



## Customer Spotlight

### McKesson Raises Bar on Healthcare Support Quality

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San Francisco-based McKesson Corporation is a \$50-billion, Fortune 31 company and a leader in providing innovative solutions in supply, information and care management to the healthcare industry. McKesson has turned to the Service Capability & Performance (SCP) Standards to provide consistent best practices across its support centers for delivering world-class support to its customers. The SCP Support Standard quantifies the effectiveness of an organization's customer support based upon a stringent set of performance standards and represents best practices in the industry.

In the 1990s, McKesson's Information Solutions division experienced rapid growth and expansion through acquisition of more than fifteen companies. McKesson Information Solutions provides comprehensive solutions to healthcare organizations to improve patient safety and reduce the cost and variability of care, as well as to help them better manage their revenue stream and resources. This division now supports more than 4,000 customers spread across more than 450 products. Seven hundred of McKesson Information Solution's 6,000 employees are directly involved in customer support, handling up to 30,000 customer inquiries per month.

Widely viewed as the leader in its industry, McKesson Information Solutions realized that rapid growth had created some major obstacles. In particular, McKesson found itself in the position of operating 32 support centers across North America, many with very different methods and philosophies. In 1999 largely at the direction of incoming president Graham O. King, the company began tackling these challenges. King created a culture that is committed to four core goals: customer satisfaction, employee satisfaction, accountability and financial performance.

"Our customers and employees come first," King stated. We focus on employee satisfaction through improved training and career development because we recognize that talented, energized employees are the key to providing effective service that results in customer satisfaction. To ensure every one of our employees focus on customer satisfaction, we tie a portion of every employee's compensation to customer satisfaction."

To address customer satisfaction, along with the need to realize economies of scale and adopt best practices across its support centers, King and senior management created the Technology and Standards group.

Randy Spratt, senior vice president of technology and standards, assumed responsibility for defining service standards that would be consistent throughout McKesson Information Solutions, enabling it to deliver world-class support. Spratt realized that this goal had to be achieved one person and one support center at a time. One of the first steps Spratt took was to establish an aggressive corporate support initiative. This included a strong commitment from senior management, assignment of a central project leader, and creation of quality teams to identify issues and implement change. Suzanne Jeanson, vice president of quality initiatives, was designated as a central contact and



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Gayle Wehlacz Extended Care Solutions Group

key player in communicating, preparing and outlining improvement plans to all McKesson support centers. This was especially challenging because each support center reported to management in its respective organization.


When the SCP Support Standard was first presented as a possible solution, Spratt and Jeanson thought it might not be broad enough to achieve McKesson’s goals. They thought SCP catered to internal help desk organizations only, but soon discovered that the standard addressed the requirements of a broad range of IT support organizations and was well suited to McKesson’s needs. SCP’s structured program has quantitative measures that establish industry best practices. Moreover, since the program is updated annually, McKesson can ensure that it will keep pace with changes in IT support requirements. Most of all, the SCP Support Standard provides the objective, third-party, industry-recognized assessment that McKesson wanted.

“SCP’s heavy emphasis on customer satisfaction was key to our selection of the standard,” said Spratt. “The industry-standard best practices and quantitative measures provide a road map for centers to improve their support delivery, which results in continuing improvements to customer satisfaction.”

Once Spratt and Jeanson selected the SCP Support Standard as the tool to drive quality improvements, McKesson began the process of implementing the program throughout the support organization. First, employees at each support center were educated on the SCP Standard through “support summits.” These summits brought together managers from every support center to discuss process improvements and standards. In the summer of 2000, each support center completed a self-assessment and underwent a “mock audit” by an SCP auditor. To the surprise of McKesson executives, two support centers that were widely viewed as the best in the company would not have achieved certification under the SCP Support Standard.

Spratt and Jeanson decided to implement SCP, which has paid major dividends in each of McKesson’s four core goals. Since the rollout of the SCP Support Standard, the backlog of McKesson’s outstanding customer issues has been reduced by 58 percent. Similarly, issues that were outstanding for more than 30 days have decreased by an astounding 76 percent. The program helped identify opportunities to leverage resources and consolidate some centers so that McKesson’s support centers now number 27 instead of 32. Since the SCP Standard also addresses issues related to employee morale, McKesson has seen decreased employee turnover and increased employee satisfaction.

Prior to SCP implementation, customer feedback indicated that support was an area of concern among McKesson’s customers. Beginning in January 2001, McKesson began surveying customers regularly. With more than 40,000 surveys returned, customer satisfaction is rated at 94 percent, which represents a dramatic increase over previous levels. In fact, overall satisfaction and loyalty among support users is significantly higher for McKesson than the software industry average, as provided by Satmetrix’s Market Stat<sup>®</sup> benchmarking database. Professionalism and technical knowledge of support representatives have become major contributors to customer satisfaction. These results



clearly demonstrated to the management and staff of McKesson that commitment, dedication, and teamwork can achieve even the most challenging goals.

“The SCP Support Standard provided us with best practices for improving the quality of our support,” said Jeanson. “Additionally, the expert advice of our SCP auditor has been invaluable throughout the process. But the biggest key to our success has been the support from McKesson senior management and their commitment to customer satisfaction.”

Currently 25 McKesson Information Solutions support centers have adopted SCP Standards and 22 have achieved certification, including their Advanced Orders Services Team who recently achieved certification under the SCP Professional Service Standard.

McKesson’s Extended Care Solutions Group was one of the centers recently re-certified. “The SCP requirements continuously evolve to meet the changing demands of the IT industry,” said Gayle Wehlacz, vice president of support for the group. “By keeping pace with the requirements, we will continue to provide high-quality customer service.”

“Once McKesson executive management adopted the SCP Standard as the quality standard for their support delivery organizations, they dedicated the resources and made a commitment to their staff to achieve the level of service required by the program,” said Greg Coleman, Service Strategies vice president of strategic programs.

McKesson was recently honored for achieving the greatest overall improvement in customer satisfaction ratings out of more than 120 healthcare information technology vendors evaluated in a KLAS Performance Report. The report is based on vendor performance data that KLAS Enterprises, a leading healthcare industry research and consulting firm, gathers from IT executives in more than 3,000 healthcare organizations.

The support organization’s efforts are also applauded by McKesson’s senior leadership. “Achieving certification under the SCP Standards for our centers demonstrates our commitment to providing world-class customer support,” King remarked. “By fully embracing the principles of the SCP Standards, we increase the value of our services and products as well as create an environment that nurtures the success of our employees.”

McKesson’s success now comes from not only product quality but support quality as well. Spratt attributes McKesson’s dramatic improvements to industry-recognized programs like the Service Capability & Performance Standards, strong internal executive support, building grass-roots support, and effective communication to customers, investors and employees. The company is clearly dedicated to continuing its quest to be a recognized leader as a world-class information technology support provider.

## About Service Strategies

Service Strategies advances service excellence for quality-minded organizations by providing industry standards, consulting, and training solutions that ensure delivery of consistent, high-quality customer service and support.

Service Strategies applies a proven benchmark process to its standards programs that measure and drive effectiveness for continuous service improvement. In addition, the company's tailored training programs enhance the careers of service professionals throughout the industry and lead to increased organizational effectiveness.

The world's leading service and support providers use Service Strategies' Service Capability & Performance (SCP) Standards as a roadmap for service excellence and a qualitative and quantitative measure of success.

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