



*everything
everywhere*™

PERFORMANCE MANAGEMENT INSPIRES BRILLIANCE IN CUSTOMER EXPERIENCE

EXECUTIVE SUMMARY

Everything Everywhere Limited is the company running two of the UK's most famous brands - T-Mobile and Orange. Jointly owned by Deutsche Telekom and France Telecom, Everything Everywhere is the UK's biggest communications company, with a combined customer base of over 27 million people and more than 700 retail stores across the country. This means that almost half the population in the UK are using an Everything Everywhere product.

This case study focuses on the Brilliance program initiated at Orange prior to the formation of Everything Everywhere, and how the new joint venture company intends to continue to develop its performance management capabilities across all of its customer-facing operations.

BUSINESS IMPACT AND ROI

- Customer churn decreased - linked to an increase in first contact resolution
- During the implementation period:
 - Net Promoter Score improved by 27 points
 - 12 percentage point increase in agent performance
 - 6% uplift in employee satisfaction

NEED FOR CHANGE

The Orange brand has always been renowned as being leading edge in terms of innovation and customer satisfaction. However, during the mid-2000s it lost momentum and some of its sparkle. With this in mind the company set a goal of being the best-loved communications brand in the industry and to capture hearts and minds to drive loyalty and retention - but what did this mean for Orange employees, and how would the company meet this ambitious target?

Orange's key corporate objectives focused on four main areas:

Customer satisfaction (CSAT) –

measured by Net Promoter Score (NPS)

Employee satisfaction –

measured on a Net Promoter type model

Cost to service –

significant factor in the competitive telecommunications industry

Revenue generation

Orange started by talking to its contact center employees about what was important to them and whether policy and process was preventing them from performing, ultimately impeding company growth.

Although interesting, Orange concluded that the results were not fully indicative of what was really happening. The top 25% of people were already achieving satisfaction levels averaging 90-92%, and resolution rates and first contact resolution were also in the very high 80s to 90%, irrespective of policy and process.

The real problem was variation. How can one agent manage to achieve 92% customer satisfaction while another, doing the same type of work, achieved only 58%? Same work, same shift, same technology.

What was different?

Employee feedback pointed to the need for improvements in policy and processes, which would provide efficiency gains of diminishing returns, but the real opportunity was to move employees up the effectiveness curve so that more agents achieved 80-90% customer satisfaction. Therefore it was imperative for Orange to see, and thus take control of what was really driving performance.

Orange has always been very passionate about two things - its people and its customers. Orange believes that supporting their people, making sure they are effective, will lead to them being successful and happy individually, which will automatically translate from its employee community into its customer base and therefore into organizational success.

INTRODUCING BRILLIANCE

The Brilliance transformation program was launched to focus on Orange employees. It was based on the original objective of being the best-loved communications provider in the UK, yet this had to be translated into the contact center without being diluted, where thousands of Orange agents are talking to thousands of Orange customers on a daily basis.

Ultimately the program's success hinged on how Orange narrowed the gap in agent variation to ensure customers more consistently walked away from every transaction feeling loved.

For academics it may be difficult to understand how Orange could measure "love," and fundamentally Orange was already measuring satisfaction by proxy. Team managers were paid to interpret what customers were saying and then feed that back to the frontline. However, this was proving inconsistent and open to variation, and often what customers were actually saying was not reflected in the feedback given to agents.

In order to tie the Voice of the Customer to agent performance Orange essentially turned performance management of its people over to its customers, effectively removing the middle man and allowing customer feedback to directly affect employee reward and thus behavior. To be the best-loved, Orange needed to understand the level of service and satisfaction customers experienced, regardless of how they contacted the company. Whether the feedback was good or bad, it was provided to the individual agent as it would be in a retail environment.



NET PROMOTER SCORE EXPLAINED

A Net Promoter Score is calculated by taking the share of customer 'promoters' - respondents highly likely to recommend (scoring 9-10), and subtracting the share of customers who are detractors (scoring 0-6).

A watershed study conducted by the London School of Economics to gauge the positive or negative effect of NPS, produced compelling data. Overall, across all the companies researched, the study found that a 7 point increase in the Net Promoter Score correlated with a 1% increase in growth (1 point increase = 147% more growth).

In cash terms, for the average business in the analysis, every 1 point increase in the Net Promoter Score correlated with an £8.82 million increase in sales. Similarly, every 2% reduction in negative word of mouth, correlated to just under 1% growth (1% reduction = 414% more growth). In monetary terms, a 1% reduction in negative word of mouth would lead to £24.84m additional revenues. Taking the Net Promoter Score and negative word of mouth together, the research found that companies with relatively high Net Promoter Scores (>0), and relatively low negative word of mouth rates (<25%), grew 4 times as fast in 2004 than companies with low Net Promoter Scores (<0) and high negative word of mouth (>25%).^[1]

Net Promoter Score™ was co-developed by Bain Consulting, Satmetrix and Frederick F. Reichheld.

HOW IT WORKS

A sample of customers are asked for feedback directly after contact, depending on how they contacted Orange originally: SMS, email or IVR. The channel determines how customers can be best contacted.

Orange uses this information to do two things. One is to drive agent behavior through the incentive of variable pay in the form of the Brilliant Bonus. Now what Orange customers think of its agents ultimately decides how much bonus the agents make.

Secondly, it also helps Orange to understand their processes and how well they are working. For example, Orange knows if it has to replace someone's device exactly how the customer feels in terms of love for Orange as a brand and therefore whether they will stay with Orange.

AGENT ADOPTION

Like any significant organizational change, ensuring the correct capabilities are obtained, executed, and adopted is crucial. How did Orange's agents support the Brilliance program?

Nick Lane, Director of Strategy and Planning at Everything Everywhere, comments, "Agents love it, as they are now obtaining direct and accurate feedback on their performance from the customers they are supporting. Even moving the focus from fixed to variable pay - the good employees welcomed it, because if they're doing a good job they will now be rewarded for it. In the past they could have witnessed mediocre service being rewarded, which was starting to disengage our top performers, something we obviously couldn't let continue."

However, Orange was also conscious that when you solicit this type of information, customers often provide generic feedback on how they feel about Orange overall or the quality of their last contact. To avoid this problem, Orange split feedback into two types:

- Net Promoter Score as an overall measure for how customers feel about Orange as a brand and the organisation.
- People Measurement, with three levers that form the basis of the Brilliance feedback system:
 1. **Resolution** - effectiveness measures are combined with efficiency measures and delivered to agents via a balanced scorecard. Did Orange resolve the issue, and did it deliver against its commitments?
 2. **Knowledge** - did Orange really help the customer and demonstrate the needed expertise?
 3. **Care** - did Orange demonstrate care?

It is absolutely fundamental for agents to deliver on all three levers, as regardless of how a customer feels about the organization, it allows Orange to differentiate how they feel about the process versus how they felt about the agent. From a change management perspective it was also crucial to get employee buy-in to ensure agents were happy for Orange customers to take over the way they were going to be performance-managed.

Agents now receive customer feedback via online balanced scorecards delivered by NICE Performance Management (Merced) as soon as a survey is complete. They can also see the performance of their peers.

The scorecards include efficiency and effectiveness measures plus the most important feedback: the customer verbatims.

Tens of thousands of verbatims provide the feedback behind agents' scores, putting their grading into context and allowing them to immediately self-correct their behavior, which in turn boosted overall morale, driving performance synergistically upwards. The verbatims linked with the balanced scorecard also highlight specific areas of coaching requirements, as opposed to a broad-brush approach to learning, enabling genuine and highly effective fine tuning which again address agents at the individual level and thus boost morale.

BRILLIANCE BENEFITS

In the first six months of Brilliance, it delivered a 27 point increase in Net Promoter Score as a business measure and a 12 percentage point increase in Brilliance scores at the agent level.

Orange has also been able to performance-manage its own processes more effectively. It now has insight into how good resolution is via the various contact channels versus the type of satisfaction customers are likely to get from each channel.

Like most contact center operations, Orange is inundated with data and is forced to prioritize, so what do you fix first? Do you fix processes that are costing you the most from a volume perspective even if you're managing to satisfy 98% of customers? Maybe priority should be given to a process that is annoying customers and causing churn. NICE Performance Management has allowed Orange to utilize this data and prioritize to make more considered decisions.

Brilliance also drives improvements in the overall customer experience as customers not only receive a better level of support due to Brilliance, but also like the chance to provide feedback and feel part of the process. Suddenly customers feel that they have a voice, are empowered to reward the people that have done a good job, and can express their dissatisfaction if they feel let down. For many Orange employees, Brilliance has resulted in increased bonus payments. A 27 point increase in NPS had a significant commercial implication on the business - in one quarter alone, overall bonus payments increased significantly as a result. But according to Orange, it was money well spent, returning more than the overall program investment.

Nick Lane says, "Providing our agents with insight into their performance on their desktops has not only driven performance improvements, but also wide adoption of the program. Brilliance has also freed up our team managers, who are no longer drowning in paper and data, but can now develop their people to advance their careers. In fact, our managers no longer have desks, allowing them to spend more time with their teams providing real-time feedback and the right coaching, based on customer feedback!"

Nick concludes, "I can't overestimate how important it is to look further than averages. For example, paying managers based on the average performance of their team, which could be based on pure chance as to the individuals they have in their teams and not their leadership. We stepped away from averages and now reward our top performers and look at how we replicate their behavior. Overall trust is fundamental. Our customers manage the pay of our people - it has to work as it impacts their lives."

Brilliance is just the start of Orange's continual performance-management journey. NICE is already working with Orange and the wider Everything Everywhere group as it looks to adopt a holistic approach to performance across all of their customer-facing operations.

For more information on Everything Everywhere:

www.everythingeverywhere.com

References

[1] Marsden, P., Samson, A., Upton, N., (2005) 'Advocacy Drives Growth - Customer Advocacy Drives UK Business Growth.' London School of Economics.

ABOUT NICE SYSTEMS

NICE (NASDAQ: NICE) is the worldwide leader of software solutions that deliver strategic insights by capturing and analyzing mass quantities of structured and unstructured data in real time from multiple sources, including, phone calls, mobile apps, emails, chat, social media, and video. NICE solutions enable organizations to take the Next-Best-Action to improve customer experience and business results, ensure compliance, fight financial crime, and safeguard people and assets. NICE solutions are used by over 25,000 organizations in more than 150 countries, including over 80 of the Fortune 100 companies. www.nice.com