

# Business Case

## Short Message Service System

Odyssey Lab Services

Customer Satisfaction Program

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# Contents

Summary .....	3
Problem .....	4
Strategic Environment .....	4
Solutions Considered.....	5
Solution Details .....	6
Overview.....	6
Cost-Benefit Analysis .....	6
Timeline .....	8
Assumptions.....	8
Risks.....	8

# Summary

To deliver lab results, Odyssey's National Customer Service conducts 55,000 service calls daily while insufficiently staffed and unprepared.

This results in:

- Poor customer experience
- High employee turnover
- Loss of referring physicians
- Loss of revenue and growth opportunity

After considering multiple options for addressing this problem, the solution best determined to meet the needs of the organization will be the development of a short messaging service (SMS) system.

The SMS system will:

- Enhance the customer experience
- Reduce employee turnover
- Allow more time for training
- Increase retention of referring physicians
- Protect revenues and support the organization's growth strategy

# Problem

Obtaining lab results is inconvenient for customers, causing a poor customer service experience. This results in daily lost revenues of \$73,000.

**Customers are switching to our competitors.** When physicians receive an average of 5 complaints about our service, they begin sending their patients to other lab service providers. Accounts lost in this way equates to \$26.6 million in lost revenue every year.

**Service reps are not meeting expectations.** When customers call in, they must wait a long time before speaking to a service representative. Additionally, the representative often lacks the knowledge required to answer questions appropriately. These calls are escalated to a supervisor, further increasing wait times.

**Picking up the phone is an inconvenience to customers.** Only 20% of customers who call in prefer receiving their lab results by telephone. The other 80% prefer an easier method and may be unaware of our Odyssey 360 online service.

**Service reps have high turnover.** When a new customer service representative is hired there is a 60% chance that they will leave the company within the first year. Those who leave say they were not trained well. Their training phase is often cut short due to high call volumes.

Solving this problem is critical if we wish to protect our revenue by enhancing the customer experience of obtaining lab results.

## Strategic Environment

Any solution to this problem must support the firm's growth agenda expressed through the following strategies:

**Restore growth by increasing customer satisfaction.** The solution outlined in this document must deliver a clear path to increasing customer satisfaction.

**Drive operational excellence by creating an inspiring workplace.** The solution outlined in this document must be aligned with the organizational strategy of creating an inspiring workplace.

# Solutions Considered

The analyst has considered multiple options to address the issue of poor customer service experiences. These include:

**Developing an automated phone system.** This solution would make automated phone calls to customers once their labs have resulted. This option is unlikely to have a significant impact due to customer desire to receive their results from something other than a telephone call.

**Sending lab results via mail.** Sending results in the mail will provide an easy-to-read visual representation of lab results to customers. However, this solution is not timely as it would require several days to print, package, and deliver via postal service.

**Hiring more service representatives.** This is likely to have a direct impact on customer wait times while on the phone. However, the ROI provided is less than that of the other options considered.

**Develop a short message service (SMS) system.** This solution notifies the customer as soon as their lab results are ready. The notification also includes a link to our online Odyssey 360 platform, so that customers may log in to view those results. This solution has the best direct impact on customer experience and ROI while also meeting the organization's strategic objectives. This document will henceforth focus on the details contained in this solution.

# Solution Details

## Overview

The new SMS system is intended to promptly alert customers that their results are available to review and will contain the following benefits:

1. Customers will automatically receive a text message that contains a link to the landing page of Odyssey 360. They can log in and view all their previous lab results.
2. Customers will be notified as soon as their results are available.
3. Incoming calls for lab results are expected to reduce by 20%, giving service representatives more time to dedicate to training.

This system is primarily focused on increasing customer satisfaction by completely removing the inconvenience of having to call in for lab results. Customer satisfaction will be further enhanced by the increased allowance for service representative training. Additionally, more education for the service representatives aligns with the organization's goal of creating an inspiring workplace.

## Cost-Benefit Analysis

Developing the new SMS system will require approximately \$434,000 in upfront development and integration costs. Moving forward we expect the ongoing yearly cost to include \$2,742,000 for 2 new employees and messaging costs. Those costs will be largely offset by the protected revenue from patients who would have otherwise been lost due to poor customer service experience. (\$10,671,000)

After the upfront project expenses, we expect the following net benefits:

Year 1: \$10,671,000  
Year 2: \$10,671,000  
Year 3: \$10,671,000  
Year 4: \$10,671,000  
Year 5: \$10,671,000

New SMS System			ROI Summary			
				Cum. Costs	Cum. Benefits	ROI
			Pre-Launch	\$ 434,000.00	\$ -	-100%
			Year 1	\$ 3,176,000.00	\$ 10,671,651.76	236%
			Year 2	\$ 5,918,000.00	\$ 21,343,303.53	261%
			Year 3	\$ 8,660,000.00	\$ 32,014,955.29	270%
Costs						
People	Monthly Cost	Project Months	Pre-Launch Total	Year-1 Total	Year-2 Total	Year-3 Total
Business Analyst	\$ 6,000.00	6	\$ 36,000.00	\$ -	\$ -	\$ -
Project Manager	\$ 7,000.00	6	\$ 42,000.00	\$ -	\$ -	\$ -
Developer	\$ 8,000.00	6	\$ 48,000.00	\$ 96,000.00	\$ 96,000.00	\$ 96,000.00
Developer	\$ 8,000.00	6	\$ 48,000.00	\$ 96,000.00	\$ 96,000.00	\$ 96,000.00
Developer	\$ 8,000.00	0	\$ -	\$ -	\$ -	\$ -
Software	Initial	Ongoing	Pre-Launch Total	Year-1 Total	Year-2 Total	Year-3 Total
SMS Integration	\$ 260,000.00	\$ 2,550,000.00	\$ 260,000.00	\$ 2,550,000.00	\$ 2,550,000.00	\$ 2,550,000.00
			0			
TOTAL			\$ 434,000.00	\$ 2,742,000.00	\$ 2,742,000.00	\$ 2,742,000.00
Benefits						
Benefits	Initial	Ongoing	Pre-Launch Total	Year-1 Total	Year-2 Total	Year-3 Total
Retained Accounts	\$ -	\$ 10,671,651.76	\$ -	\$ 10,671,651.76	\$ 10,671,651.76	\$ 10,671,651.76
TOTAL			\$ -	\$ 10,671,651.76	\$ 10,671,651.76	\$ 10,671,651.76
TOTAL			\$ (434,000.00)	\$ 7,929,651.76	\$ 7,929,651.76	\$ 7,929,651.76

## Timeline

Phase	Estimated Duration
Analysis	3 Weeks
Design	3 Weeks
Development	3 Months
Testing	3 Weeks
Implementation	3 Weeks

The project will adhere to best practices used in the waterfall methodology.

Accordingly, the entire project will be designed, developed, tested, and then implemented by the project team. The project manager will be responsible for ensuring the team meets project deadlines and reporting updates to senior management.

The project will be fully deployed 6 months after inception.

## Assumptions

Assumption	Status	Resolution
Customers will have a positive experience after being directed to the Odyssey 360 platform	Validated	Confirmed by a review of customer experience reports of the Odyssey 360 platform.
Estimate of 20% call reduction	Validated	Confirmed by a survey that shows customer preference for retrieving their results by some method other than telephone calls.

## Risks

Risk	Probability	Impact	Management Approach
System Downtime after implementation	Low	High	Retained developers will be responsible for system maintenance and testing during any future changes to existing systems.
SMS delivery issues	Low	Low	Failed delivery caused by incomplete customer details will be mitigated by reinforcing the system-wide policy of completing customer information during customer contact.