



THE GLOBE TURNAROUND

# How Globe Telecom Reinvented Itself

by Putting Service Front and Center

**You've probably heard the phrase "The bigger they are, the harder they fall." It's as true in business as it is everywhere else. But what's equally true is this (related but admittedly not quite so catchy) statement: *The bigger you are, the harder it is to change.* And yet, in a global economy where competitors are endlessly seeking to edge you out, customer expectations are shifting, and money is tight, you have to be able to do so—and quickly.**

Just consider the long line of big companies that went bust, including Pan American Airways, Wang Computers, Blockbuster Video, Enron, Kodak, and more. They were all major players in their respective industries, but today they are sinking fast or already gone. Even one-time industry leaders like Nokia and BlackBerry now struggle to stay afloat.

Regardless of your size, your company might be in a similar position. That's why you need to ask yourself a most important question: What can we do to change our trajectory, right now, and save our future?

That's exactly what Philippines telecom giant Globe Telecom was pondering back in 2009. At the time it was a distant #2 player in a three-player market. Competition at the top showed no signs of relinquishing their stronghold on the mass market. And Globe's closest competition, the #3 player, was taking away lower-end customers with aggressively low prices.

Yet Globe's story is a remarkable success. Today, the company,

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## GLOBE AT A GLANCE

- Globe is owned by Ayala Corporation and Singapore Telecom.
- The company serves 45 million customers in a country with a population of around 100 million.
- Globe is a member of Bridge Alliance, an alliance of 14 mobile carriers that services a customer base of 630 million people.
- The company employs 6,000 people and works closely with 8,000 additional third-party agents.



a full-service operator providing mobile, broadband, and fixed-line services, is a strong and aggressive challenger in one of the remaining two-player markets in the world, holding 41.6 percent share in market revenues. But Globe has had to work hard to achieve this success.

## PART I

# The Globe Transformation

### Difficult times, precarious position

Back in 2009, Globe was continuously losing market share. It lagged on meeting financial targets and was unable to deliver on shareholder commitments. And it also faced a perfect storm of internal and external difficulties.

Internally, Globe's culture was hindered by a rigid and bureaucratic structure. Rather than act as a service-oriented business, it acted like a utility company and treated its customers in kind, providing them with basic service at best.

Worse, Globe's processes were so broken that it didn't have the internal structure to improve service. Its customer base of higher-end and higher-value customers demanded great customer service that the company simply couldn't provide. Their reputation was so weak that competition ran advertisements mocking Globe for frequently dropped calls, even after Globe had addressed and resolved the issue.

Frontline customer service representatives had poor service skills, and many would say "no" to customers simply to avoid headaches of their own. For

example, upgrading a customer's plan required the representative to complete a range of forms, often calling the customer several times to complete a single transaction. It was easier to simply say "no"! Meanwhile, Globe's profit-oriented focus on the higher-end market gave it a reputation for being expensive and elitist, effectively alienating the mass market.

### Struggling to Stay Afloat in a Rapidly Changing Marketplace

Externally, Globe was a part of a telecom industry that was changing fast under unique circumstances. The telecom market in the Philippines was reaching 100 percent penetration, and its customers were far from loyal.

In a widely read *Forbes* article, "Ernest Cu: Ayala's Customer Guy," Simon Montlake explains that many Filipinos have multiple SIM cards from multiple telecom companies and choose which SIM card to use based on the prices being offered on a given day. He writes, "It's a choice dictated by cost, convenience and calling circles, when groups of friends use the same network to save on interconnection fees."

Still, price wasn't the only concern for customers. Due to the Philippines' frequent typhoons and the fact that many people live in remote areas, customers had proven that they were willing to pay more for better technical service.

This reality was a big market expansion opportunity for Globe. But the only way the company could continue to charge more was to make it clear that its technical service and customer service were

superior to that of the other big players in the industry.

Overcoming its internal struggles and gaining market share in a fast-changing telecom industry were going to require big changes on Globe's part. Enter Ernest Cu.

### **A New CEO with a Bold Vision**

Cu became Globe's CEO in 2009. A successful businessman, he came from the Philippines' business process outsourcing (BPO) industry—an industry that, as Montlake writes in his profile of Cu, “runs on finely tuned client services and a sharp eye on costs.” And that's exactly the perspective that Cu brought to Globe. He declared that change would come from within and immediately got to work implementing initiatives at Globe focused on one mission—put customers first.

But was it really that simple? Could a company improve its fortunes simply by focusing on service? Cu firmly believed that it could, and he blazed ahead, dedicated to turning around a company on the precipice of failure.

### **Mapping the Turnaround**

Of course, creating huge, sweeping change at a company as large as Globe wasn't going to be easy. For one thing, the company was already in trouble—losing ground to its competition. That meant that the culture shift Cu envisioned needed to happen quickly, and in order for it to be successful, Globe employees and the company's third-party agents had to buy in just as rapidly.

With Cu in the driver's seat, Globe spun into a four-part turnaround. It

started with bold service leadership, which was then supported by putting in place the building blocks of a service culture. Next, all leaders, employees, and third-party agents were given a healthy dose of service education, and finally, certain tools were applied to ensure these changes were successful and sustainable.

### **Bold Service Leadership**

Ernest Cu had a vision for Globe and he wasn't afraid to implement sweeping changes in order to make it a reality. As Montlake writes, Cu recognized that Globe had to “shift gears to stay competitive. That means building customer loyalty and investing in new businesses, without the easy profits of yesteryear.”

He started by surrounding himself with people who shared his vision. In fact, Cu's first course of action was replacing 10 out of 12 of Globe's senior leaders. That's how strongly he believed in his vision and the need for speed.

With new leadership in place, he began organizing employees around The Globe Way, a clearly stated mission to transform the lives of people, businesses, and communities through innovative solutions.



Cu also led the company in stating new values with “We put our customers first” One of his





first actions was implementing CUSTOMER FIRST CIRCLES (CFC), his banner advocacy.

Run by the office of the president, CFC encouraged Globe employees to form circles or teams that focus on solving the problems they see day to day. Problems addressed included those customers complained about, those that prevented employees from serving customers better, and other inefficiencies.

Employees quickly climbed on board, even working with their new circle teams long after office hours to solve business problems. The program, now in its fifth year, has contributed many improvements on customer service as well as billions of pesos of real financial benefits.

Most importantly, the program has been instrumental in shifting the mindset of Globe's people to actively be part of the change that they want to see happen. It has helped infuse innovation and continuous process improvement into Globe's culture—precisely what Cu set out to do when he took the reins at Globe.

Under Cu's leadership, Globe made other big changes. In 2010, the company introduced the first-ever mySUPERPLAN, which allows customers to design their own postpaid mobile plans, enabling them to pay only for the services they need. This move turned its higher-spending customer base into loyal, repeat customers, allowing Globe to weather a never-ending onslaught of competitive attacks.

In 2011, Globe transformed its payment centers into sleekly designed stores and empowered

frontline employees with customer-friendly policies and stronger processes for customers to buy new phones, upgrade plans, turn in devices for repair, and extend coverage to a wider group of family members. The new stores became a shining physical symbol for Globe's continued improvement.

Cu and other decision makers at Globe recognized that while they were boosting Globe's bottom line, the initiatives they had implemented could all be easily copied by their competition. In fact, its competition had already started setting up stores modeled after Globe's leading success.

So, in 2012, the company turned its focus to developing initiatives that its competition couldn't copy. Globe's overall goal was to make customer experience their differentiator by creating a powerful and uplifting culture of service. Thus, it created the Circle of Happiness – the idea that engaged employees would better be able to delight customers, and delighted customers would translate to more business, which would create satisfied shareholders.

But Cu knew these successful initiatives wouldn't be enough. He



knew making customer experience a powerful differentiator would take more than a few clever strategies and slogans. So he made another bold move. He went outside Globe to get help creating the culture boost that would make the company's success even stronger and more sustainable.

To make this new brand promise a reality, Globe leaders and employees embraced UYS's service education and architecture, which includes Actionable Service Education, Aligned Service Leadership, and The 12 Building Blocks of Service Culture.



**PART II**

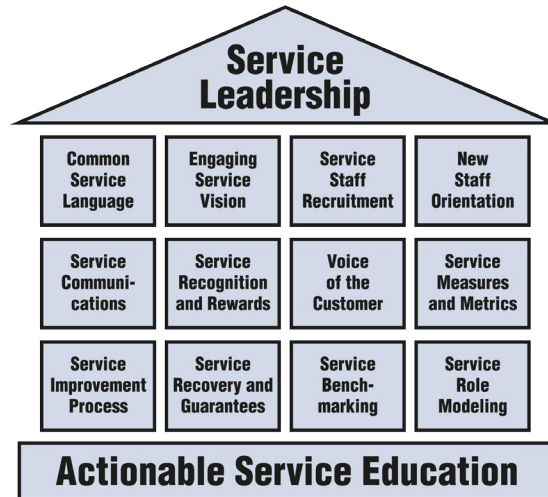
The UP! Your Service Solution

**Positioning the Building Blocks of Service Culture**

Globe's outside help came in the form of global service guru Ron Kaufman and UP! Your Service (UYS). UYS deploys a proven methodology to enable leaders and big organizations (many of them with thousands of employees) to make a rapid and powerful cultural shift. Beyond improving service performance, UYS seeks to build a service culture from the ground up—making customers happier but also dramatically improving staff morale.

This was a great match for Globe because Kaufman and UYS share many of the same convictions. Like Globe, UYS operates with the belief that great service is about taking action to add value for the customer—truly caring for the concerns of other people.

Both companies knew that internal service was just as important as external service, with leaders adding value to their teams as much as their teams support the leaders. All of these shared convictions aligned to form Globe's refreshed brand promise, Creating a Wonderful World.



**Laying the Foundation: The Importance of Service Education**

UYS helped Globe boost their transformation process with actionable service education. More than teaching employees to deliver predictable service or handle customer complaints, Actionable Service Education forms a foundation for creating a culture of uplifting service throughout the organization. And this kind of cultural shift can't be achieved by simply revamping a customer service script.

UYS teaches that great service is not just about following a procedure or a sequence of steps. It's about applying proven service principles to real customer issues with a proactive attitude and a passion for results. It's about taking the right actions at the right time to provide uplifting service so your customers and colleagues both feel great about your organization. Service education enables organizations to embrace



and build upon this important distinction from the beginning.

Globe started by educating 100 percent of its employees with a course called **Achieving Superior Service**. While UP! Your Service provided the foundational principles, Globe customized the expansion of UP! Your Service courses to include all of its team members.

Creating a superior service culture throughout an organization is like putting a new rocket into orbit. A massive and focused effort is needed at the beginning to overcome the gravity of old attitudes and behaviors. In order to succeed, Globe also recognized the need to go big and grow fast.

Globe’s “massive and focused effort” started by designating a highly motivated team of Course Leaders to be trained and certified by UYS. Globe assembled this group of dedicated and passionate volunteers from different parts and levels of the organization, and they immediately infused the process with enthusiasm. The Course Leaders were responsible for driving change and keeping the momentum going and became the company’s natural service improvement ambassadors.

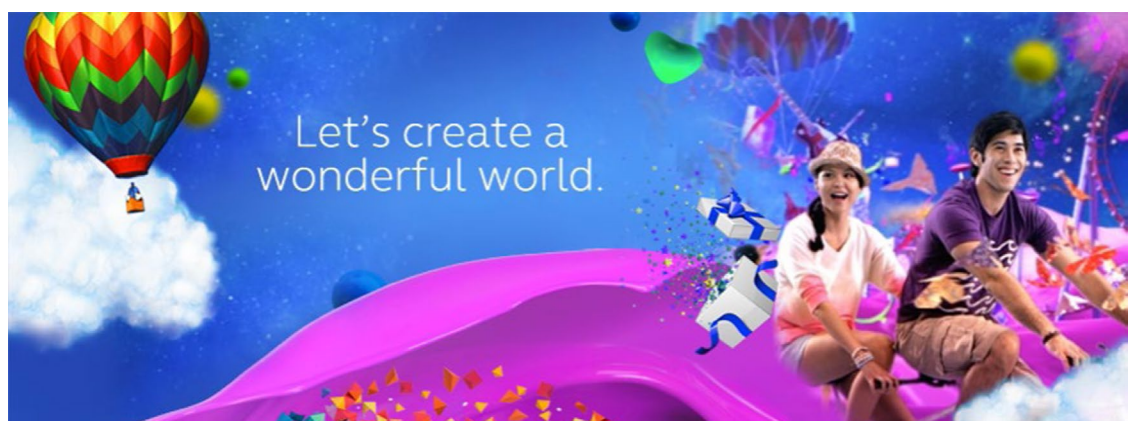
Continuing its efforts to go big and grow fast, Globe knew it had to include and educate its outsourced

call centers. It was vital to make all service partners feel like they actually worked for Globe and cared about Globe. To do so, Globe financed an accelerated educational campaign especially for these important service partners.

Globe created and distributed handouts to make it easier for the third-party agents to internalize the UYS service concepts. The handouts presented the basic principles of the UYS education platform with a tear-off section asking service partners to give examples of criminal service in their workplace, examples of wonderful service (see more on these terms below), and specific ways they could take action to make positive change. These tear-off sections were returned to Globe, which the company used to harvest ideas for improvement, and in the case of successful new practices, disseminate to the rest of the company.

### **Uplifting Service: Applying UYS Tools**

With its course leaders and the UYS service education structure in place, Globe began working with UYS’s 12 Building Blocks of Service Culture. As part of its Common Service Language and in line with the Service Communications building block, the company identified a clear set of service commitments.



These commitments were developed based on Globe customers' present and emerging needs, wants, and pain points and pinpointed the kind of high-quality service Globe wanted them to experience.

The service commitments made it easier for Globe employees to build strong relationships with their customers, treating them as individuals and delivering service based on their specific needs.

The service education process at Globe required full engagement from all participants from the beginning. For example, UYS teaches there are Six Levels of Service—*criminal, basic, expected, desired, surprising, and unbelievable* (Globe changed “unbelievable” to “wonderful” to match its brand promise). As Globe taught its employees the Six Levels, they asked them to identify service commitments they would deliver at the *desired* level of service, which is defined as “service delivered the way your customer prefers.”

Team members also contributed stories from their work with customers that demonstrated how they were applying the service commitments and concepts. These stories were gathered into a central knowledge base, with selected examples escalated to the office of the president to be recognized and rewarded.

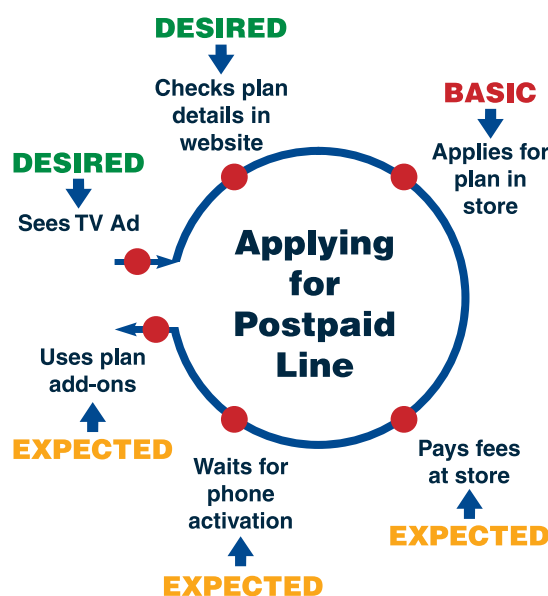
In pursuit of its mission, Creating a **Wonderful World**, Globe then focused on improving the backbone of its customer experience—its processes. The company established “Get-Better Projects,” which operationalized continuous improvement as a vital element in The Globe Way. These

cross-functional projects aimed to improve critical processes across the customer lifecycle in Globe's major lines of business.



One example is the company's use of a UYS concept called Perception Point Mapping. Whereas before the company looked at processes from a very internal process-focused point of view, Perception Point Mapping enabled Globe to observe their own actions from the customer's point of view to better understand what levels of service it was providing throughout the customer experience.

## Perception Point Map



This graphic shows how Globe mapped a customer's experience when applying for a mobile postpaid line. The map identifies perception points and assesses how Globe was faring on service levels at each point. This exercise enabled the company to easily focus efforts on improving key points that were currently below acceptable levels.

Globe also applied Perception Point Mapping to blueprinting the future. The Globe future blueprint is a living document outlining how



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## CONQUERING CHALLENGES AT GLOBE

### **Challenge #1:** Intense day-to-day battles = time constraints.

Globe operates in one of the most intensely competitive industries and markets in the world. As such, its leaders and employees often get bogged down by day-to-day market battles. Time is a precious resource.

**Challenge Met:** Globe employees were supported by rock-solid sponsorship from Globe leaders. Top leaders were strongly behind the service improvement program and gave employees the time they needed to meet service improvement goals.

### **Challenge #2:** Cost constraints.

In the initial year, the UYS rollout hadn't been included in any department's budget.

**Challenge Met:** The office of the president shouldered all related costs in year one. This eliminated concerns about cost centers not being able to meet their budgets.

### **Challenge #3:** Outsourced customer perception points.

Because of the nature of the telecom process, Globe customers would often interact with third-party agents who may not appreciate the changes Globe was trying to make and who may not be the happiest employees!

**Challenge Met:** Globe worked and continues to work very closely with Human Resources Group and its vendor management teams to fully engage its third-party service providers so they feel that they are actually working with and for Globe, sharing the same vision, mission, and values, living The Globe Way, and bringing the same service commitments to life.

the company will deliver customer experience in the future. It identifies key areas where Globe wants to differentiate with service across different lifecycle stages, marking such points as "Globe Moments."

Using the future blueprint as a basis, Globe is able to roadmap the development of capabilities across multiple years, in terms of the following:

- People Skills and Competencies
- Organization
- Process
- Technology

This process is vital in helping Globe to continuously refine The Globe Way, enabling company leaders to align the company's future plans and initiatives with its service intentions and aspirations. Future blueprinting puts Globe customers at the center of its strategy and execution while carefully considering emerging trends in technology and the changing needs of its customers.

As the company transforms its business and service delivery models, its mission and commitment to a wonderful customer experience remain consistent. Company leaders and employees know that The Globe Way and the Globe service culture are the company's true long-term competitive advantage.

## Results

The hard work and dedication Globe has shown in implementing its service transformation has delivered valuable and quantifiable results. The company has achieved or exceeded all major financial targets. Market share has improved and is now above 50 percent. At the end of June 2014, Globe's Net Promoter Score had increased by 8 percent while Globe's Customer Loyalty Index scores have reached the highest point in the company's history.

In addition, Globe has received global recognition for the work it has done in improving its customers' experience. The company has been repeatedly affirmed by industry organizations with glowing awards including:

- Customer Service Leader of the Year at the Asia-Pacific Stevie Awards
- Gold Quill Merit Award for Innovative Customer Care Solution
- 2013 Best in Customer Experience by the World Communication Awards



## Great Service Starts Internally

These are the external fruits of Globe's labor and they are wonderful indeed. But these are only a reflection of the extraordinary changes that have taken place at Globe internally. Globe has changed from being a difficult and unmotivated place to work to being a very popular place to work with dramatic increases in employee engagement, satisfaction, and retention. Globe leaders and employees have created a rewarding, inspiring work environment where Globe employees live to serve not only their customers but also one another.

Recently, Globe launched Project Wonderful, a new and uplifting campaign to make every Globe employee a true ambassador of the company. This program is Globe's response to the need for ongoing customer experience transformation and its contribution to improving service in the culture, the brand, and the nation.

### The Globe Way 2.0

Globe has no plans to slow down. Today, the company is blazing forward with The Globe Way 2.0 including a refined vision that reflects Circle of Happiness convictions to create the happiest customers, employees, and shareholders.

And despite the fact that Globe has provided a UYS service education to 100 percent of its leaders, employees, and service partners, Globe hasn't reduced its goal to further strengthen its service culture. Service education at Globe continues as a substantial enabler and difference maker for the company.

Service is now a thriving part of Globe's DNA, and reinforcing that DNA will be a major part of the company's next act. The company remains on a mission to Create a Wonderful World for all customers and colleagues—for people and businesses, and for the nation of the Philippines. □



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## LESSONS LEARNED WITH UP! YOUR SERVICE

**Surround yourself with leaders with a similar vision.** Globe CEO Ernest Cu understood that the best way to ensure success in his efforts to turn Globe around was to surround himself with leaders and employees who wanted Globe to improve as much as he did.

**Start with a bold declaration.** A declaration creates a new possibility or a new situation. Cu declared that he would build a company in which everything would revolve around the customer experience—and it came to pass.

**Choose positive and enthusiastic people to be ambassadors for your message.** Globe's passionate UYS Course Leaders played a vital role in the company's ability to successfully implement its service culture initiative.

**Convince internal colleagues first.** A huge part of service improvement marketing takes place inside the company. Globe realized that employees must be convinced first before changes could be felt by customers.

**Make it fun.** This is one proven way to generate interest and secure early support.

**Move quickly.** Use the momentum gained from a big and bold start to launch a service culture initiative quickly throughout your organization.

**Involve outsourced partners.** Globe achieved this by treating its external suppliers like Globe employees. It held service partners to the same high standards, and these partners were inspired to rise to the occasion.



**Ron Kaufman**, UP! Your Service founder and chairman, believes service is the essence of humanity. He has helped companies on every continent build a culture of uplifting service that delivers real business results year after year. Making transformation his mission, Ron is one of the world's most sought-after educators, consultants, thought leaders, and customer service speakers on the topic of achieving superior service. He is the author of the *New York Times* bestseller *Uplifting Service* and 14 other books on service, business, and inspiration. Ron has been featured in the *Wall Street Journal*, the *New York Times*, and *USA Today*. To learn more about Ron Kaufman, please visit [www.RonKaufman.com](http://www.RonKaufman.com).

**UP! Your Service** enables organizations to quickly upgrade service performance and secure a sustainable advantage by building an uplifting service culture. Its methodology aligns, integrates, and accelerates organizations in three essential areas: Service Leadership, Service Education, and The 12 Building Blocks of Service Culture. This proven approach leads to an action-oriented culture empowering everyone to delight customers and colleagues with consistently uplifting service. Under Ron's leadership, the UP! Your Service team has enabled uplifting service within government agencies and multinational corporations including Air Mauritius, Suncorp, Xerox, Nokia Siemens Networks, Marina Bay Sands, NIIT Technologies, and other leading global organizations. To learn more about UP! Your Service, please visit [www.UpYourService.com](http://www.UpYourService.com)



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