

Quality of service on the move

The price war is over, yet the competitive pressures remain. With the economic demands as high as ever, telcos and utilities are being forced to look inwards at their customer service and support strategies to find ways of improving customer loyalty in order to gain that competitive edge. Cristian Parrino of Vidus argues that intelligent field workforce automation software is the missing link. This new technology is revolutionizing customer service for telcos and utilities and finally delivering on CRM's long-promised improvements of quality of service.

The telco and utility industries have reached a critical juncture. Deregulation and its domino effects of price free-for-alls, high customer churn and the increasing commoditization of services, together with the economic slowdown and consequent budget cuts, have all taken their toll. Companies have risen to these challenges through re-organization, revisions in management strategy, downsizing and consolidations, but global and national competitive pressures are biting hard. They must dig deep to find business solutions that offer the scalability and flexibility to secure the roots of their future success.

The question is: what more can these organizations do? The price war is over and the only winners were the customers. Moreover, customers are no longer willing to accept an incomplete service delivered at inconvenient times by inappropriately skilled engineers, however low the price.

In today's highly competitive and cut-throat service industries, managing the balance between cost of delivery, level of service and customer satisfaction can mean the difference between business growth, and dwindling customers and market share. Customer retention has become vital, as even a small reduction in customer defection can have a disproportionately positive effect on profitability.

Quality of customer service and the range of services offered have become the only remaining differentiators between firms today. The ultimate prize is customer loyalty.

European gas and electricity companies are beginning to react to this reality. Customer service has overtaken price this year as the most cited differentiator between rival firms by over 100 senior executives in major utilities across 19 countries, according to a recent annual survey by management consultancy, PriceWaterhouseCoopers.

Nevertheless, continuing inefficiencies in customer service are encouraging customers to shop around for a happier experience. Indeed, research by SPL WorldGroup reveals that nearly half of UK customers of telcos and utilities are likely to continue changing supplier for the foreseeable future. Clearly, companies must differentiate on the quality of their customer service now, or face either being taken over - willingly or not - or extinction.

Telcos and utilities have long recognized the need to focus on the quality of their service delivery and have been investing in customer relationship management (CRM) systems. But CRM does not go far enough. For while an integral part of the customer service piece, CRM has failed to deliver on early expectations because, until recently, it did not touch frontline operations: the field workforce, which, after the call center, is the next major touch-point for the customer and the 'face' of the service organization.

CRM systems are good at pulling together all the information an organization has on an individual customer. Information which previously was held in disparate databases all across the business – ranging from service level agreement (SLA) details to payment history to personal or specific business information; providing the business with that global visibility of its customers. And while this information is critical in enabling the business to profile and understand its customers, it is at its best when handling field workforces operating in static environments.

But telcos and utilities operate in dynamic, constantly changing environments, where over 30% of a single day's work will come in that same day. Add to this the increased focus of these service providers on customer service, and the environment becomes ever more complex, where the ability to keep customers satisfied at a level cost effective to the business is increasingly difficult.

The field is the front line of contact with customers. That is why getting it right is so critical. To truly differentiate themselves on the quality of their customer service offering, telcos and utilities need to be able to extend the philosophy and reach of CRM out to their field workforces, in real time . It is not a problem associated with a lack of customer data or an unwillingness to provide good customer service, nor is it simply cured by providing mobile devices in the field – it is a problem of automation.

Currently, over 90% of businesses deploy CRM's workforce modules, or piecemeal and home-grown field service systems. These are poorly integrated, do not allow for process flows and cannot handle dynamic environments, causing businesses to squander opportunities to improve customer loyalty and capture critical customer information, according to research firm, Gartner Group. There are simply too many walls and not enough bridges between such systems and back-end CRM software for service companies to make the most of their CRM investments.

And this is exactly where intelligent field workforce automation provides the missing link. This new technology closes the loop. It uses intelligence and automation to complement CRM by combining customer information held within the business with details about the specific task, the individual engineer and the business, all in real time – making automatic logistical decisions and extending the business, its processes and protocols out to the customer through the field and always delivering best quality of service at a known cost to the business.

For example, we know that customers want good service at their convenience, and no repeat visits by engineers ill-equipped for the task in hand. Intelligent field workforce automation technology can arrange this by juggling thousands of variables, and amending the workload of thousands of engineers in seconds, all the while adjusting plans as real-time data flows into the system. The technology enables the mobile workforce to deliver the very highest levels of service at the right time, to the right place, and, crucially, at a known cost to the business. It also works in harmony with existing systems including CRM, and all established company processes and protocols.

The overriding aim of this technology is to ensure high service levels that retain paying customers while cutting operational costs.

By combining CRM data and information from the field, and driving up the percentage of logistical decisions that are made automatically – in many cases from 50 per cent to 95 per cent - jobs will be done on time, to an agreed process and with the level of quality that customers want and expect. That translates into cost savings of around 50 per cent: millions of pounds for a large organization.

BT Wholesale, the network service provider for BT, has pioneered the use of intelligent field workforce automation software, automating the allocation of 150,000 tasks each day for 22,000 field engineers. To date, BT has realized a 36% field productivity improvement, reduced its dispatch control costs by 76%, cut the number of its field service control sites down from over 100 to three, and dramatically improved its customer service. It has also been able to introduce new service offerings based on its new speeds of provision and repair.

In total, BT says it is saving £100m a year from using intelligent field workforce automation technology.

Moreover, it has also recouped millions of pounds in additional revenue from services provided that previously went unbilled, because mobile workers' systems could not

identify or account for them. That additional revenue totaled £35m in 2002, and is predicted to reach a staggering £75m this year.

Intelligent field workforce automation is a technology that is enabling telcos and utilities to deliver the full promise and the benefits of CRM. Not only is it improving customer service and enabling organizations to introduce new levels of service offering, but field service management has also been proven to reduce service costs by over 30%.

The price war may well be over, but field workforce automation, combined with CRM, is enabling organizations with large numbers of mobile workers to truly differentiate themselves on quality of service, to gain that competitive edge and engender customer loyalty. Telco's and utilities that cannot rise to the challenge will clearly find themselves in an increasingly commoditized market where they will have nothing to differentiate themselves from the herd.

Keeping the customer happy, at a cost that is right for the business, is the new mantra. By unlocking your organisation's potential, optimising your mobile workforce, and, above all, increasing service quality, customers come back for more. In today's bear market that is the service industry, nothing less than this approach will do.

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