



Customer Contact eBulletin

*A quarterly eBulletin from the people who bring you the
Customer Contact Executive MindXchange series.*

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"Tell me and I forget. Teach me and I may remember. Involve me and I learn." — Benjamin Franklin

Whirlpool's Groundbreaking 'Customer Experience Center'

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At the recent Customer Contact event in Bonita Springs, Fla., Whirlpool executive Lynn Holmgren spoke eloquently about how Whirlpool created and carried out a plan for improving the outcome of customer interactions. In the process they created a new model for developing contact center leadership.

The first step, she pointed out, was to use research to fully understand what was driving customer behaviors and tailor the strategic improvement plan to a verified understanding of how customers think of the various Whirlpool brands. Whirlpool, a \$17 billion company, has multiple appliance lines, some derived from acquired companies, such as Maytag. Research showed that customers had very different views — and expectations — of service delivery across the brand lines, and they expressed different loyalty behaviors, depending on which brand they were using.

One of the most interesting findings was that, within certain parameters, customers focus more on the quality of the interaction than the promptness of answering the call. And not all of the metrics that are tallied by contact centers loom the same in the minds of customers. For example, taking a long time to answer a call may do less damage to the customer experience than multiple repair visits onsite. And multiple interactions have a compounding effect, starting with the failure of a product, the ability of a caller to get "satisfaction" by phone, and culminating in the success (or failure) of a site visit. A true picture of customer loyalty has to include the complete spectrum of interactions, not all of them by phone.

With all that in mind, Holmgren's group at Whirlpool set out to transform their contact center into a full-fledged "customer experience center." The transformation involved changing more than just technologies: Whirlpool had to change the way the organization thought about the processes and people who handled the interactions. For example, agent incentives were expanded. Instead of just rewarding reps based on efficiency and cost containment, Whirlpool added incentives based on customer retention, satisfaction and revenue. Likewise, the company moved from a fragmented customer information system (with little or no analytical capability) to one that relied on active mining of customer data for insights.

The long-term strategy, begun in 2006, started with an emphasis on people, gradually expanding to processes and technologies and, in 2009, building on all the improved infrastructure to focus on boosting service quality, differentiated by brand.

At the core of Whirlpool's plan is an employee-focused culture that emphasized the benefits of developing agents' skills and in the service of a professional and profitable customer experience, and Whirlpool's agent training program, which means a significant upfront investment in each new agent by the company, is a key factor in Whirlpool's successful transformation.

Also key was an effort to push decision-making and negotiation with the customer to the front-line reps, which drove escalation rates down and increased first-call resolution and overall customer satisfaction.

Holmgren also reported on Whirlpool's successful efforts to integrate an agent-at-home program into their overall customer satisfaction plan. She said that there was an astounding 160% ROI as a result of a multi-year project. The at-home agents take more calls per hour and have 6.2% more available time than the in-center agents. Overall, the efficiencies resulted in savings of \$1.7 million in 2008. And it gives Whirlpool's customer care operation room to grow by allowing them to tap new demographics for labor, and to use space more efficiently.

Perhaps most important to the long term strength of the contact center is the development of a long-term career path for customer-experienced staff. Holmgren says that the center is a source of management talent for the broader organization. The development program includes outside educational advancement.

In a Six Sigma based process, employee feedback on processes is solicited. At Whirlpool, agents receive incentives based on company savings generated by their suggestions. This has generated \$2.5 million in savings, and the company has actually implemented 30% of the 1,800 suggestions received from staff so far.

The process of building this successful system took four steps, Holmgren says:

1. *Understand your levers and your customers' expectations. For that you need research, and an understanding of the corporate strategy you are trying to align to.*



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2. *Set a long-term strategy and plan for its execution.* For Whirlpool, that meant gaining internal financial credibility, showing ongoing progress towards goals and asking for investment.
3. *Set objectives and support your staff on the way to those objectives.*
4. *Become the organization that is benchmarked.* That meant selling successes to other areas of the company, and continually expanding the value of the customer care operation.

It was undoubtedly an ambitious project, but in planning far enough out and knowing how to quantify the revenue effects of boosting customer care, Whirlpool has taken some giant steps in a positive direction.