OnProcess Delivers **$60 Million Cost Savings** Through Inventory Optimization

OnProcess

This leading provider of entertainment and wireless communications services
throughout the U.S. and integrated business solutions to customers worldwide.

Challenge

At one time or another, most consumers have their TV service disconnected. Maybe they're moving or want to take advantage of another provider's special promotion. Maybe they stopped paying the bill. Whatever the case, it's in the service provider's interest to recover as many of those set-top boxes as possible, as quickly as possible. However, that's often easier said than done.

When this leading U.S. broadband provider was ramping up a new, high-profile service, its energies were focused more on getting customers set up—streamlining ordering, installation and provisioning—than on what happens after customers disconnect. As a result, set-top box recovery wasn't as smooth. Customers could return them to the provider's stores, drop them at UPS facilities or even have technicians come on-site to pick up the assets. Often, though, they didn't do any of these things. And the provider had no process in place to proactively help consumers do so.

The company's asset recovery rate for voluntary disconnects was 81 percent. For non-pay disconnects, it was just 37 percent.

Profile

Service Area
▶ Reverse Logistics

Service
▶ Asset Recovery from the Field

Benefits
▶ Eased returns for customers
▶ Boosted recovery 14 points to 95%for voluntary disconnects
▶ Gained an 18-point lift in non-voluntary disconnect recovery
▶ Realized $60 million in annual cost avoidance
▶ Leveraged analytics-driven customer communications to deliver strong results
▶ Improved customer education through Voice of Customer reporting

OnProcess

> "OnProcess couldn't be a better partner to us. They bring a ton of experience, are very hands-on, and are always looking for ways to enhance our process and improve our outcomes."
>
> **— Manager, Product Management, leading U.S. Broadband Provider**

"We were stranding tens of millions of dollars every year, as we had to keep purchasing new boxes instead of refurbishing older ones," said the company's Manager of Product Management. "We knew we needed to overhaul our set-top recovery process, including instituting an overarching customer communications program that would improve returns without alienating consumers."

Solution

The provider realized that, to get the kind of results they wanted, they needed to outsource asset recovery. "Even though we have customer care centers, asset recovery communications isn't a core competency," they explained.

After evaluating a number of providers, the company chose OnProcess Technology. OnProcess specializes in complex service supply chain operations – the flow of people, parts and services following the sale of a product.

Results

Eased returns for customers

The returns process is now much simpler for consumers, who no longer have to find a shipping container, package up their set-top boxes and bring them to the provider's store or UPS facility. Instead, every disconnecting customer, whether voluntary or non-pay, is sent a recovery kit that includes a fitted shipping box and prepaid UPS label.

Boosted recovery to 95% for voluntary disconnects, 55% for non-voluntary

The broadband company gained a 14-point lift in set-top box returns from voluntary disconnected customers, meeting its 95% goal, and an 18-point lift in non-pay recovery. While it is adjusting its termination processes for non-pay disconnects in order to boost future non-voluntary returns, the combined results to date have already had a significant impact on the bottom line.

"The payback has been huge," said the company's Manager of Product Management. "A new set-top box costs about $200 all in, whereas it's about $30 to update and ship a returned box. When you consider the volume we process, that equates to about $60 million in annual cost avoidance."

The big uptick in returns also enables them to generate revenue with existing assets, instead of stranding those assets, and their revenue potential, in the field.

"The payback on the OnProcess engagement has been tremendous. Not only are we saving around $60 million annually in cost avoidance, we're delivering a good returns experience for our customers."

— **Manager, Product Management, leading U.S. Broadband Provider**

Improved consumer education through Voice of Customer reporting

OnProcess provided the client with reports detailing every single customer call, including verbatim conversations showing how they felt about the provider, the disconnect experience and the return process.

"OnProcess' Voice of Customer (VoC) is a very important tool for us," said the client. "We put out a lot of messages to customers and sometimes it can be confusing. The VoC reports point out when and why this is the case. I can't tell you how many times we've gone back and clarified our communications based on this customer feedback."

Leveraged analytics to tailor customer communications, deliver strong results OnProcess proactively reached out to the client's customers, using different tactics for voluntary and non-pay disconnects.

Leveraging advanced analytics to detect recovery trends and exceptions, OnProcess identified the best points in the recovery process to insert communications for each group, and which type of communications would be most effective at each time. They tweaked the process, as needed, based on ongoing analyses and used Voice of Customer insights to continually enhance agents' talking points and communications strategies.

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