

How Does Your Company Present Itself?

Personalization, Consistency, and Persuasion Across Customer Touchpoints



Greenhill Analysis

Smart People with Unrivalled Technology and Business Credentials

Prepared for StreamServe, Inc.

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Executive Summary

Companies spend millions of dollars producing and distributing documents and communications that fail to capitalize on what they know about their customers. Oftentimes, these customer communications fall woefully short of reinforcing brand, developing customer loyalty, and providing a unique customer experience. These communications tell customers what they owe, what was shipped to them (or not), and what activities they've performed. They span Web, email, assisted customer service and direct mail touchpoints, and are delivered by many departments, such as billing, shipping, customer service, sales, and marketing. It's not surprising that the executives responsible for business units and overall customer experience don't feel as if they have control over customer communications. And yet, these communications eat up huge budgets for printing and mailing, costs that are estimated to be as much as 3% of a company's revenues.

Rather than sending multiple complex forms with an outdated, unappealing appearance and generic messages, you could be using recurring communications—such as invoices and statements—to persuade customers to deepen their relationships with you, and to help customers take better advantage of your company's services. We think that old fashioned, generic communications convince customers that their suppliers don't care about them, and don't know them—the very reason cited by 68% of customers who abandon a vendor. We think that companies can and should do better.

While past waves of personalization technology were a severe disappointment, today we see new, practical, and very affordable solutions emerging that make it possible to turn dense documents from your front and back office systems into persuasive, engaging, personalized communications with big bottom line impact. These solutions are known as enterprise document presentment systems (EDP). Companies using EDP solutions are saving \$2-3 million annually in postage alone, as well as:

- Improving customer satisfaction and loyalty as consistent and effective customer-facing communications reinforce brands
- Eliminating calls to the contact center for explanation of confusing communications
- Generating new revenues resulting from tailored offers integrated into back and front office communications
- Increasing the effectiveness of campaigns, as recurring account statements act as direct mail marketing pieces that customers are certain to open and read.

In fact, the EDP solutions offered by StreamServe make it possible for business people—rather than IT staff—to be in control of personalizing marketing and sales communications, whether the information is delivered on paper, online, or on request via email or fax. However the information is delivered, it is consistent, clear, and persuasive. The impact on customer experience is significant: customers get clear, summarized, graphical information with embedded relevant offers, convincing the customer that you know and value him. We think you should consider EDP to help your organization develop deeper and more profitable customer relationships.

Communications that Strengthen Customer Relationships

Customer-facing communications are the primary means for a company to express its brand and messaging. Yet, for most companies, the full gamut of customer communications has never been assessed for its impact on customer profitability, satisfaction, or loyalty. Instead, each business process and system produces a set of documents that reflects its inner workings, irrespective of customers' requirements.

Let's look at an example of customer-facing communications. As a customer, you are probably all-too-familiar with the appearance of the three circled documents on the left side of the illustration below, documents that present the details and a primitive summary of an account. It takes some study to understand what the documents are intended to convey, and you have to review all three together, even though they are sent separately. Does your company send statements like these? By Gartner's measures, these three documents cost \$18 to send to a customer.

The image compares two ways of presenting financial information. On the left, three overlapping, cluttered documents from Global Financial are shown, representing a poor user experience. On the right, a clean and graphical 'GB Account tracker' is displayed. This tracker includes a 'Quarterly Statement History' table, two 'Portfolio Value Chart' graphs, and a 'Keeping your finances on course' section with a pocket watch icon. Annotations include a speech bubble saying 'Action' pointing to a warning icon and a thought bubble saying 'Offer' pointing to a pocket watch icon.

Period	Portfolio Value
03310000	41,377.13
06300000	45,501.49
09300000	45,111.96
12310000	49,301.45
03310000	53,097.53
06300000	56,533.55
09300000	51,916.44
12310000	62,758.71
03310004	52,817.23
06300004	53,309.18
09300004	56,769.91
12310004	59,524.12

On the left, circled, are three documents sent separately to each customer, with overlapping and poorly presented information. On the right is an example of the same information presented succinctly and graphically, with recommended action highlighted and with room to include a relevant offer to this customer.

In contrast, the document on the right was prepared by a StreamServe EDP solution, and represents the ideal of what customer-facing communications can be. It presents a clear summary of the quarter, a graphic depiction of portfolio growth, and highlights of actions required by the customer. This single document costs only 1/3 as much to print and send, it helps the customer by calling attention to a required action, and it enhances the relationship by providing a visual summary of the information that matters most to the customer—his portfolio growth. Note that there is room on this statement to include a targeted offer; an offer the customer is most likely to be receptive to while he is immersed in his relationship with the company.

As a customer, which would you rather receive--the single, concise summary with the call to action on the right--or the three unconnected and dense documents on the left? As a company, which types of documents are you sending today? Is this how you want to present your company to your customers?

There are enormous benefits to your customers and to your business in using EDP to deliver effective customer-facing communications that are like the example on the right side of the illustration above.

Benefits to Customers

If all communications--from order acknowledgements to invoices, statements to regulated notifications—were designed for the customer rather than pumped out by default by front and back office systems based on the workings of internal business processes, customers would be thrilled. Here are some of the benefits your company can offer by using EDP to deliver communications designed for customers:

- **Time-Saving Clarity:** Communications would be easy to understand, and could include graphics and cogent summaries. There would be fewer documents, and no content that doesn't apply to them. They would get tailored recommendations.
- **Trust and Confidence:** Customers would see consistent information and brand representation across channels, which convinces them that their supplier is competent. Compare this to the all too common situation of seeing a great offer on an insert but hearing from the call center that you're "not eligible" for it. What should you believe?
- **More Control:** Customers could be allowed to choose their preferred touchpoint for receiving communications, as well as to choose among summary, consolidated or detail formats. All of these communications would be driven by the same data and process, so consistency is ensured.

"[StreamServe allows us] to streamline the customer statement process, ensure that each statement reflects the individual customer's needs, and generate additional revenues by using our statements to market additional products." *Richard Cohen, CIO and Senior Vice President, Benco Dental*

- **Get More out of each Relationship:** By receiving relevant, targeted offers, customers learn about a supplier's range of services and can easily see new ways that their supplier can help them further.

Benefits to Companies

Persuasive, personalized, and consistent customer-facing communications can create more satisfied customers who stay longer, buy more, and call less often for help understanding confusing documents. Benefits to companies using EDP include:

- **Boost Revenues via More Cross-Selling:** By turning back office and front office documents into marketing and sales tools, you'll create more opportunities to sell and to shorten the sales cycle as customers act on offers made in post-purchase communications. Every document sent to customers is an opportunity to deliver a targeted offer.
- **Enhance Brand:** By delivering carefully designed customer communications with relevant offers, companies can present consistent brand image and messaging—the kind of brand expression that seems never to be part of invoice design. Companies also avoid the resentment that arises when customers think they've been wrongly billed because they can't decipher the invoice.
- **Reduce Call Center Events:** By delivering consistent, understandable documents, and allowing customers to control format and delivery of their information, companies can reduce the confusion and frustration that drives customers to the phone. According to a 2005 study from Gartner and Avaya, on average, a call to customer service costs \$4.50. By using StreamServe EDP, a utility with over two million customers reduced calls by 30,000 per month, improved customer communication, and saved an estimated \$1.6 million annually.
- **Speed Time to Market and Reduce IT Costs:** By giving business people direct control of the content of customer-facing communications, companies can react quickly to marketing opportunities, and increase the effectiveness of personalization. There are also potential efficiencies in localizing content for languages and government regulations, as the local business experts directly control the content.
- **Reduce Costs of Printing and Mailing:** By combining documents produced by multiple back office systems into a single document that makes sense to customers, and by allowing customers to receive communications electronically, companies reap significant savings in printing and mailing costs. By consolidating communications, German bank Postbank saves €2.5

“StreamServe EDP reduces costs of producing invoices by 40 %. The investment has paid for itself many times over.” *Robert Börlin, IT manager, Buena Vista Home Entertainment AB*

million annually, and DFDS, a Danish transportation company, saves \$3 million annually.

- **Reduce Churn:** Customer-centric communications drive three significant loyalty enhancers. First, by allowing customers to control how communications are delivered, customers become more bound to a relationship because it fits into their processes or lifestyle. Second, by making targeted offers more often, customers deepen their relationship and rely more and more on their supplier. And third, by providing concise and consistent information, companies stop generating the confusion and frustration that forces customers to call.

StreamServe's Solutions

StreamServe, a global company with more than 4,400 customers in 130 countries, offers EDP solutions that enable business people to design the most effective customer communications. StreamServe's solutions give companies the tools to develop persuasive and personalized documents that are consistent across channels, touchpoints, geographies, and product lines. These documents can be personalized to customer preferences for format and delivery, automatically adapted to local regulations via business rules, and include messaging appropriate to the customer segment and relationship.

Key EDP solutions from StreamServe include:

StreamServe *Financial*[™]: StreamServe *Financial* manages customer-facing communications for account openings, compliance, correspondence, account statements, corporate identity, and customer lifecycle. Only 3% of financial services companies attempt cross-sell during customer interactions. Those that do, including companies such as Banque Artesia Netherlands, BGC, Eurofactor, Handelsbanken, and Lindorff, use StreamServe *Financial's* suite of applications to present highly personalized statements, distribute consistent communications across channels, create brand advantage, and take advantage of cross-sell and up-sell opportunities.

StreamServe *Utilities*[™]: StreamServe *Utilities* manages customer-facing communications for account openings, compliance, correspondence, account statements, corporate identity, and customer lifecycle. China Light and Power Hong Kong, E.ON Energy, Electricity Supply Board, Göteborg Energy, and Oklahoma Gas and Electric use StreamServe *Utilities* to increase revenue per customer, improve retention, and meet regulatory requirements. China Light and Power's StreamServe-generated statements have significantly reduced call center calls. At Göteborg, StreamServe has reduced consulting fees, the drain on administrative resources, and improved customer satisfaction. At the Electricity Supply Board, the call center

can instantly retrieve StreamServe-based statements to answer customer billing queries.

StreamServe *Telecom*: StreamServe *Telecom* manages customer-facing communications for account openings, compliance, correspondence, account statements, corporate identity, and customer lifecycle. TDC, MTN Telecom and others use StreamServe to simplify statements and incorporate marketing messages, consolidate bills and lower distribution costs via electronic delivery, and, as a result, reduce the number and duration of calls.

StreamServe *Distribution*: StreamServe *Distribution* manages customer-facing communications for compliance, correspondence, account statements, corporate identity and customer lifecycle. Buena Vista Home Entertainment AB and Copaco use StreamServe to increase response time, providing instantaneous stock availability information and reducing document preparation time by 40-80%—from days to hours.

StreamServe *EU-Invoicing*[™]: StreamServe *EU-Invoicing* manages customer-facing communications for electronic invoicing, self-service viewing of invoicing and account information, and compliance. Companies such as ABB, BMW, Bravida, Copaco, and TDC, which do business across Europe, use StreamServe EU-Invoicing to prepare and present documents appropriate to country and industry conventions and regulations—without special programming

What Companies Are Doing with StreamServe

Agis Insurance: Great Customer Service

Agis, with 1.2 million customers and 2,000 staff, is one of the five largest specialized healthcare insurers in the Netherlands. As the Netherlands healthcare system has moved toward a more privatized system, companies such as Agis are under new pressures to become even more competitive in their pricing, quality, and service. Agis responded to this changing business landscape by merging with three regional healthcare insurers to leverage economies of scale.

PROBLEM: The merger posed the challenge of establishing consistent communications and processes across all four companies, and across all customer touchpoints.

SOLUTION: Agis uses StreamServe *Financial* to generate roughly 8 million documents annually, including letters, invoices, policies, and settlement specifications. The firm automatically creates digital folders of all outgoing communications for each client that are immediately accessible to all staff. To maintain existing customer

“While the cost savings alone justify our investment, the greatest value StreamServe *Financial* delivers is that it enables us to provide better customer service, which results in enhanced satisfaction and sales growth.”
Bertjan Teunissen, Project Leader, Agis

relationships, and to eliminate confusion, the StreamServe-generated client communications reflect the style and processes of the pre-merger companies.

BENEFIT: The merged companies put forth a consistent brand, and filing costs and delays looking for paperwork were eliminated.

TDC Telecommunications: Self Service and Tailored Cross-Selling

TDC is the largest telecommunications provider in Denmark, with 15 million customers across Europe.

PROBLEM: TDC competes with telecoms across the European Union, and is strongly motivated to find ways to reduce costs and increase customer satisfaction and loyalty.

SOLUTION: TDC uses StreamServe *Telecom* to streamline communications across several legacy systems, enabling customers to control how all communications are delivered to them. StreamServe can automatically notify customers via email when an invoice is issued, as well as present the notification via their Internet banking portals. TDC is also able to send customer order confirmations electronically.

BENEFIT: Allowing customers to choose to receive invoices via email, and by consolidating documents, TDC's printing and mailing costs have been substantially reduced. StreamServe also enables TDC to personalize its communications, preparing more tailored and thus more effective offers to its customers. In addition, StreamServe has enabled TDC to comply with new regulations virtually overnight. As an example, legislation passed in Denmark in 2005 requires that citizens be offered the choice of receiving invoices online. With StreamServe in place, TDC was already in compliance with the regulation.

"We want to be known for offering our customers quality service and innovative and interesting services, and StreamServe EDP helps us do that." *Eric Balslev, Product Manager, TDC IT Services*

AET Films Achieves 300% ROI

AET Films, a global manufacturer based in New Castle, Delaware, supplies commercial packaging films used by companies such as Frito Lay, Pepsi, Tetley, and Dole. AET sells to converters who print and customize the film for the end customers.

PROBLEM: Few of AET's products are patented, so its on-going challenge is to differentiate its offerings.

SOLUTION: A key differentiation for AET is its customized service to customers, which lowers the cost of doing business with AET by making communications more efficient and more controllable. By implementing StreamServe, AET can offer customers pallet labels, bar codes, customs documents, invoices and warehouse documents

tailored to their needs. The solution also enables customers to control the torrent of materials handling and customs documents dictated by regulatory bodies worldwide. In addition, customers can elect to print documents from AET's portal only when needed, eliminating costly and error-prone document distribution and filing. AET also uses StreamServe to streamline production of the documentation required for transporting products world wide.

BENEFIT: As AET's customized communications become embedded in each customer's processes, customers are increasingly likely to buy from AET, and it becomes more difficult for them to buy from AET's competitors. Note that AET's StreamServe EDP customized communications solution was deployed in one week, achieved payback in three months, and resulted in a 300% return on investment in the first year.

"With StreamServe EDP, we have the ability to quickly create and deploy a new label format for a single customer with any variety of bar codes. That's a unique capability in the marketplace and a real advantage for us." *Jim Burger, Director of Information systems, AET Films*

Blueprint for Success

The argument for deepening customer relationships via concise, targeted and meaningful Enterprise Document Presentment strategies is compelling. The potential bottom line impact is significant and ROI can be achieved in as little as three months. So how do you take advantage of this opportunity? We identify four steps for you to take:

4 STEPS TO SUCCESS

- 1: Immediate Success and Payback
 - 2: Define Your Customer-Facing Communications Strategy
 - 3: Establish Your Customer-Facing Communications Plan
 - 4: Execute, Assess, Adjust
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Step 1. Immediate Success and Payback

While you will get the most out of EDP technology by making a holistic assessment of all customer communications, the most prudent approach to any new technology is to try it out on low hanging fruit. This gives you the opportunity to quickly recoup costs, learn how to apply the technology effectively, and gain organizational buy-in.

Very likely, there is a pressing communications issue or significant opportunity already apparent to you. For example, you know your statements drive too much traffic to your call centers, and improving

that single communication will save mailing and call center costs, at the same time enhancing your customer relationships.

Jump on that opportunity, prove the value and reliability of your solution, and begin to reap the benefits. AET's StreamServe investment was repaid within three months. By consolidating multiple confusing communications barraging customers who opened an account, Postbank saves €2.5 million annually by consolidating its welcome packs from five mailings into two. Savings like that give you breathing room to spend on other improvements, and gain the confidence and support of the rest of the company.

Step 2. Establish Your Strategy for Customer-Facing Communications Across Touchpoints

With immediate success and payback giving you confidence and credibility, take a step back and develop a strategy for customer-facing communications. Corporate spending on customer communications is fragmented across departments, and in most companies, the fragmentation is all too evident to the customer. Customer communications, in total, rightly belong to the executive responsible for the customer experience – typically the VP of Sales or Marketing. With new tools at your disposal, it is now possible to take charge of your entire customer face, design it with customer's needs at the forefront, and then integrate your messaging.

With all the information you produce for customers, and all the systems that produce it, how do you develop a cohesive strategy that meets your customer needs?

Audit the Gamut of Customer-Facing Communications

The first step is to get a clear picture of your current customer-facing communications. Your company currently sends statements, invoices, shipping notices, notices of pricing changes, and marketing mailings, presents offers via email and Web pages, handles phone inquiries, and possibly makes scripted outbound sales calls. Assemble a team of people who interact with customers across the life cycle. Make sure you include some of the people who deal with customers' questions about the documents they receive. Put all the communications on the table—physically—and ask your team these questions:

- Does each communication clarify a transaction or condition that is meaningful to customers?
- Is there overlap of information among the communications that is confusing?
- Can we eliminate any of the communications, or consolidate some communications with others?

- Does the document, email or Web page describe offers that aren't actually available to the customer receiving the communication? Are there offers that would be relevant to the customer that aren't being described?
- How do customers say they want to receive this communication? Do they want it pushed to them, or do they want to pull it as needed? Do they want the information on paper or online?

Brainstorm and Design the Ideal Customer-Facing Communications

Now think about the different types of customers that receive communications from your company. If your customers are businesses, you are likely to be communicating with purchasing, accounts payable departments, as well as the decision makers and users of your services. If your customers are consumers, they represent a variety of psychographic and demographic segments.

Design the ideal communications for each of these customers from their perspective, and then identify where brand and product messages or offers will enhance communications.

In designing for each of the types of customers you communicate with, consider the following:

- What information does this person need in order to *complete* his tasks?
- What information does this person need in order to *excel* at his task?
- What is the most concise form that communications can take, within the constraints of contractual and regulatory obligations?
- What types of offers does this person have the authority to accept?
- Does this person need the structure of scheduled delivery of communications, or the flexibility to control the timing, format, and channel of the delivery? Do all customers want all detail in print, or would many prefer a summary with details available on line?
- What additional information would each type of customer value? For example, would he value seeing what the bill would be had he chosen another plan, or how usage compares with other similar customers?
- What messages or offers would each type of customer value in the context of each of the communications we send? For example, would she like to see the current programs and offers that are relevant to their account?

- What rules can you articulate that would control the format and timing of communications, and the offers that are included? You'll need to track these by segment and by communication.
- Identify new services or differentiation based on customized documents for customers.
- Identify must-have improvements stemming from regulatory changes, customer expectations, and localization needs.

Step 3. Define your Customer-Facing Communications Implementation Plan

Prioritize by Value

With your strategy defined and approved, it's time to get to work on your plan. In prioritizing the implementation of your customer communications plan, fixing your customers' greatest frustrations comes first. As a second priority, make the changes that have the biggest revenue opportunity, such as adding relevant offers to account statements. By eliminating customer frustrations, you'll be eliminating customer service cost, increasing customer loyalty, and reducing customer churn. Once customers are receiving meaningful and streamlined communications, they will be far more receptive to a relevant offer.

Of course, you may have low-hanging fruit to pluck. That's fine, as long as you're sure there will be no substantive delay to achieving high value changes.

Filling Your War Chest

Your justification for expending resources on improved communications shouldn't be difficult to measure. The table below presents justifications that are commonly applicable to a wide range of businesses.

Phase by Customer Segments and Customer-Facing Communications

Now that you have your new customer-facing communications designed, you'll want to phase in the changes to communications, piloting each new communication with a subset of target customers to make sure that the new design is welcomed by them. You'll need a transition plan for each customer segment and each role that is affected if your customers are organizations rather than consumers. The transition plan will describe the sequence of each of the communications changes that will be rolled out, the pilot subset, the customer service training events, and the customer feedback mechanisms.

EDP JUSTIFICATION

Cost Savings and Revenue Improvements	Your Bottom Line Impact
How much could your company save annually in printing and mailing costs by consolidating customer documents into fewer mailings?	
How much money could your company save annually by incorporating direct mail campaigns into regular communications? (annual spend on inserts)	
How much money could your company save annually in printing and mailing costs by allowing customers to elect online or as-needed delivery? (25% of customers X \$6 per mailing X mailings/year)	
How much money could your company save annually in the cost of calls from customers who need communications explained to them (@ \$4.50/call)?	
How much money could your company save annually by eliminating calls from customers who need a duplicate copy of a document? (U.S. average = \$4.50 per call)	
How much would your company's annual revenues increase if you were able to make targeted offers in every customer-facing communication? (Context relevant offers drive 2-3X generic conversion rate)	
How much would your company's annual profit increase if you were able to improve customer loyalty and reduce churn by providing persuasive customer-facing communications?	
How much would your company's annual revenues increase if you were able to better differentiate your offerings via personalized services?	
How much would your company's annual revenues increase if you had greater sales staff productivity, because they weren't spending time helping customers understand confusing communications?	
How much time and money would your company save annually if it didn't have to make major changes in its IT structure to comply with new regulations or policies?	

Use this table to estimate the benefits of Enterprise Document Presentment.

Keep Everyone On Board

You brought together a team to assess your current communications. You want to leverage that team during roll out of your strategy. These people can help organize the internal communications about your plan, and also figure out how their organizations will deal with changes to customer communications. For example, if you change your statement formats, customer service representatives will need to thoroughly understand the new electronic and paper documents; account managers will want to be prepared to explain the upcoming changes to customers.

Technology Implementation Plan

StreamServe EDP has limited impact on IT systems and environments, and therefore its implementation is accomplished with modest resources. Because it uses information already created by existing applications, and because it does not change application data, it does not require the extensive integration and testing efforts

that characterize much enterprise software. Customers have implemented StreamServe EDP within a week.

Your IT architect will make the decisions on where StreamServe will fit in your company's IT architecture. Factors they will consider include what platforms it will run on, what scalability and data access will be required, and which systems (such as print subsystems, middleware, and business applications) must be integrated in order to support your customer-facing communications plan.

It's quite possible that StreamServe is already in place in your IT environment. If so, much of your technology planning is already accomplished.

Step 4. Execute, Assess, and Adjust

There is a fairly simple cycle to executing the plan. You pilot the new customer-facing communication, assess results, and adjust your new communication and your full customer transition plan based on feedback. You complete the transition for each customer segment. Finally, you validate the effectiveness of the change from the customer's perspective, and validate your assumptions on cost and revenue improvements, returning to your justification assessment developed in Step 3.

Conclusion

How do your customer-facing communications look? Are you making relevant and compelling offers? Or are you spending millions of dollars sending out statements that generate a flood of calls to customer service? Are your customers calling to accept offers that aren't in fact available to them? Are you making it harder and more costly for customers to do business with you? Are you making attractive offers embedded in valued communications, or adding a generic insert to an incomprehensible statement? How do your communications compare with your competitors, and how do they measure up to your customers' expectations?

There's a growing awareness across all industries—including utilities, insurance, banking, brokerage services, telecommunications, distribution, and manufacturing—that using EDP to connect more effectively with customers holds the potential for providing a real and sustainable competitive edge for companies around the world. Customers are beginning to see the compelling communications from their suppliers made possible by EDP, and their expectations for the quality of all supplier communications continues to climb.

HOW DOES YOUR COMPANY PRESENT ITSELF?

Given the opportunities for increased revenues and reduced cost savings offered by EDP, and the short payback period, we think you should take a close look at solutions such as StreamServe Enterprise Document Presentment™. Rather than react to the impact of your competitors rolling out streamlined documents, statements, and integrated communications with personalized and persuasive offers, get there first.

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