

BSBCUS501

Manage quality customer service

Release 2

Learner guide

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Aspire Version 1.1

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Contents

Before you begin	vii
Topic 1: Plan to meet internal and external customer requirements	1
1A Investigate, identify, assess and include the needs of customers in planning processes	2
1B Ensure plans achieve the quality, time and cost specifications agreed with customers	14
Summary	22
Learning checkpoint 1: Plan to meet internal and external customer requirements	23
Topic 2: Ensure delivery of quality products and services	27
2A Deliver products and services to customer specifications within the organisation's business plan	28
2B Monitor team performance to consistently meet the organisation's quality and delivery standards	33
2C Help colleagues overcome difficulties in meeting customer service standards	40
Summary	47
Learning checkpoint 2: Ensure delivery of quality products and services	48
Topic 3: Monitor, adjust and review customer service	55
3A Develop and use strategies to monitor progress in achieving product and service targets and standards	56
3B Develop and use strategies to obtain customer feedback to improve the provision of products and services	62
3C Develop, procure and use resources effectively to provide quality products and services	66
3D Make decisions to overcome problems and adapt products and services	71
3E Manage records, reports and recommendations	77
Summary	83
Learning checkpoint 3: Monitor, adjust and review customer service	84

Before you begin

This learner guide is based on the unit of competency *BSBCUS501 Manage quality customer service*, Release 2. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> Interprets and analyses textual information from a variety of sources and applies the knowledge that has been gained to evaluate standards for organisation's products and services
Writing	<ul style="list-style-type: none"> Produces a range of text types to convey information, requirements or recommendations matching style of writing to purpose and audience
Oral communication	<ul style="list-style-type: none"> Clearly articulates systems and standards in a team environment using language suitable to diverse audiences Uses listening and questioning techniques to obtain feedback and confirm understanding
Numeracy	<ul style="list-style-type: none"> Interprets and comprehends mathematical information in organisation's business and customer service plans
Navigate the world of work	<ul style="list-style-type: none"> Recognises and applies organisational protocols and meets expectations associated with own work
Interact with others	<ul style="list-style-type: none"> Identifies and uses appropriate conventions and protocols when communicating with colleagues and customers Collaborates with others, taking into account their strengths and experience, to achieve desired outcomes Provides support in field of expertise to team
Get the work done	<ul style="list-style-type: none"> Develops and implements plans using logical processes and monitors and evaluates progress against stated goals Accepts responsibility for addressing complex or non-routine difficulties, applying problem solving processes in determining a solution Uses digital technology to access, organise and present information in a format that meets requirements

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1 Plan to meet internal and external customer requirements	1A Investigate, identify, assess and include the needs of customers in planning processes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Ensure plans achieve the quality, time and cost specifications agreed with customers	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Ensure delivery of quality products and services	2A Deliver products and services to customer specifications within the organisation's business plan	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Monitor team performance to consistently meet the organisation's quality and delivery standards	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Help colleagues overcome difficulties in meeting customer service standards	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 3 Monitor, adjust and review customer service	3A Develop and use strategies to monitor progress in achieving product and service targets and standards	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Develop and use strategies to obtain customer feedback to improve the provision of products and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Develop, procure and use resources effectively to provide quality products and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Make decisions to overcome problems and adapt products and services	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3E Manage records, reports and recommendations	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Plan to meet internal and external customer requirements

Your organisation's aim should be to meet and exceed customer expectations of service. To do this, organisations need to be aware of what their customers want, how they want it and how much they are prepared to pay. Sourcing information from customers can be a complicated process. The right questions must be asked and the right sample of customers must be chosen. When the criteria for the data are created effectively, the feedback can be invaluable to the organisation's planning process and in defining its customer service plan.

In this topic you will learn how to:

- 1A Investigate, identify, assess and include the needs of customers in planning processes
- 1B Ensure plans achieve the quality, time and cost specifications agreed with customers

1A

Investigate, identify, assess and include the needs of customers in planning processes

Customer service is a multi-dimensional concept. Each potential customer has different needs concerning the types of products or services they are interested in and their perception of quality. People other than traditional customers, such as those who purchase products from your organisation, fall under the category of customers because they require you to provide a form of customer service. These people may include both internal and external customers, stakeholders of your organisation, co-workers, suppliers and other groups.

A customer's perspective on purchasing or receiving a product or service will be affected by personal, psychological and social factors. A customer-service provider must be aware of these aspects of customer behaviour, as they help to define customers' expectations and also assist in defining the level of customer service required.

Personal factors

- Unique to a particular customer and also include demographic factors, such as sex, race and age
- Influenced by who is responsible for the decision-making to purchase or receive a product or service
- Age based, as young people have different customer service expectations to those of older people

Psychological factors

- Motive – an internal energising force that orients a person's customer service expectations towards satisfying a need or achieving a goal
- Perception – the process of selecting, organising and interpreting customer service information to produce meaning
- Knowledge and ability – involves familiarity with the product or service and the capacity to increase this familiarity through learning
- Attitudes – involves positive and negative feelings about a product or service
- Personality – encompasses the internal traits and behaviours that make a customer unique
- Lifestyles – involves consistent patterns that people follow in their lives

Social factors

- └ Opinion leaders – perception based on endorsement of a product or service by respected or popular people
- └ Roles and family influences – perception of a product or service based on the expectations of you from your position within a group
- └ Reference groups – individuals identifying with the group to the extent that they take on customer service values, attitudes or behaviours of the group members
- └ Social class – an open group of individuals who have similar social rank, which determines to some extent the types, quality, quantity of products and services that a person buys or uses
- └ Culture and sub-culture – the set of customer service values, ideas and attitudes that are accepted by a homogenous group of people and transmitted to the next generation

High-quality customer service

High-quality customer service occurs when an organisation:

- meets ethical standards, such as treating its customers with respect, providing honest information and handling complaints fairly and promptly
- advises on appropriate goods and services to meet customer needs
- offers quality products and services
- provides prompt delivery.

Managing quality customer service involves planning, implementing, monitoring, controlling and reviewing all customer service processes to achieve a high standard of customer engagement. In a competitive market, it is essential that each customer is regarded as an individual and a long-term relationship is established to keep the customer returning.

In a highly competitive business environment customers often have a choice between many organisations offering a similar type of product or service. Customer service can sometimes be the only significant point of difference between these organisations.

Market orientation

A market-orientated organisation listens to its target market in an effort to meet the desired needs and create opportunities for new markets. The target market is made up of previous, existing and potential customers, all with their own perception of service.

Market research has become very detailed over the last few decades with improvements in computer analysis and data collection. Organisations can use technology to find out:

- what market share they have in a particular town
- the market share during a particular month
- an average selling price
- the rate of defects and returns
- details of specific marketing campaigns.

Customer service needs

A key responsibility for managers is to research, identify and assess customer needs during the planning process to ensure each customer category is addressed accordingly. The initial step in incorporating the needs of customers in planning processes is to identify the service needs of different customers.

The definition of a customer extends beyond the paying client. Below is a list of people who may receive service from you and may be your customer.

Customers requiring goods and services

- Board members
- Senior managers
- Co-workers, peers and frontline managers
- Members of the general public who make contact with the organisation, such as prospective purchasers
- Traditional customers and contacts
- Potential funding bodies
- Investors
- Supervisors
- Suppliers of goods and services
- Contractors providing goods and services

Service needs: board members, senior managers and supervisors

The needs of senior personnel usually relate to information, which is integral in the decision processes at the corporate level. Customer service in this area relates to the effectiveness and efficiency with which relevant information can be accessed and analysed by senior personnel. When planning to achieve a quality service relationship with senior personnel, presentation, relevance and speed are the key factors. Tools for providing quality service within an organisation are shown below.

Knowledge management systems

Effective knowledge management systems (KMSs) provide users with the information they are seeking, often in a graphical or text-based report format.

Customer relationship management systems

A part of the KMS, the customer relationship management (CRM) system provides customer data that you may need to manipulate and analyse for senior-level scrutiny.

Software

Senior personnel are used to seeing information laid out in an easy-to-use format. Using effective presentation software adds a level of quality to the service provided to these internal customers.

Service needs: colleagues

Peers, co-workers and frontline managers fall under the category of colleagues. The service these people require is more personal than those of senior personnel. These requirements are similar to those for external clients; however, colleagues require consistency to a higher degree than most external clients. This is because your contact with them may be more frequent. Additionally, colleagues may require information and direction from you in order to complete their tasks.

Planning a quality service approach for colleagues must include attention to timeliness, quality of work, organisational policies and procedures, and personal interaction.

Quality service to colleagues means:

- prompt replies to queries and other communications
- commitment to the task, role and organisation
- friendliness and courtesy.



Service needs: traditional customers

External, traditional customers (members of the general public) have a range of needs. Staff they have contact with need to be polite, helpful, prompt, efficient, knowledgeable, able to identify needs, honest, flexible and presentable. In addition, products and services need to be available, of good quality, at a good price, with a wide selection to choose from and be available with suitable warranties or guarantees. Delivery (where appropriate) should be prompt with items delivered safely and in good condition. The organisation should be open at reasonable hours, with signage to direct customers, fast checkout, after-sales servicing, a refund policy, a lay-by system and systems in place to handle complaints.

Service needs: end-user profiles

Assessing the needs of end users can take time and effort. End-user profiles can be developed using data sourced from various primary and secondary research providers, as well as through your own customer relationship management (CRM) system and knowledge base. You can develop your analytical skills through professional development, reading current articles and industry journals, and seeking the advice of experienced practitioners.

As shown below, end-user needs are usually aligned with target market information.

Demographics

Age, gender, ethnicity, education, occupation, income level, family make-up, location

Geographic segmentation

Region, state, population density, population growth rate, climate

Psychographics

Personal values, lifestyle, buying habits, temperaments, task or work orientation

Socio-cultural dimension

Cultural and religious habits, risk aversion, social habits

Political–legal dimension

Political stability, political influences, legal and ethical framework of the society or region, governmental controls (police, law, court systems)

Behavioural segmentation

Current users of product/service versus non-users, usage rate, price sensitivity, brand loyalty, benefits sought in purchasing

Technology

Reliance on technology, rate of technological uptake

Service needs: research customer requirements

A manager can use technology skills to conduct research and efficiently manage the customer relationship management systems, or train and delegate this responsibility to a team member.

Customer relationship management systems can be complex, or they can simply be basic data retrieved from the company's point-of-sale (POS) system, which can gather useful data quickly. Trained sales or service personnel ask for the appropriate data from end users, which can be analysed and entered into an organisation's KMS. Alternatively, the data can be reviewed by line managers to assess quality issues and customer requirements. Analysing the data to ensure customer needs are planned for requires a high level of reliance on the accuracy and relevance of the information, and marketing professionals are often used to create end-user profiles.

Data from CRM systems or external research agencies is useful to highlight changes in customer needs and also to identify trends in demand, as shown below.

Highlight changes in demand

Data from CRM systems or external research agencies can highlight various changes and trends in customer demands, both general and industry specific; for example:

- many customers now prefer buying online
- customer demand for latex and memory foam mattresses has risen dramatically in the last five years.

Identify trends

Research data can also identify trends in price, location and concentration of sales areas, preferred retailers, and so on. This can assist companies in planning for future customer needs.

Service needs: investors

Stakeholders, such as investors and other external funding bodies, are also customers of your organisation. They supply money and may expect recognition, a share of the profits or to be aligned with your company.

Measures of quality service for these customers include return on investment and other financial indicators as well as prompt, accurate and relevant supply of information (including prospectuses and company reports as required and authorised). Also expected is a willingness and openness in dealings between the entities.

Planning to meet investor needs requires knowledge of privacy and confidentiality laws and guidelines. The planning process can focus on the prompt provision of relevant, accurate and useful information in a format that suits the individual investor's needs. Public relations or investor managers are sometimes appointed to ensure information follows these guidelines.

Investors may include:

- shareholders
- project sponsors
- venture capitalists
- joint-venture partners
- donors.

Service needs: suppliers

Every organisation has inputs and outputs. Inputs provided by the suppliers are required to create the necessary environment for outputs provided by the organisation. Suppliers' needs vary greatly but usually include:

- compliance with payment terms and other contractual terms of trade
- honesty
- willingness to achieve a win–win relationship
- consistency.

Planning to meet these needs requires strong, open communication at the beginning and throughout the term of the supply agreement. Honesty in the initial negotiations reduces the risk of future conflicts.

Consistency here refers to the suppliers' desire to meet the terms of the contract and not be unwittingly forced into a bidding war, over-supply, or reduction in orders within the control of their customer.

Recommendations for service planning

Customers have varying needs concerning service and different perceptions of quality. It is essential that the results of your research are documented and incorporated into the organisation's business and strategic operations plans as well as into each section's business goals and objectives.

If your role is focused on internal customers or suppliers, information provided should be presented to meet their needs.

Using your research, develop plans that will indicate how you will:

- conduct your marketing
- provide services
- treat customers
- arrange product delivery
- foster relationships
- deal with complaints
- manage meetings and information sharing
- develop solutions to possible contingencies

Example: reliability of data from market research companies

Market research company CL and Co. is contracted to provide customer research data to a national electrical retailer whose managers are interested in establishing customer needs. Performance across various aspects of the retailer has decreased and the reasons have not been determined. It is identified that customer needs may have been assumed and not known.

The research provides data that shows that young people are not associating the brand with technology, possibly contributing to low sales of computers and high-tech consumer electronics.

The company uses the data to develop a new national advertising and branding campaign. Despite a reworking of the company's image, including an updated logo and jingle, follow-up research shows very little change in consumer perception. Senior managers decide that the data is either not an accurate reflection of consumer sentiment or is not relevant to the company's objectives.

Responsibilities of a team manager

The main responsibilities of a team manager or supervisor is to develop strategies to manage organisational systems that ensure products and services are delivered and maintained to agreed standards. To provide quality customer service to your customers, you need to have a well-trained team and be able to resolve complaints and apply the principles and techniques involved in the management and organisation of:

- customer behaviour and relations
- customer needs research
- ongoing product and/or service quality
- problem identification and resolution
- quality customer service delivery
- record-keeping and management methods
- strategies for monitoring, managing and introducing ways to improve customer service relationships
- strategies to obtain customer feedback.

Practice task 1

Read the case study, then complete the tasks that follow.

Case study

The team you manage is responsible for selling equipment and supplies needed for infants wholesale to retailers. Products include car seats, prams, strollers, cots, nappies, sleepwear and toys.

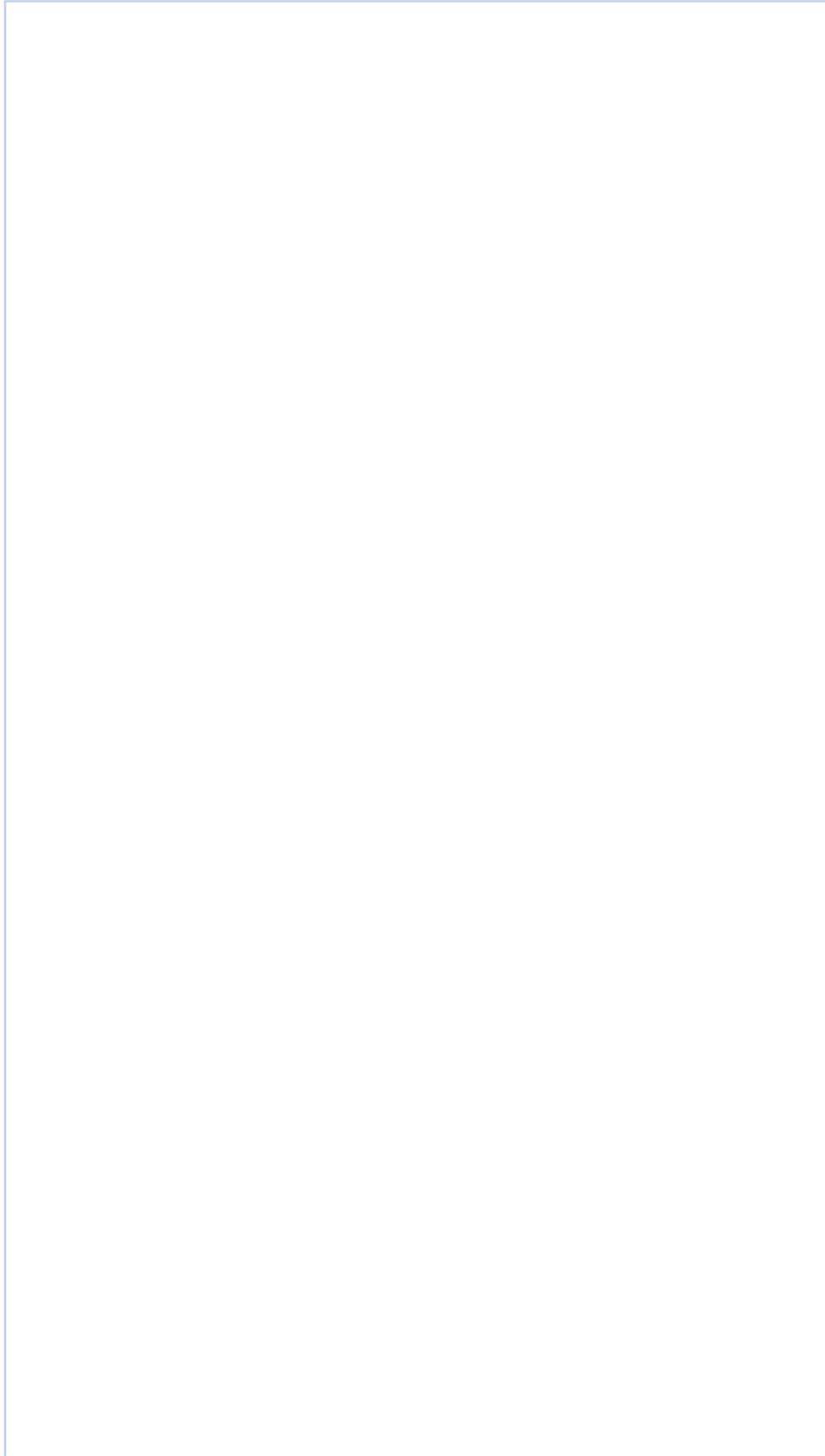
In the last two years, there has been a sharp decrease of sales. A number of retailers have closed their businesses, as sales have been slow.

1. Indicate who your customers are.

2. Brainstorm a range of factors that may be affecting sales.

3. Brainstorm your customer service needs.

4. Describe a means of assessing and analysing customer service needs to potentially improve sales.

A large, empty rectangular box with a thin blue border, intended for the student to write their answer to question 4. The box occupies most of the page's vertical space below the question.

1B

Ensure plans achieve the quality, time and cost specifications agreed with customers

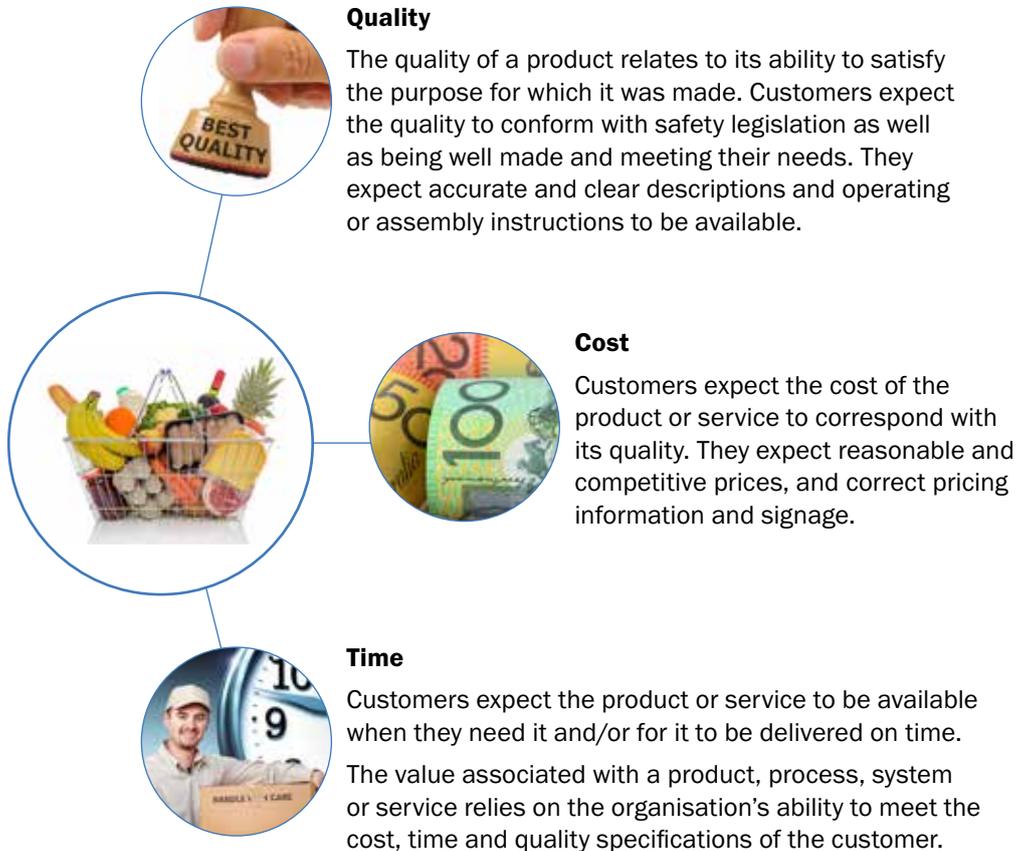
Customers demand a certain level of service that can either be explicit or implicit. Explicit demands usually involve cost, quality and time; for example, 'I want product X for \$30 [cost] because it meets my requirements [quality]; and I want it by tomorrow [time]'. Implicit service qualities include characteristics such as perceived helpfulness and willingness, product knowledge and returns policies.

Most explicit, and some implicit, service levels are dictated under the *Competition and Consumer Act 2010* (Cth) and state/territory legislation. Product quality, including safety, is not only desirable, but also a legal requirement.

Identify customer requirements

You need to research what your customer base requires in relation to the products and services your organisation offers.

Customers expect to receive high-quality goods or service. Quality refers to the characteristics of a product, system, service or process that meet the requirements of customers and other interested parties. These characteristics are generally discussed in terms of the value offered to a customer. Quality, cost and time are three components that contribute to value. These are discussed below.



Identify trends in products and services

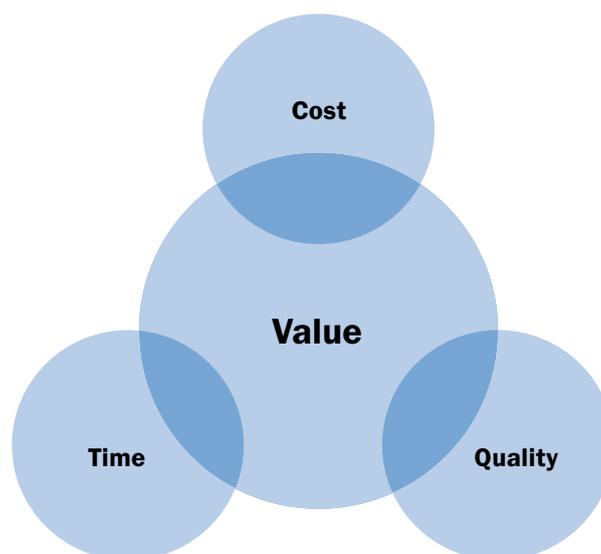
As part of your responsibilities, you need to keep abreast of trends and influences regarding the products and services your organisation provides. Regularly conduct market research to identify how any changes in the market may impact customers' needs and buying patterns. For example, because of economic conditions, do customers want the choice of cheaper alternatives?

Time is often a crucial factor. Do customers now prefer to purchase online rather than visit a store in person? Does your research show any of your products being very slow movers because they are outdated and no longer meeting customers' needs? Do the services you provide take advantage of new technologies? What is the likelihood of customers moving to your competitors if the products and services offered do not keep up with changes in design, manufacturing, technology and delivery? Use a spreadsheet to present and graph data on the organisation's market share.

Plan to meet expectations

A plan for delivering quality customer service should take into account the specific cost, time and quality specifications data provided by the customer research.

Be careful to avoid the mistake of grouping your market into large categories. The larger the category, the less useful the data. Conversely, when the categories are too small, creating an effective plan may be difficult, as service requirements become uneconomical. An example of the 'too large' category is when you place customers in a group according to characteristics of their generation, such as baby boomers or generation X. Categories that are too small may involve categorising customers by their gender and suburb.



Create a customer service plan

The six main steps for creating a customer service plan are shown below.

Follow these steps to develop a customer service plan.

- 1** Determine customer service vision (objectives).
- 2** Identify customer categories.
- 3** Analyse customer feedback and determine specific needs.
- 4** Compare the needs with the current service approach.
- 5** Collaborate with stakeholders to ensure a new approach has sufficient input and buy-in.
- 6** Train staff to meet requirements of customer service plan.

Elements of the plan

Common customer service plans follow a proposal layout and are generally made up of the elements described below.

Vision and overview	<p>The organisation's vision is a statement that summarises the organisation's approach to quality customer service.</p> <p>The overview/rationale/scope statement covers the reasons behind the plan and may make reference to recent research data or factors that have recently affected the company.</p>
Goals and objectives	Use specific, measurable, achievable, realistic and timely (SMART) goal statements.
Customer definitions	Show a breakdown of the categories your company will use to define the needs and actions of the plan. Each category should include an indication of market share; for example, the category 'People under 18 years' may comprise 12 per cent of the total market.
Customer feedback	Present the data you have used to create the plan. Effective use of pie charts or other visual representations is useful for this purpose.
Gap analysis	Identify quantitative and/or qualitative gaps that have been identified between the current service approach and the data. A summary of this information can also be used within the rationale/overview.
Strategies for improvement	List the plans you have recommended based on the analysis. This often takes the form of a table, with each aspect of product, system, service and process addressed. The strategies must be clear objective statements .
Communication processes	Describe how the strategies will be communicated throughout the organisation.
Time lines	Schedule training and implementation of the new approach.
Budget	Summarise the costs for implementation. This may require you to extrapolate financial data. It is often useful to include the costs the company would incur if you did not implement the plan.
Summary	Include your key recommendations, schedule, costs and rationale.

Review the plan

The plan should be reviewed against the original data to ensure the strategies meet the needs reported by the research. Managers can get caught up in the process of creating a document for presentation to senior managers and lose sight of the specific needs they are trying to address.

You can find more about developing a customer service plan at the Smallbusinessstown network website at: www.smbtn.com/books/gb51.pdf.

This website offers a light-hearted presentation with maxims and terminology used in the customer service environment to develop sound customer relations.



Example: effect of service complacency

A high-profile Japanese electronics company uses a state-of-the-art knowledge management system to collect, analyse and display customer service data to senior executives. Of particular concern is the waiting period of after-sales inquiries for end users. The system measures waiting times, parts ordered, the logistical processes and much more. A manager can tell where a spare part is and when it will be delivered anywhere in the Asia-Pacific region.

Managers and customer service staff are not aware of a particular vision for service quality within the organisation. As such, customers are not contacted while parts were on order, and long waiting periods are not monitored and chased up. State managers and sales representatives are getting 'caught up' in the end-user complaints as waiting periods, mixed with the lack of contact, create a difficult situation. The cost to the company in time and reputation is extensive.

Example: using research results to modify customer service plans

Managers at an Australian paper manufacturing company are conducting research to establish the needs of its customers and to use the data as a benchmark for a customer service plan. They need to ensure customers' needs are at the heart of any quality service decision.

They conduct a review of service channels that compare self-service FAQ pages, email feedback, live chat and phone support services. Quantifiable measures include:

- costs, such as cost to handle each customer
- revenue impact
- time spent providing the service
- customer experience (satisfaction ratings)
- general recommendations.

The survey results show that phone support service has the highest value and highest margin for any of the customer service elements. However, the company's research measures are directed at how its service channels benefit the company, not the customer. In other words, they are looking at the results from a manager's point of view and not a customer's. For example, for the organisation, telephoning is the most cost- and time-efficient form of contact, whereas from the customers' perspective phone service is the highest cost and most time consuming.

When the managers see how the results have been misinterpreted, they devise an alternative research program to focus on the customers' perspective.



Practice task 2

A customer service plan should include how you will deal with quality, time and cost issues. Consider the knowledge required to deal with complex and varying customer issues. Use the information in this table to briefly describe a technique for managing the issue or complaint for each of the categories listed. An example is provided to get you started.

Category	Common issue	Management technique
Customer behaviour	Not happy with the level of personal service.	Implement a complaints resolution technique, such as the win-win collaboration approach.
Customer needs research	Sample was taken locally and the organisation appears to meet all the local and regional needs.	
Customer relations	CRM system is not utilised properly by staff.	
Ongoing product quality	Product breaks down after warranty ends.	
Problem identification and resolution	Long-term after-sales service issue was not identified until there were significant financial losses.	

continued ...

... continued

Category	Common issue	Management technique
Quality customer service delivery	'One customer loves our company, while another thinks we're useless!'	
Record-keeping and management methods	Unable to locate customer issue history on the CRM system.	
Strategies to obtain customer feedback	Old approach of outsourcing research has proven too expensive.	

Summary

1. Customers can include board members, colleagues, end users, potential funding bodies, supervisors and suppliers of goods and services.
2. Each customer has different needs concerning service and perceptions of what quality means.
3. Data from customer relationship management (CRM) systems or external research agencies can highlight various changes in customer demands.
4. You need to research what your customer base requires in relation to the products and services your organisation offers. Generally, this includes high quality, value for money and prompt delivery.
5. A plan for delivering quality customer service should meet the specific cost, time and quality specifications data provided by customer research.
6. Be careful to avoid the mistake of grouping a market into large categories. The larger the category, the less useful the data.
7. Take the time to review the customer service plan against the original data to ensure the strategies actually meet the needs reported by the research.

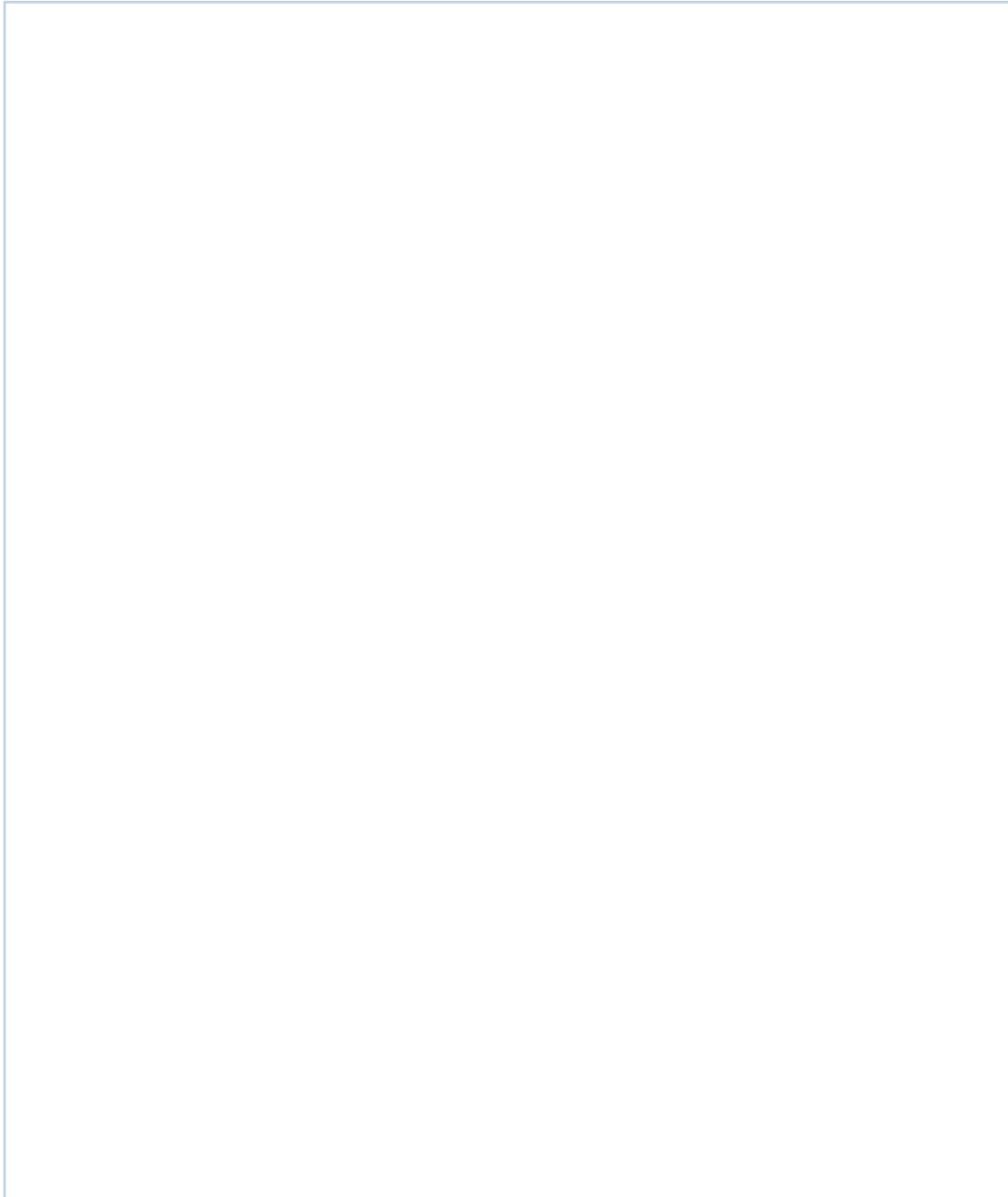
Learning checkpoint 1

Plan to meet internal and external customer requirements

This learning checkpoint is designed to confirm your skills and knowledge with respect to planning to meet customer requirements.

Part A

1. Create a customer service plan for your organisation (or an organisation with which you are familiar, such as a sporting group or local business) that meets internal and external customer requirements. The plan can include simulated data if real data is not available. Describe how you address some of the customer issues highlighted by the research.



2. Review your plan against existing customer feedback. Use the following checklist to ensure it meets the required dimensions of customer service:
- Quality specifications highlighted by the customer were addressed.
 - Time specifications highlighted by the customer were addressed.
 - Cost specifications highlighted by the customer were addressed.



Part B

Read the case study, then complete the tasks below.

Case study

A customer service plan is initiated at Olym Gas Supplies after a customer survey identifies the following quality service gaps:

- Delivery time of new cylinders to consumers averages 1.5 days over the benchmarked standards.
- An unknown number of phone inquiries have been missed due to the single-line phone system.
- Repeat business represents 48 per cent of business. This is below the required standard of 75 per cent.
- Olym customers are very happy with the price of gas. On average it is 12 per cent lower than the competition.

The service plan includes a recommendation to install a better phone system that could handle up to four lines, and a review of the delivery schedule process.

1. Explain how the two measures recommended by Olym show concern for customer needs.

2. Describe any further recommendations you would make to Olym management to ensure the plans achieve the quality, time and cost specifications of the customer.



Topic 2

Ensure delivery of quality products and services

Customers require timely provision and utility of products or services, as well as to be understood, made welcome and to feel comfortable when doing business with an organisation. An important question, therefore, is whether the organisation is capable of satisfying these needs. Delivering consistent quality, competitive prices and an ability to adapt to the needs and requirements of the client builds a positive, enduring customer relationship. Managing the consistent delivery of quality products and services requires intimate knowledge of customer needs, an ability to manage the service team's performance, and the ability to assist when difficult situations occur.

In this topic you will learn how to:

- 2A Deliver products and services to customer specifications within the organisation's business plan
- 2B Monitor team performance to consistently meet the organisation's quality and delivery standards
- 2C Help colleagues overcome difficulties in meeting customer service standards

2A

Deliver products and services to customer specifications within the organisation's business plan

According to reports from primary industry groups, quality is still the main driver for purchase decisions in the business-to-business sector. Consumers or end users are driven more readily by perceived value. Your organisation's business plan should clearly highlight the buying preferences of your target market, or at least recommend further research to develop market intelligence. This is the goal of market-orientated organisations.

Focus of the organisation

The type of business plan and how it is communicated and implemented depends on the size and nature of the business. Some organisations have an overarching business plan developed by senior management. Executives are then charged with the responsibility of ensuring each department has its own operational plans that align with the objectives stated in the business plan. Each plan should specify the characteristics of the particular target markets for the specific division, section or team. The market research should focus on the needs within each market and report back to that divisional management team. Customer service is orientated towards the results of the market analysis.

Small businesses generally focus on marketing areas such as franchise districts or demographic determinants; for example, the baby furniture market, denture provision or jewellery customers. Narrowing down the market and collecting specific market data enables quality customer service planning.



Market determinants

Market determinants can involve the individual needs of millions of consumers within thousands of markets. Price, quality and time are useful to customer service planners and managers. These aspects are described in detail below.

Price

Price elasticity of demand measures the responsiveness of the market to changes in price.

- Inelastic demand applies to goods that will be purchased regardless of large variations in price, such as drinking water and power.
- Elastic demand applies to goods that are very sensitive to price movements where alternatives may exist, such as sugar or coffee. There are limits to the price that end users will pay for goods. An intelligent organisation uses this information to set its pricing policy.

Quality

Clients prioritise quality as a buying determinant. The reasons vary, but mostly this is due to the utility of the product they are buying. For instance, if the product is a part of a larger product, such as an automobile part, then its quality will reflect the client's product quality.

In consumer purchases, quality is weighed against the family or personal budget. In an effort to get the best quality for the money spent, consumers will look for the overall value proposition. This balance varies between demographic market segments, with disposable income being a significant determinant.

Timeliness

A market's sensitivity to time is different for service industries and product-based industries.

Service industry clients are the most sensitive to time; the gap between paying for the service and receiving the service often needs to be short. Consider your sensitivity to time when waiting in a restaurant; the longer you have to wait, the more likely you are to perceive a lesser quality and attention to customer service.

Product supply varies greatly, depending on the product; for example, a corner store will have a time-sensitive client base, whereas a client who needs an item that has to be imported generally agrees that this will take time, as long as they are told the conditions and waiting time. Even with large-scale projects, such as building a house, realistic time lines should be clearly articulated and maintained if customers are to have confidence in the organisation's customer service.

Time is a factor in the perception of quality across all industries. When planning your customer service approach, you should be aware of the expectations your customers have of timeliness.

Public relations and product promotion

Promotional strategies are an important feature of an organisation's business plan. These are a public relations tool to increase market awareness and ensure clients understand the quality of the products and services as well as its pricing and time-line policies.

You should be familiar with all current campaigns and the information developed to promote the products and services. Identify ways to increase the effectiveness of all informative material both within and outside of your existing customer base. The aim of a public relations tool is to keep customers aware of the organisation's products and services and satisfied with their purchases so they will return to the organisation as repeat customers. Develop your knowledge and expertise in this area through professional development and networking.

Measure service levels

Planning should ensure you measure the level at which your new customer service plan meets the expectations of your target market. There are several tools for gathering metrics to ensure your delivery of service meets both the planned outcomes and customers' expectations. Best practice models include the use of scorecarding, structured query language (SQL) server tools and database management systems. Each of these is described below.

Scorecarding

A scorecard is a list of key performance indicators that presents current data for a business process or strategic goal against performance targets. Scorecards are used to provide a quantitative measure of a particular service level. An example of a scorecard system is the Cognos business metrics tool used by IBM.

Structured query language server tools

Structured query language (SQL) is a database software format for managing large quantities of data. This allows a wide array of customisation. The web-based appearance and access model allow service managers to model the system to meet their needs.

Database management systems

SAP and Oracle are examples of database management systems that perform as measuring tools. Some organisations have proprietary systems developed in house. As long as the system aligns with organisational objectives (including target market expectations), you should be able to measure the performance of a customer service strategy against baseline metrics.

Example: Cognos business metrics tool

IBM's Cognos business metrics tool is an example of a scorecard system. It is used by several of the top 100 global companies as a means to measure performance and monitor key indicators in a 'live' computer-based environment. The system is an online analytical process that provides up-to-the-minute data from an organisation's knowledge management system. From a recent white paper, the organisation notes:

'Historically, companies have relied on financial metrics to support these decisions. But this approach is proving increasingly ineffective. Financial metrics only reveal the effect of decisions made in the past. In a complex and challenging economy, companies need forward looking, or "leading" metrics that are tied to the company's value drivers. Leading metrics, like customer satisfaction, based on cause-and-effect relationships can alert companies to problems before they adversely affect the bottom line. For example: declining customer satisfaction can point to an eventual drop in overall revenue or a loss of market share.'

(Reprint courtesy of International Business Machines Corporation, © 2009 International Business Machines Corporation.)



Example: a flexible approach to customer needs

A leading Australian technology finance company provides a business technology rental solution through various Australian retailers. The company approaches its clients with an open, collaborative view to meeting requirements. Their business model involves direct dealings with end users as well as partnering with the technology retailers. To ensure their product is meeting the needs of both the end users and their business partners, the company develops several sales tools to demonstrate the repayment and tax benefits over time (for end users) and to assist sales people in recommending their product.

The 'What's in it for me?' philosophy for the retailer also needs to be addressed. To maintain the interest and business of each retailer, the company creates several promotions throughout the year and awards significant financial incentives to the retailer and salespeople. This depth of customer interaction results in the organisation becoming the largest provider of consumer rental finance in Australia.



Practice task 3

Select an organisation you are familiar with to perform the following tasks.

1. Identify the target market for a product or service provided by the organisation.

2. Record a list of the expectations a customer may have (covering price, quality, timeliness and overall value).

3. Identify any trends that may affect the product or service. Why is this information useful to a customer service manager?

4. Create an approach to meet the needs of the customer and ensure the approach remains consistent with the organisation's business objectives.

2B

Monitor team performance to consistently meet the organisation's quality and delivery standards

A team's performance relies heavily on the abilities of its leader. As a manager of a team, your role is to guide, support and monitor team members to achieve the team's goals and, in turn, the organisation's objectives. You need to make sure each member understands the organisation's standards for customer service, and regularly monitor their performance by observing them, checking their results, analysing feedback received from others about their performance, and arranging team meetings to discuss progress.

Quality and delivery standards

The International Organization for Standardization (ISO) has created many guidelines to address the various dimensions of customer service. They include:

- ISO 9004:2000 Quality Management Systems – Guidelines for performance improvements
- ISO 10001:2007 Quality management – Customer satisfaction – Guidelines for codes of conduct for organizations
- ISO 10002:2004 Quality management – Customer satisfaction – Guidelines for complaints handling in organisations
- ISO 10003:2007 Quality management – Customer satisfaction – Guidelines for dispute resolution external to organizations.

The International Customer Service Standard (ICSS) is an Approved Standard of the International Standards Accreditation Board (ISAB).

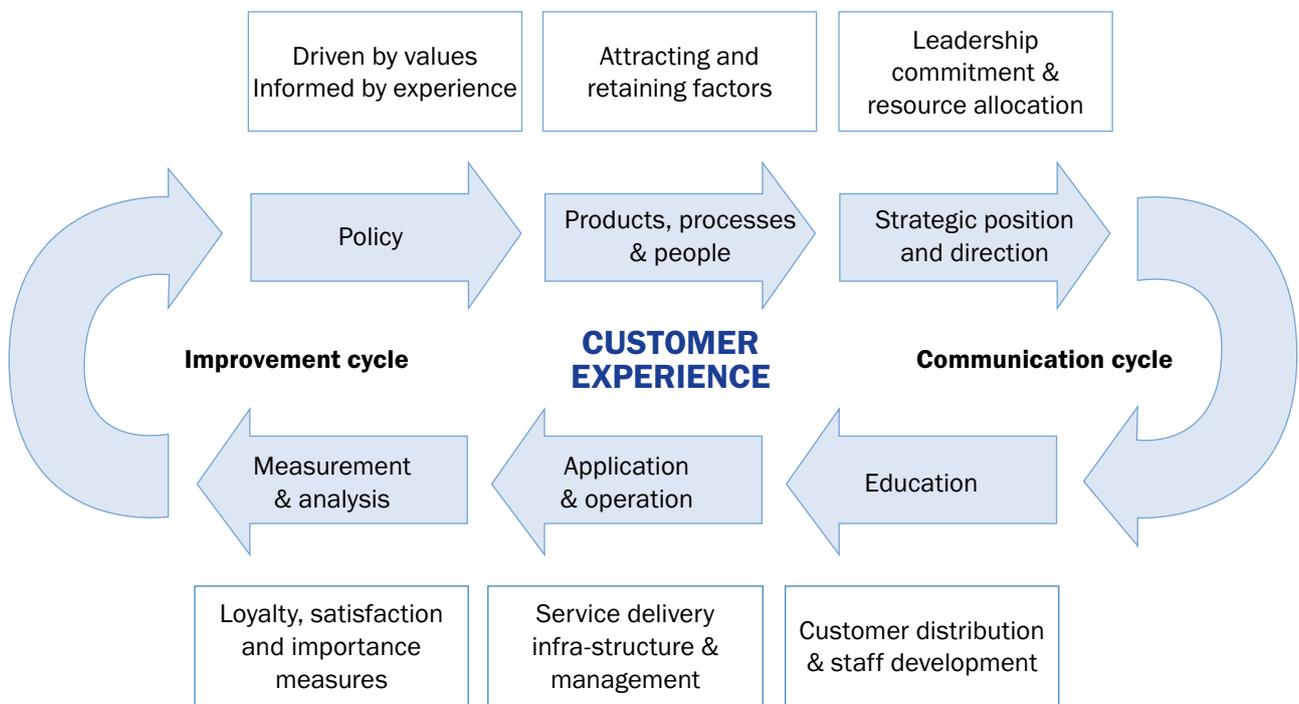


International Customer Service Standard

The Customer Service Institute of Australia (CSIA) has adopted the International Customer Service Standard (ICSS) for application throughout its membership, which includes organisations such as Woolworths, ANZ, Westpac, Queensland Rail, AMP, AAMI, Westfield and Nokia.

The standard uses an all-encompassing system, as depicted in this diagram, centred upon the customer experience. An organisation’s policy, products, processes, people and strategic proposition form the baseline of the service quality. The methods used to measure, analyse, apply, operate and educate are scrutinised to ensure continuous improvement is practised (these are pictured underneath ‘customer experience’ in the left-facing arrows).

An organisation may wish to align to the ICSS or simply create its own individual standards through the use of policy creation and procedural documentation.



(ICSS diagram reproduced with permission of the International Customer Service Institute.)

Legislative requirements

In addition to quality standards, team members must be familiar with key provisions of legislation that may affect customer service delivery. As a manager, you need to keep up to date with legislation and disseminate information promptly to team members to ensure they understand their obligations and responsibilities. Regularly monitor your team's performance. Crucial areas of legislation that need to be routinely checked are shown below, along with an example of each.



Equal employment opportunity

Ensures that employment practices hire the best applicants for supporting the delivery of quality services to customers. It also ensures that all employees have fair access to appropriate training and development to support better service provision for customers.

Example: Older people should not be discriminated against in seeking employment as sales assistants where customers are predominantly younger people.



Anti-discrimination

Anti-discrimination principles support respect for the social and cultural backgrounds of all customers and ensures fair and unbiased services to all customers.

Example: No customers should be discriminated against in promotional material or when dealing with customers.



Consumer laws

Competition and consumer protection laws set out customer rights and guarantees that must be met.

Example: Legislation contained in the Competition and Consumer Act 2010 (Cth) deals with ensuring the quality of products and services, behaviour when dealing with complaints, return of goods, and so on.



Privacy laws

Privacy legislation sets out customer protection concerning privacy. This may include requirements for what customer information is collected, how it is collected, how it is stored, how it may be used and when it must be used.

Example: Ensuring personal information is kept secure.



Industrial relations

Industrial relations legislation covers factors such as how employees must be remunerated for providing customer services; qualifications and licences employees must hold; reasonable working hours; and other employment conditions.

Example: Ensuring restaurant staff have accredited and up-to-date training in the responsible service of alcohol.



Codes of practice

Codes of practice are used for setting voluntary or compulsory industry requirements for the provision of specific products or services to customers.

Example: Understanding and applying the code of practice that outlines service standards for your industry.



Financial transactions

Legislation ensures that the financial transactions of customers are receipted and that electronic payment processes are secure.

Example: Ensuring receipts are issued to allow customers to check for possible pricing errors.



Work health and safety

Work health and safety legislation ensures that all employees and customers are in a safe or secure environment when customer services are being provided.

Example: Ensuring that an emergency plan is in place and the team practises for evacuation in the event of fire.

Meet standards

Once standards are implemented and legislative requirements identified, you need to conduct organisational learning and monitor team performance to ensure everyone understands and applies them in their work practices. Methods include:

- formal training: presented by managers or trainers
- informal training: such as peer-group meetings, role-modelling
- trial and review: to ensure standards and legislation are being adhered to
- opportunities for feedback and improvement: formal or informal.

You can read more about customer service standards and other best practice customer service information on The International Customer Service Institute's website. Visit their website at: www.ticsi.org (membership may be required to access some areas).

Additionally, you may feel it is valuable to be a member of the Customer Service Institute of Australia. It is Australia's peak customer service organisation dedicated to improving the standards of customer service both at an individual level and at a corporate level. Visit their website at: www.csia.com.au.

Support personnel to meet standards

With the baseline set, supporting personnel to meet standards involves people management skills. You may like to refer to publications and websites that offer insights into various management techniques.

When monitoring team performance, consider the strategic objectives of the organisation and the organisation's quality assurance and management systems. These should incorporate tools and systems that improve performance continually at the organisational, divisional, team and individual levels, and develop the organisation, teams and individuals. They should also include ways of correcting unsatisfactory behaviour and encouraging positive behaviour. It is important to understand and comply with legislation; for example, equal employment opportunity and industrial relations requirements.

There are many techniques for managing behaviour, including those shown below.

Behavioural psychology

Understanding the drivers that initiate certain behaviours; promoting the positive ones and avoiding the negatives

Group and organisational dynamics

Creating a group environment where individuals feel able to contribute to the organisational outcomes

Individual behaviour management

Using personnel charts or other tools to demonstrate desired performance; for example, employee of the month; counselling outcomes

Maintain consistency

An effective customer service process should include techniques or systems for continuous improvement, which often serves as a measure of consistency.

Delivery of quality customer service can vary greatly within an organisation where individuals can have bad days and conflicts arise. Each occurrence should be entered into the customer service system to be analysed by the manager or people responsible. Over time, occurrences should be reduced as improvements are implemented.

Celebrating consistently good performance is a simple method of promoting positive behaviour.

You can read about barriers to effective communication and an explanation of simple methods for avoiding or overcoming them in an article by Ezine @rticles called *The barriers to effective communication*. It is available at: <http://ezinearticles.com/?The-Barriers-to-Effective-Communication&id=1210011>.

Service charters

Many organisations develop service charters, also known as customer service policies, which provide a framework from which all staff can work.

A service charter usually includes statements of service expectations and standards. As a company policy, it generally underpins employment standards and work performance.



Example: a service charter

A New South Wales training organisation is developing its network of writers. The writers' role is to create quality training materials for the organisation as needed, and for external organisations as the opportunities arise. As a part of the organisation's quality management system, the manager develops a set of writing project management standards. The standards, by which the organisation measures performance for both internal and external clients, include the following:

- Meets the style guide provided to the writers (an all-inclusive document)
- First draft: Grammatically correct and +/-10 per cent of the word count
- Provided by close of business on the day of the defined deadline

To monitor performance, the training company's manager requires regular updates on a provided form and samples of the work submitted at periodic intervals. The system allows the organisation to effectively manage client expectations of both quality and timeliness.



Practice task 4

Prepare and conduct an interview with a customer service manager. Identify how the manager ensures quality customer service is provided and how customer service quality is monitored. Identify how the manager ensures legislation is complied with. Summarise your findings.

2C Help colleagues overcome difficulties in meeting customer service standards

Customer service issues can range from personality conflicts and disagreement over price through to physical threats and legal action. Managing staff in a customer service role requires knowledge of the various methods of conflict resolution and ways of applying them to the team through effective leadership, supervision, coaching and mentoring.

You need to understand the organisation's policies and procedures in regard to handling customer complaints, such as recording the complaint, behaving ethically and using appropriate communication, problem-solving and negotiation skills to resolve the issue.

Staff will often experience difficulties in the areas of customer contact and/or information management. Some of the more common difficulties related to customer contact and information management are listed below.

Customer contact	Information management
<ul style="list-style-type: none"> • Handling customer complaints • Addressing customer behaviour • Relating to customer needs using empathy • Relaying product knowledge • Obtaining customer feedback 	<ul style="list-style-type: none"> • Product knowledge • Record-keeping and management methods • Understanding customer inquiries • Aligning products and services with needs

Reduce customer contact difficulties

Customer contact difficulties relate to an individual's ability to communicate. Difficulties can arise when staff members are nervous, impolite, unsure, stubborn or are not committed to their customer service role. Communication can also be difficult if language, literacy, physical abilities or cultural habits prevent the accurate transfer of information. Barriers to effective communication may be reduced through understanding, knowledge and experience.

Pass on your tips and techniques for solving problems and dealing effectively with customer inquiries, complaints or difficulties, especially for customers with special needs. For example, it may be useful to provide information in the customer's first language, use an interpreter, ensure the customer has their hearing aid turned on, repeat the complaint to clarify the issue, arrange for another member of staff to be present when resolving an issue, or go through promotional information with the customer so they understand more about the product or service.

The following is a useful set of instructions for dealing with customer contact difficulties.

Ways in which you can deal with customer contact difficulties

1

Acknowledge the customer's difficulty and show concerns for their feelings.

2

Remain professional at all times. Remove emotion from the interaction so the difficulty is not taken personally. Ensure all parties are calm before proceeding. Your colleagues may require time to focus on the objectives; the customer may require time to be heard.

3

Make sure you understand the customer, especially if English is their second language or they come from a different background from you. Seek the help of experienced staff or those familiar with the person's language and traditions if these constraints are hampering your ability to deal with the situation.

4

Keep to the facts. This may be price, quality, timing, and so on. Make sure the customer confirms that they understand the problem. You may need to rephrase the customer's statements to be sure both parties understand the situation.

5

Negotiate and aim for a win-win outcome. Provide a clear resolution to the customer and check that the customer understands the agreement.

Improve customer service through training

As a manager you need to have well-developed communication skills to ensure you provide clear and accurate information; can implement strategies such as coaching, mentoring and counselling; and effectively pass on customer service techniques to others. Here are some suggestions to assist staff in perfecting their customer service roles by providing a range of training and support options, especially when dealing with complex and non-routine difficulties.

Coaching

Organise one-on-one coaching using explanation, demonstration and imitation techniques.

Role-modelling

Role-model effective communication strategies for dealing with difficult customers.

Mentoring

Match the staff member to an empathetic and experienced mentor. Use role-modelling and coaching skills to develop better habits.

Counselling

Provide formal counselling to explain the facts of the role and the requirements of the organisation.

Reminders

Regularly remind staff of organisational policies and procedures to consolidate learning. This can be done informally when observing negative behaviours, through articles on the intranet or in newsletters, or via notices on staff bulletin boards.

Reduce information management difficulties

A crucial aspect of customer service is being knowledgeable about the product or service offered so queries can be answered promptly and accurately. Failure in this area reflects poorly on the organisation. Being proficient in a customer service role means that the person understands the request, can answer questions about the product or service, knows where to source the information if it is not readily available, and supplies appropriate information that meets the customer's needs. A number of ways that information management difficulties can be kept to a minimum are shown below.

Lack of product knowledge

Induction and initial job training should cover most product knowledge requirements. In the event that there are still gaps in the staff member's knowledge, top-up training can be offered using coaches or peers to assist. Some organisations have intranet product training tutorials and include training within the KPIs of customer service staff. Strategies can also include maintaining a file of product brochures, price lists, features and benefits.

Record-keeping and management methods

Not knowing where to find information can be frustrating for your staff and colleagues. Information management input is an important responsibility for customer service managers. Systematic and methodical record-keeping improves performance and efficiency. Staff members need to have current information on products, services, customers, and organisational policies and procedures relating to pricing, delivery, lay-by, refunds and return of goods. It may be your responsibility to purchase a customer management software application and train staff in its use, or develop a policy for damaged goods.

As well as knowing where to find information, staff members need to know who to refer a query to if it is outside their level of expertise.

Retrieval of important information at the time it is needed improves the service quality. If the customer has to wait, staff need to explain the delay and keep the customer informed about the progress they are making to source the information needed. In more complex business contexts, product or process information may be more difficult to obtain. Training in the knowledge management systems of the organisation is vital.

Understanding customer inquiries

Before a situation can be resolved, the query needs to be clarified so all parties understand what is being asked for. This may involve paraphrasing the query, asking further questions, then rephrasing for confirmation. For example, sometimes a salesperson will offer the cheapest product or service line if they think the customer is being indecisive because of the cost. In many cases, the cheapest option may not be what the customer wants; asking a few questions can soon clarify this.

To match a product/service with a customer, the salesperson needs to find out what is driving the customer towards a decision; for example, it may be cost, aesthetics, safety, performance, social acceptance or after-sales service.

To train new staff, provide a range of situations to role-play, or ask them to shadow you or another experienced person to observe techniques to identify what the customer wants.

In complex contractual situations there are often specific terms and conditions written into the commercial relationship. You can ensure your staff and colleagues are aware of each specific situation via:

- regular or irregular meetings
- information circulars, such as emails, newsletters or blogs
- collaboration during contractual negotiations.

Aligning products and services with customer needs

Once client expectations are clarified, staff members need to use their knowledge of the products/services to determine what will meet the customer's needs. This is a crucial aspect of customer service, because a customer may never return if they think the product was suggested to them because the organisation wanted to clear the products quickly or because the salesperson wanted a quick sale. This is where training in questioning, interpreting and paraphrasing is important. In addition, make sure staff members have access to brochures, price lists and catalogues.

Sharing knowledge is a crucial element in maintaining high customer service standards.

Example: share knowledge to maintain customer standards

Colleen works in the service department at a car dealership. A customer inquiry regarding an urgent repair is directed to Colleen for her attention. The caller explains that her car has been recalled due to an issue with the seatbelts. The recall was announced on a television news report the previous night. Colleen has no idea about the recall and is flustered by the caller's persistence at getting her car seen to immediately.

From a customer service perspective, the caller perceives poor quality service due to the lack of knowledge and inaction on Colleen's behalf. She demands to talk to the service manager. The manager explains that the seatbelt issue only relates to the newest model, and does not affect her car. Colleen is left embarrassed and annoyed that her manager had not relayed this information to her sooner.

The dealership management team decide that a daily meeting will take place in the service centre to share any knowledge regarding the industry or issues within the service department. This will hopefully rectify information gaps and improve team cohesiveness.



Example: misinformation results in lost income

RentX is an international leasing firm that provides computer and audiovisual equipment to corporate clients. Individuals sometimes approach RentX offices but are generally told they cannot rent equipment if they are not a large company.

One of the directors rings several branches and discovers that, anecdotally at least, thousands of dollars in business is being lost each month to consumer rental organisations because individual customers are being ignored, despite RentX's ability to meet individual customer requirements.

Nowhere in RentX's policy or procedural documentation does it state that individuals cannot be offered its services. It is merely a cultural belief that this is the case, perpetuated by corporate advertising and managers' misguided directives.

An immediate directive is issued saying that all individual customer inquiries should be handled and fulfilled if possible. Despite this, several outlets still turn customers away in the belief that they are 'saving the equipment for bigger clients', which often is not the case.



Branch managers are called to the Perth office for an urgent meeting. They are informed that company policy is firm on this subject, and that new KPIs are being created to measure the rates of fulfilment of individual inquiries. Managers, in turn, introduce the KPIs for their sales and reception staff.

Within weeks, the directors can see the performance improvement of outlets and create benchmarks for future growth. The implementation is a success and individual rental agreements now account for almost 20 per cent of total sales income.

Practice task 5

For each of the following customer service difficulties, describe (in brief dot points) how you would help staff overcome each one.

1. Poor handling of customer complaints

2. Lack of product knowledge

3. Difficulty understanding customer inquiries

4. Difficulty aligning products and services with customers' needs

Summary

1. Quality is the main driver for purchase decisions. Consumers are driven more readily by perceived value.
2. Market determinants are price, quality and timeliness.
3. There are several tools for gathering metrics to ensure your delivery of service meets both planned outcomes and customers' expectations, including database management systems, SQL server tools and scorecarding.
4. Keep up to date with any legislative changes that may impact business operations and customer service.
5. An effective customer service process should include techniques or systems for continuous improvement.
6. Celebrating consistently good performance is a simple method of promoting positive behaviour.
7. Managing staff in a customer service role requires knowledge of the various methods of conflict resolution and ways of applying them through effective leadership, supervision, coaching and mentoring.
8. Staff often experience difficulties in the areas of customer contact and/or information management. It is the manager's responsibility to provide assistance in these areas through leadership, supervision, coaching and mentoring.

Learning checkpoint 2

Ensure delivery of quality products and services

This learning checkpoint is designed to confirm your skills and knowledge with respect to ensuring delivery of quality products and services.

Part A

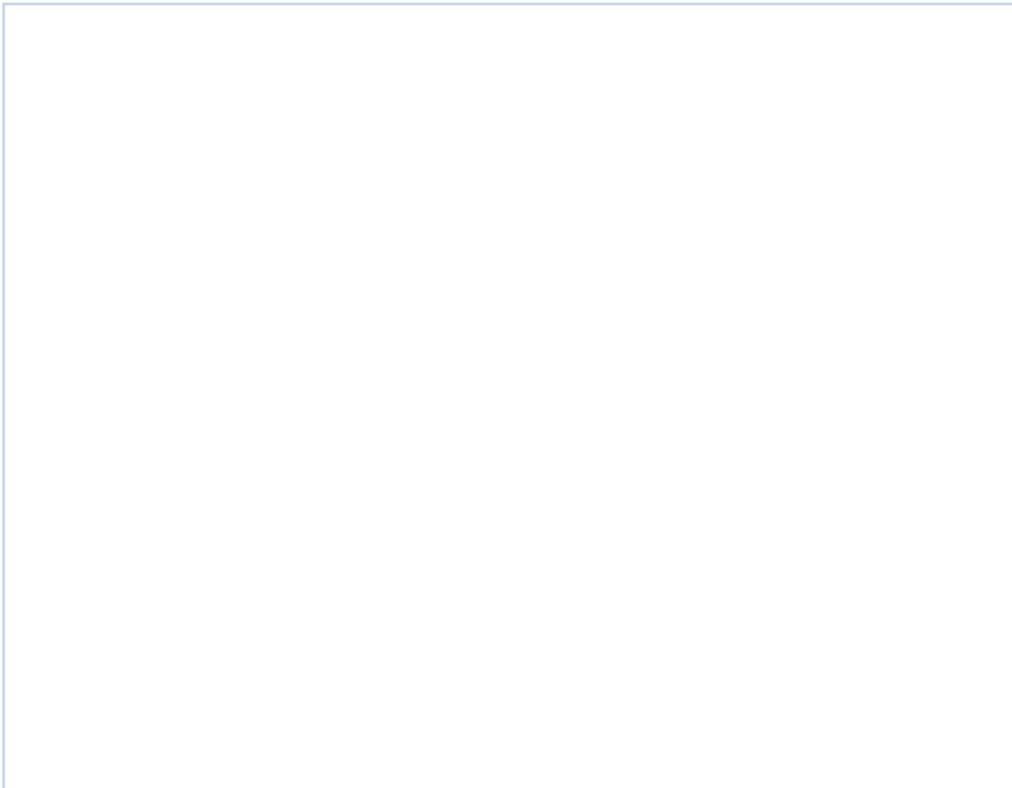
1. Describe your organisation's market focus and market segmentation (if you are not currently working, then use an organisation with which you are familiar). Explain how this orientation fits within the organisation and its industry.

2. Describe your organisation's approach to each of the three main market determinants (cost, quality and timeliness).

3. What methods have you used to measure service levels with respect to customer expectations? Explain how these methods can be improved upon.



4. Explain your approach to measuring team performance. What tools and techniques do you use, and how do you ensure consistency?



5. Describe a recent event where you had to provide assistance to a colleague or staff member in relation to their customer service performance. Analyse this event by describing the techniques you used to rectify the situation.

6. Complete a table similar to the following to show when you used these skills.

Skill	When and how used
Communication skills	
Analytical skills	
Problem-solving skills	

7. Prepare a list of techniques you have used successfully for solving a system problem that affects the quality of customer service.

8. Read the case study, then complete the task that follows.

Case study

A customer who purchased a blender has returned it to the shop. She is very upset, but as she speaks little English it is difficult for the customer service staff member to understand what she is saying. In addition, the blender looks as if it has been used a number of times. It is not in its sale box. The customer service staff member shows the woman a receipt and, through hand signs and body language, asks whether the customer has one for the blender. The customer does not have a receipt. It seems that the woman wants her money back and does not know that the shop only provides refunds if a product has not been used, although they will give a voucher for the same amount of money or exchange a faulty product. Meanwhile, the situation is attracting attention from other customers.

List the strategies you would use as a manager to resolve the situation and to follow up with the customer service staff member.

Part B

Read the case study, then complete the tasks that follow.

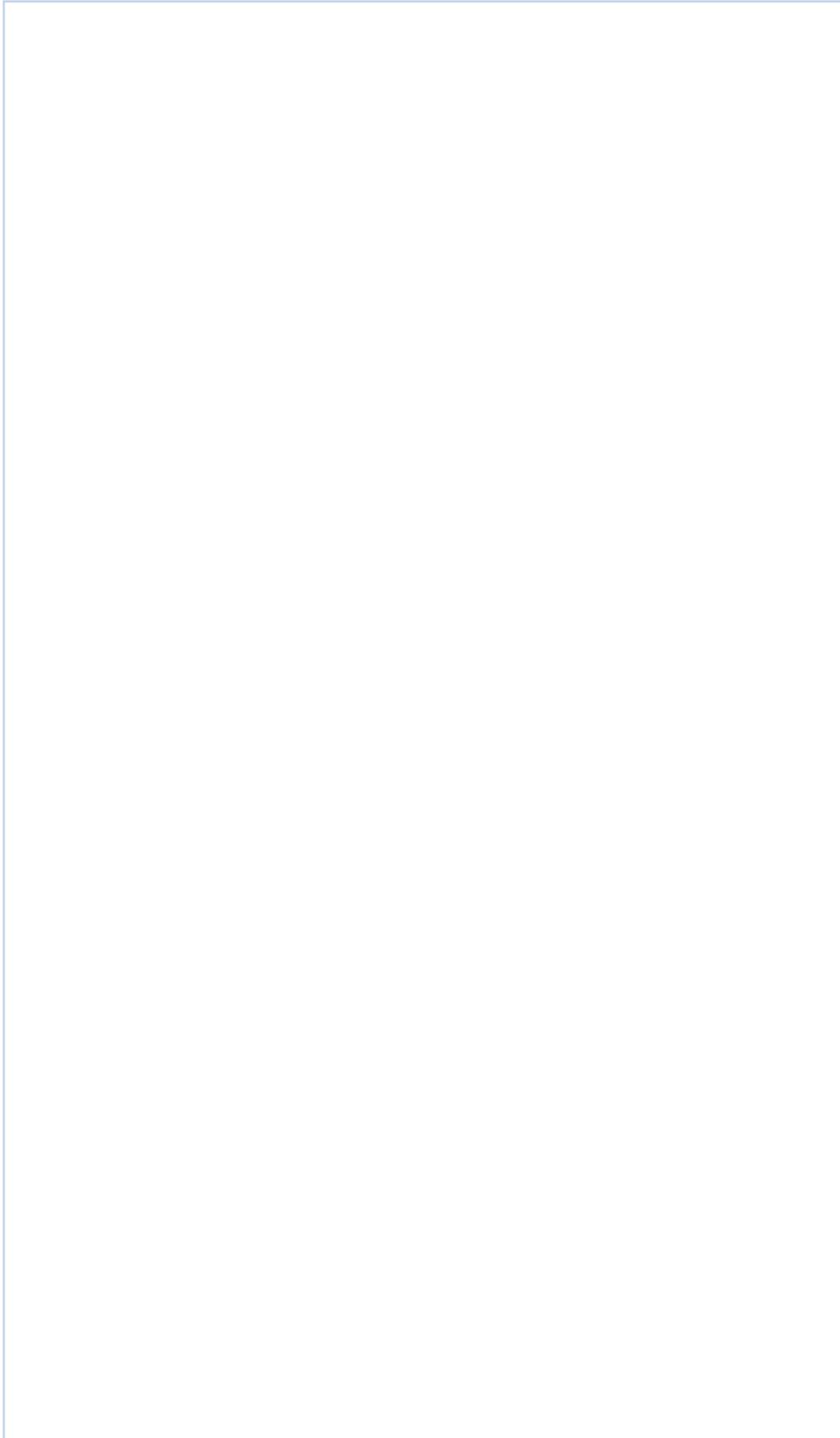
Case study

An urban-based training provider, City Training, is contacted by the rural fire service to conduct a training needs analysis of their volunteer base. The contract is potentially worth tens of thousands of dollars, and well within the expertise and knowledge of the company's training staff. However, sales executive, Tim, says it is outside their normal market space but can recommend a competitor closer to the client. The rural fire commander seems happy and hangs up. Tim notes his phone number and name on a piece of scrap paper.

1. As Tim's manager, explain the steps you would take following this occurrence. Ensure you answer the following questions in your response:
 - a) How could you monitor and manage Tim's performance with respect to quality and delivery standards?

- b) How would you assist Tim where necessary?

2. What steps would you take to determine how your organisation could deliver the service to the customer?



Topic 3

Monitor, adjust and review customer service

Continuous improvement is an ongoing process. A manager's role is to regularly monitor and review the organisation's customer service policy, standards, customer service management systems and staff performance to ensure they reflect positively on the organisation and a high quality is maintained. Refinements or improvements should be made on an ongoing basis when needed. As an organisation matures, the systems and processes become more robust, but they may also become more cumbersome.

In this topic you will learn how to:

- 3A Develop and use strategies to monitor progress in achieving product and service targets and standards
- 3B Develop and use strategies to obtain customer feedback to improve the provision of products and services
- 3C Develop, procure and use resources effectively to provide quality products and services
- 3D Make decisions to overcome problems and adapt products and services
- 3E Manage records, reports and recommendations

3A

Develop and use strategies to monitor progress in achieving product and service targets and standards

Commitment to ongoing improvement is a feature of the International Customer Service Standard (ICSS) model. Methods available to managers to make improvements within existing systems include developing effective databases for monitoring purposes, implementing a range of feedback mechanisms, training staff, and developing or amending current policies and procedures.

Using data from monitoring tools to monitor the achievement of targets and standards is relatively easy. The software will usually allow for the output of reports fitting the criteria you input.

More complex knowledge and performance management systems can allow real-time monitoring of performance measures. The organisation decides upon the limit to the areas that may be reported upon – usually a function of time, cost and commercial relevance. Information that can be captured and analysed with the use of a database is shown below.

A CRM database may include the following data:

- Sales performance
- Customer trends
- Customer margins (profitability of individual customers or segments)
- Customer alignment (product segmentation)
- Customer drift (changes in buying habits)
- Selling opportunities (cross-selling, up-selling or switch-selling)

Gather electronic feedback

The central focus of quality customer service is the customer. Gaining direct feedback can be very helpful when making decisions on the effectiveness of various marketing changes. Electronic feedback is becoming more popular as a method of collection. Here is a summary of the advantages and limitations of using electronic feedback.

Advantages	Limitations
<ul style="list-style-type: none"> • Relatively inexpensive to create • No geographic boundaries • No postage costs • Do not generally require a third party to run (unless commissioned to do so) • Can remain anonymous • Can gain a large sample of feedback • Can focus on a specific customer group or market segment • Quick to create and gain feedback 	<ul style="list-style-type: none"> • The organisation must adhere to anti-spam and privacy legislation. • It may use a scatter-gun approach, which reduces the value of the feedback. • It may cost more to promote through popular websites. • The feedback request is usually in one language. • There may be accessibility issues.

Questionnaires, interviews and surveys

To avoid the limitations of electronic measures, customer feedback may be gained using traditional statistical research methods such as questionnaires, surveys, focus groups or customer surveys. Advantages and limitations of these approaches are shown below.

Advantages

- They can be low cost.
- Feedback can be analysed qualitatively and quantitatively.
- You know exactly who the feedback is coming from.

Limitations

- There could be a slow turnaround.
- Analysis requires manual handling and input of data.
- The sample size is dictated by cost and time constraints.

Balance long-term and short-term plans

When choosing a strategy for monitoring the success of your customer service program you should consider the short-term and long-term results. For instance, a change in the culture of service within an organisation will tend to take a long time to develop results, where a procedural implementation may take a few weeks.

The SMART (specific, measurable achievable, timely) system is often used for program management.

Using knowledge management systems (KMS) or customer relations management (CRM) systems to monitor long-term success (greater than 12 months) is not ideal. Trends would probably not show up for a number of months, and therefore results might be erroneous. These systems are more useful for monitoring short-term activities.

You should ensure that the objectives for various monitoring strategies clearly state the time frame for expected changes; for example, a change in a product may take several months to retool, engineer, produce, ship and market, and costs will be sunk into the development well before any sales improvements are noticed.



Policy and procedural strategies

Changes to customer service programs may involve process, system, policy or procedural changes. Changes can range from strategic policy changes outlining the new corporate service vision through to changes in the telephone system operation. A system must be implemented to track the improvements or issues against new benchmarks.

You may like to read an article about analysing and interpreting customer service records. It focuses on hunt groups, which are groups of telephone lines used so customers are not kept waiting for their call to be answered. The article is called *How to analyze hunt groups on customer service records*. It is available at: <http://ezinearticles.com/??How-to-Analyze-Hunt-Groups-on-Customer-Service-Records&id=1369255>.

Training and development activities

As a method for monitoring the progress in achieving product or service targets and standards, training and development is useful. Training activities can be designed to run during implementation milestones, providing real-time assessment of staff progress.

For example, a new procedure may be implemented over a three-month time frame. During that time, training is conducted after one, two and three months. The assessment activities for each training session are matched against the project's milestones, and gaps in training can be identified relatively quickly. This is a short-term strategy relating to project implementation.

Training and development may be used as a feedback tool to highlight new opportunities. In the process of conducting induction training, staff feedback may be sought to provide input into the knowledge management system for analysis by service managers.

Example: feedback surveys leading to improvements in customer service

A university uses feedback surveys from students who attend orientation day. These students are due to start studies within the next 12 months, so their input to future programming is identified as a useful tool for curriculum developers and department heads who schedule staff and classes.

This input provides the university with feedback about its current customer service policies and processes. It highlights areas where contact is lacking and where departments are contacting students in conflict with the university's student services team.

Results from the feedback surveys lead to the streamlining of services and now contribute to the regular monitoring of student services programs.



Practice task 6

Create an approach you could use to monitor the progress of your organisation's service targets. If you are not currently working, carry out this exercise for an organisation you are familiar with. Make sure you identify the specific targets, the strategies you would use and your reason for each choice. Use this table. An example has been completed for you.

Service target	Strategies for monitoring progress	Reasons
10 per cent increase in answered calls to reduce customer dissatisfaction	<ul style="list-style-type: none"> • CRM output comparing current calls answered against calls answered for the same period last year • Customer survey: sample of customers polled to determine satisfaction levels 	<ul style="list-style-type: none"> • Data will provide quantitative year-on-year improvement results. • Qualitative response to back up service target objectives.

continued ...

... continued

Service target	Strategies for monitoring progress	Reasons

3B

Develop and use strategies to obtain customer feedback to improve the provision of products and services

The purpose for gathering information should be clear. In this instance, it is to identify strengths and weaknesses of the current provision of products or services. The effectiveness of the feedback relies on the quality of the questions asked.

Electronic feedback allows managers to gather data quickly and apply it directly to a knowledge management system for analysis. Below is a list of ways in which electronic feedback can be obtained.

Methods of gathering electronic feedback

- Intranet data acquisition
- Internet feedback forms
- Email surveys and direct questioning
- Text surveys (mobile devices)
- Social networking sites

Surveys: content guidelines

Time is usually very precious for customers. The more questions you intend to ask, the less likely it is that a consumer will spend the time to fill out a survey form. With this in mind, the decision about what questions to ask is very important.

For constructive feedback to be given, use questions that allow the customer to reflect on the service they received (or would like to receive) rather than obvious questions that require a yes/no response. For example:

1. Describe your last service experience with XYZ.

OR

2. My last service experience with XYZ was:

Excellent, because ...

Rewarding, because ...

Satisfactory, because ...

Disappointing, because ...

Surveys: design guidelines

Electronic forms vary in appearance depending on the device they are viewed with. Different devices and monitors display colours and fonts slightly differently. Different viewing options lead to variations that need to be allowed for.

The design of electronic feedback forms should be kept simple. Font selection should be limited to common choices such as Arial or Times New Roman. Colours should be kept basic. Checkboxes and the use of Flash or other multimedia options should be limited to specific contexts where such visual design is required as they may not always work on the user's device.

Specific web forms can be created using commonly available software or by outsourcing to designers.



Recording and reporting requirements

Consider the use of the customer feedback information. How it will be recorded, retrieved and presented for analysis? Most electronic surveys output data directly into a customer relationship or knowledge management system. The design and use of the system can determine whether or not the information is easily utilised.

Most organisations have procedures for gathering data such as customer feedback surveys. Ensure your customer feedback is processed in accordance with organisational policies and procedures.

Apply the information

Use both positive and negative feedback to enhance the performance of your organisation's customer service processes. Positive feedback received from an effective survey is the result of consistently high performance in the specific area. This indicates an organisational strength. Negative feedback received from a survey is often focused on as a priority over strengths. This should not be the case, as both are equally important to an organisation. Negative feedback indicates weaknesses in the organisation's customer service quality.

The uses to which positive and negative feedback can be put are contrasted below.

Positive	Negative
<ul style="list-style-type: none"> • Internal marketing – promoting the area for the purposes of engendering corporate pride and commitment • External marketing or testimonials – promoting a probable competitive advantage • Reinforcing decisions – concerning the area of strength 	<ul style="list-style-type: none"> • Identifying knowledge or skills gaps • Developing or improving training and assessment processes • Evaluating decision-making processes that led to the weakness

Example: a problem is caused by external contractors

For wholesale distributor ABC Industries, feedback is an ad hoc but important source of ideas for improvement. Informal customer feedback from its large database of retailers is fed through the sales division back to corporate headquarters on a regular basis. One area of concern is the inconsistency of deliveries. Areas such as time delays, quality of the transport contractors, damaged or missing orders and incorrectly received orders seem to plague the organisation.

The difficulty in dealing with the issues seems to stem from the lack of a formal approach to the improvement process. Each problem is dealt with individually. This approach does not encourage performance improvement.

An overhaul of the customer/sales service area is ordered. Over the next three years, this area undergoes several structural and staff changes, including two management changes. While certain processes have improved, customer feedback is still indicating the same areas of weakness.

Dysfunctional contractor relations are the main problem. The transport contractors are controlled externally and are not meeting the service standards of the organisation. Due to the size of the distribution network and the hold that this contractor has on the transport infrastructure, the company requires an entirely new approach.

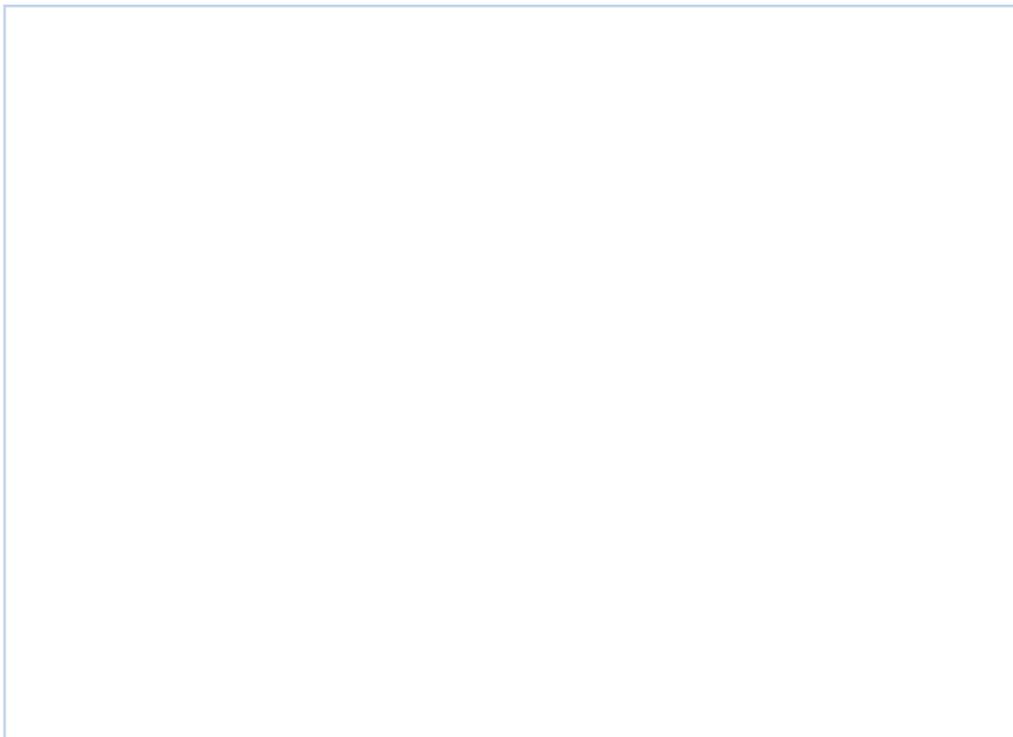


Practice task 7

1. Create a short customer feedback survey form for a bicycle store. Pay special attention to the way you word your questions to ensure they achieve your aim. Avoid confusing, irrelevant or leading questions and concentrate on specific, direct and relevant questions.



2. Trial the customer service form with a colleague, supervisor or another staff member, and write a summary of how useful the form was in getting useful customer feedback.



3C

Develop, procure and use resources effectively to provide quality products and services

In a management role you will be required to source the resources necessary to effect change of the customer service system. The internal factors that will prompt this include:

- decisions made as a result of customer feedback
- decisions made as a result of opportunity analysis
- other organisational policy or procedural changes.

Determine the resources

Providing quality products or services requires a balanced system of resources to produce the required outcomes. When change occurs, these resources go 'out of balance', which requires the organisation to acquire or remove resources to bring the system back into equilibrium.

Details of resources within an organisational context that may need to be adjusted in response to change are shown below.



Buildings and facilities

A new manufacturing process plant or a new office location may be required.



Equipment

Upgrades to existing CRM systems often require new hardware to run the systems. Other equipment needs may be handheld communication devices for sales and service staff or a range of other smaller needs as highlighted by the analysis; sales staff may need vehicle upgrades.



Finance

Internal funds may need to be procured for a customer service improvement project; for example, additional staffing, an advertising campaign or staff training. For larger changes external finance may need to be sourced through debt or equity funding options.



Information

More information may be required in order to effectively promote products and services, such as more comprehensive customer data, updated brochures and catalogues, or additional staff training in understanding product features and benefits. Identify costings and availability of funds in the budget. Provide customers with feedback sheets and the opportunity to respond to product/service questions on the company’s website and industry surveys.



People

If there is a need for extra human resources, recruitment and/or development plans will need to be used. Salaries are a large expense for most organisations, so careful planning is required to identify where it will be most appropriate to target staff in order to improve product/service quality; for example, at the customer service interface, brochure design, marketing, help desk/complaints department.



Energy requirements

What levels of energy are required to provide the current and future needs of the organisation? Global concern regarding carbon emissions and the cost of emission reduction schemes is increasing the priority placed on the planning and implementing of this resource by managers and boards. Use of alternative energy sources, trading scheme participation, and the redirection of profits into ‘green research and development’ are all examples of the future investment in energy to meet not only the corporate needs and those of direct customers, but also the wider community.



Technology

Technology advances are an essential area of change relating to customer service. Acquiring new technology can be a significant change within an organisation, and there will often be a need for training and system implementation.



Time

Where new processes are devised, scheduling and the associated costs need to be considered. Time is a finite resource, and the introduction of new processes is aimed at reducing inefficiencies and downtime while people are learning.



Procuring resources

An effective budget itemises current and future customer service needs through the business plan. However, there may be times when additional funding for resources is needed. Securing organisational or external resources is a management skill that requires a high level of people skills, communication skills, commitment and focus. Traditional approaches to securing resources include:

- formal proposals – these need to detail the rationale behind the request, the specific resources required, associated costs, forecast improvements and a convincing executive summary
- internal request procedures (forms or documents)
- bidding (pitching to a specific provider).

Example: the importance of procuring appropriate resources to provide a quality product

Technical crews at an airport are working on the approach radar system. They are required to meet specific standards during the routine maintenance of the equipment. Among the standards is the functional testing of the radar to meet detection criteria for aircraft within its scope.

Over a period of months, the testing process has identified that the 30-year-old equipment is becoming less reliable and is no longer a quality product. Accurate detection of aircraft will eventually become compromised if the system is not completely overhauled.

During a feasibility study into this option, the analysis team makes the decision that a new system will need to be installed at a high cost to the government. To effectively source, procure and implement this new system, a work group is formed to travel to Europe to investigate new technology and provide an extensive report to the departmental authority.

Eventually, a new system is purchased and installed, achieving the organisation's goals. The process has required almost two years of extensive investigation and analysis prior to that time.

This demonstrates the importance of planning to ensure that improvements are well thought out and not made on an ad hoc basis.



Use resources effectively

Resources should be used efficiently and effectively. Some ways to achieve this are explained below.

Building maintenance

Make sure buildings and equipment are well maintained to prolong their life and reduce maintenance or replacement costs. If necessary, introduce maintenance schedules and regular audits. Ensure this is included in the budget.

Financial management

Have a comprehensive project management plan for distribution of finances to ensure funds are provided to targeted projects and a rigorous checking system is in place to track direct and indirect costs and reconcile your budget against actual expenditure.

Regular skills audits

Conduct regular skills audits to identify whether staff members need training to improve the quality of the product/service. Ensure that staff complete surveys after undertaking training or professional development to check whether resources were used well and whether the training was effective.

Monitor customer feedback

If a new customer feedback system has been implemented on the company's website, ensure it is monitored for effectiveness.

Regularly analyse customer feedback

Regularly analyse customer feedback to identify any decline in product/service quality so procedures can be put in place to rectify the difficulties.

Conduct regular industry surveys

Conduct regular industry surveys to maintain control over quality assurance processes and to ensure that resources targeted at product and service improvements have been well spent.

Practice task 8

Create and fill out a requisition form (for internal use within an organisation) for the purposes of acquiring a low-cost resource that will help improve the quality of your products or services.



3D

Make decisions to overcome problems and adapt products and services

The end result of customer feedback, data analysis and resource procurement is to achieve a better outcome for the organisation's customers. Access to a continuous improvement process allows managers to identify areas where small adaptations to products, services or the customer service process may be necessary.

ISO standards recommend use of a continuous improvement model for customer services. There are many methods that you can use, including the five below.

Lean manufacturing

Lean manufacturing is a process that steadily eliminates wasteful work processes. Waste is defined as any process that does not directly or indirectly add value to the customer experience. This might include streamlining processes such as customer complaints, introducing online payment, improving delivery or providing more comprehensive product information.

Six Sigma

Six Sigma is a system of identifying and removing defects in a given process. In manufacturing, this refers to the production output. In customer service, it could mean reducing the number of customer complaints or other metric control measures, such as speed of answering calls, number of calls on hold or customer satisfaction responses.

Total quality management (TQM)

TQM is a strategy of embedding an organisation-wide awareness of quality in all business processes. This covers a range of customer services, such as providing accurate information, ensuring delivery is prompt, managing complaints fairly and in a timely manner, and providing relevant and correct product information to customers.

Agile manufacturing

Agile manufacturing refers to the integration of organisational processes, people and technology in order to remain flexible, agile and fast to market. This process can have an effect on customer service, where resources are pooled and knowledge distributed throughout the organisation.

Kaizen

The Japanese methodology of Kaizen (good change) focuses on continuous improvement in all business activities, or even all aspects of life, depending on the interpretation and usage. From a customer service perspective, this approach must be tempered with business objectives and balanced against short- and long-term gains.

Use continuous improvement systems to adapt processes

The outputs of continuous improvement systems are recommendations. These recommendations are directed to the personnel who may effect change and integrate the recommendations into the given system. Changes that can occur using this process are shown below.

Iterative

An iterative development occurs when recommendations are fed back into an existing system, which improves measurably with each new development. Change is slight and perceived to be continuous.

Waterfall

Each project-wide development is completed in a single step before moving on to any new development. Change is sudden and in regular steps.

Rapid application

Rapid application development is the creation of rapid prototypes where development occurs through use. Change is large, followed by regular smaller changes.

Consult and collaborate to achieve outcomes

In larger organisations, changes are rarely left to one individual to implement. If recommendations for process, product or service changes are made, consultation between personnel affected by the changes should occur. The consulting process ensures that relevant personnel are included in any change process and therefore have the opportunity to add value to any change.

Consultation processes can include:

- formal and informal meetings
- brainstorming sessions
- presentations to stakeholders of feedback received and recommendations made
- opportunities for question and answer sessions.



Decision-making processes

Once recommendations have been submitted and the consultation process has occurred, you will be required to make a decision to overcome identified problems. The decision process is a managerial skill that is transferable to all situations and contexts. The basic principle of good decision-making requires that you do the following:

1. Consider all available options.
2. Weigh the options against the associated risks.
3. Select the option that best achieves the objective.

You may like to read the book *Dealing with customer complaints* by Tom Williams, which broadly covers customer complaints handling and record management: Williams, T. 1996, *Dealing with customer complaints*, Gower Publishing, Surrey, UK.

Levels of risk

Psychological theorist Isabel Briggs Myers says that a person's decision-making processes depend predominantly on their cognitive style. A good deal also depends on their risk aversion.

In business, risk is measured in terms of return, usually financial – the higher the return, the higher the risk. Risk is also associated with entrepreneurial behaviour. Guidelines for decision-making within an organisation usually address the level of risk that is acceptable. This may be:

- a financial benchmark; for example, a \$10,000 spend limit before board approval is required
- an outcome benchmark; for example, attaining 25 per cent of market share within one year.

Decision-making tools

Common business decision-making tools apply to customer service decisions. Below are some examples of decision-making tools.



Pay-off matrix

Uses a comparison between alternative uses of funds (or other resources) and the return on investment given various economic outlooks



Decision tree

Extends the concept of a pay-off matrix through a sequence of decisions



An 'expected value' equation

An equation using the sum of all the expected returns for a particular course of action, multiplied by their probability; usually represented as $EV = (Value\ 1 \times Probability\ 1) + (Value\ 2 \times Probability\ 2) \dots$; investors and other decision-makers will base their decision on the highest value proposition



Expert recommendations

Use of two or more expert judgments to balance a decision; this is a highly subjective, opinion-based decision tool, but can be highly effective if no conflict of interest is present

Example: the importance of consultation with stakeholders

A Sydney-based retailer holds meetings with staff during a major cultural change program. These meetings involve hundreds of staff and are facilitated professionally to achieve collaborative approaches to organisational improvement. Ideas are taken seriously and analysed at various levels within the organisation.

Quality of customer service is a focus of the senior managers, and input from customer service representatives is regarded as essential and very useful.

The two-day meeting results in several recommendations for the improvement of the customer service process, including the creation of a lay-by system, which has traditionally been considered not important. The operations manager is asked to implement this procedure throughout all the Sydney-based stores as a trial for the next 12 months.

The trial is successful. Many new customers use the facility and profitability increases, as discounting is not generally entered into during a lay-by sale. The facility is rolled out around the country with great success.



Skills development

It is important for managers to reflect on their own performance in managing organisational systems to deliver a high standard of customer service. Seek learning opportunities to develop your skills and knowledge and use professional networks to maintain currency and industry knowledge.

Use self-management skills to regularly monitor and evaluate your effectiveness in:

- following policies, procedures, standards and legislation
- working with your customer service team
- preparing and editing informative material
- dealing with internal and external difficulties.

Practice task 9

You are a manager at a fast food outlet whose national operations manager has asked you to come up with a faster method of delivering a chicken wrap to a front counter customer. List members of your team who you would consult with regarding this process. Describe how their input could assist you in making the recommendation to the operations manager.



3E**Manage records, reports and recommendations**

Records, reports and recommendations can include a range of documents, such as customer service records; complaints and complaints handling reports; customer service reports and recommendations; customer service policies or procedures; and manuals and training aids.

It is important to have sound literacy skills so you can efficiently read customer service records; prepare recommendations and reports; and write, edit and proofread amendments to customer service manuals and training aids for colleagues. Any written material you produce must be easy to read, unambiguous, accurate and free from grammatical and punctuation errors. It is always a good idea to ask a colleague to read over a draft before you finalise and present it to others.

Customer service records

Customer service records include data recorded during or after customer interactions. Many customer relationship management software systems have features to record this data. The data may include phone conversations, email and other communications, purchase history and personal client details.

Privacy requirements dictate that any personal information is kept secure and may not be accessed by unauthorised persons. When collecting personal information, including voice recordings, clients must be informed and permission must be obtained either in writing or through an agreed procedural method such as an opt-out option.

Permission may be given implicitly by ignoring an opt-out request. Many Australian organisations use this format for collecting voice recordings by stating something similar to:

‘This call may be recorded for training or coaching purposes. If you do not wish to be recorded, please tell the operator when you are connected’.



Complaints records

Complaints records are sensitive documents. Complaints regarding customer service may go to an ombudsman or be submitted as legal evidence. Records need to be clear, accurate and sufficient. They are also a useful element of the continuous improvement process.

Complaints records are often stored with the specific customer file on CRM systems. Search functions or pivot tables can be used to sort and analyse complaints data.

Customer service reports

In addition to the data that can be accessed via CRM systems, managers and staff may be required to generate status reports from time to time. In many organisations this takes the form of a monthly report to supervisors or senior managers.

A monthly report is usually a summary of the state of play within the section, department or organisation. Monthly reports are often submitted up the chain of command, with each level adding or summarising as required, until the board of directors receives a composite of all the reports via the chief executive officer or other senior manager.

As customer service is a high-profile feature of most organisations, reports should be considered a high priority; particularly service of customers and suppliers. It is important that reports be standardised to allow for easy interpretation and identification of trends of changes.



Customer service recommendations

The recommendations section of a report should be short and concise, clearly setting out what the business can realistically do to make future improvements to customer services.

Records of staff or customer recommendations require very careful preparation to ensure accurate information is recorded.. Managers often rely on IT systems managers or KMS administrators to log the recommendations and deal with them, but this is often not appropriate. Department or section managers should deal with recommendations personally.

Some basic guidelines for making customer service recommendations are shown below.

Customer service recommendations should:

- be in the form of specific, measurable, achievable, realistic and time-constrained goals and objectives
- be linked to evidence, such as a survey or customer feedback
- be numbered so that each recommendation can be easily identified and recognised in future discussions
- be linked to business plans, organisational objectives and industry codes of practice
- avoid conflict with current business targets unless there is compelling evidence to initiate change
- avoid replicating a current business target, but can be used to describe how to achieve a target more easily.

Customer service policies and procedures

In many organisations, technical manuals and training materials are used for the purposes of qualifying staff in customer service roles. Manuals also provide ongoing support for staff in determining the details of their roles or the procedures they need to follow.

Manuals and training materials (which might include presentation slides, models, handouts and electronic content) must be maintained to ensure the content remains relevant and accurate.

Changes in customer service procedures must be included in revisions of the manuals and training materials.

Links to useful articles and books on the subject of customer records management can be found on the Customer Service Point website. This can be found at: www.customerservicepoint.com.

Alignment with existing systems

Organisations use their own systems to manage customer service information. Maintaining the integrity of a computer-based data system requires regular checks for functionality and security. For example, computer software may be used to match customer relationship management data with existing knowledge management information. This is known as bridging software or integration software.

Record maintenance within an existing system requires users to follow procedures and protocols. Managers must be aware of these requirements and act as role models for new and existing employees.

If you are unhappy with aspects of the system, do some research and set out your specific areas of discontent in the form of a recommendation.



Customer service information

There is usually a better way of doing something. Organisational learning is an outcome of the collective value of all the individuals' knowledge within the business. Encourage staff to look for efficient and effective ways to support the customer service objectives of the organisation.

Using numerical information is an objective approach to interpreting and understanding customer service objectives. Examples where numerical data can be used for these purposes include:

- customer service response times
- the conversion rate from quotations to successful sales
- the number of times discounting is used to achieve a successful sale
- the number of returned purchases due to product specification failing to meet customers' requirements
- demographic analysis of the customer base; for example, number of males versus females).

Example: successful implementation of innovative customer contact system

A large municipality, XY Council (XYC), decides to purchase an innovative, web-enabled customer contact system to extend its award-winning customer service information system. A recent survey has indicated that customer inquiry types can be broken down into the following categories:

- 68 per cent information
- 21 per cent requests for service
- 9 per cent payment transactions
- 2 per cent other

The system's design allows for constant, up-to-the-minute reporting to managers of all key areas of customer contact. These criteria are measured formally and through the use of informal feedback systems to make changes to procedures and policy as required.

The CEO maintains the focus of the organisation by publicly and internally highlighting the importance of the service in a modern 'business climate'. Over the next nine years, the systems improve, the organisation's service culture becomes more ingrained and the dedication to quality remains.

External customer contacts via the XYC contact centre are now approximately 7,400 per day (approximately 6,000 via the call centre, 1,300 via the Customer Service Centre network and 100 emails per day). In the most recent survey, the XYC receives a 90 per cent customer satisfaction rating from users of the service.



Summary

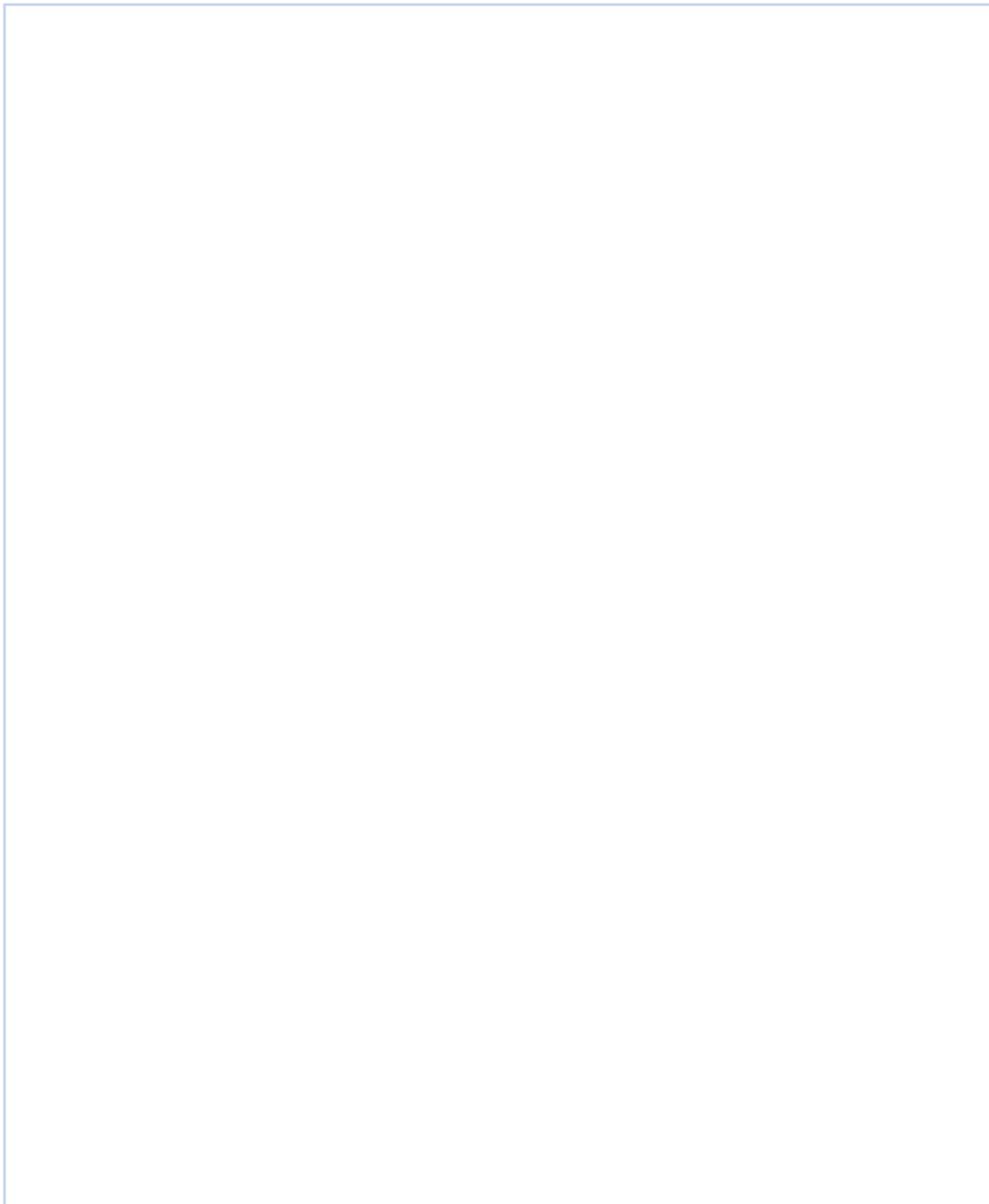
1. Database monitoring and control tools can measure sales performance, customer feedback and other metrics for performance evaluation.
2. The effectiveness of customer feedback relies on the quality of the questions asked. Survey content must be clear, concise and in line with the objectives of the survey.
3. Electronic feedback allows managers to gather data quickly and apply it directly to a knowledge management system for analysis.
4. Both positive and negative feedback should be used to enhance the performance of your organisation's customer service processes.
5. Customer service records include any data recorded during or after a customer interaction.
6. The recommendations section of a customer service report should be short and to the point, spelling out clearly what the business can realistically do to make future improvements to customer services.

Learning checkpoint 3 Monitor, adjust and review customer service

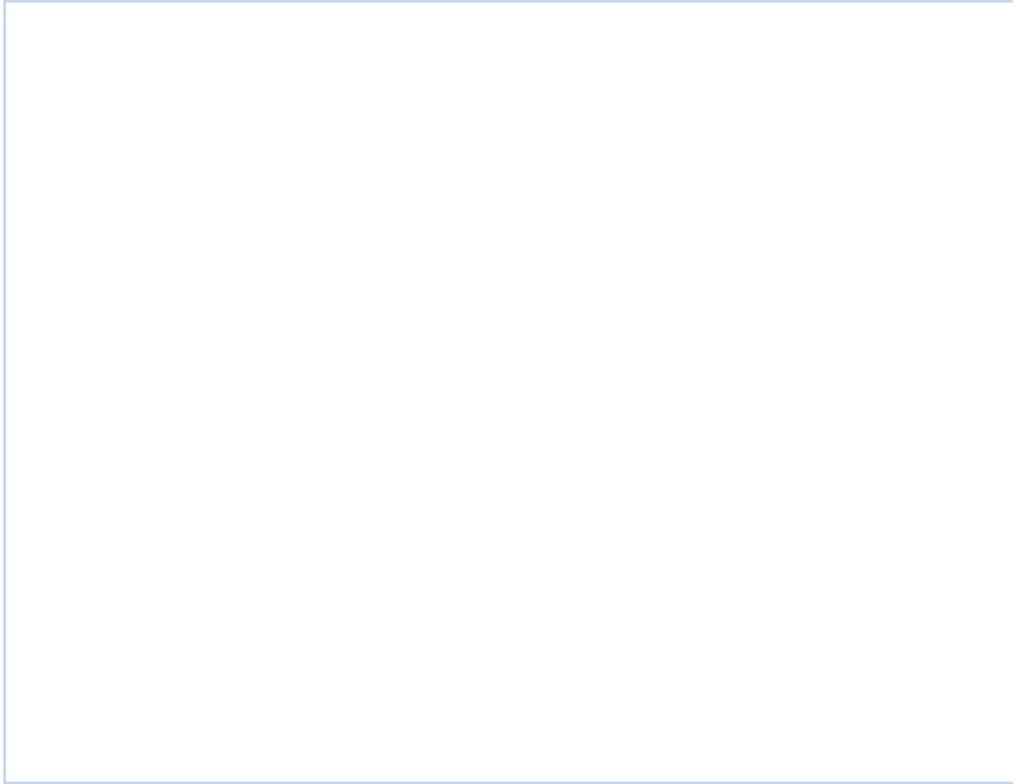
This learning checkpoint is designed to confirm your skills and knowledge with respect to monitoring, adjusting and reviewing customer service.

Part A

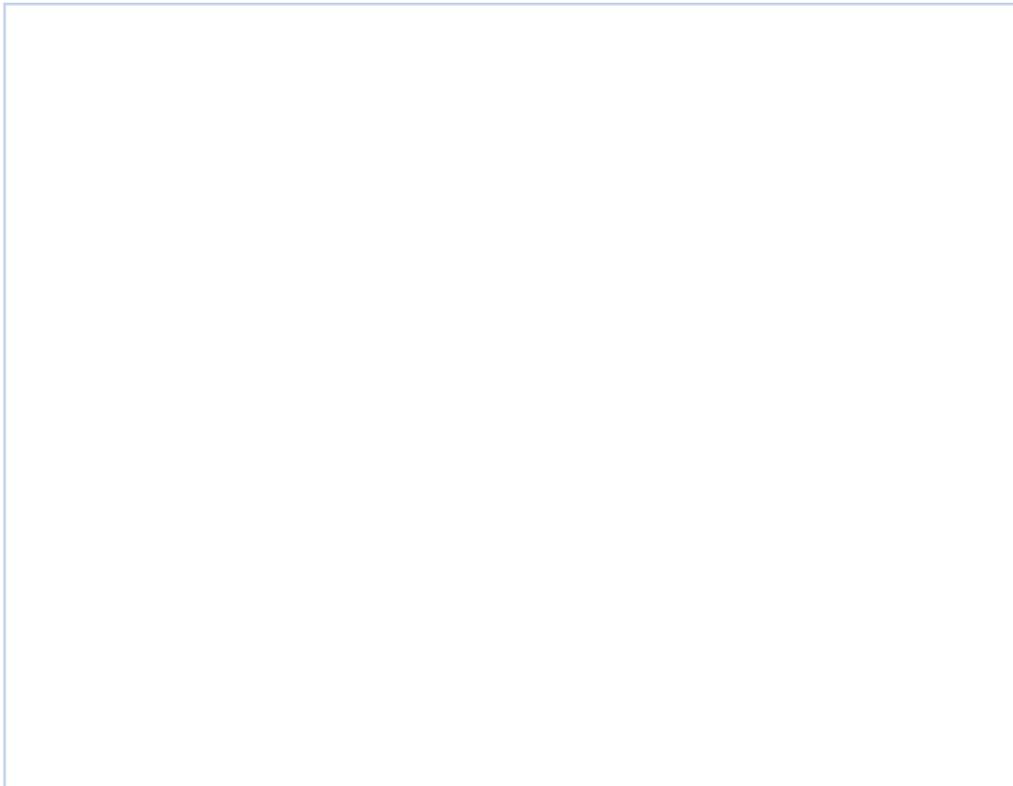
1. Create a feedback survey form for use with a customer group. The aim of the survey is to provide information to you regarding an organisation's achievement of service targets. Limit your survey to five questions. (Note: the feedback form must be web-based or electronic-document-based). Seek approval to distribute the survey to the customer group and do so, obtaining a minimum of 10 responses.



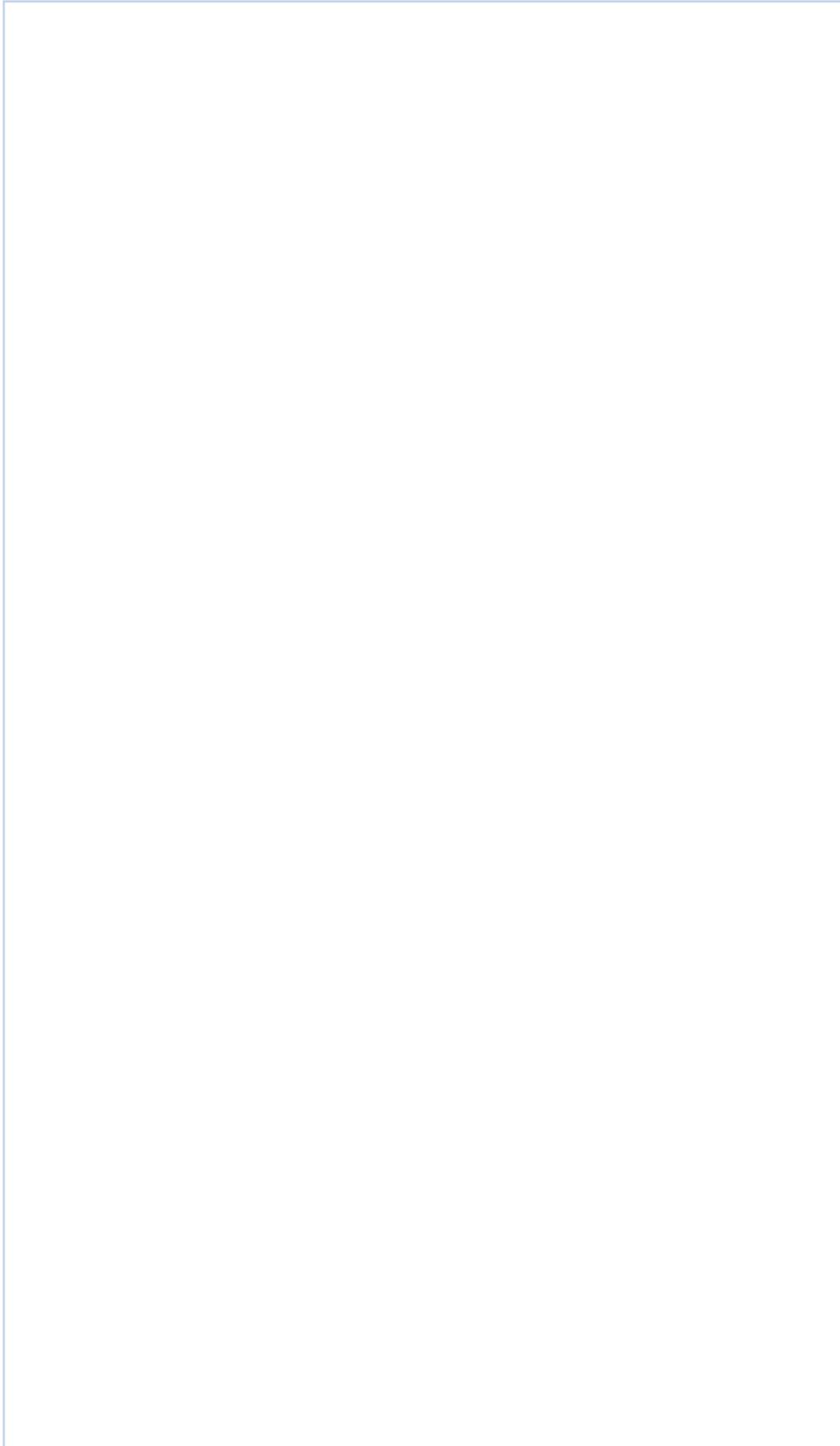
2. Using the feedback gained from the survey in question 1, list and describe one or more strategies you could employ to improve the provision of your organisation's service.



3. What resources would you need to implement these strategies? What methods would you use to procure them? Why?



4. Create a monthly report for your manager or board of directors outlining the results of the survey, the strategies you employed and the resources requested.

A large, empty rectangular box with a thin blue border, intended for the student to write their monthly report. The box is positioned centrally below the task instruction and occupies most of the page's vertical space.

5. Describe the procedure for reporting and managing customer service changes in your organisation. How would you improve this process?



6. Complete a table similar to the following to show when you used these skills.

Skill	When and how used
Technology skills	
Literacy skills	
Self-management skills	

Part B

Read the case study, then complete the tasks that follow.

Case study

Jolly Airlines operates charter and regular flights to rural Australia departing from Sydney Airport. A large client is Opally Mining Pty Ltd, which uses Jolly's services on a daily basis. Over recent months, Jolly executives have noticed a reduction in bookings and identified through their information management system that Opally Mining bookings are down more than 50 per cent on the same time last year.

An executive sends an email asking for feedback from his Opally Mining booking contact. The aim is to determine if the decrease is due to a service problem that could be addressed in order to regain this business.

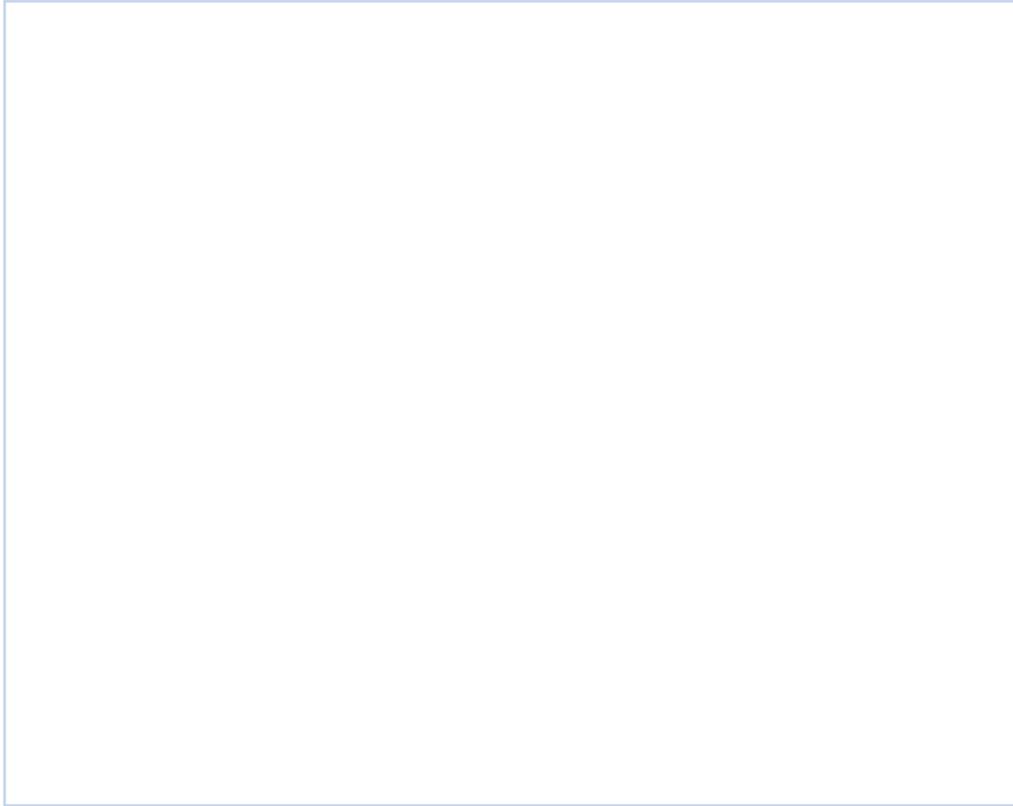
Opally's managing director calls the next day to provide personal verbal feedback. On the record of conversation he states:

'I joined the last crew to go out to our site and was appalled at the level of service given to my staff by your in-flight service personnel. The person in question joked with customers, often appeared to flirt with my men and seemed flippant when discussing the aircraft's safety procedures'.

The conversation ends with Jolly agreeing to investigate and get back to Opally's executives within the next 24 hours.

1. Identify the possible underlying service problems that exist at Jolly Airlines. Consider the extent to which the systems and procedures are affected.

2. Decide upon an approach you would take to correct this problem and improve the customer service given by Jolly Airline's in-flight service personnel and to meet Opally's needs.



3. Explain who you would consult with to achieve this outcome.

