

Old Mother Hubbard Adopts Consumer Affairs Best Practices



Moving from Old-style Classic to Best-in-Class

Founded in 1926 in Gloucester, Massachusetts, Old Mother Hubbard (OMH) is a well-respected producer of top-quality dog and cat foods and treats, available nationwide and in Canada.

Old Mother Hubbard baked gourmet treats and Wellness foods, treats and supplements satisfy loyal customers and their pets with their flavor appeal and nutritional value.

OMH experts devise unique, proprietary recipes using all-natural whole foods and human-grade ingredients. Old Mother Hubbard biscuits and treats bake slowly to preserve and enrich nutrients and enhance their taste and smell. Wellness pet foods—containing only the finest natural ingredients—are the creative results of input from veterinarians, nutritionists, and pet owners. They truly meet pets’ needs for balanced diet, good digestion, fresh breath, and weight and tartar control.

Yet, like many companies, OMH continually faces new challenges in a competitive marketplace, where achieving differentiation and adopting best-practice advantages are critical to success. This case study discusses how OMH addressed its need to improve how it listens to customers. By

developing a consumer affairs function that responds effectively to customers’ inquiries and issues, OMH now feeds consumer commentary and insights to its marketing, manufacturing, and product development teams so they can apply them to improving their products.

As we chart our course for growth, we recognize a critical need to improve how we listen to our customers and learn from their insights.

- Deborah Ellinger, president



Recognizing the Need for Fresh Consumer Insights

As OMH grew from a local and regional operation into a national presence, it outpaced its consumer response capabilities. So, guided by an unwavering commitment to consumers, it undertook to update those capabilities. In the past, the customer service department mainly responded to consumer complaints. Practices were not set to obtain the

full potential value of direct dialog with consumers. “Not long ago we realized that we were not getting quality data from these interactions. The limited data collected was not actionable from a quality assurance perspective”, explains Karalyn Naiburg, Manager of Quality Assurance, and responsible for the new Consumer Affairs function.

Previously, Consumer Affairs representatives handled customer calls, responding mostly to requests for discount coupons and nutrition information. Also they responded to product and packaging complaints. Activity reporting was purely quantitative—a daily tally of inquiries into basic categories. Representatives tabulated inquiry types by hand and replied chiefly by mailing coupons and information attached to hand-written notes enclosed in hand-addressed envelopes. Staying current with the growing inquiry volume became overwhelming.



In the past, complaint handling at OMH was viewed as an obligation rather than a potential benefit. As the company grew and began adding new product lines, the importance of and potential benefit from tapping into customer reactions to product items became more obvious.

Through observation and analysis of the old practice, OMH's project team discovered that it was not recognizing some inquiries as complaints and sources of insight. For example, a comment that 'my cat stopped eating her food' was not identified as a complaint about the food because the representative did not probe to determine to what the cat's stopping eating related—the food, the cat's condition, or some other cause. Formerly only when multiple instances of an obvious complaint occurred over a short time did the representatives recognize a serious quality issue and notify management.

In establishing a Consumer Affairs department and choosing a contemporary consumer relationship system (CRS) to operate it, OMH took its first steps toward adopting a best practice for listening to its consumers to derive benefits from

their insights, using them to make improvements that are already yielding advantages in an increasingly competitive marketplace.



Qualifying and Coding Consumer Response

Not probing to uncover a complaint buried in a consumer dialog typifies the shortcoming of an old-style practice. OMH recognized the need for a consumer response operation that knows how to identify issues accurately and when to elevate them for special attention. OMH customer care representatives now ask contacts to provide the manufacturing codes printed on items. They established threshold values for

specific issues in the new CRS that signal when critical quality issues arise. For example, if a certain number of consumers report a cat food texture is too soft when they open the container, the CRS alerts Quality Assurance and the appropriate manufacturing plant, identified by the item's manufacturing code. These codes printed on item containers enable quick identification of the plant that has the production problem. Such quick notification enables the plant to act and avoid possible revenue loss from customer dissatisfaction.

Prior to adopting the CRS, two experienced customer service representatives handled all consumer calls and tallied requests and issues with pencils on paper checklists. Consumer comments were not being recognized as complaints. Now, with the CRS, the representatives have 125 well-defined issue codes to identify consumers' many reasons for calling. Each code triggers the CRS to initiate the appropriate reply for each issue, enabling the representative to resolve it and attain closure. Representatives fulfill coupon and sample requests more quickly and are able to address and resolve complaints submitted by



field sales staff. Previously, complaints from sales staff were not always processed. Nor were replies confirmed to field staff. The CRS now processes all contact replies, regardless of source, in timely cycles that meet OMH's standard.

In addressing the need to understand consumer expectations, the consumer affairs representatives asked for more training. Two veteran representatives were educated through gradual exposure and referring to a catalog of product information. When the new third representative was hired, the marketing department provided product training. Soon, when the company's new branded Contact Us pages are operating with the CRS, consumer email inquiries will be routed to representatives based on each issue subject and each representative's expertise.

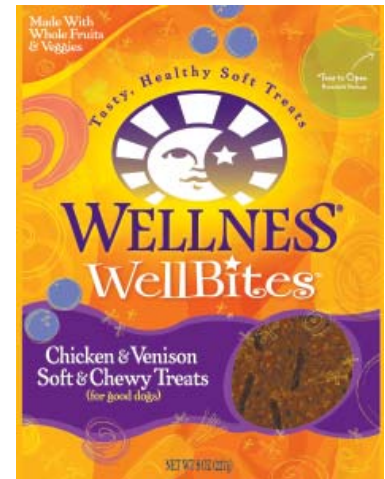
Standardizing Response Collection

As OMH analyzed its situation, a chief concern became how to establish a consumer affairs function that would enable more accurate capturing and consistent reporting of consumer commentary. Consumer contact and response information collected must be in a format that was actionable—qualified and quantifiable.

“Our immediate goal was to standardize our consumer response collection into categories of complaints, compliments, information inquiries, and improvement suggestions,” explains Naiburg, who led the effort. The first step was entering the subject categories and refined issue definitions into a spreadsheet, set up the new coding scheme, and assign specific codes to each category and issue. The team built upon the basic tracking already in use, adding to it and organizing the raw incoming consumer response according to a new hierarchy of product lines, plant locations, and issue subjects.

Finding the Right Solution

To start, OMH put together a cross-departmental team to develop a set of requirements for a solution based on an assessment of needs for the operation. As they got underway, the team began searching for a suitable contact handling system and established a budget to acquire it. The search led the team to select three application system software providers that could fit OMH's functional capabilities requirements. After comparing responses to the request for proposals, the team picked the best supplier and product fit. They evaluated three solutions and chose



the one that best met OMH's requirements—Wilke/Thornton's *Consumer Relationship System*[™] (CRS), a specialized consumer contact handling system offered as an online service for consumer goods and services companies.

The team applied five selection criteria to evaluating the CRS and their suppliers: 1) capabilities and features, 2) ease of use, 3) security and support, 4) the supplier must be based in the United States, and 5) cost. Key considerations of the Consumer Affairs staff were that the CRS be highly adjustable to match their processing. Capabilities for capture and process contact response must be complete and sufficient to perform daily workflow significantly better—more effectively and efficiently—than current practice. Center representatives and the system administrator must find the CRS easy to use, particularly staff unfamiliar with computer applications. From the IT department's perspective, an online CRS service must be extremely secure. Service reliability and technical support for timely problem-resolution must be of the highest level.

“Our IT department has been very impressed with the knowledge and support received from both Wilke/



Thornton's Helpdesk and Web-based support center. Many companies mention having a knowledgeable support staff, but Wilke/Thornton has always been able to assist us in a timely, professional manner with all of our technical and infrastructure concerns and questions. The Web-based support is easy to understand and full of valuable content that is extremely important to us. The implementation was straight forward, and their consultants are professional and knowledgeable. We are very pleased with Wilke/Thornton's team," Charles Hamilton, Applications Developer/Business Analyst, explains.

Of course, cost is important. For OMH, the low-risk, no-capital investment approach of a Web service subscription compared to a traditional license purchase was a deciding factor. Monthly expense of an on-demand online service, priced by contacts processed, compares favorably to licensing the application for in-house installation with maintenance and internal support costs.

Implementing the Solution—Quicker Than Expected

To implement the project, the team of Quality Assurance, Marketing, Consumer Affairs, and IT staff kicked off their effort in January, 2006. By mid April, the project was complete ahead of schedule in less than four months. After the Consumer Affairs staff loaded newly standardized reply letters into the *CRS* database, they were able to 'go live' with less than two days of onsite training and support.

According to Beverly Robitaille, Consumer Affairs Team Leader, "A concern had been the time representatives might not be available to take calls immediately with the new system. So, we were very pleased that



Our biggest demand is for producing more fresh market research. We need to start doing much more proactive consumer research using CRS' survey capabilities.

- Mark Shuster, vice president of marketing

the transition went so quickly and smoothly. We like *CRS*—it's user friendly and has eliminated many time-consuming daily workflow steps."

Measuring Results and Discovering Benefits

In the months since the contact center began using *CRS*, consumer comments have become a valuable metric for monitoring company and brand performance. Consumer insight reporting is now a valuable product quality tool. Consumer representatives are gathering more complete information and are finishing documentation much quicker. Periodic reports are much easier to run. And the Consumer Affairs department recently implemented a consumer survey—embedded in the standard contact dialogue—that is helping to identify consumer candidates for participating in panel testing of the company's new products.

"This is such a step up for our department. We are much more efficient with the implementation of *CRS*. It's easy to use, and we were up and running with a very small learning curve on day one. We are now able to look up the history of a consumer much easier and better know with whom we are speaking. This helps immensely on calls. Now we are able to deal much more efficiently with responses in writing to consumers, sending literature, coupons, and product materials. There are now lots of short cuts that have made us much more efficient, and the reporting is such that we can respond to sales concerns and rumors in their areas with confidence as to what consumers' retailers and we have said. Thanks, Wilke/Thornton! I like my job more now," says Michael Shapiro, Consumer Affairs Associate.

More Good Things to Come

In 2006 OMH is restructuring its Web presence to give its two brands, Old Mother Hubbard and Wellness, separate identities. Each brand will have a Web site with a 'Contact Us' page formatted for gathering consumer responses so that consumers' information can be automatically processed into *CRS*.

OMH sees the implementation of *CRS* as a key step in the company's growth. The company will continue to benefit from the new flow of actionable consumer insights. Consumer Affairs Team Leader Beverly Robitaille reports, "We are seeing operational benefits. The productivity of our traditional loyalty program—our monthly coupon offers—has increased dramatically. A day's requests once took half a day to fulfill. Now it takes just 10 minutes. And our representatives are more responsive to field sales requests. Field staff once complained about lack of follow up to complaints they received from customers, but now *CRS* enables our representatives to do a better job of closing that loop."

Demand for Insights Grows

Almost every department has had a positive experience due to new insight reporting. Consumer Affairs is now fielding requests for consumer response reporting from multiple areas. Their senior management and board of directors are receiving the new reports. The president receives a daily complaint report that includes *verbatim*s. The daily complaint report once took 20 minutes to compile; now it is generated in 20 seconds and emailed to recipients.

A weekly quality report goes to managers in Quality Assurance, Product Development, Distribution, and Marketing. It is of keen interest to Product Development staff. A monthly trend report presents item quality issues by plant and brand. When multiple instances of the same issue occur, alerts are emailed to appropriate managers. And, Consumer Affairs contributes consumer response insights to a weekly 'Flash Report' to OMH's board of directors. These reports provide 'snap shots' of the status of the whole organization.

Consumers Benefiting Too

The new coupon fulfillment processing is so improved that there has been a dramatic reduction in complaints from consumers saying they have not received them. OMH interprets this change as indicating increased customer satisfaction with their service. Soon the department will be adding a coupon request function to OMH's branded Web sites using structured Web forms that will further streamline processing of the requests. Web forms enable capture of requests in a format that automates loading them into *CRS* and expedites processing.

Current Outcomes and Future Steps

"For us establishing a formal consumer affairs function with state-of-the-art capabilities have been time and resources very well spent," says Naiburg. *CRS* is helping OMH's customer care establish proven best-practice operations from the start. The team is eager to move ahead in realizing its full benefit potential for helping Old Mother Hubbard maintain its dedication to meeting and exceeding its consumers' expectations—a prime focus—and, consequently, continuing OMH's successful growth.

Looking back over the past year, the project team recommends that other companies in similar situations take a similar approach and put a cross-functional team together to analyze their particulars. They should talk to other companies to understand industry norms and solicit advice from consumer affairs professionals. "If they are a smaller company," opines Naiburg, "I would encourage them to subscribe to an online *CRS* application solution and particularly recommend considering Wilke/Thornton's *CRS On-Demand*. It's proven the right choice for us."

E-Consumer Affairs Success Series



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CRS offers flexible, intelligent contact handling, integrated email management and Contact Us Web forms, multi-language/country support, consolidated global reporting, validation compliance for regulated industries, demographics, and an Item Locator Service. CRS is available by license, hosted, or online subscription.