



A Time for Courage and Wisdom

Don't Sacrifice Service Quality While Cutting Costs

"God grant me the serenity to accept the things I cannot change; courage to change the things I can; and wisdom to know the difference."

By Peter J. McGarahan, Founder and President, McGarahan & Associates

OVERVIEW

As I lay awake trying to make sense of our current economic predicament, I was comforted by The Serenity Prayer. "God grant me the serenity to accept the things I cannot change; courage to change the things I can; and wisdom to know the difference." There is absolutely nothing I can do regarding the current economic predicament we find ourselves in today. Nothing I can do will change any of the many market forces at work from impacting my daily work situation. There is little good news today being reported by the media. Personally, I am trying hard to filter that information and courageously face the situation from a perspective of "What can I change?"

I awoke this morning with a positive mindset committed to working on impacting the things I control and influence. It's hard not get drawn into the "doom and gloom" conversation around every water cooler. At times, depending on the conversation, you may wish that someone would have put something a little stronger in the water! Certainly there is apprehension, fear and a little uncertainty around the corner, but what a great time for appreciation and action. To reconnect with family, friends and colleagues and reestablish relationships that got sidetracked by the urgency to get somewhere fast! I will choose to change the things I can and take the appropriate action to improve my team, myself and my organization.

Service quality is certainly in the eyes of the beholder and the customer experience is an essential part of service quality. If you remove the customer as the main focus of a service quality strategy, you in essence lose sight of the purpose around creating and delivering a consistent, quality customer service experience. As organizations look to reduce operational overhead across the board and ask everyone to give generously during the "Blood Drive", are you confident you are providing value to your customers? If your customers were asked to defend you, your team and the services you provide to senior management – would they? Would your customers voice their concern regarding reduction in services to senior management as it impacts their productivity and ability to service, sell and deliver against their business objectives?

Customer satisfaction must be central to your service strategy and aligned with supporting your business growth strategy. Your Customer Satisfaction Index (CSI) should be the barometer for all other operational and service quality performance metrics. These tough times call for calculated, well thought-out measures as opposed to the typical knee-jerk reactions usually made under

pressure. Position yourself with a course of action where the best defense is a strong offense benefited from not only a first strike, but from a continuous barrage of planned, purposeful actions all aimed at achieving service quality victory at the customer level.

1. Know your customer's expectations, needs and requirements in order to satisfy them.
2. Set baseline and target performance metrics to guide you on your journey of continuous improvement.
3. When setting financial benchmarks, ensure that you remain customer-focused.
4. Always measure the efficiency and effectiveness of your products, processes, and teams.
5. Above all, eliminate the unnecessary distractions from your work day and services portfolio – eliminate those things that waste time, money, and resources.

I would like to share with you ten ways in which you can reduce costs without having to sacrifice service quality. These are a mixture of strategic and tactical suggestions that will certainly help you build your arsenal of strategies and tactics for not only surviving today and tomorrow, but readily positioned to thrive when the turnaround approaches and the bounty goes to the prepared ready to seize the opportunity.

Top Ten Strategic and Tactical Ways to Realize Cost Savings Without Sacrificing Service Quality:

1. Think differently about your services and how they are being delivered.

- Processes (efficiency and effectiveness).
- People (utilization and engagement).
- Tools and technologies (automation and integration).
- Metrics and reporting (operational and financial).
- Customer Service (differentiate and survey).

2. Embrace Service Leadership

- Build credibility and respect through consistent delivery of services, communication and leadership practices.
- Work with IT to deliver transparent services to the business.
- Be EZ to do business with and passionately engage yourself in your customer's business.
- Solve the business problem.
- Be relevant to the business – identify proactive activities that add value and reduce costs.

3. Reduce inbound customer calls and emails

- Analyze all case types, know why your customers are calling and address the top ten case types with a proactive plan for reduction, elimination or deflection.
- Provide focused training to your frontline support professionals based on the top 10-15 call types based on volume and provide the necessary documentation and solutions baked into your tool to make searching, retrieval and usage as intuitive as possible.
- Achieve both call deflection and call avoidance by providing self-service functionality, content, request forms and services.

- Focus on problem management, root cause analysis and targeted call/problem elimination as a result of eliminating the problem that result in calls/emails.

4. Know your cost structure

- Identify your cost per call, cost per resolution and escalated cost structure of incidents resolved by the Level-2 and Level-3 groups.
- Prove cost reduction initiatives aimed at having an empirical financial impact.
- Justify any investments in tools and processes using an ROI-based based case format.
- Prove value in a disciplined approach to knowing baseline, actual and target performance measures aimed at positioning all call types to be resolved at the most cost-effective level.

5. Consolidate & streamline operations

- Improve efficiency, integration and cooperation across all IT groups and business functions in your organization so that no matter who “touches” the customer – they walk away with the same customer experience.
- Discontinue supporting customers through different “band-aided” systems! It’s extra work, inefficient and expensive.
- Automate and integrate everything into one tightly unified, efficient system that streamlines and strengthens ongoing customer responsiveness.
- Be in a position to anticipate the customer’s needs and be proactive in figuring it out and providing it before the customer requests it.

6. We all work for IT customer support

- Delivers consistent and seamless IT services always managing the customer experience (end-to-end).
- Track 100% of all issues/requests/inquiries.
- Measure service and support from the customer’s point of view.
- Be the “Face of the IT” - as well as its central point of all customer communications.
- Be the “Voice of the Customer” – Listening, collective & consolidated customer experience feedback on IT’s products and services.

7. Focus on First Contact Resolution

- On average, every 1% percent increase in first-contact resolution (FCR) results in a 0.64% increase in customer satisfaction.
- Implement, measure and report on Efficiency metrics:
 - Resolution cost & Resource utilization.
- Implement, measure and report on Effectiveness metrics:
 - Timely closure, Quality resolution, Customer satisfaction index.
- Always track every incident, request and activity till closure - “If it’s not in the ticket/it did not happen!”

8. Virtual Support - Remotely connect, diagnose and resolve technical problems

- Providing support professionals in any location the ability to access, troubleshoot, diagnose, upgrade, or fix any computing device anywhere around the world – without ever leaving their desks.
- Remotely connect to customer's device, visualize and resolve the problem.
- Reduces onsite visits required for break/fix, software deployment, training, upgrades and/or configuration changes.
- Realize immediate benefits of handling more support requests in less time, lower support costs by reducing costly escalations and desk-side visits (e.g. travel time), increase first-call resolution rates, reduce overall incident-handling times (MTTR) and increase customer satisfaction.

9. Get It Done

- Focus on achieving the delivering the end result, shield distractions, prioritize assignments, tasks and requests and remove barriers for front-line.
- Instill a continuous improvement mindset of Plan-Do-Check-Act.
- Instill a culture of accountability and ownership.
- Be the example for your team.
- If it doesn't fit or make sense, ask WHY and just say NO - Don't continue to over promise, stress/stretch resources & not deliver.

10. Additional Cost Cutting Ideas

- Telecommuting at least one day a week.
- Establishing a service to support Telecommuters.
- Hold online meetings.
- Delegate as needed.
- Renegotiate vendor contracts.
- Reduce and retire old apps, OS, technologies & printers (personal).
- Get realistic about cross-training.
- Automate the little things and anything currently done manually.
- Get involved in some sort of peer program.

The time to differentiate you leadership, your services and your results is now. This is no time to be ineffective, mediocre or perceived as a whiner. Being stealth and hiding under the radar is not the prescribed method for riding these challenging times out and waiting for recovery to solve all of our issues. Pick the suggestions that best fit your style and situation and implement like your career depended on it. See you in the winner's circle!



McGARAHAN & ASSOCIATES

Service and Support Value



Peter J. McGarahan is the founder and president of McGarahan & Associates. Pete just completed his tenure as the acting Chairman of the IT Infrastructure Management Association, a sister organization to HDI. Pete's value to the service and support industry and business is his thought leadership. As a practitioner, product manager and support industry analyst and expert, he has influenced the maturity of the service and support industry. His passions for customer service led the Taco Bell support organization to achieve the **Help Desk Institute Team Excellence Award**. IT Support News also named him one of the **"Top 25 Professionals in the Service and Support Industry"** in 1999. Support professionals voted McGarahan **"The Legend of the Year"** in 2002 and again in 2004 at the Help Desk Professionals conference for his endless energy, mentoring and coaching and his valuable contribution to the support industry and community.

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