



## **Keeping Big Business small: lessons from the garage**

**Michael Malone**

## Service: My personal mantra

“My parents taught me the most important lesson about running a business, which is to put your customers first. **Good service is good business**

We’re here to help you get your Internet connection working and get the most out of it. This is something which has defined iiNet from the outset and remains our biggest focus.”

**Michael Malone, iiNet CEO**



# iiNet's birthplace



# A disruptive force



## **As Australia's New No.2 in DSL broadband, we swear...**

To work harder than the big phone companies to deliver internet speeds you deserve. (Fast ones.)

To continue our commitment to top-notch customer service, keeping you off the phone and on the net.

To deliver more sweet new products to make your time on the internet even fun-er.

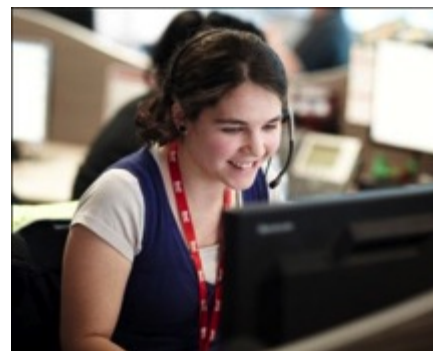
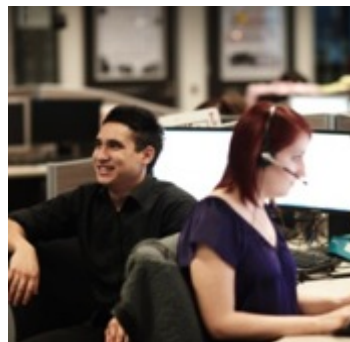
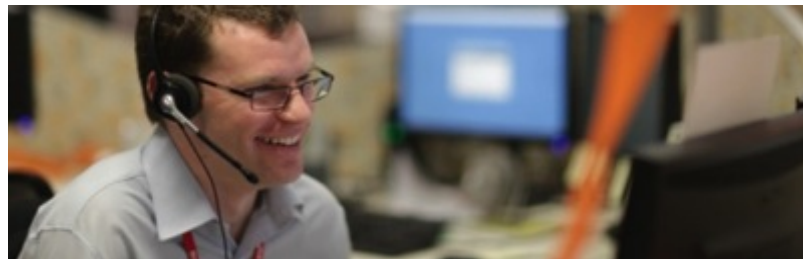
To be the best No.2 since Dannii Minogue, Shannon Noll or Buzz Aldrin.

This and more we swear, because Australia loves a good No.2. (Sorry, we couldn't resist.)



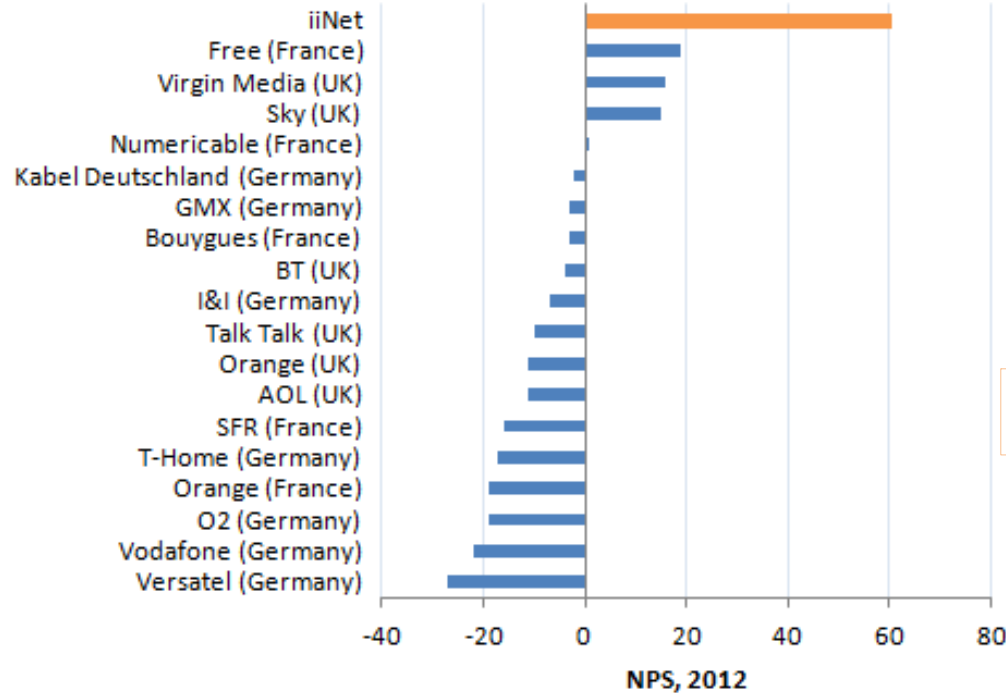
# Times change... our strategy remains

Lead on product....

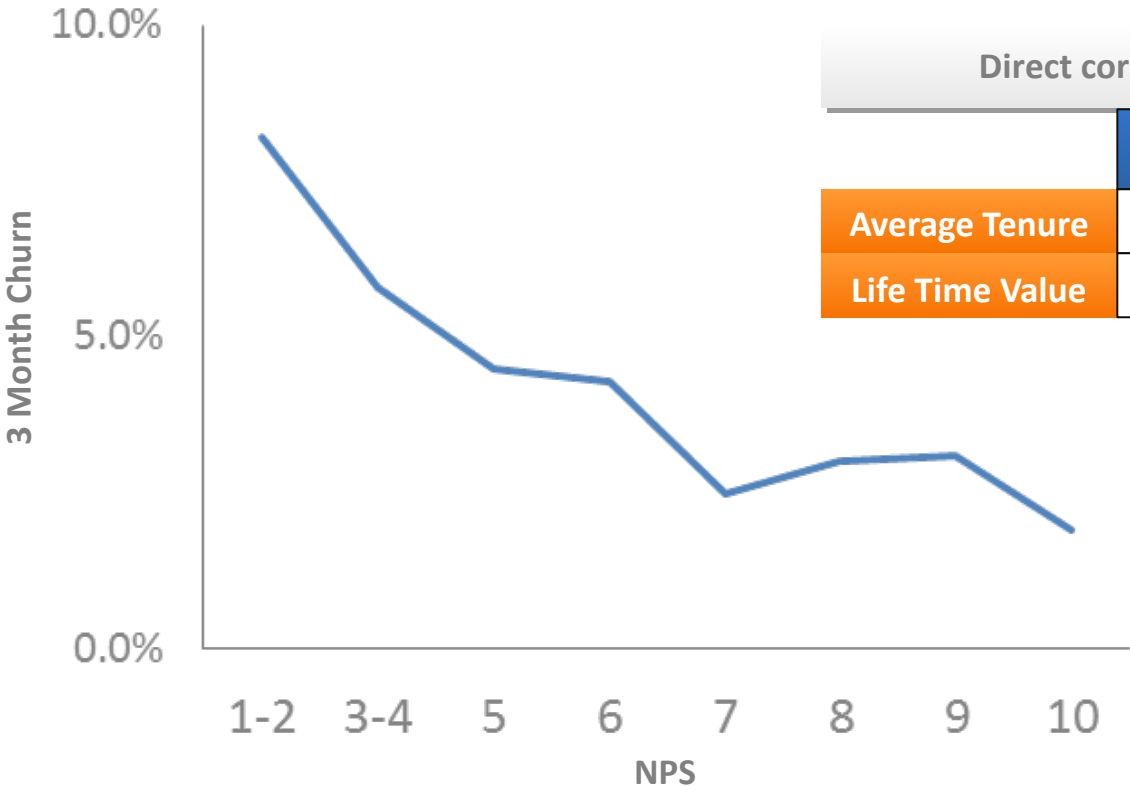


... differentiate on service

# Yes, you can measure service



# How service commitment yields results



Direct correlation to churn and hence LTV \*

	Detractor (0-6)	Passive (7-8)	Promoter (9-10)
Average Tenure	37 months	73 months	84 months
Life Time Value	\$677	\$1,088	\$1,168

\* Chart illustrates a sample of customers: -0.96 correlation between NPS and Life Time Value (LTV)

# Implementing NPS – what we learned

Customise communications for different audiences



Corporate was so excited by relationship with churn, pushed this on the contact centre, without considering what they care about

Show them how it relates to what they already know



Biggest push back from staff was agent score (how agent was rated) being higher than NPS. Showing the relationship between these and explaining NPS in context to this, really helped

Make sure the program is visible and transparent



Ensure staff can see all the support behind the program (R&R, corporate focus, change in training etc.)

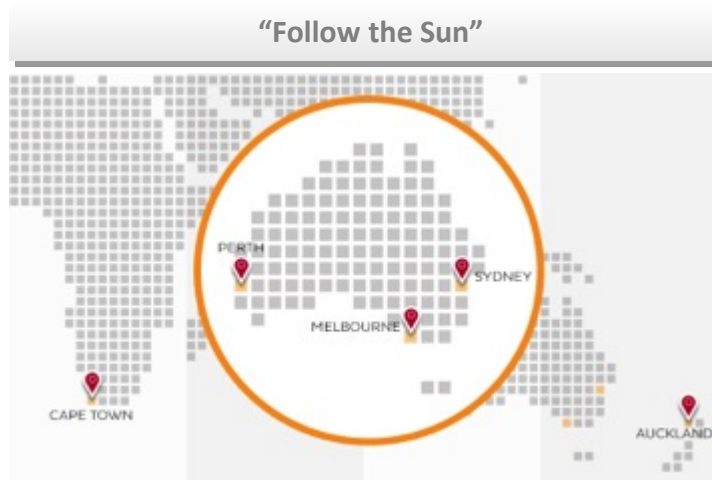
Set 'realistic targets'



Set short term targets that are viewed by staff as achievable with a mechanism to reset targets regularly rather than aiming too high



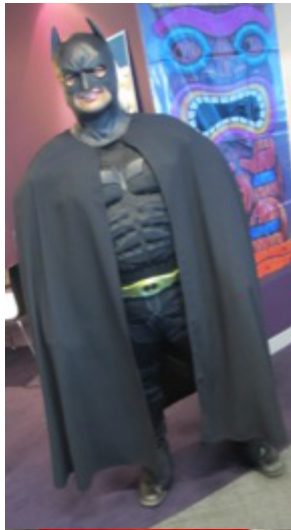
# Differentiate on Service: Cape Town



- **Cape Town launched** – same look and feel as all centres
- **Staff churn down below 1.5%** per month across all sites
- **Opportunities for career development** and secondments, significant increase in staff engagement
- **NPS consistently above 50% over time**, 60% last quarter



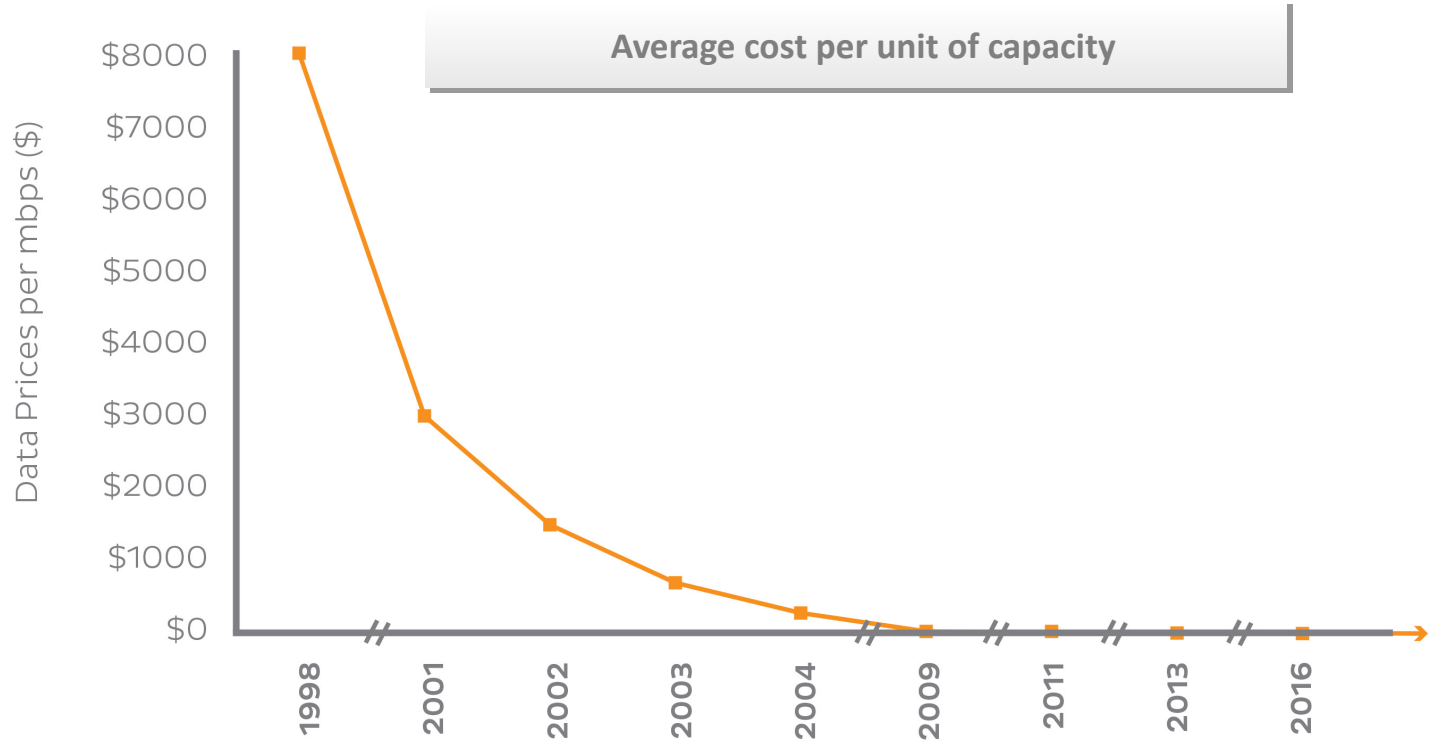
# Building a strong culture



# Fight for your customers

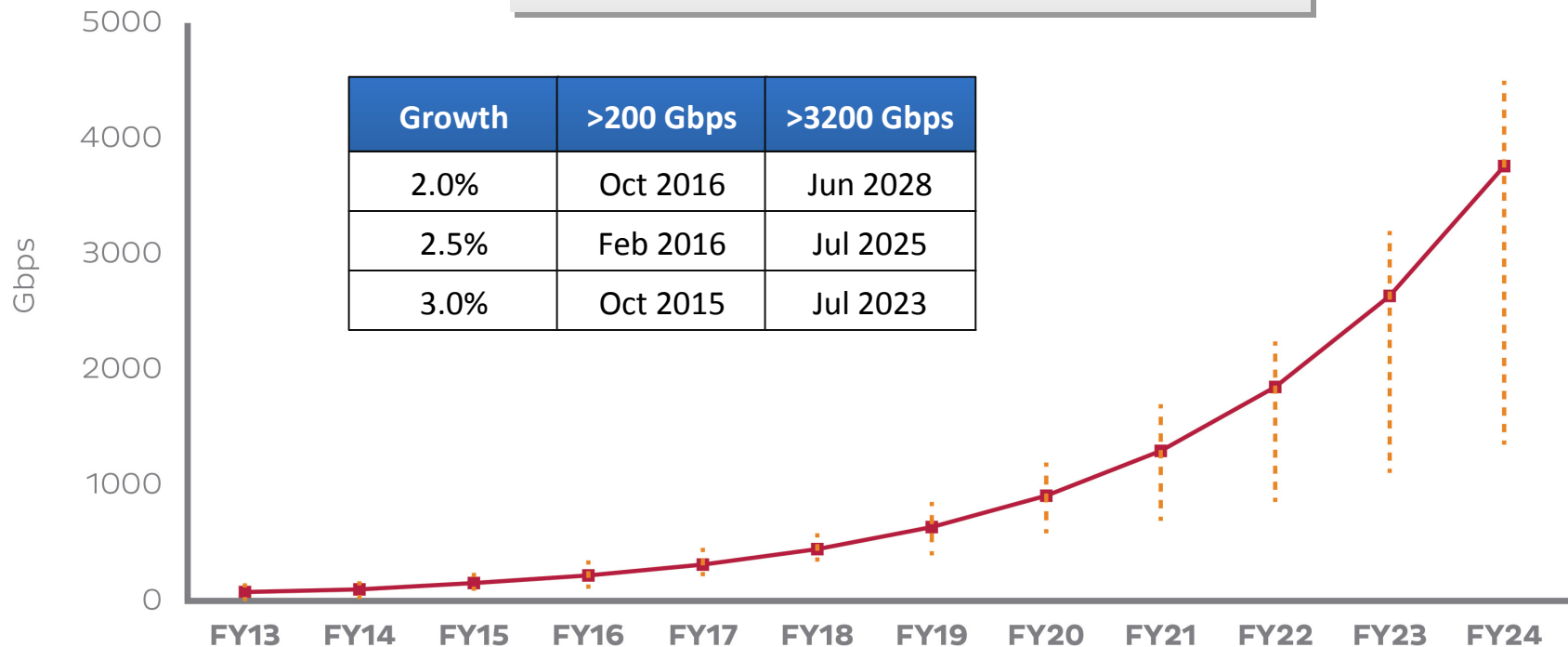


# Know your customers



## ...as a predictor of future usage

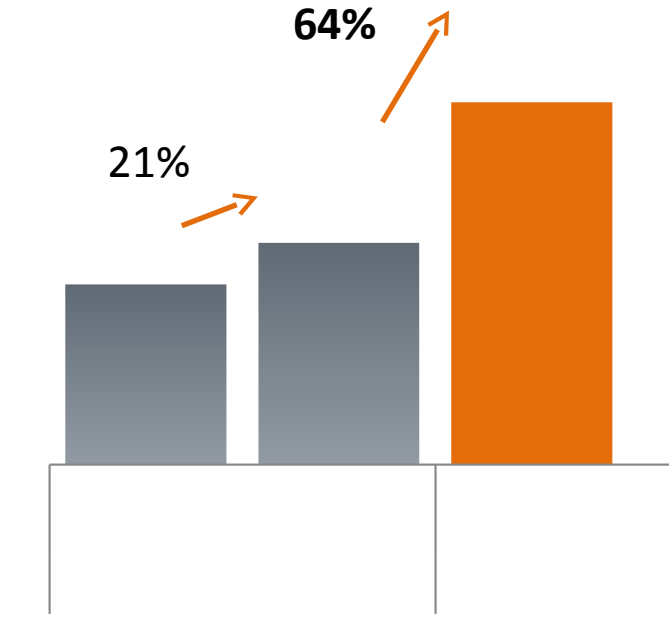
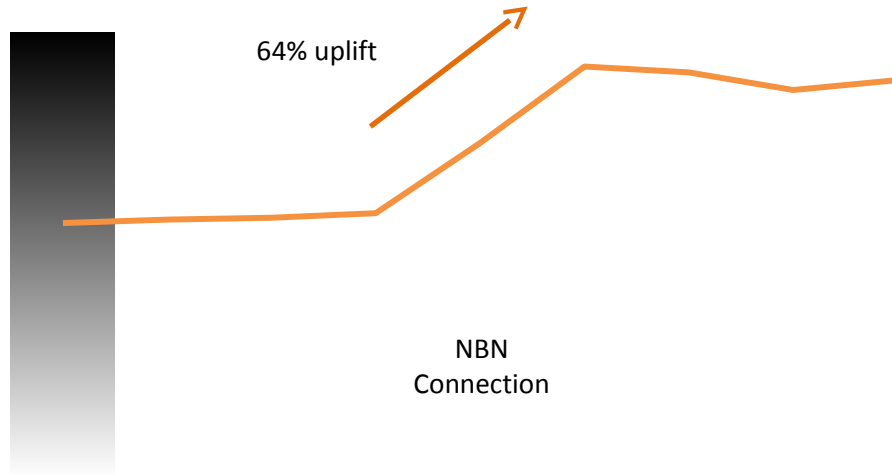
Bandwidth Demand Forecast (2.5% pa)



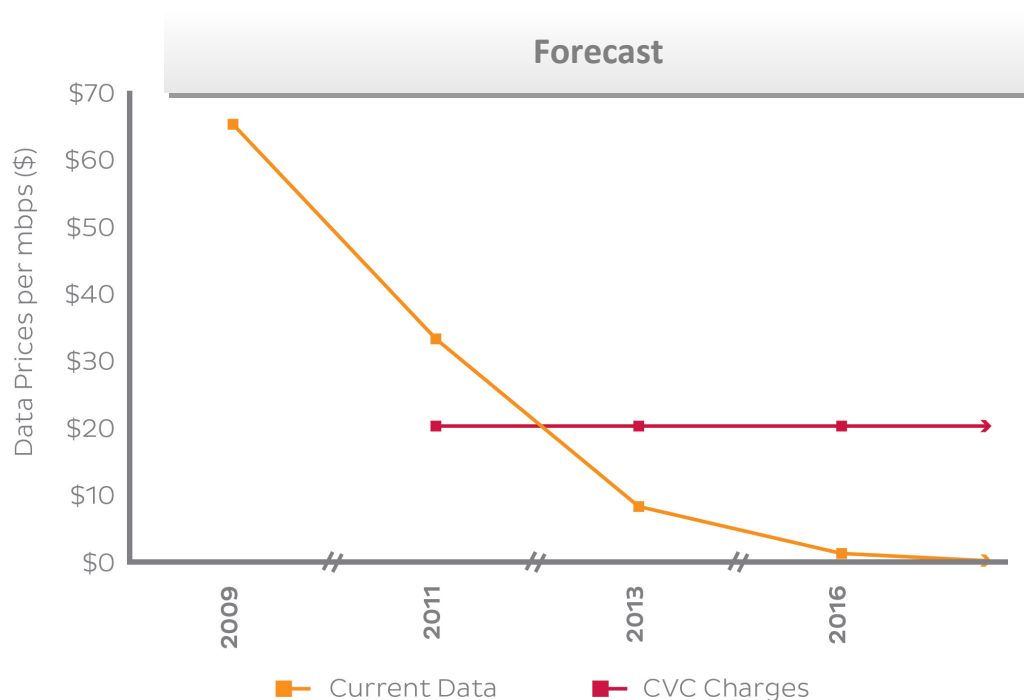


# A better highway = more traffic

Customers are downloading 64% more after moving to the NBN; high data users are the first-movers to NBN



# CVC = Choke Broadband



- \$20 per megabit CVC charge is a significant increase on today's costs and will choke the growth of broadband services in Australia
- Our costs are infrastructure based, not usage driven and scale down with volume
- Why have high bandwidth CVC charges? This is a usage tax designed to slow growth

# If the NBN fails...

Then, Australia's leverage in the global digital economy fails.

Our competitors will capitalise on productivity gains, industry development opportunities and social dividend.







Q&A