



Business Intelligence / Analytics Technology Drives 42% Improvement in Customer Retention in Best-in-Class Companies

Best-in-Class Companies Post Significant Gains in Service Profitability, Customer Retention, and First Call Fix Rates

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The recently published study by Aberdeen, a Harte-Hanks company (NYSE: HHS), "Get Smart: Business Intelligence and Analytics for Service Organizations," found that leading field service organizations are adopting business intelligence and data analytics technology and best practices to enable better and faster decisions and reporting within post-sale service organizations. They are also beginning to deploy simulation modeling within their organizations to perform sophisticated "what-if" planning and forecasting.

Among the service organizations recently surveyed, companies that have implemented technology for reporting and decision support have improved:

- Service profitability by 17%
- Customer retention rates by an average of 29%
- Service Level Agreement (SLA) performance by 33%

Best-in-Class organizations are showing greater improvements, with service profitability up 18%, customer retention increase of 42%, and a 44% improvement in SLA compliance.

"Top organizations have realized the value of having accurate, readily available information to drive service decisions," said Micky Long, Research Director at Aberdeen Group. "By leveraging technology and applying the right business processes and workflows, organizations are making better, more informed decisions, providing better analysis of service performance and giving service executives the tools to perform rigorous business analysis. The result is reduced costs, better customer retention and higher service profitability."

Other service organization Best-in-Class characteristics include:

- 80% have enterprise-wide balanced scorecard initiatives in place
- 71% have a vice president or higher executive overseeing service functions
- 40% have established enterprise-wide standards and process to ensure data accuracy

Long recommends that service organizations consider the following strategies to drive efficiency and decision support within their service organization:

- Implement technology and process to ensure data accuracy within the service operation.
- Provide service organization with total visibility into parts, workforce and knowledge across the enterprise.
- Implement technology to enable "what-if" simulations.
- Focus attention on longer-term customer-facing metrics like retention as well as profit.

Over 250 companies participated in this quantitative study, including: ABB, Circuit City, Honeywell, KLA-Tencor, Kodak, NCR, Rockwell Automation, Trane, and Siemens.

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