



via Electronic Filing
November 13, 2020

The Honorable Chair and Members
of the Hawaii Public Utilities Commission
Kekuanaoa Building, First Floor
465 South King Street
Honolulu, Hawaii, 96813
Attention: Caroline Ishida, Esq.

Re: Docket No. 2019-0117 (Young Brothers, LLC's Application for Approval of a General Rate Increase and Certain Tariff Changes): YB's Customer Service Strategy in Response to Order No. 37280

Dear Commissioners and Commission Staff:

On August 17, 2020, in Order No. 37280 in Docket No. 2019-0117, the Public Utilities Commission of the State of Hawaii ("PUC") directed Young Brothers, LLC ("YB" or "Company") to file a Customer Service Strategy by November 15, 2020. Order No. 37280 required that YB's Customer Service Strategy "include YB's approach to three (3) operational categories: (1) Customer Communications and Outreach, (2) Customer Engagement, and (3) Company Communications."¹

Pursuant to this directive, YB reviewed its communications, customer service, and related operational practices and developed a proposed Customer Service Strategy focused on addressing and improving its current practices. The Customer Service Strategy is attached to this letter. YB also notes that, subsequent to the filing of this strategy, the Company plans to gather further feedback from various stakeholders (i.e., additional employees, customers, etc.), and will defer in providing the details of each of the initiatives contained in the Customer Service Strategy until such stakeholders have had the opportunity to provide feedback and the Company has had the opportunity to consider such feedback and determine, among other things, whether these initiatives will be feasible under the Company's current financial situation, given that some of these initiatives may require substantial capital investments and/or expenditures.

If you have any questions, please contact the undersigned.

Sincerely,

/s/Kris Nakagawa
Kris Nakagawa
Vice President, External and Legal Affairs
Young Brothers, LLC

Enclosure

c: Division of Consumer Advocacy, Department of Commerce and Consumer Affairs

¹ See Order No. 37280 at 74.

Young Brothers, LLC's Proposed Customer Service Strategy

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Overview

Young Brothers (aka, YB or the Company) has served the people of Hawai'i for more than 120 years by connecting our communities with safe and reliable interisland shipping services. Today, we understand our critical role as the sole regulated intrastate water carrier responsible for transporting *all* cargo that originates and ends within Hawai'i. We are also the only regulated intrastate water carrier serving all islands in the state and transporting all types of cargo on our more than 1,250 sailings each year.

On August 17, 2020, by Order No. 37280 in Docket No. 2019-0117 (Order No. 37280), the State of Hawai'i Public Utilities Commission (PUC) directed Young Brothers to file a Customer Service Strategy by November 15, 2020. The PUC required that YB's Customer Service Strategy "include YB's approach to three (3) operational categories: (1) Customer Communications and Outreach, (2) Customer Engagement, and (3) Company Communications."¹ Pursuant to this directive, YB reviewed how we currently serve customers and communicate with our more than 370 team members at our seven port locations across the state. Our review, and this filing, focus on YB's plans to address the three operational categories identified in Order No. 37280, as summarized on the following page:

¹ See Order No. 37280 at 74.

1	Customer Communications and Outreach
Developing a comprehensive customer communications and outreach campaign, including a plan for delivering advance notifications to customers regarding changes to shipping schedules, cargo handling, tariff changes, and gate hours.	
2	Customer Engagement
<ul style="list-style-type: none"> • Enhancing outreach to customers and the communities we serve. • Establishing regular and ongoing dialogue with customers, trade organizations, and key stakeholder groups. • Identifying a contact at YB for customer inquiries and expanding opportunities for customers to provide feedback about our services. • Honing how we receive and respond to customer inquiries and feedback. 	
3	Communications at Young Brothers
<p>Supplementing employee training and augmenting internal communications at Young Brothers.</p> <ul style="list-style-type: none"> • Developing processes to provide timely and consistent information about operational changes to team members. • Implementing additional training for team members to standardize and improve our customer's experience. 	

Ultimately, this filing will serve as a guiding vision for Young Brothers as we work to modernize our operations, instill customer centricity in every aspect of our operations, and improve the way we serve the people of Hawai'i .


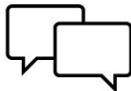

Methodology

Our first step in responding to the PUC's call to develop this proposed customer service strategy was assembling a working group of team members from departments across the company who interact with customers or influence their experience. In September 2020, we engaged Market Trends Pacific to assist our project team with

assessing the current situation, facilitating customer service strategy sessions, and in developing this proposed strategy. Through these sessions in September and October 2020, and as detailed below, the project team (1) reviewed data and feedback about our current customer experience; (2) completed a preliminary analysis of, among other things, our strengths, weaknesses, opportunities for improvement, and identified action areas and developed customer service initiatives; and (3) created a vision statement to guide our customer service into the future.

Reviewing the Current Customer Experience

The project team compiled data and comments from a range of sources to provide a comprehensive view of our customer's experience when shipping with Young Brothers. These included, among other things, a "Voice of Customer" survey data, customer and community comments submitted to the PUC, feedback provided through social media, YB's website, and other customer touch points like YB's Customer Service, Account Receivables, Sales Departments and in Loss Claims.

Reviewing the Customer Experience	
	"Voice of Customer" survey data
	Customer and community comments submitted to the PUC
	Feedback provided through social media, Young Brothers' website, and other customer touch points like YB's Customer Service, Account Receivables, and Sales Departments, and in loss claims.

This data, feedback, and preliminary analyses by the project team identified several areas of opportunity in developing the customer service strategy, and were utilized as part of our gap analyses described below.

Conduct Gap Analyses

A gap analysis was conducted by the project team (with the assistance and support by Market Trends Pacific) to determine where YB is today relative to customer service and where they want to be in the future. This exercise also identified obstacles to and ways in which to achieve future customer service.

The gap analyses helped identify the following areas where Young Brothers could take meaningful action:

1. Internal Technology

- a. Deploy better systems for tracking all cargo, including bookings, confirmations, and wait times
- b. Deploy more streamlined internal technology to reduce manual/paper-based processes
- c. Evaluate the current phone system and improve phone metrics (e.g., answered, abandoned, and wait-times)

2. Customer-Facing Technology

- a. Develop and deploy Young Brothers' mobile application and new customer-facing portal

3. Internal Processes and Policies

- a. Review and update processes for efficient, consistent experiences across all ports
- b. Establish clear standards, key performance indicators, and a recognition program for excellent customer service
- c. Review and update tariff, as well as internal policies for application of tariff rules and commodities
- d. Development of a customer service-oriented functions report to a single area for accountability

4. Training

- a. Development of a training department and invest in customer service and safety training of employees, as well as provide more training support on the Neighbor Islands
- b. Develop cross-functional training

5. Internal Communications

- a. Hold regular internal meetings for all employees to discuss strategic plan and progress

6. Public Outreach and Education

- a. Conduct public outreach and education about Young Brothers' business, including its role as a regulated monopoly
- b. Hold and participate in regular public outreach events to share Young Brothers' story, increase transparency with stakeholders, and engage Neighbor Island customers
- c. Develop clear, simple external training materials about Young Brothers' tariff, pricing, shipping, etc. for stakeholders
- d. Develop customer feedback mechanism

Create a Customer Service Vision Statement

In Order No. 37280, the Commission also instructed YB to develop a customer-focused vision that can be communicated within YB as part of the Customer Service Strategy.²²

As a result, a preliminary customer service vision statement was created by the project team to describe how Young Brothers will clearly define the type of customer service employees are expected to provide. The project team agreed with the following customer vision statement:

“Connecting Hawaii with Efficiency and Aloha”

²² See Order No. 37280 at 64.

This preliminary customer vision statement will be shared with other stakeholders (i.e., employees, customers, etc.) to obtain their respective feedback. However, for purposes of this filing, it was used by the Company in developing its proposed Customer Service Strategy reflected in this document (which is meant to be a “living document” subject to further updates and changes in light of feedback received and the feasibility of the initiatives proposed and described in further detail below), and to immediately guide behavior, expectations, and decision-making affecting customer experiences by the Company at each of its island ports.

Summary of Recommendations

YB's Customer Service Initiatives

After considering the above six (6) action areas identified through the various gap analyses conducted by the project team, and consistent with the established customer service vision statement (noted above), the project team determined that the following six (6) Customer Service Initiatives should be incorporated as part of its proposed Customer Service Strategy. The project team believes that the implementation of these initiatives will not only improve the Company's existing customer service, but will also enhance the overall customer service experience throughout all island ports. They were also developed with the purpose and intent of addressing the requirements set forth in Order No. 37280, and these six (6) Customer Service initiatives are summarized below:

- ***Develop a New Company Training Program***

Develop a Customer Service training curriculum and program that also aligns with Quality Management System standards. Ensure all Young Brothers employees are adequately and consistently trained in customer service and other matters that may impact the customer experience such as customer experience employee training, tariff training, and hazardous materials training.

- ***Develop a Customer Experience Ombudsman Role***

Serve as the central clearinghouse or Company contact for customer relations, handling complaints, etc. to ensure timeliness and consistency of responses and outreach on various issues and concerns.

- ***Invest in Customer-Focused Technology***

To further enhance or improve the customer experience to the extent feasible and effective.

- ***Hold Regular Internal and External Listening Sessions***

Virtual/In-person meetings and/or round-table discussion, etc. to ensure customers and other stakeholders have a forum to be educated and for the Company to receive feedback or input on various issues/concerns.

- ***Expand Customer Communications***

Development of a robust internal communication plan for standardizing customer notifications as well as expanding the Company's use of public relations and media resources to assist in customer outreach and education via various forums and media.

- ***Form a Customer Experience Management Committee***

Establish a new Customer Experience Committee to ensure customer service initiatives are closely monitored and implemented. This includes improving internal communication, specifically between management and employees regarding customer related operational changes

In November 2020, the Company's executive management reviewed and approved the above six Customer Service Initiatives to be implemented in accordance with the 2021 Proposed Timeline noted below.

The Company recognizes that the above-stated six Customer Service Initiatives were developed in the absence of the opportunity to receive immediate feedback or input from Company employees as well as customers and other interested stakeholders. Accordingly, subsequent to the filing of this strategy, the Company plans to gather further feedback from various stakeholders (i.e., additional employees, customers, etc.), and will defer in providing the details of each of these initiatives until such stakeholders have had the opportunity to provide feedback and the Company has had the opportunity to consider such feedback and determine, among other things, whether these initiatives will be feasible under the Company's current financial situation, given that some of these initiatives may require substantial capital investments and/or expenditures.

2021 Proposed Timeline

Notwithstanding the above, the Company has developed the proposed timeline for implementing each of the above six Customer Service Initiatives.

Develop a New Company Training Program

2020	2021		
Quarter 4	Quarter 1	Quarter 2	Quarter 3
<p>Establish a training committee to develop a customer service training curriculum</p> <p>Committee to review existing processes relating to customer service</p> <p>Execute and evaluate results of a customer service training survey of all employees to determine where current employees feel training is lacking or exceeding</p>	<p>Audit all customer service touchpoints to determine gaps in established processes and, further determine where training would be beneficial</p> <p>Identify opportunities for improvement to existing processes or determine if new processes are needed</p> <p>Committee to propose updated and/or new training and provide opportunities for improvement in quality management to YB's executive management team for final approval</p>	<p>Determine training timeline, cadence, and resources needed to execute training, as well as prepare training materials</p> <p>Implement new customer service training statewide</p>	<p>Continue training and establish regular customer service training cadence</p>

Develop a Customer Experience Ombudsman Role

2020	2021		
Quarter 4	Quarter 1	Quarter 2	Quarter 3
Develop a role within the Company, whose responsibility it is to investigate customer complaints.	<p>Appoint a customer experience ombudsman</p> <p>The responsibilities of this role will continue to be evaluated and/or expanded based upon the needs/changes implemented by the business.</p> <p>Evaluate and implement customer experience feedback mechanisms</p>		

Invest in Customer-Focused Technology

2020	2021		
Quarter 4	Quarter 1	Quarter 2	Quarter 3
<p>Enhancements to the Freight And Container Equipment System including bookings for less than containerload cargo</p> <p>Establish a working group with the ILWU</p>	<p>Map business gaps and requirements</p> <p>Identify potential technology partners and key stakeholders</p> <p>Request for proposal and select vendor and best path forward</p>		Project implementation

Hold Regular Internal and External Listening Sessions

2020	2021		
Quarter 4	Quarter 1	Quarter 2	Quarter 3
Internal Communications Research the formation of an internal communications committee Draft and finalize a team charter with the purpose, standards, expectations, and deliverables to address gaps and improve overall internal communications	Internal Communications Establish an internal communications committee comprised of employees from all departments Committee to review the current internal communications process and identify opportunities for improvement Develop changes to and address gaps in the existing process, and make recommendations to YB's executive management team for final approval Committee to determine project scope, timeline of deployment, and resources needed to execute updated or new processes	Internal Communications Implementation of updated and/or new processes for internal communications	Internal Communications
External Communications Develop a timeline for hosting public events such as round tables with various stakeholders, talk story sessions with customers, and community days to encourage public education of Young Brothers	External Communications Hold public outreach events and report relevant feedback to Young Brothers' Customer Service Experience Management Committee for follow up if necessary	External Communications Hold public outreach events and report relevant feedback to Young Brothers' Customer Service Experience Management Committee for follow up if necessary	External Communications Hold public outreach events and report relevant feedback to Young Brothers' Customer Service Experience Management Committee for follow up if necessary

Expand Customer Communications

2020	2021		
Quarter 4	Quarter 1	Quarter 2	Quarter 3
<p>Develop a robust library of customer information sheets, infographics, and videos to educate stakeholders on the services Young Brothers provides</p> <p>Develop efficient, effective and prudent course of action in reaching out to customers to gather feedback to proposed customer service strategy; and addressing any other issues/concerns with respect to YB's interisland tug and barge services.</p> <p>Review and update external customer communications process for gaps and opportunities for improvement</p>	<p>Implement updated external customer communications process</p> <p>Develop new campaign to increase e-mail and social media subscribers</p> <p>Establish key performance indicators and reporting on customer engagement, media and social media engagement</p> <p>Develop and send Young Brothers' monthly newsletter to cover topics existing services, tariff education, shipping news, service improvements, etc.</p>		<p>Audit updated external communications process including getting feedback from stakeholders on informational campaigns</p>

Form a Customer Experience Management Committee

2020	2021		
Quarter 4	Quarter 1	Quarter 2	Quarter 3
Gather additional internal feedback from employees and external feedback of stakeholders of the proposed customer service strategy initiatives and present to project team to add and/or adjust current proposed initiatives, with final initiatives set by end of Q4	Review final initiatives and determine short-term, mid-term, and long-term goals of each initiative. Identify any barriers and challenges to reaching each initiative	Follow up on quarterly goals and provide updates to PUC and CA.	Follow up on quarterly goals and provide updates to PUC and CA.

As noted above, because this Customer Service Strategy is intended to be a “living document,” many of the above action plans are subject to additions and/or modifications, particularly after receiving additional feedback or input from Company employees and customers. In addition, many of the specifics reflected in the applicable action plans will be subject to additions and/or modifications given that some of these initiatives reflected in this action plans may either not be feasible or effective at that time or may require substantial capital investments and/or expenditures. The Company plans to update its progress of these action plans via quarterly status reports that the Company will file with PUC at the end of each quarter in 2021.

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The foregoing document was electronically filed with the State of Hawaii Public Utilities Commission's Document Management System (DMS).