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O₂





Most people have a mobile phone or a smartphone (or more than one), so with little new business available, O₂ works hard on existing customers. The industry norm is that about 14% of customers switch regularly based on price. It's difficult (and arguably not desirable) to retain these most price-sensitive customers, as they tend to come and go, opting for whoever seems cheapest at the time. O₂ therefore focuses on keeping and nurturing its good customers, but a strategy's no good if it only exists in the boardroom – it's got to live, breathe and happen throughout the organisation. For this to happen your people have to understand the strategy, buy into it and want to make it happen. This article is about how O₂ achieves that, especially at Preston Brook, one of its four UK contact centres.

O₂'s Internal Communications Manager, Sarah Darlington, takes up the story.



Sarah Darlington
Internal Communications Manager

Customers and Fans

O₂'s core strategy is all about making existing customers highly satisfied to build their loyalty. To engage and inspire our people it's presented and described in terms of 'fans and fandom'. Customers think but fans feel. A customer will carry out a transaction that's all logic: 'I'll choose this because it's cheaper.' It's a process you go through because your head tells you to. A fan will trust you, forgive you and talk about you to their friends. They'll try everything you've got to offer and they'll

always choose you first. That's why we want fans at O₂.

Of course, if our people are not fans of the business, they're not likely to inspire customers to become fans, so it all starts with engaging our people. Preston Brook has over 1,800 people, mainly in customer service, divided into teams of 13 to 15. The building is purpose built, very modern, light and airy. Despite the fact that 1,600 people can be on the phone it's surprisingly

quiet and calm. The working environment is also extremely tidy because everyone has their own briefcase that they bring out at the start of their shift and pack away at the end. Most briefcases are personalised with photos etc but on the whole, desks are tidy and ready for any chance of desk sharing should O₂ need to take on more staff. Preston Brook is an in-bound call centre. There are few outbound calls.



Fanclub

Our people will never be fans unless they're completely up to date with the company, its products and what's happening around O₂ to improve customer satisfaction. Things like the £1 million a day invested in improving the network, the development of new online self-service benefits and 'International Favourites', a friends and families proposition offering deep discounts on international calls. In The Street (see later) there are opportunities for employees to use O₂ products.

For our Chief Executive, Ronan Dunn, turning customers into fans is a key corporate target. Consequently, much has been invested in training our people about the how and why of turning customers into fans. There are six steps to turning a customer into a fan:

- 1. Highly satisfied – customers have to score 80+ on the CSI, which is made up of three elements:**
 - General satisfaction
 - The degree to which we meet expectations
 - Closeness to the ideal operator
- 2. Loyal – defined as extremely likely to stay with us**
- 3. Would definitely recommend us to friends, family, colleagues**
- 4. Strongly agree that we surprise and delight them**
- 5. Completely trust us to do the right thing by them**
- 6. Would definitely give us a second chance if we made a mistake**

According to Ronan Dunn:

“**FOCUSING ON FANS IS ABSOLUTELY THE RIGHT STRATEGY BUT WHEN IT COMES TO CREATING FANS, WE CAN'T LEAVE ANYTHING OUT. THEY MIGHT BE VERY SATISFIED, LOYAL, SURPRISED AND DELIGHTED; THEY MIGHT RECOMMEND US TO A FRIEND AND GIVE US A SECOND CHANCE. BUT A FAN WHO IS ALL THESE THINGS BUT DOESN'T TRUST US IS LIKE STICKY TOFFEE PUDDING WITHOUT THE STICKY TOFFEE. IT'S JUST NOT THERE YET. KEEP THINKING FANS, FANS, FANS. WE CAN AND WILL REACH OUR GOAL IF WE PULL TOGETHER AND DELIVER THE RIGHT EXPERIENCE FOR OUR CUSTOMERS.**”

Customer Satisfaction

This is by far O₂'s most visible MI. O₂ is not obsessed with typical call centre metrics like number of callers waiting or average call duration. The right people are still monitoring the call duration etc but it's definitely not given the same attention as customer satisfaction within the operation. O₂ has two measures of customer satisfaction:

(1) See The Signs

'See the Signs' is a full-blown annual customer satisfaction telephone survey. Strategic in focus, these results are for senior managers to understand what's driving customer satisfaction. This helps



senior management to understand the areas that O₂'s people need to focus on. As a result, overall satisfaction, knowledge of the call handler plus their friendliness and helpfulness are important and continuously tracked through the second survey.

(2) See The Moment

The 'See the Moment' survey is the most important MI to all teams across the contact centre. This is a short real time text survey that is sent at random to 10% of the callers. The text is sent within 24 hours of the customer's call (often straight away). O₂ achieves a 25% response rate (which is pretty good for text surveys). This means that each call handler receives about 20 to 30 survey responses each month – sufficient to provide a good indication of how satisfied or dissatisfied they are making their customers feel. Getting top box scores from customers is very important and is given high visibility across the contact centre.

All call handlers, team leaders and customer service managers have access to their 'See The Moment' results. Everyone has a 'See The Moment' target that is linked to reward. As you would imagine an appeals process needs to be in place for the inevitable problems. For example a call handler can request a response to be removed because they only spoke to a customer for 10 seconds before transferring the call.

- Everyone across the business has the same targets/goals and are rewarded if they achieve them.
- A call handler must reach their target to qualify for a bonus
- A team leader must have 80% of their team reaching their target to qualify for a bonus
- A customer service manager must have 80% of their teams reaching their target to qualify for a bonus.

Coaching

The 'See The Moment' targets are deliberately focused on the performance of individual call handlers. The alternative would be for a call handler to have a target

that's a percentage top box, for the team leader to have an average percentage top box and so on for the customer service managers. However, insisting that at least 80% of the call handlers and teams have to meet their target highlights to team leaders and managers every single call handler or team that is below target. This means that poor performance is always addressed on a one-to-one basis rather than making company-wide appeals for all employees to improve an average statistic that individuals don't really see as their personal responsibility. Consequently, even call handlers with previous good performance can't take their current month's customer satisfaction score for granted.

Nor can team leaders or customer service managers take their peoples' performance for granted. Coaching is extremely important at O₂ and the 'See The Moment' system is another factor that encourages team leaders to do it. Typically team leaders spend four hours each month in one-to-one coaching. As well as listening to calls and providing immediate feedback and coaching on call handler performance, the one-to-ones also review personal development plans. All team leaders have training in coaching skills.

Balanced Scorecard

At O₂ we use a balanced scorecard including the following key measures:

- **'See The Moment' Survey Results**
- **Call Observation.**
Here a manager listens to and scores 3-4 calls each month (the monitored calls cannot be part of the 'See The Moment' results). A person from another team then listens to the call and checks the manager's scoring, so there is a fair system monitored by peers.
- **Customer Facing Time.**
All call handlers have to spend the majority of their time as 'talk time' which is a very high percentage of time on the phone speaking to customers. This has led to increased call duration but happier customers. There does have to be a balance with managing cost but

importantly call handlers are not worrying about meeting call duration targets but are more focused on looking after customers.

- **Leadership Impact Survey.**

Every call handler has a quarterly short questionnaire to complete to say when they last had feedback, coaching etc and this is used as a KPI for team leaders and customer service managers.

Employee Engagement

Preston Brook is primarily a contact centre site. By definition therefore, traditional promotion opportunities away from the phones are limited. That means we have to work hard to provide lots of other career and personal development opportunities to engage and retain our people. The starting point is to make sure that the O₂ brand is something employees are proud of. This is where fans and fandom come in. As I said before, if our people are not fans of O₂, they won't inspire customers to become fans and they'll leave sooner, which is costly for the company. We have therefore developed lots of initiatives to engage our people such as 'The Street', 'Think Big' 'Funsters' and 'Stepping Stones', and employee engagement is a key metric against which our managers are judged.

Stepping Stones

The Stepping Stones website is where employees can identify development opportunities. These include conventional promotion opportunities where a customer service advisor could become a 'Lead Advisor', dealing with escalation calls and championing new initiatives. Beyond that a Lead Advisor could become a Team Leader. There are also secondment opportunities within O₂ and lots of personal development initiatives. O₂ has a strong sense of responsibility towards the community. Called Think Big, O₂ encourages its employees to get involved in initiatives that help local communities – the people and / or the environment. Better still for personal development, employees can propose projects, lead them and apply for funding and secondment hours to implement them.



Think Big

The Think Big website encourages people to “think up a big idea, for you, your community or your surroundings”. People can then apply for support, which could include up to £2,500 (paid in stages as project milestones are hit), free O₂ broadband for a year, phone credits, a laptop for the project group and other support from O₂ helpers. Projects include ‘Youth News and Views’, a newsletter to promote the achievements of local young people and to address relevant issues such as binge drinking or finding work. Other Think Big projects include Environment and Me, Green Streets, Act on Bullying and Homework Club plus many more.



The Funsters

At O₂ employee engagement isn't just about work being a place where you can develop it's geared just as much to work being a place where you have fun. So much so that Preston Brook has two official ‘funsters’ (another development opportunity) just helping to implement employee engagement ideas, and making sure that they're aligned with O₂ culture and values. Many engagement activities are focused on the team - a pod of 13 to 15 people who become very close. It's well established that having good relationships with work colleagues is a key driver of employee engagement and that effective team working drives business performance. Teams therefore have night out budgets and, at Christmas, in addition to everyone getting a hamper, teams have a budget to organise a festive team night out. The funsters help to organise team social events, partly because they have the expertise and time but also to ensure

that they all have the same O₂ look and feel. Much of the funsters' work, however, involves the whole site, especially activities centred on ‘The Street’.

The Street

Running through the middle of the contact centre is an area called The Street – one of the achievements that gives me the most satisfaction. I feel very strongly that a key part of employee engagement is demonstrating to employees that the company really cares for them and that work is about people as well as business. One of the things we've done at Preston Brook is to make sure that commercial messages appear only in work areas and that The Street is all about People and Planet. Work areas are for work. The Street is for our people. It uses visual aids to tell stories about Preston Brook, its people and its Think Big achievements. It includes anything that people have done well, e.g. raising money for charity. There are lots of photos of people and lots of individual stories.

The street is also used as an area to recognise desirable behaviours, so there are public presentations of recognition, such as live ‘Shout Outs’ where people can recognise each other or Head of Site, Gareth Pickles gives public praise for good work or presents official awards such as a cus-



tommer promise pin badge and certificate for going the extra mile for customers or for specific achievements linked to one of the customer promises. For outstanding performance he might also award prizes like shopping vouchers or tickets for a concert at an O₂ arena.

The key thing about The Street is that it's ‘about the employees for the employees’. So, for example, local shops can be invited in to display and sell products. Music is popular and encouraged. There are ‘Green Music’ stations where iPods can be docked and employees can listen to and share music. They're green because they work off vibration not electricity. If the planet as well as the people part of People and Planet can be promoted that's a win-win. Other recent Street events have been a six-track Scalextric and an Old School Arcade with lots of 70s and 80s generation games machines like space invaders. Funsters also try to source everything locally so it's good for the community and good for carbon footprint – People and Planet.

Theme Days

As sponsor of the O₂ Arena and Academies, there are lots of possibilities for employee engagement activities in con-



nection to music and other events. Some events, however, are home productions such as the 'I'm a Celebrity' event for charity starring senior managers. Halloween saw everyone dressing their pods up. The World Cup was a major themed event last summer. The centre was decorated with flags of the world, there was a prize for the best dressed pod and all the matches were shown on The Street with free pizzas, fresh fruit and ice lollies available. In work areas the plasma screens switched from the normal commercial messages to live pictures during matches. It all contributed to making work a great place to be during the event and ensured that, unlike most organisations, Preston Brook had no increase at all in absenteeism during the tournament.

1880

1880 is a key corporate target. It's how many customers we must turn into fans each week to reach the '1 million fans' target by the end of 2011. As we saw earlier in the article, there are lots of soft benefits in having fans but there's also hard business reasoning behind the fans concept. At O₂ we know that:

- Fans are three times more likely to stay with us
- Fans are extremely likely to recommend O₂
- Fans will spend an average of £500 over a lifetime rather than £200

Fanclub

This is an online site that allows employees to recognise colleagues that have done something that's good and shouldn't go unnoticed for turning customers into fans linked to the six elements of the Customer Promise. It's O₂'s internal equivalent of a social networking site, allowing all employees to log on, see what's going on and what other employees are doing as well as nominating anyone who deserves recognition. A post is called an 'applause'. You can't 'applaud' yourself, but an employee who's done something to delight a customer can be applauded by a colleague.

£1880 bonus

The 1880 weekly target sounds large, but it only equates to each employee creating one new fan per week and there is a prize for employees that have done something great towards to the 1880 target. Announced every Wednesday by email, the weekly winner is the employee who has received the best 'applause' on Fanclub 1880. The prize is £1880 and the winner has three choices.

Option 1: £1880 worth of holiday vouchers

Option 2: £1880 for a team night out.

Option 3: Give it back to the community via the 'Big Think' project.

Most people keep the holiday vouchers, but not all, and it does make people think.

A great place to work

Making Preston Brook a great place to work is good for our people, good for our customers and good for the business. With a 5 year average length of service for an advisor, the contact centre has much lower attrition rates than most call centres. The people focused leadership of Gareth Pickles has played a large part in this. As well as the great retention rates, Preston Brook had the first individual winner on 1880 and the first Team award, which we achieved for volunteer work undertaken through Think Big. In addition, Preston Brook's balanced scorecard measures are all in the green and we have the best employee engagement survey scores of all four UK contact centre sites.

