Knowledge Management: Strategic Advantage for Delivering Global Technical Support

DLSU’s ETFP 2020
April 18, 2006
- The Transnational: About Trend Micro Inc.
- The Strategic Advantage
- The KM Experience
- The Next Steps
COMPANY OVERVIEW
… a global leader in network antivirus and Internet content security

Figure 2 Forrester Wave™ Enterprise Antispyware, Q1 ’06

COMPANY OVERVIEW
... a high-tech “transnational” – the 4th stage of globalization

BORDERS ARE SO
20TH CENTURY
High-tech transnationals take “stateless” to the next level

(Trend Micro) routinely is among the first responders to viruses, often delivering 30 minutes before market leader Symantec, according to GEGA IT-Solutions in Germany, a response tester. No virus company has such international reach.

– Source: BusinessWeek, September 22, 2003
The Positive Outlook in the Philippines:

TREND MICRO, makers of PC-cillin, one of the top anti-virus software, develops its "cures" for viruses right here in Eastwood, Libis, Quezon City.

When a virus breaks in any computer system in the world, they try to find a solution within 45 minutes of finding the virus.

- The Transnational
- The Strategic Advantage: About TrendLabs
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TRENDLABS  
… a global antivirus research and support network

A worldwide platform for delivering timely updates, services, and support anytime, anywhere.

- More than 800 experts at 6 locations
- Minimum 2-hour Service Level Agreement
- 98% Premium Support Program renewal rate
- Knowledge deployment infrastructure

Irvine, U.S.  
Paris, France  
Munich, Germany  
Tokyo, Japan  
Taipei, Taiwan  
Manila, Philippines
TRENDLABS PH
... focus on the Manila office

- 3 key 24x7 services:
  - antivirus and security support
  - product technical support
  - internal business process and network / security operations
- Currently located in Eastwood CyberPark with close to 1,000 employees across 5 floors
Core competencies:
- English + technical expertise
- Regional support escalation experience
- High case volume capacity
- The Transnational
- The Strategic Advantage
- The KM Experience: from TrendLabs PH
- The Next Steps
Knowledge
The mental capacity to produce effective results (e.g., solve a customer’s problem)

Knowledge Management
• [Up to 2003] A focus on capturing, re-using, and sharing knowledge for the benefit of others (e.g., customers or rest of technical support)
• [2004 onwards] Leveraging knowledge as a call deflection tool – allowing for more scalable technical support operations
DEFINITION OF TERMS

... KM from Trend Micro’s technical support perspective

Knowledge Base
Online, searchable repository of frequently asked technical support questions and answers

Solution
An individual piece of content in the Knowledge Base

Call Deflection
When the customer is able to solve his / her problem through our Knowledge Base or other self-service tools instead of using email or phone support
WHERE DID IT ALL BEGIN?
... why Knowledge Base = Knowledge Management

1998
• Knowledge Base (KB) called “SolutionBank” created by R&D for tracking product bugs and issues

1999 – 2000
• KB becomes more a technical support tool
• KB goes public – reaches 1 million hits

2001
• Ownership and content management moved to TrendLabs PH
HOW FAR HAVE WE COME?
... the evolution of Knowledge Management

2002 – 2004
• KB support becomes a legitimate service offering
• KB coverage expands into other content areas (e.g., training materials, Intranet site management, etc.)

2005 – 2006
• Executive Project for “Support Call Deflection and Knowledge Management” launched
  – New KM organization (TrendLabs PH) and processes
  – SolutionBank is replaced by KNova and Stellent
WHY KNOWLEDGE MANAGEMENT?
... how customers and technical support look for information
WHY KNOWLEDGE MANAGEMENT?
... KM traffic, support case volume, and support operations

Knowledge Base vs. Support Cases

<table>
<thead>
<tr>
<th>Year</th>
<th>KB Hits</th>
<th>Support Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>0.50</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>0.60</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>1.33</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>2.88</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>4.56</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>7.02</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>17.01</td>
<td></td>
</tr>
</tbody>
</table>

KB Hits
- Directly correlated to increase in licensed users / install base
- KM headcount increased from 4 to 6 techwriters

Support Cases
- Directly correlated to increase in licensed users / install base
- Support headcount increased from 150 to 314 engineers

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WHY KNOWLEDGE MANAGEMENT?
... projected savings from call deflection

Based on:

- 17.01 million Knowledge Base hits in 2005
- Assumed 10% of hits = call deflection (customer problem solved!)

<table>
<thead>
<tr>
<th>Customer Classification</th>
<th>Number of Customers</th>
<th>Cost per Support Case (US$)</th>
<th>Savings from Call Deflection (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>1,020,516</td>
<td>1</td>
<td>1,020,516</td>
</tr>
<tr>
<td>Corporate</td>
<td>510,258</td>
<td>9</td>
<td>4,592,324</td>
</tr>
<tr>
<td>Premium</td>
<td>170,086</td>
<td>42</td>
<td>7,143,615</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,700,861</strong></td>
<td></td>
<td><strong>12,756,456</strong></td>
</tr>
</tbody>
</table>
WHY KNOWLEDGE MANAGEMENT?

... projected support cases resolved by self-service

Based on:

- Assumed 10% of hits * call deflection = self-service support cases

Call Deflection vs. Support Cases

<table>
<thead>
<tr>
<th>Year</th>
<th>Call Deflection</th>
<th>Support Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>4.26 (100,000s)</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>1.54 (100,000s)</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3.27 (100,000s)</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>10.47 (100,000s)</td>
<td>8.51 (100,000s)</td>
</tr>
</tbody>
</table>

Call Deflection

- Customers WANT to help themselves
- Licensed users / install base is increasing faster than KM and technical support growth / delivery
WHAT HAS KM TAUGHT TREND MICRO?  
... KM’s lessons over the past 5 years

• KM is a business tool – and should produce business results – and is best run like a business

• Executive support gets things done – but rank-and-file support keeps things going

• KM is NOT for everyone – nurture your contributors, especially your experts

• Don’t forget the Change Management!
WHAT HAS KM TAUGHT TREND MICRO?
... KM’s lessons over the past 5 years

• Call deflection does not mean customer satisfaction

• Cisco was RIGHT! KM works best with a triumvirate of Technical Support partnering with IT and MKT!* – but value the former more than the latter

• “Connection, not collection is the essence of knowledge management”**


** Source: Thomas Stewart; Inside Knowledge Vol. 9, Issue 2 (October 2005)
- The Transnational
- The Strategic Advantage
- The KM Experience
- The Next Steps: Trend Micro’s KM Outlook
WHAT’S NEXT FOR KM?
… coming in 2006 and beyond

- Stabilize and fine tune new KM organization, processes and systems
- Extend KM beyond technical support – training, user documentation, service engineering, etc.
- Launch out-of-the-box features (e.g., forums, resolution flows, etc.) for “quick wins”
- Support website redesign to focus on segmentation (semi-personalization) and decreasing complexity (increased usability)*

Thank You!

Any Questions?

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