

# Verimatrix Uses Zendesk Support to Optimize Their Customer Service Operations

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**Written by:** Harsh Singh, Senior Research Analyst, IDC Business Value Strategy Practice

## Introduction

Founded in 1999, Verimatrix specializes in two types of security: application shielding and content security for digital television services across the globe, including pay TV and secure VoIP services. Its Video Content Authority System (VCAS) provides cardless revenue security for these services by encrypting and protecting the video stream between the service provider's head end, where the content is, and the consumer's client device or application, preventing account information from being hacked or stolen.

VCAS also verifies that consumers are entitled to watch the channel wherever they log in. In addition, the company provides threat monitoring and analytics through its cloud-based revenue security platform, Verimatrix Secure Cloud.

Headquartered in Meyreuil, France with key operation hubs in San Diego, California and Ismaning, Germany – the company has a staff of more than 320 people in 10 countries. It serves more than 1,000 customers in over 100 countries and protects more than one billion client devices.

Since July 2018, the company has used customer service and engagement software from Zendesk, Inc. of San Francisco to provide superior round-the-clock, everyday support for its customers around the world, achieving sustained customer satisfaction (CSAT) scores of 99 and higher. In addition to enabling first-class customer service and satisfaction, the Zendesk software-as-a-service (SaaS) deployment has allowed the company to handle more customers with fewer support staff and avoid hiring additional personnel.

To quantify the business benefits of the Zendesk solution, IDC interviewed Andrew Soderberg, director of global technical support, who manages 25 support engineers organized in three teams in the United States, Europe and Asia Pacific. IDC

## Business Value Highlights

### ORGANIZATION

Verimatrix

### LOCATION

San Diego, California

### CHALLENGE

To provide better customer service and improve customer satisfaction scores

### SOLUTION

Zendesk Support Suite, with usage primarily of Zendesk Support and Zendesk Guide

### FINANCIAL BENEFITS

- » 612% five-year ROI
- » 3.4 months to payback
- » 10% more productive support teams
- » 7 hires avoided

### OTHER BENEFITS

- » CSAT scores of 99 and 100 among various teams
- » 2X more knowledge base articles created

asked a series of questions on the productivity improvements realized by the support engineers using the Zendesk software and the investment involved.

Over five years, IDC projects that Verimatrix will achieve average productivity benefits of almost \$1.5 million annually, resulting in a five-year ROI of 612% and a payback period of 3.4 months.

## Implementation

Before joining Verimatrix, Mr. Soderberg was vice president of customer success at a content management firm, where he deployed Zendesk to replace of an inadequate customer service system. "By the time I left, we had CSAT scores of 98 and 99 with response rates of 30% to 35%," he recalled.

Since joining Verimatrix two and a half years ago, Mr. Soderberg has been able to replicate this success by replacing a prior customer service system with Zendesk. The incumbent system was part of a customer relationship management service that handled much of the company's operations. "Our agents hated it and our customers hated it," he said. "Tickets could get lost and changes to the legacy system would take months to implement."

In addition, the support teams were managed separately in each region and there was no consistent global messaging mechanism or methodology. On joining Verimatrix, Mr. Soderberg consolidated the three support groups into one team and began seeking a replacement for the incumbent customer support system.

Verimatrix evaluated three candidate support systems over a period of several months. "I was only the facilitator," Mr. Soderberg said. "All the involved departments made their own evaluations and Zendesk was the unanimous choice."

Before the deployment, Verimatrix spent three months on internal planning, orientation and training. The Zendesk implementation was then completed during the second quarter of 2018, along with migration from the incumbent support system.

"We had a three-month pro services engagement with Zendesk for the deployment and migration," Mr. Soderberg said. "We wanted to migrate the legacy knowledge base articles and the full 10-year history of support tickets to be searchable by our customers. Zendesk has done this kind of work many times and they helped steer us through the process."

Because Zendesk is a SaaS cloud-based solution, the deployment required practically no infrastructure changes and only a couple of hours of IT time to set up e-mails and records. "We went live with Zendesk the last week of June, having migrated thousands of customer accounts and contacts and more than 70,000 support tickets without a hiccup," Mr. Soderberg said.

Besides handling the new ticket load, Zendesk enabled Verimatrix to reduce the backlog of 650 unsolved tickets inherited from the prior system by more than half within 45 days. "The backlog went from 650 to less than 300 tickets in that time," Mr. Soderberg said. "Currently the backlog runs about 30-50 tickets and is well managed."

Since the deployment, Verimatrix has increased the number of Zendesk licenses from 60 to 120. In addition to the licenses for the global support group, the company uses the balance for its customer fulfillment team and client

integration engineers who work with the vendor partners making the set-top boxes. An additional 10 licenses are dedicated to supporting the company's internal helpdesk.

Support issues that have to be escalated to engineering are handled by project managers who use project management software Jira to track the software product development. "We are in the process of integrating Jira with Zendesk. This means we have engineering management staff who are also Zendesk agents so they can provide tracking and feedback information on the escalated issues," he explained. "Once we have the Zendesk-Jira integration completed, we expect greatly increased efficiencies when working with engineering."

Since the initial deployment, Verimatrix has adopted most of the Zendesk suite, including Zendesk Support for tracking, prioritizing and resolving customer support tickets, and Zendesk Guide for its knowledge base.

Zendesk Support puts all customer data in a single record, allowing agents to handle customer support tickets faster and with greater accuracy and efficiency. Zendesk Guide helps build the knowledge base of resolved issues so that customers can handle common problems themselves, thereby eliminating the need to submit tickets to the Verimatrix support team.

Currently, the company operates a call center in Canada to take priority one calls from any location at any time and direct them to an active support engineer on a "follow-the-sun" basis. "We are now building a network operating center to replace the Canadian facility as our frontline for customer calls," Mr. Soderberg said. "Once that is complete, we'll use Zendesk Talk to help agents dealing with customers over the phone."

Verimatrix was a private company until 2019 when it was acquired by the publicly traded French firm, Inside Secure, which has similar technology and meshing product lines but serves different markets. The joint entity retained the name of Verimatrix and will use Zendesk to help integrate the merged organization.

## Benefits

Since the deployment of Zendesk, Verimatrix has been able to support a larger number of customers with fewer staff and still maintain almost perfect CSAT scores with high response rates.

"I lost a couple of people this past year, but we were still able to support more customers with higher satisfaction," Mr. Soderberg said. "Two of my teams have sustained CSAT scores of 100 for the past 70 days and my other team 99. One of our

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team members won the individual Gold Stevie Award for 2020 Front-Line Customer Service Professional of the Year - Technology Industries. I'm extremely pleased and my management is ecstatic."

Zendesk has also increased the productivity of the two individuals who train customers and also maintain the knowledge base. With the prior system, creation of knowledge base articles was convoluted and there was no workflow to guide the review, approval and publishing process.

Now, when a ticket comes in, the agent first gets to see if the customer had checked any articles. At the same time the subject of the support ticket gets automatically fed into a side app that searches the knowledge base for articles that might help the customer. If there is no relevant article, the agent creates the draft of a new one, based on the issue and its solution, and sends it to the trainers to edit, approve and publish.

"With the legacy system, we had only created 550 articles for the knowledge base over four years," Mr. Soderberg said. "With Zendesk we have already created over 1,200 articles in less than a year, allowing our customers to self-serve more. Without this efficiency gain, our ticket numbers would have been much higher and our CSAT scores could have been quite different."

Cost savings from replacing the prior system with Zendesk were negligible, Mr. Soderberg reports. "We viewed the move as an investment in providing better customer support and satisfaction and being able to handle more customers with fewer agents," he said.

For Mr. Soderberg, the ability to handle multiple tickets concurrently is more important than the time spent on a ticket. "We take our time with each customer because the issues often have long cycles," he explained. With the legacy system, it was a challenge to handle seven or eight tickets concurrently. "Now my agents are routinely handling 20 to 25 tickets concurrently while still keeping our customers satisfied," he said.

By storing all customer data in a single record, Zendesk avoids the danger of duplicating responses and responding differently to the same person using a different channel. "My agents are less stressed because they are confident they will not lose track of any customer's status," Mr. Soderberg said.

With the incumbent system, one person worked fulltime to handle the IT and software needs of the global support team. With Zendesk, Mr. Soderberg can do the supportive work in three hours a week. "These days I'm able to spend more time working with Zendesk Explore on the analytics expanding on our performance, product, customer, and SLA dashboards for everyone from my staff, to sales & operations management, as well as product management and engineering.

## ***Return-on-Investment Analysis***

IDC conducted interviews with Mr. Soderberg to understand the impact of deploying the Zendesk customer service software on Verimatrix's operations and business. From these interviews, IDC found that the Zendesk deployment allowed the Verimatrix support engineers to handle 31% more tickets each year because they can work on more tickets concurrently. The resulting productivity savings amounted to \$822,000 a year on average. Without the productivity

improvement made possible by Zendesk, the company would have needed to hire an additional seven people to handle the increased workload. On average these savings amounted to \$565,000 annually.

In addition, after the Zendesk deployment, the amount of content created for the knowledge base increased at a compound annual rate of 43%, adding further productivity savings for the two trainers of \$81,000 per year on average. Overall, the productivity benefits from deploying Zendesk amounted to an average of almost \$1.5 million annually, resulting in a five-year ROI of 612% and a payback period of 3.4 months (see Table 1).

TABLE 1: *ROI Analysis*

Five-Year ROI Analysis	
Total benefits (discounted)	\$5,138,500
Total investment (discounted)	\$722,000
Net Present Value (NPV)	\$4,416,500
Return on Investment (ROI)	612%
Payback (months)	3.4
Discount Rate	12%

Source: IDC 2020

IDC interviewed Mr. Soderberg to understand Verimatrix’s use and investment in Zendesk. IDC used this discussion to gather the information needed to quantify the benefits and investment associated with Verimatrix’s use of Zendesk and created an ROI analysis from the results.

IDC calculates the ROI and payback period in a three-step process:

- Measure the financial benefits directly resulting from the solution, including higher IT staff and user productivity since deployment.
- Ascertain the total investment.
- Project the investment and benefit over five years and calculate the ROI and payback period. The ROI is the five-year net present value (NPV) divided by the investment. Payback period (expressed in months) is the time required to pay back the initial investment and establish a positive cash flow. To account for the time value of money, IDC bases the ROI and payback period calculations on a 12% discounted cash flow.

## About the Analyst



### **Harsh Singh, Senior Research Analyst, Business Value Strategy Practice**

Harsh V. Singh is a Senior Research Analyst for the Business Value Strategy Practice, responsible for developing return-on-investment (ROI) and cost-savings analysis on enterprise technological products. Mr. Singh's work covers various solutions that include datacenter hardware, enterprise software, and cloud-based products and services. Mr. Singh's research focuses on the financial and operational impact these products have on organizations that deploy and adopt them

#### **IDC Corporate USA**

5 Speen Street  
Framingham, MA 01701, USA  
T 508.872.8200  
F 508.935.4015  
Twitter @IDC  
idc-insights-community.com  
www.idc.com

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