

Customer Centricity

Outstanding customer strategies
produce impressive business results
for the 2010 Gartner & 1to1 Media
CRM Award winners in the Americas.

Wins

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Customer Centricity Wins

Savvy companies know that the most basic driver of value in a business is customers. These organizations employ strategies aimed at building customer value and, as a result, build organizational value, as well. “Products don’t pay us money. Neither do brands or marketing campaigns or stores. Only customers generate revenue, by definition,” says Martha Rogers, Ph.D., founding partner of Peppers & Rogers Group. “Companies that have performed the best in the downturn are the ones that deliberately build the value of the company the only way any company can: by building the value of the customer base.”

Outstanding customer strategies produce impressive business results for the 2010 Gartner & 1to1 Media CRM Award winners in the Americas.

Through our joint awards program, 1to1 Media and Gartner spotlight excellence among organizations that take this approach and have significantly improved their business performance. The 2010 Gartner & 1to1 Customer Awards honor exceptional results in four categories: Customer Experience, Efficiency, Enterprisewide CRM, and Growth. This year we recognize two winners in each category—one winner hails from EMEA/APAC, the other from the Americas—and will celebrate their achievements at the corresponding Gartner event. We celebrated the EMEA/APAC winners at the Gartner CRM Summit (London in March) and the Americas winners at the Gartner Customer 360 Summit (Los Angeles in June).

A panel of judges that includes Gartner analysts and other industry experts reviews the nominations and selects the winners in each category. This year’s judges include Gartner’s Johan Jacobs, research director, Gareth Herschel, research director, and Matthew Goldman, research vice president. Also judging are Maryellen Abreu, director of global technical support for iRobot, Brent Leary, cofounder and partner of CRM Essentials, Ingrid C. Lindberg, chief customer experience officer at CIGNA, and Stuart Roesel, director of customer loyalty and retention for Earthlink.

“By honoring these winners, we acknowledge the efforts it takes to create the best experience a customer can have,” says Jacobs, who is also chair of the awards for Gartner. “These awards are recognition of the winners’ achievements, and will stand as best practices for others to follow.”

In the story that follows, Sprint Nextel reveals how focusing on the customer experience drives profitable and superior business performance.

BY MILA D’ANTONIO, ELIZABETH GLAGOWSKI, AND THOMAS HOFFMAN

★ GOLD

Sprint Nextel's Leadership Makes Customer Experience a Top Priority

The telecommunications company has improved retention and service levels while cutting costs.

When Dan Hesse took over the role of CEO at Sprint Nextel in December 2008, customer service wasn't even on the company's agenda. He immediately set out to change that, mandating that service be discussed in weekly meetings and refocusing the company on a single mission: to revolutionize the customer experience one customer at a time. This has become the guiding principle of the company, with a simple mantra: serve, solve, and satisfy.

In just 13 months the company boasts many improvements, including a nearly 11 percent jump in customer satisfaction, from 74 percent to 84.9 percent, and a reduction in customer churn of 73 percent (148,000 in the fourth quarter of 2009, down from 545,000 a year before).

This progress didn't happen by chance. From the start, Hesse outlined a number of customer service goals to in-

share their ideas. The commercials even featured Hesse's email address. Sprint also works with vendor Advantis to conduct surveys, which it administers within three days of a customer interacting with an agent or with the IVR. The data is shared with marketing, sales, and customer care.

business boost

Sprint Nextel has contained 10 million more calls in the IVR, which translates to \$45 million in savings.

Two key components of achieving Hesse's service goals are customer segmentation and analysis of the customer experience, which help to understand the direct impact on critical metrics like customer satisfaction and churn. For example, customers are segmented into two groups based on their payment history and account spending limit. These two segments have different needs.

Partnering with ClickFox, Sprint began to analyze cross-channel behavior trends and issues of each segment to see customers' complete paths across all service touchpoints. This helps to flag customers who require targeted support, whose contracts are about to expire, and the like.

The company integrates many of its supporting customer service solutions providers through its cross-channel analytics platform, including Merced's performance management suite, Sprint internal CRM system, and Enkata's first-contact resolution tools. Doing so provides Sprint with a centralized view of its customers, which is fed with customer satisfaction, CRM, and churn data to identify hidden connections between interactions

and customer loyalty, and to help plan marketing campaigns and determine website content. Sprint can correlate customer satisfaction results with churn data to understand the direct impact of poor scores on a customer's likelihood to leave, as well as on future buying patterns.

This cross-channel analysis has led to never-before-seen insights into customer pain points driving dissatisfaction and churn. For example, Sprint uncovered an issue preventing many customers from activating new phones via self-service. Customers who were unable to successfully activate their phones transferred to live agents who weren't empowered to handle the issue, so customers were referred to the retail store. This resulted in customer returning phones and canceling service plans.



CEO Hesse connects directly with customers.

crease satisfaction: Reduce the reasons customers have to call customer service, listen to customers and take their recommendations into account, improve first-call resolution, develop consistent quality from the agents, increase efficiency in every interaction, and provide reward programs for loyal customers. "The biggest priority was to reduce calls to live agents by addressing the top issues driving customers to call," says Lance Williams, director of Sprint's call center infrastructure. Investing in product lines, improving customer satisfaction, and increasing self-service options were other priorities.

Additionally, the company wanted to seem approachable to customers, so national advertising campaigns emphasized a streamlined approach to service, and invited customers to

The realization that non-empowered agents led to churn caused Sprint to overhaul its agent training program. Previously, agent training included six weeks of classroom instruction; training now takes an interactive approach that alternates one week of classroom training with one week of on-call practice in a controlled environment. Sprint also leverages automated training and talent management solutions from Knowlagent to deliver targeted training sessions to agents' desktops during down time. These sessions ensure that agents are up-to-date about the company's policies, programs, and procedures.

Now, within one week on the job, newly trained agents achieve the same proficiency level and performance metrics of a nine-month level agent. This has contributed to a 50 percent reduction in agent headcount, resulting in more than \$1 billion in savings. "Sprint's Care organization is now consistent in our representation, information is shared more efficiently, and the overhead to support business-critical data has substantially decreased," Williams says.

Sprint's goal from the outset was to better serve customers consistently and effectively, and metrics indicate that the

goals have been met. In addition to the improvements in customer satisfaction and drop in churn, first-call resolution has increased from 61.5 percent to 71 percent. By using analytics to build intuitive self-service within the IVR, Sprint has contained 10 million more calls in the IVR, which translates to \$45 million in savings. Overall Sprint estimates that it has realized more than \$200 million in cost savings and retained customers over the past 13 months.

While the soaring savings represent victories for Sprint, one of the greatest achievements is the company's customer satisfaction improvements in a number of industry rankings. The gains were so apparent that J.D. Power invited Hesse to deliver its keynote address at its annual Customer Service Roundtable in January.

Williams says Sprint's improvements to the customer experience could not have been possible without a team effort and the commitment of every employee. "The entire enterprise is focused on listening to our customers, reacting to their needs, and building those relationships," he says. "We will continue to improve the customer experience as it remains one of our top priorities."

The 2010 Gartner & 1to1 Media CRM Excellence Judges Included:

Ingrid C. Lindberg, *Chief Customer Experience Officer*, CIGNA

Brent Leary, *Cofounder and Partner*, CRM Essentials

Stuart Roesel, *Director of Customer Loyalty and Retention*, Earthlink

Johan Jacobs, *Research Director*, Gartner

Gareth Herschel, *Research Director*, Gartner

Matthew Goldman, *Research Vice President*, Gartner

Maryellen Abreu, *Director of Global Technical Support*, iRobot

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Congratulations

Sprint

Winner of the Gartner and 1 to1 Media
CRM Excellence Award for Customer Experience

ClickFox congratulates Sprint for their top-down vision
and commitment to the complete cross-channel customer
experience, and for demonstrating what it truly means
to be a customer-centric organization.



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