

# SUCCESS STORY

**Telstra Limited**  
**TeleTech International Pty Limited**



## **Improved collaboration end-to-end in the Telstra BigPond value chain enhances customer experience and removes substantial costs.**



*Value chain thinking is as applicable to the business units in a large organisation as to the external suppliers.*

*Aisling Lane*  
*Director*

*Internet WAN & Radio Services*

### **The Organisations**

Telstra Customer Care, the Managing Participant in this project, is a unit within Telstra Retail that provides customer support to Telstra BigPond for its narrowband and broadband online products and services. Telstra Customer Care outsources its first line technical support to TeleTech International Pty Ltd, a contact centre provider whose role is to successfully answer technical calls from customers within agreed service levels. Telstra Infrastructure Services (IS), a business unit in Telstra, provides the communications infrastructure and field staff to Telstra Retail, for both narrowband and broadband internet products.

### **Project Objectives**

As more and more Australians connect to the internet, they expect that their Internet Service Provider will maintain a consistent and reliable internet service. Given the complexity of the underlying network infrastructure, the newness of the infrastructure and technology, and the many components in the service delivery chain, customers

may seek technical support for reasons including problems with their specific connections, their computers, their personal knowledge, or service disruptions in the broader communications network.

The objectives of this project were to demonstrate that improved collaboration end-to-end along the Telstra BigPond value chain could enhance the Telstra BigPond customer experience and remove substantial technical support costs at the same time.

### **Project Implementation**

The key success factors in this project were:

- integrating the project with the strategic objectives and day-to-day operations of the project owners (ie Telstra Internet Service & Support; TeleTech) to take advantage of the value chain thinking already existing within the project owners;
- determining one product (Telstra BigPond Home) on which to focus the improvement processes and to provide the base from which to extend to other products;

**VALUE CHAIN  
MANAGEMENT  
PROGRAM**



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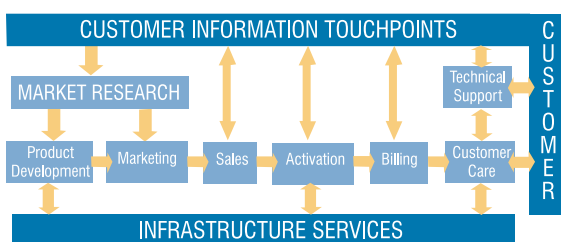
- developing a set of end-customer value criteria which could provide a shared focus for the value adding activities of all stakeholders in the chain; and,
- facilitating an understanding across all of the stakeholders of the benefits of an end-to-end view of the Telstra Big Pond product value streams.

To demonstrate the benefits of focused analysis of the issues using combined capabilities, Telstra's Internet Service and Support (ISS) and TeleTech's Client Services teams formed a closer working relationship to:

- Establish an improved reporting system between Telstra and TeleTech to highlight the performance variation, identify root causes of problems, and generally to share information that could be used to base improvements;
- Implement some early wins via an 80/20 analysis of the few issues that were having the largest impact on technical support costs and performance;
- Improve relationships with all members of the chain to assemble a range of KPIs to support a complete end-to-end view of performance; and,
- Initiate the first shared focus on the end-customer for all stakeholders in the chain by extracting new knowledge on customer value from existing market knowledge reports.

### Benefits and Outcomes

The diagram identifies the overall value chain. A critical outcome of the project was a heightened awareness by all members of the value chain on their respective groups' impact on the Telstra BigPond product EBIT. This has fed through to other projects and initiatives seeking to achieve cost savings while keeping a focus on customer service. Specific outcomes during the project included:



- removal of \$0.3-0.5m in technical support costs per month via the teams' facilitation of network performance information sharing between Telstra Infrastructure Services and TeleTech;
- contributing to the decrease in Telstra BigPond Home calls per subscriber by approximately 13 per cent;
- the facilitation of dynamic tools for reporting and analysis to drive service improvement;
- piloting the use of TeleTech's business intelligence tools to integrate specific Telstra and TeleTech data to improve management decision-making; and,
- best practice benchmarks for human resource performance in technical support environments.

These results are considered just the beginning of the improvement journey. Further initiatives are already being planned, including:

- encouraging the structured input of all value chain stakeholders to remove substantially more costs through product design for improved service delivery;
- preparation of a data-mart within TeleTech to integrate data from Telstra and TeleTech to provide earlier confirmation of specific problems; and,
- application of Telstra's developing Six-Sigma improvement skills to other value chain management initiatives within Telstra BigPond.

The real benefit of the value chain project lies in the improved internet services to individuals and businesses.

This project was facilitated by Dr Ian Dover of Alitek Pty Ltd, a project manager accredited with the Value Chain Management Program. The Program is an initiative of the Commonwealth Government.

