



Gaining Insight That Improves a Global Network of Contact Center Operations

A Case Study by Nexidia



THE CHALLENGE

In the competitive market for Internet Service Providers (ISPs), EarthLink (NASDAQ: ELNK) is one of the largest in the nation with more than five million subscribers. Founded in Pasadena, California in 1994, the company maintains an award-winning reputation for delivering outstanding customer service while offering consumer and business ISP connectivity within the highly fragmented and competitive subscriber market—where offers of cheaper prices, rebates, and bait and switch tactics are common practices designed to lure in new customers. Early on, EarthLink realized that to thrive within this marketplace, it needed to focus on products and services that customers truly wanted, while distancing itself from the industry's reputation for poor customer service.

For the ISP industry, nearly 100 percent of all service needs are routed through contact center operations. As a result, EarthLink deemed it imperative to throw significant attention and investment into this area. Today, the company outsources the vast majority of its contact center functions to partner operations in over 10 cities on three continents, including centers in the U.S., India and the Philippines. These contact centers field

inquiries for all EarthLink services, including dial-up, high-speed, voice, Web hosting and 'EarthLink Extras' such as home networking and security.

By 2006 the industry began maturing, with revenue from new customer acquisitions starting to level off. EarthLink realized it needed to find ways to cut costs and consolidate customer service operations while maintaining high quality standards. Management initiated a corporate repositioning to become a next generation sales and service organization that leveraged a network of global outsourcing and partnerships. To gather insight into how best to implement this new focus, EarthLink found the obvious starting point for research and analysis was within its call center operations.

"Running such a complex service organization with multiple partners and so many moving parts, the challenge was not a lack of data to identify true drivers of customer dissatisfaction and other key areas of improvement," said John Bowden, EarthLink's Senior Vice President of Customer Support. "On the contrary, we had more than sufficient data streaming into our contact centers every day. The real challenge was that we didn't have the right tools required to effectively sift through our data, provide high-level

visibility into our call volume, and enable us to understand and prioritize our most critical issues."

In addition to pinpointing service breakdowns and other sources of customer frustration, EarthLink focused on a number of key areas where it saw opportunities for process improvement, including:

- Average Handle Time (AHT)
- Customer Credits
- Call Transfer Rates
- Call Escalations
- Repeat Caller Rates

THE SOLUTION

In 2006, the company began looking at an emerging technology—speech analytics—as a way to achieve improved insight and a more strategic position with its Customer Service operations. As noted by Forrester Research: "Speech analytics solutions give users the ability to analyze a batch of recorded calls simultaneously and identify trends. Over the years, [these solutions] have matured from simplistic word-spotting devices into tools that have the ability to understand the content of a conversation and place it in context with business intelligence to identify trends, behavior patterns, and the causes of problems. In short, the tool goes beyond reporting how

many customer calls were handled and helps organizations determine why customers are calling in the first place.”

After researching and evaluating the leading speech analytics technologies and companies, EarthLink selected Nexidia. Among its numerous advantages, Nexidia had the scalability to rapidly sift through and analyze vast amounts of voice data capable of generating both business and customer insights and driving enterprise-level changes in agent behavior. In addition, Nexidia’s ability to offer service through a hosted model meant that EarthLink could get up and running very quickly, and leverage Nexidia’s knowledge and best practices to identify those improvement opportunities that would yield the highest benefit.

EarthLink initially conducted a Proof of Concept (POC) to verify Nexidia’s compatibility with EarthLink’s in-place systems and validate initial return-on-investment estimates. Then they proceeded to an OnDemand hosted engagement with several trials designed to measure key performance indicators. One trial was designed to reduce a certain call type with high average handle time (AHT). Another trial focused on reducing internal call transfers, while a third test focused on reducing excessive customer credits granted by agents. After four months of evaluation, the team found ample evidence to support the ongoing investment in Nexidia.

“During our OnDemand engagement, we were very impressed with Nexidia’s ability to quickly filter through call data to identify patterns, categorize call types and generate real actionable insight,” explained Bowden. “Instead of allocating many person-hours to manually comb through a small number of calls only to gain limited insight, we’ve shifted the research to Nexidia. We can now tap the voice of a large percentage of our customers to help us identify process and operational improvement needs, and we can pinpoint and drill down on micro- and macro-level areas of opportunity. In the initial evaluation alone, we identified a total of \$650,000 in cost savings and several areas where we can improve the service we are delivering to our customers.”

After the success of the OnDemand engagement, the EarthLink team developed a usage strategy for enterprise-wide deployment, focusing on three key improvement areas:

Corporate Quality: Monitoring compliance requirements to ensure that items such as disclaimers, identity verification and pricing are properly stated and explained to customers

Process Improvement: Identifying and improving issues related to key metrics such as call transfers, call escalations, repeat callers

Agent Development: Improvements related to ongoing agent training and identifying key areas of development

EarthLink executives report that EarthLink’s investment in and partnership with Nexidia has proven enormously successful. From a leading-edge venture three years ago, EarthLink has gained an invaluable core resource that has allowed the company to reduce costs while continuing to focus on providing high quality Customer Support. The company further expects its partnership with Nexidia to continue to pay dividends as the two organizations work jointly to explore future possibilities and shape the next frontiers of speech analytics.

KEY RESULTS

- Vastly improved internal productivity and resource allocation via the outsourcing of the Quality Assurance Operations resulting in a cost savings of \$460,000 while increasing productivity 10 fold
- Identified over \$125,000 in savings associated with the reduction in the use of hold/mute at the agent level
- Improved ability to quickly identify inappropriate agent behavior and compliance of requirements to company standards
- Identified over \$60K in recoupable costs during a two week period, due to agent policy violations and processing errors
- Achieved a 10% reduction in monthly Quality expenses by charging monetary penalties to Partners who do not meet EarthLink’s monthly QA minimum expectations

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