

Reuters Turns Around Customer Satisfaction By Making It a Top Priority

Customer View

“We were being asked by our shareholders to reduce costs and by our customers to lower prices, but at the same time we had to deliver a better service. That was the conundrum. By working with Cisco we learned that we could reduce costs and improve customer satisfaction, but we had to work smarter. You have to be more efficient. And, to be successful in the long term, you have to leverage technology.”

—Phil Lynch,
CEO, Reuters Americas

With market share eroding and customer satisfaction on the decline, Reuters turns to Cisco Systems® for a dose of best practice sharing and adopts a feedback scorecard that creates accountability and a dramatic turnaround in customer satisfaction.

BACKGROUND

In 1849, Paul Julius Reuter created a company devoted to delivering bits of information around the world using the fastest technology available. Back then, that technology was a fleet of carrier pigeons. The birds took two hours to deliver news and stock prices between Brussels and Aachen, Germany, beating railroad delivery by six hours.

Although the pigeons are gone, the founding philosophy has stayed and, these days, the fastest technology available is the Internet. Today, **Reuters Group Plc** is a global information company providing online news and data tailored for professionals in the financial services, media, and corporate markets. Reuters provides information that drives decision making across the globe in 200 cities and 94 countries.

BUSINESS CHALLENGE

Reuters's strength is its unique ability to offer customers a combination of content, technology, and connectivity. Its premier position is founded on a reputation for speed, accuracy, integrity, and impartiality as well as continuous technological innovation. However, in the late 1990's, Reuters was beginning to lose ground to competitors such as Bloomberg and



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Thomson Financial. The loss of market share caused executives to look at performance and productivity, and also to comprehend that customer satisfaction was a more important factor than the company had realized.

“We had always convinced ourselves that, because our delivery model was more complex, and because delivering a consistently high level of service was much more difficult, that somehow we were going to get a pass from our customers,” says Phil Lynch, CEO, Reuters Americas. “We thought that, because we allowed customers to integrate our information and transaction systems into their systems, that the price they’d be willing to pay was lower customer satisfaction. That turned out not to be true. As a result, for the last decade one of our key competitors enjoyed double-digit growth while our business was shrinking.”

Although Reuters hadn’t completely ignored customer satisfaction, the company didn’t recognize its importance and had not managed it as a vital business process.

“We’ve always had what we call a customer satisfaction monitor,” says Maribeth Eppen, director, Tactical Marketing. “It had been done once a year—we hired an outside firm to manage it—but the information wasn’t very granular. While we could tell that satisfaction was going down in a particular area, we weren’t able to dive in and know why.”

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SOLUTION

As the company cut costs and worked on other performance indicators to turn the business around, it also focused attention on customer satisfaction. “The problem was, we really didn’t know where to start,” Lynch says. “We were novices to the whole idea of what to measure and how to measure it. And an even bigger question was, how do you take the measures and implement that into your organization and change your culture?”

Already an end-to-end Cisco® customer, Reuters’s executives called on the [Cisco Internet Business Solutions Group \(IBSG\)](#) for assistance. Robert Waitman, director of Financial Services for IBSG, observes, “To improve customer satisfaction, Reuters needed feedback that was more timely and actionable. The solution was to begin capturing information after each customer interaction, understand what’s working and what’s not, and establish accountability for improving each of the metrics.”

“Cisco brought in a whole team of real experts,” Lynch recalls. “They were not trying to sell us a product—there was nothing that would magically fix this problem. It was a different level of relationship where they said, ‘This is a problem we have a lot of expertise in and we are very happy to share our best practices—the systems we use, the metrics we use, and the processes and models we’ve used to give us a competitive advantage in the marketplace.’”

One of the key lessons learned was the significance of understanding and focusing on what the customer thinks is important. The Cisco team warned Reuters that there was no “quick fix” and that results would probably get worse before getting better. “They gave us a lot of advice about staying on the right track and staying committed, even if we didn’t get immediate results,” Lynch says.

BUSINESS VALUE

Reuters began using a balanced scorecard approach to managing the business, measuring operational, financial, and customer satisfaction indicators. A key emphasis was on shared accountability. “The balanced scorecard is a very important tool in helping us gain alignment, measure our progress, and stay on track,” Lynch says. “It also helps us determine whether we need to change anything midstream—it gives us the visibility to do that.”

With a keen sense of the relevance of the customer experience to gaining competitive advantage, Reuters has made customer satisfaction a top priority. And, slowly but surely, that commitment has paid off.

“Over the past two years that we’ve been measuring customer satisfaction,” Lynch notes, “the U.S. team, which is the home market of our largest competitors, has made the biggest improvement of any Reuters division. We’re very proud of that fact. We’ve shrunk the gap to our biggest competitor and, even though we have a more difficult business model, our goal is to surpass them.”

NEXT STEPS

Improving customer satisfaction also means providing customers with the fastest and best technology available. The company is continuing its innovation with [IP telephony](#) and [IP communications](#) installations in many countries around the world. Reuters is also updating its underlying architecture to a new version called Reuters Market Data System.

Reuters is also working with Cisco and IBSG to capitalize on advanced technology and mobility tools internally to create a competitive advantage in their employee base. “We believe we have an opportunity,” Lynch says, “by offering more flexible working arrangements, to attract people to Reuters who are looking for a company that is leading edge, looking for a place to make an impact, but also looking for a place where they can balance their personal and professional goals. We think that could be a competitive advantage for us, because it also may help us understand how we can serve those people in our customer base better—people who need support tools whenever and wherever they are.”

MORE INFORMATION

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