

Global Paper & Packaging Producer

User Support /IT Procurement

North America

Project Sponsor:

EVP and CFO

Project description:

- Self-funding, non-technology improvement effort to reduce shared services expenses [with emphasis on IT costs] for this leading North American manufacturer
- Scope of project:
 - User Support—firm-wide support of all end users throughout North America: laptops, desktops, handheld devices, voice, data, and image
 - IT Procurement—sourcing strategy, vendor qualification, hardware, software, outsourcing, professional services
- Improvement benefits:
 - Operating cost ↓20%
 - Break even point5 mos.
 - ROI [12 month].2.5x
 - Vendor reduction ↓30%
 - User satisfaction. ↑35%

Improving User Support Performance

Situation Analysis: ClientCo is a leading worldwide producer of paper and packaging used by a wide range of cost-driven manufacturers. ClientCo maintains a 50% market share in multiple countries. ClientCo executive management was concerned about growing Shared Services expenses that were escalating at a more rapid rate than both overall revenue and core production costs. Senior leadership commissioned a program with The Lab to examine areas where lower-value-added tasks could be reduced. The primary focus was the IT operation, as it constituted the largest shared services expense component.

Improvements Identified: The Lab conducted a four-week analysis of the IT organization with a primary focus on the End User Support Unit— a 250-person, 24-hour-a-day IT Service Center. Over 200 improvement opportunities and best practices were identified to improve the process. The majority of improvements and best practices [70%] could be implemented within 4 months. Minimal technology changes were required to achieve improvement. Several examples include:

1. **First-Call Resolution**—No problem-resolution cycle times were tracked and no mechanism was in place to track initial call resolution. Over 18% of the inbound calls were password resets, with another 9% rerouted to other departments for resolution.
2. **Customer Self-Service**—The adoption of customer self-service was not well promoted throughout the ClientCo organization. No easy-to-follow instructions were available to staff for laptops, new PC installations, and Blackberry setup. It was estimated that 20–25% of the calls could be eliminated by developing standard self-service templates and instructions.
3. **Customer Over-Service**—Nearly 95% of the time, IT end-users were over-served by 85% in average speed of answer and abandoned call rate. Customers indicated these service levels were not highly valued.
4. **Demand Pattern Staffing**—An analysis of abandon rates indicated that staffing levels were lowest when call demand was highest. No mechanism was in place to match staffing demands and available resources, and excess capacity levels of 30% were common throughout a typical day.

Overall Results: The implementation effort delivered a 20% decrease in operating cost by reducing inbound calls, aligning staff with demand patterns and increasing user self-service.