

Kepner-Tregoe Service Value Management™



Customer Service as a Profit Center™

“KT made it possible to **uncover great savings** without reducing staff and disrupting the organization.”

— *Ray Miko, VP Organizational Development,
Ricoh Corporation*

“We have been able to solve customer problems in **half the time** where we’ve engaged and **used the KT process.**”

—*Mark Hayden, Global Program Manager
and Six Sigma Black Belt, Sun Microsystems*



Transforming the Customer Experience:

KT Service Value Management



Service Value Management (SVM™) is about more than providing your customers with high-quality and world-class support; it's about transforming the **customer experience**. Face it, in today's highly connected world, good customer support just doesn't cut it; and one customer experience has the power to affect many others. Service organizations need to transform from traditional **customer support to customer service and from cost centers to profit centers**.



At Kepner-Tregoe (KT), we take a holistic, systematic approach to creating business value by making service a direct, profound driver of revenue and profit.

What is Customer Lifetime Value?



If you had to put a single dollar value on a customer, what would that be? That dollar value is Customer Lifetime Value (CLV), the present value of all future cash flows attributed directly to your relationship with that customer. Focusing on CLV allows you to make decisions that align your service organization with your company's strategy and achieve your targeted bottom-line results.

“Since we started using KT to improve our **problem-solving operations**, we have cut our costs by a six-digit figure.”

—Ulrich Tews, Dell, Technical Escalation Manager

“Service requests now pass from one engineer to another with **maximum efficiency**, and the engineers have a systematic process to **crack even the toughest problems.**”

—Customer Support Leader, IT



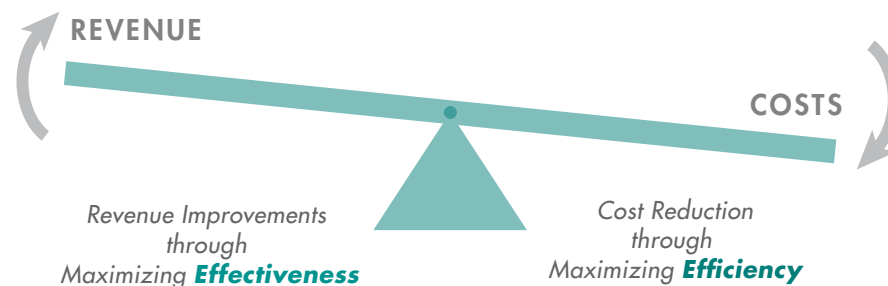
Service Management in Transition

Today's customer service landscape is changing rapidly:

- Corporate and service strategies are evolving from a product centric to a solution and customer centric business model
- Customer service needs to be able to support the rapid evolution of converging technologies and multi-vendor, multi-product services
- To achieve higher effectiveness and efficiency, companies operating at a multi-site/ multi-national/global level require a high level of consistency in how they deliver their services
- In a buyer's market, quality and speed of service have become the most important drivers of customer satisfaction
- The 10-year ACSI* customer satisfaction study has revealed the significant relationship between customer retention, profitability and shareholder value

Strategy, processes, people, and systems need to be realigned to deal with the considerable challenges and opportunities brought about by the change. KT supports you in addressing the right variables in this equation that will have the most impact on your service revenue streams and service delivery costs.

From Cost Center to Profit Center



* American Customer Satisfaction Index

“Because we partnered with KT, we are in a much **better position to leverage change** and make it work for us.”

—*Senior Manager*

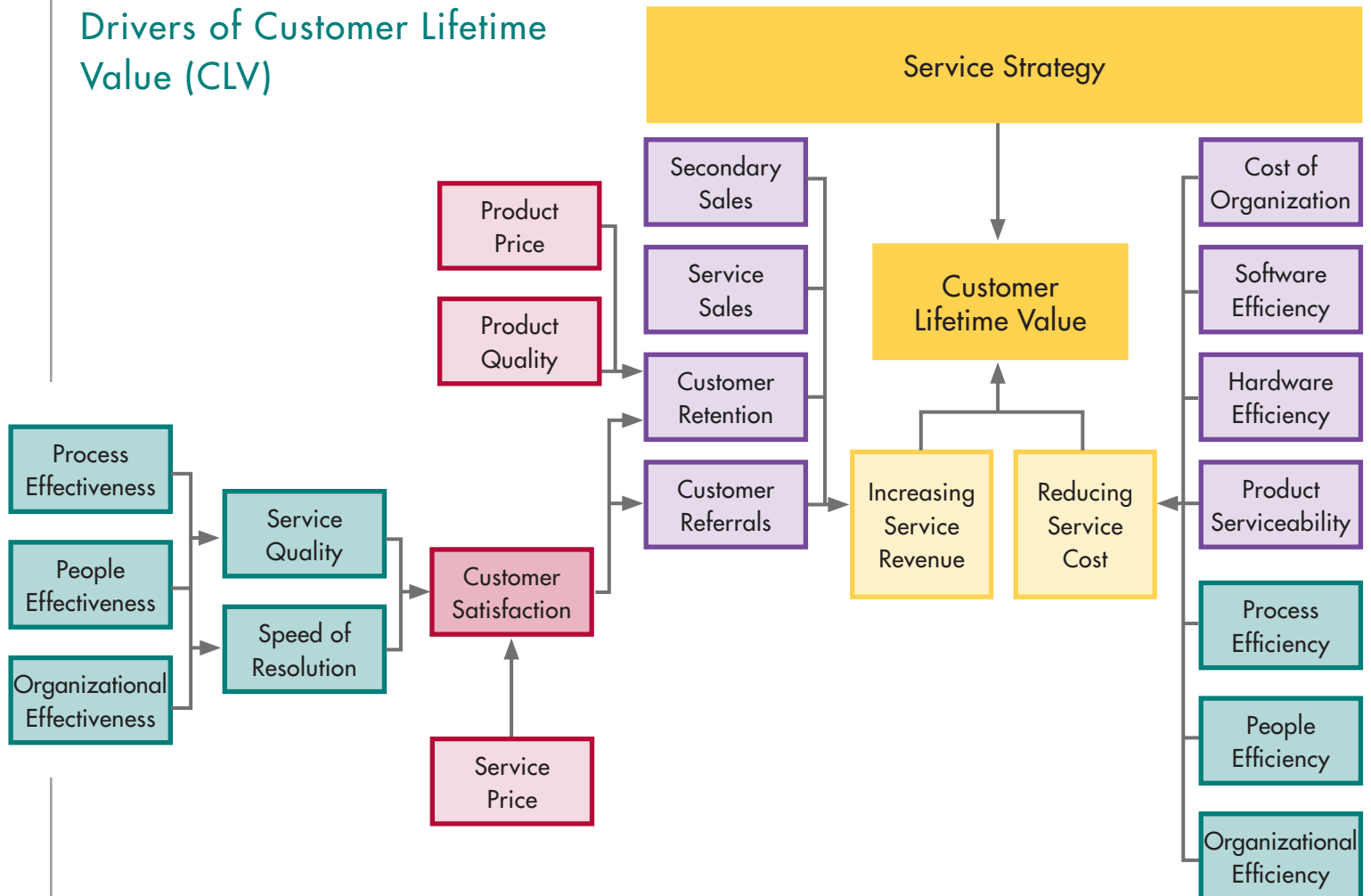
“I was **astounded** by the work accomplished.”

—*Country Support Manager*

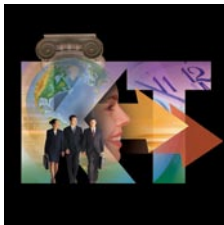


At KT, we understand how organizations work – in fact, we even wrote a best-selling book on it (*How Organizations Work* by Alan Brache, KT Vice President, Client Solution and Design). Based on our 50 years of experience in improving business performance, we created an analysis tool that helps identify how you can most effectively and quickly increase CLV from both a revenue and cost perspective. From this analysis, we can provide a modular suite of solutions to address specific issues that affect the core value drivers. These drivers provide the framework for our Service Value Management model.

Drivers of Customer Lifetime Value (CLV)

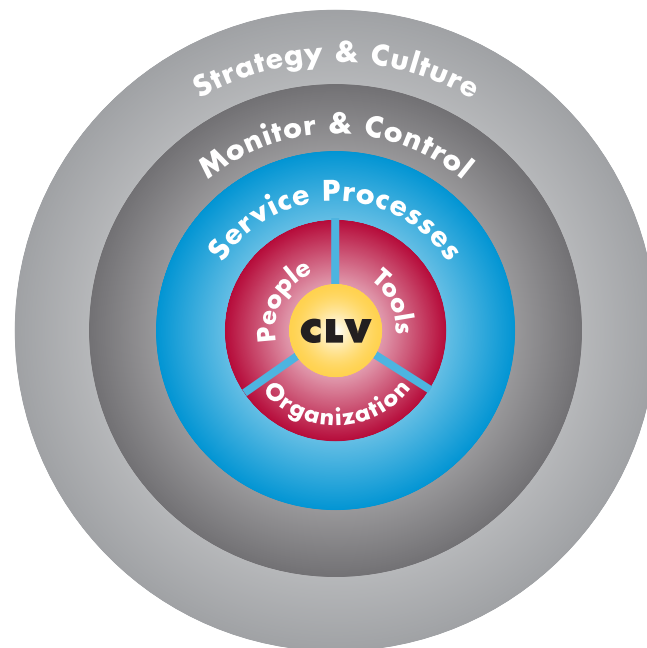


Service Value Management Model



We understand the complexity of consistently delivering high-quality, world-class service and support. With so many factors affecting CLV, our Service Value Management model focuses on the six key drivers that contribute most to CLV: Strategy and Culture, Monitor and Control, Service Processes, People, Tools, and Organization.

This model brings clarity to improvement efforts by providing a logical framework for identifying the actions that can most influence CLV.



Within each of the key areas that drive CLV, KT offers a range of services that are customized to your specific needs.

KT SVM

	Management Solutions	Service Modules	
Strategy & Culture	Aligning the focus of your service organization with your corporate strategy and developing a competitive advantage	<i>Vision and Guiding Principles</i> <i>Customer and Service Segmentation</i> <i>Competitive Advantage</i> <i>Corporate Alignment</i>	<i>Service Delivery Method</i> <i>Implementation Planning</i> <i>Internal and External Communication</i> <i>Risk Analysis</i>
Monitoring & Control	Establishing the value dashboard for effectively managing the performance of your service organization	<i>Key Performance Indicators</i> <i>Customer Feedback</i> <i>SLA/OLA/BLA</i> <i>Project Portfolio Performance</i>	<i>Employee Feedback</i> <i>Creating & Optimizing the Value Dashboard</i>
Service Processes	Delivering value to your customers through best-in-class troubleshooting and service delivery	<i>Service Recovery Management</i> <i>Root Cause Analysis and Corrective Actions</i> <i>Escalation Process</i> <i>Service Continuity Management</i> <i>Change and Release Management</i>	<i>External Interface Management</i> <i>Project Portfolio Management</i> <i>ITIL Implementation</i> <i>Lean Implementation</i>
People	Maximizing the capability of people—your core asset—in line with roles and responsibilities	<i>Troubleshooting Skills</i> <i>Customer Handling Skills</i> <i>Management Skills</i> <i>Facilitation Skills</i>	<i>Incident Mapping</i> <i>Project Management</i> <i>Coaching Skills</i> <i>eLearning</i>
Tools	Leveraging your tools to enable your service processes and build knowledge	<i>Tool Selection</i> <i>Case Management Design</i> <i>Knowledge Centered Support</i>	<i>eThink®</i> <i>Project Logic®</i>
Organization	Developing organization structure and systems that actively facilitate your service strategy and processes	<i>Organizational Structure</i> <i>Performance System</i> <i>Job Specification</i>	<i>Staff Selection</i> <i>Career Path Development</i>

“There are 10,000 companies who can help you create strategy. But there are few who can really bring that **strategy into action.**”

— *W.Heine, Organization Development Director, Sara Lee*

“My **backlog** has been reduced over 65%. I can spend more time on other **customer issues.**”

— *Customer Support Engineer*



Getting Started with SVM...

... is a step-by-step process that reduces complexity and works against clear priorities.

Here is a quick roadmap to implementing SVM:

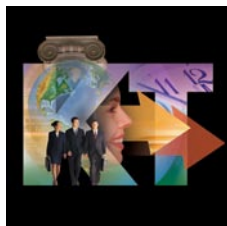


Step 1 – Analyze: KT performs an organizational SVM “Health Check” to benchmark your service environment and identify strengths and weaknesses within the framework of our SVM model.



Step 2 – Design: Based on this analysis, we design modular solutions that will have the most impact, both strategically and financially. We calculate areas of greatest ROI, and we work with you to create a strong business case for implementing targeted improvements.

Step 3 – Deliver: An implementation team drawn from KT and your organization implements these targeted solutions guided by KT’s strong project management skills and using our systematic processes to achieve operational improvements.



Step 4 – Document: In addition to monitoring progress throughout the engagement, we document, analyze and review the results with you.

Step 5 – Sustain: Our programs are designed to ingrain continuous improvement and sustainable practices within your organization. Opportunities are identified for building on success and further improve performance.

Who has succeeded

The KT Way?

Partial List: Canon Sales Co., Inc. Citigroup, Inc.

Dell Computer Corporation EDS Corporation

Fujitsu, Ltd. IBM Corporation J.P. Morgan

Chase & Co. Motorola, Inc. Nokia-Siemens-

Networks Novell, Inc. Oracle Corporation

Ricoh Corporation Scientific-Atlanta, Inc.

Siemens AG Seagate Technology, Inc. Sun

Microsystems, Inc. Tokyo Electron Ltd.

Why Kepner-Tregoe?



KT is the world's leading troubleshooting company and we have 50 years of history to prove it. KT ResolveSM, our acclaimed troubleshooting approach, has been implemented in support organizations worldwide. Our strategic and operational improvement processes have been recognized as best-practice by ITIL[®] (IT Infrastructure Library) and industry leaders in service and support. These approaches are enhanced by our cross-cultural delivery capability and our client-customized solutions model.

KT works collaboratively with you, bringing together the top talent, skills and ideas from both your organization and ours to produce sustainable results that improve your bottom line.

Examples of Client Results

IBM Rational	Reduced backlog by 25% Increased Customer Satisfaction by 4%
Dell Computer Corporations	41% reduction in aged calls
Sun Microsystems	Saved customers 1,200 years in waiting time Average time to resolution for internally escalated cases reduced by 52%
Global IT Company	Reduced the cost of support by 40%
Siemens	Increased customer satisfaction to an all-time high Reduced backlog of complex cases by 60%

KT

SERVICE VALUE MANAGEMENT

CUSTOMER SERVICE AS A PROFIT CENTER

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