is...and what it isn't. Reengineering means completely rethinking the work processes. It means starting with a blank slate and designing new processes that will achieve the desired goal in the most efficient manner possible. *Reengineering* is a term that emerged in the late 1980s/early 1990s, when many companies on the brink of failure used reengineering to reinvent themselves—in order to survive. It became so popular that many companies embarked upon poorly planned and poorly managed reengineering efforts, seeking those quantum-leap improvements. The result was a high rate of failure, and reengineering got a bad

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reputation as a result.

But reengineering has been making a comeback, and it is no longer just a survival tool for companies that are in trouble. In fact, companies that reengineer while in a positive growth mode may experience several benefits. By becoming more efficient, they can slow the hiring frenzy and reduce costs. Customers typically receive better service and are more satisfied. And employees often find that reengineered work is more satisfying and less stressful, which improves productivity and reduces turnover. Reengineering is good business.

Reengineering is what many support organizations require to achieve their goals. For the purpose of this discussion, it doesn't matter whether you have a general goal, such as to become world-class, or well-defined objectives, such as to deliver specific, high levels of service to your customers at a reasonable (and also well-defined) expense to the company. The issue for many is that they never will be successful until they stop patching the old process and design a clean, new process. While many companies try to make improvements through incremental adjustments, the processes often are so broken or require such radical changes that incremental adjustments do not deliver satisfactory improvement. In fact, when a company's process model is so broken as to require reengineering, it is common to see them continually pouring money into improvement efforts that deliver minimal results.

Is the need to reengineer a sign that a company has done something wrong or made a mistake? Not necessarily. Most companies require reengineering after they have experienced a period of substantial growth and the processes and tools did not keep pace with that

growth. This could be long, slow growth or overnight success. It doesn't matter. They've simply outgrown processes that once worked fine.

When the evolution of a support organization does not keep pace with the rest of the company, it doesn't take long before support is too far behind to catch up through normal, incremental improvement efforts. When a company's market expansion, sales levels, new product introductions, and other key business functions have grown at a rate substantially greater than the evolution of the support organization, you have a situation that likely can benefit from reengineering.

Please note that I said the *evolution* of the support organization, not the *growth*. There's an important distinction, because an organization that grows without evolving probably is becoming less and less efficient. That problem typically manifests itself as a support organization growing at a rate faster than the rest of the company, while service levels or customer satisfaction levels decline.

As companies grow, their support operations become more complex. New products, new modules, and multiple revisions in use by the customer base are just a few of the factors that add complexity to the job of providing customer support. The processes that worked fine when the company was smaller typically are not adequate as the company grows. A support operation must adapt constantly, or it eventually will become obsolete.

Many companies observe the symptoms of a support organization in trouble and then attempt to repair it through a series of fixes, e.g., reorganizations, restructurings, outsourcing, new call-tracking tools, knowledge management tools, charge-for-support

programs, and other efforts to "stop the bleeding." However, treating symptoms doesn't cure the ailment. Patching doesn't solve the fundamental problem. You must identify and repair the root cause.

Eight Key Indicators

It generally doesn't require an in-depth analysis to determine that an organization is broken enough to require a major overhaul. The in-depth analysis is actually Step 2 and will confirm the initial prognosis. (Note: That's the next column in this series.) The key indicators, or symptoms, usually are easy to identify. The following are questions to consider when determining whether your organization requires and can benefit from reengineering.

- 1. Are customers "going around" the process?** Are they calling in on the direct dial number of support engineers or asking for specific people? Are they using e-mail to contact a support engineer directly rather than calling in and following the standard process? Are they trying to bypass or circumvent the process in some other way? If so, these are clear signs that the existing process does not meet the customers' expectations. If a process works (i.e., provides a level of service that meets customer needs), then customers generally will be satisfied and adhere to the process. But when the process isn't working, you'll hear complaints and/or you'll notice many instances in which customers are going around the process to get what they want.
- 2. Are customers seriously dissatisfied with the speed and/or quality of service?** You don't need to necessarily perform a formal customer satisfaction survey in order to determine if a problem exists. If customers are unhappy, they usually will let you know.

Do the CEO and other senior managers get frequent complaints? Do complaints outnumber compliments? Does line management spend a significant portion of their time dealing with “hot sites,” irate callers, or other forms of customer dissatisfaction? Have you developed a special process for handling complaints or employed a person specifically for following up on complaints? If the answer to any of these questions is yes, you have a major issue that likely is impacting customer loyalty, which in turn impacts company revenue and profitability.

3. Are your employees satisfied? If the process isn't smooth, it creates a situation where it's difficult for people to be successful. Most people want to do their jobs well, and a poor process will frustrate them. People don't like working in frustrating, unrewarding, or stressful situations. A poor process therefore results in low moral and high turnover. Also, it's difficult for people who feel this way about their jobs to provide good levels of customer service. While good people will try hard, their frustration and inability to get the job done efficiently eventually will filter through to customers. If you want to know what your customer satisfaction level will be six months from now, measure your employee satisfaction today.

4. Are there observable flaws in the current process? Does each step of the process add value? Organizations often include steps in their processes that really don't add value. One of the most common is a dispatch or other front-end group that takes a call, collects some information, logs the case, and then routes the call. What is their purpose? What value do they add from the customer's perspective? Usually, they serve only as a buffer for the

support engineers (who don't want to take calls live) or as a mechanism to avoid having customers on hold waiting for an available engineer. If these people aren't part of the problem resolution process; that is, if they don't have some likelihood of resolving the issue, then they probably are an unnecessary step.

Another common flaw is sorting calls into many small groups. The intent is to get the call to the expert and improve the resolve rate. However, this can result in overstaffing and/or poor response times (long hold times) due to the inherent inefficiency of this model. Reengineering can correct these process flaws by delivering better service at a reduced cost.

5. Do you have a “one size fits all” support model? Most companies have a variety of customer types with a variety of needs. If all customers are required to be serviced in the same way, many will be dissatisfied. Some customers demand higher levels of service and are willing to pay for it. Other customers are more self-sufficient and simply want tools or access to information. If you have only one service program, you probably are missing revenue opportunities with some customers and irritating others.

6. Has the organization been trying to use technology to improve service levels? Technology is a great enabler, and many process improvements require new technology. However, technology on top of existing processes generally provides only incremental improvement (if any). When I see an organization spending large sums of money to add lots of automation, I usually find that they really need to look at the core process model. When you automate a poor process model, you may achieve some improvement. Unfortu-

nately, you miss the bigger improvement opportunity that comes from reengineering the process and using technology to enable that new process.

7. Does the headcount match the workload (and performance)? There are a number of methods for estimating the required headcount for a given amount of work, including workforce management software products. If you drop an organization's workload into one of these tools, and it determines that the required staffing is substantially less than is currently being applied, there is an opportunity. Or if the current staffing should be capable of delivering great service, but it isn't, then there is an opportunity.

8. Do the operational metrics stack up against industry benchmarks? Are they within the “normal” range? If any key metric seems inappropriate, a problem likely exists. When two or more metrics are out of range, it means you need to drill down and identify the problem. It's very important to understand that operational metrics, like most of what I've described in the previous paragraphs, are symptoms and are not the real problems. You don't fix poor performance metrics; you must fix the underlying cause.

When you know what to look for, the signs are observed easily. When you notice symptoms, you must suspect problems. A single problem can manifest itself as multiple symptoms. Keep in mind, however, that a single symptom can mean several different things...so don't make assumptions! You must identify the root cause.

Conclusion

If all of the telltale signs are apparent, even if there appears to be a major

opportunity for the company to benefit from reengineering, another step is required. Before launching a reengineering project, a company always should perform a thorough operational assessment. The operational assessment validates (or nullifies) the initial hypothesis. It determines the root causes of the identified problems, estimates the level of effort required to correct those problems, and then predicts the benefits and ROI. No company should embark on a reengineering effort if they haven't done this preliminary cost/benefit analysis. Please look for the next installment on this series, which will discuss how to perform a thorough operational assessment. ▼