



BEYOND PHILOSOPHY

Building Great Customer Experiences

White Paper: Ricoh NPS

RICOH

The RICOH Canada, Inc., Customer Experience Journey

In 30 months, RICOH Canada improved their Net Promoter Score from 25 to 59, a 34-point improvement. We share their secret to success in the following case study covering RICOH's process they undertook and the insights they learned on their Customer Experience journey that yielded such exemplary results. Over the last ten years, they have achieved 115% growth and made significant gains in market share.

Introduction

RICOH Canada, Inc., a wholly owned subsidiary of RICOH Americas Corporation, employs 2200 people in Canada supporting Sales, Services, Technical Services, Delivery, Operations and Administration. The subsidiary has two call centers in Toronto and Edmonton. Their vision is to be the most trusted brand with irresistible appeal in the global market, built on the values of Customer Centricity, a winning spirit, innovation, and teamwork. A foundation of ethics and integrity supports these values.

RICOH's Customer Experience Statement states:

RICOH will be recognized as an industry leader and trusted brand, in the digital evolution of the workplace, through highly engaged employees that provide an exceptional Customer Experience.

The Challenge

Ten years ago, RICOH Canada needed to make a change. Mary Ann Sayers, Director of Corporate Sustainability and Community Relations explained, "Back in the early 2000s, our business was sharp decline. We weren't doing well in any of the Malcolm Baldrige areas. No one was making decisions....There was a lot of frustration." At every leadership conference in the head office, RICOH Canada was routinely at the bottom of the totem pole. The CEO at the time had had enough. He hired Sayers to investigate the problem and set her to the task of fixing it.

The Beginning of the Customer Experience Journey Starts with a Single Step

Sayers, along with Glenn Laverty, now the President and CEO and Jacques Chartrain, Director, Customer Experience/Customer Care decided to start by defining their goals, including the following:

- To become the market leader
- To create a Customer-centric culture in the organization
- To position service excellence as a competitive advantage
- To develop a value proposition based on the Customer Experience

They designed a new program called, "My Customer," a cross-functional team of 16 to 20 employees identified as future leaders in the organization. This employee-led initiative launched in 2004 and continued in earnest for the next four years. All employees attended the half-day mandatory orientation to the program, followed by a full-day "Customer Safari," (a field trip with a focus on the Customer Experience of another organization). In looking out for experts in the subject the Ricoh team read Colin Shaw's first two books on Customer Experience, Building Great Customer Experience (Palgrave MacMillan, 2002) and Revolutionize your Customer Experience (Palgrave MacMillan, 2005). They decided to adopt the Beyond Philosophy approach and for their My Customer Program.

"It was very grass roots, based on people within the organization not feeling comfortable or secure enough to make decisions that would impact the Customer. What we instilled in them was confidence that they knew more than they gave themselves credit for knowing. And then, to start analyzing the data in a different way, looking at the decisions we were making as an organization and how they impacted the Customer," explained Sayers.

■ The Customer Experience

*"A Customer Experience is an interaction between an organization and a Customer. It is a blend of an organization's **physical performance**, the **senses stimulated** and **emotions evoked**, each intuitively measured against Customer Expectations across all moments of contact."*

"Building Great Customer Experiences (2002), Colin Shaw & John Ivens"



(Source: Chartrain, Jacques. "The RICOH Canada Customer Experience Journey." PowerPoint.)

The team decided to measure the results from their initiatives in new ways. Starting in 2006, they included Net Promoter Score (NPS) as an expanded part of their Satisfaction Survey. They launched the “Welcome call program” and initiated the Call Quality/Call Monitoring program. They enclosed satisfaction survey in the service confirmation surveys and restructured the main survey to happen monthly rather than annually. Finally, they integrated a Customer Issue Log program.

“Our senior management team recognized what we wanted to do. We were looking for a vehicle with which to understand the behavior of our Customers and how it is we might be able to tap in and improve upon our retention rate. We thought our rejection rate was probably normal and as good as anybody else’s. It was clear that if in fact we were to improve our retention rate by 5% or 10%, then it had an impact on our top line and our bottom line, provided we continue to seek new Customers at the same rate,” said Lavery, of the Voice of Customer Initiatives they put in place. “So it was a fairly simple kind of exercise for us to identify that this is worth getting inside of.”

The good news is that their first steps using the Beyond Philosophy approach were successful. They noticed an immediate improvement in their NPS score and Customer Satisfaction. The bad news is that they discovered there was a disconnect between what they wanted to achieve and what the defined day-to-day actions that would achieve this. In other words, they had the “what” of the Customer Experience defined, but they didn’t have the “How.” The feedback from Customers indicated there was an inconsistent delivery of the Customer Experience, a result of an individualized perception of what a great Customer Experience meant. Chartrain shared a specific example of how call center employees differed in their approach, with some of the members delivering a stoic presentation (their interpretation of knowledgeable professionalism) while some of the others referred to the caller as “Hon” or “Sweetie,” (their interpretation of building a relationship with Customers).

“Using the Beyond Philosophy approach we spent 18 months training everybody on, ‘what is the Customer Experience? What is the value of it, creating a good one?’ But we hadn’t done that next step, which is in some way of defining what does it really mean to someone working in a call center? What does it really mean to someone working in the field as a technician?” explained Chartrain.

During the second phase of the My Customer program, they added some new initiatives. They started by celebrating their success as a company. To incent the team to continue to strive for excellence, they integrated Customer Satisfaction and NPS results into their Performance Review System and the employee incentive program. They continued to drive more accountability down to a branch level.

The team also realized the importance of defining how to achieve the Customer Experience they wanted to deliver for their team. They defined the RICOH Emotional Signature or the level of emotional engagement with your Customers that manifests itself in every part of the process and moment of the Customer Experience.

The Emotional Signature

- We want the customers **to feel good about Ricoh** after the experience
- We want the customers **to feel good about our people** after the experience
- We want the customers **to feel good about themselves** after the experience
- We want customers **to expect to feel good** before every Ricoh experience



(Source:Chartrain, Jacques. "The RICOH Canada Customer Experience Journey." PowerPoint.)

Once they had defined their emotional signature, the team re-engineered the critical moments of contact. Beyond Philosophy calls this Moment Mapping. They began to share the Customer Intelligence with the entire organization. In addition, they provided department-specific Customer Experience training programs and tools.

"We really had to define ourselves what did we want the RICOH experience to be, and then communicate that to people. Once we tailored or were able to explain to them, 'How does that apply to your job working here in the call center?' So we came up with elements of the calls. We taught them never say to a Customer, 'I need your serial number.' Instead, you would say, 'Would you happen to have the serial number by any chance? That would help us out.' And also never to give orders to Customers. Never say to a Customer, 'I'm sorry, I'm not allowed to do this,' or, 'I don't know the answer,'" explained Chartrain.

Departmental Value Propositions

We represent Ricoh to our customers and strive to consistently deliver the highest possible impression of Ricoh and all of its people and partners, by addressing and resolving customer needs in a timely, accurate and positive manner.

We are dedicated to enhancing Ricoh's perceived value to customers by proudly providing a friendly, professional and satisfying experience, either directly or by coordinating support efforts with other groups within Ricoh and externally.

We are entrusted with carrying the voice of the customer within Ricoh.

We actively support the efforts of all Sales channels by providing value added services.

We focus on fostering teamwork and continuous improvement in everything we do.

To our customers, **WE ARE RICOH!**

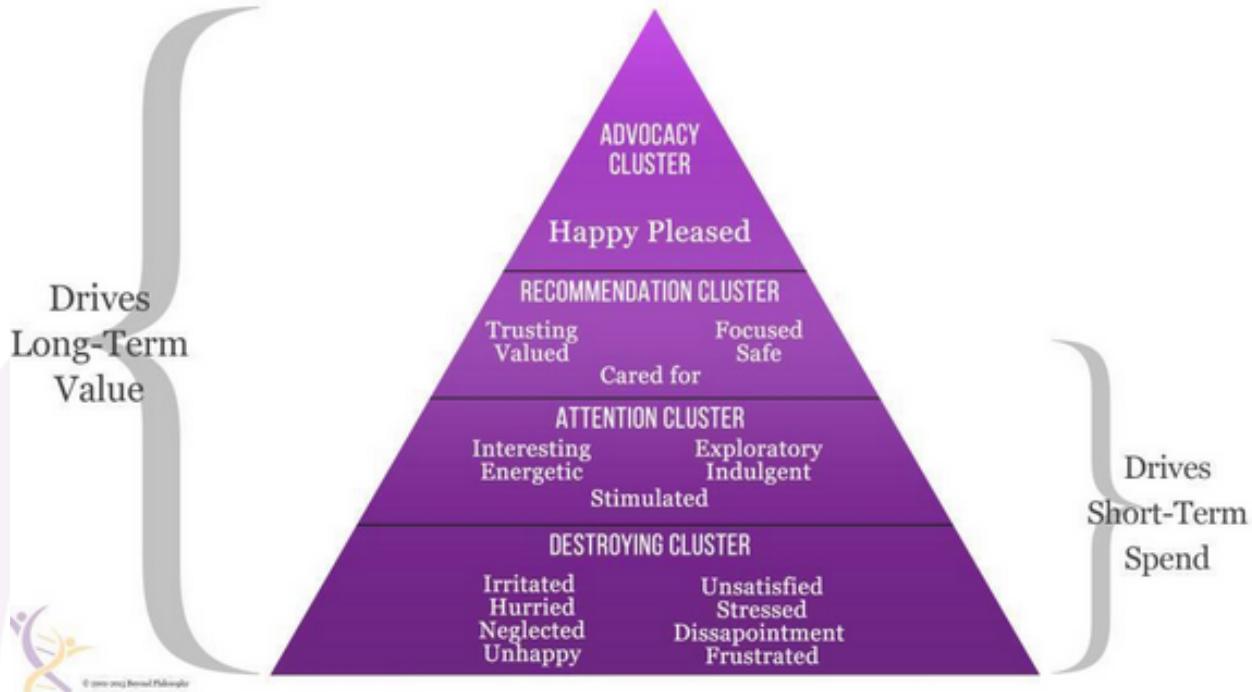


(Source: Chartrain, Jacques. "The RICOH Canada Customer Experience Journey." PowerPoint.)

Meanwhile, Laverty, who was then the Executive Vice President and Vice President of Direct Operations in Canada, introduced the concept at every opportunity. From presenting at the new hire or management orientations to the communicating it in Quarterly reports and company blog, he delivered the message that everyone was a touch point for the Customer in the organization. Everyone had a direct link to the Customer.

"We beat that drum almost incessantly in the organization simply because we wanted everybody to understand the impact that they have in the Customer Experience. It became part and parcel of our on-going communication and worked its way into the fabric of the organization culturally," he said.

The team's re-engineering efforts took a detailed look at the emotions their experience evoked. They looked at causes for the positive and negative emotions that resulted from their current experience. They used Beyond Philosophy's Emotional Clusters, which include the emotions that are destructive, attention, recommendation, and advocacy.



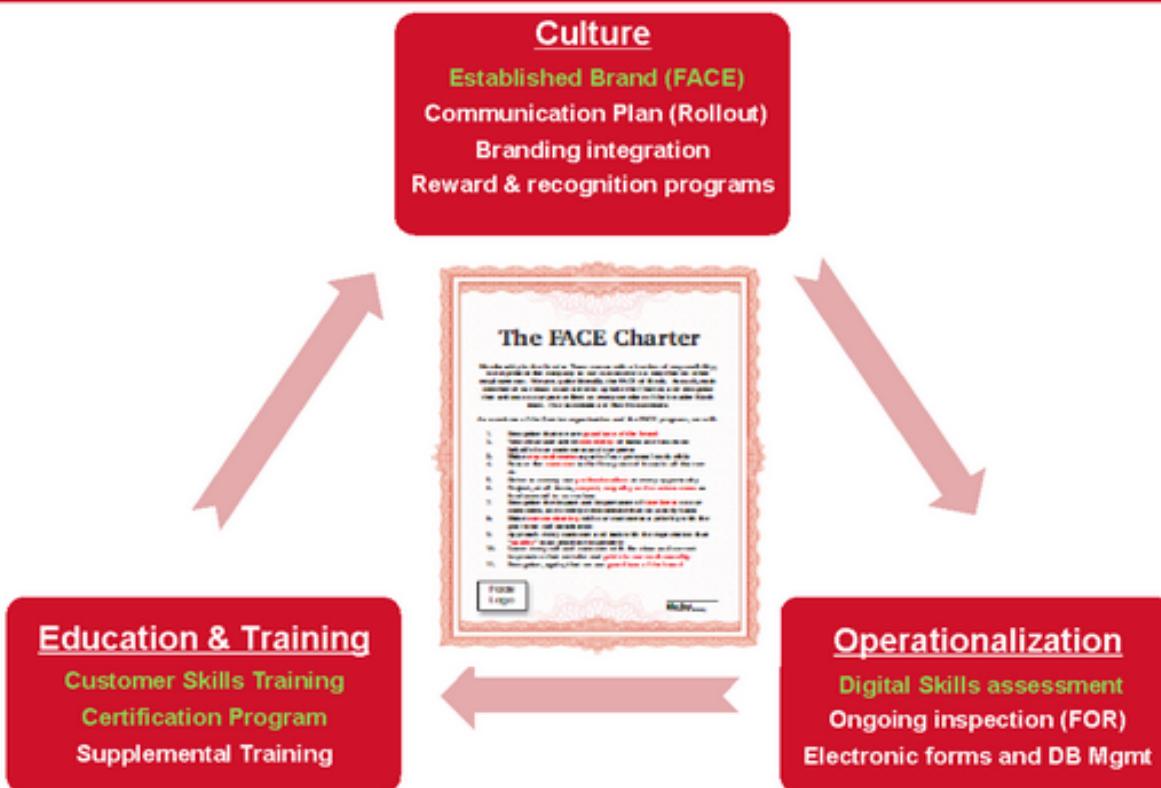
The 20 Emotions that Drive and Destroy Value in Customer Experience

"We took the process mapping idea and we brought it down. We looked at it from beginning to end, but then what goes on between A and B? What goes on in between those steps, between A and B? We were always looking at it as A, B, C, D, E, and then we stepped back and said, 'Wait a minute. Yeah, we're doing all that but it's not getting it where we want to go. So what is really missing here?' We started looking at what's going on between A and B, and between D and E, and what is it that we could add that touches the Customer more," said Sayers.

These "Moment Mapping" re-engineering exercises result in specific actions for the employees to use during their interactions with Customers. For example, they took their information and the feedback from Customers and created a Customer Experience Management National Call Center document. This document outlined how to take the different moments in a call and use tactics to evoke the positive emotions from their Customers that improve their Experience and create the emotional engagement RICOH was trying to achieve. They also began the Welcome Call Initiative on Off-Cycle Selling Program to start their relationship off with Customer on the right foot and keep it there during their contract.

One of the significant developments from this phase of the project was the Field Activated Customer Experience initiative. This three-part system incorporates the Culture RICOH communicated, the Operationalization efforts of the team and the Education and Training programs that supported these efforts.

■ Field Activated Customer Experience



(Source:Chartrain, Jacques. "The RICOH Canada Customer Experience Journey." PowerPoint.)

Sayers, Chartrain, and Laverty all agree that they were lucky because they had the support of senior management from the beginning. Once the organization decided to make these changes, the buy-in wasn't hard to get. Also, they had a strategy to eliminate silos in the organization by preaching how every member of the RICOH Canada team was part of the Customer Experience.

"When you have a diverse set of operations within an organization, it's easy to get into a silo mentality. And I certainly recognize that silo mentalities are harmful to an organization. They are counterproductive, generate conflict in terms of initiatives or objectives and often are conflicted in the very way that people are rewarded for getting whatever it is they are doing," said Laverty.

"So, as a result, the rallying cry around the Customer allowed us to attach any part of the organization—whether you're in service, sales, distribution, product support, accounts receivable, accounts payable, in finance, in HR—doesn't matter. Every single part of the organization could attach itself to the Customer and the Customer Experience. Consequently, you can break down silos because you change the dynamic associated with which people recognize whether or not they're doing a good job. It can become as simple as looking for something that's common and in our common interests; therefore we get a common theme."

They also tied the performance of their Customer Experience to the incentives of the team. There are specific measures in place that reward local performance, as well as performance across the company.

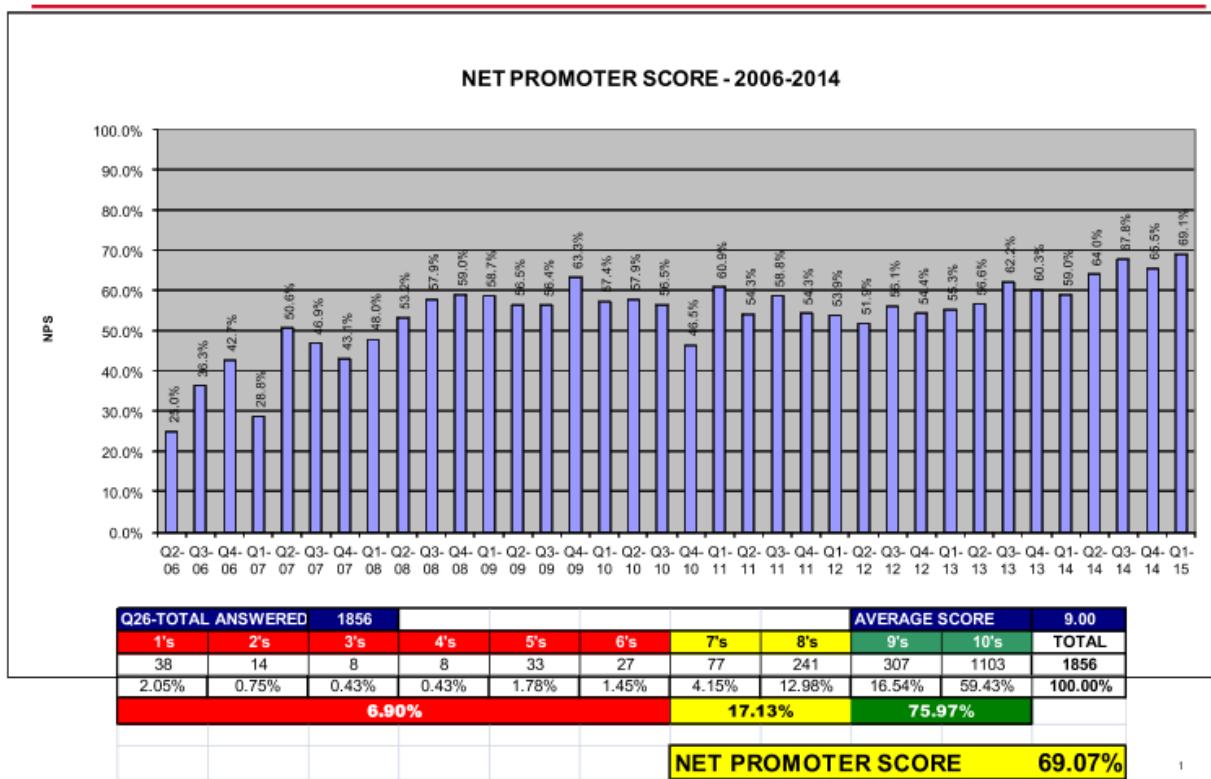
"Net Promoter Score became a key performance indicator of the entire organization. Today inside of RICOH Canada, part of our bonus structure for the organization is our net promoter score. So the consciousness is raised across every department throughout about the Net Promoter Score," Laverty said. "One of the more vibrant sets of conversations at executive management team meetings is when we have Jacques come in and talk about the specifics of how we're doing in our net promoter score."

The Results

In the first 30 months, RICOH Canada improved their NPS from 25 to 59, a 34-point improvement. Over the last twelve months, the NPS is over 60% including a score of 68 by the third quarter of 2013.



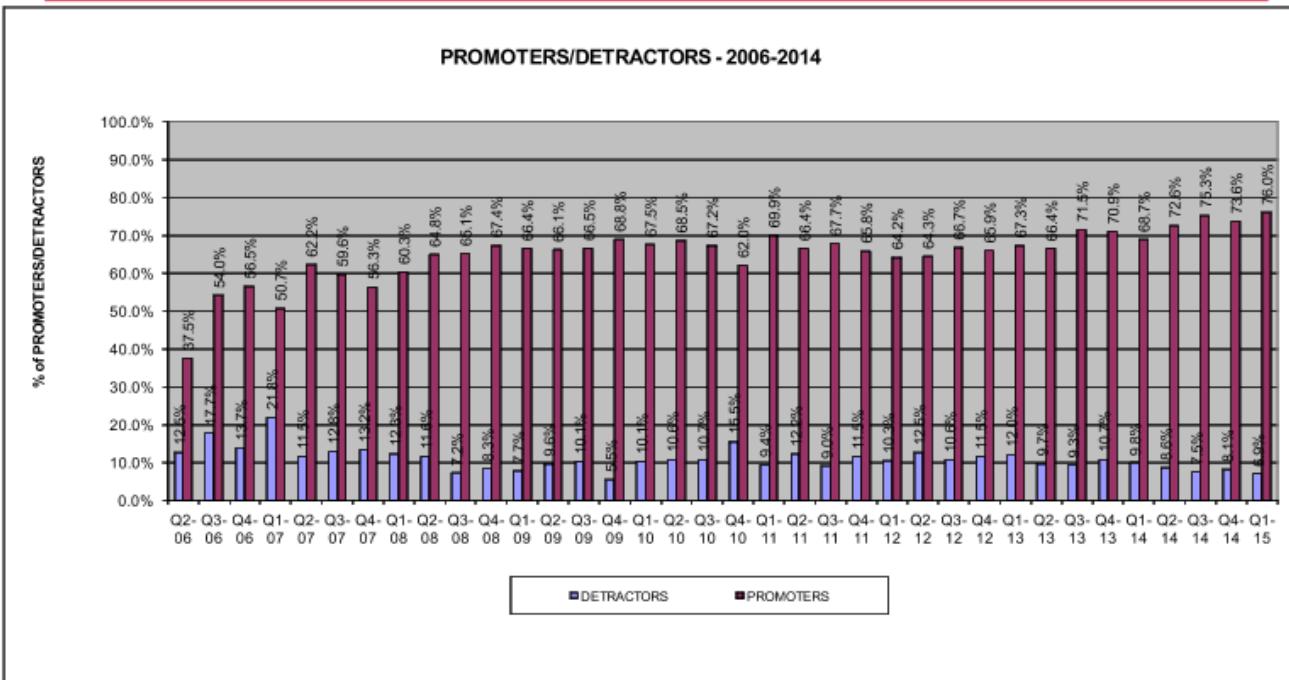
RCI Quarterly NPS Results



(Source:Chartrain, Jacques. "The RICOH Canada Customer Experience Journey." PowerPoint.)

Also, they have kept their detractors below 10% for five of the last six quarters. In addition, they won the NQI Canada Awards for Excellence in both 2007 and 2013.

Quarterly NPS Results



(Source: Chartrain, Jacques. "The RICOH Canada Customer Experience Journey." PowerPoint.)

In addition to their NPS successes, RICOH Canada sales are up 115%, with 10% year over year growth for the past decade. This success is no small accomplishment when you consider the economic conditions of the last ten years and the shrinking usage associated with copiers in our digital age. They have also reduced churn and increased their market share in their regions.

RICOH CEO Glenn Laverty sums up the secret to RICOH's success.

"First the advice that I'd give a person undertaking the journey of improving the experience would be to be prepared for the fact you are effectively embracing the entire organization in the movement. It is not just for sales, service or for the field engineers. It means everyone. HR, IT, Finance, they all impact the Customer Experience."

"If you leverage that simple thing then you recognize that everybody means everybody and therefore you need to be able to embrace the entire organization. With the benefit of hindsight, if there was one thing I would have done four or five years earlier, it would have been to introduce the Net Promoter Score into people's pay a lot earlier. We should have done that at the inception of this work".

"Essentially, there's an awful lot of organizations out there that are cutting corners and quite frankly leaving the Customer in the lurch. We see it in our industry, and I'm sure it's in the case of other industries. Players in the industry are just not performing at the level that they used to, because they cut so many corners or because they have driven so many costs out of their business. That's an on-going problem in the marketplace. When you come forward with a high sense of Customer and the Customer Experience, you do stand out."

"In this day and age, too many management teams, too much of the leadership is focused in on the pure financials and the 'Earnings Per Share Mentality' that I call it, that causes knee-jerk and short-term decisions. There is an enormous pressure there. I totally understand that. But you're not foregoing profit to inject a solid Customer Experience Management process and program in the organization. You are creating a much more solid foundation from which to generate the profits."



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