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Managing the Customer Experience: A Case Study

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Overview

Working with numerous companies across many industries, the recurring theme we see is “same stuff different logo.” One particular area of difficulty for companies is the lack of cross-functional alignment needed to deliver an effective and positive customer experience. In these economic times, only the strong will survive. It is in this spirit that we present a case-study example of a company that demonstrates practices and disciplines that we recommend and implement for our clients, for managing the customer experience.

This whitepaper is the result of a collaborative effort with Mark Hodges, DVP and Chief Customer Officer at PTC.

Introduction

Any company in the enterprise software services space knows that there are several factors that can impact the customer experience. These factors include: the client's IT infrastructure; the skill-set of personnel receiving and/or supporting the solution; the need for high-availability; the complexities of the application; and the reality that "where there is software, there are bugs." In order to ensure client success, proactive measures must be put in place to manage the entire customer experience.

Improving the customer experience doesn't happen just because the executive team "says so." Rather, there are many components to accomplishing this. In this whitepaper, we will cover the following topics:

- Closing the loop between the front-line and R&D/Engineering
- Ensuring executive oversight and engagement on key customer issues
- Formalizing a "Tiger Team" of highly seasoned resources to respond immediately to escalated customer situations
- Obtaining and effectively leveraging the "Voice of the Customer"
- Putting in place measures to identify risks early and becoming ever more proactive

Closed Loop Between the Front-Line and Engineering

How many times have you heard (or said) something like "if we could only improve customer service or technical support, our customers would be happier?" While there are opportunities for improvement in EVERY part of EVERY company, "fixing" customer service or technical support (in and of itself) is NOT the answer to improving the overall customer experience - it is just one factor.

In our experience, customer service and/or technical support is often in the unenviable position of having to respond to customer issues resulting from areas of the business that they do not directly control. Some examples are: software quality issues; incorrectly set customer expectations; service deployment or configuration issues; and broken or disjointed internal processes. As such, "fixing" the customer service or technical support department in terms of responsiveness or knowledge of the team is only one component of the optimized solution. To be truly *customer centric*, you need all relevant functions within the organization to align cross functionally, share and escalate issues effectively, agree on priorities, and own rapid resolution of the Customer issue.

PTC realizes that being customer centric requires EVERY organization in the firm that directly or indirectly influences the customer experience to be fully engaged to listen and respond to the needs of the customer. For example, should it matter to the customer that a problem reported to technical support requires the engagement of R&D / Engineering? And, should their experience be the same as would be the case if technical support were to resolve the issue? PTC knows that regardless of the nature of the inquiry, it should not matter to the customer who is engaged and their experience should be the same.

To support this, PTC put in place a closed-loop process to alert R&D of customer issues needing their attention and support. They also defined internal service levels based on the severity of the issue. In particular, they built an “enterprise down” priority which when invoked, because of the production impact to a customer, requires not only 24-hour attention from their Global Support organization, but also from R&D engineers as well. This ensures that updates are received efficiently and resolution occurs in a timely manner. The processes enable the front-line (technical support) to properly set expectations with their customers and to then provide accurate updates based on regular collaboration and communication with their R&D colleagues. The diagnostic process often includes direct communication between R&D and the customer, all facilitated through the technical support escalation management team.

As reported by Mark Hodges, of PTC: “We have found that through seamless, cross-functional relationships and processes we are able to respond much more effectively to customer needs. Our customer feedback and company performance confirms this.”

The reality is that (reasonable) customers know that “stuff happens.” With closed-loop processes, PTC ensures that customers remain up-to-date on the status of their inquiry and that issues are addressed in a timely manner regardless of who is engaged to resolve them. Doing so enables effective setting of expectations and serves to minimize anxiety.

Executive Oversight and Engagement

In order to satisfy the needs of its customers and operate effectively in an increasingly complex Product Management Lifecycle (PLM) environment, PTC realized it had to develop sophisticated and efficient management escalation processes. In addition to regular customer support based escalation processes, PTC needed to provide direct cross-functional executive oversight for key customer issues.

To that end, twice per week, senior managers of Technical Support, R&D / Engineering, Global Services and (as necessary) Sales, meet together with the “in-the-trenches” customer-facing subject-matter-experts to review the status of accounts and solution implementations that have been entered into the Corporate Escalation process. A formal escalation procedure has been defined with specific criteria for an account to get “on the list.” Once on the list, a customer remains on it until the agreed upon action plan has been completed to the satisfaction of the customer and PTC’s senior management team.

This single, highly visible process has been implemented on a global basis as the standard way to manage complex customer issues. All parties involved know when they need to call in, who is “on” at what time and what they are expected to cover. The primary focus is to define, drive and monitor progress of the action-plan needed to address the immediate customer issue. This includes the prioritization of key resources from various parts of the company who are best suited to provide rapid diagnosis and resolution.

In addition, key takeaways for executive management include:

- 1) Management awareness and visibility of key customer issues and the actions taken to resolve them. This direct voice-of-the-customer information is highly credible and can be used to support future resource investment decisions and product strategies. This is much more valuable than the anecdotal commentary you'll hear from senior managers of companies with less mature practices in place. Note that every member of the Executive team at PTC receives a copy of the Corporate Escalation Report on a weekly basis.
- 2) Obtaining direct insight into the root-cause of customer issues and ensuring that fixes are immediately communicated to internal services personnel or shared directly with customers via web based support tools or "push" communications.

Here's a best practice Mark Hodges was willing to share: "When designing your process, don't go for perfection out of the gate. Define a set of reasonable criteria for customers to make 'the list', establish a weekly or twice-weekly meeting time that works (globally), communicate to the key customer-facing organizations, get started and adapt as you go. The most important thing is getting senior managers of the key customer-facing organizations in the room on a regular and consistent basis, along with their respective "in-the-trenches" subject matter experts and starting the process. The key is for each of the representatives to learn together and use their practical experience to scale to others over time. There is so much to gain and NOTHING to lose (except customers, if you don't do this)."

"We have found that by bringing the key groups together on a regular and frequent basis, we are able to more promptly address complex customer issues and put root-cause resolutions in place to ensure the situation doesn't recur for this, or any other customer. We have also found that the process drives increased cross-functional collaboration and builds a much stronger sense of the importance of being customer centric. It places key resources much closer to the customer and builds knowledge and understanding of their working practices and user environments. All of this has the additional benefit of improving our product quality, service offerings and the skills of our support teams."

Formalizing a Tiger Team

Enterprise software solutions touch many aspects of the customer's business and IT infrastructure. One could go so far as to consider each customer's environment an eco-system. That is, if a change is introduced to one aspect of the system, it can have ramifications, positive or negative, to another.

In order to effectively implement and support high-end solutions, multiple skill-sets are required across many areas of the enterprise software provider's organization. The key becomes leveraging these resources in a timely manner to meet the customers' needs, deliver consistent and repeatable results, and ensure that the customers' needs are met "holistically."

For example, have you, or someone you know, had the following experience: A doctor prescribes treatment to a patient to address a specific ailment. The patient

dutifully follows instructions. Meanwhile the patient visits a different doctor to address what seems to be another ailment (which may or may not be another manifestation of the same issue). The second doctor subsequently prescribes treatment that, much to the patient's dismay, conflicts with the prior doctor's treatment and ultimately makes matters worse.

This is a common reality that occurs to customers of enterprise software solution providers that have not (yet) developed and matured practices for avoiding this outcome. And, it drives the customer absolutely mad. So how do you ensure that your company presents a single face to the customer and considers the entire customer eco-system? Ask PTC.

PTC recognized that superstars were emerging from the various organizations involved in implementing and supporting customer solutions. To address nuances that exist in myriad customer environments, unique approaches were being taken to meet customer requirements and resolve issues. A key objective became ensuring scalability of these resources by gleaning their best practices while ensuring each solution would be understood (by others) within the context of the situation it was meant to address.

To support this, PTC created the Enterprise Deployment Center. This cross-functional team is comprised of key resources from all disciplines involved in implementing and supporting customer solutions. The team includes senior resources from Technical Support, Consulting Services, R&D and Product Management. Members of the Enterprise Deployment Center work together to address key customer issues. This ensures that all aspects of the customer's configuration are considered as the solution is being developed. In addition, the strategies, tools, best practice approaches and techniques utilized by the team to resolve customer issues are documented and made available via web systems or specific training courses to others in the PTC support functions. This supports coaching, development and growth of a global community of personnel (beyond the resources within the Enterprise Deployment Center) arming them with the best skills and information to support their customers. When appropriate the information is also shared with Customers via "opt in" push email communities or knowledge databases.

Another benefit of this approach is that key lessons, gained from practical customer experience, are being shared with resources who have direct responsibility for the specification and requirements definition of future products and services. As a result, the customer experience directly drives improvements in reliability, supportability and diagnostic capabilities.

As reported by Mark Hodges: "Investing in our Tiger Team approach, by creating the Enterprise Deployment Center, has provided us with the opportunity to maximize the potential of some of our most skilled resources and to then share their knowledge efficiently and effectively. This has accelerated the growth and development of support resources across the organization. We are finding that, while many customer environments have unique complexities, there are common best practices and approaches for issue resolution that can now be leveraged based on our methods of capturing, documenting and disseminating this information. Being able to clone the knowledge and experience of key technical resources in R&D, Product Management, Consulting Services and Technical Support is continuously improving our Customer Services."

Voice of the Customer

Have you invested tens or hundreds of thousands in a customer survey program only to realize that you are not receiving the level of actionable insight you need to determine where to invest precious resources? Or, that the results received are not taken seriously enough to drive change? If that is the case, you are ready to take things to the next level.

We now outline the approach taken by PTC to obtain highly actionable and targeted customer insight. Such insight leads to laser-beam focus on areas that matter most to the customer, thus enabling the organization to make concrete decisions on which customer-focused initiatives to invest in.

PTC uses a variety of tools to collect "Voice of the Customer" feedback in a systematic, actionable and measurable way. In fact, PTC has been assessing and improving its customer satisfaction performance across PTC for more than 5 years. The key tools in place are:

1. Customer Satisfaction Survey
2. Independent Project Quality Assessment (IPQA)
3. Customer Support Closed Call Survey

Customer Survey Process

PTC uses an independent partner to provide an on-line Satisfaction Survey to its global customers. The survey is available in all PTC supported languages and provides a rating system for measuring overall levels of customer satisfaction as well as specific information regarding satisfaction with key functional areas of the business such as Product Satisfaction, Buying Experience, Technical Support, Customer Education, etc. Customers can answer as much or as little as they like in the survey based on their overall knowledge and experience with PTC and its products and services.

The Satisfaction Survey is issued to all customer contacts (who have not requested to opt out of the process) whose companies have current maintenance contracts. The invitation process is designed to ensure that an individual is only contacted to participate in the survey on an annual basis.

In addition, PTC delivers the Satisfaction Survey to key customer contacts within strategic accounts. These contacts not only provide generic feedback on PTC's products and services, but also information that can be used by the PTC Account Team to identify specific issues or improvement areas that need to be resolved.

Independent Project Quality Assessment (IPQA)

Enterprise PLM solutions are complex and multi-faceted. PTC Global Services partners with customers to deliver complex solutions such as initial deployments, software upgrades, legacy system migrations, learning programs and best practice process consulting. In order to ensure that PTC Global Services can objectively measure customer satisfaction for any significant contract engagements and

continuously improve their business performance, an Independent Project Quality Assessment (IPQA) is performed.

The IPQA is a formal interview process conducted by a Senior PTC Services Manager who was not directly involved in the specific project being assessed. A variety of questions are reviewed with a designated customer representative at the end of the individual project cycle (typically around the "Go Live" or "Project Completion" milestone).

At the end of the interview process, customer ratings covering all major aspects of a project are collected and an overall satisfaction rating is provided by the customer. If this rating is below defined quality limits, then PTC will automatically invoke a Corporate Escalation procedure to attempt to identify root cause and provide resolution to the customer.

In addition to helping resolve individual customer concerns, IPQA's yield information that is reviewed at Operations Council and Executive team level, to identify global trends and mobilize improvement initiatives based on the findings of the analysis.

Customer Support Closed Call Survey

PTC Customers with current maintenance contracts are able to utilize PTC Customer Support to help resolve issues or concerns that they may have encountered when using, deploying or upgrading PTC products. With a few exceptions, all PTC product families utilize common support processes and procedures based around access to web-based or remote telephone based services.

Independent of the support route chosen by the customer, PTC reviews calls that have been marked as "closed or resolved" and sends an online satisfaction survey, at random, to 10% of the customer contacts who are identified as the owner of the original call. The survey asks for a satisfaction rating based on the customer's experience during resolution of the call. The random nature of the survey process means that customers may have multiple requests to participate in the survey depending on the volume of calls that they place in a given period.

This process operates across PTC's Technical Support organization and is used to capture customer satisfaction metrics by geography and product on a global basis. The information collected is reported on a quarterly basis and is a fundamental part of the operating metrics for Technical Support. It is also monitored as part of the Quality Management System for Customer Support which is central to the accreditation process for the ISO 9001 Standard.

Finally, PTC truly "puts its money where its mouth is" by actually sharing the results of prior surveys online and the key improvement programs that are underway in direct response to this feedback.

As stated by Mark Hodges, of PTC: "An essential component of PTC's commitment to customer success and maximizing realized value is listening to the Voice of the Customer and enhancing our products, services and solutions based on this feedback. In fact, PTC has a range of business improvement programs in operation

in 2010 that are a direct result of feedback gained from our Voice of the Customer processes.”

Becoming More Proactive

As previously stated, enterprise software packages (CRM, ERP, PLM, etc.) are highly complex in and of themselves. Couple that with the nuances within each company in which they are deployed and the complexities and risk can increase exponentially. We previously covered PTC’s Enterprise Deployment Center (a highly skilled team made up of cross-functional resources) that PTC put in place to engage on escalated customer situations. While this serves as a highly responsive method to get customers back on track in a timely manner, the next step is to become more proactive by identifying risk areas in advance and taking steps to mitigate these risks.

To accomplish this objective, PTC seeks to identify risk areas early in the project lifecycle. And, if present, the customer receives heightened attention. Key risk areas can include new product launch, solution complexity, customer infrastructure, global requirements, etc.

Once it is determined that a system deployment has any number of these risk factors, the Enterprise Deployment Center is engaged. The Enterprise Deployment Center then reviews the risk areas and makes mitigation recommendations in partnership with the Service delivery team. The objective is to try to mitigate the identified risk areas before they become “RED” accounts as part of a formal escalation process. An analogy is the use of a fire officer to advise and guide on prevention techniques in order to avoid, hopefully, the need for the fire truck in the future.

As reported by Mark Hodges: “All of our experiences from prior implementation projects are serving to ensure that future deployments (with similar complexities) are more effectively handled. In addition, by engaging our most seasoned resources up front (on high risk projects), we are able to identify and mitigate new risks that are unique to the project (software deployment and the specific customer infrastructure). This has had a direct impact on customer satisfaction and our own operational efficiency.”

Conclusion

Effectively managing the customer experience does not just happen because management “says so.” Rather, it requires:

- Closing the loop between the front-line and R&D/Engineering
- Ensuring executive oversight and engagement on key customer issues
- Formalizing a “Tiger Team” of highly seasoned resources to respond immediately to escalated customer situations
- Obtaining and effectively leveraging the “Voice of the Customer”

- Putting in place measures to identify risks early and becoming ever more proactive

If you wish to improve the practices at your company for managing the customer experience and would like assistance in doing so, feel free to give us a call. We have worked with numerous companies across a diverse set of industries, doing just this. Effectively managing the customer experience isn't rocket science. However, it does take dedicated focus that can often be difficult to accomplish with internal resources, all of whom have a "day job" involving responding to the next customer's need or issue. Customer Centricity can bring focus to this crucial objective and help you make demonstrable progress in very short order! Just ask some of our customers.

About PTC: PTC is all about helping discrete manufacturers succeed by meeting their globalization, time-to-market, and operational efficiency objectives in product development. As one of the world's largest and fastest-growing software companies, PTC delivers a complete portfolio of integral Product Lifecycle Management solutions to over 50,000 customers in the Industrial, High Tech, Aerospace & Defense, Automotive, Consumer, and Medical Device industries.

PTC's solutions enable teams to collaborate across departments—and across continents—helping them create innovative products that meet their customer needs and comply with industry regulations. In addition to best-in-class solutions, PTC also delivers expert training, software support, and world-class services directly through PTC Global Services and indirectly through a range of partners. You can visit the PTC website at www.ptc.com.

About Customer Centricity, Inc: Customer Centricity, Inc., is a business consulting firm that works with companies to align their resources to exceed customer expectations in the most efficient and effective manner possible. We leverage our real-world experience to help our clients continuously improve their service delivery and management capabilities to:

- Increase profitability
- Improve customer satisfaction and retention
- Increase operational efficiencies
- Improve employee satisfaction

Customer Centricity optimizes the interaction between people, process and technology in several ways:

- Comprehensive assessment methodology to identify the actions that will yield our clients the greatest return
- Skills Training to enable customer-facing personnel to deliver exceptional levels of customer service
- Design and implementation of business processes to serve the customer and manage corporate resources in efficient, effective and consistent manners
- Identification of the appropriate business processes to automate, enabling companies to get the most from their investments in technology

Customer Centricity's approach is to work closely with our clients to help them understand what they are doing right, and their opportunities for improvement. We provide pragmatic recommendations that provide immediate benefits, and we drive continuous improvement programs to help our clients realize significant return on investment in a very short period of time (measured in weeks, not months or years).

Visit our web site at www.customercentricity.biz for access to an archive of our newsletters and other resources to help you transform your company into a customer-centric organization.