Reposition your company's Customer Service function from cost center to revenue driver while improving customer satisfaction

Context

We have seen COVID-19 dramatically alter customers' purchasing habits in all industries. As face-to-face interactions have diminished, Customer Service (CS) functions across the US were faced with a new set of challenges. Whether a shift from B2B to D2C orders, to phone orders now being taken in lieu of sales visits, many CS teams were not equipped with the necessary people, processes and systems to handle the increased demand for their services. As businesses enter the post-COVID environment, our clients have the opportunity to reposition CS from cost center to revenue driver, while lowering cost-to-serve and improving customer satisfaction.

Common challenges & issues

COVID's impact on CS has varied across industries. However, we are seeing common challenges in many companies:

- Salespeople taking on additional administrative tasks (and less customer time) as CS teams are not equipped to handle increased activity
- As individual large-volume B2B orders are replaced with multiple lower-volume D2C orders, CS teams are unable to keep up

- Experienced CS team members have an intimate understanding of customer requirements and issues, yet this knowledge is not always leveraged to improve service levels and/or sales
- Companies have struggled to retain experienced and talented CS employees, who grow frustrated with outdated systems and processes that cause re-work
- Technology not being leveraged to reduce manual labor, improve productivity and enhance the customer experience
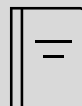
Helping our clients

Our objective in working with Customer Service teams is three-fold:

1. Improve customer service levels
2. Lower the cost-to-serve
3. Generate incremental sales

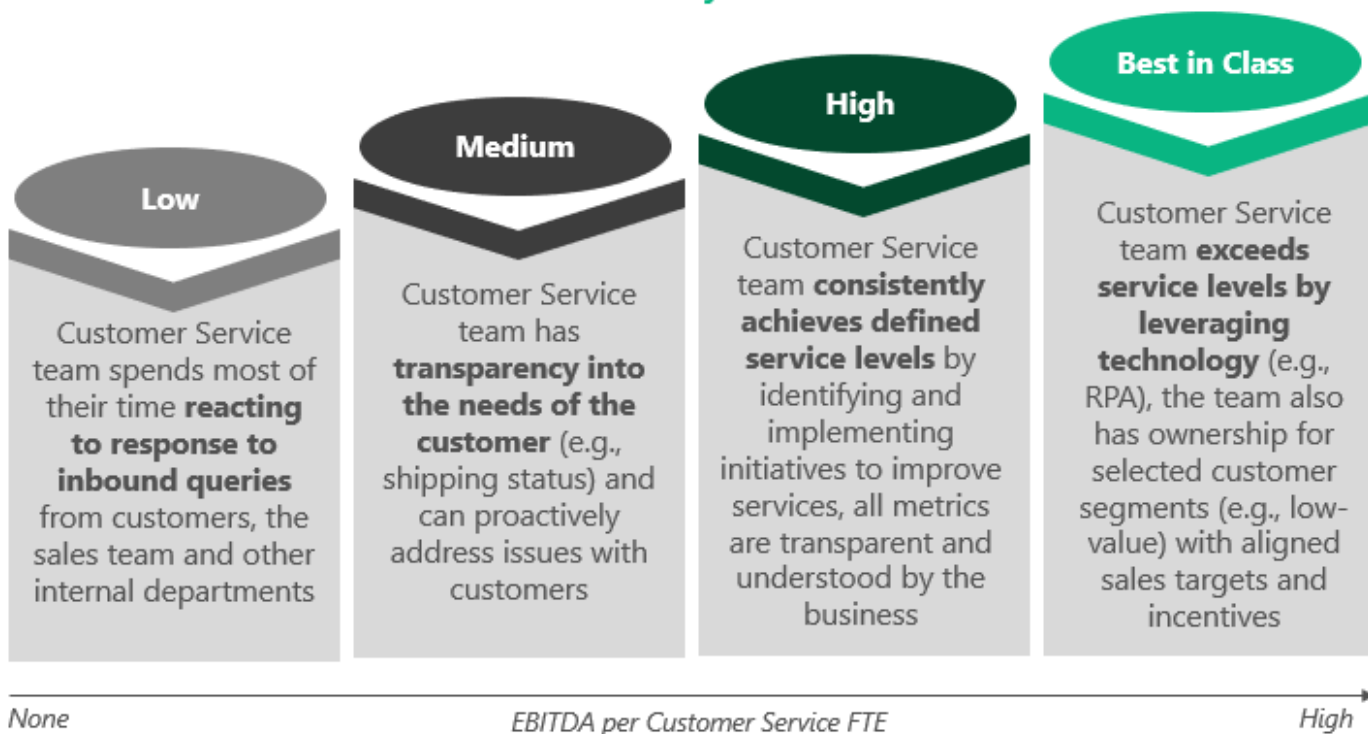Working alongside management over a 2–4-week period, our team will use our Customer Service Maturity Model to:

- Assess the current state of the CS team, including strategy, process, people and systems
- Obtain alignment with management and key CS stakeholders on the current state
- Identify and quantify opportunities to move the CS team along the maturity curve
- Develop a roadmap with management and CS stakeholders
- Recommend the supporting KPI's, reporting and review meetings to ensure changes to the CS team are converting to the bottom-line

Customer Service Maturity Model

Maturity Level

Low

Customer Service team spends most of their time **reacting to response to inbound queries** from customers, the sales team and other internal departments

Medium

Customer Service team has **transparency into the needs of the customer** (e.g., shipping status) and can proactively address issues with customers

High

Customer Service team **consistently achieves defined service levels** by identifying and implementing initiatives to improve services, all metrics are transparent and understood by the business

Best in Class

Customer Service team **exceeds service levels by leveraging technology** (e.g., RPA), the team also has ownership for selected customer segments (e.g., low-value) with aligned sales targets and incentives

None   EBITDA per Customer Service FTE   High

Consumer Products

15% reduction in sales labor costs

Context

A manufacturer and distributor of home goods products needed to reduce its cost base due to declining sales brought on by the COVID pandemic. As part of an overall cost reduction program, MERU was engaged to redesign the sales and customer service operating model to reduce costs while maintaining customer service levels

Key findings

- Sales account managers were spending 35% - 45% of their time on low-value account activities, all of which could be undertaken by the CS team at a lower cost
- Each CS team member manually ran their own status reports for key customers, despite the company having an ERP system that could automatically produce the reports
- CS team had intimate knowledge of customer accounts and knew where there were opportunities to increase sales, but were not encouraged or incentivized to sell

Our support

- Designed and implemented a new CS model, including a defined account allocation, transfer of low value-tasks from sales to CS team, and creation of CS sales incentives
- Selected best practice processes and trained employees
- Automated reporting using the existing ERP

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