

**TEAM CONFLICT:
THE “CHATTY” ACCUSATION AT THE CUSTOMER SUPPORT CALL CENTER**

In a rare moment alone in her office, Jennifer Ames reflected on the past 10 years of her career at BabyProduct Corporation (BPC).¹ She could easily chart her successes: She had taken on challenges and produced results where her colleagues had failed; she had increased the diversity of the work force in every unit she had led; she had successfully launched new products and developed several new markets. In fact, just a few months before, Ames had been part of a team that had led a highly successful launch of several BPC product lines into the Latin American market. That success and the ensuing demand for its products drove BPC to centralize customer support in a call center in Austin, Texas—and to create Ames’s new position: senior director for global customer support. Ames had studied other call-center models and created a team of four as a prototype for customer support. She had a goal of scaling up as the business expanded.

But as she sat in her office, looking at the latest financials and mentally reviewing the events of a disturbing meeting earlier that morning, she saw the failure of her prototype looming large. The call response times were on an upward trajectory that would quickly plunge her budget into the red if the trend continued. Even worse, only one short month into her new position, Ames was worried that her team was stonewalling her. She was deeply troubled by the interaction she had just observed: there was friction among her staff members that was dividing them along American-versus-non-American lines.

The team consisted of three Americans from the Austin, Texas, headquarters and one Costa Rican from the Central American sales office. The three Americans, already thinking about customer support, had spent the past few months working with product developers to create the web-based training videos that provided step-by-step product use information, as well as testing competitor products. The employee from Costa Rica had also spent time with the product development team and had been an outstanding sales representative. She had transferred from the Central American sales office to join the Austin call center.

¹ BabyProduct Corporation is a fictitious company name that does not intentionally represent any real company.

The problem was that the Americans were angry about the work habits of the Costa Rican member whose call times were longer than theirs, so they accused her of effectively lowering their pay. During that morning's meeting, things had deteriorated into a verbal onslaught that culminated in one of the American members calling the Costa Rican member a "chatty Latina." After that, the conflict got personal and highly emotional. Was this the "cultural iceberg" she'd heard so much about? And what exactly should she do to steer the team away from it?

Products in the Baby Space

When Ames had joined BPC 10 years earlier, it was a small U.S. company selling baby formula. Since then, it had expanded to sell various maternal and infant-care products. Aside from baby formula, BPC's most profitable product lines included phototherapy devices for the treatment of jaundice (often called light boxes) and a sophisticated line of neonatal heart and breathing monitors. BPC's institutional customers included hospitals and nongovernmental organizations that cared for at-risk populations. The company also sold smaller versions of the phototherapy devices and baby monitors to families at home and for midwives to use. All manufacturing and distribution took place in the United States.

By 2011, BPC executives were ready to expand sales of phototherapy and monitoring devices into Latin American markets. The decision was based largely on the region's lack of competitors in the maternal and infant-care product segments and a low entry barrier. Ames had been part of the team that executed the launch. They had decided to hire locals in each of their markets to create a Latin American sales unit and to focus on direct-marketing distribution channels to institutional customers (hospitals and NGOs).

The channel choice was important because many international organizations, such as UNICEF and the World Health Organization, had international codes of responsible marketing that BPC had decided were in line with its values. The codes, which primarily targeted food and milk-substitute products, were not law in the United States, but they offered guidelines that BPC considered good business practices; they would be used to guide executive decisions, avoid bad press (there were many international watchdogs in the baby product space), ensure the correct use of BPC products, and avoid international lawsuits. Following these codes meant adopting practices such as never marketing directly to mothers or families, training retailers and asking them to provide a point-of-purchase demonstration of the equipment, and having customer support available after the point of purchase to provide training and consistent and objective advice, and further information—including information about the potential benefits of competing products.

The product rollout to institutional customers in Latin America was a huge success. Within a year, BPC had established ten sales units: two in Mexico, three in Central America, and five in South America. During the first few months of the expansion, the sales representatives were able to provide some degree of customer support because their clients tended to be large hospitals—sales representatives would train a few hospital employees who, in turn, would be the support people in their hospitals (a train-the-trainers model). By the end of that year, however, the

management team realized that it did not have the infrastructure to provide customer support for all of the sales it was generating. As customer volume grew, the sales force was too busy to provide reliable customer support. The sales force was paid on commission, so was less interested in providing adequate customer support and was not necessarily made up of the best people to do so. Employees in the U.S.-based manufacturing plant were more privy to company information about competitors and infant-care guidelines as well as warranty and care information.

Instead of relying on its sales force, the management team decided to provide customer support via call centers and, after much discussion, to establish these call centers in-house instead relying on outsourcing. During BPC's original market research, potential Latin American customers made it clear that being able to speak directly to the company—to talk to the same two or three people about their case rather than having to rely on retailers or third-party support—would make them more likely to buy BPC products. Given that the consistency and accuracy of information from customer service was essential to follow code and avoid lawsuits and high insurance premiums, BPC decided to first establish a U.S.-based call center supplemented by web-based video training. The company did this for two reasons. First, the management team wanted to closely monitor the calls to be able to communicate quickly with quality control in order to provide onsite training that was updated on a monthly basis. Second, it wanted to build trust with its customers. Ames was in charge of making this happen. She immediately pulled four people, who spoke fluent Spanish, from the sales side of the organization to serve as customer support representatives in the call center.

Differences in the Call Center Team

As with most call centers, the team was rewarded based on how many calls it handled. In light of their large and growing customer base, the team found itself with high call volume. Ames believed it was important to keep calls short for two reasons. First, it was important to avoid long customer hold times in order to create greater ease for customers. Second, she had been given a fixed percentage of company profit to devote to call-center compensation. She did extensive analysis over a six-month period about realistic estimates of the length of time that her team of four could spend with each customer. She had the sales team document the time spent on customer support, used new customer forecasts and did a handful of scenarios with existing customers to get an average time estimate for a typical call. She then divided the amount of money she had to spend by the number of customers she anticipated would call each day, and determined that she could afford to have representatives spend about seven minutes with each customer. This number was roughly the same as her event-by-event "scenario trials."

In order to stay within her budget, she decided that each representative's pay would be docked by \$1.00 per minute after seven minutes of conversation with a customer. While the representatives were compensated with an annual salary, which was paid to them in monthly pay periods, she decided to make their monthly pay contingent on the team maintaining a daily seven-minute call average. So the team members' monthly pay was calculated as their salary minus \$1.00 for each minute of each day that the team average was over seven minutes. She believed this would

encourage the call-center members to collaborate (rather than compete) with one another about the best strategies for quick and helpful service. Ames was discouraged that, at the end of their first month of working together, the team members' call response average was a little over two minutes off target. (See Table 1 and Figure 1 for a sample of the first month's averages Ames put together to track call-center metrics.)

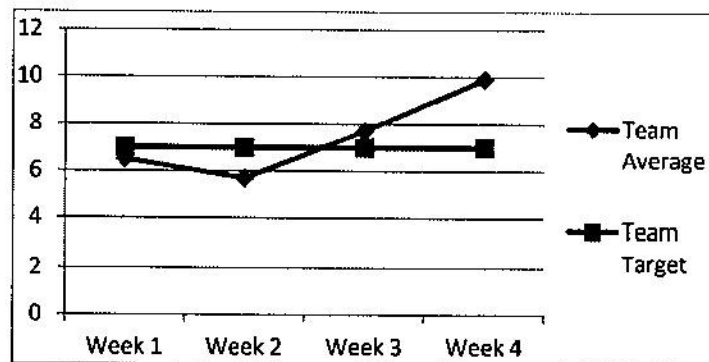
She was also getting complaints from the three American team members. They calculated that together the three spent an average of five and a half minutes with each customer; when customers wanted further information, the employees referred them to the training videos. In contrast, they observed that the Costa Rican member, Sonia Enriquez, spent about 15 minutes with each customer, often walking the customer through the videos over the phone. These longer calls were affecting the compensation of all members, and the Americans were angry.

Table 1. Sample metrics from the first month of operations.

	Week 1	Week 2	Week 3	Week 4	Monthly Call Average	Monthly Customer Satisfaction (1 = Poor, 10 = Excellent)
Henley	5.1	4.4	5.2	7.3	5.5	5.5
Garvey	3.3	4.5	6.3	8.3	5.6	6.1
Burton	5.2	3.8	5.3	7.1	5.4	5.3
Enriquez	12.5	10.2	13.9	15.5	13.0	9.5
Daily team average	6.5	5.7	7.7	9.53	7.4	
Average team pay penalty	\$0.00	\$0.00	\$0.12	\$2.88		

Source: Created by case writer.

Figure 1. Graphic depiction of weekly call averages in minutes.



Source: Created by case writer.

At the most recent weekly team meeting, the tension had been palpable. The Americans on the team understood Enriquez's point about the need for customer satisfaction, but they believed that helping customers solve problems and referring them to the training video was good enough. The complaints in the meeting went like this:

- Jill Henley: This goes beyond being annoyed about how much Sonia talks, it now affects my pay—it's being docked. When she does a call, it goes way past product information; she carries on about family, gets wrapped up in their problems, laughs and jokes—but the thing that really put me over the edge was when she told someone she'd put the kids who used our equipment on her prayer list! Sonia acts like a therapist instead of providing technical support. For the love of Pete, we sell medical equipment! The less you talk, the more you listen, and the better you do your job.
- Jordan Burton: Sonia talks so much that *my* mouth hurts—and I'm being penalized because of it. There is no off switch. She thinks her approach is a success. So she builds relationships with her customers, but we're here to provide information. We have training videos for a reason—and she needs to refer customers to those videos, not watch the things with the caller while she's got them on the phone!
- Jeff Garvey: I find myself increasingly angry at Sonia for prioritizing her need to talk over any work that needs to get done. She couldn't care less that our pay is being reduced because of her. She has it in her head that any conversation under 15 minutes is rude and to cut calls shorter is bad manners. Callers don't need to feel special, they need information to solve their problem, and that takes five minutes tops for all the rest of us. We are helping solve problems and providing good care too.
- Sonia Enriquez: We don't do things that way in my country. You should have studied my culture before you joined this team. This is serious business. The lives of many children depend upon our equipment, and their caregivers need to know our company cares about them. We have to build trust that we aren't going to sell them something and then hit the road. No one else on this team takes the time to earn health care providers' respect. We need to make them feel confident in their decision to buy our monitors and not someone else's. But don't take my word for it—have a look at the how customers have rated me: my satisfaction scores are exponentially higher than anyone else's on this team.²

Ames worried that both she and the team were at a breaking point.

² Customer satisfaction with customer support was assessed by the sales department based on three questions during their periodic visits to the customer. This information was sent to Ames by the director of the sales department on a monthly basis.