

# The Complete Guide to Customer Service Transformation

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# Executive Summary

**No matter your sector—and especially if you are a B2B company—you are in the “service business.”**

The benefit of putting customers at the very center of your business operations is now a well-proven strategy for businesses across every sector. For B2B enterprises, the stakes of a customer-centric orientation are even higher, as the value of any one relationship increases.

**Analysts from McKinsey to Gartner—to the editors of *Harvard Business Review*—have documented bottom-line benefits from an improved Customer Experience (CX).**

Most companies (>89%) believe they need to achieve better service. And analysts continue to help them quantify the stakes in terms of KPIs like the ease of selling to a customer vs. a cold prospect (14x easier) and the measureable value of customer satisfaction (140% increased spending vs. non-satisfied customers.)

So the questions for leaders now are:

- > *How can you organize for true “Service Optimization”?*  
Leveraging best practices like the ITSM model in use with tech service providers for the past four decades
- > *What sort of investment makes sense?*  
Structural and technological improvements to get you the fastest results and make the most impact
- > *What tools and technologies exist to get you there efficiently?*  
Gearing up for self-service and omnichannel engagement and managing your organization for greater transparency

**This is a great time to see how a unified platform within your service organization can serve as a “change engine” for your entire approach to customer service.**

There are steps you can take to accelerate your service optimization efforts, whether you’re in a senior leadership role—or a service management one. Getting your service organization equipped to deliver breakthrough service can become a powerful force in demonstrating the value of a customer-centric philosophy—and providing “proof of concept” to drive widespread change.

# A Recent Summary of B2B Service Trends

More and more, the term “service business” is going the way of terms like “internet-based business” or “online retail”—that is to say, the distinction is becoming less necessary (if not downright irrelevant!) The new reality is, **every** business is a “service business” today—even traditional companies in industries like healthcare and energy/utilities are rapidly acknowledging their roles in co-creating value with their customers.

The world’s leading business analysts remind us that

***“Highly successful companies have realized that the boundaries between products, services, and environments have blurred. [Companies] know they need an integrated view to design end-to-end experiences that are truly valuable to consumers and successful in the market.”***

Enterprises as diverse as a manufacturer of farm equipment, a mid-sized law firm, and a giant electric utility can be seen uniting around a business model that puts customer service at the very center of their organizational strategies, anchoring every adjacent activity and decision. (Fig. 1)

What that means for companies in sectors like technology, business services, telecommunications, healthcare, and energy/utilities is that a Customer Service organization can play—**must play**—a central role in all of your business activities.

Figure 1

## Benefits of Centralizing/Prioritizing Customer Service

### Example: Customer Service-Centric Model for an Electric Utility



In this case of customer-service centricity, an electric utility uses customer interactions to guide critical planning and operations processes. Robust interactions provide the utility with valuable usage data to help with planning and better customer intimacy to help reduce customer churn, while minimizing CSM costs.

Source: *Electric Energy Online*

## Greater implications for B2B enterprises

It's natural to think that consumer-driven business would have more at stake in the "customer service" realm, and if your only metric is volume of customers, that may be true. But if you're measuring what's at-risk in economic/bottom-line terms, it's clear to see that the risks of not prioritizing customer service are significant. One reason is, unlike transaction-driven B2C companies, B2B companies maintain a complex web of interwoven, dynamic and long-term relationships between suppliers, vendors, contractors, internal teams, and their customers—and often their customers' customers (e.g. a provider of financing for homebuilders is smart to be aware of changing homebuyer tastes and trends even though they do not engage in any direct-to-consumer activity.)

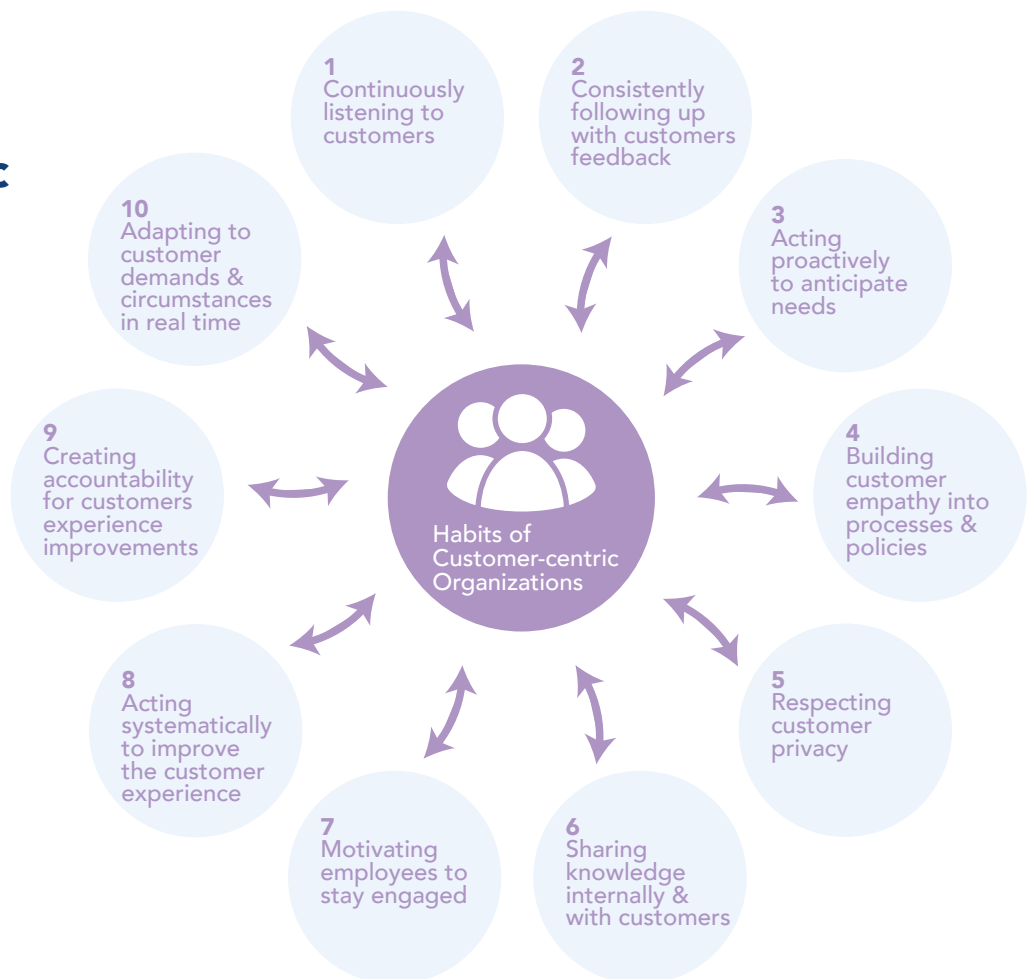
Analysts like Gartner have been collecting evidence around the practices of customer-centric organizations for the past several years, and have compiled a list of the characteristics required to anchor a B2B organization's business activities with this foundation. (Fig. 2)

Figure 2

## Habits of Customer-centric Organizations

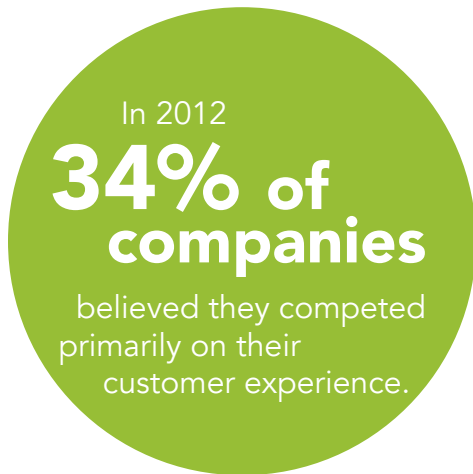
Most organizations employ some of the Gartner Group's "Ten Habits," but few are set up to fully leverage and integrate all available customer interactions across an enterprise.

A Unified Service Management Platform can provide visibility and institutional memory for valuable customer interactions of all types.



## In competitive (B2B) situations, victory goes to better customer service

In a competitive environment, providing stand-out customer experience is vital, and its importance is growing:



What's more, B2B companies are often held to a higher standard across the board, as individual customers have a sense of their financial importance to your business. Service improvements in everything from telecommunications (think of the first mobile phones) to logistics (overnight document delivery) have been spearheaded by the B2B economy, and customer service is no different. Thanks to the easy availability of information regarding alternate suppliers and the ubiquity of customer reviews, the stakes are higher than ever for providing great service—great value as your customers define it.

By necessity, that means getting closer to your customers, being more transparent with your business processes, and offering immediate response, supported by real-time data drawn from everywhere in your enterprise.

# Why “Service Optimization”

*(And what, precisely, does that mean?)*

If service capabilities are now going to determine your ultimate success, it’s essential to quickly build a strategy for delivering the best service possible—“Service Optimization.”

Let’s start by defining Service Optimization as the ability to glean coherent insight and achieve the most efficient use of processes and information—across all disciplines and teams—in order to provide real business efficiency and optimal service delivery.

**Success in this endeavor** can result in measurable benefits such as:

- Reducing the cost of delivering a service
- Reducing the resources required to deliver a service
- Shortening the time required to deliver a service
- Improving risk management and regulatory compliance
- Supporting better contracts, including SLAs and T&Cs
- Improving IT and operational availability/uptime
- Improving security incident handling
- Increasing satisfaction of customers using a service, by:
  - Reducing number of issues with a service
  - Empowering customers via automated fulfillment
  - Supporting customers in getting the most out of a service

Conversely, of course, **failure to achieve gains** in Service Optimization can threaten a business’s very survival across multiple KPIs:

- Cost overruns in delivering customer service
- Delays/extended waiting times for customers seeking service
- Customer attrition due to poor service experiences or lack of communication
- Greater business disruptions around disasters/outages, security issues, or regulatory lapses/penalties



## Planning a Service Optimization Implementation

Whether you’re pursuing a “rip-and-replace” Service Optimization initiative, or simply exploring ways to evolve your current structure, it will be helpful to understand some proven foundational concepts.

The elements of an optimized service organization are comprised of five key areas (Fig. 3) that serve to define a consistent, agile, and evolving process for maximizing customer satisfaction and driving loyal relationships.

These include:

- Defining your Service Strategy
- Designing your Service Offering
- Planning for Service Transitions
- Supporting Service Operation
- Planning for Continual Service Improvement

Figure 3

## Elements of Service Optimization Based on the established ITSM model

Service Strategy	Service Design	Service Transition	Service Operation	Continual Service Improvement
Strategy Management Service Portfolio Management Financial Management Demand & Capacity Management Business Relationship Management	Design Coordination Service Catalogue Management Risk Management Service Level Management Capacity Management Availability Management IT Service Continuity IT Security Compliance Architecture Management Supplier Management	Change Management and Evaluation Knowledge Management Service Asset and Configuration Management Release and Deployment Management	Incident and Request Fulfillment Management Problem Management Technical Management	In-Service Review Process Evaluation

The concept of Service Optimization touches upon a broad range of activities that impact outcomes well beyond the confines of the Customer Service Organization. The use of strategic KPIs and the right service platform can allow for maximum real-time visibility and support for agile initiatives—while propelling ongoing improvements.

## Leveraging an evidence-based approach to service (ITIL)

In the IT realm, over the past three decades, there has been significant work undertaken to systematically identify and analyze best practices for service provision. Based on the work by the famous efficiency guru W. Edwards Demming, the ITIL (IT Infrastructure Library) was introduced by the UK Government's Central Computer and Telecommunications Agency (CCTA) nearly 40 years ago—and has been continually revised and updated on an ongoing basis.

This evidence-based evolution has helped develop and refine practices that are relevant and proven effective—not only inside technology environments but well beyond.

In 2019, the latest iteration, ITIL 4, formally and deliberately expanded in focus beyond IT in order to help facilitate the implementation and adoption of Agile principles across all types of service organizations—opening up more teams to this fundamental change that enables the kind of value co-creation sought by modern businesses of all description.

Today, service teams across the enterprise—from Legal and HR to Logistics and Physical Plant—are leveraging ITIL-style principles in order to provide better service and optimize their service delivery.

## From the broad to the specific

ITIL 4 encourages leaders to begin with the broadest view possible of factors that will impact your business operations. These are characterized by the PESTLE acronym, standing for: **Political, Economic, Social, Technological, Legal and Environmental**. Examining all of these allows a company to form an impression of the elements that may impact their operations. (Fig. 4)

At the next level, accounting for the four dimensions that define a business organization is outlined. These are:

**Organizations and People**—People include employees, managers, executives, customers, supplier employees, or anybody else who is involved in the creation or consumption of services

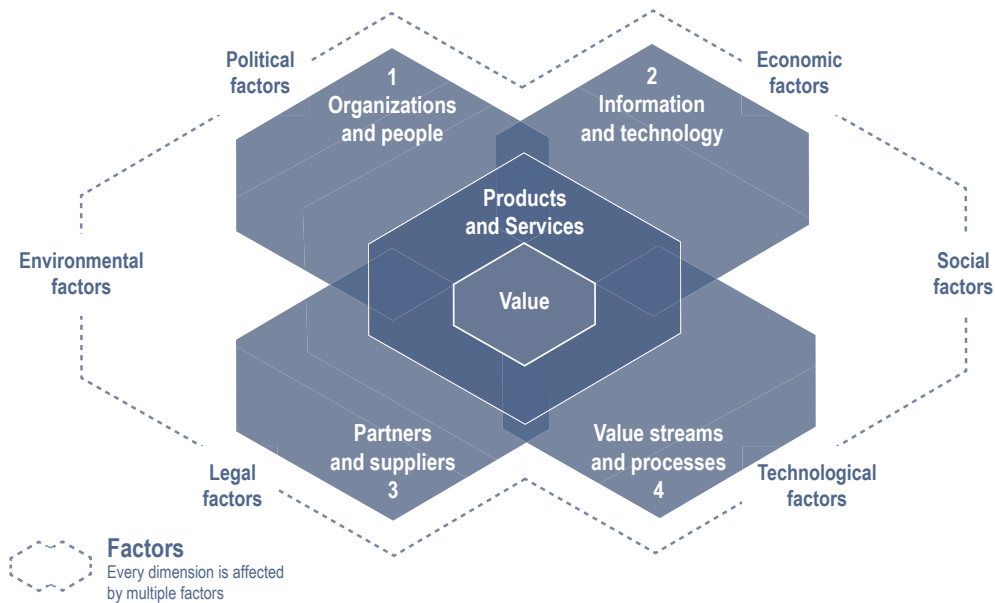
**Information and Technology**—Ensuring that people have access to the data and tools they need to access customer & business information/intelligence (BI)

**Value Streams and Processes**—How a value stream (the delivery process of a service) flows across various activities from demand to supply

**Partners and Suppliers**—Identifying the relationships with every partner and supplier and to define and precisely track deliverables and responsibilities

Figure 4

## ITIL's PESTLE framework and The Four Dimensions



An optimized Service Management Organization cannot be created in a vacuum. As proposed by CCTA, the ideal ITSM platform will be conceived in the full context of the business world (PESTLE) and take into account the four dimensions of a typical enterprise: Information and Technology, Value Streams, Partners and Suppliers, and Organizations/People.

Source: Central Computer and Telecommunications Agency (now AXELOS)

According to AXELOS, “The four dimensions influence each other. A change to one will always influence the others. The smallest change can ripple across the system, creating widespread disruption. According to Gartner Inc., ‘80 percent of unplanned downtime is caused by people and process issues’ (versus poor design, hardware failures, and external factors.)”

Taken as a whole, this framework is designed to form a comprehensive view of all of the activities that can be impacted by customer service. By accounting for these factors, you will stand the best chance of achieving an optimized service capability.

*“A fundamental change that is needed in service management: value is co-created, not delivered. In other words, the activities that a service provider undertakes do not create value by themselves. Value is realized only when the consumer engages with the service provider through the means of a service relationship.”*

*Akshay Anand, ITSM Ambassador and Evangelist*

# Calculating the Value of Better Service

Transforming your organization to be optimally oriented around customer service is a lot of work, so it's best to determine as early in the process as possible precisely what it can be expected to be worth in terms of ROI.

Fortunately, there is lots of data to support the value of investing in customer experience (sometimes abbreviated CX).

## **The ROI of keeping your customers happy...**

To start with, when it comes to sales, the probability of selling to an existing happy customer is up to 14x higher than the probability of selling to a new customer. *Harvard Business Review* says customers who had the best past experiences spend 140% more compared to those who had the poorest past experience.

## **The ROI of slowing/reversing customer churn...**

In businesses where customer churn plays a significant factor, B2B companies are measuring significant gains by prioritizing service over sales, with the goal of achieving a phenomenon known as "Net Negative Churn." Achieving this in sectors like SaaS and telecommunications has allowed CX leaders to grow more confidently and effectively.

The venture capitalist and business author Tomasz Tunguz published an analysis of how achieving even a 5% negative net churn rate could impact the customer value for a SaaS provider. In his example, the average customer's monthly recurring revenue (MRR) increased by 73%.

## **The wisdom in considering a full "Customer Journey"**

When conducting cost/benefit analyses for customer service optimization, it is beneficial to use a Customer Journey lens, as opposed to individual customer touchpoints, so that a complete picture can be assembled—tracking the real costs and values all along the value chain.

For those unfamiliar with the Customer Journey concept, it is most often conceived as a "map," used as a tool to visualize the experience of interacting with your brand from the customer's point of view. The idea is to force managers to look at how customers actually experience their brand. The Customer Journey can be depicted as a diagram (or several diagrams) that outline the stages customers go through —e.g. from buying products online to accessing customer service on the phone to airing grievances on social media, etc.

For B2B organizations, it can be important to segment various types of customers and understand the different types of customer journeys that may be mapped.

To illustrate a typical Customer Journey Map, we'll consider the example of a company, headquartered in Asia, that manufactures farm equipment and maintains an extended global customer base using a variety of sales and dealer/distribution channels. (Fig 5)

Figure 5

## Step One: Mapping the Customer Journey



As you can see, even in this relatively straightforward transaction, there are multiple touchpoints and opportunities for service success—and failure—both within and outside of the direct control of the brand. By using a Customer Journey map like this one, your brand can identify opportunities, invest in systems and processes, and allocate resources to fully capitalize on all of them.

### Hunting for KPIs along the Customer Journey

Armed with your Customer Journey Roadmap, you’re ready to identify further Key Performance Indicators (KPIs) that will allow you to measure the effect that improved customer service is having on your business.

Tying metrics like customer satisfaction to as many of the upstream influences as you can, will enable you to see areas for improvement and investment—as well as tracing back the causes of underperforming KPIs.

Naturally, in order to track improvements, you will need to establish baseline metrics for the indicators you’ve identified. Some not-always-obvious sources for a baseline can include historical performance or industry benchmarks (adjusted to your business size/volume, etc.)

One perennial difficulty for managers looking to fully quantify the effects of CX improvement is assessing specific monetary value to qualities like “loyalty” or “a good impression” (let alone the value of likes and shares via social media.) Nonetheless, the following table suggests some hard and soft KPIs that can jumpstart your thinking as you begin to demonstrate what is at-stake within your own organization:

### Some hard cost calculations...

Personnel Costs/Savings	Infrastructure Costs	Calculations Around CSM	“Saved Cost” Calculations	Incremental Revenue from More Satisfied Customers:
<ul style="list-style-type: none"> <li>FTES for service team</li> <li>Person-hours dedicated to customer service</li> <li>Lower turnover/better employee retention</li> </ul>	<ul style="list-style-type: none"> <li>Office space for CS Team</li> <li>IT platform maintenance</li> <li>IT consulting for CSM</li> </ul>	<ul style="list-style-type: none"> <li>Service delays</li> <li>Cost of various service delivery methods (e.g. call center, chat, SMS, self-service)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in service demand from better education</li> <li>Reduction in service demand from proactive communications</li> <li>“First-call” resolution</li> </ul>	<ul style="list-style-type: none"> <li>Lower costs of customer acquisition</li> <li>Upsell and cross-sell income increases</li> <li>Net negative churn revenue boosts</li> <li>Lower customer attrition</li> </ul>

It pays to be expansive in your thinking around the impact of better customer service. Be sure to be thorough in your hunt for relevant KPIs, bearing in mind the perspective of the customer journey touchpoints.

## Some examples of measurable results gained from service optimization activities...

Source: Vivantio

**70%**  
call volume  
reduction

One of the world's largest privately held staffing companies reaps dramatic savings after their service management optimization implementation

**5x**  
increase in  
capacity

With the same staffing, the customer service group of a 4,000-employee auto retailer grew from handling 50 tickets/day to 250/day with no staff increase

**One-Click**  
increase in  
capacity

Healthcare network streamlined on-boarding and termination process to a single click from a former 27-minute process

**30%**  
increase in  
up-sell/  
cross-sell

Achieved by a SaaS business who integrated key analytics and processes among sales, service, and customer retention teams

**Other helpful metrics include some of the soft benefits of optimized service:**

**Greater customer confidence/trust**

**Easier service encounters and problem resolution**

**Better employee morale**

**User ambassadors become an extension of your service team (or even your sales team)**

# Engaging Your Leaders & Sparking Your Teams

Once you've established the financial implications of implementing a Service Optimization initiative, it's time to determine how you will help your organization's leadership to appreciate the value and share in the vision.

Depending on your position within an enterprise, you may face one of two distinct sets of challenges and opportunities in enlisting needed support.

## **If you're in a leadership position...**

As a senior executive, it may be a matter of getting the support of peer colleagues, financial stakeholders, the C-suite, or your directors—and then helping your teams understand the how's and why's of adoption. This process will involve “educating up” and “inspiring from above” as you explain the value of the effort to all the various stakeholders. In Chapter 10, we'll provide specific recommendations, but, in general, the use of hard evidence has proven useful to gaining leadership engagement. To help your teams working at the executional level, specific examples of successful programs can be a great help in getting them to understand the implications of new capabilities, organizational adjustments, and cooperation.

## **If you're championing the effort from inside the Customer Service organization...**

From inside a Customer Service organization, it isn't always easy to gain the attention of senior leaders, but evidence of the significant benefits outlined in the previous chapters can be compelling. Be sure to frame the discussion, wherever possible, in bottom-line terms—stressing how improvements in CX have measurable implications on everything from the cost of acquiring customers, to brand loyalty—and of course revenue and profitability.

Finding a sympathetic ally within the C-suite will be an important asset to you. Further suggestions around advocating for a Customer Service Management Optimization effort can be found in Chapter 10.



## The indispensable advantage of senior-level support

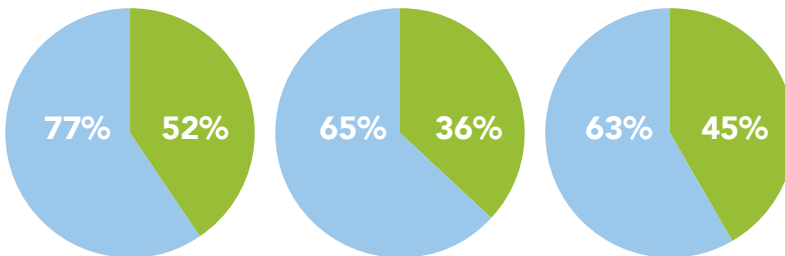
The reason you'll need the backing of senior leadership is that the holistic, enterprise-wide nature of a successful solution demands the elimination of silos and the creation of a host of new processes and accountabilities. This kind of restructuring—even on a pilot or trial basis—can often be met with resistance by skeptical or old-school managers in critical roles. Not everyone will have the same level of enthusiasm for the effort. (In fact, don't be surprised if you face defensiveness or territoriality!)

The difficulty is, an optimized service organization won't deliver promised benefits unless all aspects of the process are in order, so it's essential that a leader with the needed authority inform all affected teams that this effort is an important, company-wide priority.

At this point, whether you're engaging leadership or colleagues, it can be helpful to be armed with some case studies from comparative organizations, along with the analytics drawn from the previous chapter.

Lots of data is available that illustrates the difference between leaders and laggards in understanding the link between customer experience and business outcomes.

LEADERS  
LAGGARDS



*We have a clear understanding of the link between positive customer experiences and business outcomes.*

*Our organization has clearly defined, and well-communicated vision for the desired customer experience.*

*We deliver a consistent customer experience which lives up to and aligns with our brand promise.*

More and more B2B leaders are recognizing the direct correlation between customer service interactions and bottom-line business outcomes. The difference in performance between leaders and laggards in this area can be considerable.

Source: Miller Heiman Group

What's more, one of the world's leading business consulting firms recently measured efforts at improving CX that raised customer-satisfaction scores among their client base. They found that these CX efforts:

**Lowered customer churn by 10% to 15%**

**Increased clients' win rate of offers by 20% to 40%**

**Lowered the "cost to serve" by up to 50%**

This same consulting firm reported bottom-line benefits for CX leaders who "gain rapid insights to build customer loyalty, make employees happier, achieve revenue gains of 5 to 10 percent, and reduce costs by 15 to 25 percent within two or three years."

### ***“What if I can’t get buy-in from the top right away?”***

Sometimes a service team within a larger organization is forced to break this ground alone (or at least first.) Don’t despair. And don’t be deterred! There is a lot that can be done with even a modicum of cooperation from adjacent stakeholders.

For example, in 2019, Jamie Caldwell, a Customer Experience Supervisor for one division of Greenbrier, Inc. (a \$3-Billion B2B company in the logistics sector) wanted to prioritize customer service and enhance her division’s self-service capabilities for one segment of the company’s customers. She received permission to build-out a program within her division. It wasn’t specifically labelled a pilot program, but other divisions began taking notice as customer satisfaction metrics began to increase significantly.

Customers that worked with multiple Greenbrier divisions began looking for the same level of service company-wide and other managers quickly became interested in how Caldwell’s division had made such dramatic progress. As word of the success spread, stakeholders inside and outside of the organization began getting excited about the promise.

As Caldwell put it, “Things change really slowly in the rail industry, but it has been a comparatively fast process to get other people excited about using [our tools and approach] and seeing the potential.”

Whatever your role, independent progress is certainly possible within the realm of your control.

You’ll likely find that word of your success will spread and that momentum will take over. To improve your chances, be thoughtful in choosing the tools, systems and partnerships you’ll need to execute.

*“Things change really slowly in the rail industry, but it’s been a comparatively fast process to get other people excited about using [our tools and approach] and seeing the potential. Now, people are asking me to tell them more about [the platform] because they think it will work for their areas. It’s exciting to see it, and I think it says a lot about the product that we’re getting the traction we are using an organic adoption approach.”*

*Jamie Caldwell, CX Supervisor, Greenbrier*

## Some critical considerations...

In Chapter 6, we'll discuss in greater detail the technology that is available to help optimize CX efforts, but it's worthwhile, here, to briefly outline some considerations that can impact the success of a customer service optimization initiative.

As you look to build your customer service technology infrastructure, try to work with organizations who can:

**Integrate easily with other enterprise systems to give your customer service representatives and teams full visibility into your (newly expanded) range of customer-relevant data**

**Allow you to manage internal and external customers as you require (ideally, out-of-the-box and without modification)**

**Manage multiple individual departments, teams, and brands/products within your organization**

# Customer Expectations and Customer Journeys

When it comes to gauging the expectations of B2B customers, it's helpful to remember that every B2B customer is also a consumer and has likely experienced the kind of customer delight provided by exemplars like Amazon, FedEx, and Mercedes. This, naturally, informs their perspective during working hours too, in terms of expectations around things like speed of response and your ability to interact—seamlessly—with them across the channels of their choosing.

In short, you won't go wrong by setting yourself a high bar.

## **Customer satisfaction is everyone's responsibility...**

The other shift that is not always obvious to B2B organizations is the importance of everyone adopting more of a CX/service mindset. Everyone in an organization needs to understand that providing great Customer Service is not the exclusive responsibility of the Customer Service group.

It can't be, obviously, because the ability to deliver on a great Customer Service promise is 100% dependent on the efforts of the entire organization. Surprisingly, however, in activities like allocating resources, tracking metrics, and crediting (or criticizing) customer experiences, it is often only Customer Service managers who are consulted or held to account.

The good news in demanding a more universal, company-wide effort (and accountability), is that virtually every part of your enterprise will likewise benefit from optimized service management.

## **...and everyone will reap the rewards too.**

One of the first dynamics that many organizations note is an improvement in their sales processes. Often, this can be directly traced to the beneficial effect of having a truly satisfied customer base. (Fig 8.) Results from this advantage can include a shortened sales cycle and increased performance—not only in up-sell or cross-sell situations, but in net-new business as well, through the use of satisfied customers as an initial engagement point.



Increasing customer retention by just **5%** can increase profits from **25-95%**, depending on the industry.

Understanding the concepts and principles behind the Customer Journey can go a long way in helping you re-imagine current practices to find ways to streamline processes, break down silos, and increase transparency across the entire extended value chain. (Fig. 9)

Figure 8

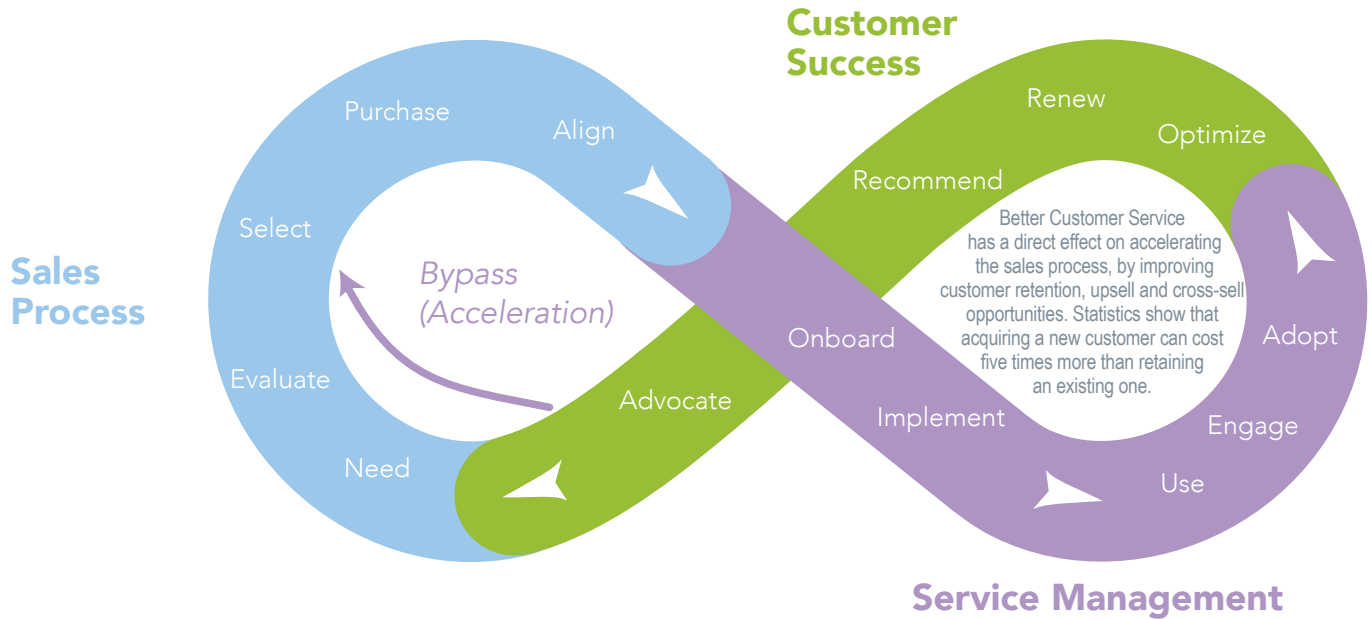


Figure 9

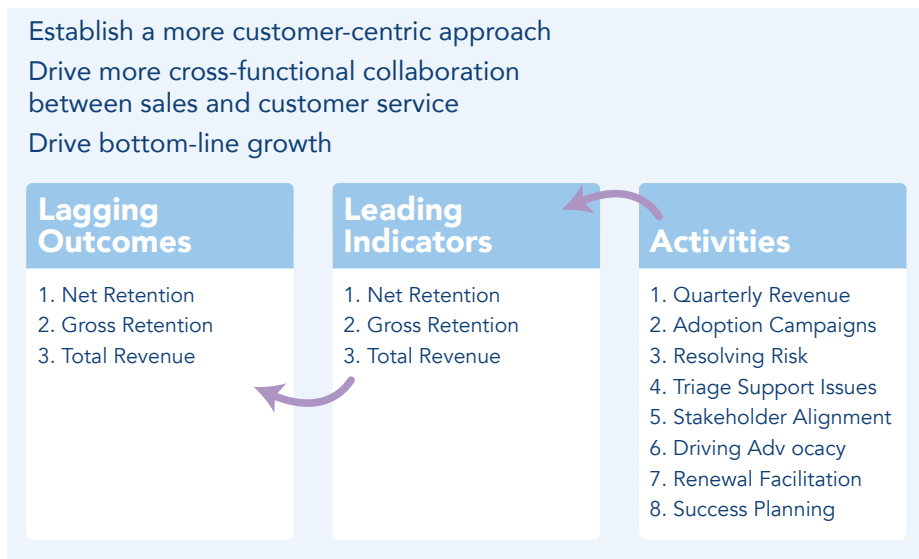
	IMPROVED HUMAN INTERACTION	TECHNOLOGY-ENHANCED	AUTOMATION/SELF-SERVICE
Service Management	Provide best-practice guidance during co-development and configuration  Proactive communications with full transparency	Interactive product/solution holding and simulation  Remote diagnostics and problems resolution	Self-help guides  Video tutorials  Notifications tracking and resolution progress updates
Customer Success	Simple, intuitive interactions  Friendly service that seeks to always add value  Coordination with sales and marketing to provide truly useful information (only)	Enhanced service offerings for high-value customers based on tracked metrics  Use BI to advise on upcoming new releases/products	Remote solution monitoring to anticipate problems or outages  Analytics-based re-order/re-subscribe offers
Sales Process	Educational marketing  Strong technical expertise with focus on creating value for the customer  Simple transparent pricing	Live chat-back tools  Shared-screen demos with sales reps  Next-product prompts to maximize up-sell/cross-sell optys	Product/solution navigator  Product configurator  Lead capturing  Interactive value calculators

The value of these undertakings, once again, can't be underestimated as you start to formally connect CX activities to business outcomes and value. As your Customer Service Organization becomes better at assuring the ongoing happiness of your customers, KPIs like Customer Retention, Subscription Renewal, and Sales can be significantly impacted. (Fig 10.)

Figure 10

## Connecting Activities to Outcomes

### Objectives:



Tying business outcomes to a combination of collaborative activities between Sales and Customer Service teams can often be more easily understood by taking a regressive view of Outcomes, Indicators (KPIs), and the Activities of the teams.  
 Source: Gainsight, Inc.

### Some exercises of imagination

Legendary Apple founder Steve Jobs famously said “Our job is to figure out what customers are going to want before they do. Our task is to read things that are not yet on the page.”

Aspiring leaders in Customer Service may face a similar dilemma. Advancing the way you deliver truly distinguishing service requires developing a clear vision of what success looks like in the eyes of your best customers. You may even need to imagine—ahead of their own articulation of it—what types of communications, access to information, and responsiveness thresholds will set you apart in the mind of your customers.

## Matching customer investments to customer value

In B2B organizations, the value of a given customer can vary widely from one to the next. Therefore, it's critical for B2B enterprises—in particular—to be able to differentiate among customer segments (and even individuals) in order to provide tailored experiences that reflect each customer's appropriate value and priority.

As you're designing—and optimizing—your Customer Service infrastructure and practices, you want to be able to reflect appropriate customer segmentation so that you can calibrate the right level of service delivered to each individual or organization. That means having a service platform that can account for those differences—along with training and policies that reflect that prioritization.

For example, many companies will negotiate individualized Service Level Agreements (SLAs) with their best customers. These agreements will often carry significant financial ramifications. The ability to automatically prioritize the service calls of potentially costly incidents—on a customer-by-customer basis—is critical.

It's also important for a company's leadership to provide regular recognition and reinforcement of their commitment to service excellence to help every employee and stakeholder make the service/value connection consistently and, ideally, intuitively. A solution where your best customer will be identified from the front-desk switchboard all the way to your most far-flung distributor's loading dock is the ultimate goal.

How you can achieve that—with the assistance of smart software and systems—is the focus of the next chapter.

# The Intersections of Service and Technology

In the old view, a Customer Relationship Management (CRM) system was used to house data about customers that could be tapped by sales and service organizations to support their efforts. Other systems—with varying degrees of connectivity and access—might house other customer data relating to things like credit terms, orders in-production, contracts, etc.

While some technologically advanced enterprises have tied more of these data sources directly to their customer-facing teams, there is still opportunity for radical improvements in transparency and access—with the aim of improved customer service and satisfaction.

To risk hyperbole, in today's view, *all* data has the potential to be customer-facing data.

## So how does radical integration and transparency help deliver better B2B customer service?

Let's revisit the example of our tractor manufacturer...

With tilling season less than a month away, our farmer is concerned about the delivery date of her customized tractor. It is already one week past the promised date when she makes a call to the local dealer.

It's easy to imagine a traditional interaction where the dealer makes a call to his contact at the manufacturer, who is waiting for a shipment of parts from a Chinese supplier in order to finish the 90 tractors sitting at the end of the assembly line. Over the course of a few days (and suffering the effects of the "telephone game") the message gets communicated back to the increasingly frustrated farmer.

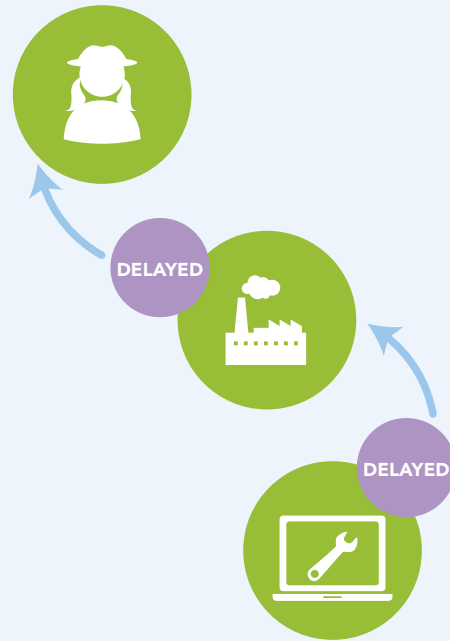
— COMMUNICATION IN  
... COMMUNICATION OUT



In an optimized environment, it's possible to create a scenario whereby the parts-supplier's delay would have triggered an outbound message from the manufacturer to the farmer, weeks ahead, apprising her of the delay and setting a new, iron-clad, delivery date so that she could plan her tilling schedule accordingly.

What if, during her order inquiry encounter, the farmer was able to see other services of significance to her?

An offer might be made to allow her to complete an important maintenance activity that can be accomplished during her downtime/delay.



### Even more impact when the customer stakes are raised...

Now imagine that the tractor manufacturer's customer is not an individual farmer, but rather the U.S. Bureau of Land Management waiting for their order of 200 tractors.

Consider the impact of reliable self-service options whereby both procurement clerks and GAO auditors could leverage self-service capabilities that provided real-time order and shipment information, EFT details, and tax information.

What if the manufacturer's sales and service organizations received customer-supplied data around upcoming budgets and forecasts—along with bulletins from analysts following crop and commodities markets to help guide their global efforts?

Top consultants are pointing out how companies such as Amazon, Apple, and Uber "continuously reinvent themselves by delivering simple, immediate, and individualized experiences." Today, these consultants suggest that "even traditional business-to-business players in sectors such as chemicals and steel [need to make] bold moves to build dynamic shared digital ecosystems around customer needs."

# The (Immediate) Value of a Unified Service Management Platform

The concept (if not yet the realization) of a single view into the enterprise has existed for some time. In the realm of ITSM, thought-leaders at AXELOS envisioned how systems across an enterprise can integrate to provide comprehensive visibility into virtually all data that touches any part of the Customer Journey. This remains something of a stretch goal for most B2B companies who face challenges such as growth through M&A (thereby inheriting disparate IT solutions), large or multi-national companies whose sprawling operations remain siloed, multi-brand/product companies, etc.

Fortunately, for forward-thinking service organizations, there are technology platforms that can—today—provide needed connectivity and visibility into a Service organization (and many of its adjacent systems) in a fairly comprehensive manner. Indeed, for some companies, Service Teams are serving as pilot programs in building the case for larger initiatives.

## What can a Unified Service Management Platform do for you today?

The following diagram (Fig. 12) outlines how a unified service platform can begin to provide visibility into customer-relevant data so that your Customer Service organization is equipped for maximum impact and success.

This type of solution can help your team better address all use cases, track and report on the KPIs essential to improved service, and tailor service provision at the individual customer level (as previously discussed.)

This level of connectivity gives service and sales teams a holistic view across the enterprise.

Figure 12

## Representative architecture for a Unified Service Management platform



Implementing a Unified Service Management Platform eliminates the need to have duplicate information in multiple systems. Current systems remain the "source of truth" for specific customer data but the integration allows the coherent usage of those sources and functionality across multiple systems.

Source: Vivantio

# Enumerating some of the benefits of a Unified Service Management Platform:

## 1. Avoid shuttling among systems searching for customer insight

Achieved by: Using integrations to pull data from other systems into a single platform that provides a 360-degree view of a customer to aid a support or service request. Data may include: Contractual information; sales information; customer success information; application usage; size of customer; length of contract, length of tenure, etc.

Ultimate benefit: Support teams can see the whole customer, not just an individual service/support request. This can have a profound impact on how issues are prioritized and resolved. Furthermore, this data can be used to “prompt” agents or drive workflows and system views.

## 2. Unite system data from other line-of-business software

Achieved by: Integrating (via APIs and other methods) with other systems to boost service efficiency, workflows and automation. Providing proactive notification of events from monitoring systems; accessing requests from channels like MS Teams and Slack; gathering hardware and software properties through automated software inventory. Being able to leverage best-of-breed applications that can add value to your overall service offering.

Ultimate benefit: Delivers a holistic view of your service operation that can be used to preempt problems, manage hardware expirations, version control, and compliance.

## 3. Leverage a single source of data and report across multiple systems

Achieved by: Tying core customer and operations systems into a single service platform that allows integrated reporting across all solutions.

Ultimate benefit: Holistically monitor KPIs to gain the insight necessary to make positive changes. Get definitive answers to questions such as: How long does a system outage take to resolve? What number of complaints does it generate? How does the length of a customer relationship relate to the number of support tickets generated? Who creates more tickets—a large or small customer? What is the ROI on our current service spend?

## 4. Being proactive rather than reactive with customers

Achieved by: Implementing strict service level and operational level agreements. A unified service platform allows you to keep track of work to ensure you meet agreed business plans and contractual obligations with customers. Real-time dashboards alert if work is going to miss deadlines. Escalation rules can notify management or team leaders when breaches will occur. Integrating with other core management systems like event management or asset discovery and monitoring can inform front-line staff of a failure before customers are aware—allowing for advance notification, if not outright resolution.

Ultimate benefit: Overall improved customer satisfaction. Statistics have shown that customers respond more positively to service lapses when there is greater proactive communication around these events. What’s more, customers who have experienced a successful problem resolution are 13% more likely to return than customers who have experienced no problems at all.

### **5. Doing more with less—achieving the same output with fewer internal resources**

Achieved by: Making use of technologies not found in simple ticketing solutions such as routing, multiple resolver groups, service level agreements, self-service interfaces, service catalogs, business automation tools, advanced reporting and analytics, load balancer, surveys etc.

**Ultimate benefit:** By adopting these technologies, you can cut down on human capital; reduce ticket open times; gain more granular visibility on overall customer service status; ensure that teams are working on the right tickets at the right time; making sure that customers with higher priority issues are dealt with appropriately.

### **6. Empowering the customer and supporting self-diagnosis**

Achieved by: Making use of self-service technologies and the knowledge base. Helping customers resolve their own problems before requiring human interaction. Avoiding back-and-forth delays by gathering complete and correct information about specific requests using custom scripts. Using that data to route a ticket to the right resolver group and provide them with the information they need to help resolve the ticket immediately.

**Ultimate benefit:** Reduce the number of calls coming into the service desk completely, while remaining able to report on self-help activities to measure effectiveness. Faster, more cost-efficient resolution via self-service.

### **7. Improving team oversight and internal communication**

Achieved by: Helping teams to collaborate more effectively, while giving management greater visibility into operations. Tasks can be assigned to multiple people simultaneously so parallel tasks can be achieved. Workflows can ensure that processes are followed and completed tasks forward, automatically, to the next person in the sequence. Features such as tech-to-tech chat and real-time dashboards for management oversight.

**Ultimate benefit:** Build team moral and better enable team members to support one another. Improve and speed customer resolution times. Provide management with a holistic view of the service operation to support proactive problem resolution.

### **8. Leveraging business intelligence to uncover new efficiencies**

Achieved by: Improving the tracking and reporting of key metrics such as: Number of tickets logged by a specific customer—including what categories, and by what contact channel. Tabulating customer satisfaction survey results that can create a picture of where there might be operational problems (i.e. constant platform outages), staff problems (i.e. SLA's being missed by individuals) as well as understanding staff workload and performance.

**Ultimate benefit:** Improved customer satisfaction and ongoing process refinement.

# Self-service Strategies for B2B Enterprises

Today, an effective self-service strategy is critical to optimizing customer service and CX for three reasons:

- 1) **Its indispensable role in achieving efficiency and cost-reduction goals**
- 2) **A significant segment of your customer base will prefer it**
- 3) **It is a proven-effective channel for improving upsell/cross-sell opportunities**

The question then becomes what role self-service will play as part of an omni-channel strategy that leverages the hard-won visibility and integration of your Unified Service Management Platform.

There's no time to waste in advancing your self-service capabilities, as business-to-business customers are already demanding a better experience:

**In a recent survey of 1,000 B2B decision makers, lack of speed in interactions with their suppliers emerged as the number one pain point, mentioned twice as often as price. And digital solutions loom large in executives' thinking as a way to make routine tasks more efficient.**

**Some 86 percent of respondents said they prefer using self service tools for reordering, rather than talking to a sales representative.**

In addition, many of these "digital native" customers will be happy to interact with premium content that you can deliver via self-service such as video presentations and training. Again, we can see where the effort cannot be limited to a Customer Service Team, since many of these premium features will want to leverage content from realms beyond the Customer Service organization and systems. (Fig. 13)

## The best solutions blend self-service and agent-driven methods

Embracing self-service capabilities doesn't mean giving up on current, agent-centered models. In short, it's not "either/or," it's "both/and" when it comes to optimal service delivery.

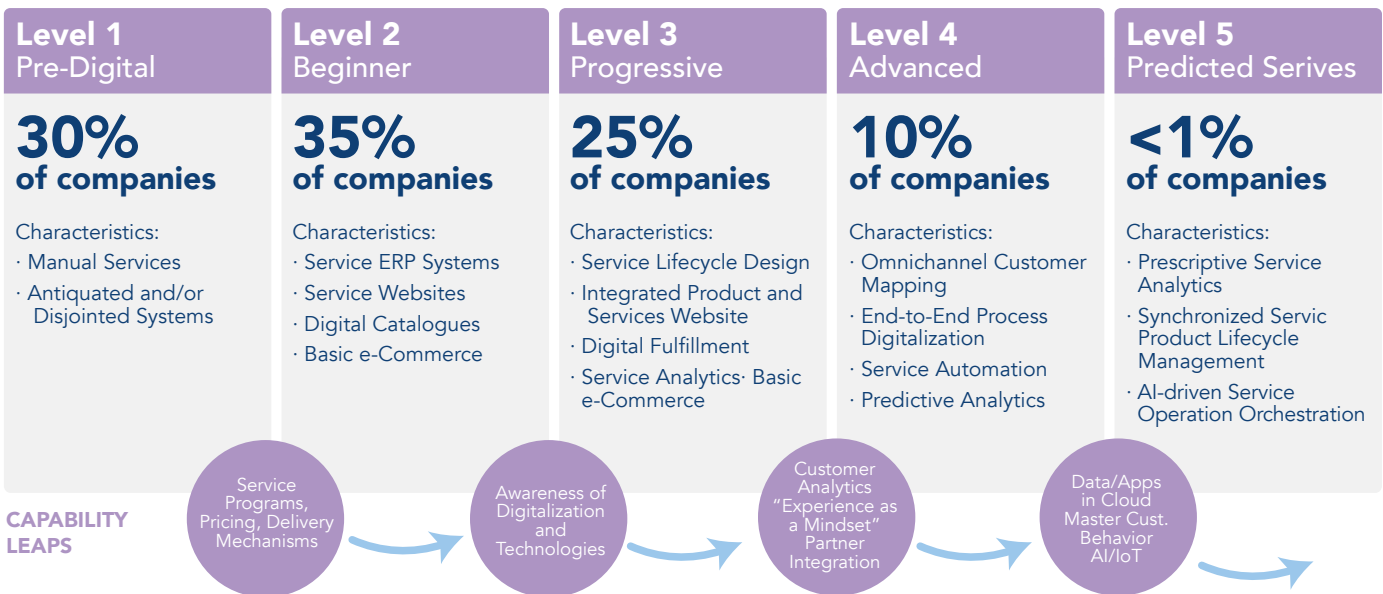
For B2B companies who may be overspending in their service delivery, it may be a matter of moving from an agent-first strategy to a digital-first strategy—and measuring the impact on cost and service. It's clear that the smart combining of digital and non-digital tactics—and a holistic, cross-functional view of the enterprise—will be the drivers of competitive advantage in terms of a service organization.

## Gauging your current position and planning your progress

Currently, there’s a wide spectrum of adoption of Customer Service Optimization powered by today’s best technology. This spectrum ranges from “pre-digital” organizations—all the way up to advanced CX practitioners who are leveraging the power of AI to anticipate the needs of their customers and head-off potential problems long before their customers become aware of them.

Figure 13

## Stages of Service Operations Digital Evolution



Companies are evolving at their own pace, but leaders are pulling ahead in key industries. Certain capability leaps mark clear transitions between the stages for those moving towards the exponentially profitable later stages of service excellence.

Source: Trianz

Determining where you are, today, and developing a strategy for advancement can be greatly assisted with the help of an experienced partner. Especially one who can share—and amplify—your vision.

In the next chapter, we’ll see how one of the key qualities in a Customer Service solution—and the partner who delivers it—will be flexibility.

# The Value of Flexibility

For B2B companies, in particular, it is critical to be able to segment the allocation of your firm's time and attention to your most valuable customers. B2B Customer Journeys often grow complex because they must accommodate the special needs of small percentages of the client base.

If we revisit our tractor manufacturer, for example, it's easy to imagine wishing to differently prioritize levels of service between a single, credit-challenged farmer and a major government customer with an urgent budget deadline approaching to disperse allocated funds. While there may be, by volume, many more small-farmer customers, the bottom-line impact of the manufacturer's major customers is significantly greater.

Such relationships may require specific tailoring, extra services, or additional checks.

From a technology and process perspective, segmenting Customer Journeys into standard and specialty tracks can minimize complexity for a majority of clients, resulting in easier journeys for clients and significantly lower costs. Additionally, customers can realize economies of scale as multiple large complex relationships are facilitated in similar ways to many smaller relationships.

Being able to dynamically shift workloads and route customer service traffic without changing the "sources of truth" or access rules is another way that a flexible Service Optimization Solution can support the kind of transformative processes required.

From a technological standpoint, a solution that can seamlessly integrate across the whole enterprise is essential. In particular, finding solutions that can accomplish this with a minimum of coding and work-arounds will not only save you money, but will help ensure the timely success of your initiative.



Some questions to consider when evaluating platforms and partners to help achieve your Unified Service Platform objectives:

### How much will you be able to accomplish in-house?

Don't leave yourself at the mercy of consultants. The more capabilities that exist "out of the box" the better. Look for solutions that allow your team to configure processes, rather than solutions that require extensive custom coding. Solutions that empower your administrators to make decisions and changes save costs and delays of third-party reliance.

### How quickly can you adapt the solution to evolving customer or business needs?

Here too, solutions that require custom coding every time you make a change to your system may be cumbersome. What happens as your customer base evolves...or as systems outside of Customer Service change? Look for solutions that allow for simple interface adjustments vs. prolonged customizations.

### Does your solution allow you to work independent of other teams' solutions, supporting the necessary autonomy to evolve?

Look for relevant integration capabilities that are easy to understand and develop so that you'll have maximum flexibility in creating a more rounded solution. (Be careful! Many current technology solutions fall short here. )



**Be sure to undergo a rigorous evaluation process to determine if a vendor's solution provides sufficient connectivity by design.**

# Sharing the Vision and Inspiring Adoption

Let's say you're sold on the benefits of Service Optimization and a Unified Service Management Platform as critical capabilities in securing breakthrough customer loyalty. How to begin effecting change?

Clarify your own expectations. It's a marathon not a sprint. Prepare for all of the standard change management fits and starts. Identify your champions, allies, and skeptics—and have a targeted strategy for communicating with each.

## **If you're a Senior Leader looking to drive change...**

The "why's" of better Customer Service are readily apparent to you—establishing that virtuous cycle that leads to improved business outcomes (e.g. renewals/repeat business, customer retention, upsell/cross-sell wins, etc.)

The task now is to motivate your CX teams to make the required adjustments to their technology and processes to optimize their effectiveness. It's important to understand the reasons for the current systems and processes—but to quickly articulate your vision for the future state of your organization. Emphasize that the outcomes this kind of structure will deliver are of make-or-break significance. That the survival of the company might well depend upon it.

Stress that this initiative has the attention of Senior Leadership, that the organization is counting on them, and that the required support for change is forthcoming. Be prepared to articulate your expectation for the solution, the partner, and the possibilities. Provide the appropriate guidance in sharing some of the concepts outlined here—including the evidence and statistics that support this undertaking. Discuss the KPIs you understand to be tied to Customer Service and share current-state baselines as available. For KPIs that aren't currently tracked, outline a method and timetable for discovering them.

Set an agile cadence for work periods, dependencies, and check-ins with the appropriate teams.

**If you're a Customer Service Leader looking to gain executive support...**

You understand the value and importance of Customer Service, but some of the connecting threads outlined here may not be universally apparent in the C-suite.

Find a sympathetic Senior Executive (or two) and begin to discuss how some enhanced Customer Service capabilities have been demonstrated to impact critical business outcomes such as renewals/repeat business, customer retention, upsell/cross-sell wins, etc.

See if you can discover what top management's priorities are for the coming year or quarter and begin to discuss with colleagues and managers how you think your organization could contribute to advancing those goals.

Try to frame your discussion around those make-or-break business outcomes that are driven by customer satisfaction. Get people to appreciate the role you're playing in the organization's very survival.

Next, help inspire confidence that—given the right resources and support—you can deliver an optimized service organization built around a proven methodology and supported by technology that will demonstrate significant ROI.

Finally, use some of the evidence-based information you've found in this report to support your belief in why an optimized customer service team and a unified service platform should be a priority.

If you manage a smaller team, consider volunteering to serve as a pilot program or "skunk works" case and allow your successes to drive a wider adoption.

# Sources

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Digital Enterprise / Evolution Model

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# About the Authors

**Greg Rich** has spent 35 years in the trenches of customer service and support—including five years supporting the citizenry of Avon & Somerset (UK) as a special constable. In 2003 Greg co-founded a company that developed the UK's first SaaS platform dedicated to service management technology solutions to support customer service teams. He is currently living in the United States with his family, where he is the CEO of Vivantio.

**Andy Walsh** is a 25-year service management veteran with a Master's degree in IT Management from Sheffield Hallam University. He is the Chief Operating Officer of Vivantio, where he has worked for the past 16 years. Andy brings a global perspective to the role, having worked for international companies such as Reuters and the Havas Group during his career.

**Andrew Stevens** manages the Production, Development, and Infrastructure teams at Vivantio, where he has supervised more than 1,000 product releases over the past 13 years. He has experience in developing large B2B ecommerce systems and has extensive frontline customer service experience.

Greg, Andrew, and Andy have been on the frontlines of transforming customer service organizations for two decades.

Driven by customer demand, the team began exploring ways to move beyond IT service organizations to provide tools that would support best-practices of customer service throughout entire enterprises.

Today, their firm supports leaders in a range of B2B verticals around the world.

