Customer Service Excellence in the Public Sector

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About the author

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1. WHAT IS CUSTOMER SERVICE EXCELLENCE?

Customer service excellence means many things to many people and is something often noticed more by its absence than its presence.

The Institute of Customer Service has a vision of an organisation which delivers customer service excellence.

"The organisation is honest, gives good value for money, has a high reputation, meets deadlines, has quality products and services, has easy to understand processes, responds to criticism, encourages complaints and handles them well, and demonstrates that it is passionate about customers. At all levels people are respected, well trained, friendly, contactable, flexible, knowledgeable, honest, trusted, stable, involved and consistent. The perceived culture is one of professionalism, efficiency, teamwork, caring, respect, seriousness, but with a touch of fun and character."

Hardly a snappy definition but it illustrates the point. Customer service excellence is difficult to describe. But we think we know it when we experience it and we definitely know it when it's absent.

Customer service management is full of dilemmas, questions and trade-offs. How much should you invest in employing front-line staff to prevent customers from queuing? How do you deal with peaks and troughs of demand? Is the customer really always right?

This guide sets out a framework for delivering customer service excellence. It is important to note the guide is founded on a belief that good customer service is good for business. This belief is not a universal law. Some businesses with great service go bust. Some businesses with poor customer service make huge profits.

Successful businesses do however share a commitment to a set of values and if you are committed to customer service excellence then this guide is for you. If business efficiencies and short term results are your masters then close the guide now and ask for your money back!

Ten actions of excellent customer service providers in consumers' own words (1)

1. 'Deliver on their promises and commitments.'

2. 'You like to feel that customer service is that you're like the only person that they ever deal with, that you're special.'

3. 'When you crash your car, a good insurance company will be phoning up to make sure you're okay, how's the car, how's it all going.'

4. 'Sometimes if you're in a shop or something, just a simple "hello" or "can I help you?" or something would do.'

5. 'Talking to you like you're an adult.'

6. 'Don't push them into a sale, let them make their own choice and give them help if they need it.'

7. 'Acknowledge repeat business, so not this "get them on board and then forget about them", which I think a lot of companies are guilty of.'

8. 'If they haven't got something in stock, just tell us.'

9. 'It puts a personal side to it, it makes you feel like you've got an arm round you, you're being looked after especially with technical stuff and complicated issues.'

10. 'If the company are dealing with their workforce all right, they might be dealing with us all right.'

Ten actions of poor customer service providers in consumers' own words (1)

1. 'Sending standard letters when I write an individual enquiry about something specific.'

2. 'Nobody admits they're wrong, do they?'

3. 'When there's loads of assistants and I'm just left there waiting to be served. And they can't be bothered to come and serve me.'

4. 'Reading from scripts, and they won't deviate from the script.'

5. 'I think just about everyone in the world hates call centres and this automated drivel.'

6. 'They make everything so complicated.'

7. 'Cost is driven out so much these days that you end up with rubbish, while people try to compete on price rather than quality.'

8. 'They expect you to take a whole day off work to have something delivered.'

9. 'Offering you the world when you're a potential customer and then treating you like crap when you're an existing customer.'

10. 'There's nothing worse than going to shop, like trying to buy a sofa or something and they just go "oh yes, yes, full price", and you go in a week later and it's half price.'

2. THE BUSINESS CASE

In the private sector customer satisfaction and loyalty are often seen as essential for survival and success. Public sector organisations have now also come to realise that looking after their customers and taking the opportunity to learn from them is key to delivering services which are both effective and efficient.

Increasingly, comparisons are made between the quality of service provided by public and private sector organisations. "Anyone who in the morning shops at Marks & Spencer, and in the afternoon queues outside their local housing office is going to be very much aware of the differences in quality of service." (2)

Getting it right first time means you don't have to spend time recovering from mistakes or repeating the processes which were incorrect in the first place.

All too often, companies harm themselves. By turning consumers against them, companies neglect their own self-interest, damaging their profits and in some cases leading to their demise.

Trading standards departments report getting about 800,000 complaints a year, and this is likely just to be the tip of the iceberg. The UK Customer Care Survey 2005, conducted in association with Manchester Business School, found that 77% of us experienced problems caused by the products and services we bought last year.

We are seeing the rise of a dramatic new phenomenon: 'service rage', a feeling of anger about poor standards of service. Almost two-thirds of people say they felt extremely or very upset about their most serious problem with a company.

A startling number of companies and their staff fail to see the implications of treating customers badly - even though collectively UK consumers spend £667 billion a year. A recent survey by the management consultancy Accenture found that two-thirds of UK consumers think customer service has not improved in the last five years.

Organisations may think that they can get away with it, relying on consumer inertia, confusion and lack of clear information. Indeed many do prosper in the short term. But experience suggests consumers get their revenge in the end, and for an individual organisation - or, in some instances, entire industries - the cumulative impact of ever-greater reputational damage can be fatal.

If a customer frequents a good restaurant twice a month for a four person business lunch, she is worth over £50,000 to that restaurant over the course of ten years. That's just the beginning. A repeat customer is any company's key source of word-of-mouth advertising. If this happy customer recommends just one other customer to the restaurant she would be worth over £100,000. And a waiter looking after five tables a night is handling £500,000 worth of business.

This simple rule, known as lifetime customer value, can be applied to any operation.

There are many other statistics to support the business case for customer service excellence. For example, for every complaint received, the average business has in fact 26 customers with problems, and a *very* satisfied customer is six times more likely to buy from you again in the future than a satisfied customer. (3)

An organisation which operates at a high level of service excellence will grow at a rate of 6% more than its competitors and can in fact charge 9% more for the services or products it provides. (4)

Overall, small changes in customer retention rates create a disproportionate increase in profitability.

- a loyal customer's familiarity with an organisation's services will reduce service costs

- satisfied customers are generally less price sensitive

- satisfied customers tell other customers

Views differ on whether these business arguments transfer to the public sector. Surely the answer is yes to a greater or lesser degree in every public service. Activities such as housing involve a classical economic exchange process. Rent is paid in return for the provision of accommodation. At the other end of the spectrum in say policing, surely everyone has the right to be treated with respect and dignity and in doing so there will be less friction and therefore cost in the system.

The arguments also extend to internal customer relationships and to service design.

Feedback from customers who are regular service users, and therefore loyal to your service, can be immensely valuable. Learning from customers is of particular use in the field of new policy and service development. If customers have input into services or policies at the development phase there are fewer opportunities for the services or policies to fail. And we all know failure doesn't come cheap.

3. PUBLIC SECTOR DRIVERS

Public sector organisations are often accused of being inward looking. The Government's Best Value initiatives and the adoption of consultation processes within strategy formulation have driven public sector services closer to a market orientated approach. Such approaches aim to put the customer at the centre of an organisation's activities (a customer- or citizen-centric approach).

The emphasis placed on efficiency has increased, obviously fuelled by Gershon and Lyons, and further re-enforced by the ODPM's 10-year vision, 'The Future of Local Government', published in Autumn 2004.

Labour has made its views clear - there is no new money, but government will be challenged as never before, to provide more and better services at less cost.

Improved service delivery, better dialogue with citizens and communities, strong political and managerial leadership, joined-up services across local authorities, government departments and agencies and other organisations, are just some of the challenges currently facing the public sector.

The proposals described in the Gershon report aimed to deliver over £20 billion of efficiencies in public spending by 2007-08, which would either directly increase the output of public services or would free up resources which could then be recycled into front line delivery.

Gershon stated that the aim should be for departments themselves to establish networking and collaborative processes for joint working which will take over this role and support an ongoing efficiency programme, responding to changes in demand, the constitution of the market and customers' needs.

Gershon reported that achieving greater efficiency across the whole of the public sector is essential to support the Government's continuous drive for improved public service delivery. Local government has a key role to play in this ambitious agenda, and many local authorities are already securing efficiencies through investment in technology and rationalisation of back office and procurement functions.

The 2004 Spending Review (the Government's response to Gershon) stated: "The Government's goal is

PROCESS BEFORE EXCELLENCE?

A man has been fined £50 for throwing away two pieces of junk mail in a street litter bin, it was reported on Thursday 10 March 2006. Andy Tierney, 24, of Hinckley, Leicestershire, dumped the unwanted mail in a bin on his way to work, according to The Sun.

But council officers tracked him down using the addresses on the envelopes to issue him with a fixed penalty. They said he was being fined because "domestic refuse from your property was dumped into a street litter bin". Mr Tierney told The Sun "I could have easily chucked those letters on the ground, but I put them in the bin. "What has happened is a joke. The council is barmy. I never thought you could be fined for putting rubbish in a bin - that's what they're there for."

A spokesman for Hinckley and Bosworth Council told the newspaper: "A fixed penalty notice is served to people who we believe have committed an offence."

to deliver world-class public services that are excellent and fair for all". The reforms contained within the review aimed to "empower public service providers to deliver better services that are more personalised to individual users' needs".

Having achieved step-change improvements in standards and instilled a performance culture across public services, the Spending Review described the Government as now taking the next steps necessary to achieve further excellence and fairness in public services, focusing on four key areas:

- further developing long-term outcome-focused goals through a sharper, more streamlined role for central government in setting and delivering public service targets and standards. This will mean better consultation with stakeholders and the public and more effective, more proportionate inspection;

- extending devolution by giving professionals and communities greater freedom to meet central priorities and to define local priorities, more flexibility to decide how best to deliver them and putting in place appropriate structures and incentives to drive performance locally;

- enabling a new professionalism among front-line workers, with a strengthened culture of continuous improvement, innovation and collaboration; and

- delivering greater personalisation in public services by ensuring that they are designed around individual users' needs and circumstances, and empowering users and communities by giving them more choice, more opportunities for involvement and greater support. (5)

The Spending Review reinforced the Government's 'citizen-centric' theme stating that "putting users at the heart of service design and delivery means ensuring that every individual can access services with ease and that they experience attentiveness and responsiveness to their specific needs. Designing services around users also means that all the different public services that contribute to a particular outcome are seamlessly integrated in their delivery. Ensuring user focus will mean greater attention to users' experience and perceptions of services as a valuable indicator of service performance." (5)
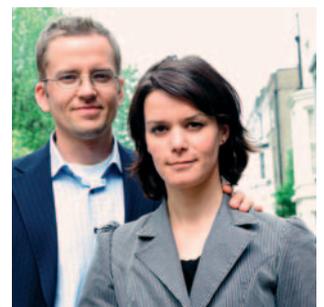
4. DESIGNING CUSTOMER SERVICES

There are three main determinants of customer service excellence - people, processes and technology.

They should be viewed as overlapping circles in a Venn diagram with the so-called 'sweet spot of service quality' being achieved when the three operate in harmony with the customer's preferred method of doing business.
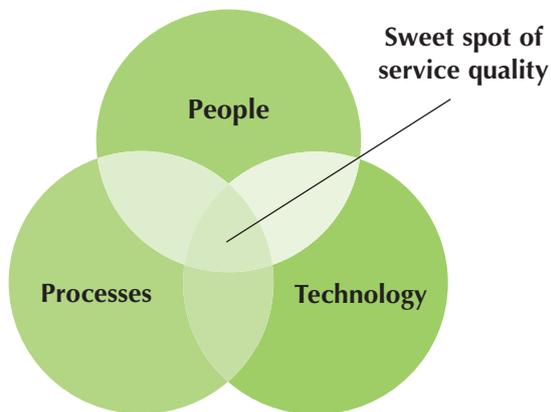
It is wrong to assume that raising current service targets will lead to an improved service over time. Customer expectations are not always in line with an organisation's service standards. It could be that achieving the target of answering the telephone within four rings instead of eight goes unnoticed amongst the customer base but places immense pressure on staff resources at the point of service provision. It is, therefore, imperative that customer expectations are thoroughly understood prior to setting out any standards aimed at improving the customer experience. Remember, if you haven't got the information the caller requires when she gets through to you it matters little how quickly you answered the 'phone.

When a service provider understands how the customer will measure her service experience (in the context of her expectations) and just what her expectations are, it is then possible to identify ways of meeting these expectations and even managing them to a certain extent.

Customer expectations have a pivotal impact on customers' perceptions of quality and their ability to be satisfied. If a service provider overpromises, then customers' expectations are raised too high and, as a result, customers will perceive they are receiving lower quality services or will be less satisfied. Wherever possible underpromise and overdeliver. In that way you will be better equipped to delight your customers by far exceeding their expectations.

Management must want to create a service-oriented organisation. "Financial and strategic short term-ism and a lack of vision at board level are two of the biggest issues in preventing the development of a culture of customer service excellence. It is essential to have strong leadership from the top setting out clearly, and living the values of the organisation, communicating these to others, and then galvanising everyone's efforts around the same objectives." (6)

People, and particularly front-line people, need to know the organisation means what it says and they need to feel they are a full part of the enterprise and their efforts and skills are recognised.

Good human resource management is essential. Integral to any effective service culture are recruitment processes, career development planning, performance management and employee reward systems. It is through rewarding accomplishments in service delivery that employees will begin to understand the importance of excellent customer service and your organisation's commitment to excellence.

The key to achieving consistent service across the whole organisation is strong internal communications linked with a well established induction and training programme and culture that encourages empowerment, at the same time as setting and adhering to standards, processes and procedures. Making an effort to praise good practice and knowledge sharing is invaluable, as is regularly revisiting systems, procedures and policies to ensure they are up to date and relevant.

The following seven criteria of good perceived service quality are an integration of available studies and conceptual work compiled by Christian Gronroos. They can be used as a good starting point for any service organisation looking to design its customer service strategy. (7)

- Professionalism & Skills - Customers realise that the service provider, its employees, operational systems and physical resources have the knowledge and skills required to solve their problems in a professional way;

- Attitudes & Behaviour - Customers feel that the service employees (contact persons) are concerned about them and interested in solving their problems in a friendly and spontaneous way.

- Accessibility & Flexibility - Customers feel that the service provider, its location, operating hours, employees, and operational systems are designed and operate so that it is easy to get access to the service and are prepared to adjust to the demands and wishes of the customer in a flexible way.

- Reliability & Trustworthiness - Customers know that whatever takes place or has been agreed upon, they can rely on the service provider, its employees and systems, to keep promises and perform with the best interest of the customers at heart.

- Service Recovery - Customers realise that whenever something goes wrong or something unpredictable happens the service provider will immediately and actively take action to keep them in control of the situation and find a new, acceptable solution.

- Serviscape - Customers feel that the physical surrounding and other aspects of the environment of the service encounter support a positive experience of the service process.

- Reputation & Credibility - Customers believe that the service provider can be trusted and gives adequate value for money, and that it stands for good performance and values which can be shared by customers and the service provider.

Setting out service standards is an important aspect of developing a culture of customer service excellence. They help to define what a customer can expect and to remind management and employees of the challenges and obligations to which they are committed.

A set of service standards should clearly set out the purposes and priorities of an organisation. In addition to spelling out the standards of service customers can expect, it should:

- tell customers how to comment, complain or compliment

- make clear how customers can contact an organisation and get further information

- make sure the information is accessible and easy to understand

- explain how an organisation is planning for further improvement

- assure customers that they will receive a fair service

- say if there is any relevant legislation

When developing service standards it is helpful to consult with each of the following groups:

- management
- employees
- existing customers
- potential customers
- lost or former customers
- competitors
- regulatory authorities

According to the Institute of Customer Service, when setting service standards, ownership, visibility and commitment are the key words.

Ownership

Each service standard must have a management owner, who is accountable for the delivery of that particular service. Performance against the standard will normally be a feature of that individual's annual review. The management owner should also be able to implement process and other changes to improve operational performance as needed. However, all colleagues should be encouraged to 'own' or at least buy into the standards in the areas where they work and to make suggestions for performance improvement.

Visibility

Details of what the standards are and how the organisation is performing in relation to each of them must be made highly visible to all stakeholders in an organisation, be that management, frontline staff, or customers. They must be easily accessible in all ways, not just displayed in easy to access areas but also explained in a jargon-free language that is easy to understand. Service standards, and performance against those standards, should be reviewed regularly with employees. It is important that they know how the organisation as a whole is performing. Discussions about service standards can often prompt employees to suggest ideas which may in turn lead to further service improvements.

Commitment

The Chief Executive, all levels of leadership and all employees must be committed to delivering the promise to customers. If every area of the organisation is committed to delivering on the same set of standards then consistency of approach will be achieved. A consistent approach is one of the keys to delivering excellent customer service.

Service standards should be reviewed every 12 to 18 months to ensure that they are still up to date and relevant to the customers' needs.

Some key factors to remember during the process of setting service standards:

- ensure that any standards set are SMART (Specific, Measurable, Achievable, Realistic and Time-bound)
- involve all key stakeholders (including customers) in the development process
- involve staff throughout the entire process in order to gain their commitment and motivation in achieving the standards
- develop an effective monitoring system to ensure implementation of these standards
- agree regular standards review sessions to ensure they remain relevant and up to date

CHELMSFORD LIBRARY EXPERIMENT FAILS

A new system to reduce queues in libraries was scrapped after it caused confusion among book-lovers.

During a five-month trial in 2003, visitors to Chelmsford Central Library were asked to take a slip of paper printed with the return date, rather than having books stamped. But the public preferred the old system.

LISTEN AND RESPOND

The six housing associations within the Riverside Group all share an Embedded Tenant Involvement Culture (ETIC). At the heart of ETIC are two simple messages:

- listening and responding equal good customer service
- by using diverse methods of contact with our tenants we can meet their diverse needs

BROMFORD HOUSING

Winner of Public Sector category
Management Today Service Excellence Awards 2005

'Creating communities where people really want to stay' is the mission of Bromford Housing Group, and the proof of success is that at the end of 2004, for the fourth year in a row, there wasn't a single empty home among the 15,000 properties on its books.

Bromford is one of the country's most dynamic Registered Social Landlords (housing associations). Based in the West Midlands, it operates over a large area from central England to the south-west. It grew from being about the 30th-largest housing provider a few years ago to number six in 2005. Outside London, it receives the biggest slice of government funding. And it is ambitious: it plans to treble the number of homes it manages to 40,000 by 2010. Bromford believes in 'putting the customer at the heart of everything we do'.

One of the key vehicles for doing this is its VIEWpoint customer panel, now about 100-strong. This is Bromford's sounding board for ideas, with feedback collected via post, e-mail and workshops. The panel has its own newsletter, and members get involved in decisions such as the appointment of new contractors.

This has now progressed with the creation of VIEWpoint Plus, a forum for customers and board members in making decisions about the future of Bromford's business. Another innovation: Bromford 'colleagues' used to go out to estates on makeover days to help with gardening, tidying up and mending fences. This year, it has invited customers to come into its offices and spend time at the call centre, or to shadow estate managers, finding out how Bromford works and having an opportunity to give their own input.

There is a waiting list of people wanting to take part. Bromford's customer-centric approach involves visiting customers at home to provide an assessment before they take up a tenancy; welcome visits; midterm surveys; and even goodbye interviews when

their tenancy ends. Those who have used a particular service get a postcard survey follow-up. But in Bromford's world, it has been recognised that being merely 'satisfied' is not good enough. Customers have to choose between 'delighted', 'pleased', 'unhappy' or 'very unhappy'; fortunately, the vast majority 84% place themselves in the first two categories. Bromford involves customers in its regular Big Breakfast workshop meetings, which bring together estate managers and other staff in small groups to get to grips with issues relating to the improvement of estates. Ideas are fed into an action plan.

Staff come from a range of backgrounds other than just conventional housing careers, the police, retailing, the civil service. All get special treatment, starting with a balloon over their desk and a jar of chocolates on their first day and continuing with a 'stay' interview every four years or every time an individual changes role, just to make sure they are still happy. Leadership is not an elitist vocation at Bromford, anybody who manages anyone else gets the chance to attend a Liberating Leadership programme. 'Wobbly wheels' meetings are an opportunity for people to share their experiences and lessons learned. An example of how seriously Bromford takes its values is that before a forthcoming merger with another RSL in the Cotswolds, a comprehensive 'cultural audit' was carried out to check that the two organisations would fit together. Although the social housing sector is undergoing radical changes, Bromford has a strong vision of what best practice in the sector should be, and a desire to be at the forefront of implementing change.

This is one reason why the organisation will have to grow by acquisition as well as organically, says chief executive Mick Kent. 'Our rationale is to have the firepower to be sitting at the top table alongside government. We need scale to do that, and we also want to develop leadership in Bromford that is second to none.'

5. ENGAGING PEOPLE

A critical step in achieving customer service excellence is providing excellent service and support to the employees in your organisation.

Transforming an organisation from a good customer service provider to an excellent customer service provider ultimately depends on the people who are providing that service. It can only happen if the people who serve on the front line buy into the concept and commit themselves to the task in hand (providing service excellence). The difference between delivering ordinary and extraordinary service is in the hands of those who represent your organisation, your customer facing staff. Enthusiasm, loyalty, or devotion can't be forced on people. It only happens when employees understand the reasons behind, agree with and buy into the culture of customer service excellence to make it inherent in the organisation.

The levels of customer service provided by an organisation are directly dependent on the strength of the organisation's internal leadership and the ability of the organisation's leaders to foster a culture of customer service excellence and gain commitment to that culture throughout the entire organisation.

Many consumers report that staff simply don't want to take responsibility for sorting things out, and are quite content to pass the buck - and the blame - onto others.

According to Paul Cooper of the Institute of Sustomer Service "When people do finally manage to talk to someone, they are too often confused or patronised".

The second big story emerging here is about companies' confidence in letting their staff exercise judgement. Few, if any, of us go to work to do a bad job; and many working in customer-facing businesses start off wanting to do the best for customers. But people are ground down by hopeless systems and bureaucracy, with an apparent message from on high that when they come into work in they morning they should leave their brains and their commonsense at home. Organisations need to do more to let their staff exercise judgement and common sense within a supportive framework, in order to meet the different needs of each customer.

Organisations which are successful in implementing a culture of customer service excellence recognise the value of employee involvement in both designing and driving change.

Ensure that staff are fully on board with the corporate culture and working within a culture of trust, not a culture of blame or fear. If small mistakes are made, present them as an opportunity to learn rather than to point the finger. Mentoring and coaching should be fostered throughout the organisation enabling staff members to learn from those more experienced than themselves and ensure that confidence is built, whilst also ensuring consistency of approach.

Any change in corporate image must be accompanied by a change in corporate culture. If the organisation is projecting an image of customer service excellence externally this has to be reinforced by a culture of customer service excellence internally. Style of leadership dictates the priorities of the organisation. Leaders set out their organisation's attitude towards customers. They create structures that reward behaviour they deem important.

Employees, behind the scenes as well as on the frontline are critical to the success of service providers. Retaining your committed, skillful and motivated employees is a hugely important element in being able to deliver consistently excellent levels of customer service.

When employees identify with the values of an organisation, they are less inclined to move organisations. Decreased levels of employees turnover contribute to higher levels of customer satisfaction. What is more, where there are lower levels of employee turnover the culture of customer service excellence is more likely to be transmitted to new employees in the organisation.

MOSAIC HOUSING
Putting names to faces

In 2005 Mosaic Housing had made changes it wanted tenants to know about. By closing the offices for the day and going out to meet them, Mosaic believed staff could improve its relationship with the 'silent majority' of tenants who didn't contact it often.

Putting names to faces One Day In March gave the office-based staff an opportunity to see some of the properties and meet some of the tenants for the first time. Before, the tenants had been just names to many of the organisation's employees. Staff were allocated 20 properties in the same area, to which they sent a standard letter explaining to tenants they would be visiting their homes. Follow-up telephone calls agreed specific arrangements. Each visit was scheduled to last 20 minutes, giving staff time to chat with tenants, run through a short questionnaire, hand out a leaflet about services and give away a fridge magnet advertising a freephone number for repairs.

Promotional costs were minimal, at around £500, and Mosaic was able to use existing material, such as the tenants' newsletter, to publicise the day. Temporary staff already working at the housing association stayed in the office to man the telephones. The repairs team also stayed behind on call.

According to Joanna Coyle, communications co-ordinator at Mosaic, feedback from staff was very positive. 'There were staff returning to the office full of ideas on how improvements could be made,' she says. 'One administrator was so taken with the experience that she asked to retrain as a housing officer and is now working in her new role. Many of the staff were initially apprehensive about the day but found it was a rewarding experience.'

Seventy-five-year-old Freda Clemence agrees. She's been a tenant for 28 years. 'It felt very informal and I think it's worth repeating so other tenants can get to know Mosaic better, and it was good to hear about some of the new community work that's going on, like breakfast clubs in local schools,' she says. 'I think it was really nice that people I don't normally make contact with at the association came out to meet me in my own home.'

6. EFFECTIVE PROCESSES

If service excellence was measured purely on the quality and service provided by frontline public sector staff then considerably higher levels of customer satisfaction would be attained by our public sector organisations. Unfortunately, it is all too often that the processes implemented by public sector organisations impede overall service quality being described as excellent.

Customers react particularly badly to instances in which they feel that an organisation does not take ownership of a problem. The use of call centres is often seen to lead to a lack of continuity, which in turn breeds a sense of remoteness and detachment. People are increasingly aware of the outsourcing of much customer contact. When they are talking to a particular person, people would hope that the individual would take charge of the situation. Yet time and again, consumers feel they are passed from person to person, each time having to explain their issue once again.

The lack of personal touch over the telephone isn't the only source of irritation. Many customers name standardised letters as a particular dislike. Customer correspondence and complaints can provide an invaluable data source for companies, and they provide an opportunity for the business to forge a strong relationship with the consumer.

There is plenty of evidence to suggest that customer attitudes can be enhanced if a company deals with correspondence well. But the business has got to focus on what the customer is actually saying and provide a meaningful reply, not send a computerised reply that might as well begin 'Dear Sir or Madam.'

An organisation delivering poor levels of customer service is slow moving, patronising and seemingly incapable of getting the easy things right. These are the organisations who do not seem to be able to put themselves in the shoes of the consumer.

The internet revolution has made little difference to many business cultures: "A lot of companies email nowadays, and sometimes it just takes maybe a week to get back to you, and you've got no other way of getting hold of them." (1)

And it can take forever to track down the right person: "You can never get through to the right department, they just keep passing you on... you seem to spend forever just going from one person to another". (1)

The evidence shows that making customers feel important and personalising your service contributes to customer service excellence. The following pleas speak for customers worldwide:

- please use my name
- I want to be a part of the 'in' crowd
- ask me for my advice
- acknowledge me
- surprise me
- apologise
- listen

To manage service quality well is important, to manage service failures well is imperative. To achieve a process for effective service recovery an organisation needs to: constantly monitor service processes to identify problem areas; solve problems effectively; and, learn from experiences gained before and during the recovery process.

A complaint is defined by the British Standards Institute as "An expression of dissatisfaction whether justified or not".

There are a few simple steps to handling complaints effectively

- Have a welcoming and open policy on complaints. Make it easy for customers to complain if they need to. Complaints are often the most useful form of feedback.

- Provide training in complaints handling across all levels of the organisation. Educate employees in the benefits of effective complaints handling as well as the best methods of complaints handling. Provide employees with the tools and confidence to handle difficult customers calmly and rationally.

- Ensure that you have the channels to process different forms of complaint. Ensure that no channel of complaint - in person, by telephone, by mail, by email / website - has priority over the others. No matter what form a complaint to your organisation arrives in it should be dealt with in the same efficient manner.

- Log and track the progress of complaints. Keeping track of complaints and their outcomes will ensure that every complaint is dealt with. It will also provide a useful database of case study complaints enabling the organisation not only to learn from the mistakes made but also to learn which methods of dealing with particular complaints are the most effective.

When it comes to handling individual complaints:

- Thank the customer for complaining
- Apologise (even when it is not your fault)
- Imagine how you would feel in the customer's position (empathise)
- Don't automatically assume that the customer has got it all wrong
- Listen before you talk. Let the customer explain the situation in full before you set about trying to resolve the issue
- Resolve the problem as far as you are able and ensure that the customer is happy with the solution you suggest

There are some key factors to remember during process improvement:

- Use hard data to identify the real position over time;
- Understand the current business process and how it produces the current performance
- Identify an improvement in the process which will have a tangible impact
- Commit and implement the improvement whilst measuring the impact of the new process
- Repeat the process ensuring a continuous cycle of improvement

ARAGON HOUSING ASSOCIATION

Tenant involvement & customer feedback tracking system

It's one thing to invite customer feedback - it's quite another to make proper use of it. That's what Aragon Housing Association recognised in 2003 when it set up a tracking system to monitor how it was responding to its tenants' concerns.

Since its inception, the tenant involvement and customer feedback tracking system - which uses nine customer panels to keep in close touch with residents - has dealt with 370 issues. It has also led to the introduction of a customer charter and a change to Aragon's complaints policy, with deadlines being incorporated into the policy so that residents can be sure of a quick response.

LAMBETH COUNCIL'S HOUSING REFRAMING PROJECT

When Lambeth Council discovered only just over half its tenants were satisfied with its housing management service, it knew it had to act. A review found the service was expensive and outmoded, as well as unpopular, and worse was to come when it was discovered there was an investment gap of £49 million to bring the housing stock up to the decent homes standard.

But the council 's Housing Reframing Project has proved to be the cure for its ills by delivering broader access to services, a step change in the level of customer service and improved value for money. Lambeth launched the project in December 2004 after spending 18 months developing and fine tuning the system. Reframing was designed to transform the way customer service is delivered, based around a new service centre that in time will support all the council's frontline services.

The centre deals with more than 8,000 enquiries a week, 365 days a year, with a face-to-face service provided at 13 housing office front counters and local service teams based out on estates and with a high profile. The figures that have resulted have been impressive. Since the initial review, 14 per cent more repairs have been done at a cost of 7 per cent less. Overall, housing management costs have fallen by £8.3 million (19 per cent), freeing up resources that can be ploughed back towards bridging the gap on the cost of meeting the decent homes standard.

As well as more repairs being undertaken, 81 per cent of appointments are being made and kept and 98 per cent of urgent repairs are being completed on time. That all-important customer satisfaction figure on housing services is now 80 per cent, a long way ahead of the 54 per cent that Lambeth was faced with before the Reframing project.

There was also a public relations job to do. There were many misgivings among residents about a call centre and how the service centre would operate, but the team patiently put out the message that this was a way of improving the service and now 65 per cent of all inquiries are made by telephone. What is also important for the council is the new structures have created no compulsory redundancies.

7. EXPLOITING TECHNOLOGY

Technology is a double-edged sword for customer service.

There are twin pressures in the public sector to reduce costs and improve customer service. Many see automation as the key to delivering better service at a lower cost. By centralising services in single point of contact centres organisations aim to reduce costs. They go further by introducing automated self-service options which they believe will reduce costs and improve customer convenience.

Recent advances in technology have enabled operators to automate many processes that were previously dealt with by people. Improvements in voice recognition and call-routing technologies have led to the creation of voice-activated portals, allowing customers to perform a range of tasks, from simple bill enquiries to more complex fault diagnosis and reporting. Rising levels of Internet and broadband penetration have led to a parallel evolution of online self-serve solutions, from bill payment to planning application tracking.

But technology also drives complexity. And the simple theories suggesting technology improves customer experience have not always been delivered in practice.

Although some customers undoubtedly appreciate the convenience of automated systems for routine enquiries, many still require reassurance that their problems are owned and understood.

Unacceptable call answering times, untrained staff and magical mystery tours around call centres are all too common.

Technology can bring tremendous benefits to enterprises and customers alike but it has to be introduced as part of an organisation wide approach to change.

One area where technology has overplayed its hand is Customer Relationship Management (CRM). According to the Harvard Business Review, 'CRM aligns business processes with customer strategies to build customer loyalty and increase profits over time.'

Done well CRM is a powerful tool for driving customer satisfaction, customer loyalty and corporate profitability. All too often CRM has been used as a Trojan horse for selling expensive hardware and software.

CRM is no longer solely the domain of the private sector. "Citizen Relationship Management" is exploring the potential of CRM to genuinely deliver improved, citizen-centric public services which aim to raise standards of customer service delivered by the public sector.

The Government is, itself, promoting the citizen centric approach through its Transformational Government Initiative (the Government's vision of how technology should enable governments to transform the way it operates and provides services to citizens).

CRM SUCCESS IN HULL

In April 2002 Hull City Council introduced a call centre using CRM software to support all Council services through a single, easy to remember number - 300300.

This number replaced more than 250 published telephone numbers with call answering rates averaging less than 50 per cent of calls presented, and in worst cases only 10 per cent. In the first full year of operation, in support of all services, the call centre took more than 850,000 calls on behalf of the citizens of Hull and successfully answered more than 95 per cent of calls presented.

Monthly customer satisfaction surveys are undertaken and they regularly show almost 100 per cent satisfaction with the service provided through the call centre.

8. MANAGING CHANGE

It is a myth that people are afraid of change and, therefore, resistant to new ways of dealing with clients or measuring their performance. After all, how would you feel about a new car or an inheritance from a distant relative? We are not actually afraid of change, but of the unknown.

Good leadership is the key to effective management of change as demonstrated by:

- Creating an environment of trust and shared commitment
- Involving staff in decisions that impact on them
- Allowing full and genuine involvement as early as possible
- A participative management style
- Carefully assessing the implications for people management

There are many models for managing change. The simple three step model illustrated can help to plan and implement a change programme successfully.

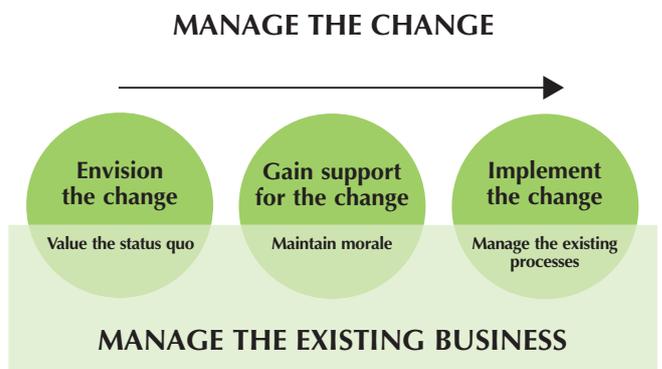In this way key questions can be addressed at each stage:

Envision the change

- Have all parties contributed to defining the vision?
- Has best practice been considered?
- Has the vision been translated into a strategy and action plan?
- Have the implications of the change been fully considered?

Gain support for the change

- Is there a strategy to involve and gain the support of the key stakeholders?
- How will all the stakeholders be kept informed?
- Have the potential winners and losers been identified?
- What plans are in place to deal with those resisting change?

Implement the change

- Have quick wins been defined and targeted?
- Are integrated plans in place to manage business processes; culture, values and behaviour; ability and capability; and organisational structure?
- Is responsibility for implementing the change programme defined?
- How will progress be measured and celebrated?

MANAGE THE CHANGE

Envision the change	Gain support for the change	Implement the change
Value the status quo	Maintain morale	Manage the existing processes

MANAGE THE EXISTING BUSINESS

TEN RULES FOR STIFLING INNOVATION

Professor Rosabeth Moss-Kanter

1. Regard any idea from below with suspicion because it's new and because it's from below.

2. Insist that people who need your approval first go through several other levels of management.

3. Ask departments or individuals to challenge and criticise each other's proposals. (That saves you the job of deciding; you just pick the survivor.)

4. Express your criticisms freely, and withhold your praise. (That keeps people on their toes.) Let them know they can be fired at any time.

5. Treat identification of problems as signs of failure. This will discourage people from letting you know when something in their area isn't working.

6. Control everything carefully. Make sure people count everything that can be counted, frequently.

7. Make decisions to reorganise or change policies in secret, and spring them on people unexpectedly. (That also keeps people on their toes.)

8. Make sure requests for data are fully justified. Data should not be freely available. (You don't want data to fall into the wrong hands.)

9. Assign to lower level managers, in the name of delegation and empowerment, responsibility for figuring out how to cut back, lay off, move people around, or otherwise implement threatening decisions you have made. And get them to do it quickly.

10. And, above all, never forget that you, the higher ups, already know everything important about this business.

9. MEASURING EFFECTIVENESS

Many public sector organisations regularly conduct large-scale market research exercises to collect information on customer attitudes to service provision. One difficulty with this approach is that such customer satisfaction surveys tend to focus on customer perceptions of service delivery whilst being unable to uncover the underlying expectations of that particular service. The result being that a selection of one dimensional statistics is produced which are difficult to analyse and do not provide sufficient contextual information to enable service managers to use them in any meaningful way.

The SERVQUAL instrument developed by Parasuraman, Zeithaml and Berry in 1988 provides a model for customer research which enables the service provider to measure customer expectations and customer satisfaction whilst at the same time uncovering customer priorities and service quality gaps. In terms of the criteria used by the SERVQUAL instrument, the originators of SERVQUAL believe that there are five broad dimensions of service quality that are applicable to any service organisations:

- **Tangibles:** physical facilities, equipment, personnel, communication material;

- **Reliability:** the ability to perform the promised service dependably and accurately;

- **Responsiveness:** the willingness to provide appropriate service and generally to help customers;

- **Assurance:** the knowledge and courtesy of employees and their ability to inspire trust and confidence;

- **Empathy:** the caring, individual attention organisations are able to provide the customer.

The original SERVQUAL instrument consists of 22 statements, each of which is related to one of the five major dimensions. Each statement appears in two forms: one designed to measure customer expectations about organisations in general in the service area being examined and the other to measure customer perceptions about the particular organisations whose service quality is being assessed.

The perceived service quality, or gap, score is calculated for each statement. A negative score implies a level of service quality from the organisation under examination which is below that expected by the customer of a service provider in this industry. Similarly, a positive gap score implies that the service provider is exceeding expectations in that particular area.

In short the SERVQUAL instrument facilitates:

- the identification of those dimensions where expectations are being exceeded and those where they are falling short

- the analysis of service quality over time to assess the impact of specific quality initiatives

- the comparison of service quality between competing service providers

- the analysis of different parts of the same service provider

- the analysis of perceived service quality by different customer groups

SERVQUAL provides organisations and their decision makers not only with information on customer perceptions of current service delivery but also on their expectations, thus enabling a closer matching of service delivery to expectations and needs.

When conducting research measure the right things, not the easiest things. Ask whether the results will be useful, whether they will lead to actions being taken, whether they are really relevant to the improvements you are trying to make? The elements which are absolutely essential to measure are customer expectations and satisfaction and employee expectations and satisfaction. Once you have these results don't just put them to rest content with a job well done - use the results to inform improvements in service delivery.

Charter Mark

Charter Mark is recognised as the tool for continuous improvement in customer service and is unique in its focus on the service the customer actually receives. Using the Charter Mark principles helps organisations determine what the customer wants and how that can be delivered effectively. Successful applicants can use the Charter Mark as a recognition of the excellence in customer service they have achieved, demonstrating to themselves and the wider public the high level of service that can be expected.

As well as the main aim of improving customer service, Charter Mark holders report that success has a positive impact upon staff morale by acknowledging their commitment to customer care and the service they

actually deliver. Many organisations are able to meet related corporate objectives as a result of applying Charter Mark principles, and some are able to map the work they do for Charter Mark against other initiatives such as Best Value, the Investors in People standard and EFQM Excellence Model. Charter Mark also has widespread public recognition, enhancing the profile of holder organisations and potentially breeding further success by attracting more customers. This web site provides further information on how to make the most of your Charter Mark success.

The Charter Mark criteria are closely linked to the government's agenda for public service reform, and therefore tend to correspond closely to the key objectives of the organisation itself. (8)

TENANTS GET UNLIMITED ACCESS TO INSPECT LANDLORD

A no-limits tenants' inspection group in Nottinghamshire has won praise from the Tenant Participation Advisory Service. Leicester Housing Association has given the team the power to carry out inspections in a move to improve customer service.

The group has been given the freedom to investigate any area it wishes, with nothing declared off-limits. The group will look at issues such as housing services, the association's handling of anti-social behaviour and repairs and maintenance.

TPAS chief executive Phil Morgan said the scheme took tenant engagement one step further. 'I think the

principle of tenants inspecting their own landlords is an excellent one. 'I think we will see more of these in the future,' he added.

Tenant inspector Lois Bodle said: 'From day one we've been keen to make sure we have a free rein to work totally independently of the association and carry out investigations as we see fit.

'Being tenants ourselves it's in our own interests to test LHA's services and explore possible opportunities for improvement.' LHA northern region assistance director Gary Kirk said he hoped the group would genuinely challenge the way the organisation operated.

10. THE A-Z OF CUSTOMER SERVICE EXCELLENCE

A is for Acknowledging customers be that in person, over the telephone, or by written communication (email, letter etc...)

B is for Best Value (obviously!).

C is for Complaints, your most useful form of feedback.

D is for Dedicated staff working within a culture of customer service excellence.

E is for Empowerment, equipping your staff with the means and freedom to deliver excellent levels of customer service.

F is for Flexibility. The rigid application of policy in all cases without exception will inhibit your ability to deliver customer service excellence.

G is for Going the extra mile. Now a cliché but still worthy of inclusion - amaze your customers by delivering that little bit more than they expect.

H is for Human. Customers like to deal with humans, not organisations and certainly not machines.

I is for Interaction with customers. If customer interactions are positively dealt with you are well on the way to achieving excellent levels of customer service.

J is for Joined-up thinking, or partnership working through which knowledge and experiences are pooled in order to achieve greater efficiency and higher levels of customer service excellence.

K is for Knowledge. The more you know about your customers the better you will be able to serve them.

L is for Listening. Truly excellent service providers do not talk, they listen.

M is for Managing expectations. Wherever possible, underpromise and overdeliver.

N is for Nurturing the culture of customer service excellence within your organisation.

O is for Ownership. Throughout the entire organisation all employees should own and feel responsible for the delivery of the customer service excellence programme.

P is for Processes, having effective processes in place to facilitate excellent customer service delivery.

Q is for Quality service provision.

R is for Recovery. When something goes wrong take action immediately to keep control of the situation and find a solution which is acceptable to all.

S is for Satisfaction. Test the effectiveness of customer service strategies by measuring customer satisfaction.

T is for Trust, keep your organisation's promises.

U is for Understanding the contributing factors to customer service excellence.

V is for Visibility. Customer service standards and details of current performance in achieving those standards should be made available to all employees and customers.

W is for Word of mouth. Impress your customers and it will work to your advantage. Upset your customers and it will damage your reputation (one unhappy customer will tell nine others (TARP).

X is for eXceptional service. Surprise your customers with the level of service you offer them.

Y is for Year in, Year out because your customer service strategy should be constantly revisited to ensure that standards and processes remain relevant and current.

Z is for being Zealous in your pursuit of Customer Service Excellence.

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