



## Shop Direct Group

[www.shopdirect.com](http://www.shopdirect.com)

Country **United Kingdom**

Industry **Retail**

### Key Statistics

- 11,000 users supported
- 300 IT staff
- 46,600 assets

### Key Challenge

- Manual, cumbersome process needed more efficient, practical solution to enhance the customers experience
- Re-engineering of the business thinking: put the customer experience at the core of the company's priorities
- Distinguish between the IT "incidents" and the *Customer 1<sup>st</sup> aid* Team's "issues"

### Key Strategy

- Extend the use of the Incident Management functionality within the company's ITSM solution, *assyst*
- Categorize "issues" through Business Area Champions

### Key Benefits / Results

- \$5.3 million benefit to the Business through the implementation - identification and tracking - of over 500 customer-focused service improvements
- \$383k saved from just one change out of more than 300 changes since
- Changes around the home delivery service have resulted in a 50% decrease in the number of incidents, representing an annual saving of \$210,000
- 500 service improvements made across multiple business functions
- The program has been a key contributor in improving the employee engagement score by 20% in 12 months

# Enhancing the retail customer experience through IT Service Management

## \$5.3 million benefit to the Business through over 500 customer focused service improvements

Shop Direct Group (formerly known as Littlewoods Shop Direct Group) is the UK's largest and most successful online and home shopping company, with annual sales of around \$3.6 billion. The company operates a number of company brands including Additions Direct, Choice, and Kays, selling products from major suppliers including Sony, Nike and Dyson to name a few, and plans to double their online sales in the next three years (from 2009).

To support the expected growth of online retailing, Shop Direct has developed a highly valuable and efficient infrastructure that no other UK retailer can rival. Over the past four years, the company has transformed and modernized the entire business.

### Challenge - Highly manual, cumbersome process needed a more efficient, practical solution

As a retailer, Shop Direct depends on its customers. Shop Direct realized that in order to prosper, it must be able to proactively improve the overall experience provided to the customer.

While Shop Direct was effectively dealing with complaints and specific incidents, there was no unified system that enabled the company to harness the experiences of its own employees to better manage incidents, identify trends and put an end to avoidable, recurring issues. Due to the size of the business, employees felt that if they identified an issue, more often than not, they did not know who to speak to in order to fix it. Very often issues were raised and seemed to disappear into a black hole.

As with many retail companies, Shop Direct employees are customers themselves. An opportunity was identified to provide a mechanism whereby all Shop Direct employees who had used Shop Direct as a customer would be able to flag incidents, highlighting any occasions where they had a bad experience and what a potential solution might be. Not only did the program, entitled *Customer 1<sup>st</sup> aid*, allow customer-facing issues to be investigated and resolved, it engaged colleagues across the

business and empowered everyone to make a difference and improve the customer experience.

The *Customer 1<sup>st</sup> aid* program was launched with the ambitious objective of fundamentally re-engineering the thinking in Shop Direct's business; putting the customer experience at the core of the company's priorities and allowing all employees to contribute. The aim was to make life easy for customers, giving them great ideas, while making purchase, delivery and payment fast and simple.

Led and sponsored from the top, many separate, live projects are already underway to transform the overall customer experience and improve the effectiveness of the organization.

Initially, the project was instigated by the business (not the IT function), who set up a simple process whereby issues were logged on an Intranet page. The *Customer 1<sup>st</sup> aid* Administration Team then used manual systems, such as spreadsheets, to manage the issues. It quickly became apparent that the system was extremely successful, but could not continue in its existing form and the business asked IT if there was a more efficient, practical solution.

This was a fast growing initiative that had buy-in from senior management. It was critical that a solution be found as soon as possible.

*"Understanding that our customers are the most important part of any retail business prompted us to change the way we thought, by putting the customer experience ahead of everything else,"* said Sheila Liddell, Change Management Team Leader, Shop Direct.



### Strategy - Extend the use of the assyst IT Service Management functionality beyond IT

The project was focused on identifying and resolving failures across the business which could negatively impact the customer experience and at the same time increase engagement across the business by empowering all colleagues to make a difference. The *Customer 1st aid* process requirements were therefore not that different from the Incident Management process already in place for IT-related issues. The *assyst* ITSM solution, in place for over 9 years, was the ideal system with which to manage the issues. While they knew it could work, it required some thought as the *Customer 1st aid* Team would need to be able to distinguish these "*Customer 1st aid* incidents" from the current IT incidents.

After assessing the processes and mapping the flow of incidents through the system, and adapting the Intranet form to feed into, and pull data out of, *assyst*, the team's next challenge was to develop a method of differentiating between IT incidents and *Customer 1st aid* incidents. For this Shop Direct used categories and different Service Departments and items to distinguish between the IT "incidents" and the *Customer 1st aid* "issues".

### Categorization through Business Area Champions

One of the key challenges was how to categorize the issues - getting the relevant information into the records which would allow valuable reports to be produced. In order to overcome this, the *Customer 1st aid* process involved "Champions" for each business area.

If the *Customer 1st aid* Team could not resolve in the first instance, then the issue would be assigned to the Business Area Champion. Essentially a second line support role, the Champions did not have access to *assyst*. They would have issues assigned to them and would be informed via an e-mail generated by the assign action for each business area.

### Process Management

Issues are still raised on the Intranet page but are then automatically imported into *assyst* and automatically assigned to the *Customer 1st aid* Administration Team. The record is "tidied up", assessed and, where relevant, assigned to the Business Champion.

The *Customer 1st aid* Team also provided Champions with the ability to view their issues and acknowledge ownership, as well as update the record as required and, on completion, assign it back to *Customer 1st aid* Team. The email generated by the 'assign' action was set up with a docket which contained 2 links; one that allowed the Champions to view the issue and update it and the second to initiate a search on multiple issues.

### Raising Awareness and Driving Adoption

The *Customer 1st aid* Administration Team publish the results of logged incidents and the changes resulting from them - highlighting to the initiating member of staff that their issues have been addressed - a key factor in gaining buy-in to the system and driving adoption.

### Benefits - \$5.3 million benefit to the Business through over 500 customer focused service improvements

Shop Direct are now able to respond speedily and effectively to poor customer experiences, having already brought about more than 500 service improvements across the business from the financial services team to sales and marketing, to the call center and even in the warehousing and home delivery departments. While it is just 18 months since the implementation of the system, there have already been financial results, and many more are expected over the coming year.

Some examples are:

1. Customers with an IBC account (financial support account) used to receive plans set up under the wrong brand name which was prompting unnecessary query telephone calls to the helpline. The letter going out to customers has now been amended to explain their account details and the brand it relates to. This has eliminated confusion and stopped most queries. The cost per enquiry call is estimated to be an average of \$3.88, and there are approximately 100,000 customers affected, meaning that Shop Direct will save approximately \$388,000 from making this change.
2. In addition to this, if a customer enters an account number for the incorrect site, they are now automatically notified and directed to the correct site. This has produced annual savings of over \$1.4 million.
3. Changes around the home delivery service have resulted in a 50% decrease in the number of incidents, representing an annual saving of \$210,000.

*"We have saved \$5.3 million through delivering more than 500 customer-focused improvements with the help of the assyst solution"*

Sheila Liddell,  
Change Management Team Leader,  
Shop Direct

It is important to note that the driver of the system is not the financial benefits being derived, but rather the improvement of the customer experience, improved customer retention and, ultimately, growth in repeat purchases from individual customers.

An example of a significant customer retention result, coming from the *Customer 1st aid* initiative:

On the 'My Account' pages on Shop Direct websites, when paying, customers are asked to enter the date their card was issued using a drop-down box. The drop-down box did not have an option to enter 2008. Anyone with a card issued from 01/01/2008 was unable to complete the transaction online and had to call the contact center to pay. This was an inconvenience that could have potentially discouraged customers from making further purchases.

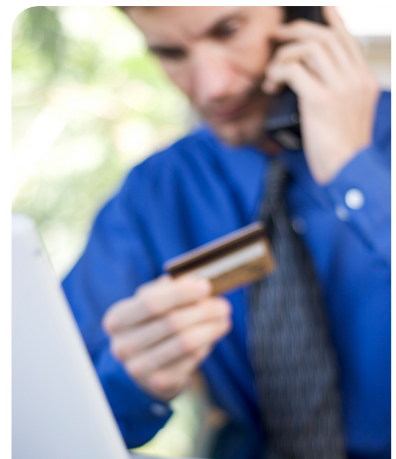
Employees now feel that they can "make a difference."

*"I have been very impressed with the response received so far. It's great to know that there is a team dedicated in helping our company offer better customer service, through issues/suggestions raised."* Ian Wilson, Insurance Underwriter, Financial Services for Shop Direct.

*"Once again thanks for your prompt reply. We are most grateful for this new system, keep up the good work, and the information will help."* Harry Amos, Worcester Contact Center, Shop Direct.

### Why assyst from Axios

Shop Direct Group had been successfully using and developing the *assyst* software for over 9 years. It has proven to be robust, easy to set up and use. The process of "Issue" raising, assigning and resolving was similar to the IT Incident Management process. It therefore seemed a natural progression to utilize *assyst*, using the knowledge and experience gained over the previous years.



### Axios Systems in Retail

Axios has been providing ITSM solutions to the retail industry for more than 20 years. Our focus on helping companies deliver top-line value by managing effective operations, optimizing efficiency and driving through business transformation has been well demonstrated in the retail sector with customers including Arcadia, ABF (Associated British Foods), Clarks International, Canadian Tire, Edeka and Kingfisher.