

CEO: How do you ensure Virgin Media is continuously led and informed by the voice of its consumers?

Neil Berkett: When we launched Virgin Media in 2007 we had a simple goal: we wanted to create a truly customer-centric organisation. We knew we had problems: too many customers were leaving us and we had to live up to the Virgin brand. We therefore aligned the organisation to the metrics that are important to our customers. We began a process early on to review our operations and to better understand how we could meet the changing demands of our customers. This review looked at every part of the business, including its systems and processes, technology, people and physical locations, and most importantly how these affect our customers.

The Virgin Group is a major brand and customers have high expectations of service. How do you maintain this?

When we acquired Virgin Mobile in 2006 we knew we had a big challenge to live up to its reputation. Acquiring a Virgin brand is an exciting prospect but executing against that brand from where we were was quite daunting. If you look at what happened when Virgin Trains first launched, the service was initially the same as it had been the day before but the level of complaints increased threefold because the expectations of a Virgin brand are so much greater than anything else. Seven months before the launch of Virgin Media, and ever since then, one of our key priorities has been to live up to these brand values because customers expect it. I can now confidently say that we are a Virgin company.

Send a clear signal

Since its launch in 2007, Virgin Media has become a major part of the Virgin Group, delivering on the high customer expectations associated with the brand. Chief executive **Neil Berkett** tells *CEO* how the company has worked to establish its reputation.

Has the downturn affected your ability to attract new customers? How is the company promoting growth?

While we are not immune to economic conditions, I believe we are more resilient than most companies. Many of our services are increasingly important as they are available in the home and people are choosing to go out less. Internet access and TV are huge parts of people's lives and are great value compared to alternative entertainment or leisure activities. We made history this summer with the completion of Britain's first next-generation broadband network. By upgrading our technology we're able to offer 50Mb broadband to over 12 million homes across the country, and we're already conducting a customer pilot to test 200Mb. We've also pioneered on-demand television in the UK. More than half of our customers are regular viewers and that number is growing.

How do you determine the metrics you use to measure the relationship between happy customers and lower operating costs?

As you fix the issues that annoy your customers, you take significant bad costs out of your business. Customers tell us they want us to get it right the first time. Poor first-time resolution drives bad costs. If we have to send an engineer to a customer's house to fix something and when they leave the problem remains, we have to send someone again which costs, in a monetary sense, but also in reputation. When customers say something is wrong, or they make a suggestion, they are usually right.

How big was the task of establishing the brand considering Virgin Media was born out of 42 franchises and 27 ownerships?

For the first 12 years or so, the only strategy the UK cable industry had was that of consolidation; it wasn't really about the customer. When I joined what was [Virgin Media's predecessor] NTL at the end of 2005, all I could see was financial engineering. I was asked two or three weeks in if it was as I'd expected. My response was that I'd actually seen everything before, just never in one place. Sadly, NTL had a terrible reputation. The common theme in any consumer-facing turnaround is that you have too many detractors. Often it's seen that your costs are too high, you're not growing, or you're market position is not right. At the absolute core of bad performance are too many detractors. Addressing this is the challenge of a turnaround and is what makes the job so rewarding.

What achievement are you proudest from in your time with the company?

A year after becoming Virgin Media we were named one of the most loved brands in the UK by *Marketing* magazine and the most trusted internet service provider by *Reader's Digest*.



NEIL BERKETT

Neil Berkett joined NTL, Virgin Media's predecessor, as COO in September 2005. He was appointed CEO of Virgin Media in March 2008. He previously worked at Prudential Assurance, St George Bank, Citibank and East-West Airlines.

This was a huge achievement and I feel very proud of what our organisation has done to get from where it was to where it is now. But clearly getting to where we could be is going to be a tougher journey and that's where we need to embed the thinking of the customer right through the organisation. We've gone from the bottom of the pile, comparing ourselves with everybody in our space, to the middle. The challenge now is to go to the top. We need to execute against our vision of being brilliant, of being the simple choice in a complex digital world.

Who have been particularly important mentors? What have they taught you?

I have worked in many highly competitive customer-facing industries and have been fortunate to work with many leaders of their fields. However, the characteristic many of them have in common, and which I most admire, is their ability to be decisive and take responsibility for their own actions. They have a tendency to be bold and act fast. Critical to being a leader is also to be human. Richard [Sir Richard Branson, founder of the Virgin Group and shareholder of Virgin Media] talks about setting a platform of values across your business. If you do the right thing by your people, you do the right thing by your customers and shareholders.

I'm passionate about Virgin Media and committed to achieving all the things we've set out to achieve. I enjoy the challenges that a turnaround brings and have worked hard to get us to where we are today. You constantly have to be looking ahead and planning but the results are always worthwhile. ■

Professional insight

For more on the latest industry profiles, visit www.the-chiefexecutive.com

