

T-Mobile

Linking culture and strategy to improve performance



Executive summary

Changing employee behaviour is never easy. This is especially true when you are attempting to change the behaviour of 4000 front-line employees across the UK.

Deloitte worked with T-Mobile to achieve such a goal. Developing a high performance culture, to improve what customers thought of T-Mobile and engage employees so making it a better place to work.

We brought a focused approach to culture change at T-Mobile, moving away from a top down values led programme to targeting what really mattered and embedding the changes in behaviour that could really make a difference to performance.

The programme delivered significant improvements in customer satisfaction and employee engagement, increases in in-store purchases and behavioural changes in the frontline. This is also a story continuing to unfold, with roll-out of the programme underway across T-Mobile international within Germany, Austria and the Netherlands.

Client issue: How do you stand out in a crowded market?

The mobile market is crowded and fiercely competitive but it is also reaching new levels of maturity with over 100% saturation. T-Mobile recognised they needed to respond to a market no longer characterised by the high growth that had previously prevailed.

Although T-Mobile would continue to fight on price to attract new customers, it recognised with falling margins, this was not the answer to sustainable growth.

T-Mobile needed to retain its existing customers for longer and strengthen its relationships with them thereby encouraging them to buy new services and generate new streams of revenue.

Having invested heavily in new marketing campaigns to change customer perceptions of the brand, T-Mobile knew frontline employee behaviour had to be aligned to deliver the advertised experience. The HR and Marketing teams hoped to achieve this through a new culture programme. The big question was how to influence the behaviour of 4,000 customer facing employees?

Project overview

T-Mobile had set out seven goals aimed at achieving the vision of becoming the “most highly regarded services company”. We were enlisted to support Goal 7: **Best Place to Work, Delivering a Great Customer Experience**; recognition of the link between engaged employees and increased customer satisfaction. However, it was clear from industry and customer feedback that engaging employees in delivering great customer service required a change in employee mindset – from selling price and technical features, towards selling value, service and simplicity.

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Calling the frontline

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Advised by Deloitte, T-Mobile chose not to focus on a top down, immersive cultural change programme, but instead to identify and work on a small number of strategically important events, or customer interactions (to become known as 'T-Moments').

Here, an opportunity arose for employees to understand how they could behave in a way that would deliver the attributes of the brand, change customer perceptions and support the strategy.

T-Moments were selected because of their potential to drive disproportionately positive value for the organisation and enable T-Mobile to stand out in the market place.

Our approach

How T-Moments were brought to life

Deloitte turned the traditional approach to cultural change on its head. Over six months, a team of seven consultants worked to bring this approach to life and embed it within T-Mobile.

The engagement was split into five phases.

1. Articulate strategy and test alignment

Too often cultural change takes place in isolation from organisation strategy. Our first step was to work with senior executives to decompose the T-Mobile strategy to clarify tangible outcomes across the various company stakeholders (e.g. what customers would think, do and say as a result of the brand led customer promises being fulfilled). This ensured the team understood what was driving the strategy and what T-Mobile wanted to achieve.

2. Identify and prioritise T-Moments

T-Moments were selected because of their potential to drive disproportionately positive value for T-Mobile and create competitive differentiation in line with the pre-agreed outcomes. We carried out an intensive data collection and synthesis exercise to identify a long list of candidate 'T-Moments':

- Interviews with over 50 T-Mobile employees organisation-wide and workshops with frontline employees to gain their insights.
- Observations with frontline staff in stores and call listening to understand customer service processes.
- Analysis of T-Mobile's formal systems (e.g. customer satisfaction reports).

Five phases of the engagement

Programme Management, Communication and Stakeholder Engagement

1. Articulate strategy and test alignment

2. Identify and prioritise T-Moments

3. Analyse and design T-Moments

4. Pilot and execute T-Moments

5. Monitor and manage effectiveness

Working with frontline and head office staff, potential T-Moments were assessed and prioritised against agreed outcomes and a range of key performance indicators, including:

- Net promoter score.
- Feasibility of change introduction.
- Speed of introduction of change.
- Impact of change.
- Financial return and rate of realisation.

3. Analyse and design T-Moments

To bring T-Moments to life, we identified the underpinning behaviours reflecting T-Mobile brand and strategy. Critically however, we did not allow these behaviours to be developed in isolation at the head office. Having worked with Marketing to define the behavioural blueprint for each T-Moment, we engaged frontline teams in the same process. They allowed call centre staff and store consultants to 'tear-up' head office suggested behaviours and build their own based on their knowledge of the customer and an understanding of the outcomes T-Mobile was aiming to achieve.

Having established frontline buy-in to the behaviours, the concept was ready for testing.

4. Pilot and execute T-Moments

Piloting the events was not just about 'proving' they worked. The pilots enabled us to understand how they worked in practice and to make iterative improvements in the design before roll-out across the organisation.

The first pilots centred on a customer's first contact with stores and call centres. The second focused on how employees explained the T-Mobile offerings to customers. These took place over a six week period, directly involving two customer service teams, a telesales team and six stores.

The process included:

- Launch presentations.
- Coaching skills workshops.
- Role plays.
- Regular one-to-one coaching in behaviours.
- Identification of requirements to ensure behaviours 'stick' following full roll-out (e.g. system changes, performance based reward).
- Pilot evaluation, including output, results and adjustments for further roll-out.

5. Monitor and manage effectiveness

One of the toughest challenges in a cultural change programme, is ensuring changes implemented remain in place once you move back to business as usual.

To underpin the change, we set up a front line action team comprising a group of champions, known as "heroes and ambassadors" whose role throughout the programme was to input to the design of activities and support their colleagues in changing their behaviour to deliver T-Moments.

In the final phase, we ensured the action team were fully staffed and equipped to continue to own the monitoring of T-Moments and to continually feedback to the business progress and recommendations for change.

Success factors

What made this work?

1. Leadership engagement was extremely important to the frontline staff. They saw executives were taking it seriously and were engaged, which had a dramatic effect. We coordinated a number of leadership visits to call centres and stores to reinforce this message. Leadership was also required at a more local level. We worked with Area Retail and Call Centre Managers to help them improve their coaching skills and to equip them to monitor the quality of the T-Moment behaviours – in Deloitte’s experience, line manager behaviour has the greatest influence on staff.
2. T-Mobile quickly embraced our action team approach, establishing front line staff across Retail, Customer Service and Telesales to identify and prioritise T-Moments. Furthermore, by involving action teams during the design and piloting of T-Moments, these individuals became strong advocates for the programme.
3. We brought a focused approach to T-Mobile, introducing a new way to tackle cultural change. This approach targeted what really mattered and concentrated on the changes in behaviour which really made a difference.

Challenges faced

1. No one function could achieve the change on its own. Marketing created the vision of the new customer experience, Sales and Customer Service owned the staff who would deliver it and HR held the tools to enable and embed the necessary changes in behaviour. Combining these skills and assets in the face of competing short term priorities was a continual challenge and our objectivity and transparent governance process was instrumental in achieving management focus
2. Tried and tested product launch techniques using presentations would not drive behaviour change. We introduced an engaging pilot process involving coaching skills workshops to line managers and regular one-to-one coaching in behaviour. Employees were getting consistent reinforcement on desired behaviours.

3. Behaviour is notoriously intangible and benefits deriving from it are difficult to quantify. We worked with T-Mobile to define a set of measurements linked to the desired outcomes of the project (e.g. improved customer experience, net promoter score, first call resolution). Results achieved included:

Customer services pilot:

- 20% more customer queries were resolved first time, equating to a potential saving of c. £9m per year;
- 300% increase in customer satisfaction increase (ICCA independent measurement).

Retail Stores pilot:

- average mystery shop customer satisfaction rating was 92%, compared to 84% at control stores;
- five stores from eight scored 100% in their mystery shops, twice the average for all stores.

Telesales pilot:

- Over 50% increase in conversion (customer calls converted into sales) and additional sales (sales including additional items such as hands-free devices).

T-Mobile also received unsolicited qualitative feedback.

Following a mystery call from Mobile News during the pilot phase, T-Mobile was named ‘best network’. Just a year previously it had lagged fourth out of the six mobile operators. (see figure 1.)

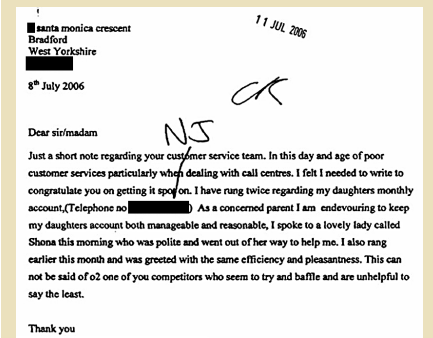
Figure 1.



Article in Mobile News ranks T-Mobile as the 'best network' following a call with a pilot advisor

Letters commending the level of service of pilot advisors were received from customers unaware of the pilot and not asked for feedback (see figure 2.) One customer commented,

Figure 2.



Customer letter praising a pilot advisor

“In this day and age of poor customer services, particularly when dealing with call centres, I felt I needed to write to congratulate you on getting it spot on.”

Front-line employee engagement increased with evidence T-Mobile was a better place to work.

Front line employees involved in pilot

“Feedback from my customers has been fantastic and [it] makes me feel good to hear this, I’m really enjoying my job again. It’s been an incredible experience!!!”

“Have enjoyed the pilot immensely due to the reaction of our customers and the fact that I played a part in helping build the process.”

“It is honestly a better place to work.”

Team manager’s feelings on pilot

“I am passionate about the impact this has had... I have had in 2 hours on the phones yesterday two of my guys beaming, bouncing round to my desk advising me that the customers were hitting the Richter scale with delight. In the whole time in Tech cluster, I have not had this sort of reaction from Advisors since new hire academy.”

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Our working relationship

A good partnership

This was a ground breaking project for T-Mobile changing the established route for rolling out new initiatives to the frontline. We worked alongside line management and frontline staff to engage them throughout the process, creating a groundswell of bottom up change that is now sending waves out across the company and the wider international organisation. We also invested a great deal of time bringing executives and senior managers together to work through the inter-departmental dependencies that were ultimately successful in ensuring a marketing vision was delivered in the frontline and made to stick.

Jim Hyde, CEO

“Deloitte supported a frontline service culture transformation project called T-Moments that is leading the thinking in this area across the DT Group.”

Asher Rickayzen, Director of Enterprise Planning and Delivery

“I liked the way that Deloitte were opinionated... They came with high energy, high enthusiasm, great ideas, worked hard, really helped us to make a difference. We put in place a very rigorous measurement regime to track our progress, and that was something in fact that Deloitte was very keen to establish. I was really astounded at how positive the results were.”

Phil Chapman, Marketing Director

“T-Moments are a powerful and simple concept. They will be around for the next 10 years.”

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