

Catalyst

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Delivering great Customer Service

(This is the first of a two-part article on the subject.)

The need to serve the customer well and to deliver high levels of Customer Satisfaction has become so well known, with its importance and benefits so widely talked about that it has become virtually, a holy cow. Only a brave (or foolhardy!) manager will deny its importance. Most organizations have Customer Satisfaction mentioned as part of their mission or strategy; many have individuals or departments charged with the responsibility of delivering and insuring customer satisfaction. Unfortunately, the management of this area is characterized more by lip service (this is something that we are told to do and have to do) rather than by a deeply ingrained belief and behavior.

There is emerging agreement about the need to embed Customer Satisfaction as an outcome of Customer Service. And there is acceptance among knowledgeable leaders and academics that these are elements falling within the overall ambit of Customer Experience. Thus, a customer can experience a brand in various ways by using it, by seeing its advertising, by seeking service (routine or non-routine) and by interacting with its provider for service through the various human and non-human channels set up for this purpose. Satisfaction levels with such interactions are a gauge of the service the customer has received and the experience undergone in the process. The smoother and happier such an experience turns out to be, the greater is the chance of the customer building strong connections with the brand and, thus, of staying with it and advocating it. Great or good Customer Experience Management is likely to be a critical factor in building and protecting brand health.

So how does an organization go about delivering great or good experience to its customers? In this article the focus is on a few areas which I consider important and I'm going to provide a personal perspective. Based on reactions we can try to expand the debate and identify areas for future discussion.



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The CEO

Delivering great customer experience is something which has to be driven by the CEO. The CEO's total and passionate commitment to this goal is imperative to line up the organization and gear it to deliver. By words and actions, the CEO has to communicate the importance of Customer Experience. UPS, Pizza Hut, Amazon.com, and Southwest Airlines are brands which are frequently mentioned as leaders in delivering satisfaction to their customers. Gary Kelly of Southwest runs a company which has been profitable for 38 consecutive years, a feat which CEOs of other airlines would happily sacrifice an arm and a leg for. Here's what he believes:

"The focus is trying to meet customer needs and desires, and to beat the other guy. Since Southwest has been in business there have been 250 airlines come and gone, but we've somehow found a way".

It's significant that Kelly is carrying forward a tradition laid down by Southwest's original CEO, Herb Kelleher, a stickler for customer service. Kelleher encouraged pilots to load baggage, stewardesses to keep their planes clean and he, himself, flew often with the intention of talking

and listening to customers. This is the passion and commitment required to get an organization to build and deliver great service.

Here's another example from Jeff Bezos (of Amazon): "If you make customers unhappy in the physical world they might each tell six friends. If you make customers unhappy on the internet they can each tell 6000 friends". The internet's power in spreading good news and bad is awesome and needs to be understood and harnessed.

Closer to home we have Aniljit Singh of Max India whose goal is to have Max Healthcare become "one of India's most admired corporates for Service Excellence". This is not an empty goal, he's backing it with due organizational interventions and empowerment.

The CEO is the lead player. He can make or break the delivery of Customer Service and Customer Experience in any organisation.

The Employees

The CEO who is passionate about customer service and wants his organization to deliver this to the best possible degree cannot do so if the rank and file are demotivated and disengaged with their jobs. A quick look at Southwest's mission reveals the link:

"..dedication to the highest levels of customer service delivered with a sense of warmth, friendliness, individual pride, and company spirit".

Warmth, friendliness, pride, company spirit - someone unhappy with her work, her supervisor or with the support provided to her by the organization is unlikely to be able to deliver service distinguished by these qualities. The good news for the organization is that there are strong business advantages if its employees are looked after and feel wanted. In Southwest's case, its astonishing record of continuous profitability over decades of business is a testimony to the importance of customer satisfaction and employee engagement. Here's what Kelly has to say on this issue "Our people are our single greatest strength and most enduring long-term competitive advantage". Why does he say this?

The reasons are simple Southwest's competitors use the same aircraft as it does, the same runways and airports, probably very similar technical and commercial systems. Employees emerge as a huge differentiator between this airline company and others. And the good news is that while other companies can easily duplicate Southwest's aircraft and systems, they cannot do so with its employees. Even if significant poaching of employees takes place, their levels of engagement are unlikely to be the same, hence, restricting their ability to emerge as a "long term competitive advantage" for competition. 'Poaching' brings in competence and the ability to get productive soon but it does not guarantee engagement and delighted customers.

In today's world the airlines story is repeated in many other business verticals - hospitality, banking, courier services, telephony and retailing, to name a few. And while the impact of employees on customers is somewhat less in manufacturing the reality is that service demands that quality has to be delivered, reliability has to be built in and protected, supplies have to be predictable, pricing has to be competitive, and after-sales service has to be relevant to customer needs. None of this is possible, at consistent high levels, if employees are disengaged.

Coming back to our CEO who is passionate about customer service, it is clear that he/she needs to be equally passionate about the employees in the organization. And this means the right people have to be recruited, they need the right training and developmental inputs, the right managers have to be in place (remember that people most often move out of organisations because of poor managers or supervisors), people should feel wanted and should believe in their organisation's principles and values and, very importantly, they need to be suitably empowered. HR has a huge role to play in building the underlying systems to support the requirements above but, equally importantly, individual supervisors and managers have to recognize that their teams have to be managed largely by them and that it is how this is done which will determine team success.

People management cannot be the responsibility of HR alone, or of the Personnel department.

I need to set a perspective as far as the "right employees" are concerned. Let's accept that those employees who face customers need a certain set of qualities or abilities. Examples of such qualities are: the ability to build rapport, to communicate their interest in delivering to the customer's needs, patience and strength (customers can be long winded, angry, demanding...). All individual do not possess these qualities and some of these cannot be acquired through training. The organization must have a talent/quality profile that it is looking for and it should have a system to identify individuals who will be a good fit to handle customer facing roles.

Employees, supported by the right mix of processes, technology and empowerment, are in contact with the customer. Every encounter is a moment of truth with the potential to make or mar the relationship. The criticality of the employee's role cannot be over-stressed.

So far, the discussion has been focused on the CEO and the organisation's employees. While there are a host of other potential stress points and levers which impact customer service, three stand out for examination and understanding measurement, process/quality and granularity. These will be covered in the next part of this article.

Emergence of the latest CXO role - Chief Customer Officer

Background

If we look around at the management teams in organizations, we are sure to find an executive who is directly responsible for a business function or a business group. So we have a Chief Marketing Officer or an equivalent title that is responsible for the Marketing Function, a CTO responsible for the Technology function and so on. So the question arises. Who manages the customer? Who is responsible for the Voice of Customer (VOC)? Who is responsible for ensuring that the customer voice is heard right at the board level in the organization? A Chief Customer Officer (CCO) is expected to be the answer for this emerging question in businesses worldwide.

Definitions

One of the peer networks of CCOs The Chief Customer Officer Council, defines Chief Customer Officer as “an executive that provides the comprehensive and authoritative view of the customer and creates corporate and customer strategy at the highest levels of the company to maximize customer acquisition, retention, and profitability.” Such a definition does bring up a number of questions. Doesn't Marketing worry about client targeting and attraction? Doesn't Sales worry about customer acquisition? Doesn't Service worry about customer retention? The answer to all these questions is a big yes. But when you look at it, these questions point us to the problem as well. We are talking about the same customer here. Marketing sees him as a target, Sales looks at him as a prospect and service looks at him as an issue or a ticket. The CCO is expected to bring in the integrated view of the customer, that otherwise is lacking, into the organization.

CCOs turn the customer insights into definitive action in the organization. They get their insights through customer advisory boards, internal customer interfacing teams like sales, support, etc., one to one sessions with the key customers, customer conferences, etc. These are then turned into definitive actions within the organization to ensure that the organizational customer centric goals are met.

CCO roles

The CCO role is expected to be the key driver in organizations becoming “Customer-centric”. The CCO is focussed on driving customer profitability, ensuring a customer centric culture in the organization and demonstrating value to the organization. CCOs are charged with the goal of improving the overall customer experience in dealing with the organization. The CCO role can be of three different types - Advisory, Matrix Structure or an Operational CCO.

An Advisory CCO, as the name indicates, performs an advisory role based on their understanding to the other functions of the organization. A Forrester Survey done on over 155 organizations found that a large number of the CCOs in America fall into this category. They coach the various teams while performing their respective duties and draw influence from their own personal reputations or the ownership shown by the CEO.

In a Matrix CCO structure, the CCO has dotted line reporting based on activities from various departmental chiefs. Such CCOs draw resources from other departments and mostly have lean teams.

In an Operational CCO role, the CCO leads some of the operations of the organization. They typically run the operations to bring about the changes required during the transformation of the organization to become customer-centric.



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Measuring the CCO performance

The CCO usually reports into the CEO and while the general requirements of the role are similar across organisations, the specific goals of each CCO are usually linked to the vision and focus of the CEO and the corporate strategy of the company. CCOs like any other function have their own set of metrics to monitor performance. Some of the frequently used metrics revolve around customer reference ability, customer loyalty, improvements in customer experience, increase in customer profitability, customer life-time value, etc. There could be specific metrics like increase in maintenance renewals in case of a software company.

Some Statistics about CCO

Forrester survey carried out amongst CCOs in US had some interesting finds. About 75% of the CCOs surveyed were part of the executive management of their respective organizations. 82% of the CCOs were 2 years or less in their organizations. One fourth of the CCOs surveyed were holding operational positions before moving into the role of a CCO. Twenty-nine percent of the CCOs surveyed were employed in companies under USD 250 Million in revenue. According to CCO Council, the average tenure of a CCO is at present 26 months representing a very fragile position.

The concept of CCO, though originated in the late nineties, has become more common and practiced only recently as evident from the survey.

The CCO role seems to have not yet caught the imagination of enterprises in India. The e-commerce business however seem to be leading the curve in India with respect to this role. Some of the e-commerce portals even state this as their “key differentiator”.

The Future for the CCO

It is already evident that the role of the CCO is becoming increasingly relevant for the future. Organisations are more often than not ensuring that the CCO is involved in making decisions on matters which are traditionally 'not' customer service. For example, the location of the next branch of a bank, the rebranding of an airline, or which enterprise software to pick for supply chain management. CCOs are also being tasked with ripping apart the silo mentality that exists among the various departments of an organisations and creating a cohesive team that can deliver a superior customer experience.

The role of the CCO will be always be dynamic - dictated by the ever changing needs of the customer and the eagerness of the organisation to meet that need and translate it into sustainable profits. The challenge for the CCO will be the ability to effortlessly assume roles and responsibilities without causing resentment among those colleagues who find themselves adrift in the new order of things. Taking a hint from the beginnings of a trend in more mature economies, it is safe to say that in the very near future, the key criteria to become a CEO of an organisation would include several years of experience as a successful Chief Customer Officer.

eMudhra Consumer Services Limited

eMudhra Consumer Services Limited is a leading Do-It-Yourself Technology organization based in India providing a host of cutting edge solutions in the fields of financial, legal and statutory spaces. eMudhra was founded with the objective of building a strong technology platforms that gave the power of technology to the user. We are India's first focused Consutech company Consumer Services through Technology catering to financial, security and taxation needs of more than 550,000 consumers.

Solutions Focus

Digital Signature Certificates - eMudhra is a Licensed Certifying Authority operating under the Information Technology Act of India to issue Digital Signature Certificates that are accepted by many leading banks, Government agencies including Income Tax department, Ministry of Company Affairs.

Taxsmile - Taxsmile is a trusted, user-friendly-solution for salaried and consulting individuals including NRIs who need to prepare and file income tax returns as a statutory requirement. It is interactive with step-by-step guidance which ensures a hassle-free tax planning, preparation and filing experience.

YPayCash - The solution enables a consumer to make payments using mobile phones instead of a credit or debit card or cash. It is a mobile-to-mobile payment platform developed by leveraging the most advanced and trusted security platform in the world for online transactions.

SecMsg - An innovative solution offering a secure SMS communication platform that ensures security of sensitive data in cell phones by leveraging our expertise in data encryption, PKI technology.

Veda - Veda, a semantic based solution was started with the backing of a strong team of Semantic technology professionals and leading global research institutions. Veda is a smart system that understands and converts data to actionable intelligence.

eMudhra currently has an employee base of around 150 across the group. Headquartered in Bangalore, the group has offices in Chennai, Delhi, Hyderabad, and Mumbai. Our revenues for the year 2011-12 (April 2011 to March 2012) is expected to be around USD 4 million.

eMudhra has filed 11 patents so far and focus is on developing software and applications that become their intellectual property. They have over 100 alliance partners and customers that they currently cater to, including leading organizations in India.

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An invitation

We welcome companies to become Corporate Members of "Custommerce Service Excellence Foundation" and strengthen the partnership towards Service Excellence.

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