



**“I am not sure which transformation gives me the greatest pride now: looking at the reenergised team buzzing with a whole new enthusiasm, seeing the managers actually cooperating, and wanting to cooperate, or finally beating Vodafone to the top spot on the customer loyalty league table” Sarah Sargent, Head of Customer Services.**

**O2, operating subsidiary of communications giant Telefónica and one of the top three connected communications operators in the UK knew that customer retention was the number one strategic issue facing their business.**

With over 18 million individual and business customers, O2 operate in a highly saturated, complex and proactive communications market. An increasingly knowledgeable customer base, the growth of bundled product offerings such as broadband, laptop offers, mobile internet access were all methods of attracting customers to rivals and they needed to act fast.

Historically, performance had been managed through Management Information and the resulting attitudinal and behavioural issues were impacting on customer experience and loyalty. For example, behaviour included more interest in figures and financial reward, defensiveness, reactive response to underachievement, a lack of teamwork and low emotional engagement with O2 or their customer.

As Sarah Sargent, Head of Customer Services pointed out, *“looking at our customer satisfaction figures and employee engagement results it was clear that a significant transformation was needed in our Retention Teams if we were to truly turn our customers into fans of O2. This would mean tackling the culture and behaviours that had historically*

*driven some strong sales results but at the expense of giving customers confidence and trust in us as well as the service they deserved”.*

Following a robust procurement process, Blue Sky were selected by the General Manager, O2 Consumer Business, to partner with them to deliver an innovative and engaging solution that would deliver a number of business and cultural benefits.

**From Dependence to Interdependence**

The training intervention designed had to tackle deeply ingrained behaviours to drive sustainable customer loyalty. As Tim Hewitt, Principal Consultant and O2 Account Manager at Blue Sky pointed out “within the ‘Connected World’ business vision, the senior team at O2 wanted to move staff from a ‘dependence’ to an ‘interdependence’ driven culture”. This required a fundamental behavioural shift as outlined below;

Dependence	Independence	Interdependence
<ul style="list-style-type: none"> <li>◊ Low independence</li> <li>◊ Fear of making decisions</li> <li>◊ Low confidence</li> <li>◊ Lack of proactivity</li> <li>◊ Not empowered</li> <li>◊ Motivated more by fear</li> <li>◊ Low emotional bank account</li> <li>◊ Low trust</li> </ul>	<ul style="list-style-type: none"> <li>◊ Understanding self</li> <li>◊ Understand key goals and vision</li> <li>◊ Understand how ‘what they do’ adds to that vision</li> <li>◊ Understand ‘how to’</li> <li>◊ Motivated to achieve</li> <li>◊ Silo mentality</li> <li>◊ Low reliance on others ‘I’m alright Jack’</li> </ul>	<ul style="list-style-type: none"> <li>◊ Understand how to build fulfilling relationships with others to benefit all</li> <li>◊ Look to understand root cause of problems</li> <li>◊ Think ‘we’ and consider impact to wider business</li> </ul>

The Customer Retentions team including 29 managers, 361 agents and the internal Learning & Development team were taken through the programme to make a huge impact on achieving the O2 vision. The success and innovation of the ‘Stay Connected’ programme lay in its ability to drive a massive cultural shift in the team transforming it to one that is united, positive and customer focused.

**The Conscious Choice to Change**

To ensure this ambitious programme would change attitudes, behaviour and eventually culture, internal communication was key and an engaging brand called ‘Stay

Connected’ was created. The course design itself included:

- ◆ Trainees phoning competitors to experience being a customer
- ◆ Inspiring trainees to make a conscious choice to change their behaviour
- ◆ Helping trainees understand how to change behaviour inside and outside
- ◆ Developing an understanding of the principles of emotional engagement
- ◆ Removing personal barriers on how they dealt with customers
- ◆ Teaching techniques and skills to engage and excite customers

The programme was delivered on site and to create an exceptional experience, rooms were themed with key messages. Classroom based training for managers and advisors were held and ‘Big Brother’ diary room sessions were arranged to collate delegates’ feedback on the training. A key objective of the programme was to make the O2 training team as self sufficient as possible, so 1-2-1 consolidation sessions in the workplace were held as well as train the trainer sessions for the O2 L&D Consultants.

**Blue Sky Works**

Did the delivery match initial plans? Absolutely. Tim Hewitt pointed out “the strong and open partnership formed meant the training programme was delivered on time with over 96% attendance rates achieved!”.

More importantly, a number of cultural and business goals have also been achieved.

Improvements in business performance: assessments were carried out over 10 weeks – comparing the performance of 60 trained staff that had been through the Stay Connected, programme with 64 who had not been.. The results demonstrated:

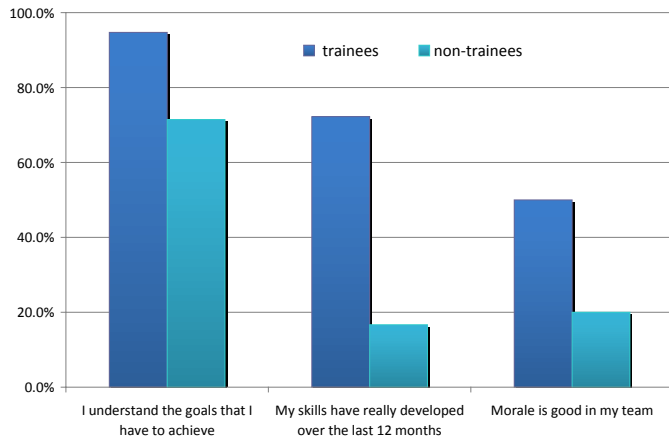
- ◆ 7% improvement in call quality (87% vs 80%)
- ◆ 3% fewer disconnections (10.3% vs 10.0%)

From the period that training commenced a significant reduction of 7.4% in customer churn has been achieved. Strategically, this means O2 now has the lowest customer churn rate in the industry and the programme has helped them with their goal of overtaking Vodafone. Within a year customer satisfaction has increased from 38% to 65% consistently despite difficult trading conditions.

Improvement in value for money - the reduction in churn represents incremental net financial benefit in excess of £2.5m pa on the bottom line and translating to a

staggering ROI in excess of 500%.

Improvement in morale - a staff survey assessed the meaningful impact of 'Stay Connected' on individuals and the following graph shows how morale and confidence improved within the team, tracked against a team who were not involved in the training.



However, the impact for the organisation was more than just revenue. Training was making people proud to work for O2 again, as this comparison of trainees and non-trainees demonstrates:



The retentions programme is now viewed as best practice and is being adopted in other parts of O2. As Sarah Sargent concludes:

**“The feedback and behaviour from staff says it all for me. A couple of members of the team even chose to make a video involving the whole team to express how they feel about Stay Connected. No-one asked them to do it and to see the expressions on their face and fun they are getting out of their role is humbling. We have all come a long way and the team within the Customer Retentions Team, our internal Learning & Development department and of course our friends at Blue Sky all have my heartfelt applause. A job very well done”**

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At Blue Sky we are passionate about delivering performance improvement across sales, customer experience and high performance leadership. Our award winning work delivers outstanding ROI by taking staff on an emotional and experiential journey and ensuring operations are set for optimum results. Visit [www.blue-sky.co.uk](http://www.blue-sky.co.uk) to discover how you can benefit from our approach and learn more about the awards our clients have been winning; 23 in the last 4 years!