



SERVICE DELIVER MANAGEMENT

2005 COMPUTERWORLD HONORS CASE STUDY

BUSINESS & RELATED SERVICES

TECHNOLOGY ALLOWS COMPANIES TO MEASURE THE QUALITY OF SERVICE BEING DELIVERED VIA THEIR WEBSITES, GREATLY INCREASING SERVICE LEVELS AND ALLOWING COMPANIES TO FOCUS MORE ATTENTION WHERE IT COUNTS, ON THEIR CUSTOMERS. [20055296]

A Search for New Services



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SUMMARY

Internet has emerged as a fundamental enabler of a fast growing service industry in the western world. Everything from on-line shopping through political campaigning to filing of income taxes is now done over the Internet. Service however is about making sure customers' experience of the service is good so they come back. This is where Internet is weak. There is no personal contact so the service provider has no way to measure the quality of service their Web site is delivering to customers and no way to know how to improve customer experience. Adlex recognized this need early on and focused on developing technology that addresses this need.

APPLICATION

Adlex developed products that when installed at Web sites, measure the service quality experienced by each customer or visitor to a Web site. Large financial institutions and Internet service providers use Adlex products to track the service experience of each of their customers. Such metrics as Web site response time, transaction errors and customer abandonment (due to frustration) provide clear and accurate insight into how well each customer is being served.

BENEFITS

Experienced business people understand that existing customers are the most profitable customers. Losing a customer because of poor service is one of the cardinal sins of business that no business manager wants to commit. Yet with Internet such sins can easily be committed. Business managers or IT organizations simply do not know if their on-line service is excellent or poor unless a customer calls. But Internet customers seldom call because they have other options at the click of a mouse.

The first benefit of Adlex technology is visibility. It enables measuring the actual service quality received by customers and benchmarking it. The second benefit is to detect service quality problems, the number of customers affected and identifying those customers so that proper actions can be taken by the IT department. The third benefit is to find what to fix so that IT department can improve service quality quickly. Adlex was first to deliver all three of these benefits to business and IT organizations of On-line service organizations.

IMPORTANCE

To-date service companies relied on customer surveys and studies to measure and analyze the service quality experienced by customers. Internet makes that practically impossible as there is no direct human contact with On-line customers. Technology must be used to capture this data.

ORIGINALITY

The existing technologies for monitoring user experience were developed for measuring application response time for internal users, for example employees. These technologies relied on installing special software on peoples PCs. This software "observed" the user activities and performed the necessary measurements of response time and errors as experienced by end users. This approach however, cannot be used in the Internet environment because the PCs are owned by customers and service monitoring software cannot be installed on them. Customers' Internet security concerns further eliminate this as a possibility.

Adlex had to develop original technology that enabled measuring customer experience remotely without the need for installing anything on customers PCs and without adding any overhead to Web sites. Our technology comes in a form of a hardware appliance that when installed at an entry point to a Web site can identify customers, measure their experience and point out problems and possible solutions, all by simply observing the bytes and packets of data that flow between remote On-line customers and a service company's Web site. We invested over 250 man-years of development effort that overcoming some of the technical challenges in this project.

SUCCESS

Adlex has been selling its service quality management solution to large financial institutions and large telecommunications service providers. We found that the needs of our customers vary depending on their business. In one case our products are used to monitor service quality delivered by a large mutual fund company to over 1 million of their customers who regularly access their pension On-line. In another case our product is used by a large Internet access provider who tracks the service quality received by over 4 million of their subscribers. In yet another case a boutique investment bank is monitoring service quality delivered to 20,000 of their wealthiest clients. The technical success has translated to a commercial one. Adlex while still a small company, has been growing its revenue at a rate of 60%, is profitable and cash flow positive.

DIFFICULTY

The biggest challenge faced by Adlex is not the technology, now that we have the development behind us but rather getting IT organizations to realize that their job is evolving from the manager of IT technology to the management of service delivery. IT organizations traditionally have been focused on making sure that hardware and software is up and running. They have not been challenged by the business people to assure good end user experience because end users were employees and as such they had no choice. If an employee was experiencing slow application response his/her recourse was to call a help desk and then wait their turn for a problem resolution. IT was in control.

The advent of On-line business changes the dynamics and puts the customers in control. A customer can simply click away if their experience is poor and do business elsewhere. Business managers in most companies are just beginning to realize that they need to sit down with IT organizations and embrace them as partners in business and not just technology keepers. They must provide service quality objectives and fund IT to deploy solutions such as Adlex's to assure that ON-line customers are served well and not lost because of poor experience.