

How an IT Company strengthened the relationship with its key accounts

Client Situation

One of the leading IT companies, engaged in the area of telecommunications network equipment and services, experienced decreasing revenues and difficulties in realizing further cross selling opportunities among its B2B-customers. Additionally, the sales representatives and project managers received more and more negative feedback from their customers.

In this difficult situation, the management of the company decided to start a comprehensive Customer Improvement Pro-

gramme which was organized as a staff unit for the next two years.

As a first step, the manager of the Programme needed to understand the reasons for the low customer satisfaction and retention better in order to be able to act on it. In the previous two years no deeper information about the customers' needs had been gathered. That's why it was immediately clear to the Programme manager that a new market survey was required. He contacted several institutes which he knew from previous projects.

In the end, TNS Infratest could



convince the IT company with the presentation of the adequate solution: TRI*M Customer Retention and, beyond the pure customer retention measurement, a TRI*M Mirror Analysis.



TNS proposed to conduct the TRI*M Mirror Analysis after the manager of the Customer Improvement Programme had mentioned that one of the company's units might overestimate its ability to fulfil customer needs. In the Mirror Analysis, not only the customers are interviewed but also the employees answer the same questions from the customers' point of view. Afterwards, the two perspectives on the customer experience can be compared.

TRI*M Mirror Analysis is particular suitable in a B2B context where the relationships between customers and employees can be assigned – and hence be compared – to each other quite easily. As the questionnaire and its programming is already available from the customer part it is also a very cost efficient solution with high added value.

TNS Solution and Results

Both, the TRI*M Customer Retention Study as well as the the Mirror Analysis were setup as an online survey.

In a first step, the survey was focussed on one of the most important customers of the IT company, a mobile communications provider. 227 employees of this customer – from the corporate management over project managers to the legal department – were invited to take part in the survey. For the Mirror Analysis another 52 employees of the IT company who work mainly or exclusively for this customer received an invitation.

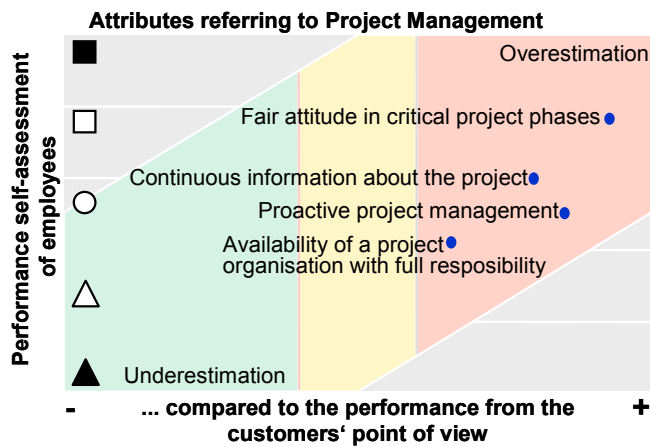
The analysis of the data showed a very disappointing result. With an overall TRI*M Index for customer retention of 27, the IT company was rated clearly below its competitors which were also evaluated in this survey. On the average the competitors who were also supplying IT products and services to the same customer were rated with an index of 63. Additionally, compared to the external TRI*M benchmark database the IT company was ranked within the bottom 10% (in this case, European IT companies were chosen as a benchmark based on 27.500 TRI*M interviews).

Nevertheless, after a view on the ratings given by the employees in the Mirror Analysis the really low TRI*M Index was not surprising any more: With an index of 29, they had at least assessed the customer retention intensity quite well.

A detailed analysis showed that the employees were aware of the bad customer relationship in respect of most aspects, but not in one area which turned out to be also very important to the customer: the project management. The employees of the IT company clearly overestimated their performance from the customers' perspective (see an extract in fig.1).

After the analysis, an action development workshop took place, which was facilitated by TNS. At first, not all employees of the IT company could be convinced when showing the results from the customer's point of view. For some of them, the picture still seemed to be a little bit too abstract and anonymous at first glance. But when they saw their evaluations given in the Mirror Analysis – which in most cases matched with the customers' view – all realized that it was their own results which they had to work with in order to

Fig 1: TRI*M Mirror Analysis (extract of results)

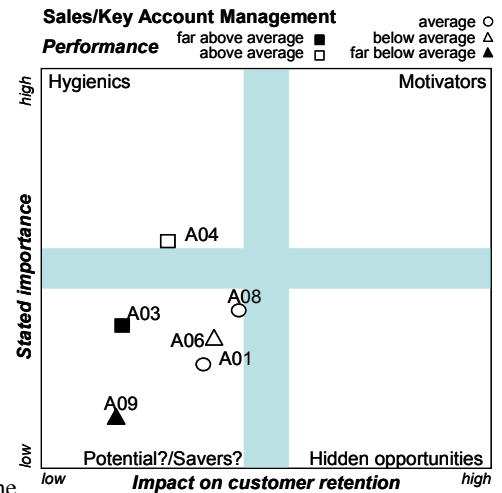


improve themselves. Then, also the discrepancy discovered for the project management was plausible for them and appropriate actions could be taken.

Another interesting result could be found in respect of the key account management and sales organisation. Here, most elements were positioned in the bottom left box of the TRI*M Grid (see fig.2) although key account management normally plays a much more im-

portant role in this industry. The reasons behind this position, particularly of the item A09, could be revealed only in the action development workshop. It was due to an unclear assignment of tasks and responsibility between the on-site project management and the sales representatives of the IT company. As these elements were also rated comparably low, it was clear that the IT company urgently had to act on this problem.

Fig. 2: TRI*M Grid (extract of results)



- A01 Clear responsibilities within the sales organisation
- A03 Availability of employees
- A04 Contact persons understand business requirements
- A06 Scope for decision-making of on-site employees
- A08 Ability to provide solutions to customer requirements
- A09 Proactive development of solutions by sales reps

Client Benefit

The examples described above as well as the full picture of the results clearly showed that the IT company had to improve its processes whereas e.g. the competency of its staff was rated quite well.

It was mainly the organisational structure and coordination at the interface between key account management, project team and client that caused the problems. Based on the survey findings, the manager of the Customer Improvement Programme took several extensive measures: e.g.

account manager's responsibilities and the tasks of the on-site project teams were revised to provide a flexible and proactive customer interface.

Within the follow-up process, the IT company even presented the results to their customer. This helped to demonstrate that they are interested in a long-term partnership with its customer and willing to discuss problems openly.

The second wave of the survey in the following year showed an improvement of the overall retention level but also the areas where further action had to be taken.



About TRI*M™

TRI*M (**M**easure, **M**anage, **M**onitor) is a unique, proven approach to mapping stakeholder information to your company's decision-making processes. It is customised to your needs and applicable to all kinds of stakeholder relationships. In the past three years, 45 of Fortune 100 companies have used TRI*M. TRI*M gives you...

- Quick, clear, strategic insight and unparalleled benchmarks
- The right priorities to fix the right things
- Action planning that is the bridge to your customers' experience

About TNS

TNS is a leading global provider of market information. We collect, analyse and interpret information to help our clients better understand the needs and wants of their customers. We provide research, advice and insight on market segmentation, advertising and communications, new product development, brand performance and stakeholder management. We are also one of the leading providers of social and political polling. From our global network, which spans 70 countries, we provide

local expertise and knowledge together with internationally consistent information and analysis to multi-national organisations. TNS is listed on the London Stock Exchange (TNN).

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