

The Problem

"Real Estate in West Los Angeles and Santa Monica is expensive and we just didn't think it was feasible to absorb all that growth by adding more facilities."

Ehren Schlue
Director, Customer Support

In the summer of 2013, streaming video giant Hulu was quickly outgrowing its West Los Angeles customer service building and forecasts called for Hulu to grow by 150% over the rest of 2013. Executives were contemplating moving its customer services overseas, and in discussions with vendors in India and the Philippines. Challenges included:

Unsustainable capacity in cost-effective facilities

Hulu's existing customer service facility had limited space to expand, and the team's operational footprint was challenging for the building management to successfully manage. The company would need to find a new building in an increasingly expensive real estate market in west Los Angeles and Santa Monica.

Attracting Talent

Hulu was struggling to fill customer service advocate because of the commute involved in getting to West L.A. every day. Hundreds of potential candidates nixed the job because of the commute involved.

Customer Service costs were outpacing the rest of the company

Because the company had a "one size fits all" approach to employees, a customer service advocate job – one that employees only stayed in for a little more than a year – was expensive to fill. The lack of creativity or flexibility with the job generated significant costs.

The Solution

"Virtualization met every goal and then some. We keep jobs in southern California in a more cost-effective way."

Ehren Schlue
Director, Customer Support

During a series of discovery sessions with Hulu's leadership, Blueprint discovered:

- Organizing the team into two groups (Customer Care and Technical Support) generated insight that 100% of Customer Care work could be done remotely, and 80% of technical support could be done remotely
- Eliminating the commuting barrier and providing stipends to work-from-home employees expanded the company's candidate pool significantly, creating a more diverse workforce
- Reducing the company's facility footprint saved the company an average of \$20,000 per employee. Although cost savings were not a project goal, the savings allowed Hulu to offer generous stipends to virtual employees
- Creating more flexible work schedules (including part-time and split-shifts) began to attract top tier candidates who were still in college (Santa Monica College became a major recruiting source)

The Results

At the end of 2014, 80% of Customer Care was virtualized. In 2015, the company announced that it would move to a completely virtual front-line in both Customer Care and Technical Support.

The Impact

- Service Levels improved by 60% and Quality Scores improved 25%
- Reduced facilities spend by \$1.2MM per year
- Reduced employee associated costs by \$1.5MM per year
- Dramatically improved service levels and customer satisfaction
- Enabled the team to move back to headquarters and keeping all Santa Monica teams in one location

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