

Case Study

Carphone Warehouse

Ricoh support service innovation helps Carphone Warehouse cut costs by 10%, enhances 1st-class customer experience

Carphone Warehouse



Through its in-depth retail experience and an innovative approach to managing helpdesk services, Ricoh has helped Carphone Warehouse transform support for its UK stores. It has reduced costs and service

activity by up to 10%, but still managed to increase efficiency, cut system downtime and help stores maintain a first-class customer experience.

Executive summary

Name: Carphone Warehouse
Location: London, UK
Size: 42,000 staff
Activity: Retail

Challenges

- Constantly changing and demanding retail environment
- Critical role of Epos systems in delivering the best customer experience
- Increasing cost and volume of store-related service desk calls

Solution

- Ricoh Managed Retail Service
- Proactive, knowledge-based Epos support for 1,000 UK/Ireland stores
- Complementary project-based IT/retail services

Benefits

- Helps improve in-store service and customer experience
- Increases level of service and efficiency
- Delivers a predicted and measured 10% cut in helpdesk activity
- Ricoh delivers 5k new chip & pin devices to 971 stores in just 3 months, hits up to 20 store completions a day
- Reduces store Epos system downtime through trend analysis and preventive repairs

Challenges

Carphone Warehouse is part of Dixons Carphone plc, Europe's leading specialist electrical and telecommunications retailer and services company, employing over 42,000 people in eleven countries.

Across the UK and Northern Ireland, Carphone Warehouse has around 1,000 high-street and shopping-centre retail shops, as well as outlets inside Currys PC World stores. To support its in-store electronic point-of-sale (Epos) systems, Carphone Warehouse has had a long-term partnership with Ricoh. Carphone Warehouse's global IT service desk handles first-line support issues, while more complex on-site support problems are passed to Ricoh.

When the Ricoh service started in 2005, it was a standard break-fix agreement. But, as retail businesses face challenges such as the growth in omni-channel retailing, Carphone Warehouse's operational environment has evolved with more and different types of stores and multiple ways of engaging with customers.

The business has a strategy to transform the mobile phone retail experience. Epos systems are becoming more complex to meet the demand of a new retail environment that recognises the high cost of a phone purchase and customer need for more time, space and efficiency. For example, moving from paper to digital documentation. Consequently, pressure on technical support in terms of volume, complexity and cost has increased. The risk was support costs getting out of control as well as insufficient technical resources to meet increasing demand. Carphone Warehouse had considered several solutions, even replacing hardware, but was impressed by some of the ideas and innovation Ricoh offered.



Although the front-line service desk was not Ricoh's primary function, the company agreed to collaborate with Carphone Warehouse to find an effective solution. This began with an in-depth discovery exercise managed by Ricoh. It involved workshops with the Carphone Warehouse service operation to analyse in-bound support calls and equipment failures. The discovery exercise also looked at workflows once a support ticket had been opened.

The discovery showed that Ricoh could enhance its support and add value to Carphone Warehouse's first-line support operation. Because of its first-hand experience of store operations, Ricoh saw an opportunity to help Carphone Warehouse streamline and improve the fault reporting and handling process. Ricoh and Carphone Warehouse decided to run a three-week pilot to see if service desk operations could be handled better. Ricoh's expertise and knowledge of the stores and their Epos systems means it is uniquely placed to understand what kind of problems and challenges stores face. Although Ricoh was not able to reduce inbound call volumes, the pilot showed that by changing processes and interventions it was possible to reduce the number of site visits.

Ed Slingsby, Head of Stores and Distribution Infrastructure at Carphone Warehouse, says, "Ricoh has developed an in-depth understanding of Carphone Warehouse's business requirements and in-store environment. It has delivered a reliable and consistent service and, when needed, has been agile and responsive to all sorts of challenges. This level of service goes beyond what you would normally expect from a supplier and it's of huge value to Carphone Warehouse. It makes Ricoh the ideal partner to drive forward changes to our store support services."

Solution

Carphone Warehouse has invested in several solutions under Ricoh's Managed Retail Service (RMRS) designed to modernise retail IT systems and create a better shopping experience. Carphone Warehouse has renewed its Epos system maintenance contract with Ricoh for another five years and is using Ricoh's retail expertise to deliver additional IT services to stores.

Under the new contract Ricoh and Carphone Warehouse are working collaboratively to improve support operations. A technical vetting service run by a dedicated Ricoh service desk conducts pre-site visit calls to stores to qualify support requests.

Epos systems that Ricoh supports typically comprise a screen, PC, specialist retail keyboard, chip and pin device, receipt printer, flat-bed scanner, digital signature pad and promotional display screens. The service is delivered via Ricoh's in-house, network of Epos specialists who meet on-site, next-business-day SLAs anywhere in the UK. All Ricoh engineers are fully trained on live, in-store Epos systems and processes.

continued overleaf

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The Ricoh service covers all aspects of Epos operations including software and hardware checks, repair and replace, and network and corporate system integration. Ricoh also manages hardware stock where faulty equipment is removed from a store, repaired and then made available for other stores. Recycling equipment maximises resources and reduces costs, and contributes towards Carphone Warehouse's sustainability goals.

One of the most significant and successful projects delivered to Carphone Warehouse - as part of RMRS - has been replacing and upgrading 5,000 chip and pin devices across 971 stores to comply with new financial regulations. It was achieved in just three months and a week ahead of deadline in time for the busy Christmas shopping period. It involved 86 Ricoh engineers installing new or upgraded devices during the day without disrupting retail operations. At peak times, Ricoh was completing up to 20 stores a day.

Other project-based services provided by Ricoh include store moves, re-fits, refurbishes, and decommissions. This includes Dixons Carphone's new 3-in-1 stores where the group is moving Currys, PC World and Carphone Warehouse shops into single stores.

Benefits

Ricoh and Carphone Warehouse have transformed a standard break-fix service into an innovative support solution that is reducing costs and complexity and delivering an improved service to stores.

"The partnership with Ricoh has delivered some very innovative and smart ideas to help Carphone Warehouse manage its retail store support operations more effectively. From a management perspective, it is reducing the cost and volume of site visits by up to ten percent and even providing interventions that reduce system down-time. But,

importantly, it is enabling us to add value, deliver a better service to our stores and enhance the customer experience," says Ed Slingsby.

Working in partnership with Carphone Warehouse, Ricoh plays a more active role in managing and evaluating support requests to determine the fastest, most efficient and most cost-effective way of resolving issues. For example, using Ricoh's technical vetting service to contact a store to qualify the problem, means faults that can be resolved by phone call rather than a costly site visit are identified early in process. Carphone Warehouse estimates this is reducing support service call-out and costs by up to ten percent.

One of the key benefits is helping stores maintain a high level of customer service, by reducing system downtime. If a point-of-sale device fails during Saturday morning peak selling time, it could be out of action for the whole day until an engineer arrives. Now, the Ricoh technical vetting call could have the unit up and running in ten minutes enabling the store to serve more customers faster. This is equally critical for new phone and contract transactions which can occupy Epos systems for up to 20 minutes.

Even when a site visit is required, Ricoh is now making that more efficient. The Ricoh technical vetting call to the store prior to site visit, along with the engineer's own knowledge and experience, makes the visit more efficient because the engineer has all the information to deal with problem quickly with minimal disruption.

The Ricoh service is adding to Ricoh's knowledge bank about Carphone Warehouse Epos systems and increasing the level of proactive rather than reactive services. This also helps improve the experience for the store by reducing system downtime and reducing support call volumes. Ricoh is using analysis data to identify and map fault trends to identify problems before they occur. Ricoh is then able to repair or replace equipment before it causes a system failure.

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