MINI CASE

Customer Service at Datatronics[5]

Matt Rubenzahl winced as the all-too-familiar, soothing machine voice crooned in his ear: "All our operators are busy. Your call is important to us. Please stay on the line as our calls are being answered in priority sequence.…" He glanced at his watch. Only fifteen minutes left of his lunch break before the big meeting, and he had to resolve this problem with the bank. "Why do they call this the 'Customer Help line'?" he grumbled. "It seems like it's there to help them, not us!"

As the Muzak droned on in the background, punctuated briefly by a hopeful click and then the machine voice again, Matt's mind wandered to the upcoming meeting. As the development manager of E-Z RP, an end-to-end, fully integrated CRM/ERP/ service management suite for small- and medium-size enterprises (SMEs), he'd had his dream job. Leading a small team of developers and working actively with both the sales and service group, E-Z RP had made quite a name for itself, carving out a profitable business in the SME niche that the bigger players hadn't (until now) wanted to touch. E-Z RP was everything they weren't—user friendly, integrated, flexible, and intuitive. A service-based product, E-Z RP modules were accessed over the Web and hosted at the E-Z RP data center. Online training and friendly service completed the package, making E-Z RP one of the fastest growing service-based products on the market.

That was the good news, but it was also the bad news because E-Z RP's success had attracted the corporate vultures, and the company had been taken over a few weeks ago by Datatronics. Of course, the party line had been "business as usual," but today they were going to find out what the takeover would really mean for the people who worked there. Matt worried about his little development team. The seven of them had been together for a while now, and they liked and respected each other's skills. More important, they knew their product and understood how it helped their customers, thanks to Bill Blatherwick, their CEO. Bill had taken over E-Z RP as a start-up from its innovative founder, Todd Wylie, and had grown it into the successful enterprise it was today. It had been Bill who had made sure that Matt and his team went out on sales calls, sat in with the customer service reps (CSRs), and got to know the needs of the businesses firsthand.

Matt's reverie was interrupted by a cheery voice, "This is Tanya. How may I help you today?" Matt glanced at his watch—ten minutes of waiting for him, zero for the bank. Quickly he explained that the electronic transfer of funds from his checking account into his money market account had gone the other way, and now he had twice as much money in his checking account. He had the confirmation number right here in front of him. How could this happen? "Oh, I can explain that, sir," chirped Tanya. "You see, when you transfer funds, the request gets printed out here at the bank and then rekeyed into the money market system the next day. One of the keyers must have made

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a mistake. I can correct that." Matt rolled his eyes—some "electronic" banking—just a slick-looking front end and the same transaction-based system in the back office.

"I know this isn't your fault," he said. "But the bank should know the problems this is causing. Can you please file a report about this?"

"They don't really listen to us, but you could write a letter. I could give you our ombudsperson's address," said Tanya.

"Thanks, but I don't have time," Matt said, with more courtesy than he felt, and hung up, grabbing his jacket and tightening his tie as he dashed off to the main conference room.

It was standing-room only as everyone in the company crowded in to see the broadcast message of Brent Hinchcliffe, CEO and chief vulture of Datatronics. The company was noted for growing through acquisitions, and Hinchcliffe had a reputation as having a good eye for value but leaving the rest of his staff to sort out the messy details of the actual integration. As the booming voice welcomed them all to the "Datatronics family—the best technology for companies in the world," Matt tuned out Hinchcliffe's platitudes. He'd been through these things before. That was how he'd ended up at E-Z RP: His former company had been taken over, and six weeks later he'd been out of a job. The last few years here had been great, though, and he didn't relish the thought of having to change again. He was in management now, and jobs were tougher to find and his family was settled here. Matt sighed as Jennifer Merkley, the head Datatronics honcho in the room, clicked off the video and connected her PowerPoint presentation.

Merkley started by making an effort to be highly complementary about the E-Z RP organization and to assure everyone that they had a place on the "Datatronics team." It soon became clear, however, that E-Z RP was going to exist as a product only. Behind the scenes, there was going to be a whole new organizational structure. As Matt had expected, Blatherwick was moving on "to other opportunities," while Matt's group and the customer service group were going to be integrated with the other teams, leaving only sales as a separate unit. One box in the org chart was labeled "E-Z RP Development," and several others were marked with the other Datatronics products, including Data-Pro, Bus-I, Web-Spider, and Delphi-Plus. The latter was Datatronics's main offering, an ERP for larger businesses, and it was an inflexible piece of software that reflected the company's Teutonic roots. For Delphi-Plus users it was "My way or the highway," and E-Z RP had been picking off some of its lower-end and more frustrated customers for the last few years. Was this payback time? Was Datatronics going to bury them? Matt had seen this before: bigger competitors gobbling up smaller but better products and pulling the plug on them.

The little boxes on the PowerPoint slides weren't populated, of course, so Matt headed back to his office still not knowing where he stood, pleased at least that E-Z RP had a place on the map. It would be a huge change for customers, however. Now they'd be calling in to a major call center designed to deal with all Datatronics's products. The level of service and support customers had come to expect was bound to deteriorate. Matt spent some time chatting with his developers, encouraging them in the notion that the change would be for the better, although he could tell that some weren't convinced and would likely be polishing up their resumes and making the rounds—if they hadn't already done so. His staff had been carefully selected, not only for their skills but also for their interest in business and their ability to interact with both businesspeople and customers. Many of them had started in the E-Z RP Customer Service Center as

new grads and had been promoted, first into maintenance and then development. They wouldn't relish being turned into back-room coders.

Back at his desk, Matt tried to interest himself in the latest project reports, until a small ping announced the arrival of an e-mail. It was a summons from Jennifer Merkley to meet with her at 5:00 that afternoon. "This is it," thought Matt. "I'm out, and they're going to do it after office hours." He spent the next hour tidying up his desk, getting rid of the junk and organizing it so it could be easily packed into a couple of boxes. He pulled out a slim file of letters—copies of glowing customer reviews that Bill had forwarded to him. After allowing himself a small moment of pleasure, he pitched it into the recycle bin, then thought better of it. Maybe these would be useful in a future portfolio of his accomplishments.

At 4:55 he headed off to Merkley's office and cooled his heels in the empty reception area for a good fifteen minutes. "Typical," he thought. "This company can't even fire you on time." Just then Merkley's door opened and out she came, accompanied by a neatly dressed, gray-haired man. "Matt, I'd like you to meet Victor Wang," she said as the two shook hands. "You two will be working together closely in the future."

"Oh," said Matt lamely, mentally switching gears. "Nice to meet you."

Merkley swept him into her office and motioned to him to sit down. "You're probably wondering about Victor," she began, and Matt nodded. "He's going to take over your E-Z RP team, starting tomorrow. We've decided to fully integrate the Datatronics and E-Z RP staff, which means mixing up the teams. Some of your staff will move to other products and vice versa."

"Oh," said Matt, again not knowing how to respond.

"You're also probably wondering what this will mean for your job," continued Merkley. Matt nodded again.

"Well, we want you to know that your work with the E-Z RP team has not gone unnoticed here at Datatronics."

"Thanks," spluttered Matt.

"We believe you have been instrumental in pulling together a highly customer-focused team that delivers." Matt sat up a little straighter, hope beginning to grow that this was not going to be the disastrous meeting for which he had steeled himself. "That's why we want you to take over our new combined Customer Service Center."

"WHAT the...." An expletive almost escaped from his lips until he changed it to "Heck, what do I know about running a customer service center?"

Merkley almost smiled but then gave him a steely stare and said in a tone that brooked no opposition, "Look, Matt, you're a good development manager, and we know that, but we have a lot of them at Datatronics. What we don't have is someone who understands business and is customer focused. We need you in this role. You'll have a much larger staff and budget and a chance to prove yourself to senior management. I know it's a change, but if you're truly interested in being a manager, you will have to be flexible and go where we need you."

Matt gulped and gave her the only answer possible under the circumstances: "All right, I'll give it a shot." He was rewarded with a brisk handshake and a pile of manila folders.

"I was hoping you'd say that," she said. "So I took the liberty of asking the outgoing manager, Vish Singh, to pull together his plans for the group. He's heading off to India to start up our new Bangalore office." Reeling with too much information, Matt

took the folders, thanked Merkley, and headed back to his office to consider this rather unexpected and not entirely welcome redirection of his career path.

Over the next few days and nights, Matt immersed himself in a whole new world. He watched harried CSRs take a continuous stream of calls. As soon as one ended, another would pop up. The E-Z RP service staff had been unceremoniously moved into the Datatronics call center, given a crash course in the company's other products, and cut loose. According to Vish's notes, cost seemed to be the driving force behind everything that was done. Customer service appeared to be under constant pressure to cut costs, and its budget had been routinely slashed by 10 percent a year over the past five years, despite the company's acquisition of several new products during this time. Everything ran by metrics—number of calls, call turnaround, cost per call, and so on. And the only new technology the center had acquired recently was a high-end, voice-activated IVR system, named Pamela. Its voice and features had been endlessly lampooned in the press, most notably when Datatronics had announced cutbacks and some wit had written to the paper hoping that Pamela was on the hit list. Although nothing had been said about outsourcing this function, Matt had his suspicions that when the new Bangalore office was up and running, he'd have some stiff competition from Vish to keep customer service in North America.

And the HR problems! The turnover was fierce. Unlike customer service at E-Z RP, there were few ways out and up the ladder at Datatronics. The company seemed to hire staff, work them hard, and then expect them to quit. Training was basic. Most staff learned on the job. Customers dealing with trainees on the line often ended up frustrated and confused. Sometimes the customer service reps seemed to be the last ones to know about new releases of products or new features. "We sure don't present a consistent face to our customers," Matt complained to his supervisory staff after receiving yet another complaint that different CSRs had provided contradictory advice. Second-level support was minimal because it cost more to provide.

Online data about products were available, but the search features were not strong and information about each product was presented in the format of the company that had originally developed it. Thus, the E-Z RP information looked different from the Web-Spider information and from the Delphi-Plus information, making it harder to flip from one call to the next. Even more frustrating for the CSRs was the fact that they had few mechanisms for feeding back common problems to the development teams. There was an online form for customer complaints but no means for the CSRs themselves to make suggestions and recommendations. On the surface, it seemed to Matt that the company didn't really care about customer service and was simply providing the minimum it could.

Matt raised this issue with his new boss, the CIO of Datatronics, in their first meeting after he'd been on the job about three weeks. "It seems to me that we see customer service as more of a cost center than as a means to learn more about our products and our customers' needs," he said. "Are we just giving lip service to the term *customer service*? Do our executives know how bad our service is?"

Joel McGivern had given him a quick, penetrating look as if he were wondering about Matt's motivation for the comment. "We care," said Joel drily, "about as much as it takes to keep our customers from switching to the other product. Our job is to find the right balance between saving money and saving our customers. If that seems harsh, it's the way of the world right now. We're in business to make a buck, not provide

red-carpet service. It's dog-eat-dog out there, and our competitors are all looking for ways to beat our prices. Our efforts have to be focused on new products and new features, not on necessary evils like customer service."

"I suppose," said Matt dubiously. "But if we could delight our customers with our ability to assist them, if we could get to know their needs better so we could design a better product that wouldn't need as much support, and if we could use our center to develop business skills in our staff that we could use in the business, wouldn't that be worth something? And who says that customers don't want good service and might not be prepared to pay for it?"

"Absolutely no one wants to pay additional service fees," growled Joel. "We've tried that, and it doesn't work. Don't go there."

"Okay," said Matt. "But I worry that we're losing customers with this level of service. We certainly benefited from your attitude at E-Z RP, and I think our service was one of the reasons why you acquired us in the first place and why you wanted me in this job."

Joel looked thoughtful. "I'm not saying that there's no room for improvement," he said. "And if you make a good case for it, I might even be able to get you a little more money—on a project basis, not to increase our base operating costs. If you want to give it a go, give me your top ideas next week—with costs and time lines, mind you—and if I like them, I'm willing to take them to the steering committee for extra funding. In the meantime, however, I'd also like to know what you could do to improve things without any extra money." He paused and then smiled. "I hate those so-called 'customer help' lines as much as you do."

Discussion Questions

1. Outline the specific information that Matt should collect to build a case for improving customer service at Datatronics.
2. Describe your top ideas for Matt to present to Joel next week.
3. How would Matt get Joel to support his ideas?