

Reducing your costs to sell and serve

How to cut costs from your marketing, sales and service functions – without losing your customers.

For many organisations, delighting customers and driving up customer revenues at the right cost is a constant tension between sales and marketing, customer service and finance. But in today's tough markets your customer and commercial strategy and the cost of marketing sales and service functions are receiving additional attention. Your challenge is to cut costs from these customer-facing functions while retaining customers and even growing market share. Without this balance, success after the downturn may well be limited.

Many ways of cutting costs from customer-facing functions, such as consolidating contact centres, moving more services to outsource vendors, and increasing productivity and utilisation, are not new. Others, such as increasingly sophisticated use of self service and customer analytics technologies, are more recent developments. You need to understand the impact of these changes on your customers' desire to join or remain with your company, or on their use of your products and services.

Irrespective of the market, the consequences of 'reducing cost at any cost' can be significant. In a tough market, the winners will be those who can retain their focus on the customers they value most, and on the services their customers value most, whilst reducing costs elsewhere.

Deloitte can support you in revitalising your commercial strategy with a fresh approach to quickly optimising the value of your customers, through proactively managing your cost to market and sell to, and then serve those customers.

We can bring an unparalleled breadth of experience to advise on contact channels, process and operations, people, enterprise applications, technology integration, sourcing and locations, all in the context of deep marketing, sales and service expertise.



We begin by conducting an initial assessment of your customer-facing functions, using industry benchmarks and our own experience and tools, bringing our insight to quickly identify key areas of improvement. Our accelerated approach focuses on realising the value from cost cutting in a short timeframe without negatively impacting the customer experience.

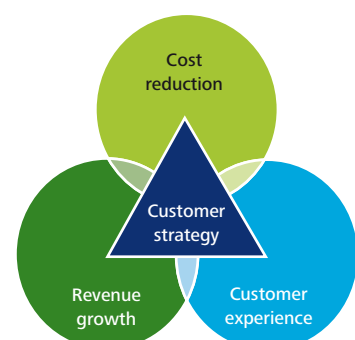
Treating your cost, revenue and customer experience objectives holistically, we will work with you to define the most appropriate customer management and commercial strategy for your organisation.

Together, we will develop a target operating model to turn your strategy into a sustainable reality across all aspects of your customer-facing operations.

We will support this with a business case to build support for any changes required, and with a roadmap for delivering those changes. Our rapid analysis and delivery will drive and support your decision-making as you move into implementation.

Our projects to date have typically achieved a 20-30% reduction in the operating cost base of customer-facing functions.

Balancing the drivers of customer value



Examples of how we have helped clients to delight their customers while reducing costs by typically 20-30%

A European telecommunications provider was concerned at their ability to continue their improvements in customer service in the face of demands to both cut costs and grow revenue from sales through service. We worked with our client to understand their customers, their contacts and their contact handling functions. Together we defined a strategy, operating model and implementation plan to allow them to re-align their services with their sourcing options, and to differentiate services across customer groups reflecting the demands of each, at a reduction of 20% of the cost base.

A UK central government department faced a continual challenge in managing ever-increasing volumes of customer contacts across a wide range of complex services. After an initial review, we identified a range of efficiency and quality improvement initiatives, through people, process and operational changes. We then structured and managed a programme to deliver the changes across their large contact centre estate (over 20 UK sites), and tracked the benefits realisation throughout. The programme achieved an 18% productivity improvement, in parallel with increasing quality of service delivery.

An international retail financial services organisation
A UK retail banking group was under significant pressure to reduce costs. No sustained investment had been made in direct channels, resulting in multiple call centres with duplication of costs and infrastructure, less than 50% of the customer base using centralised call centres, and gaps in channel offering. We helped the client to create capacity and reduce outside services costs to absorb new business while contributing to bottom line savings. We led a contact centre outsourcing project and created centres of excellence for service and sales, and supported the business' transition to a new operating model. Call volumes via the direct channel doubled, while reducing costs by c.30% and substantially improving staff engagement and morale.

A European cable operator was required to undertake an enterprise-wide cost reduction programme, and engaged Deloitte to reduce costs from their marketing and sales operations. We benchmarked their performance using our propriety tools and secondary sources, and highlighted areas of cost reduction opportunities. We then supported the client in developing implementation plans for the cost saving initiatives that targeted an operating cost reduction of 25%.

A global tour operator. One year after a large scale merger, our client was left with multiple contact centre locations, representing product and customer diversity. We were engaged to identify and drive out potential cost savings. Working with their management team and experts from our Real Estate Advisory practice, we developed plans to consolidate their contact centre locations and reduce headcount by 30%.



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