

ANNEX BULLETIN

Annex Bulletin 2007-42

November 14, 2007

An OPEN CLIENT edition

EDITORIAL on INDUSTRY TRENDS

Updated 11/19/07, 10:30AM PDT, adds [Common Traits](#)

How Internet Provider Managed to Lose Longtime Customer in Minutes

Unplugged! (without notice)

Accused, Sentenced and Excommunicated without Trial - by My "Friends in the Digital Age" (Cox)



How to Lose a Customer in Five Minutes or Less

SCOTTSDALE, Nov 14 – This morning had the earmarks of yet another glorious Arizona day. Sun was bursting through the branches of mesquite trees, waking up sleepy Mexican petunias, and warming the air on the way to an expected 85F high. So when I arrived at the office to start my day this morning, my step had a bounce of a man walking toward exciting adventures. Little did I know what kinds of hazards they would be...

I downloaded my overnight e-mails and quickly trashed the junk. Then I checked the news headlines. American Airlines interrupted me briefly with their banner for special NetSaver deals. "No, thanks," I said silently as I clicked off. "I don't want to go to Mexico. "

Then the phone rang. It was a client from Paris calling to advise me of a change in the phone arrangement for a planned teleconference at which I was supposed to be the speaker. "It's the Paris strike," he said despairingly and apologetically. It was a short

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notice. The telecon was scheduled to start in 10 minutes.

Yes, I had already seen a wire story about it while perusing the wires. The rail strike was wreaking havoc in Paris, plunging the city into travel chaos for the second time in a month, as striking transport workers halted trains and buses in their face-off with President Nicolas Sarkozy over pension benefit reforms.

More than 190 miles of traffic jams were reported on roads heading into Paris, twice the daily average. Many suburban commuters took hotel rooms near their offices to avoid the travel nightmare; others left home before dawn but still got caught in jams. Cyclists flooded the streets, as on the final day of the Tour de France, and office workers took to roller blades and scooters to avoid the traffic.

So yes, I understood they had a dire situation in the French capital. And no, there was no problem in changing the dial-in information so that some executives stuck in their taxis could participate. The client said they would e-mail me the new phone number.

Another newsflash arrived from American Airlines, this time offering a special deal to go to Costa Rica. "My, they are persistent this morning," I said to myself, again silently. "Holiday sales must be slow." But Costa Rica seemed a little more appealing than Mexico City, so I clicked on the link, thinking I'd take a couple of minutes to check it out while waiting for my Paris e-mail.

Nothing happened. After about a minute or so, I got one of those annoying browser messages telling me it could not find the AA web page. "Strange," I thought. "I was just there a few minutes ago. Maybe the AA site is down?"

Then I tried clicking on the Google web site, just to see what happens. Same thing; same error message. "Cannot find the page," or some such stupid error.

"Oops," I said to myself. "That looks like trouble."

What started as a perfect day was quickly losing its luster. It lost it completely after my next move. I could not download any e-mails, either. Which meant I could not get the new dial-in information for the Paris teleconference at which I was supposed to speak in five minutes. I was starting to panic.

"Just breathe deeply and stay calm," I told myself, remembering a yoga lesson.

I realized my internet connection must have gone down. But everything looked normal. I tried rebooting my modem and my computer; just to be sure it wasn't some weird Windows problem. Still no connection. Which meant I couldn't pin it on Bill Gates this time.

I then called my provider, Cox Communications. After trying out various "unplug this," "replug that" -tests, the tech rep seemed as dumbfounded as I was. I explained to her the urgency of the matter given the imminent international conference for which I needed my internet connection.

"Let me check something," she said and put me on hold.

"Aha," she said, sounding triumphant, when she came back, a couple of minutes later.

By this stage, of course, I was already late for my tele-briefing. There was no easy way to communicate with my Paris clients at this time, and tell them that my internet provider

specialty engines, Java)

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has decided to join the striking French workers. Not until I got off the phone with Cox.

"I think I've found the reason," the Cox tech rep said. "Your account has been suspended."

"What?" I said, with about 10 verbal exclamation marks following my question.

"Yep, that's what it says here."

"And what was the reason for it?"

"It says you have abused your access to the internet by sending spam mail."

"What?" I said again, this time with 20 trailing phonetic exclamation marks.

Then I calmed myself down again. I realized, I wasn't going to get anywhere fast by yelling. Thank God for yoga.

"And just when was I supposed to have done that, according to your system?" I asked.

"Can't tell you that. But I'll give you the number of our security department. They should be able to answer that question."

"Unplugged and excommunicated without notice!" I thought. "Outrageous!" Even in the Inquisition era they gave the accused at least a mock hearing.

Given my failing French connection, internally, I was approaching apoplexy. But the Cox tech rep was completely unperturbed, as if things like that happen routinely at her company.

I called the number she gave me. A male tech rep at the Cox security department was similarly phlegmatic and totally unsympathetic to my predicament. After about five minutes of his unhurried back and forth to confirm my identity, I finally asked him the same question.

"It says here that your service was disconnected this morning, Nov 14."

"I know that," I said. "That's why I called. My question was - when was this spam allegedly sent?"

"Let me see... it says the violation occurred on Monday, Nov 12."

"Monday, Nov 12?" I repeated.

"That's right."

"On Monday, Nov 12, I wasn't even here. I was in Reno, Nevada. And my computer was powered off."

"I don't know about that. Maybe someone else did it."

"There is no way," I said. "No one else has access to my office. And when I came back from my trip, the power on my computer was off, they way I left it."

The tech rep couldn't have cared less. "Maybe it was through the router," he speculated.

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[Caggemini Caps Great](#)

I realized I was only wasting time debating things with him. It was like trying to convince one of those TSA airport security morons that they had made a mistake.

"So what do we do now?" I changed my tack. "How to I get my internet service back?"

"You need to run a virus scan on your computer and remove at least one virus."

"A virus scan?"

"Yes."

"But that will take a long time. Besides, my virus protection is on all the time."

"When was the last time you ran a scan?"

"Let me think... Saturday morning before my trip. And yesterday, too."

"Well, you'll have to do it again."

I realized I was up against some Cox bureaucratic rule. Which meant there was no point in arguing. I thought of my French clients stuck in the Paris traffic snarl, wondering whatever happened to that turkey in Arizona who was bring tardy. I hate tardiness. It shows disrespect to the other party.

"I don't have time to do it right now," I said. "I've got an international teleconference for which I am already late, thanks to Cox."

"That's not our problem. We are just protecting the security of our network and our customers."

"From another customer, like me, a 'spam terrorist'," I thought, but did not say it out loud. For a brief flash, I thought of that airline incident when I was also treated like a terrorist (see "[Terror in the Sky](#)," Aug 2007). But there was no time to waste.

"Okay," I said, realizing I was dealing with another security moron here. "I'll deal with it later." Then I hung up the phone.

After about five minutes of telephoning Paris, London and back to Paris, I was able to get that new phone number and establish the connection with my stranded clients. Miraculously, the teleconference went off as planned, albeit it started 15 minutes late. The line dropped once, but we restored the connection quickly. At least the French Telecom wasn't on strike.

Afterward, I returned to my internet issue. I called the Cox security department again and told them that I had run a scan and removed a virus. After five more minutes of "unplug this," "replug that," I finally had my internet connection back.

Then the Cox tech rep put the icing on the cake. "I have to warn you," he said sternly, "after three transgressions like this, we will disconnect your service permanently."

"You won't have to worry about that," I said. "There won't even be a second time, let alone a third. Not after the way you treated this customer today."

"What do you mean?"

[Year, Saves Best for Last](#) (Analysis of Capgemini's fourth quarter business results)

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"Well first, your system was completely wrong. I was out of town when the alleged spam violation happened. And besides, I don't do spam, period. Second, you would think that if you valued your customers, at the very least, you would have given them the benefit of the doubt, by calling them first to make sure your diagnosis was correct, before unplugging their service without notice."

"We don't have the manpower for something like that."

"That's why I am going to help you."

"You will? How?"

"By reducing the number of customers you have to deal with - by at least one. As soon as I hang up with you, I plan to call one your competitors and order their service."



**With "friends" like that,
who needs enemies?
Bob Djurdjevic
a (soon to be former)
Cox customer**

Then I hung up. Thirty minutes later, Qwest and DirecTV had a new customer (see [NOTE 2](#)). And Cox Communications lost a user of high-speed internet, telephone and digital TV services that they have had for about the last 10 years.

Power of competition - always a good antidote for moronic vendors. "Your friend in the digital age?" (the Cox slogan - see above). They must be kidding, right? For, with "friends" like that, who needs enemies?

Any time a company let's a "process" or a "system" drive decisions instead of the people exercising common sense and courtesy to customers, the vendor is going to pay the price. Customers tend to walk - away! That's also a good lesson for all those IT companies that have outsourced their services to India. There is no substitute for good customer relations.

Outside my window, the sun seemed to have risen quite high very fast this morning. I looked at the clock. No wonder. It wasn't morning anymore. It was 12:25PM.

"And I have not even had breakfast yet," I realized. So I took a breakfast break at lunch.

With apology to my French clients on behalf of my internet provider with socialist traits. Because bureaucrats never apologize. Oh, I forgot... isn't that a [French word](#)?

Happy bargain hunting!

Bob Djurdjevic

NOTE: The word bureaucrat first appeared in writing in 1842. A bureau was originally a type of cloth used for covering desks and tables. It comes from the Latin Latin *burra*, wool, shaggy garment; via the Old French *burel*, coarse woolen cloth.

NOTE 2, Nov 17: The last couple of days have shown that the Qwest service is no better than Cox's, only screwed up in a different way. I won't bore you with details. Bottom line - customer faces a choice of bad or worse. So if you want good support, forget the big companies. When it comes to service, "small is beautiful." Hire a local provider. Guess that's the bottom line conclusion of the "Unplugged!" editorial.

[HP: New King of the Hill](#)
(Analysis of HP's fourth quarter business results,

[IBM: From Little Acorns Mighty Oaks Grow](#)
(Analysis of IBM's "State of the Union")

[Cappgemini: By Leaps and Bounds](#) (Analysis of Cappgemini's preliminary third quarter business results)

[Fujitsu: Good Performance Gets Bette More Global](#) (Analysis o Fujitsu's first half FY200 business results)

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[HP Firing on All Cylinder](#) (Stock sets new multi-ye record following excellen third fiscal quarter resul [\[Annex clients click here](#)

[Power of Manpower](#) (While others move to India, Russia... AMD invests in New York, hailing "phenomenal"



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READERS' FORUM

SCOTTSDALE, Nov 17 - The preceding article has evidently struck a chord with a number of our clients/readers. So here are some of your reactions...

Common Traits

LONDON, Nov 16 - From that French client:

"Being the "French Customer", I love it. It shows there are some (common) trends between bureaucrats (did you that is France who invited VAT in the 60's?). We do have innovations (selling well) and bad Customer Service which are shared equally across the Globe.

Thanks anyway, Bob, between my taxi in traffic jam, and your office in Phoenix without internet, we did manage to have a very decent conversation after all."

Pierre-Yves Cros, Director of Strategy, Capgemini Group



Food for Thought

NEW YORK, Nov 15 - From a financial media reporter: "Good for you!"

Annex Editor's reply: Thanks, [name withheld]. There is always a silver lining in troubles like this. They provide good "story fodder" as well as "food for thought."

In this case, my story has provoked some executive head-scratching among my clients about their organization and service. Here's an excerpt of my reply this morning a top executive in Europe:

"...Ah... Customer Service, such an enigma. You know, [cust name withheld], the key is not to let your people believe that having a system absolves them from the responsibility of making decisions while serving a customer. How many times do we hear various support reps on the phone tell us, "it's a computer error?" (as if that absolves them of guilt). It NEVER is a computer error, as you and I both know. It is always some human's failing somewhere in the food chain that causes the error.

I think that's the greatest challenge large companies face, including [company name] which is now a large company (congrats on that!) - how to grow and prosper while acting as a small company. Which means staying close to the customer and listening to his heartbeat all the time. And that requires a lot of courage on the part of the top executives to let go of the strings of control. Given the centralized nature of industrial corporations that have emerged in the last 200 years, that's a lot of tradition to break. And sometimes tradition wins and people break. Still, we have to keep trying if we are to "act small" while being big. Because that's what keeps customers happy, and earns us the right to more of their business.

quality of its labor force,

[Ebb Tide Lowers Most Boats \(Analysis of EDS' and CSC's latest quarter results\)](#)

[IBM Stock Grossly Undervalued? \(Analysis of stock market valuations IBM and its major competitors\) \[adds latest Fujitsu, Capgemini results\]](#)

[IBM vs. HP: A Tale of Two Blues \(Both companies are doing well in business, but only HP is favored by Wall Street; Big Blue trying to change that now with its new "India Opus"\) \[Annex clients click here\]](#)

[Go East, Young Man! \(A speech delivered in St. Petersburg, Russia, May 25, 2006; click here for slides\)](#)

[IBM 5-Yr Forecast: Steady As She Goes \(Emphasis on quality continued\) \[Annex clients click here\]](#)

[Octathlon 2006: Accenture Again Wins "Gold!" \(HP gets "Silver," IBM "bronze"\) \[Annex clients click here\]](#)



Anyway, I'd better stop being a consultant and let you enjoy your evening at home."

See what I mean by a "silver lining" and "food for thought?"



Ah, France!

ARMONK, NY, Nov 15 - From an IBM executive in Armonk...

"I am learning about French strikes first-hand: my daughter is spending the year on exchange studying at the University of Toulouse. The students there (and at most other French universities) have voted to "strike" and close all campuses for some reason or other. Apparently, this is an acknowledged "right" all students have in France and the faculty/administration respects it. I was there visiting my daughter last week and got a chance to observe it firsthand --- basically, 40 students call a 'strike-rally" at which about 300 students show up. After a lot of bluster, they ask for a show of hands and if it looks like a majority of them agree, they call the street. So basically 20,000 students (In Toulouse, at least) are at the mercy of 400.

Ah, France!!!!

Hope all is going well...take care."

Rick Fuchs

Vice President, Global Sales, Lenovo Alliance

Annex Editor's reply/comment: I hear (in other news today) that Germany has now caught the French strike virus, too ([click here](#) for the story). What's Europe coming to... Germans striking!? :-) That's like the French drinking beer and eating bratwurst, while the Germans sip Sauternes or Médoc and enjoy pâtés of foie gras. What'll happen next... the Italians working in silence? :-)

Interesting how Paris, which used to be the world's fashion center, is now becoming the new strike capital of the world, exporting its new labor fashions elsewhere in Europe. Guess we shouldn't be surprised. Fashions change. Now it is more fashionable to march and yell in the streets and on campuses than to sway and swivel one's hips on a runway.

It also appears that strikes are a new fashion in France. The students are now doing it, just for the hell of it. Alas, not for the first time.

Lest we forget "May '68," a series of the (mostly leftist) student protests that eventually led to the collapse of the DeGaulle government in June of 1968. So volatile was the situation back then that Charles DeGaulle even sought temporary refuge at an American air force base in Germany.

In the long run, however, the 1968 student protests were a political failure, as the Gaullists regained power after the new elections. But the rebellion had an enormous social impact. It was a watershed moment in France after which the conservative beliefs (religion, patriotism, respect for authority) were replaced with the liberal morality (equality, sexual liberation, human rights) that dominates French society today.



The new French president Nicolas Sarkozy is now basically attempting to launch a 1968 counter-revolution with its reforms that would weaken the labor's grip on the economy.

Shades of Ronald Reagan and the air traffic controllers' strike in 1981?



A Bad Brake for Airbus!

TOULOUSE, France, Nov 14 - "Gimme a break," the French must be thinking. Well, they've got one - a bad brake on an Airbus jet. Toulouse, yes that city in the south of France (see the map) that's becoming famous for frivolous student strikes, also made worldwide headlines the same day we published our "Unplugged!" editorial (Nov 14). A new Airbus A340 jetliner got a bad brake during engine tests of its new jet destined for Etihad, the national airline of United Arab Emirates.



The Nov 14 crash into a protective wall at the end of the Toulouse airport runway, which injured 10 people on board, was quite spectacular, as you can see from the left photo. It's hardly the kind of publicity or marketing exposure that Etihad would have wished for one of its aircraft that has not even been yet delivered, yet it was "promoting" the airline's name and logo in a way that only its competitors might enjoy.



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Bob Djurdjevic, Editor
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e-mail: annex@djurdjevic.com

8183 E Mountain Spring Rd, Scottsdale, Arizona 85255
Tel/Fax: +1-602-532-7789

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