



Case Study

Customer Database Content management

Situation

Company Y operates in whole Europe and provides products which are used as well by business customers as by private households. In most European countries the company runs its own sales offices which are responsible for a large number of customers.

Each sales office used to maintain its own customer database. As the sales force continuously complained about the quality of the contents of the database, an internal study was started. It revealed the following:

- Too slow: new customer data are not entered in time to allow timely order processing and credit checking, especially at month end.
- No substitutes: the work is done by only few persons, in many countries by a single person. When a person is not in the office, the update is delayed due to lack of organized backup.
- Data inconsistency: the countries do not fully adhere to the standard data coding guidelines, and misuse data fields. As a consequence, the data cannot be used in downstream systems.
- Cost: the database maintenance is typically done by the credit and collection department, whose employees are generally overqualified and overpaid for this kind of activity.
- Process not managed: The company has no clear information on the customer database maintenance process cost, turnaround time, and data quality.

Based on the results of the study, company Y has decided to analyze whether the operations could be centralized, possibly in a location with favorable salary structures, and has contacted APT for a possible outsourcing solution.

Feasibility Assessment

Two representatives of Company Y and two representatives of the APT group were in charge of studying the feasibility issues. Based on prior experience with similar cases it became soon clear that no major challenges occurred from the point of view of technology and processes and that the customer database maintenance work could be done remotely.

The team also expected that country resistance would be limited, as most of the employees doing the work could be moved to other activities and the few exceptions would be solved by natural attrition. Therefore management of change would be rather simple.

The feasibility assessment identified the following most critical issues:

- Information Collection: To reach optimum productivity, an Information Collection Tool would have to be developed which permits the country operations to collect the information in a consistent manner.
- Language Knowledge: an excellent level of English, French, German, Italian, Spanish and also Dutch had to be guaranteed.

- Data Confidentiality: EU legislation puts restrictions on collection of personal data in a foreign country which must be handled properly. Also some customers may have reservations.

Company Y initially intended to extend the service in native language also to Nordic countries, but the feasibility assessment advised against this request because it would be extremely difficult to hire sufficient people speaking Nordic languages at reasonable conditions.

The feasibility assessment also contained a cost estimation and suggested a methodology to handle the transfer smoothly. From the point of view of timing it was proposed to transfer one country per month.

Based on the feasibility assessment, Company Y decided to implement the proposal made by APT directly without a further analysis and test phase.

Transfer

The transfer phase was characterized by intensive cooperation between the concerned entities of Company Y and APT. A small team was assembled to manage the project, with a user project manager from Company Y with excellent knowledge of the process and access to decision makers. Major tasks to ramp up operations in Bucharest were:

- A team of ten employees was hired, making sure that any required language would be spoken by at least two people. Dutch speaking employees were more difficult to find, but could finally also be hired.
- Setup of the required infrastructure, including IT systems
- Intensive training of the supervisor and then training of all employees by the supervisor with the assistance of the user project manager;
- Ramp up of operations country by country. The first country was particularly carefully selected, in order to minimize risks and to demonstrate an early success.

The transfer of the operations went smoothly. As expected, country resistance was low because most of the employees could be moved to other activities and as the change to a remote operation had only minor impacts on the user's way of working.

Solution

One year after the first discussions with APT, the content of the customer databases of all country operations is managed in the service center in Bucharest. Most country operations transmit the information to the service center by means of the new information collection tool, where it is processed by APT. APT employees access directly to the systems of Company Y by means of remote accesses.

The acceptance of the Information Collection Tool within the country operations is not yet satisfactory. Meanwhile some country operations like Italy use it at 100 %; some other country operations still send information by e-mail, which has a considerable negative impact on productivity.

Despite this, the management of Company Y is extremely satisfied:

- Turnover time targets are met in 99.5 % of all transactions, resulting in increased satisfaction of the sales department.
- Language knowledge of the team in Bucharest meets expectations and there are no communication problems with the country operations.
- A focused team with substitutes is in place.
- Better and more consistent data offer new opportunities for customer reports.
- Cost per transaction is reduced by more than 50 %, resulting in a future potential saving of 250'000 € per year.
- Monthly process measures to supervise operations are available in terms of:
 - Number of transactions;
 - Turnover time statistics;
 - Productivity : transactions per head;
 - Cost per transaction.

Outlook

The usage of the Information Collection Tool needs to be re-enforced to improve productivity and data consistency. Company Y also plans to expand the activity of the APT team and to involve it in marketing and advertising activities using customer data.

In addition to that, it is envisaged to introduce billing by transaction, which would provide a variable cost structure to Company Y.



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