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Adopt a Strategic Approach to Customer Service

By Patrick O'Brien

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YOU ARE a senior manager, and you wake up one morning to realise that your business faces a number of customer service issues. You ask yourself: "What do other organisations do when faced with similar challenges?"

For some, they do nothing, other than let things pass, hoping that customers get over it. Time is a great healer. They will demonstrate a "They've already bought the product, so why should we do anything? They'll be back!" attitude. The business stays the same: Service issues remain.

For others, they do more of the same, though with much stronger organisational focus and attention. "More smiles, and more supervision", this is the order of the day. These companies believe that management attention is the panacea that will bring things back under control. Yes, they pay more attention, yet the issues do not go away.

Some companies dare to be different. They choose to send the staff on one-day customer service programmes because they believe that it is sure to pop some customer service fire into their bellies. So, staff get trained, staff get fired up, and staff return to their office keen, yet those flames are quickly doused.

Despite the best of efforts, often the issues still remain. If this sounds familiar, you are not alone, so what can you do?

This article advocates a strategic approach to service, suggesting six important areas for management to pay attention. Most organisations that regularly deliver great customer service understand one fundamental truth: Customer service contains two inseparable parts, service delivery and service recovery, which go hand-in-hand.

Companies that deliver services or products are aware that sometimes issues will arise, and that these have to be dealt with. Service recovery is therefore an integral part of a greater service delivery whole. Recovery needs to be designed into the service, as customer service processes lack integrity without its design, and failure to recognise this can lead to a couple of key issues.

One, some organisations focus only on the service delivery part, acting as if in denial when issues arise. Rather than dealing with complaints as a new, rich, source of information, they resist. Service delivery is perfect; issues arising are not perceived as strategic, but as tactical, random glitches that can be worked through. These organisations deny themselves important areas of potential knowledge for beneficial organisational change, service improvement, and cost reduction.

Some organisations downplay service delivery, positioning it as a tactical tool, rather than a strategic weapon. When challenges arise, these organisations only focus on service recovery, with no relationship to the broader picture. The management mantra is one of "Hear them out, fix the mistakes, and get the business back on track."

Organisations that provide great service, typically take a strategic approach to service delivery. This means that great service mostly arises from Gestalt not serendipity, and what is so must be designed to be so; delivery and recovery must cohere with integrity.

In keeping with this approach, we've set out six important areas of reflection, for organisations looking to improve customer service.

The Six S's for Singapore Service are:

- Set the strategy. Design for service delivery and recovery
- Start from the outside-in. See life through the customer's eyes
- Sacrifice complexity for simplicity. A solutions focus makes the customer's life easier
- Select staff with a positive service attitude. Not everybody has the service passion
- Synchronise rewards with goals. Measure what you want to reward
- Strengthen service and soft skills. Training is a strategic investment.

Set the strategy. Design for service delivery and recovery

Services are one of the key sectors in business today, and service delivery is increasingly a key competitive differentiator. For instance, the "Community Bank Competitiveness Survey" (*ABA Banking Journal*, March 2005) researched the banking sector, to identify the 10 most important factors for customers in Attraction and Retention. Service quality topped the list in both categories, measuring in at 81 per cent and 95 per cent respectively on the importance scale.

Yes, execution of great service is delivered through operational and tactical ranks. However, ownership and creation of the customer service strategy require passionate and unswerving attention from the top of the organisation. A "chief envisioning officer" can drive a service ethic through a company much more effectively than can a "chief enforcement officer".

Ask yourself why service is important to your company; does it grow revenue, does it reduce cost, does it improve customer satisfaction? Clear objectives are important to justify change, execute change, motivate and guide staff through change, by providing tangible service goals for delivery.

Start from the outside-in. See life through the customer's eyes

Great service is needs based, which means understanding those of your customers. You have to talk, yet you also have to listen to what they say. Never defend, never filter, never rebut. Instead, listen actively, listen continuously, and listen with an intensity as if each word is the last word that you will ever hear.

As you listen, step into the shoes of your customers, and see life through their eyes. This is less difficult than it first sounds, if we choose to try. To help, think about those times when we are customers: on public transport, at the shopping centre, or in a restaurant. Knowing the likes and expectations of customers enables us to view their conversations through a different lens.

Why is your service important to your customer? Why do they go to your company? What do they want to achieve? How do you help them achieve that? Questions that help you step out of your shoes ensure that you empathise, help you experience your company as they do, and place you in a better position to better service those needs.

Sacrifice Complexity for Simplicity. A solutions focus makes the customer's life easier

Though the concept of process is central to any organisation, not all processes are equal. The challenge facing organisations is in understanding who the true customer of any process is.

Sadly, many companies place themselves as the customer of their own processes, and hold a supplier-centric design. Placing your organisation at the centre of its own universe may seem operationally efficient; an inside-out approach is not a solution. Instead, companies that place the needs of their end customer as the real customer of their processes, give themselves the best chance to deliver great service.

One way to help achieve this is to talk to frontline staff who deliver service daily. These people are both beneficiaries, and victims, of process. Moreover, they are the ever-present buffer between the process and the customer.

What aspects of the process are important to service delivery; why do you do those things, why do you do them in that way, how could you simplify them for your customer? Many customers value time more than they do cost, so challenging the historical, legacy approach may help to improve service by building speed and convenience into the processes.

Select Staff with a Positive Service Attitude. Not everybody has the service passion

Jim Collins in *Good to be Great* encourages companies to "get the right people on the bus". Playing staff to their strengths is an organisational imperative; placing service-oriented people into service-oriented positions makes sense.

Some people aren't excited by service, they may not have the passion for it, and may lack the attributes for it. Organisations undergoing change to service orientation need to be mindful of this. It is vital when recruiting for service positions that criteria are used to ensure posts are filled on the basis of service-oriented attributes.

Ask yourself what personal attributes are important in service; what level of contact is desired, how important is personal presence, what benefit is an ability to connect?

In a competitive landscape, building relationships and fostering loyalty are key cornerstones of growth. In service, these qualities are important, so select, and promote service positions around these attributes.

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Synchronise Rewards with Goals. Measure what you want to reward

They say that if you cannot measure it, you cannot manage it. Think about the "it" that is being measured, as that "it" must be aligned to, and cascade out from, strategic service goals.

Organisations often measure what is easy to measure, not what is strategically relevant. More often, measurements lag need; legacy dictates that companies continue to measure what they used to measure, even when strategy suggests otherwise.

Keep in mind the purposes and people who use measures internally, especially when measures are used as a basis for reward. People will be motivated in the direction that rewards dictate, so fairness and equity in rewards are important.

Ask yourself whether your current reward system is strategically aligned to your service strategy; what service goals have you set out, how have targets been constructed, in what ways do you measure progress and achievement to goals, and how do you equitably deliver rewards? Differentiate between actions and behaviour; are you interested only in achieving a specific outcome, or, is it important how that outcome is achieved?

Strengthen Service and Soft Skills. Training is a strategic investment

As a business that delivers corporate training, training is typically the topic on which we first talk to our clients. We purposefully place it last as the first question we get is: "I think I need some service training, how much does it cost?"

To derive maximum benefit, we see training more of a strategic investment. It is a strategic means to help your organisation achieve its strategic ends.

Training organisations deliver a broad range of relevant customer service skills, such as connecting, relationship building, listening, change, customer service, influencing, difficult customers, teamwork, coaching, and leadership. Strategic alignment of training to the organisational need is therefore critical. It should drive selection of the precise programme relevant to meet those needs.

It is normally easier to learn new skills, than to embed them into the business once a training programme is completed. Application is tough, yet unless skills are applied, strategic benefits are not realised, and the value of that investment will likely diminish.

The management and supervisory climate that new learners face upon return from training is thus a key determinant to their ability to apply new learning. An environment where they can put new skills into practice, with positive support and encouragement from management and their peers, is vital to achieve this.

Returning to the senior manager, to help him address his service issue, we advocate a strategic emphasis in resolution. Jim Collins captures this when talking about the "Flywheel Effect", and how "Good to be Great" companies have the ability to "turn the flywheel consistent with their vision".

When companies place customer service on their strategic agenda, they enhance their ability to use training powerfully to turn their own flywheel, using the six S's to build successes.

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