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**21st Century Alchemy—Turning Data into Insight**

*By Dennis Gershowitz, Principal, DG Associates; Sam Klaidman, Principal Advisor, Middlesex Consulting Group; and Claire Tinker, Principal, Tinker Centric Consulting and ESL Insights*

One of the key challenges facing service executives in today's increasingly connected world is having the right information to make informed business decisions. The problem isn't the lack of data. Most service businesses collect a myriad of data points ranging from basic financial information, to CRM information, and more recently, a universe of information from social media.

The problem is that businesses of all sizes are drowning in data, while at the same time, searching for actionable insight. In fact, not only are many drowning in that data, but they find themselves challenged by the effort it takes to keep up with and process the volume of data collected during their normal business efforts.

In fact, this data situation we are discussing is so prevalent that there is now an acronym used to describe it: DRIP (data-rich, insight-poor).

So, what can we do about the DRIP? What we do know is that the need for in-depth data analysis is not always evident. For example, let's take a look at a popular and widely used customer loyalty metric, the Net Promoter Score™. A good Net Promoter Score™ can obscure the fact that some key accounts (those who spend a lot of money with you or pay the bills on time) have needs that are not being met, or that a product that is performing as expected in terms of reliability happens to be experiencing a problem with a lesser-used feature that is critical for some applications.

Another area to look at is your data. Every department has data, which they use to perform their specific tasks. Think about what you might learn in looking at each channel separately, and also at what is missing. Think about what more you would want to know. For example, do you really understand the impact of your key business processes on the customer experience? Or have you mapped (and measured!) the full end-to-end business process, as opposed to just portions of it?

So, to get your arms around this need for actionable insight when you are faced with a DRIP situation, we like to turn to a very powerful tool: "linkage analysis." Linkage analysis can be implemented with a spreadsheet or with a reasonably priced software solution.

As we've discussed, we know that each and every one of your departments has data, which they use to perform their specific tasks. For example, sources of organizational data typically fall into the categories shown in *Figure 1*.

**Figure 1: Organizational Data**

**Customer Data:**

- CRM System
- Survey Results
- Warranty Data
- Social Media
- Voice-of-Customer Forums
- E-mail

**Operational Data:**

- Financial System
- Sales and Marketing Data
- Manufacturing and Quality Systems
- Print Media
- Video and Slide Presentations
- Business Models

While these are most often viewed as discrete data sources or pieces of information, our experience indicates that the real gains come from combining data from these various sources to obtain actionable insight that illuminates what is happening in your world. To do this, individual data elements need to be organized into an intelligible format and structure in order to yield meaningful insights.

Let's take a look at linkage analysis with a case study from one of our clients.

### **Turning Customer Survey Data into Actionable Insight Creating Meaningful Change**

Our client, like the vast majority of businesses, collects large amounts of survey data from clients. In this case, the data comes from transactional surveys. These surveys are launched as soon as specific customer interactions are completed. At the end of a transaction, the service management system is updated with the specifics of the event. As soon as this happens, the system sends an e-mail invitation to the customer's representative and invites her to participate in a brief web survey. Traditionally, the results are handled in two ways:

1. They are shared with those directly involved in the service to provide quick feedback to correct outstanding customer issues and improve the on-site person's process.
2. All results for a specific time period are combined and used to look at the overall process and, again, identify and implement improvements. The limitation with this approach is there is no operational information about what specifically should be improved.

From the transaction surveys, they find that customers are less than satisfied with their on-site service. However, they have no idea into what specifically is causing the dissatisfaction. So, how to proceed?

**Step One:** Separate the data into two segments: those under a paid entitlement (warranty or contract), and those that operate on a pay-as-you-go scheme. Look at the CSAT results for each group and see if there is a significant difference. Proceed to Step Two for whichever group indicates a bigger problem.

**Step Two:** Select a manageable number of low scores and begin to look at the details of the transaction that triggered the survey invitation, using internally generated data:

- A. Knowing the transaction number, first look at the details of how the initial call was handled:
  - a. From the automated call director (ACD), determine how long it took to answer the call, which agent was assigned, and how long the call took.
  - b. From your call logging system (CRM or service management) determine how long the agent spent on the phone and what steps were completed. How many calls were there? How long were they? When was a service engineer dispatched? Were parts sent?
  - c. Again from the service management system, ascertain when the engineer contacted the customer. How long of a delay was there before a promised arrival? Were parts discussed?
  - d. When did the engineer arrive? How close to the promised time did he get there? What transpired? Were parts required? Were they available from the engineer's stock or from the depot? Was the problem solved?
  - e. Assuming parts were ordered from the depot, when were they shipped? When did they arrive? When did the engineer arrive back on-site? Were the parts correct and working?
  - f. How long did it take to solve the problem?
- B. When the defective part(s) arrive in the repair depot, the technician should troubleshoot, repair, and look into the internal history of the part to determine:
  - a. How many times it has been repaired.
  - b. What its history was during the manufacturing and test processes.
  - c. If the current failure is part of a larger problem requiring engineering or quality investigation.
- C. Close the loop with the customer.
  - a. Explain the investigation and results.
  - b. Let them know what actions your company will take to prevent this type of problem in the future.
- D. Examine the results of the investigations to see if you can determine the key driver of the dissatisfaction.
  - a. If one touchpoint stands out as being outside a window that you, as a customer, would find acceptable, then look at all transaction associated with the question under consideration and create a scatter diagram (X-axis = internal performance and Y-axis = CSAT).
  - b. Decide on the performance your customers expect and implement process changes, with appropriate training to ensure that customer expectations get met or, ideally, exceeded.

In summary, the purpose of data is to make *informed business decisions*. We need to organize our universe of data into something we understand. Otherwise, it's extremely difficult for us to get a picture of what is important to our customers. Traditionally this has been done with spreadsheets and charts. However, with methodologies such as linkage analysis, we now have more useful and insightful ways of understanding what is important to our customers.

Our view is that operational data is like “The Tortoise”—it seldom exhibits any urgency. Customer feedback data is like “The Hare”—if you don't use it within a very short time, it becomes valueless. Some customer feedback must be acted upon instantly and some will stay valuable for days or weeks. When you decide that you need to link feedback with customer data, you must be sensitive to how long the analysis will take, and more importantly, how long it will take to decide on and implement an action plan that will make a real difference with your customers.

*A word to the wise: Don't underestimate the decay rate of the value of feedback!*

But that's a tale for another article.

#### **About the Authors...**

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## ***About Middlesex Consulting Group and Sam Klaidman***

**Middlesex Consulting Group specializes in helping executives in high-tech SMB's grow their services revenue and profit while increasing customer loyalty.**

**We focus on:**

- **Service Strategy**
- **Services Marketing**
- **Identifying and commercializing value-added services**
- **Go to market assessments**
- **Creating and retaining customers**
- **Operational improvements**

**Sam Klaidman is the Principal Adviser at the Middlesex Consulting Group. A thought leader in service excellence, Sam is an experienced executive with a deep and varied background that spans nearly 45 years. During that time, Sam led several world-class service delivery organizations and has more than 20 years of service and support experience.**

**He is an accomplished speaker on Service Strategy and Marketing and has published numerous articles on both subjects.**

**For a no obligation discussion about how we may help your business grow revenue, profit and customer loyalty please contact us at [Sam@middlesexconsulting.com](mailto:Sam@middlesexconsulting.com)**