

# TIM Brasil CX Innovation Award Nomination

## Innovation Title

CX@TIM: A Cultural Transformation

### **Describe the Innovation: Why and What was the idea that this organization was trying to change or create to bring value or resolution to a customer's pain point?**

TIM Brasil (hereafter TIM) is the Brazilian subsidiary of Telecom Italia. Our initiative to incorporate a Customer Experience Culture started with the identification of a market strategic opportunity. The Brazilian telco industry is very commoditized, where four major players engage in price wars, with little differentiation and innovation between competitors. That presented a unique time and opportunity to dive into CX.

In a country as big and diverse as Brazil, the market naturally reflects this diversity. Consumers of mobile services have many different backgrounds, stories and aspirations, but the market delivers no personalization, and only offers economies of scale and "one size fits all" mindset.

Seeing consumers as ever more demanding, and ever more socially connected, where a single voice has the power to influence many, TIM has identified the ideal environment to invest in a more customer centric culture.

Our goal at TIM is to become a leader of Customer Experience innovation in the Brazilian telco market, making this pillar even more a differentiation strategy.

### **Describe how this organization did things differently as part of identifying, testing and implementing the idea considering the following:**

#### ***·Methodologies and tools used***

At the Customer Experience project kick-off, we conducted an assessment to determine the maturity of our organizational structure, processes and customer channels. The goal was to create an action plan for CX innovation, including the "as is" mapping of our customer journeys, where we identified the main customer pain points and evaluated our support channels, like ARU's, mobile and web apps, and Call Centers.

In Oct'16 a new organizational structure was created, with the mission to promote and spread CX innovation and cultural transformation to all business areas within TIM.

At the 1Q17, our CEO Stefano De Angelis, announced Customer Experience as one of the strategic pillars for TIM's triennial plan.

Throughout 2017 a series of initiatives were put into practice to support those goals:

- We created the Customer Experience Guidelines, which contain directives for innovation in customer communication and interaction, and experience monitoring.

- We included CX elements in the process for product and service development, like checklists and trade-offs between revenue optimization and ideal experience, as well as mapping of the ideal customer journey before release dates.

- We created the CX Governance Plan to follow up on strategic projects with company leadership. The projects were divided in four groups – Customer Centric, User Experience, Crew (employee) Experience and Customer Monitoring – and two types – functional or process reviews, and IT or infrastructure development. The follow-ups were conducted weekly with middle management, and biweekly at the Customer Experience Committee with C-level executives, including our CEO, Stefano De Angelis. In 2017 we managed and concluded 92 major projects, being 62 functional or process reviews, and 30 IT or Infrastructure developments.

- We hosted events – both in person and online – to promote engagement and training, as well as to spread the CX culture and add market knowledge to more than 4,000 employees across all business units in Brazil.

- With the implementation of the Change Management strategy, we identified stakeholders and made analyses of readiness for change. The results helped us shape and implement a communication and training strategy to support the necessary cultural transformations.

**Describe how innovative the idea or solution is considering the following:**

***·How unique or different the idea or solution is across the industry***

***·How has it advanced CX and awakened others inspiration and interest in CX?***

TIM was the first Telco company in Brazil to work Customer Experience in a structured and strategic fashion, acting on all six CX key areas (Strategy, Customer Centric Culture, Customer Knowledge, Experience Design, Experience Metrics and Governance), following drivers by CXPA and Forrester. Incorporating CX elements in the release of new products and services, we were able to leverage revenue and sales for high-end segments, increasing the level of customer satisfaction (where we went from being the last telco in Brazil, to take the market leader) according to a survey by Bridge Research in December 2017. This improvement resulted in the reduction of 7% in Call Center support calls, improved digital solutions (+111% increase in digital interactions on the mobile app and website, which reached more than 50% share of total customer interactions, 185% more sales in digital channels on the Post-paid and Control segments, and 83% more on the Pre-Paid segment) solidifying our commitment to digital transformation as a fundamental strategy for Customer Experience innovation.

We also worked the Crew (employee) Experience which resulted in a 11pp increase in the attribute "Quality and Customer Centricity" of our annual employee climate survey, taking the company to the top 10% among 200 companies surveyed. At the CX Week we had talks focused on key CX concepts, like Success, Effort and Emotion, to promote engagement to more than 2,400 professionals, managers and leaders.

To unfold CX culture, we launched the CX Whiteboard and E-Learning platforms, which provide insights on CX cultural transformation at TIM. We also unfolded the CX Guidelines to 100% of our Crew (employees). We conducted more than 18 workshops and spot events on Customer Experience themes, such as Customer Journey and Empathy mapping with specialized consultants to train our Crew – from leadership to professionals – to take those methodologies to their business areas. We also had 8 monthly recurring training events throughout the year with the presence of more than 4,000 employees total.

At the CX Analytics Forum we brought together employees and partners to discuss how to best use Dig Data and Analytics as tools to provide Customer Experience metrics and insights.

**Describe the benefits achieved and/or CX improvement of the innovation considering the following:**

- What factors were used to quantify and measure the improvement success?*
- What impact did the product or service have on the customer and how was this measured?*
- What impact did the product or service have on the employees, and how was this measured?*
- As a result of the innovation how did it change the business operating norms?*

We focused our efforts on Cultural gains with Organizational Climate Survey – where we had a 11pp increase compared to 2016 –Accountability gains, and financial and commercial gains – with a 65% increase in net profits, reaching 1,2 billion BRL in 2017, and with a record high EBITDA in 4Q17, with a double-digit increase, reaching 1.7 billion BRL.

Our Post-Paid showed a 24 point increase in NPS across 12 months, and 2 million increase in our customer base, reaching 17.8 million users in the segment. We also had a 16% increase in customer satisfaction according to our Call Center survey and had a 12% reduction in IVR call propensity in Pre-paid, Control and Corporate segments (2017 vs. 2016).

Regarding 4G Network coverage, we went from 1,255 cities in 4Q16 to reach over 3,000 cities by the end of 2017. That was almost a 140% increase in 4G coverage, which consolidate our leadership in Brazilian market.

We also maintained our leadership in the Customer Experience Netflix Ranking where we ranked first for 33 times in the last 36 months.

We had a 11pp increase in our annual Organizational Climate Survey in the attribute “Quality and Customer Centricity”, a 13pp increased satisfaction with our CX training programs, where we reached over 4,000 employees in 2017.

During 2017, Customer Experience evolved from being one of the strategic pillars to become the main guideline of the company. This vision was once again confirmed in TIM's strategic plan update released earlier this month. (CX Turnaround).

We improved our process for product and service development, including CX elements and checklists. We instituted our e-learning and CX training programs as mandatory at our employee on-boarding with the HR team, which included Office, Stores and Call Center.

CX Drivers: we went from an Operational Mindset to an Experience Mindset (implementing a culture focused on Customer Success, Customer Effort and Customer Emotion)

**Please describe the 'before' and 'after' success metrics that were used to determine this newly innovative approach was successful:**

We went from having no employees exposed to Customer Experience culture, to over 4,000 employees participating in our training programs or workshops.

We went from -30 to -6 NPS in just 12 months in our post-paid segment. Although we still have a long way to go, 2017 has showed a significant improvement in customer perception.

We went from 1,255 cities with 4G Network, to over 3,000 cities, solidifying our leadership position in 4G Network coverage.

We went from sub-optimal results in Organizational Climate Survey to establish a new perception with our employees, which resulted in a 11pp increase in attributes regarding Customer Experience.

Customer Experience went from being just one of the strategic pillars, to me the main goal of our organization.

**Which types of work is the innovation focused on? (select all that apply):**

- Customer-Centric Culture
- Voice of the Customer, Customer Insight and Understanding
- Organizational Adoption and Accountability
- Customer Experience Strategy
- Experience Design, Improvement and Innovation