QUALPRO®

Case Study

Evaluating a $35 Million Capital Investment

The Opportunity

The telecommunications company you work for found that an average of 26.6% of the trouble calls resulted in dispatches. The cost of these dispatches was hundreds of millions of dollars per year. Even a small decrease in the dispatches would justify millions in capital expenditures, but what would be the benefit of the new system? You have been assigned the task of evaluating whether to invest $35 million in buying a new testing system that should reduce dispatches for repairs to the central office and field technicians. What do you do? The project manager called QualPro and asked for help.

The Approach

Project participants comprised of managers, hourly employees, and supervisors was formed to address this issue. They worked with a QualPro consultant through QualPro's 12-Step MVT Process©.

The Test

Project participants, along with other members of the work force, brainstormed 119 process improvement ideas. These were reduced to 12 ideas. Eleven of the ideas were quick, easy, and inexpensive to use, and the 12th was the new test equipment. The team used the MVT® process to experiment with these items.

Idea	*Old*	*New*
Accurate Directions Training	Yes	No
Test Additional Lines	Yes	No
Laptops Used	No	Yes
Ticket Completion Aid	No	Yes
Retest Faults	No	Yes
Ticket Routing	Path A	Path B
Feedback From Field	No	Yes
Access Arrangements	Regular	Detailed
Scheduling Method	Old	New
Incentive Program	No	Yes
Plaque Award System	No	Yes
Test System	Old	New ($35 million)

The Results

The experiment showed that the test equipment reduced dispatches by more than 10%, which would pay for the investment in less than 18 months. But amazingly, by standardizing their procedures and implementing the quick, easy, and inexpensive ideas, they were able to reduce dispatches by an additional 34%! The company purchased the test equipment and implemented the low-cost changes, thus reducing the cost by over $100 million.