



CASE FILES: Timberline Software

by Dave Brown

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Re-engineering took Timberline customer service from mediocre to award-winning in nine months; rethinking the center's work processes was key.

The Problem Expenses were soaring and customer satisfaction was declining at Timberline Software. A combination of growth and high turnover had resulted in an extremely high ratio of junior reps staffing the phones. While management struggled under the burden of constant hiring and training requirements, the company was unable to provide adequate levels of service, and customers were voicing their displeasure through a constant barrage of complaints and declining contract renewals. Timberline Software's customer support seemed out of control.

Background

Beaverton, OR-based Timberline Software (www.timberline.com) provides financial software to the construction and property management industries. From humble beginnings (a staff of four in 1971), the company has evolved into a \$55-million enterprise with more than 400 employees, and a customer base of over 25,000 worldwide. The customer support organization provides customer training and on-site consulting, but the majority of the support organization's effort is dedicated to taking customers' technical support calls, and solving problems.

Support center consolidation. Prior to my involvement, the company had undergone a complete reorganization, moving from a business-unit model to a structure based on functional departments. This forced together three previously separate support departments. While the basic functions performed by these three groups were the same, each group had developed its own management style, policies, and procedures. Forcing the groups together only highlighted their differences. The resulting discord - combined with the problems noted above - eventually convinced management to seek outside assistance.

The first thing we did when my firm was called in, was perform an "operational assessment," which took about 60 days, and confirmed that the new, consolidated support department had a number of problems. We determined that the main issues were the call handling model (process), and the new-hire training program (people). Not surprisingly, we discovered that Timberline was actually over-investing in technology. What's more, management had plans to throw even more technology at the problem. One of the first things we told them was, "Freeze! Don't buy anything else!"

We also found that more than a year after the company reorganization, Timberline's support operations were still running like three separate support centers. The centers were now under the same roof, but were physically separated in different parts of the building. Two of the centers took calls on a live, inbound basis, but the third (and largest) group used a receptionist-callback model. All three groups allowed calls to overflow to voicemail during busy periods; these calls were later entered into the call tracking system for callback.

Workflow process problems. The process also called for agents to "own" calls through to completion. While agents certainly could go to senior individuals for advice and guidance, there was no mechanism for an agent to escalate a tough problem to an individual who might be more appropriate to handle it.

We told Timberline that the call handling process itself was flawed, and that a number of factors combined to create a situation that was extremely difficult to properly staff and manage. Overall performance was therefore suffering, and service levels were far below industry averages. (The table below summarizes the company's performance at that time.)

It was clear that Timberline's customer service situation was not meeting customers' needs, because customers continually found ways to work around the process. Rather than call the main number and wait their turn in queue, customers would call or e-mail specific support reps in an effort to get faster service. Of course, by doing so, they actually "jumped in front of the line" and made the wait even worse for those waiting in queue. We interviewed customers as part of the assessment process, and 80 percent indicated they were "very dissatisfied" with the promptness of service they received when calling Timberline's customer support center.

Furthermore, since much of the workload did not follow the defined process (customers were circumventing it and going directly to reps), key information regarding call volumes, traffic patterns, and other workload metrics was not accurately captured. But Timberline's performance measurements were based on the defined process (call queues), so data regarding calls or e-mails that went around the queues was not captured. This made it difficult to properly forecast staffing requirements, which then perpetuated the performance problems and caused customers to find ways around the bottleneck. It was a cycle that would continue to feed upon itself - unless we could find a way to break it. Although Timberline Customer Support was struggling and unable to provide adequate service, we determined that the center had enough people to provide excellent support, if we could just make the process more efficient.

Hiring and training. There was another major issue affecting Timberline's service performance, however: the high ratio of "newbies" (the center's term for newly hired support reps). Due to growth and high turnover, Timberline was faced with a constant stream of newbies. In fact, more than two-thirds of its 100-plus agents had been on the job less than one year. Compounding that challenge was a training program that lasted almost three months, and yet did not properly prepare agents for handling customer issues. Agents typically did not become competent until they had been on the job for six months or more!

The major flaw in the training program was that it included all 16 of Timberline's software "modules." Since the call handling process wasn't designed to route calls based on agent skills, Timberline compensated by trying to ensure that any agent could handle any call. The training program therefore resulted in a very shallow understanding of each module. To make matters worse, the program primarily provided instruction about the product from the perspective of how it worked (similar to user training); it did not prepare agents for all of the things that might go wrong with the product, or for troubleshooting and correcting problems. And, because they received no customer service skills training, agents were not prepared to deal with the everyday challenges of phone support, such as calming irate customers and then diplomatically solving problems.

The bottom line. Remember the earlier point about agents "owning" calls? Well, take into consideration the high ratio of junior agents and their lack of in-depth training, then add the directive that an agent must work on a problem until he solves it, and what do you get? You get average handle times that are approximately double what they should be, which further compounds the challenges of meeting service level targets. Oh, did I say "targets"? I almost forgot - there were no stated service level targets. Are you getting the picture? Timberline needed help.

The Re-engineering Process >

From the day we presented our assessment findings and subsequent recommendations, Timberline's management team took less than 30 days to make the decision to re-engineer their customer support organization. They committed to the arduous task of re-thinking virtually every one of the center's work processes, with the goal of streamlining and improving each and every business practice. Management agreed to follow our team-based approach and, essentially, allow the people who do the work to redesign how they do it. We began a nine-month program that included biweekly on-site sessions with Timberline management and the re-engineering teams.

Timberline dubbed the project "Focus on the Customer" (FOTC), and launched it with a half-day off-site meeting that included every member of the 125-plus support department. The CEO set the tone by saying that he wanted Timberline Support to be recognized as the best in the industry, and he wanted service to become a positive differentiator from the competition. The group spent the day learning about re-engineering and the team project approach, and preparing for the task ahead.

The teams. Over the course of the project, numerous teams were assembled to address different aspects of the re-engineering effort. The teams were dubbed Vision/Mission Statement, Call Flow Analysis, Severity & Escalation, Communications, Employee Training, Information Technology/Tools, Performance Measurement & Employee Recognition, Career Paths, and Knowledge Management. The "lifespan" of each team was approximately one to six months, and each of the teams met weekly during that time period.

At the heart of the project was the Call Flow Analysis team. Members of this team were charged with collecting all of the necessary information about the incoming calls, analyzing the workload, and then designing a new model that would optimize the process. This was a painstaking effort that primarily made use of "tick sheets" (manually completed by every agent for every call) to build a profile of the workload. [For specifics on tick sheets, review "Re-engineering Part 4: Data Collection and Analysis" July/August 2000 CUSTOMER Support Management.] Collecting data in this fashion is an iterative process, and Timberline Support went through four tick sheet versions, each one further refining and defining the workload profile.

Once the workload was understood, with our help the team designed a model that would categorize each inbound call by having the caller make a few choices on a short voice-menu system. We limited the menu to a maximum of three questions and six possible choices presented to each customer. A giant flowchart mapped how the calls would be sorted and routed. It included the estimated number of calls that would flow through each branch, the estimated handling time for each type of call, and the required level of staffing for each unique skill.

The Call Flow team then worked with the Technology/Tools team to implement skills-based routing (SBR). This final system "knew" which agent had what level of expertise on each product, and routed calls accordingly. Both of these teams worked with the Training team to evaluate each agent's skill level so that it could be programmed into the SBR system. The resulting complexity (100 agents x any combination of 16 potential skills x 3 levels of expertise on each skill = thousands of possible profiles) motivated the technology team to pursue the purchase of an automated workforce management (WFM) system. They eventually chose to implement Blue Pumpkin Software (www.bluepumpkin.com) to schedule the agents based on the predicted call-arrival patterns and the individual agent profiles.

After seven months of intensive re-engineering, Timberline went live with its new model. Another two months of fine-tuning ensued, but dramatic results were in evidence immediately.

Results

SBR success. To determine the customer's need, Timberline now routes each call through a short series of voice menus. The customer's selections are used to route the call to the best-qualified available agent, using a sophisticated skills-based routing system. By routing calls to specific agents based on the agent's capabilities, the agents are no longer required to know every module. Since customers now reach an agent with the needed skills, average call handle times have been cut in half, and first-contact resolution has increased to an impressive 84 percent! If an agent is unable to resolve a client issue, she now has a process that allows her to escalate the issue to the proper resource. (Not surprisingly, customers don't miss the live receptionist at all, nor did they exhibit any resistance to the new IVR menus; Timberline's customers wanted to get to the problem solvers quickly, and the new processes and systems enable that.)

Training triumphs. Because of the process changes - specifically the skills-based routing - agents no longer need to be trained on every module before they can go on the phones. Even the initial training time for new agents has been cut to four weeks. The training now includes troubleshooting, problem solving, and customer service training (soft skills), complete with simulated phone calls. Agents are now fully prepared when they move to the phones. Once they've achieved proficiency on the phones (typically one to three months), they return to training to add additional modules to their skills portfolio. The continuous training program is ongoing throughout agents' careers in Timberline Support. The agents love the new training model because it is of their own design - and it works!

Satisfied customers; value to the company. Most importantly, the customers are happy. Prior to the re-engineering initiative, on a scale of 1 to 5 (5 = exceptional service) only slightly more than half (54 percent) of Timberline's customers rated promptness of service at 4 or above - what I would consider a very poor rating. After re-engineering, an impressive 80 percent of customers rated Timberline at 4 or above.

And the company itself has recognized tremendous return on investment from the improvement effort. The resulting efficiencies have decreased the number of agents from the forecasted 138 to the current 107 CSRs. That's a 22 percent reduction in required headcount, and a direct savings of \$1.4 million in the year following the initiative! At the same time, Timberline's service revenues increased by a whopping 54 percent - from \$12.2 million to \$18.8 million (1999 year-end revenue figures).

Service excellence recognition. How successful has Timberline's FOTC project been? Well, soon after the support group completed its re-engineering initiative, the project was named as a semi-finalist in the USA Today/Rochester Institute of Technology Quality Cup Competition. Timberline then went on to win "Most Improved Support Organization" in the software support industry's prestigious award program, the STAR (Software Technical Assistance Recognition) Awards, awarded by the Software Support Professionals Association. But the recognition hasn't stopped there: Carol Vega, Timberline's senior vice president of Customer Support - and the leader behind the entire re-engineering effort - is this year's recipient of the "Service/Support Management Creativity" Award, presented by the Association for Services Management International. Now that's what I call a real return on investment! Looking at Timberline Customer Support today, it's hard to imagine that less than two years ago, the group was performing poorly, and struggling. Would technology for technology's sake have helped this organization? Not a chance. Process re-engineering was the key.

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