



Case Study

Subject: Cyberspace HQ Technical Support

Date Range: 01/2002 - 05/2002

Purpose: Determine effectiveness of ServiceTraq on operations compared to traditional support channels.

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1 Introduction

This document represents the results Cyberspace HQ has experienced after having used ServiceTraq for a period of five months. It is important to acknowledge the fact that Cyberspace HQ is both the developer of the software and the subject of the 'self' study. While we have made an attempt to be as objective as possible, it should be noted that while we developed the software in an attempt to address the needs of a wide variety of businesses, we couldn't help but concentrate on our own needs as Software Company seeking to provide better service for other products.

Several conditions existed during the period covered that skew the results. The most notable of these is the fact that during much of the period in question, the product was in the early stages of beta testing. As can be expected, a number of bugs were discovered and addressed in this period which adversely affected the end-user's experience.

It is important to note that the skewed results are to the disadvantage of ServiceTraq. The issues we had in the early days of beta testing caused a number of problems that can be noted in this document. In analyzing the customer satisfaction results, it is clear that as the product matured, customer satisfaction reads improved. We believe that a further study into the future would show significantly better results, despite the fact that ServiceTraq has proven to be extremely effective in this study.

2 Operations before ServiceTraq

Technical support and sales were handled through phones and e-mail. Initial technical support contact was provided through a web form, which asked a series of support-related questions. However, once a customer submitted a case through the web form, the remainder of the case was handled through normal e-mail.

3 Problems that needed solving

Our system was riddled with problems. Following were the key identified issues:

3.1 Poor case management

Considering that the primary method was e-mail, without a CRM system for management, there was no way to organize cases. E-Mails were stored and sorted chronologically, with little ability to group by customer. Once a rep (csr) took a case, the case belonged to him, and should another rep handle a phone call from the customer, they had little ability to refer to past history without actually speaking to the csr that owned the case.

3.2 Poor priority handling

E-Mail and Telephone make it very difficult to prioritize issues. All cases were handled on a first come first serve basis, which affected the response time on critical issues.

3.3 Poor Routing

Due to the first come first serve issue, should an e-mail come through which needed to be routed to a different CSR, it would not be forwarded until it was read, at which time, it would go into the queue of the new csr. This slowed down case handling greatly because several csr's would have to read these messages before an answer could be provided, wasting company time and slowing response time.

3.4 Poor quality control

Management could not effectively rate the quality of a CSR without sitting behind them. The e-mail communications between a customer and CSR was difficult to monitor. On many occasions there would be a customer/CSR conflict, which management could not properly access as a result.

3.5 Poor Customer Satisfaction

The single greatest problem we experienced was lost e-mails. We regularly heard complaints that we had not responded to customer requests by e-mail. In each case, we were able to reference logs that showed that we did, in fact, respond to the customer shortly after their request. However, the company was often placed in a difficult position because you cannot shift the blame for such an occurrence to the customer. We found that lost e-mails, accidentally deleted mail, and spam filters caused a very large problem in this area.

3.6 Customer Satisfaction Surveys

In early 2001, we asked our customers to take a customer satisfaction survey, which allowed us to assess various issues, including support, sales, and product quality. The results were nothing short of shocking. While product and sales results were positive, we suffered greatly in support. The shock came in that we had a strict policy that no support e-mail would go unanswered by the close of business each day. The most common complaints were those relating to customers not receiving a response or a follow-up. When investigating the issue, we found that we were falling short in follow-up because we had poor case management, and again, the lost e-mails were a problem beyond our control, but needed to find a way to address.

4 The Search for a solution

We looked for call center/crm software that would solve our issues. Considering that much of our business came from the web, it was important to have a web-based system. While looking, everything we found was too basic, too vertical in nature, or too expensive. We quickly found that the few we found that provided at least a partial solution broke our budget requirements. Even then, the only one that addressed the unreliable nature of e-mail was several hundred thousand dollars, and extremely complex for our needs. In every case, we were either too big or too small for the solutions we found.

We decided to write the solution in-house. At first it was written exactly to our needs, but it soon became apparent that we could concentrate on opening it up and turning it into a product. Before we knew it we had a solution that was better than the crm products we looked at, and more configurable. With some changes, it could apply to various industries as well. Those changes were implemented and built on to become ServiceTraq.

5 Going Live with ServiceTraq

When we went live with ServiceTraq on our site in January 2002, we didn't make any significant change in our policy, except that we lowered our target response time from same day (with a 24 hour guarantee) to less than 2 hours. We did add all of the ServiceTraq channels to our offering, some of which we had not previously offered (such as live chat). Basically, we changed the page that hosted our support form to open ServiceTraq, and we moved all e-mail support customers to ServiceTraq as well. From the time we created a blank ServiceTraq database for our support to the time we took it live was a couple days.

The problems we encountered were all related to the fact that it was the first installation of ServiceTraq, and was considered to be a beta test.

6 Customer Reaction after going live

For the most part, customers loved the new system. We did have a number of complaints in the first few weeks, which were mostly bug-related. Again, when we went live, the system was in beta, and customers were discovering bugs. When you discount the bug-related comments, the vast majority of the customers that commented on the system gave it great praise.

Admittedly, we did have several complaints about the system as a whole. In the first five months that the system was online, we had a total of twelve people that were upset with the system. Each of these were upset before logging in, citing that they didn't want to have to log into a system in order to get support. They simply wanted to send e-mail. While we don't wish to discount the opinions of any customers, we noted this was about the same ratio of people that complained about filling out a form on our website before ServiceTraq. We sent e-mails to each, explaining the benefits the system would provide them, urging them to give it a try. Most did, and were pleasantly surprised. Two or three refused to. One was on the grounds that he refused to release any personal information, despite the fact that the only personal information would have been his e-mail address, which we already had in the e-mail he used to complain. Another cited that he didn't want to have to remember another password.

In a nutshell, the complaints we did receive were expected. Despite the fact that the system was designed to provide better service, there are always a few people that will resent change in any case. We were able to recognize that those that did complain would almost certainly have complained in any case. In looking at the abstract, the number of complaints has gone down dramatically. Nonetheless, as a result we have elected to allow people that are unwilling to use the system to use e-mail. In such cases, our new policy is that those will remain on a first come first served basis (without a 2

hour guarantee). Their cases will be maintained in ServiceTraq, but we will also use e-mail with them. Our expectation is that when they see that they are getting a response e-mail from us, as well as a case update confirmation from ServiceTraq, sooner or later they will log in to ServiceTraq and see the benefits. At this point, only one customer has needed to be handled this way.

What we found more useful than the comments was the lack of them. Before ServiceTraq, at least once per week we received a complaint from a customer citing that we had failed to respond to his case. In the five months we have been running ServiceTraq, we have not had a single such complaint. Furthermore, all he said-she said matters have been completely erased.

6.1 Exit Surveys

Perhaps the best indicator of the effect ServiceTraq has had on our operations can come from Exit Survey results. Our policy is to never close a case unless we are 100% certain it should be, or if the customer gives us the OK to close it. Customers also have the ability to close cases on their own. The last way a case can close is due to inactivity. If there has been a week of no activity, a follow-up e-mail is sent. After another week, a second is sent, and after the third week of no activity, a final e-mail is sent and the case closes automatically, explaining to the customer that he can reopen it at any time. When a case closes, ServiceTraq asks them to take a Quality Assurance Survey. The results for the 5 months are:

| 244 responses | | | |
|------------------------|-----------------|-----------------|--------------------|
| | Positive | Negative | No Response |
| Overall service | 91% | 4% | 5% |
| Timely response | 82% | 12% | 6% |
| CSR Rating | 92% | 3% | 5% |

These results were surprisingly high, considering that for the first few months, we discovered many bugs in the system. These bugs caused many cases to close prematurely, and caused some routing problems on some cases. For a more accurate representation, the following ratings show the results between April 1st and May 15th:

| 97 responses | | | |
|------------------------|-----------------|-----------------|--------------------|
| | Positive | Negative | No Response |
| Overall Service | 94% | 3% | 3% |
| Timely Response | 90% | 7% | 3% |
| CSR Rating | 95% | 2% | 3% |

More important than these results was the ability to analyze them. We were able to isolate the negative responses with a single click, and quickly view all of the case history for each one to determine which people actually fell through the cracks, which had unrealistic expectations, and which inappropriately skewed the results. For example, we

noted several that gave poor ratings on response time, while in fact, their questions were answered within minutes of the time they opened their case. The ability for us to isolate those and contact them to identify problem areas has been immeasurable. Fortunately in our case, we found that nearly all of the negative responses were made inappropriately. The rest were typically from people that were looking for free product, or had an issue that was beyond the scope of our ability to service.

To show the trend, following is a breakdown of the most recent 2 week period:

| 36 responses | | | |
|------------------------|-----------------|-----------------|--------------------|
| | Positive | Negative | No Response |
| Overall Service | 100% | 0% | 0% |
| Timely Response | 97% | 1% (1) | 0% |
| CSR Rating | 100% | 0% | 0% |

In looking at these results, the 1% negative in response time stands out considering that the person gave positive feedback on the other 2 questions. One click explains it. The case was created 6:21 PM (after hours), and was addressed at 9:18 AM. The customer provided a follow-up question during the weekend, which was responded to at 10:36 AM the following Monday. While our technical support maintains M-F, 9-5 hours, it is clear that this customer had hopes for a weekend response. Whether we react to that data or not, we now have the ability to analyze it.

The exit surveys we designed for our site also allow a free-form 'comments' response. Those that commented on the system itself had overwhelmingly positive comments. A few negative comments were made early on, which related to bugs that were being worked out in the early beta stages, but the vast majority was extremely impressed with the level of service it has allowed us to provide.

7 Effect on Operations

There was a short period in which the CSRs had a rough time. For the most part, this was attributed to getting used to a new system. For example, we previously didn't offer live chat to our customers, and we didn't track telephone cases. This caused a bit of juggling at first. As more and more cases were being handled and the CSRs got accustomed to the new system, it became very fluid.

Our response times improved significantly. We found that the detailed case history eliminated repetition, which had previously consumed a great deal of time.

Most of all, we experienced a marked improvement in CSR efficiency. Less time was being spent in case messaging than previously in e-mail, and case were closing much more quickly. For example, if a case previously required five or six message exchanges, the case may have lasted three or four days previously, while it is now lasting hours.

7.1 Comparisons

In order to make a comparison, we selected a like period of time from the previous year, in which we had a major software release (as we did during the ServiceTraq period). In both periods, the number of units sold was comparable. For the comparison period, we elected to do a total count of cases created through our web form, rather than an e-mail count. The reason for this is that we cannot get an accurate count of cases created directly through e-mail because of the mix with normal communications and ongoing case messages. Nonetheless, many cases were actually created directly in e-mail without the use of the web form for those that knew the address. Such being the case, the ServiceTraq advantage we calculate is lower than reality.

In the comparison period, 2,285 cases were created. During the ServiceTraq study period, 1,211 cases were created. This shows a minimum caseload reduction of 53% that we can attribute to ServiceTraq.

7.2 Phone

We lack detailed phone records from a comparable period of time, therefore we cannot do an accurate comparison. However, we have seen a sharp reduction in telephone traffic.

7.3 Chat

We did not offer live chat service as a support channel previously, however, we believe the chat has helped reduce our telephone load and increase our efficiency.

7.4 Self-Service

Our self-service options were previously limited to FAQs and online help. We strongly believe that the addition of the knowledge base, and its integration into the case management is heavily responsible for the sharp decline in caseload.

7.5 CSR Staff

As a result of the implementation of ServiceTraq, we have reduced our dedicated support staff by 50%, and have still managed a reduced load.

7.6 Quality Control

Quality control has been significantly enhanced. Above all, the ease with which we can analyze exit surveys has allowed us a strong handle on customer/csr relations. We have also found great value in the ability to analyze exit surveys and their relation to specific products or specific csrs. For example, we can see how the service satisfaction rates differ from product to product.

8 Effect on development

An unexpected side-effect of the ServiceTraq implementation has been with our developers. As a software company, our developers need to know issues that affect our software, which is typically passed on by technical support. ServiceTraq has given them the ability to browse cases and do searches to find common issues or common symptoms. It has given them a view into the real world use of our software that they were previously unable to achieve.

Occasionally, a developer will spot an issue in which he wants to work directly with the customer to provide a quick solution. This was previously a problem, considering that once a developer worked with a customer, the customer suddenly had a direct line to developers, causing them to attempt to go direct to programmers for support. ServiceTraq allows the developer to jump in on a case and jump out without revealing any direct method of contact.

The efficiency of our development staff has been greatly enhanced as a result.

9 Effect on Sales

At this point we cannot quantify the effect ServiceTraq has had on sales. It is highly likely that we won't be able to measure such a statistic for some time. We believe that the higher customer satisfaction ratings will translate into increased customer retention, as well as more word of mouth sales. Nonetheless, we don't believe this will be measurable for at least a year.

10 Effect on Return Rate

We compared our return rate during the study period to that of the previous year. The comparison was done in units sold against units returned, rather than dollar amount. The primary reason for this was that our average dollar amount per unit had changed between the two periods, therefore we could not get a fair comparison.

We discovered a 32% reduction in returns during the ServiceTraq period. We believe this to be directly associated with the higher customer service ratings. Our ability to turn unhappy customers has been significantly enhanced, which directly translates into fewer product refunds.

11 Conclusion

We have, without question, seen a dramatic improvement in our customer satisfaction levels, as well as a huge reduction in workload and increased efficiency. It has allowed us to reduce costs by trimming our staff requirements, and the ability to assess problems quickly and speed up response time has lowered our refund rate quite a bit.

If we would compare the savings that we can directly attribute to ServiceTraq to the cost of service had we been a customer of the product, we could establish 100% ROI after the

3rd day of each month (on a monthly, hosted contract). If we were to purchase an on-site license (annual licensing), we would establish 100% ROI at the four month point, however, our own company would not be a likely candidate for an on-site license, as our CSR count is relatively low.