

**itSMF**  
IT Service Management Forum  
Austria

***Stop Trying to Delight  
Your Service Customers***

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*...what customers really  
want - but rarely get – is  
just a satisfactory solution  
to their service issue...*

**Why us?**  
This is an independent best practice presentation

**itSMF**  
IT Service Management Forum  
Austria

- The IT Service Management Forum (itSMF) is an **independent, international, non-profit organization** of IT Service Management (ITSM) professionals worldwide. Around the operation of IT services the itSMF collects, develops and publishes “best practice”, supports education and training, discuss the development of ITSM tools, initiates advisory ideas about ITSM and holds conventions.
- The Austrian itSMF Chapter was founded 2002.

(Remark: There are no kangaroos in Austria!)



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**Why me?**  
I like sharing experiences

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- 30 years in IT business
- 15 years in ITSM
- Engineer, MSC, MBA - all in ICT
- ITIL® Expert
- Distinguished Professional in Service Management DPSM<sup>(CM)</sup>
- Chair of itSMF Austria



▪ Please find more information here <http://itsmf.at/martin-pscheidl/>

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The Service Catalog Portal - Your window to your customer ©2014 itSMF Austria by Martin Pscheidl 3

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**XYZ Service Management**  
Service Management Not Just for IT Anymore



Paper by HDI and itSMF US  
Published in August 2014



Highlights include:

- More than half of the organizations surveyed are either applying or planning to apply service management principles in business areas outside of IT.
- ITIL is the most common set of service management practices being applied in non-IT areas.

**Which SM Principles shall we apply?**  
Let's start learning from Non-IT first!



- We all know these Service Management Principles from our ITIL books
- But what we also know is that one of the top goals the Business Alignment of many IT Service Providers is a nightmare
- So which principles shall we apply to non-IT Service Organizations?
- Or the other way around:  
Wouldn't it be better to apply the non-IT service management good practices to the IT management practices first?

**Reference Story**

provided by the Harvard Business Review



“To really win their loyalty, forget the bells and whistles and just solve their problems.”



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**About the links of customer service and loyalty**  
a study with more than 75,000 people



The Customer Contact Council, a division of the Corporate Executive Board, conducted a study of more than 75,000 people and held hundreds of structured interviews to address the following questions

- How important is customer service to loyalty?
- Which customer service activities increase loyalty, and which don't?
- Can companies increase loyalty without raising their customer service operating costs?

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### About the Research

worldwide cross industry and product or service



- “Loyalty” is the customers’ intention to continue doing business with a company, increase their spending, or say good things about it, or refrain from saying bad things.

### Findings

- **Delighting customers doesn’t build loyalty; reducing their effort—the work they must do to get their problem solved—does.**
- Acting on this insight can help improve customer service, reduce customer service costs, and decrease customer churn

### The Bad-Service Ripple Effect

negative service experiences are stronger



Service failures not only drive existing customers to defect — they also can repel prospective ones.

The research shows:

- **25%** of customers are likely to say something **positive** about their customer service experience
- **65%** are likely to speak **negatively**
- **23%** of customers who had a **positive** service interaction **told 10 or more people about it**
- **48%** of customers who had **negative** experiences **told 10 or more others**

**Obstacles All Too Common**  
so make it easy - remove obstacles!



Most customers encounter loyalty-eroding problems when they engage with customer service.

- 56% report having to **re-explain** an issue
- 57% report having to **switch** from the web to the phone
- 59% report expending moderate-to-high **effort** to resolve an issue
- 59% report being **transferred**
- 62% report having to **repeatedly contact** the company to resolve an issue

**Some companies are doing it better**  
tactics that every company should adopt



Companies that had successfully implemented low-customer-effort approaches to service are using the following five tactics

- Don't just resolve the current issue - head off the next one.
- Arm team to address the emotional side of customer interactions
- Minimize channel switching by increasing self-service channel "stickiness."
- Use feedback from disgruntled or struggling customers to reduce customer effort.
- Empower the front line to deliver a low-effort experience

**Tactic #1**

Don't just resolve the current issue— head off the next one



Build “event clusters” not only to resolve the customer’s primary issue but also to anticipate and address common downstream issues.

ITSM Examples

- Prompt “next steps” after ordering in Service Catalog
  - Knowledge Articles
  - What else to order
- Tell users on the phone about suggested next steps

In an Insurance company use case 25% of all self-service transactions on the website are now generated by similar “next issue” prompts, and calls per household have dropped by 5% since the policy began.

**Tactic #2**

Arm team to address the emotional side of customer interactions



- Prevent giving negative answers and offer solutions
- Never hide behind general company policies

How to apply to ITSM:

- Tell users of positive aspects of ordering standard services in catalog
- Don't tell it is not available! Instead tell when it will be available again.
- Prepare positive wordings for work-arounds

**Tactic #3**

Minimize channel switching



How to apply to ITSM:

- Minimize channel switching by increasing self-service channel “stickiness.”
- Build a modern Service Catalog
- Ask all questions on the order form and automate request fulfillment without asking back
- Automate approval processes
- Enhance Knowledge Management for call deflection
- Eliminate E-Mail In option

**Tactic #4**

Use feedback from customers to reduce customer effort.



How to apply to ITSM:

- Send out follow-up surveys to incidents
- Follow up negative answers to learn why and what
- Trace what customers are doing on your portal
  - Improve search results by better wording
  - Generate Knowledge articles proactive
  - Combine self-service drop-off and following phone calls



**Tactic #5**

Empower the front line to deliver a low- effort experience



How to apply to ITSM:

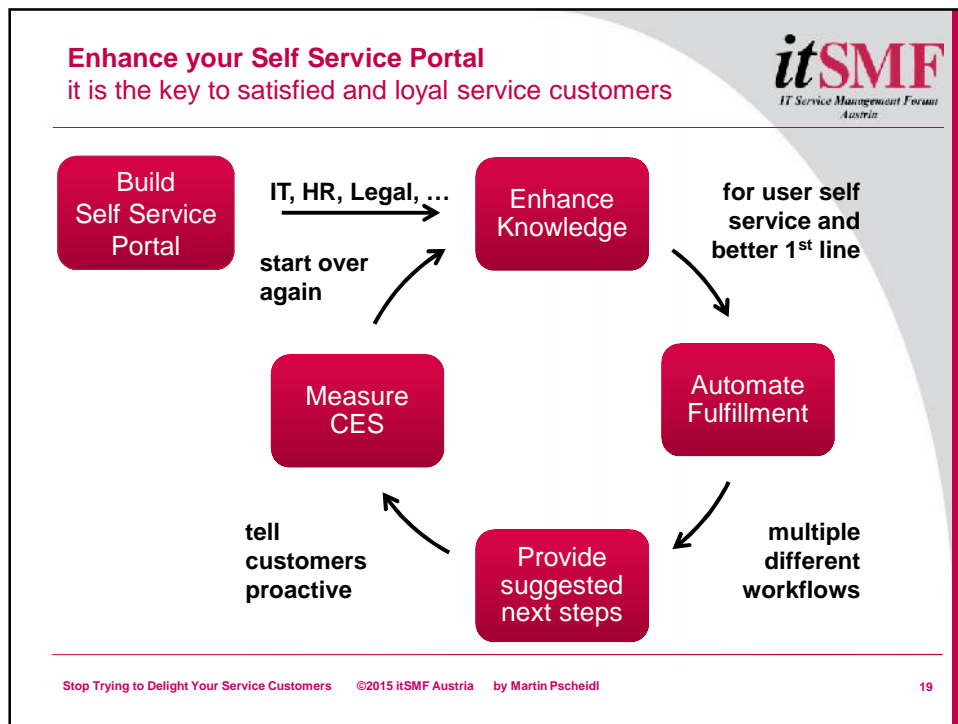
- Enhance Knowledge Management Process
- Bring Knowledge from 2<sup>nd</sup> and 3<sup>rd</sup> line to 1<sup>st</sup>
- Give 1<sup>st</sup> Line tools to solve issues
  - No system needs an 3<sup>rd</sup> line expert to reset a password
  - Provide root cause analysis to eg. via access to configuration management and cmdb
  - Provide automated healing tasks (orchestration)
  - Provide full user information: what (asset, service) does the user have, under which condition (SLA) , etc.
  - Share work-arounds

**The Service Manager's mission**

Focus the service organizations on reducing customer effort



- A massive shift is under way in terms of customers' service preferences.  
The end of phone-based service as the primary channel for customer service interactions is reality already.
- Rebuild your organizations around self-service!
- To verify success use the Customer Effort Score  
CES is measured by asking a single question: "How much effort did you personally have to put forth to handle your request?"



**Thank You!**  
Links and resources

**ATTACHMENTS**

You can find the links to [Service Management not Just for IT Anymore](#) and a pdf of this slide deck here.

Your feedback is highly appreciated! **RATE THIS**

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**Questions?**

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