

PROJECT

Fixing service quality – and more – at a B2B SaaS business

PRACTITIONER

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SITUATION AND CONTEXT

A young company had built a successful business to business [B2B], software-as-a-service [SaaS] enterprise, providing specialist human-resource solutions for companies in a particular industry sector. The company had captured most of the larger potential clients, but many mid- to smaller-sized opportunities remained. So the company was still growing very fast. Unfortunately, the head of customer service was panicked by sharply rising demand for customer support, as evidenced by ever-growing numbers of support ‘tickets’.

THE SYSTEM OF INTEREST

This B2B SaaS business model is a variant of a more generic business system. Clients were won by the strong functionality of the SaaS platform, which saved them internal effort and costs. The clients already won asked for still more functionality of the platform, which made the system still more appealing to new potential clients, as well as growing revenues from existing users. Newly acquired clients were helped to implement the system by an ‘on-boarding’ team – managing the transfer of data and training client staff in the system’s use. Once fully on-board, clients generated revenue through their use of the system, but also called for service – whether to help with features they did not understand, to start using more of those features, or to fix bugs in the system.

APPROACH TAKEN

The head of customer service was convinced that the problem was bigger than just a shortage of customer support capacity, and wanted a way to demonstrate the deeper issues to her senior colleagues. She had recently heard of system dynamic modeling, but was concerned about introducing an unfamiliar approach to her colleagues. She therefore sought help to model the issues herself, and share only the high-level findings with the team.

MODELS AND INSIGHTS DEVELOPED

The head of customer service started out, with assistance, by building a simple system dynamics model of the relationship between rising client numbers, the rate of support requests and the capacity of the growing team of support staff. It was immediately clear that no plausible rate of hiring and training for support staff could keep up with the likely future escalation of support demand. But it was also clear – as she suspected - that the origins of the problem lay beyond the service issue itself. The increasing number of new clients did not have the resources to understand and engage with the SaaS solution that earlier, larger clients had managed, so needed more help with on-boarding. This pressured the on-boarding team, so newly won clients were less able to use the system, and so generated more support tickets. Meanwhile, the larger clients continued to push for additional functionality for the platform. With more features, bugs in the system were escalating, adding further to the rate of support tickets. The model did not, however, quite fit the data on support-staff workload – rising productivity as staff gained experience *should* have moderated that overload. She then discovered that customer relationship managers were bypassing the ticket system and emailing support staff for direct help. The model exposed an issue that no-one had been aware of before.

KEY INTERVENTIONS

There was no way that leadership would consider a slow-down in business growth, but the head of customer service was able – with simple figures drawn from the model – to show the underlying causes of the problem. She was able to get work on new system features paused, and developer effort switched to [a] working with clients to seek and fix system bugs and [b] developing an ‘essentials’ version of the platform, with limited, well-known functionality that mid- to small-scale clients could more easily adopt with less on-boarding effort.

RESULTS

Over just a few months, the in-bound rate of customer support tickets collapsed to less than 30% of its previous rate. The support team overload disappeared, so tickets were solved better and client satisfaction grew.

AFTERTHOUGHTS & OTHER POSSIBLE METHODS

It is often thought that successful systems interventions *must* ensure the involvement of all stakeholders, in order to gain buy-in. However, the management in this case would have not countenanced any such activity. The client therefore had to get the solution accepted in its own terms, not even revealing that there *was* a system model, of any kind. This actually reflects a quite common response by management, whether to internal experts or consultants, “*Don’t bother me with the explanation – I pay you to know what to do, so just tell me*”.