

BILL PRICE & DAVID JAFFE

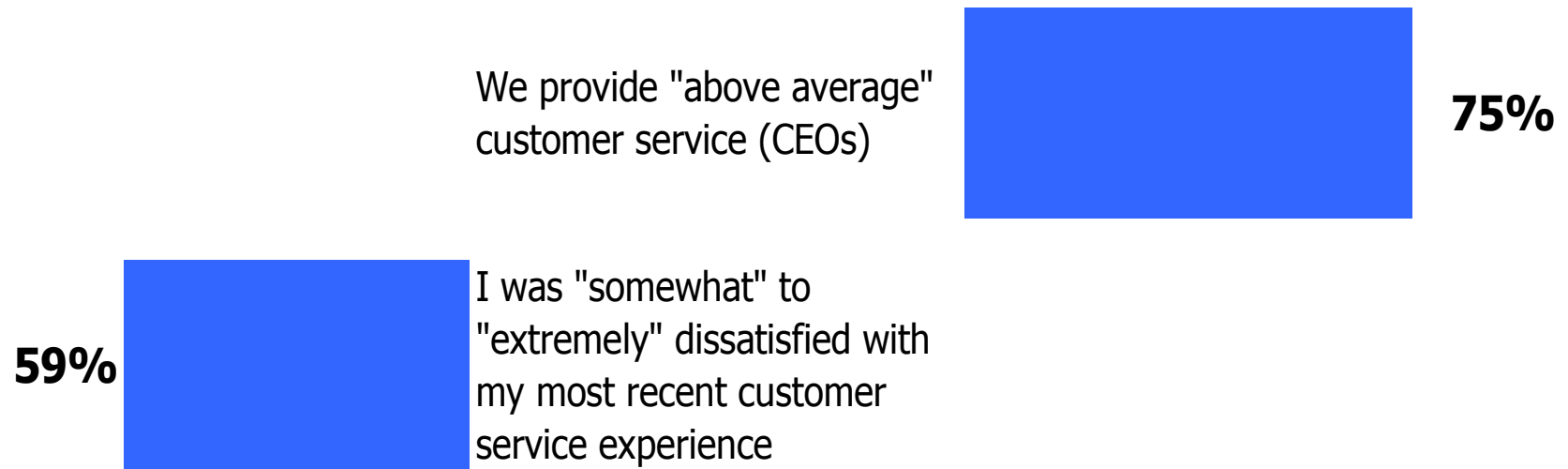
THE BEST SERVICE IS NO SERVICE

HOW TO LIBERATE YOUR CUSTOMERS
FROM CUSTOMER SERVICE,
KEEP THEM HAPPY & CONTROL COSTS



Bill Price, President of Driva
Solutions; Co-Founder LimeBridge;
Chair Global Operations Council
(GOC)
February 2008

1st Warning Shot



Source: in Price & Jaffe, *The Best Service is No Service*; March 2008

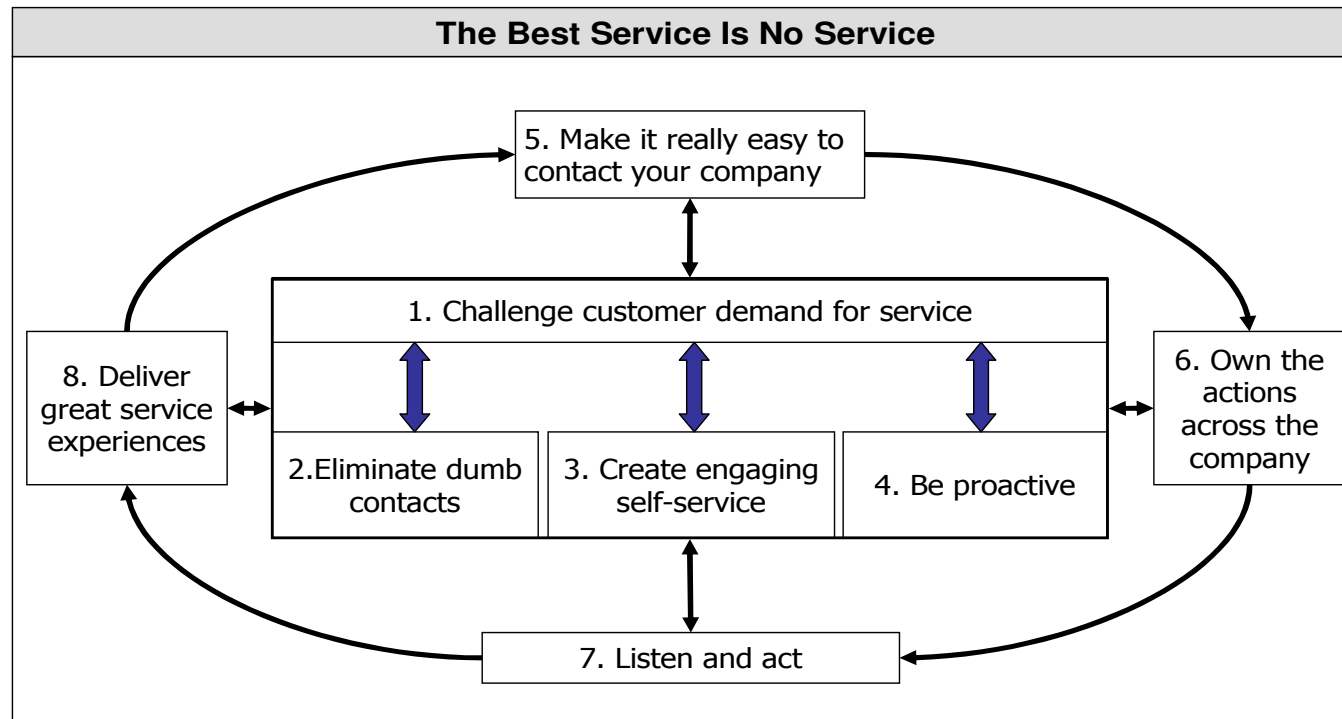
Topics to Cover Today

1. Past (building to *Best Service*)
2. The seven principles of *Best Service*
3. Supporting evidence, and results from, *Best Service*

1. Building to *Best Service*

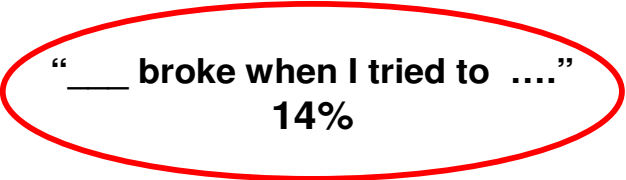

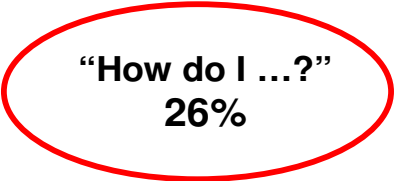
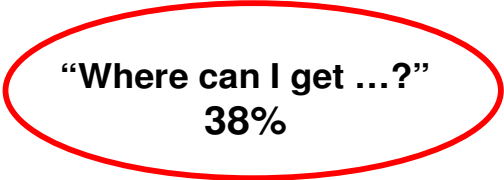


2. Seven principles of *Best Service*, starting with Challenge customer demand for service chapters 2 through 8



2.1 Eliminate dumb contacts

Value-Irritant analysis

Value (learn, cut operating costs, increase revenues)	Simplify, Improve underlying operations  <p>“ ___ broke when I tried to” 14%</p>	Exploit, Leverage and spend more time  <p>“I want to buy” 22%</p>	
	To the Company	Eliminate through root cause analysis → development  <p>“How do I ...?” 26%</p>	Automate on web or IVR for customer self-service or proactive alerts  <p>“Where can I get ...?” 38%</p>
Irritant (do not want the Interaction)	Irritant (no need for interaction)	To the Customer	Value (Save money, get support and advice)

2nd Warning Shot



2.2 Create Engaging Self-Service 80% Club



The screenshot shows the Alaska Airlines website interface. At the top, there is the Alaska Airlines logo and the Horizon Air logo. To the right, there are links for "En Español", "My Account", "My Trips", "Bill", and "Sign In". Below the logo, there is a navigation bar with dropdown menus for "Reservations", "Deals", "Day of Flight", "Destinations", "Mileage Plan", and "More...". There is also a "Sign Up for E-mail Offers" link.

The main content area is divided into two sections. On the left is a flight search form with the following fields and options:

- Flights** (selected), Car, Hotel, Vacations, Cruises
- Round Trip** (selected), One Way, Multi-City, Web Specials, Awards
- From:** sea (Where from?)
- Departing:** 10/4/2007 (Anytime)
- To:** sfo sjc bos (Where to?)
- Returning:** 10/4/2007 (Anytime)
- Adults:** 1 (Children: 0 (Ages 2-17))
- Discount Code:** Optional
- Search By:** Schedule (selected), Price, Lowest Fares ±1 Day
- Shop For:** All Fares
- GO** button

On the right is a promotional banner for the "75 AND SUNNY Sweepstakes". The banner features a beach scene, a red sports car, and text: "75 Vacation Packages", "75,000 Bonus Miles", and "Grand Prize 2007 Pontiac Solstice". There is an "ENTER NOW" button. Below the banner, it says: "We're celebrating our 75th Anniversary together with Visa. Play the 75 and Sunny Sweepstakes today." and "Apply for an Alaska Airlines Signature Visa card and earn 20,000 Bonus Miles upon approval. Apply Now".

“Customer self-service is everything. What I said in the past wasn’t totally right; quality, service, and fast response are important but the customer must be in the driver’s seat.”

source: Interview with Tom Peters, *eAI Journal* 1/01

2.2 Create Engaging Self-Service 80% Club

Help

Help Topics

Shipping & Delivery

- > Shipping Rates
- > Domestic Shipping Rates
- > Amazon Prime
- > Guaranteed Accelerated Delivery
- > FREE Super Saver Shipping
- > Shipping Restrictions
- > Delivery Estimates
- > Tracking Packages
- > Where's My Stuff?
- >> **More...**

Privacy & Security

- > A-to-Z Guarantee Protection
- > Identifying Phishing E-Mails
- > Safety & Security Tips
- > Credit Card Security
- > Privacy Notice
- >> **More...**

Returns & Replacements

- > Return Policy
- > Refunds
- > Exchanging a Broken or

Welcome to Amazon.com Help

Our Help pages have the answers to most of your questions. Can't find the answer you need? E-mail or phone us from the "Contact Us" box on the right side of the related Help page.

Sellers: If you're selling something on Amazon.com, [click here](#) for help.

Manage Your Account

View and change orders, print an invoice, update account settings, and more from the [Your Account](#) page, or jump to a specific area in Your Account using the Self Service Tools links to the right.

Return an item

Our [Online Return Center](#) will guide you through the process and supply you with a return mailing label. Most items may be returned within 30 days for a full refund if the item is new, unopened, and was sold and fulfilled by Amazon.com directly.

Log out

Log In

E-mail Address

Password

Self Service Tools

- > Change your password
- > View open or recently shipped orders
- > Track packages
- > Change payment details
- > Edit your addresses

Contact Us

Contact Customer Service by e-mail.

Please use the e-mail address associated with your Amazon.com account.

2.2 Create Engaging Self-Service 80% Club

[Your Account](#) > [Returns Center](#) > [Select Items for Return](#)

To return an item, first select a reason for your return from the drop-down menu, then enter the quantity you wish to return. Click the Continue button when finished.

Items mistakenly shipped to you: Did you receive any items instead of or in addition to the items you ordered? [Return them here.](#)

Items from order # 002-8660976-4717631

1 of Nikon F4-F3 (Magic Lantern Guides)

Reason for return: ▾

Quantity to return: ▾
- select a reason -
Product was clearly damaged during shipment
Product was not properly packaged to avoid damage in transit
Product is defective

1 of Lunceford Special

Reason for return: ▾
Item was not received by estimated delivery date.
Product is missing parts/accessories.
Product is not fully compatible with my existing system.

Quantity to return: ▾
I ordered the wrong item from Amazon.com.
Product performance/quality is not up to my expectations.
I just don't want it anymore.

[Continue ▶](#)

Sell it instead!

Did you know that you can earn money by selling your unwanted items on Amazon.com? It's fast and easy! We'll show you how to get started.

[Sell your items](#)

2.3 Be proactive

German Autobahn ARI signals



In case of accidents,
weather problems,
general congestion

- turns on radio
- plays over radio or CD
- provides warnings ahead of next exit
- explains reasons
- reassures drivers

2.3 Be proactive

1st notice (21 May 07, 8.17pm)

From: XM Radio [xmradio.email@xmradio.com]
To: bill@drivasolutions.com
Cc:
Subject: Service Degradation Alert

Sent: Mon 5/21/2007 8:17 PM



BEYOND AM. BEYOND FM. XM

[click here to view](#)

[LISTEN ONLINE NOW >](#)

[ON XM THIS WEEK](#) | [MUSIC](#) | [SPORTS](#) | [NEWS](#) | [TALK & ENTERTAINMENT](#) | [ONLY ON XM](#)

Service Degradation Alert

You may be experiencing temporary degraded performance with your XM reception at the present time. XM is aware of the issue and working diligently to resolve it as soon as possible. We anticipate full signal strength will be restored by early Tuesday morning.

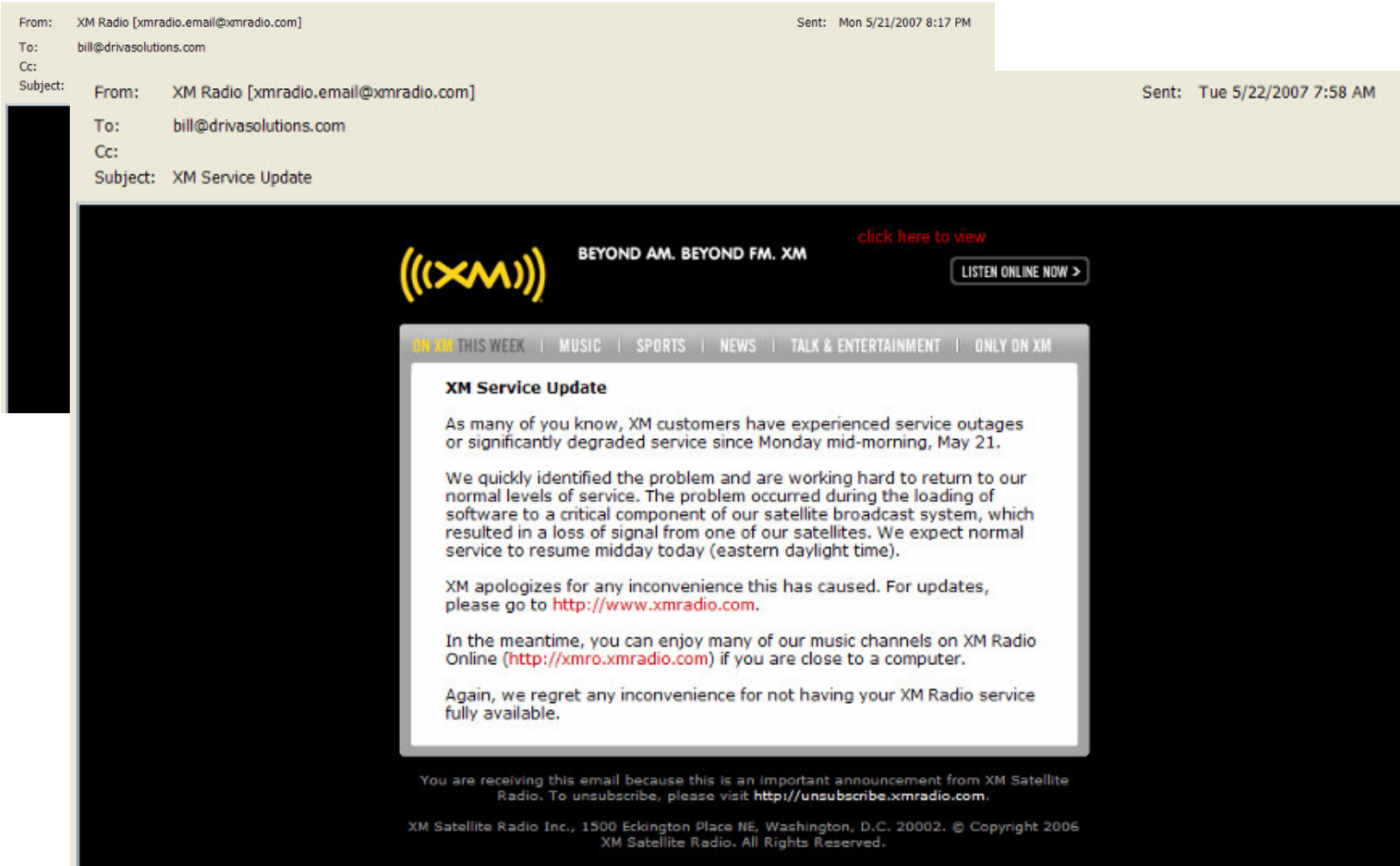
You are receiving this email because this is an important announcement from XM Satellite Radio. To unsubscribe, please visit <http://unsubscribe.xmradio.com>.

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2.3 Be proactive

2nd notice (22 May 07, 7.57am)

From: XM Radio [xmradio.email@xmradio.com] Sent: Mon 5/21/2007 8:17 PM
To: bill@drivasolutions.com
Cc:
Subject: From: XM Radio [xmradio.email@xmradio.com] Sent: Tue 5/22/2007 7:58 AM
To: bill@drivasolutions.com
Cc:
Subject: XM Service Update



BEYOND AM. BEYOND FM. XM [click here to view](#) **LISTEN ONLINE NOW >**

ON XM THIS WEEK | MUSIC | SPORTS | NEWS | TALK & ENTERTAINMENT | ONLY ON XM

XM Service Update

As many of you know, XM customers have experienced service outages or significantly degraded service since Monday mid-morning, May 21.

We quickly identified the problem and are working hard to return to our normal levels of service. The problem occurred during the loading of software to a critical component of our satellite broadcast system, which resulted in a loss of signal from one of our satellites. We expect normal service to resume midday today (eastern daylight time).

XM apologizes for any inconvenience this has caused. For updates, please go to <http://www.xmradio.com>.

In the meantime, you can enjoy many of our music channels on XM Radio Online (<http://xmro.xmradio.com>) if you are close to a computer.

Again, we regret any inconvenience for not having your XM Radio service fully available.


You are receiving this email because this is an important announcement from XM Satellite Radio. To unsubscribe, please visit <http://unsubscribe.xmradio.com>.

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2.3 Be proactive

3rd notice (22 May 07, 11.10am)

From: XM Radio [xmradio] From: XM Radio [xmradio.email@xmradio.com] Sent: Tue 5/22/2007 11:10 AM
To: bill@drivasolutions.com To: bill@drivasolutions.com
Cc:
Subject: From: XM Ra Cc:
To: bill@d
Cc:
Subject: XM Se Subject: XM Radio Resumes Normal Levels of Service

 BEYOND AM. BEYOND FM. XM [click here to view](#) [LISTEN ONLINE NOW >](#)

ON XM THIS WEEK | MUSIC | SPORTS | NEWS | TALK & ENTERTAINMENT | ONLY ON XM

XM Radio Resumes Normal Levels of Service

XM Satellite Radio has resumed normal levels of service for customers who experienced outages or significantly degraded service starting yesterday.

The problem occurred during the loading of software to a critical component of the satellite broadcast system, which resulted in a temporary loss of signal from one of the company's satellites.

After you turn on your XM radio, please allow five to ten minutes to reacquire the XM signal.

XM apologizes for any inconvenience this has caused.

You are receiving this email because this is an important announcement from XM Satellite Radio. To unsubscribe, please visit <http://unsubscribe.xmradio.com>.

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2.4 Make it really easy to contact your company

invitation from CEO

Welcome aboard Kingfisher Airlines!

I am often referred to as the 'King of Good Times' and I truly believe that you should share this experience with me.

On a more serious note, I log many air miles myself in pursuit of my goals and I am sure that you do too.

It is my passion to deliver the best of good times. After all, work and play can go hand in hand. I am sure that you have several pressing commitments and stressful work obligations. Like me, you also need some time to chill.....with the King of Good Times.

I have personally ensured that every Kingfisher Funliner meets the global standards that I have set for myself in terms of safety and I am proud of our brand new fleet incorporating the latest technology available. I have instructed my crew to treat every guest in the same way as if they visited my home. Since I also believe in cutting-edge technology, I insisted upon an individual in-flight entertainment system for our guest's personal viewing and listening pleasure. I demand individual attention and I suppose our guests do too!

Aboard every Kingfisher Funliner you will meet a crew that I have hand-picked myself. I have also personally approved their rigorous training programme. Quite apart from this, I have devoted a lot of personal time and energy in ensuring that Kingfisher Airlines is truly world-class in every sense.

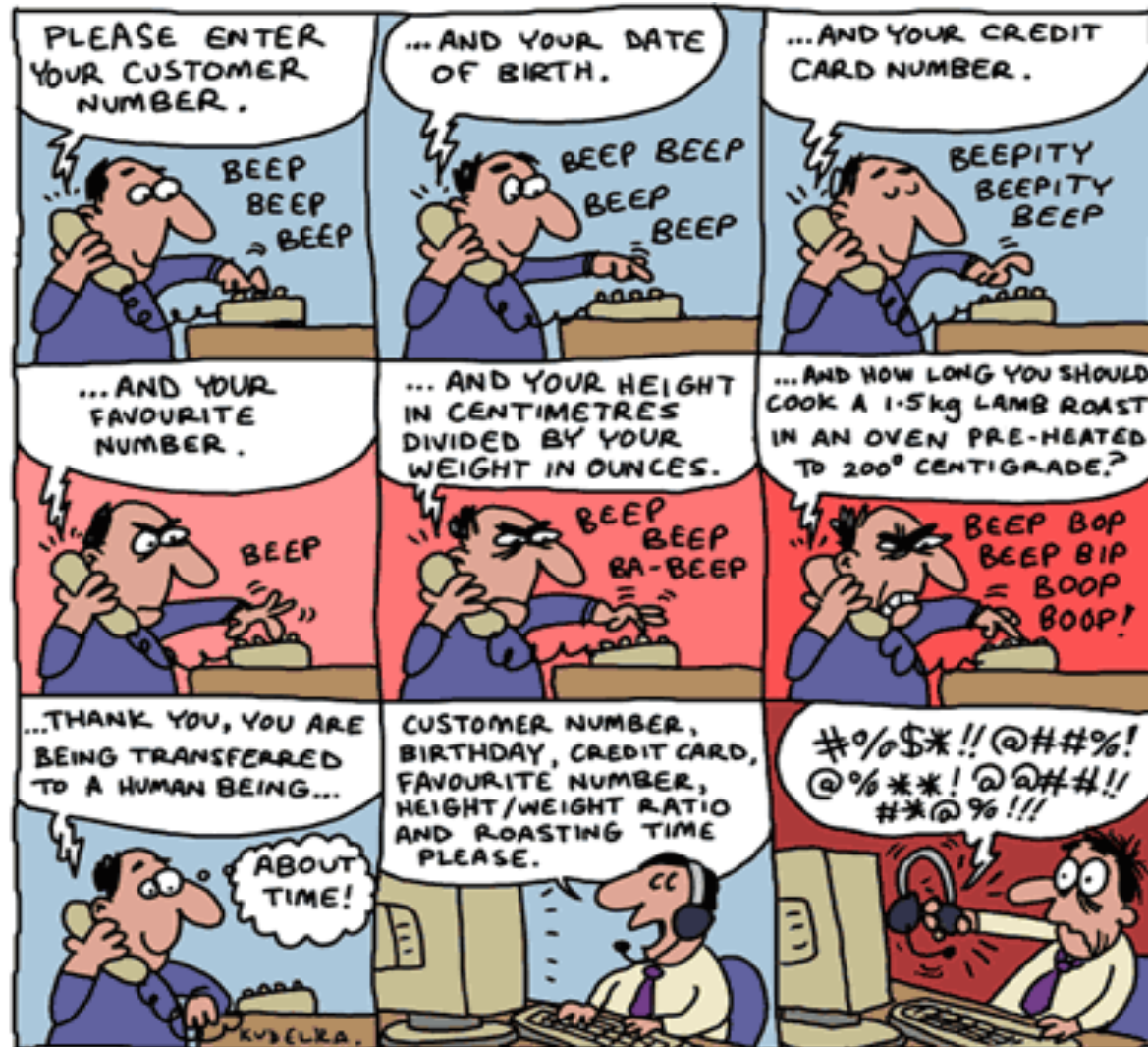
Leave the stress of daily life behind and enjoy the good times with Kingfisher Airlines. I have tried very hard to build an airline that meets your expectations. However, if I have missed something or fall short of your expectations, please feel free to mail me directly at chairman@flykingfisher.com.

~~I invite you to fly the Good Times. After all, to me, you deserve the Good Times as well.~~

With my warm regards,

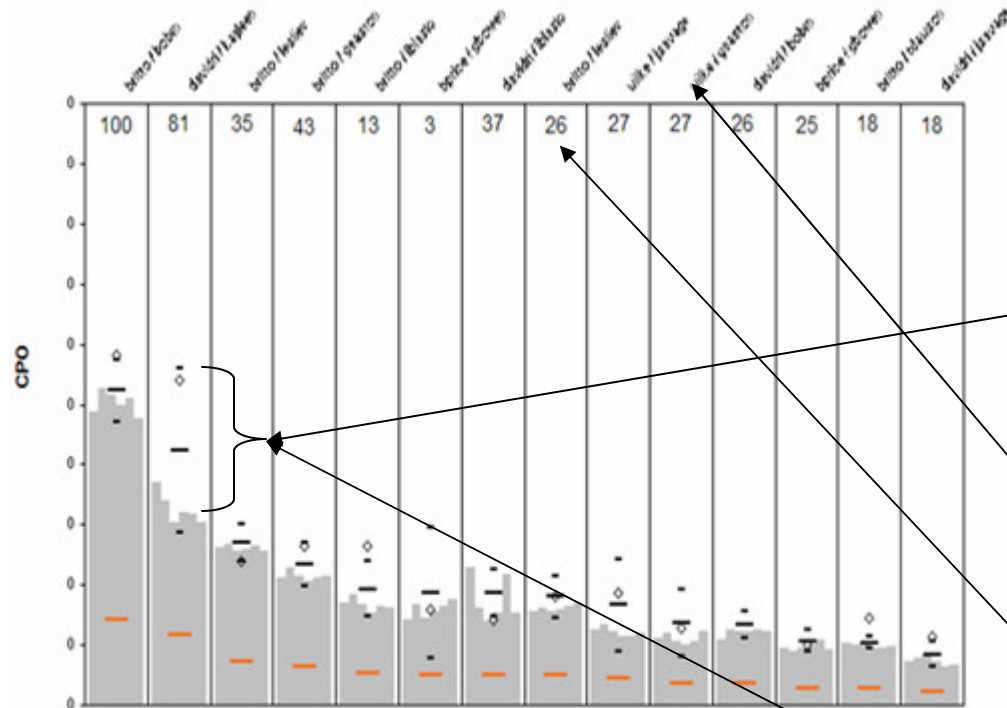
**Vijay Mallya
Chairman & CEO**

3rd warning shot



2.5 Own the actions across the company

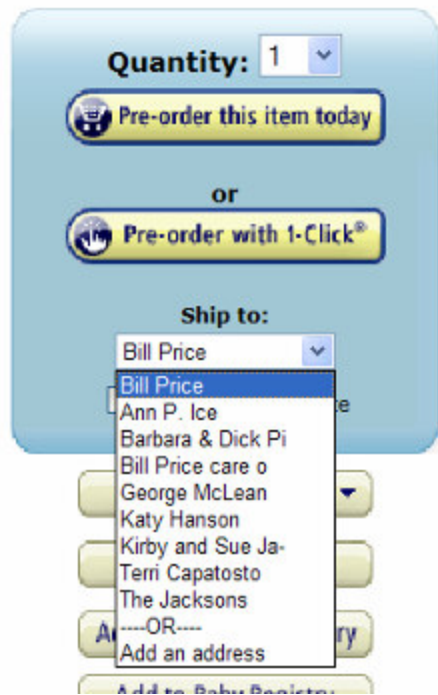
Skyline



Key elements

- limited contacts codes in customers' exact words; top 15 shown here
- codes are why, not what
- no drop-down menus
- year-ago trending (diamond symbol)
- six week rolling clusters
- review in weekly Ops Meeting
- contact owners report to CEO
- analysis often leads to joint initiatives
- AHT-based costing per code (indexed here)
- reverse costs to owners
- equally important to explain improvements as declines

2.6 Listen and act from WOCAS (what our customers are saying)



From one “voice” to one agent:
“I like 1-click but I have multiple
addresses and credit cards ...”

- “gee, I heard that, too”
- off production to lead project team
- harnessed web dev, marketing, CS

→ “drop-down 1-click”

2.6 Listen and act from "and tell me what you think!"

Shop by Department:

Women
Men
Teens
Kids & Baby

Shoes
Handbags
Accessories
Luggage

Maternity
Big & Tall Sizes
Petite Sizes
Plus Sizes

Shop by:

Designer Brands
Premium Fashion Brands
All Brands
All Sellers

Free Super Saver Shipping
Clearance: Pick Your Price
Sales & Special Offers

Tell Us What You Want

Did you find what you were looking for in our Apparel store? If not, please let us know.

Apparel & Accessories



Fall Texture

Indulge in Furs, Leathers, Knits and More

Shop:
[Women](#)
[Men](#)
[Teens](#)
[Accessories](#)
[Watches](#)



Handbags Up to 60% Off

[BCBG Max Azria](#)

[Fendi](#)

[Kate Spade](#)

[Prada](#)

[All Designer Handbags](#)

Shop all

[Sales & Special Offers](#)

 <p>Women</p>	 <p>Men</p>	 <p>Kids & Baby</p>	 <p>Shoes</p>
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2.6 Listen and act demand-driven

DELIVERY INFORMATION
Order MY M&M'S® Custom Message or Color today, get delivery by **08/15/07**.
[Click here](#) for details.
[COMPLETE PRICE LIST - CLICK HERE](#)

MY ACCOUNT
Not a member?
[REGISTER HERE](#)

There are no items in your cart.
[CLICK TO VIEW FULL CART](#)

Enter Promotion Code: [GO](#)

SEARCH [GO](#)

HOME
▶ HOLIDAYS
▶ CELEBRATIONS
GIFTS
BUSINESS
▶ SHOP BY PRODUCT
GIFT CERTIFICATES
M&M'S® WORLD

Custom Printed M&M'S®
3 Easy Steps to Personalize Your M&M'S®. Message(s) appear on both M&M'S®.

Listen & Act **Best Service**

Colors Chosen: none none

1 Choose Your Colors **2** Enter Your Message **3** Select Your Packaging

One side is yours to customize. You get 2 lines, 8 characters per line. The other side will have the famous "m".

MESSAGE 1	MESSAGE 2 (optional)
Line 1 <input type="text" value="Best"/>	Line 1 <input type="text" value="Listen"/>
Line 2 <input type="text" value="Service"/>	Line 2 <input type="text" value=" & Act"/>

[Display your message](#) [Clear your message](#)

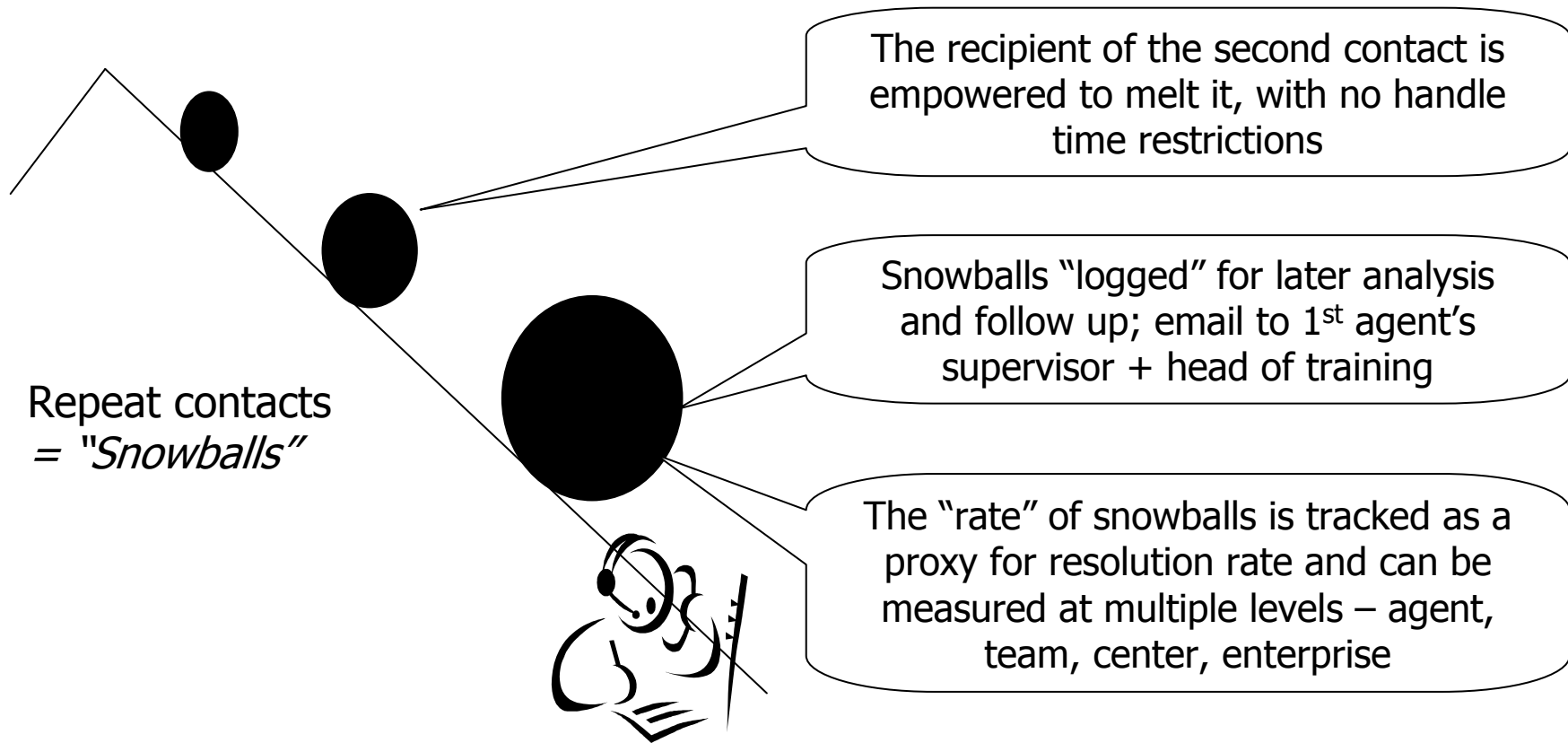
[PRINTING DO'S AND DON'TS](#) [TERMS & CONDITIONS](#)

Did you use a foreign language or abbreviation in your message? Yes No

2.7 Deliver great customer experiences melting snowballs (thus increasing first contact resolution)

Unresolved contacts get worse ...

... hence the snowball process

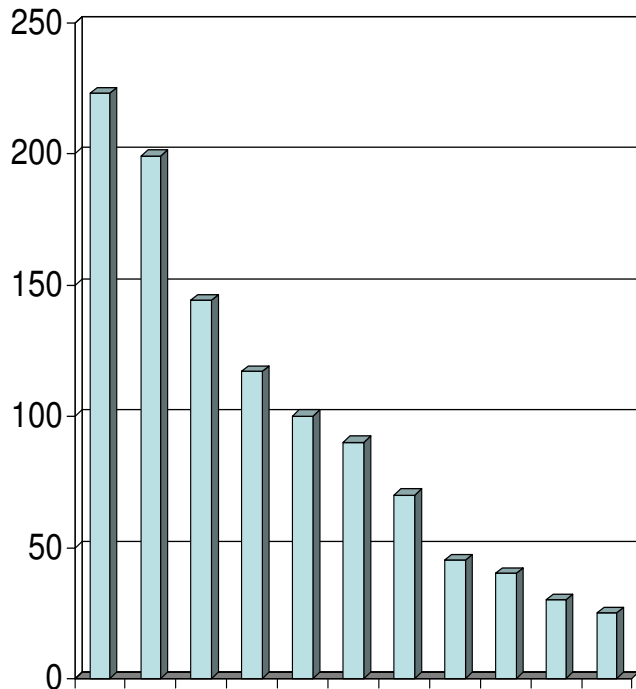


4th Warning Shot



3. Supporting evidence and results

Amazon



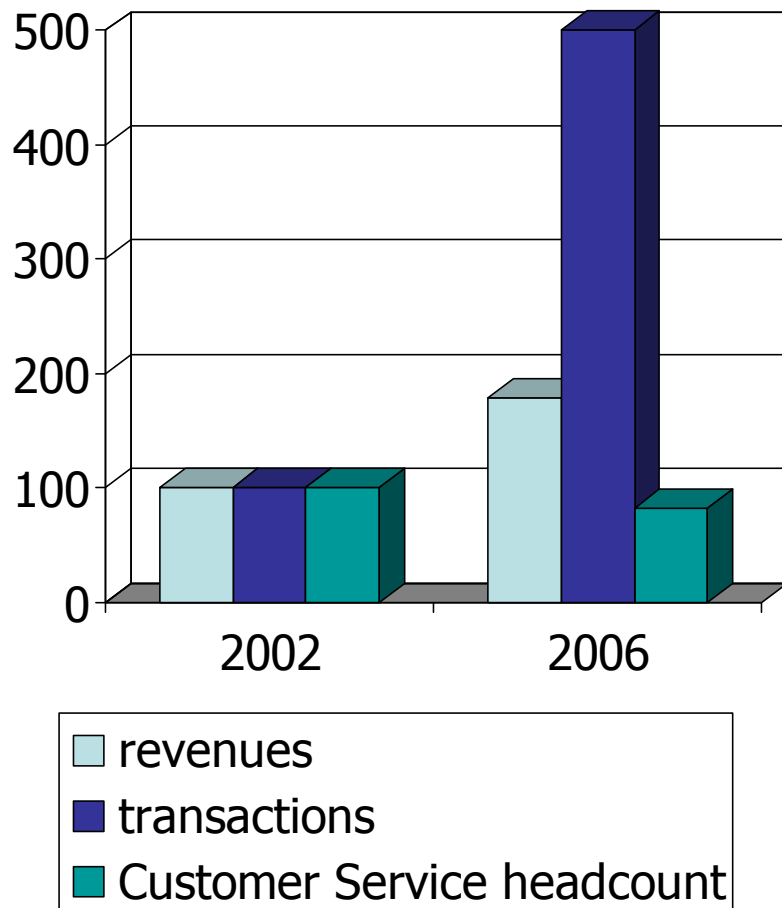
CPO index by year; today,
 CPU (contacts per units shipped)

- 360/changing to 30 codes/unchangeable
- Joint task forces to develop self-service, eliminate need, check success
- Celebrate internally and publicly



3. Supporting evidence and results

CheckFree



Transactions up 5x, revenues up ~2x, customer service headcount down 20%

- 3x self-service success rate
- Clear web FAQ that are actually frequently and recently asked
- Fewer, better contact codes
- Charge-backs to "owners"
- Weekly scrutiny
- Fixing broken processes

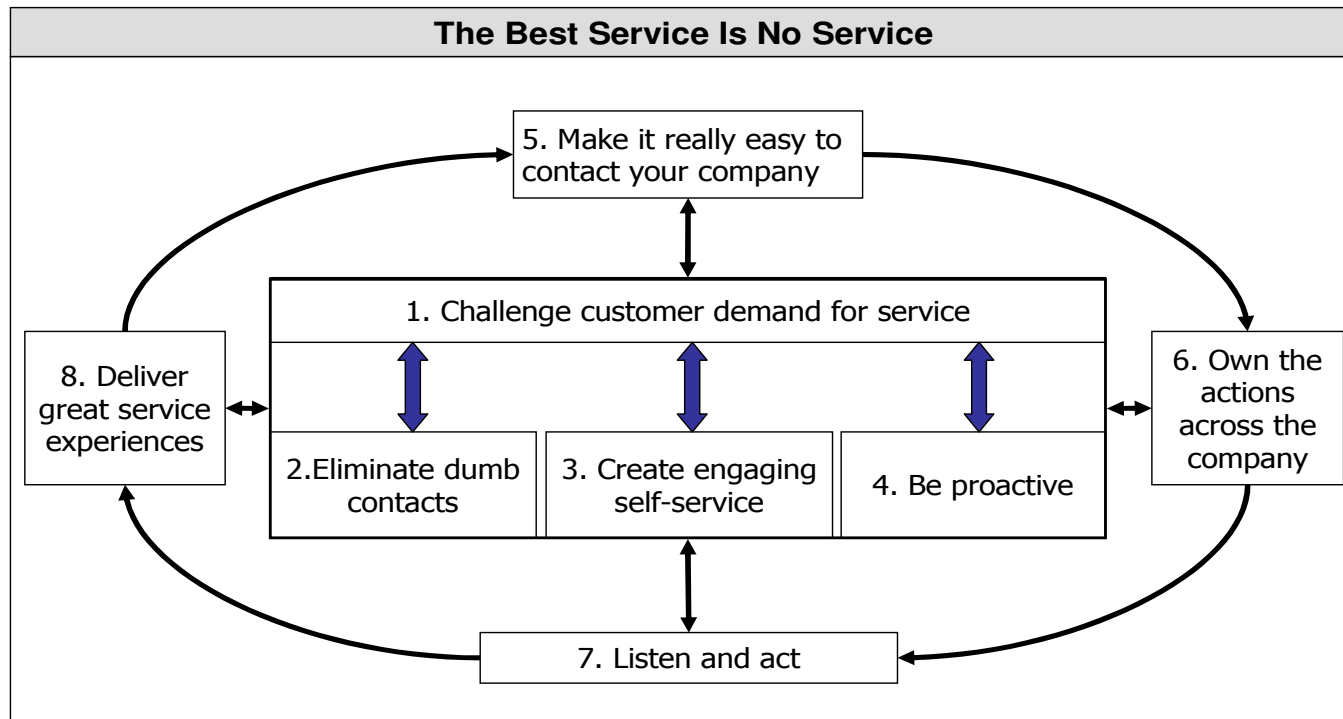
3. Supporting evidence and results blog citing vs. Amazon

"I work for a utility company. A few years back I was having lunch with the Director [of Customer Service] and relayed a normal event in our customer service dept. [sic] where I spent 15 minutes on a customer call after which the customer mentioned that she's never been informed as well during my call and wished that she had been much sooner as she's called multiple times over the past couple years. To this my Director said that he's not so sure he wants 15 minutes spent on one customer. I was stunned and have never forgotten this. I believe wholeheartedly that spending that extra 10 minutes with this woman avoids repeat calls from her AND she'll tell two friends and they'll tell two friends, etc."

I've never had to contact Amazon about any matter. I have had, in essence, no customer service from Amazon. Put another way, I have had such perfect customer service, the service itself has been transparent. That is exactly what Amazon wants. The goal is perfect customer service through no customer service."

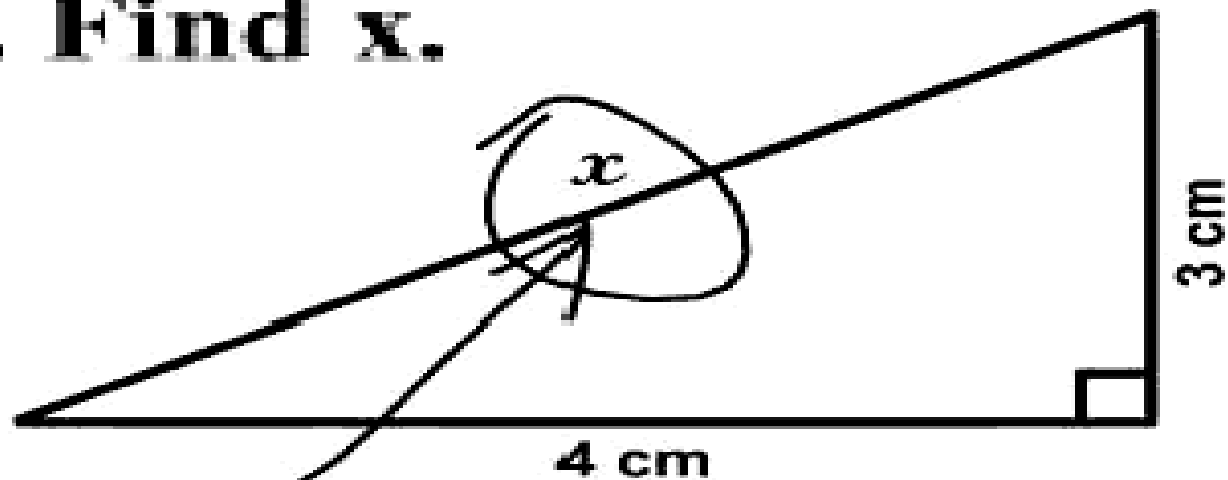
Source: in Price & Jaffe, *The Best Service is No Service*, March 2008

In conclusion ...



... It's really not that hard!

3. Find x .



Here it is

Thanks!

Bill Price, President Driva Solutions, Co-Founder LimeBridge,
Chair Global Operations Council
Email address = bill@drivasolutions.com
Mobile = 206-321-0841