



TOOLKIT 18 – GETTING CUSTOMER SERVICE RIGHT

- ❖ **Create sustainable competitive advantage.**
- ❖ **Keep your customers for life.**
- ❖ **Deliver consistently good customer service.**

It is well established that customers are five times more likely to leave because your customer service is poor than because you have poor products.

This astonishing fact puts real responsibility on businesses to get their customer service in shape.

STORY – FIRST DIRECT BANK

First Direct pioneered telephone banking in the UK several years ago. They do all their business by telephone so they placed great emphasis on getting their customer service right from the start. Staff were trained for several weeks in their products, processes and how to provide friendly helpful service before they allowed them to speak to a 'live' customer. They receive ongoing coaching and development from trainers who listen into and then review their telephone calls. You feel confident in them as a result. They are always professional and do what they say they are going to. First Direct customer service makes other banks look like dinosaurs.

What is good customer service?

It is the way you are treated as a customer from the first point of contact right through and even after you have paid your bill.

To check out your current service levels try to honestly answer these 10 questions marking yourself between 1-10:

It is easy for our customers to place an order with us 24 hours a day	1	2	3	4	5	6	7	8	9	10
We have a customer service promise that is kept	1	2	3	4	5	6	7	8	9	10
We give a friendly and professional approach to doing business with our customers	1	2	3	4	5	6	7	8	9	10
We interact well with our customers both face to face, over the telephone or on the internet	1	2	3	4	5	6	7	8	9	10
We have a consistent service offering irrespective of what time it is	1	2	3	4	5	6	7	8	9	10
We deal with enquiries promptly	1	2	3	4	5	6	7	8	9	10
We keep customers informed on the progress of an order	1	2	3	4	5	6	7	8	9	10
Complaints are professionally and speedily dealt with	1	2	3	4	5	6	7	8	9	10
We have an excellent after sales contact program	1	2	3	4	5	6	7	8	9	10
We receive unsolicited letters of praise from over 5% of our customers	1	2	3	4	5	6	7	8	9	10

If you can honestly answer very positively (8 or above) to all these questions then you have already got your customer service right and you are now ready to delight your customers – see toolkit 19.

However, the majority of UK businesses in my experience will be doing well to answer three or four of these questions positively.

We seem to have a problem in the UK with customer service. With a few notable exceptions, service is generally poor, which is why 67% of customers quit and go to competitors.

This is your opportunity, because if you can get your service right then this might be a way to gain competitive advantage.

Here's how to do it.

STEP 1 Start with your customers

- Stand in their shoes and try to clearly understand what is important in terms of customer service.
- Visit them and ask what service standards they expect from you.

Example

Allen Johnson the Chief Operating Officer of EWS Railway contacted their key customers and asked them what service requirements they had.

At the time he joined the company in 1999, customers were complaining about the EWS service. Allen got some strong messages from the customers but he was able to establish six key indicators that measured what EWS customers wanted. This included train reliability, availability, flexibility and a number of other measures.

EWS started to measure, monitor and sought to improve the indicators. They really focused on improving the service levels. 18 months later their customers are delighted with their improvements in performance. All the service indicators have dramatically improved.

This was during a period of real chaos after the Hatfield rail crash. A fantastic team performance in improving service levels in extreme conditions that most businesses never have to face.

- Establish your customers' key service indicators by speaking with them. Stick to the key indicators, which may be three or four at most.

TIP: Consider conducting a customer survey, see toolkit 16, to help you to establish your key indicators.

STEP 2

Start measuring the service indicators established in step 1 on a monthly (or whatever period suits your business) basis. This is your baseline. Things can only get better from here ...

SOME TYPICAL SERVICE INDICATORS

- Guaranteed lead times
- Deliveries on time
- Technical support
- 24 hour back up
- Effective complaint handling
- Waiting times

STEP 3

Review your customer service through your customers' eyes.

Walk slowly and very carefully through your customer service process from first point of contact through to paying the bill. Look at the details, in great detail.

TIP: It can be very helpful to physically walk through your process e.g., start outside your building looking at the clarity of the signage and walk through your premises as your customers do and see how easy you make it for customers to do business with you.

TIP: Get somebody from outside your business to 'mystery shop' your business and give you feedback. The brief is 'How good is our customer service?'

STEP 4

Establish service standards for your six key customer interactions.

The critical factor in getting customer service right is establishing a consistent approach to your customers. They don't want surprises.

Here's how to do it.

1. Establish your six key customer interactions. Ask your team for help. Use the checklist for reference.

Checklist

Typical key customer service interactions.

- Providing a quotation
- Taking a message for absent colleagues
- Placing an order
- Asking for a price
- Chasing progress on orders
- Dealing with complaints
- Requesting information
- Checking availability
- Arranging meetings

2. Establish a small team of your people to produce a one page step by step process of your business's way of dealing with the interaction. Make sure you have customer interfacing people who will have to use the process in their work on the design team.

This one page should be bullet points and simple to understand.

This is your preferred way of doing business. The benefits of this approach are:

- It creates consistency
- The people who use it design it, which creates ownership
- The one page process forms the basis for induction, training, culture building and monitoring

Example – Taking a message for absent colleagues

1. Take their name and their company name
2. Explain your colleague is unavailable but will be available at a specified time and date
3. Ask if anybody else can help:
 - A. If yes, put them through, or
 - B. If no, ask if you can help in any way, or
 - C. If no, then offer to take a message and pass it onto the individual. Repeat the message back to them to check the details are correct, or
 - D. If it's urgent offer to get the individual to call them within 10 minutes (if they can be contacted).
4. Take their number and ask when they will be available. Promise to get your colleague to call them at an agreed time.
5. Ensure the message is passed on properly.
6. Check with your colleague that they made the call as arranged.

3. Issue the new process to everyone concerned.
4. Provide training in the process including inducting new people.
5. Set up a simple monitoring system to check it works, see 'Fixing system slippage' toolkit 28.

STEP 5

Get your management teams together and discuss, agree and take actions to improve your service levels.

One of the key issues in customer service is that it is not usually one person's responsibility. Many people can have their fingerprints on the process. Customer Service cuts across departments, as one MD said 'Everybody is responsible for it but in practice nobody is responsible for it.' This is the primary reason why it proves difficult to get customer service right. Therefore it is critical to get the real commitment of the departments in your business; which can affect your service levels.

- Review your internal customer service process.

- Consider mapping your internal customer service process in order to identify if there are any blockages internally.

Example

An Engineering Company in the north-east England reviewed its internal customer service process. Some sales people took orders without getting the details absolutely correct. They passed the order onto internal production planning, which ignored the production director, there was conflict between them; and passed the plan to production. The production team made the products in the order that suited them and then 'threw the products' (one of their quotes to describe the process) into dispatch who delivered the finished product when they had transport available. Amazingly none of the departments talked together, other than blaming each other for the problems they caused. It took the MD several months of getting them together to sort out the internal customer service chain.

Here's how to sort out internal customer service.

- Get department heads together and ask them to write down what they want from their internal supplier (the department before them in the internal chain) and what they think their internal customer (next in the chain) want from them.

One MD said, 'We have more competition internally than we do with our competition externally.'

Then get them to exchange this information with each other. They will be amazed how they are making life difficult (often inadvertently, occasionally with malice) for each other. Get them to agree to some internal service standards and communications and insist they stick to them.

Review progress and ensure the internal service standards are adhered to.

- Be prepared to have to make some significant changes to your business structure and process in order to improve your service levels.

Example

EWS made cancelling trains almost a capital offence. The rule became 'Deliver on time whatever it takes.'

- Steetley appointed customer service co-ordinators whose job it was to call customers if the deliveries of bricks were going to be

late. So they kept their customers informed proactively on their deliveries.

- Make sure you employ people in the frontline who have good attitudes towards customers. Steetley used to hire for attitude and train for skill. I asked them how they maintained high service levels on the frontline. They told me 'our secret's simple, we hire nice people!'

You might have to help change attitudes, fight battles or remove blockages to service in key functions such as production or finance.

TIP: Make sure you don't hire any sales prevention officers in the customer contact roles.

- Consider using the 'Working on the business' toolkit (7) as a team, to improve your service performance.

How to perfect your company service

Here is a checklist based on the latest behavioural science research on customer service. Use it with your team to perfect your service.

- Finish strong. Its not first impressions that count its the last impressions. The end of the service is far more important because it's what remains in your customers' recollections.

So cruise liners trips end with dinner at the Captains table. So how can you finish on a high?

- Get bad experiences out of the way early. Give the bad news early don't delay it until the end.
- Build commitment through choice. Let customers' have a choice of at least two service options; this gives them perceived ownership and control.
- Give your customers' rituals and stick to them e.g. set up a weekly contact call and stick to it. Rituals build trust and confidence in your service.

STEP 6

Continue to monitor and review your key service indicators and take action.

- Your indicators should be showing improvements if you have diligently taken the appropriate actions.

If they are not then plan to take some different actions.

- Be prepared to train frontline staff in providing good customer service.

STEP 7

Communicate customer service improvements to all staff.

- Celebrate success, create heroes, and hold award ceremonies.

TROUBLESHOOTER

POTENTIAL PROBLEMS

SUGGESTED REMEDIES

Customers have different needs; it's difficult to establish generic indicators.

You need to compromise and pick 4–6 indicators that satisfy 80% of all customers' needs.

We need to make changes to our business in order to really improve service levels.

Do the economics of it. Is it worth it financially long term? If it is, do it.

Nobody is responsible overall for customer service.

1. Make the team leaders who impact on service jointly responsible.

2. Appoint a customer service manager with authority to manage across boundaries.

We have too much internal competition.

Consider using the process blocks and disconnects toolkit.

It's difficult to be objective about our own service system.

Get a third party to 'mystery shop' your business and give you honest feedback.

The process that is to be checked is

Step 1 - My customers advise me that the following things are important to them;

Areas of importance	Measured by/service indicators
1	
2	
3	
4	
5	

Step 2 - I have physically walked through the process a number of times to understand it from the customers perspective YES/NO

Step 3 - Within this process the key customer interactions are:

1
2
3
4
5
6
7

Step 4 - Each interaction is mapped in the following way;

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Step 5 - The key people who I need to assist me in improving this process are and the benefits to them for resolving this customer service issue are

Key personnel	Benefits to them of improving this process
1	
2	
3	
4	
5	

The service standards that have now been agreed between the key people are the following;

Service standard	To be measured by
1	
2	
3	
4	
5	

Step 6 - Monitoring mechanisms

	Target	Month 1	Month 2	Month 3
1				
2				
3				
4				
5				

Step 7 – Time to celebrate!