

SUCCESS STORY

***Becoming the Industry Benchmark
for Customer Experience in the
Face of Shifting Economic Models***

*A Total Customer Focus Transformation by ASML,
a \$7 billion B2B High-Technology Leader*



Background: Industry Trends and Changing Customer Expectations

Hardware, software and solutions companies, particularly in the B2B technology space, are finding that technology is no longer enough to meet customer needs, maintain customer loyalty and differentiate themselves from competitors. Technology leaders in the semiconductor capital equipment industry, such as [ASML](#) and Lam Research, for example are experiencing significant challenges as their customers insist on performance-based contracts, significant price reductions and an unwillingness to purchase new equipment, vs. extending the life of existing assets.

Other companies like AREVA, [Schneider Electric](#) and GE Healthcare are realizing the value of their installed base of customers and have restructured their Service activities. Some of them have even created separate Service P&L.

With the Cloud becoming a standard delivery model for technology solutions, the notions of ownership and CapEx (capital expenditure) are being replaced by those of usage and OpEx (operating expenditure). This trend is leading companies to redefine their service value proposition towards an outcome-based structure, such as in the aircraft engine industry where airlines buy a certain number of hours of operations rather than an engine, whatever the usage.

The Service business at software and hardware vendors is increasingly shifting from Maintenance to Customer Operations and more recently to Customer Success.

What Key Challenges Are These Organization Facing?

Technically skilled people are not trained on managing the customer interaction and service dimensions of their business. Companies have historically had little or no customer focus culture and their front line people lacked the skills to manage difficult customer situations effectively or even to establish relationships beyond a 'break fix' attitude.

However, service people are perfectly positioned to create Trusted Business Partner relationships. They have frequent access to customers and are often embedded on customers' sites. They are trusted as 'problem solvers' by their customers and they possess a deep knowledge of their customers as well as their own company's technical capabilities.

"Customer relationships are built or lost over a series of interactions that occur between people. Every interaction between a customer and supplier leaves each side with a perception of the other."

- Tony Nazzaro, former VP Customer Service at ASML

Becoming a Total Customer Focused Organization, the ASML Case

In 2010 Global Partners began discussions with ASML, a \$7 billion industry leader in the semiconductor capital equipment business. ASML at the time enjoyed more than 95% market share due to its advanced technology. However, they recognized that even with such a significant lead in technology, this was not enough to safeguard their future growth as customers were increasingly resistant to spending billions of dollars to get to the next level of breakthrough technology. In addition, ASML appreciated that attracting, retaining and motivating the best technical service people required the creation of a corporate culture that valued employee development, work-life balance and service excellence. Therefore, their objective for this transformation was to become the industry benchmark for customer experience. This would lead not only to secure growth with customers, but also to a culture of service excellence and employee development.

The Transformation Process

The typical tipping point for achieving culture change is about 30% of employees. Therefore, there was a strong desire to get to that 30% tipping point as quickly as possible. Achieving permanent change also requires that new skills and behaviors become embedded in employees' thinking and ways of working every day.

With these critical factors in mind, Global Partners worked with ASML, starting with their Customer Service (CS) group, but eventually engaging all functions who touch the customer.

The order in which populations were engaged in the TCF program was key:

1. Gaining buy-in of top management
2. Then training in priority middle management
3. Lastly engaging front-line field service people

The approach used to transform the culture and ensure long-lasting change was called 'embedding'. It systematically combined training in new skills and behaviors, application of these new skills and behaviors in the field, and support by on-going web-based coaching.

In 2015, the ASML CS organization was reorganized in order to better meet customers' needs in different segments. At that point, the Total Customer Focus (TCF) transformation that developed over the previous 4 years supported the alignment required by the reorganization and accelerated the effective implementation of the new organization.

Results

All along the process, GPI and ASML measured results with first-level key metrics, which were directly linked to participant feedback 4-5 months after the beginning of the program. These first-level key metrics included:

- Reductions in number and duration of escalations
- Reduction in compensation to customers because of service issues
- Improved productivity of field service
- Increased contract wins
- Increased adoption of new technology and equipment

This was done through the creation of best practice case studies in which participants described the areas where they implemented Total Customer Focus and the results they achieved. To date, approximately 70% of participants worldwide have submitted more than 200 cases. Many of these cases describe quantifiable results in millions of dollars in increased revenue and reduced costs.

Critical Success Factors

- Engaging a critical mass of people (the 30%) at all levels with a consistent global approach. As a result, things like the language used during customer discussions became common and widespread throughout ASML.

A Total Customer Focus Transformation by ASML

- Leadership from the ‘middle’ meant that the managers who were directly responsible for making the transformation and supporting the embedding process had the credibility and influence needed to motivate their people to fully participate.
- Use of tools specifically designed to enable people to apply new skills and behaviors in any situation, including when under pressure from the customer. As people mastered and adapted the TCF tools to fit their own unique situations, their ability to interact with customers in a TCF way both broadened and deepened.

Transforming the organization through Total Customer Focus

While each company is different and no two are precisely at the same stage of their transformation journey, Global Partners’ clients share a common thread: putting the customer at the center of the organization. Global Partners’ programs combine training, case studies and peer-coaching to enable the existing teams, as well as new members, to adopt new behaviors by daring to be more proactive, going beyond the resolution of technical issues and achieving outcomes that are satisfactory for both the customer and the supplier.

More Information

To learn more about Total Customer Focus and how it can help your organization, download the [Total Customer Focus ebook](#) and watch the [Total Customer Focus webinar](#) featuring ASML’s former VP Customer Service.

Global Partners offers public and private Total Customer Focus programs. Contact Global Partners for more information.

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