

# Reducing Support Costs Without Sacrificing Service Quality

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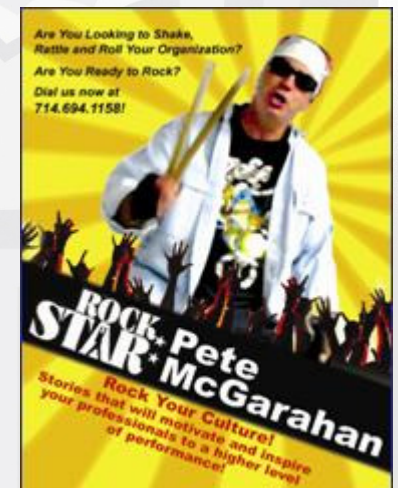


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*Service and Support Value*

## About The Speaker

- 12 years with PepsiCo/Taco Bell IT and Business Planning
- Managed the Service Desk and all of the IT Infrastructure for 4500 restaurants, 8 zone offices, field managers and Corporate office
- 2 years as a Product Manager for Vantive
- Executive Director for HDI
- 6 years with STI Knowledge/Help Desk 2000
- 5 years with McGarahan & Associates
- 2 years as Chairman, IT Infrastructure Management Association ([www.itimassociation.com](http://www.itimassociation.com))



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## Current Economic Drivers

- Challenging / cautious economic outlook for 2010 / 2011.
- Manage distributed workforce for increased utilization / productivity.
- “Hold tight” budgets / staff – Enjoying the profit angle.
- Cost sensitive / value driven customers – Companies must be cost concessions.
- Reevaluate band-aided processes / bolted-on technologies / work-around for cost reduction and increased customer satisfaction opportunities.
- Renewed sense of urgency around optimizing services (cost, benefit and value).



## Without Customers

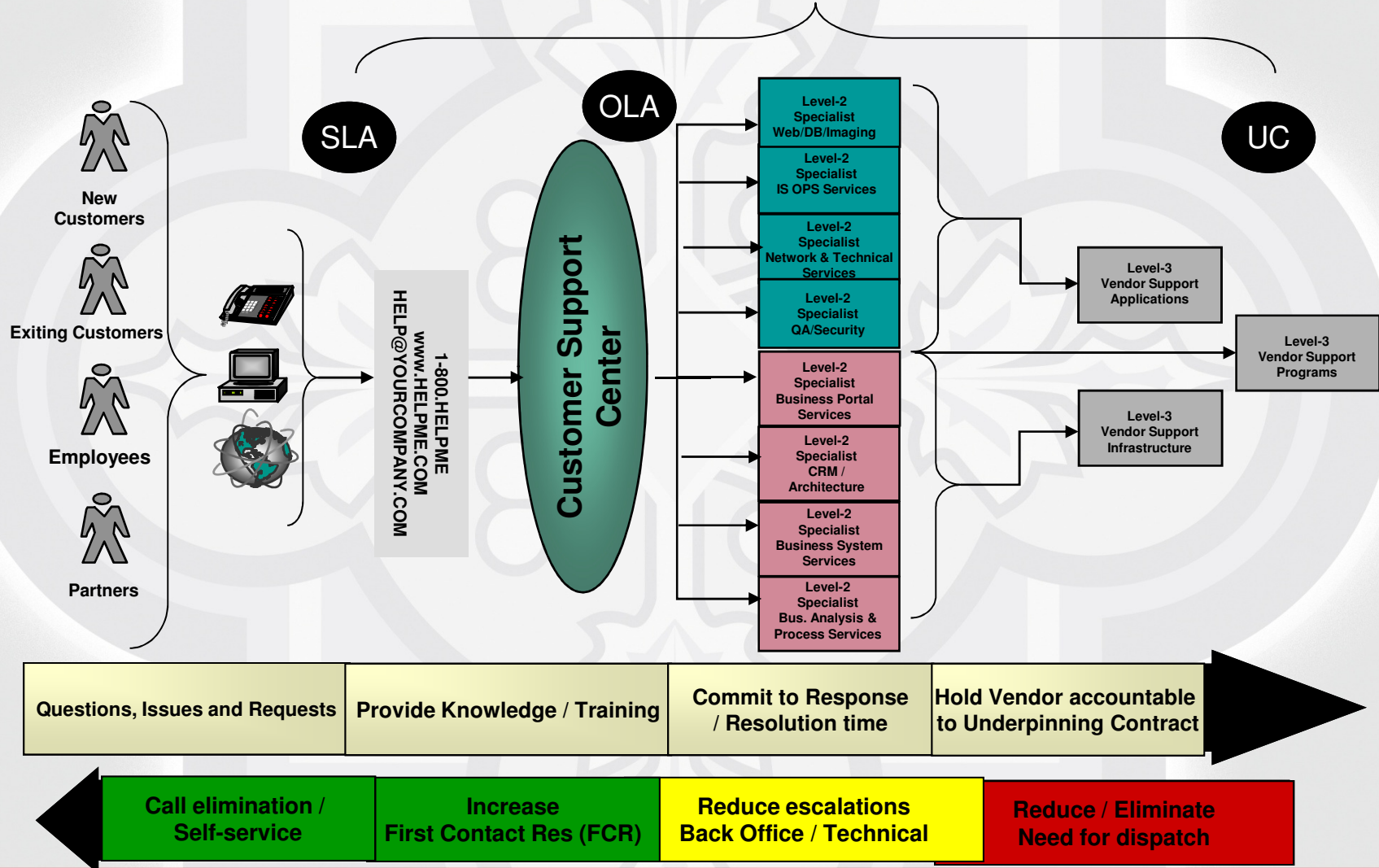
**There would be no business and therefore no need for my services**

- Think differently, creatively about how you deliver services.
- Innovate and work hard to treat every customer like they were your only customer.
- WOW Them! Do something for them they wouldn't expect.



# Service Structure & Strategy

**Characteristics:** Business-focused, Virtual, On-demand, Cost-effective, Responsive, Predictable, Consistent and Adaptive

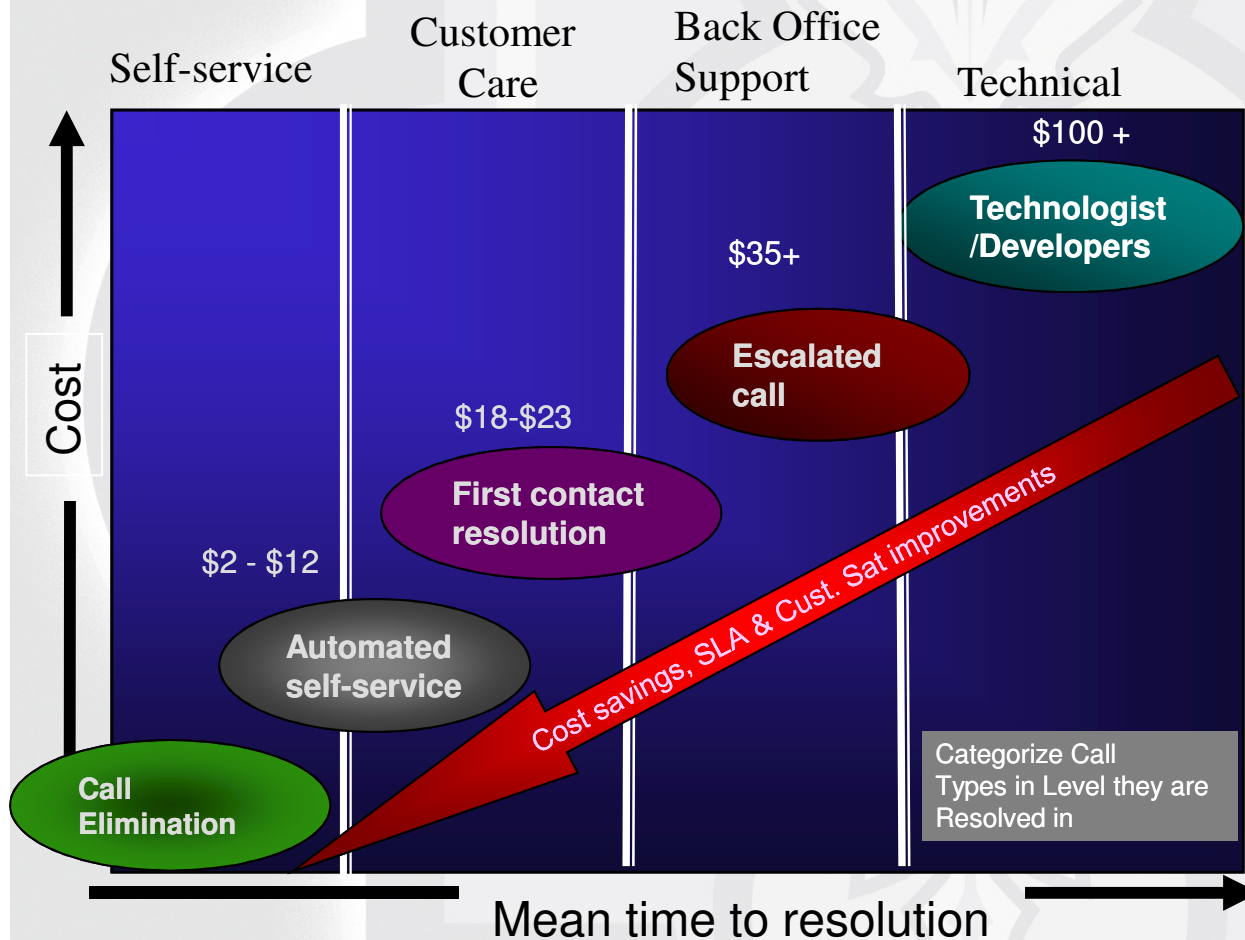


# Service Success Components

- **Processes**
  - efficiency and effectiveness.
- **People**
  - utilization and engagement.
- **Tools and technologies**
  - automation and integration.
- **Metrics and reporting**
  - performance and financial.
- **Customer Service**
  - differentiate and ask.



Bring visibility to repetitive, costly issues, questions and requests .  
Focus on the ones continually being escalated to costlier levels of support.



1. Examine all issues, questions and requests and where they are ultimately resolved – shift resolution to the most-efficient and cost-effective resources.
2. Track percentage of resolved cases by resource, team, and location along with cost, utilization and effectiveness metrics.
3. Calculate a cost per call / contact / resolution along with analysis and plans to shift costs left / lower.



# Standard Industry Benchmark Metrics

- Average range of 1st level contact resolution between 54 and 77% of calls
  - Average 63%
- Cost of 1st level call
  - \$18-\$23
- Cost of 2nd level call
  - \$35+
- Cost of 3rd level call
  - Starts at \$100
- The cost of supporting a device
  - Between \$70 and more than \$130
- Average case per support professional (L1) per month
  - Range 450 to 530
- Password reset
  - Between 20% to 35%
  - Password resets handled by Level 1 cost, on average, \$12 per transaction, while Web self-service costs \$2.
- Queue time:
  - 20 seconds to 53 seconds.
  - Average 36 seconds
- Talk time 5 minutes to 8 minutes
  - Average 7 minutes
- Abandonment rate
  - Between 7% to 8%



# Service and Support Best Practices

## 1. Total Contact Ownership

- Is built upon the premise that the Support Center will continue to address a customer's issue/request and follow up until the issue or question is resolved to the customer's satisfaction.

## 2. First Contact Resolution

- You should use all of our available resources (team members, training, tools, documentation, past incidents, etc.) to facilitate solving our customers issue on the first contact. It leads to a higher level of customer satisfaction, improves image, allows L2 teams to be more responsive and improves customer productivity.

## 3. Quality Ticket Documentation

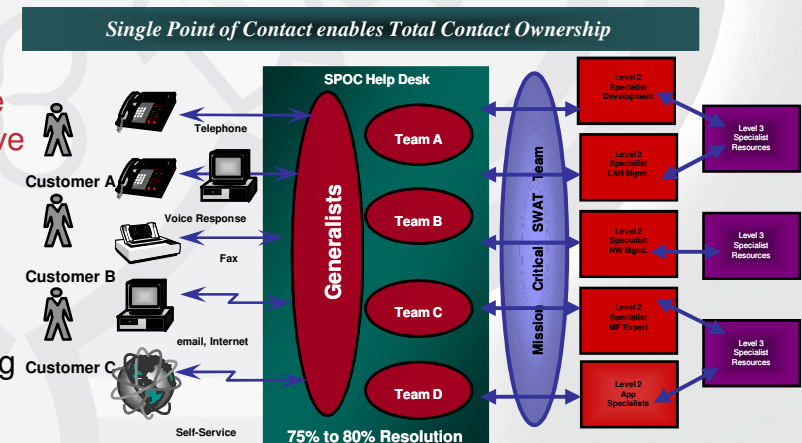
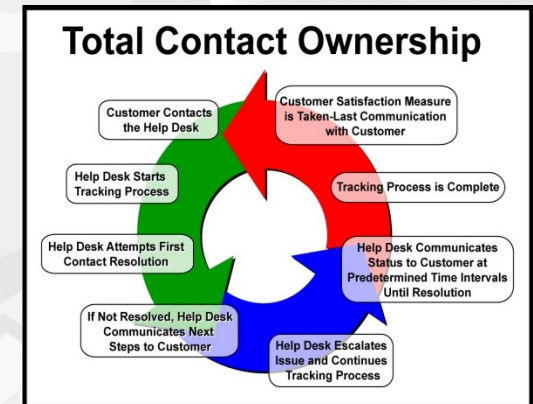
- Research, diagnose, prioritize and document thoroughly (it did not happen if it's not documented in the ticket).

## 4. Team work

- Empowering the team to make front-line decisions and coordinate best practice processes is the only way Support Center can survive and thrive in today's ever demanding role as the Customer Advocate and single point of contact for all customer issues and requests.

## 5. Being Proactive

- Spotting trends, related issues and reoccurring issues and working to ensure that we minimize business impact, communicate appropriately and work to learn from the situation.



# Impacting Your Cost Structure

## Link Costs to Demand

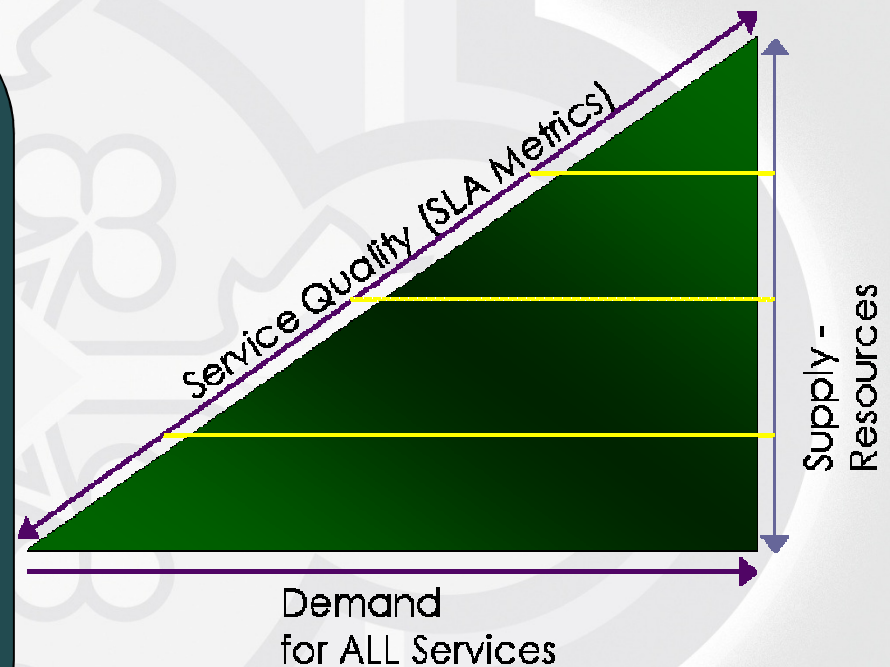
- **Know** your demand for IT Services, compare it to your resource supply, utilization, SLA adherence and anticipated demand.

## Reduce resource costs

- **Know** your cost for work effort down to the transactional level. Make better fact-based decisions to implement continuous improvement initiatives.

## Change operating practices

- **Ensure** your processes / practices are aligned, delivering against business needs, adopted from industry accepted / best practices and measured for effectiveness and efficiencies.

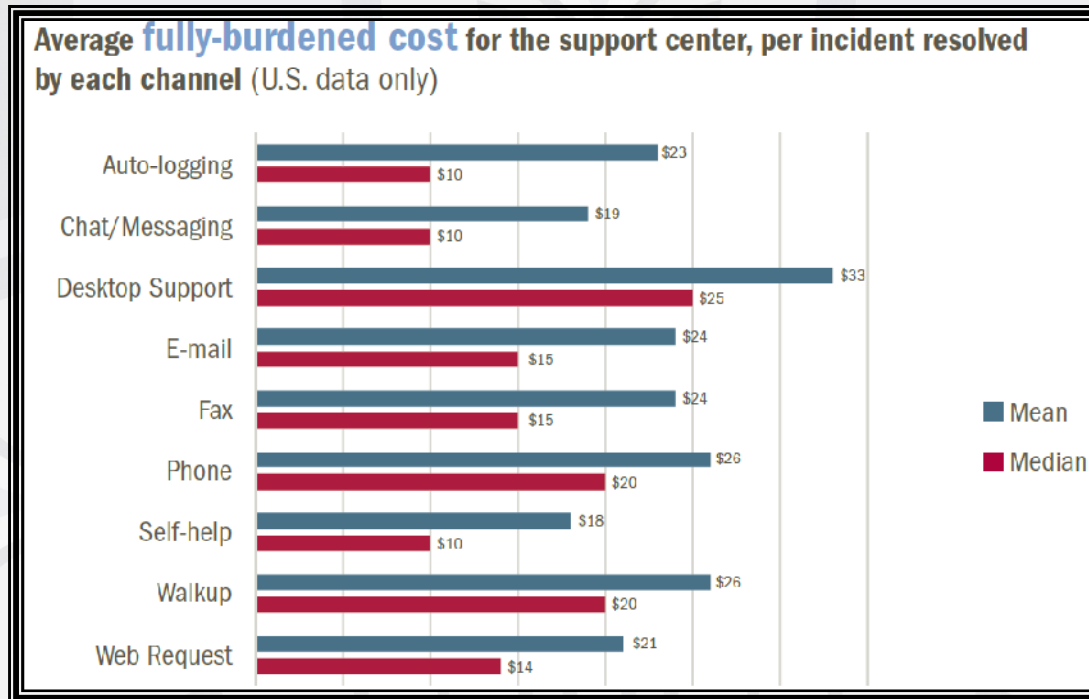


## Focus on Call Reduction / Call Deflection

- Provide customers access to alternate channels, knowledge, templates, training and request forms to reduce volume of calls and emails.
- Perform root cause analysis to identify and eliminate repetitive problems.
- Focus on the self-service channel where:
  - Access is 24x7 and global.
  - Knowledge created once and utilized frequently.
  - Targeting Low Valued / High Volume contacts.
    - Password Reset / Identity Management
  - Lower cost / increase customer satisfaction.
  - Increase capacity to improve SLAs and perform higher valued tasks.



# Calculate a Cost Per Call Analysis



- **Show value.** Compare and contrast. **Know you baseline.**
- Prove financial impact of cost reduction strategies and continuous improvement initiatives
- **Justify investments using financial metrics..** Defend empirically against external threats.
  - **Reduce the cost of running your business**

Source: HDI 2009 Practice & Salary Survey



- **First Contact Resolution** is achieved when the individual who takes the initial report is the same person who resolves the issue to the customer's satisfaction. First Call Resolution is where the issue is resolved on the phone while the customer is still on the phone from that initial phone call.
- **First Level Resolution** is resolving the customer's issue or problem while working with the initial support professional; OR the issue is resolved after some time is spent on research or on a task that must be completed before the customer receives a resolution.
- When you improve FCR you're **improving quality**, **reducing costs**, and **improving customer satisfaction**, all at the same time.

It is important to note that *only one contact* was made by the customer and *only one resource* was used, the support professional.





- Increase First Call Resolution / First Level Resolution .....Lower cost per inquiry, request or issue.
- Know what call types you answer, fulfill or resolve at FC.
- Know what call types you escalate.
- Target call types for FCR that are currently being escalated.
- Work with back office managers to provide training, access, and knowledge.
- Handle all requests, password resets and repetitive “How-To” training through Self-Service Portal (L0).

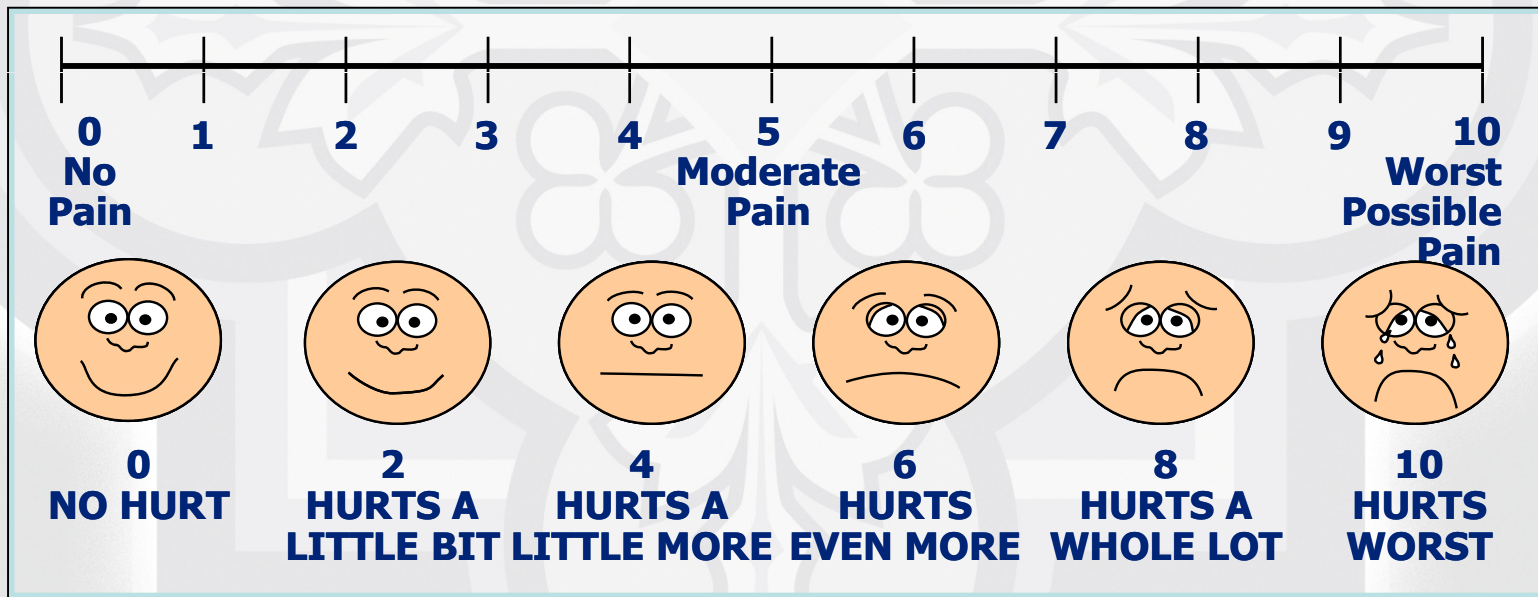


# First Contact Resolution

- On average, every 1% percent increase in first-contact resolution (FCR) results in a 0.64% increase in customer satisfaction.
- Efficiency metrics:
  - Resolution cost & Resource utilization.
- Effectiveness metrics:
  - Timely closure, Quality resolution, Customer satisfaction index).
- Drive total support cost down while continuing to offer self-service solutions.
- Mean Time To Resolve (MTTR) decreases through seamless team collaboration.



- Provide a positive customer service experience through:
  - Caring, professional, and courteous interactions.
  - Exploring the customers needs and basing solutions on needs.
  - Taking ownership of issue and communicating necessary steps to solution.
  - Following-up with customer to assure needs were met and satisfaction with the solution.



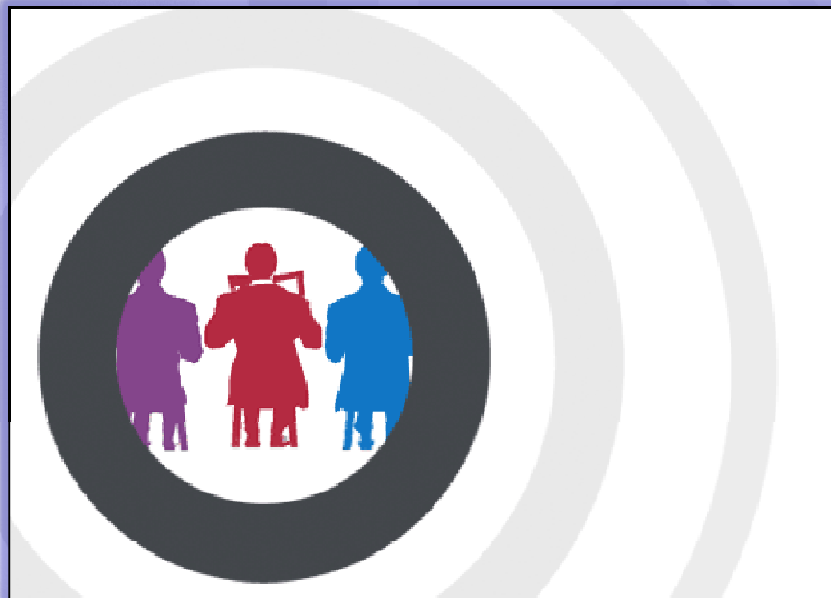
# The Dos and Don'ts of FCR

1. The customer perception of FCR is most important and requires follow-up, closure, feedback and monitoring.
  2. Make FCR reflective of customers' values, expectations and perceptions.
  3. Use FCR results to drive Continuous Improvement (CI) at all levels.
  4. Give support professionals the proper training, empowerment, tools to support higher levels of FCR.
  5. Market and communicate – reward and recognize FCR contribution, achievements and results.
1. DON'T focus on FCR alone w/o multiple perspectives.
  2. DON'T only measure that It was done (checklist) vs. how was It resolved and what was the experience.
  3. DON'T make it self-serving in scope, definition and data collection and manipulation. It's not about "Hitting the numbers."
  4. Don't be more concerned with call resolution than issue resolution.
  5. DON'T only measure FCR; balance with other quality metrics.

**It's a key driver of continuous improvement and a key determinant of customer satisfaction.  
If you don't measure it you can't improve.'**



# Actionable Reporting



***Collect 100% of all customer transactions and tasks in a centralized data base and have real time and historical insights into your business, performance and customer preferences and habits.***

- **Cost Savings/Reduction/Avoidance (ROI)**
  - Increased utilization of staff / technology
  - Issue elimination and deflection (low-cost)
- **Improved Service Levels**
  - High First Contact Resolution (FCR)
  - Quicker Mean Time to Resolve (MTTR)
  - Better customer experience (CSI)
- **Higher customer productivity**
  - Reduced business impact
  - Self Service Solutions (24x7)
- **At The End of the Day, Does Your Reporting**
  - Determine Success/Failure
  - Tell a success story
  - Validate beliefs or assumptions
  - Measure performance
  - Determine your organizational value
  - Identify areas of action



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*"Being a service leader is about your view and perspective of the world around you! It's not about you, it's about all that you can do to make other people successful."*

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