

Customer Experiences.

Lessons from Winners

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About David Jackson

David Jackson, is a founder and Managing Director of Clicktools Limited, a leader in the field of customer experience feedback software. He is widely recognised as an expert in the area of customer focused organisations and a driving force behind the Excellence in Customer Experience programme. Much of his time is spent with clients, working with senior managers to design and implement effective feedback measurement and management strategies and build organisations that can continually adapt to meet changing customer needs.

David is a popular speaker around the world. He has had many articles published, and is an author and contributor to several books, including “Dynamic Organisations: The Challenge of Change” and Becoming Dynamic”.

About Clicktools

We are the leading European provider of products and services for measuring and improving customer experience.

Founded in 2000, the company is a technology based solutions provider. We provide a range of products and services that help companies improve their customer focus.

- Clicktools – web based software that enables an organisation to measure and improve their customer experience.
- Multi channel feedback – collect feedback across all the channels your customers use, including web, email, phone, post, mobile phone, digital TV, IVR, kiosks and handheld devices.
- Feedback deployment and management services – management of all your feedback activity.
- Support services – training, bespoke survey & dashboard development and systems integration.
- Business consultancy – support for management teams seeking to improve their customer experience from Clicktools and our specialist consultancy partners.

We serve leading companies, large and small, seeking to measure and improve their customer experience. Our clients include Amcor, Cheshire Building Society, Economist Intelligence Unit, Direct Line, National Gallery, O2, the One Account, Rackspace Managed Hosting, Royal Bank of Scotland, Unisys, Yamaha, Yorkshire Building Society.



Winning Customer Experiences

“When all is said and done, a lot more is said than done.”
Lou Holtz

Now in their 13th year, the UK Customer Experience Awards¹ have sought the companies that deliver customer experiences better than their competitors. As the one entrant so aptly stated, it is “the Award that your customers want you to win”. I was a member of the team that founded the Awards and have continued to lead the development of the assessment process. In that time, we have reviewed almost 2,000 entries and visited over 250 companies seeking the accolade of Award Winner. I have often been asked “what makes a company able to consistently deliver a winning customer experience?” Well the first thing to remember is that no organisation is perfect – they all slip up from time. What separates the winners from the rest lies in their ability to build organisations that deliver experiences which consistently win, satisfy and retain customers better than the competition.

How do they do it? Here are ten vital things that they master.

1. Answer the three basic customer questions

It is impossible to deliver a great customer experience without rich intelligence. Customer intelligence is built on three simple questions about customers that our Award winners constantly seek answers to:

- Who are our chosen customers? No company can be all things to all people. Making choices is at the heart of any successful strategy. Segmentation is not a black art but the simple task of gathering information about possible markets and then making choices. Which customers can we best serve? Which are the segments with the greatest potential? How can we reach the different markets? What competitive strengths do we have in each of the segments?
- What are their needs and expectations? Careful selection and definition of segments is the first step to understanding customers’ needs and expectations. Beware those who say they know what customers want. Winners do not presume to know – they ask. They ask in intelligent ways. Few customers can always express what they want. They may express concerns, problems or frustrations which hint at needs. Some customers do strange things with your products and services, always pushing them to the limits of their capability. They are the seed corn from which new products and services can be developed. In Yorkshire

they say that if you really want to know someone, live in their shoes. The same is true of customers. Spend time with them, observe them, engage them. It will be time well spent.

- How are we doing in meeting their needs? Measuring the customer experience has come a long way since the ‘annual do you love us survey’. Winners measure the customer experience at each stage of the customer journey, providing the results to teams responsible for delivery, prompting them to analyse and improve their performance. They do more than just measure the basics; they seek to understand how the customer feels about them, recognising that much of our decision making process is emotional.

And the best example? Well that would have to be two times winner TNT’s decision to introduce customer dissatisfaction surveys. Concerned that their feedback was no longer providing sufficient information to drive improvements, TNT chose to ask customers if they had any reason to be dissatisfied. That provided them with a whole new set of issues to address and drove further improvements in their performance.

2. Understand how customers think

If you want to go beyond the basics then start to understand what’s between your ears. Organisations are nothing more than a collection of brains working together. Customer relationships are people with brains talking to people with brains – although some of the staff customers encounter questions this fact. It makes sense therefore to understand how this marvellous organ works.

The emotional element of the brain shapes significantly a customer’s buying intentions. Relating to and measuring this is an important element of delivering great customer experiences. A Director of Customer Service at a major international company recently told me that she would not do business with a company because she didn’t like one of its senior managers. The quality of the product or service, its cost, the availability of other options didn’t come into it. A rational decision? Hardly, but a decision nonetheless.

Whilst customer intelligence is vital, few companies have even begun to consider how they can test for the emotional elements of the customer experience. Premium Bond provider National Savings and Investments has started down this path. One of the questions in its survey asks how the customer feels about National Savings & Investments. A Clicktools customer, also a financial services provider, asks

customers which word best describes it, presenting a list that describes positive and negative emotions about their brand. The results provide an insight into what customers really feel about the company.

The brain has other lessons for those seeking to build organisations to deliver great customer experiences. New ideas pop into our heads when new connections are made between nerve cells. Some of these we remember, others disappear before we can commit them to memory. They are usually the result of new experiences or our brain wandering in idle moments. So if you want your people to be creative, give them new experiences and time for reflection. Variety also improves job satisfaction. If you want new ideas for your product, create connections with a diverse group of your more challenging customers and wait for the sparks of innovation to fly.

Culture change also parallels how the brain operates. We learn something new by setting down new links between neurons. The creative ideas become remembered and the more we practice them, the more they become established. But where we are seeking to overcome engrained behaviour, the motivation has to be greater than the effort needed to learn something new. Different pathways in our brain argue with each other. The keys to learning at the cellular level are to continuously reinforce motivation and repeat the behaviour to be embedded. The more that collection of neurons fire, the more the learning becomes part of the way we work. The same is true for organisational change. Embedding customer first behaviour must be continuously modelled, practised and rewarded. It's called leadership.

3. Trust in people

Are people your greatest asset? If you are a winner, the chances are that you have proved that they are. Winners understand the importance of people in delivering great customer experiences. It begins with what you hire, focusing on attitude before aptitude. Once hired, winners work hard to foster and build those positive attitudes. They are not afraid to give people responsibility, knowing that they have provided the right training and offer support when needed. They are not afraid to tackle poor performance; recognising that this leads to poor service and demoralises colleagues.

But what really sets winners apart is the degree to which they trust people. They treat them as adults and provide them with as much freedom, choice and opportunity as is possible. It is amazing how many winners have recognised this. Conversely, others believe that people cannot be trusted, do not want to do a good job or will skive off given

the opportunity. Winners know that this is a function of how they are managed and manage accordingly.

Trust extends to providing people with a regular and rich view of performance; theirs and the organisation's. They work hard at helping people see the big picture, confident that capable and engaged people will do the right thing.

The Awards have thrown up numerous examples of companies that really trust their people but the best example is from another two times Award winner, First Direct. At First Direct, the watchword underpinning relationships (with both employees and customers) is 'respect'. This adult to adult relationship has led to a bank that has the highest levels of satisfaction and recommendation in the country.

4. Work for and with people who believe it

A former boss used to say "You are either customer focused from top to bottom or you're not customer focused at all. His point? If people at the top don't believe in delivering winning customer experiences it won't happen. If you want to work for a winner, look at the senior managers. If they don't get it, the customers probably won't either. And if you are responsible for hiring people, check out their attitude to service. It is no use asking either group if they believe in delivering a great customer experience. When introducing the Awards one year, business presenter Adrian Childs said, "An award for customer experience is a bit like an award for breathing". Unfortunately, some people have become very adept at holding their breath.

The key here is people's 'communiaction' – look carefully and no, it's not mis-spelled. Their fine words are to be welcomed but it is their actions and decisions that are heard most. Do they insist on maintaining the quality of products and service when times are tight or do they give in to the accountants calls to cut costs? Do they praise service as much as they pay for sales? Do they take as much interest in customer satisfaction figures and they do the profit and loss account? An organisation does not 'do' customer focus, it is it and it is it because people believe it, not the other way around.

All our Award winners, and many others, benefit from people who live and breathe this stuff. It would be unfair to single out any one individual but one organisation is worthy of mention. The National Refractory Angina Centre in Liverpool is seeking to change the culture of the NHS to a patient centred model; one where the outcome the patient desires takes precedence over what the consultant wants. You don't take on a challenge like that unless you believe.

5. Master the art of organisation design

In 13 years, we have seen many organisations that are good at many of the capabilities that underpin the consistent delivery of winning customer experiences but still do not make the grade. This is because they do not understand that success is a function of how the organisation is designed. Winners design their organisations to deliver great customer experiences, and that has little to do with lines and boxes on an organisation chart.

Real organisation design is centred on two factors: what leaders do and how the various management processes work to facilitate the outcomes it desires. The foundation of both is the values that organisation seeks to live by. So many companies proclaim that, in their organisation, the customer is king but then fail to follow through.

Have you mastered the art of organisation design? Here's a simple test. For each of the following items, assess the degree to which they affirm or negate your organisation's stated purpose and values.

- What you communicate to staff on a regular basis
- What the top team uses to measure business performance
- What outcomes you reward
- What you recognise as good performance
- The basis on which you hire people
- What factors are considered when key decisions are taken

Coherent organisations have much greater degrees of alignment; people see the links between the different elements of the organisation. The customer is a great focus for making sure the organisation works together.

Remember, every organisation is perfectly designed to achieve the results it does.

A number of relatively young organisations have entered the Awards and done well. They had the advantage of creating an organisation from scratch and have seized the opportunity. When it comes to building an organisation from values up, Cragrats show how it can be done. Formed by two university lecturers to use theatre as a means of communicating, their first act was to draft seven statements – their operating philosophies. These philosophies have guided the creation of an organisation that has grown and is an exemplar of deliver memorable customer experiences.

6. Make the link to the bottom line

In 1989, I defined customer focus as “everything an

organisation does to profitably secure, satisfy and retain customers better than the competition.” Each element of the definition is important, including ‘profitable’, although for public sector and not for profit organisations, the concept is expressed as value for money.

Providing satisfied customers might well give a nice warm glow but as soon as you can't pay people, it becomes a less enticing proposition. Winners pursue the focus on superior customer experiences because they know that customers that have a great experience are more likely to continue to buy and more likely to recommend you to other people. Driving this top line growth is why customer experience is an important strategy for any organisation.

But what about the bottom line – the costs? Well customer experience has a role to play here also. Understanding customers' needs and expectations and how well you are meeting them is a good starting point when considering investments. Many organisations spend heavily on product and service improvements that have little or no effect on customers' intentions to buy. Equally, they ignore many (often trivial) investments that could make a huge difference to customers and hence to the bottom line.

Few can match the work on integrating measures done by Xerox's European service arm. By driving a common measurement regime down to the level of service teams, Xerox has been able to show a positive correlation between employee satisfaction, customer satisfaction, productivity and profitability.

7. Make everything a little better every day - If it ain't broke, fix it

Winners are never happy with what they achieve. They work on the premise that if they don't do something better, a competitor might. They prefer to have their fate in their own hands. Whilst they are always looking for the big idea, they stay ahead of the pack by seeking to improve everything, everyday. To achieve this, they know that they cannot rely on managers to come up with all the ideas. Instead, they train all their people in continuous improvements.

Marketed with razzamatazz by a few companies under banners such as Workout, Six Sigma and Lean, some of these techniques have taken on cult like status. Strip away the hype and you will find that many stem from the Japanese quality movement of the 60s and 70s. By providing people with a set of simple tools, they allow teams to identify weaknesses in their performance and design improvements to them. The important ingredient however is the freedom

and encouragement to take on the responsibility for driving improvement. The biggest barrier is often managers hell bent on retaining control. Winners know that a key part of achieving winning customer experiences is to make the switch from a management biased towards enabling, not controlling staff.

Siemens Business Services provide all the processing and delivery capability for National Savings and Investments in one of the largest outsourcing contacts in the UK. They have applied lean concepts right across the organisation. Training and support tools are provided to all teams which then take on continuous improvement projects of their own. The quality of the material and support is an essential factor in their successful introduction of continuous improvement.

8. Learn from your mistakes

One source of opportunities for improvement is something we all do; we all make mistakes. What makes winners different is that they quickly address and learn from them. Winning companies turn mistakes to their advantage in three areas.

If they make a mistake with a customer, they are quick to slip into service recovery mode, seeking to turn a bad experience into a positive one. They know that most customers want their problem solved quickly and fairly. They don't want to write to head office or complete a long form; they want the person in front of them to have the ability and authority to put the mistake right. Winners give front line people as much freedom as they can to do this.

If individuals make a mistake, winners see it as a learning opportunity. There is an apocryphal story of a young IBM manager who made a mistake costing over a million dollars. Summoned to see Tom Watson, son of the founder and the then CEO, the manager had his letter of resignation all prepared. When he handed over the letter, Watson tore it up without opening it and threw it in the bin, saying that he did not want to lose a manager having just spent over a million dollars on his development. The only value of mistakes is what is learned from them.

Teams and organisations also make mistakes. A project may go over budget or a proposal fail to win the business. Winners take the time to do the reviews, find out how they can improve and implement the changes. Others can never find the time and make the same mistakes time and time again.

In the field of service recovery small business award winner

Rackspace Managed Hosting excel. In pursuit of their goal of Fanatical Support™, they don't wait for the customer to find out about a server being down and calling the support desk; they own up and fix the problem. In some cases, the first time the customer knows that their server was down is when they receive a refund for the downtime.

9. Understand that the future will be different

Isn't it amazing how every generation thinks that theirs is the one with the answers, only to find that the world they pass on is very different. It was and will be ever thus.

Bill Gates once said that managers over-estimate the impact that technology will have in 2-3 years but under-estimate its longer term impact. During the life of the Awards, we have experienced the dot com boom, boosting IT and telecom share prices with it, to be followed by the dot com bust, dragging down stocks everywhere. But now we are at the beginning of the real dot com boom as the internet begins to deliver its potential. Internet technology and the applications that they spawn are fundamentally changing the way experiences are delivered and winners are already working out what that means. Experiences are no longer delivered, they are co-created. The voice of the customer is amplified as social networks connect huge numbers of people.

In some markets, for example books, electronics and travel it is impossible to imagine a new company setting up with anything other than the web as its primary sales channel. Much more is to come and failing to grasp the opportunity (or threat) may well mean failure.

But technology is not just changing the way that service is delivered. The connectivity and information access provided by the internet is changing the way that people and communities operate and oiling the wheels of globalisation. It is changing the way that organisations work, with significant new ideas for informing and empowering front line staff. Award winners have been at the vanguard of some of these changes, combining noble values and fresh thinking to develop novel, practical and effective approaches.

10. Recognise that experiences are multifaceted

In assessing Awards entrants I have seen many companies that have the best product or service but could never claim to deliver great customer experiences. Too many companies make buying a challenge or put grumpy, untrained people in front of customers with poor information and tools. Unclear pricing, long delivery times, insufficient information, poor support and service are just a few of the many complaints

we hear from customers. Life on-line is often no better with registration barriers, cumbersome check out systems and poor returns processes. Have you ever tried to get a telephone number for the local branch of many of the high street banks and building societies? Even when all this is right, customers turn against companies because of their employment practices or senior manager pay packages. These are all factors that shape how the customer experiences your organisation.

One winner that understands the importance of the customer experience is First Direct. They founded their business and started a whole new industry by rethinking the way banking was done. Although established as a telephone bank, they knew that people would need access to ATMs and branches to withdraw and deposit funds. They built their banking system in a way that keeps extensive records of discussions with customers so that whoever deals with the customer does not need to go over old ground. On the few occasions that transfers to a specialist department are required, the person receiving the call is briefed so that the customer doesn't have repeat the explanation. Close integration between phone and web channels ensures that the same high level of service is provided however you interact with them.

And finally

Follow these ten tips and you will be well on the way to delivering winning customer experiences. Remember however the quote at the beginning "When all is said and done, a lot more is said than done." Winners know this and focus on execution. They know that becoming customer focused is not just about fine words, it is about changes on the ground. Of the many entries that have been reviewed, the most frustrating are those that clearly understand the issues but have failed to act. At the end of the day, excellence is about execution.

For more information about the UK Customer Experience Awards visit: www.customerexperienceawards.com