

CASE STUDY



Billing Costs Reduced by 30% with Crucial Conversations for Mastering Dialogue



CLIENT: AT&T

It takes the right technology, the right people, and a bold vision to be “The World’s Networking Company.” For more than 125 years, AT&T has been known for unparalleled quality and reliability in communications. Backed by the research and development capabilities of AT&T Labs, the company is a global leader in local, long distance, Internet, and transaction-based voice and data.



Industry: Telecom

THE CHALLENGE

AT&T discovered that a fierce competitor produced its billing statements at half of AT&T’s cost. In a highly competitive, price-sensitive industry, this gave the competitor a distinct advantage. Mike, the new vice president of business billing at AT&T, was asked to bring the pricing advantage back into his department’s court. That would have been tough enough—but the complexities and numerous changes involved in pulling this off made the task appear all but impossible.

First, it had to be done within eighteen months. Second, a key strategy for accomplishing the goal was the inevitable reduction in staff among the two thousand IT employees by at least 33%.

Third, while downsizing, they would have to transform twenty separate programs written in outdated programming languages into a single program written in a more current language. And finally, all this had to be done without allowing quality to drop one iota (research showed customers defected when billing quality dropped).

Being a bit of an overachiever, Mike decided to add one of his own goals. He wanted to simultaneously improve employee satisfaction in the battered organization

by 15 percent. Mike realized in the tight labor market, demoralized employees would drive unacceptable turnover and gut the organization at a time it needed peak employee engagement.

So, how do you reduce staff, improve morale, and change technology while maintaining the highest quality? Mike realized such a challenge would require unprecedented employee cooperation. He asked Crucial Learning to assist him in meeting his department’s goals. Crucial Learning partnered with AT&T’s senior management to create an influence strategy to meet or exceed the project’s goals.

THE SOLUTION

The first step was enacting a culture assessment to understand which existing behavior patterns were barriers to achieving these goals. One of the biggest barriers discovered involved conversations that were not being held. If a larger project fell behind schedule, employees were loath to admit it publicly. In addition to the normal embarrassment of admitting failure, insecurity about jobs encouraged employees to procrastinate having Crucial Conversations about risks to the overall schedule. Instead, everyone waited for someone else to admit that his or her part of the



project was late. Like participants in a game of chicken watching a speeding train barrel toward them, no one wanted to be the first to jump off the tracks. Once someone else begged for more time, all who had not fessed up would heave a sigh of relief and benefit from the reprieve.

The cost of this behavior was enormous. When no one spoke up about problems or delays, the costs of rework and end-of-project crises became much greater than if carefully managed development had taken place along the way. To fix this pervasive problem, people would need to become open and candid about real project status.

Crucial Learning reviewed the culture assessment with the leadership team and identified crucial skills that would be key to improving morale, maintaining quality, and succeeding in the transformation. These skills became the focus of the influence effort and involved getting employees to step up to and hold the appropriate crucial conversations. The Crucial Learning team also identified barriers and designed interventions that moved employee behavior in the right direction. Monthly and quarterly measures on customers, employees, and financial goals were created to track how well the crucial skills were yielding the results the organization was after.

Mike and his team immediately started a campaign to encourage candor. They taught, required, and rewarded absolute candor about schedule, quality, and resource issues with their top leaders, peers, and direct reports. Month after month, they carried out a variety of crucial conversations interventions designed to foster greater openness. Also to this end, the majority of employees participated in the Crucial Conversations for Mastering Dialogue course, which boosted their ability to bring up tough issues and give feedback where it was needed.

Through the Crucial Conversations learning experience, employees began to take initiative and make a difference in their work. They saw how they could take advantage of the technical training in the new software language, benefit from the early notification of intended staff reductions, and use the improved placement help offered by the company to solve their employment problems. This was in direct contrast to the previous self-defeating cycle of blaming and waiting.

THE RESULTS

Teaching Crucial Conversations skills—in a time ripe for plunging percentages—employee satisfaction rose by 20 percent. That was 5 percent higher than the original goal.

This increase occurred during the same time in which nearly half the employees had to leave and find placement inside or outside the company. What's more, the organization retained all of its key subject-matter experts while other business units within the company lost between 20 and 40 percent of their experts during the same period.

By learning the skills in Crucial Conversations and creating an unprecedented degree of openness and candor, the organization met all of its aggressive goals due to the increased engagement and commitment of its people.

Amazingly, the organization met its seemingly impossible cost-reduction goals, headcount-reduction goals, and employee-satisfaction goals. It also reduced software defects and created programs in the new language while maintaining quality and retaining customers. And, triumphantly, it reduced billing costs by 30 percent.



RESULTS AT A GLANCE

- **Improved employee satisfaction by 20% and retained all key subject-matter experts during a massive corporate downsizing initiative**
- **Met all cost reduction, headcount reduction and employee satisfaction goals**
- **Reduced software defects**
- **Enhanced communication by providing common vocabulary and techniques**
- **Reduced billing costs by 30%**





Crucial Conversations. FOR MASTERING DIALOGUE

ABOUT CRUCIAL CONVERSATIONS® FOR MASTERING DIALOGUE

At the heart of healthy and high-performance organizations are people willing and able to hold crucial conversations. The award-winning Crucial Conversations® for Mastering Dialogue course gives people the skills to transform disagreement into dialogue for improved relationships and results. With skills to speak their minds honestly and respectfully, people collaborate better, make better decisions, and foster workplace cultures of trust and respect. The course is available in on-demand, virtual, and in-person learning formats.

ABOUT CRUCIAL LEARNING®

Formerly VitalSmarts, Crucial Learning improves the world by helping people improve themselves. We offer courses in the areas of communication, performance, and leadership, focusing on behaviors that have a disproportionate impact on outcomes, called crucial skills. Our award-winning courses and accompanying bestselling books include Crucial Conversations, Crucial Accountability, Influencer, The Power of Habit, and Getting Things Done. CrucialLearning.com

