

*Recession-Proof Your Service & Support
Organization*

*Leveraging Remote Service & Support
Technology to Cut Costs and Increase Revenue*

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EXECUTIVE SUMMARY

2009 is shaping up to be the most challenging year for technology firms since the tech crash of 2001. As the US economic crisis spreads globally, service and support management knows what lies ahead: budget cuts and belt tightening. The good news is that service revenues have become the economic engine for both software and hardware firms, so the indiscriminate cuts to service operations we saw in 2001 will not happen in 2009. However, the bad news is that service organizations must also find ways to further streamline operations, as well as increase service revenues—not easy after a decade of ‘working smarter not harder’ has created highly productive, extremely lean service and support operations.

Remote service and support technology offers a unique solution to this challenge. Not only can innovative remote control and remote support capabilities further enhance efficiencies such as average talk time and first contact resolution, but many technology companies are leveraging remote service and support to offer a new catalog of for-fee services, driving up service revenues with no additional costs. Additionally, unlike many areas of customer service and support technology, remote service and support offers fast and highly measurable return on investment—typically in less than a year, and often in as short as three to six months. High tech firms should evaluate what’s new in the latest generations of remote service and support technology, and identify ways that remote service and support can improve operational costs and revenues—even for already highly tuned service and support organizations.

SERVICES BECOME THE ECONOMIC ENGINE FOR TECHNOLOGY FIRMS

For high tech executives, 2009 is going to feel a lot like 2001. As during the harsh economic times following the tech crash in 2001-2002, Wall Street’s appetite for risk is low, there are fewer new customer deals, and each of those takes longer to close and may involve higher than average discounting. With revenue growth uncertain, all areas of the enterprise will be asked to cut costs and streamline operations in 2009. But unlike in 2001, service and support organizations are much better positioned today to not only defend existing budgets, but also to push for incremental investments where the return on investment (ROI) will be fast and measurable. What has changed?

- **Service revenues have grown.** In 1999 services revenue comprised a third of overall revenue for software companies and less than a fourth of revenues for hardware companies. As professional services organizations have matured, offering more comprehensive implementation options, and support organizations have introduced additional for-fee Value-Added Services, services revenues have rapidly increased. As of 2008, software firms now recognized an average of 57%

of revenue from services; hardware firms now receive 37% of total revenue from services.

- **Focus shifts from customer acquisition to customer retention.** During tough economic times, technology companies shift their focus from customer acquisition to customer retention. With fewer new customer deals, there is increased competition for each deal, and often the winner is the vendor willing to offer the deepest discount—making each new deal less profitable. With large portions of revenue coming from existing customers, shifting attention toward customer retention makes sense: not only are satisfied customers more likely to repurchase, they also serve as valuable references for both Wall Street analysts and future customers.
- **Service and support is identified as core, not context.** More technology companies today understand that servicing customers must be a core competency—an area worthy of investment, not something to be downsized, outsourced and ignored. Wall Street is also paying attention, with customer satisfaction and loyalty scores now included in corporate financial reporting.

While it is true that service and support organizations today have more visibility and influence than in years past, these departments are not immune to the impacts of a down economy. In fact, a recent informal poll of Service & Support Professionals Association (SSPA) and Technical Professional Services Association (TPSA) members indicated that a full 80% have been asked to amend their 2009 budgets due to the current economic recession impacting North America and spreading to Europe and Asia.

After years of process refinement, today's service and support teams are already efficient, and there is very little waste left to eliminate. In the following sections, how remote service and support technology can be used to both lower costs and increase services revenues will be explored, including real-world examples of business results achieved with innovative remote capabilities.

LEVERAGING REMOTE SERVICE AND SUPPORT TO CUT COSTS

Even highly effective, streamlined service and support departments can find ways to further reduce costs, and leveraging innovative technology is a primary way to take a high performing organization to the next level. Though seeking approval for new technology purchases will offer challenges during times of cost cutting, focusing on products such as remote service and support technology with clear, measurable and rapid ROI will help overcome spending objections, especially when a bullet-proof business case can be defined up front. In this section, how remote service and support technology can be used to cut costs in the following areas will be examined:

- **Improving key support metrics.** Targeting operational metrics for improvement is a smart way to cut costs and improve overall service levels to customers. Remote service and support technology can have dramatic impacts on critical support metrics such as average talk time and first contact resolution rate.
- **Enabling a virtual workforce.** There are many advantages to remote or at-home workers, including lower employee costs and a larger pool of talent to consider, but challenges arise with the training, coaching and monitoring of remote employees. The most advanced remote service and support technology addresses these issues with tools for employee training and collaboration and supervisor quality monitoring.
- **Eliminating onsite visits.** Rolling a truck for a field service visit, or flying a consultant out for a system configuration or upgrade, is a major expense for service and support operations. Remote service and support technology eliminates the need for many onsite visits by allowing full access to remote equipment to check and adjust settings, install or upgrade software, etc., providing the same level of control as an in-person visit.

Make Dramatic Improvements to Key Support Metrics

Improving key metrics not only cut costs, but offers a better customer experience. Instead of trying to shave costs across the board to meet a company mandated budget adjustment, identify specific metrics needing improvement that will offer substantial and easily documented savings through increased employee productivity. Remote service and support technology has a long history of improving many of the key operational metrics all support operations track, and the latest versions of remote service and support products have new features that can even further impact core metrics such average talk time, first contact resolution rate, incident escalations and even customer satisfaction.

First Contact Resolution

When customers are surveyed for what they most want in a support experience, having a smart, efficient agent that solves their problem on the first interaction is at the top of the list. First call (for phone support) or first contact (for multi-channel support) resolution, then, is a great indicator of the health of a support organization. Besides being a major contributor to customer satisfaction, increasing first contact resolution creates significant cost savings for the support organization through:

Eclipsys Improves FCR by 10%

More than 1,500 healthcare facilities rely on software solutions from SSPA Member Eclipsys for clinical, financial and management information. With highly customizable solutions, trouble shooting complex software problems was difficult over the phone, so Eclipsys implemented Citrix GoToAssist for their nearly 200 product support representatives. The results have been impressive: First Call Resolution (FCR) has increased by a full 10%, average incident handling time has dropped 40%, and improvements have been made to both customer and employee satisfaction.

- **Decreasing interactions.** When issues can be resolved on the first interaction with the customer, subsequent phone calls and emails are eliminated. Multiple callbacks or email interactions drive up incident handling time, and subsequently incident cost.
- **Cutting incident handling time.** When issues can be resolved quickly, on the first interaction, average incident handling time goes down, freeing up agents to handle more incidents per shift so agent productivity is increased.
- **Reducing escalations.** Issues resolved on the first interaction are not escalated to Level 2 or beyond, cutting the number of incidents escalated to these more expensive support tiers.

Remote service and support technology increases first contact resolution by allowing agents to take control of a customer desktop to quickly diagnose and resolve the issue, collecting all needed information in the first interaction.

Average Talk Time

Average talk time is derived from automatic call distribution (ACD) systems that track how long an agent or tech support engineer is connected to the customer via phone. Alternately, some companies measure incident handling time, which includes after call work time, such as researching the problem and updating the case notes. The average time agents spend on each interaction is a base metric that influences many aspects of support operations, including:

- **Capacity.** If interaction times are shorter, agents handle more interactions per shift, and overall capacity of the support operation is increased with the same staffing levels. Capacity is a key metric in calculating staffing levels and predicting staffing needs for future volume peaks.
- **Customer hold times.** When talk time decreases and agent productivity increases, inbound interactions are processed faster, reducing customer hold times.

Remote service and support technology decreases average talk time by streamlining problem identification and resolution. By allowing agents

Ultimate Software Cuts Call Handling Time by 50%

SSPA Member
Ultimate Software creates Web-based payroll and workforce management software. An early attempt at remote control software wasn't successful—the package was cumbersome to use and saw little adoption by support techs. Ultimate made the decision to switch to Citrix GoToAssist, and the user adoption problems have vanished. GoToAssist is now used in nearly half of all support incidents, and average call handling time has dropped a staggering 50%. Because GoToAssist is a key technology that enables representatives to resolve issues accurately the first time, the company now resolves 95% of customer issues at the tier one support level.

to investigate problems directly using remote control, instead of walking customers through diagnostic questions and processes, talk time for issues in which remote service and support is leveraged typically trend down. Also, if additional research needs to be performed to resolve the issue, the agent can automatically pull customer system logs into the support case to study after the call, cutting the actual time spent on the phone with the customer.

Escalations

Issues that cannot be resolved at Level 1 are escalated to Level 2, and as calls escalate to higher levels, the cost of the incident increases. By increasing training and adding additional tools, companies attempt to increase the number of issues resolved at Level 1, and over time, shift resources so that a higher percentage of agents reside at Level 1. Reducing escalations cuts operating costs by having the most cost effective resources resolving issues.

According to the SSPA Benchmark database, enterprise support (B2B) companies average less than half of staff, 47% at Tier 1. Higher tiers involve more skilled agents with higher salaries, handling the most complex issues. Consumer support (B2C) companies, with lower average complexity of products and issues, have a much higher percentage of agents, 70%, at Tier 1. Small to medium enterprise support (SME) averages 50% of agents at Tier 1.

Calculating cost savings by reducing escalations involves understanding the current cost of resolving incidents at each tier, and figuring the reduced cost of resolving a higher percentage of issues at lower tiers.

Customer Satisfaction

While hard-dollar metrics like decreased talk time and escalations lend themselves to a clear ROI calculations, improvements to soft metrics should also be included when building the business case for remote service and support. In particular, customer satisfaction. Though it is difficult to create a formula showing the bottom line impacts of increasing customer satisfaction, support executives do look at average satisfaction scores as a key component in measuring quality and effectiveness of support. And with incentive compensation for support management and agents tied to satisfaction scores in most organizations, it is easy to encourage user adoption for new tools that promise increases in satisfaction scores.

Limehouse Software Achieves 88% Customer Satisfaction

Limehouse Software, a leading supplier of collaboration, document creation, publishing and consultation solutions, implemented Citrix GoToAssist in 2005 to assist support techs who were struggling to interpret complex system issues by phone alone. GoToAssist has played a key role in enabling Limehouse Software to achieve 88% customer satisfaction in a recent Dunn and Bradstreet customer survey, which measured the company's products and services. Because Limehouse Software technicians can now deliver support sessions remotely, the company has been able to dramatically increase the number of customers it can service, without increasing resources. The interactivity provided by the GoToAssist technology has also enabled Limehouse to educate customers as part of the support process.

Additionally, during times of cost cutting, tracking customer satisfaction is especially important to understand how any changes to support processes, staffing or hours is impacting the customer base. Remote service and support technology impacts customer satisfaction through:

- **Improved service levels.** The operational metrics already discussed, average talk time and first contact resolution, are major influences to customer satisfaction. When a customer issue is resolved quickly, efficiently, and on the first interaction, satisfaction scores will climb.
- **Transparency.** Companies using remote service and support say that customers enjoy using the tool, as they can follow along and see exactly what the agent is doing. According to Heath Propper, director of technical support for Ultimate Software, customers have responded enthusiastically to Ultimate's use of Citrix GoToAssist. "Customers often ask us to start a GoToAssist session as soon as the call begins."
- **Security.** Remote service and support software includes a number of security features to put customers at ease about having their systems accessed remotely. Customers are prompted to approve the remote access, with options to share only one window or application, or their entire desktop. Also, a complete record of the session is recorded for audit purposes, in case there are ever complaints from customers about unauthorized access.

With many factors influencing customer satisfaction, it may seem risky to directly contribute an overall rise in satisfaction to the use of remote service and support. However, some companies report that satisfaction scores are higher on average for cases resolved using remote service and support.

Lower Expenses by Enabling a Virtual Workforce

The advent of IP telephony has made a dramatic change to support centers, allowing technical support engineers to work from home while their work activities are still captured and auditable. With even the Wall Street Journal advising companies to cut costs by closing offices and telling everyone to work from home, we expect to see massive adoption of at-home support workers in 2009 and beyond.¹

The challenge, however, is to find ways for at-home employees to fully participate in all support programs and processes, putting pressure on companies to monitor remote agents to identify opportunities for training and coaching, and to find ways to keep these

technical support engineers (TSEs) up to speed on policies and new technical information. Remote service and support technology can enable a virtual workforce by allowing support management to understand the complete picture of the employee, even when they are working remotely; and identify training needs of remote engineers and/or streamline remote training delivery. Look for these leading-edge remote service and support capabilities:

- **Agent to agent chat.** When an agent has a question about a customer issue, allowing them to quickly access a peer or expert will enable the customer to receive their answer fast and on the first interaction. But support employees working from home can't lean across the aisle or flag down a supervisor to ask a question. To keep talk times down and avoid call backs, look for agent to agent chat features that allow the agent to ping any coworker, regardless of location, to get a quick answer to a question. Additionally, some remote service and support platforms even allow the peer agent to join the remote control session, so they have the complete context of the situation, and can see an error message or decision point and instantly give input.
- **Supervisor silent monitoring.** The single biggest concern of support managers about remote employees is how to ensure customers receive the same level of service quality from at-home agents as they do from agents in a support center. Some remote service and support platforms include supervisor silent monitoring, so managers can select any remote control session in progress and both hear the phone conversation between agent and customer and see what is happening on the screen. This allows supervisors to selectively monitor at-home employees to verify all procedures are being followed.

The supervisor can also make their presence known, and take over the session if necessary. This is particularly useful if the supervisor notices a remote control session is going on longer than usual, and they discover the agent has encountered a problem they cannot resolve on their own. In this situation, the supervisor can take control, resolve the issue for the customer, and eliminate an escalation to a more expensive support resource.

- **Session recording.** Taking a page from the quality monitoring (QM) world, some best of breed QM features are now available in innovative remote service and support platforms. In particular, session recording, which records the entire customer interaction, including the customer phone conversation and the remote control screen session. This is an ideal way for managers to selectively review and gauge the quality of interactions for remote employees.

Session recording also fills a training gap for remote workers who can't be easily pulled into a conference room for a refresher. When supervisors identify remote control sessions in which agents handled complex issues (or difficult customers) extremely well, the session recording can be forwarded to other agents to review as a training device. Seeing how a peer agent handled a real-world problem successfully can be a much more effective training tool than theoretical examples or role playing.

Cutting Costs by Eliminating Onsite Visits

One of the most costly areas of service and support is onsite visits, whether field service repair visits, or onsite professional services engagements. Finding ways to eliminate onsite visits can provide huge savings for a support organization, as well as cut the carbon footprint of service and support by keeping more cars and trucks off the road. For professional services, booking last minute flights to a customer site can easily erode the profitability of a project, as well as wasting valuable employee time with airport delays and layovers.

Remote service and support technology can cut costs of field operations through several means, including:

- **Remote access.** The most direct cost savings would be eliminating the field visit entirely, and that is increasingly an option as remote service and support technology becomes more sophisticated, enabling your tech support or professional services team to access a wider array of equipment and operating systems remotely to perform diagnostics, repairs, upgrades or other activities.
- **Remote diagnostics.** Even if a field visit is required, such as to replace a part, remote service and support technology can still cut costs for the visit by allowing

Océ Eliminates Onsite Visits with Remote Service and Support

Océ's Nordic region had a tough challenge: with customers spread over 4 countries, consultants with particular product expertise were not always close enough to reach customers quickly, with travel times to some remote islands causing long periods of system downtime. Océ first implemented Citrix GoToAssist in Denmark, and after the success of that trail, GoToAssist was rolled out to the rest of the Nordic region. The Océ team of consultants can now provide immediate, real-time live support to any customer from any location by simply logging into a customer's system via an Internet connection. And problem resolution begins as soon as the call is received. The business impact has been impressive: in a single month, total hours of support leveraging remote control was one third the normal hours involving travel to customer sites.

a support engineer to access the equipment remotely and run diagnostic tests, fully investigating the situation before dispatching a field tech. In this way, a field tech with the right skills and the right replacement parts can be scheduled, cutting time onsite and eliminating return visits.

- **Web collaboration.** For professional services teams, pulling together the right people to discuss a project or troubleshoot an issue no longer means flying onsite for in-person meetings. With the web collaboration capabilities included in some remote service and support platforms, you can conduct your meetings online, including sharing files and graphics among participants. This is a great way to expand your meetings to include external subject matter experts, such as partners, development, or even customer experts.

LEVERAGING REMOTE SERVICE AND SUPPORT TO INCREASE REVENUES

As service and support operations have evolved from cost centers to profit centers, more emphasis is now placed on identifying incremental revenue opportunities within customer support and professional services. An interesting trend which surfaced in 2008, and is likely to find wide adoption in 2009, is leveraging remote service and support technology to generate additional services revenues. Examples include:

- **Pay for performance.** Customers value fast and effective service, and increasingly, they are willing to pay extra for it. Multiple SSPA members have found that customers love the convenience and overall experience of remote control, and have started charging an additional fee for the service. Moving remote control out of 'standard support' and into a premium option quickly generates incremental revenue and creates happier customers as a result.
- **Professional services catalog.** A number of firms targeting consumer and SME technical support have begun offering catalogs of for-fee services, such as system tuneups, upgrades, wireless network setups, backups and spyware neutralization, all available via remote service and support. Customers call the center, request a service, and are routed to a trained, certified technician to perform the work.

RSM McGladrey Increases Revenue with Remote Service and Support

RSM McGladrey, Inc., offers business and tax consulting, wealth management, retirement resources, payroll and corporate finance services. RSM McGladrey had a familiar dilemma: because the firm's consultants were traveling almost daily for software development, system integration or to resolve an issue, the firm's consultants were spending hours on the road rather than performing higher-value consulting work. The firm needed a way to quickly resolve issues and reduce travel, so they deployed Citrix GoToAssist. Not only are consultants more productive with GoToAssist, but clients are raving about the immediate support and service the firm now provides. In fact, GoToAssist has proved so popular with clients that the firm now charges extra for GoToAssist support sessions, thereby creating an additional source of revenue.

- **Upsell opportunities.** For both consumer and enterprise technology purchases, accompanying services are now defined for each product, giving in-store, phone and online sales agents upsell options such as preventative maintenance, annual system tuneups, application tutorials, etc., all offered via remote control. Not only do these services generate additional revenue, but customers using the services will consume the products faster, accelerating the customer loyalty cycle.

THE SSPA RECOMMENDS

Even in good economic times, service and support executives are incented and rewarded to continually increase service levels and reduce costs. The current recession will certainly amplify these goals, driving many—if not all—service and support centers to look for innovative ways to reduce operational expenses in 2009 and drive revenue. In order to understand the ROI and justify the cost of remote service and support and service technology, the SSPA recommends:

- **Start with benchmarking.** Benchmarking is immensely useful to quickly identify areas in which your operational metrics are lower than average for your industry. Use benchmarking to identify areas needing improvement, and then investigate which technologies have a proven track record of moving those metrics.
- **Go Best of Breed.** Upgrade outdated or home grown technology with 'best of breed' where the ROI potential is high. About a third of SSPA members are using a home grown version of remote service and support, which lacks many of the security, collaboration, and quality monitoring features discussed in this report.
- **Build the business case.** Receiving approval for a new technology purchase in 2009 will require some due diligence on your part, so build the business case upfront for technology purchases. Create realistic targets for which metrics you will improve, and calculate the cost savings related to those improvements. Be sure to include this ROI analysis in internal proposals and vendor RFPs, so the vendors understand the value you expect to receive.

ENDNOTES

¹ [Telecommuting Our Way Out of the Downturn](#), Ben Worthen, The Wall Street Journal, October 13, 2008