The Future of Service

When building a business model, two of the first metrics any business owner needs to pay close attention to are customer acquisition cost (CAC) and customer lifetime value (LTV).

The CAC is the total cost a business incurs to turn someone who has never been a customer into a paying customer while the LTV is the amount a business can expect to earn from said customer over time.

Now here's the *really* important math: it can cost anywhere from 5 to 25 times more – depending on which studies you read – to bring on a new customer than it costs to retain one.

So, obviously any smart business owner is constantly looking for ways to keep paying customers, well, paying.



Jonathan Shroyer founded San Francisco-based Officium Labs

It cost businesses 3x5 times ROI to bring on a new customer than it costs to retain one. "Customer experience is a marketing 'cost' that, when done right, pays huge dividends," says Jonathan Shroyer, Founder of Officium Labs.

That's where Officium Labs and Jonathan Shroyer come in. Shroyer founded San Francisco-based Officium Labs in 2019 with business partner Scott McCabe. Their mission: to help businesses improve customer experience (CX) and, in turn, customer retention.

Prior to founding Officium Labs, Shroyer served as vice president of player retention and customer service for gaming giant Kabam and for food-delivery behemoth Postmates, so he knows a few things about keeping customers happy.

While it makes sense that businesses like Postmates have an interest in keeping customers ordering food, who would have thought gaming companies would care so much about customer service? Yet gamers care, a *lot*.

Shroyer and McCabe work with some of the biggest entertainment companies in the world – Warner Brothers, Electronic Arts and Mythical, to name a few – and these companies all have one thing in common: they offer "free to play gaming."

Only a small fraction of the tens of millions of people who play free online games are so committed to them that they're willing to



pay. And some of them are willing to pay, yes, *a lot*. Like thousands of dollars – or hundreds of thousands of dollars – a year.

So, you can see why companies are willing to invest in the customer service needed to keep these folks happy. In other words, customer service *is* a customer acquisition tool: provide high-quality customer service and people will want to do business with you.

"The experience of people who pay to play is very different from those who play for free; when you pay to play you have a better experience," Shroyer says.

Players who can't find answers to their questions or solutions to the problems they encounter are likely to quit and even delete the game, never to return. Shroyer and Officium provide the real-time customer service support the gaming companies need to keep players engaged and happy.

The gaming industry is no different from most other industries when it comes to the

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need for customer support services.

"So, we thought, why not take the concept we use for gaming to other businesses?" says Shroyer, who recognizes what many business leaders don't: Customer service/customer experience is a marketing "cost" that, when done right, pays huge dividends.

Companies who invest in customer experience solutions with Officium might spend $1 million to solve a variety of issues, including player/customer acquisition, player/customer retention, and even setting up a skilled customer-service department The return on that investment? Three to $5 million in a matter of months, Shroyer says.

"As I built out [our process] in gaming, I saw that anything with digital distribution can get value from this idea."

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"Officium Labs came in and created this amazing, fun CX audit to understand the capabilities that we had as a CX organization and gave us a roadmap to help us create the right strategies to move forward in delivering amazing experiences for our customers," says Brett Frazer, VP of Customer Service at Sun Basket.

Customer service is big business – roughly $212 billion annually – and the industry has suffered from lack of innovation for eons, he says, which is why he believes it's ripe for disruption. "We are showing there's a fresh way to do customer service, augmented with technology," Shroyer says.

Some companies employ their own customer service representatives but many more rely on "business process outsourcing," organizations, or BPOs, which are very expensive because they must maintain staff levels.

With Officium Lab's scheduling and workforce management solution, companies only pay for the help they need. That leads us to one of the keys to Officium's success, beyond its patented technology: a very nimble, global workforce.

"Our TalentPlace capability consists of a decentralized network of people, creating a remote workforce model," Shroyer says. "We are the Uber of customer service and the AWS of human capital, thanks to our elastic workforce that is built off the IP we invented."

Officium has a roster of 10,000+ workers skilled in customer service, coding, and quality assurance.

Another layer is Officium's "AI Agent Assist," in which artificial intelligence loads the first part of an answer to a customer's question and then a human goes in and fine-tunes the response.

"It shaves minutes off the response time," Shroyer says. "We're enabling tech and humans to work in a hybrid, elastic way to achieve customer service needs."

Earlier this year, Officium Labs earned an employee Net Promoter Score (eNPS) score of 100+. The eNPS measures how employees feel about their company, confirming that Officium's employees are beyond happy.

"We're proud of our team and the work we're doing – hard to believe we started with an idea, four people and a $150,000 loan," Shroyer says. "Two years later, we have 22 clients, $10 million in revenue and we feel like we have cracked the code for service to the point that soon larger companies will adopt our practices." — By Dana Sullivan Kilroy, California Business Journal

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