



# UNIT-5

## Implementing a Service Excellence Strategy

Staff Training Solutions

### Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Understand the steps involved in implementing a service-excellence strategy

## Unit 5

# Implementing a Service Excellence

## Introduction

When an organisation develops a customer service strategy, the way it is introduced to employees will determine its effectiveness and success. We will now investigate methods of implementing a service strategy, along with the need to design and market a programme throughout the organisation, starting with management and cascading through the company.

### Continuous Improvement

Research into organisations that have successfully applied a customer-focus programme reveals that the approach adopted when introducing the strategy often determines its success.

In order for a service quality philosophy to be readily-assimilated into the company, service excellence must not be presented as a novelty, but rather as a logical extension of what the company is already doing. Those companies that are most successful in implementing a service philosophy ensure that this is marketed throughout the organisation as a continuous process, rather than a one-off campaign.

### Engender Ownership

The more employees feel involved in the development of a service strategy, the more successful the ownership of its principles will be. Ideas owned by staff are more likely to be accepted and implemented. It is vital to involve employees in the design of the programme and to communicate to them clearly its objectives, key success criteria and the timescale for implementation.

### Test the Waters

One useful means of introducing a service philosophy is to demonstrate its effectiveness by running a pilot scheme. Prior to commencing full-scale customer research, a pilot is conducted to test the waters. Talking to customers, holding focus groups and testing questionnaires on a small scale all provide the opportunity to evaluate the process and refine it, before it is introduced throughout the company.

A pilot scheme is particularly helpful where resistance to change is likely to be high. To ensure the success of the programme, it is useful for employees to see the benefits of the new approach. Through identifying part of the organisation which is typical of the business in size and structure in which to pilot an approach, a useful example is often set, which can then act as an illustration of the success of the programme. A comparable control situation should also be chosen which will not undertake the programme, but which can also be monitored so that the achievements of the pilot can be assessed.

Senior management at National Mutual Life developed a service quality strategy to ensure differentiation in the marketplace. This relied on empowering people within the organisation to use their experience and knowledge to solve specific business problems, and in so doing improve their own performance *and* that of the organisation as a whole. National Mutual decided to implement the strategy, called 'Customer Care', on a pilot basis to provide a taste of how the programme would work. Two project teams, one in the new business area, the other in pension claims, took part in a two-day workshop which introduced the concepts of customer care.

The teams then focused on ways of analysing and improving how they completed their activities. The pilot projects were hugely successful, demonstrating the potential improvements that can be generated from small-scale activities, such as making computer input screens more user-friendly. A wide range of benefits emerged, including higher staff motivation and greater levels of teamwork and cooperation. The pilot was therefore the impetus for change.

Employees who are involved in a pilot scheme need to understand that as this is the first time such an initiative has taken place, the strategy may not be perfect. A timescale should be set for the pilot and the initiative evaluated. Importantly, the comments and feedback of employees involved in the pilot scheme must be sought, in order to ensure that when the strategy is rolled out throughout the organisation, the key learning points from the pilot can be incorporated.

A national chain of estate agents which was considering introducing a customer care programme selected one branch from each of its ten regions throughout the country to act as a pilot. They also chose one branch in each of the regions to act as a control. Concern was expressed that because of regional variations and different working practices, it would not be possible to introduce a customer care strategy on a uniform basis throughout the country. A pilot scheme was developed in one part of the business typical of the organization. The pilot was subsequently evaluated, and it proved that ninety per cent of the pilot branches showed significant improvement over the control branches, as a result of the customer care programme - in terms of both customer satisfaction (based on pre- and post-customer research) and employee morale. The pilot branches then acted as champions for the strategy, and were used as examples to overcome resistance by other branches as the programme developed.

### **Establish a Steering Group**

A useful means of beginning a programme designed to make the service strategy come alive is to establish a steering group, whose members can be drawn from all parts of the organisation and whose role is to spearhead the implementation of the strategy. The steering group need not be large, but its members need to be sufficiently influential within the organisation and should be drawn from across job grades and functions.

Steering group members must possess good communication skills. It is also beneficial for team members to understand group processes, so they can successfully work together. An open and honest discussion among team members to establish individuals' expectations and motivations prior to the team beginning to work together is often a useful exercise.

Hotel group Queens Moat Houses set about making its staff the driving force behind its move to improve customer service, by appointing three members of staff as service champions from each hotel. Staff acted as mini steering groups for the service initiative, trained other employees and also performed as coaches. When Audi recognized that it needed to develop its distinct personality in the United Kingdom, it set up a vanguard of twenty Audi centres. These centres were recognized as strong advocates of change. Their task was to identify and refine the best aspects of customer care, acting as a steering group for the rest of the dealer network.

## Marketing a Service Strategy

When developing a service quality programme, successful organisations remember not only to create the right environment to encourage service improvements, but also to market and sell the strategy to employees. Employees are the first market of the organisation. If staff are told about new products or services by customers before being informed by management, it is hardly surprising that they will have little faith in what managers say. So, for employees to believe in and act by the principles of a service philosophy, they need to understand not only the reasons for the programme, but what is expected of them. A service philosophy must be marketed and sold *internally*, before it can be presented to the external customer.

Many organisations begin their customer care programmes by giving them names, so that they can be branded and recognised throughout the company. Although this approach has its advantages, care should be taken in the selection of a name, as there is a danger that branding can create the impression that a programme is a separate entity, rather than being integrated into the culture of an organisation. In addition, a name has to be long-lasting. It is often difficult to revive a strategy by giving it a different name, if other programmes with other names have been unsuccessfully introduced in the past.

Names that are often given to service quality programmes include:

Focus on the customer	Putting service first
Success through service	First service
Customers first	Partnership programme
You make the difference	Partners in customer service
Right first time	Team service
Profit through service	In touch
Putting the customer first	Excel
Caring for customers	Winning for customers
To be the best	Service to succeed
Leadership through quality	Making the difference
Quality pays	First class service
Service excellence	Customer-driven service
Who cares wins	

## Introducing the Programme to Employees

The first task of senior management and members of the steering group is to decide how to introduce the programme to employees. Experience shows that educating management first is more successful than introducing a programme to all employees at the same time. It can prove effective to hold workshops and seminars that introduce the service philosophy to all employees, but separate events should also be held first with managers to explain their roles and to gain their commitment. Leadership training may also be needed to help bring about change.

There are various ways to promote service strategies and opportunities to individuals and groups in an organisation. The best methods depend on the nature and size of the organisation, the purpose of the strategy, and the resources available.

Below are some examples of methods to communicate and promote a service strategy:

- newsletters and brochures
- posters
- email
- voicemail
- pop-up computer screen messages on the organisation's intranet
- formal group presentations.

In a team environment, you may choose to make your communication more direct and personal and promote your service strategy by:

- induction sessions for new staff
- training programmes
- coaching sessions.

You may also use mentors to convey the service message. And, don't forget the power of management behaviour in communicating with staff. If you are a manager, you must be conscious of your own behaviour as a model of customer service.

Whatever method you use to promote the service strategy, remember some of the basics of effective communication. These are:

- Use simple, direct language so that the receivers of your communication can understand and relate.
- Seek feedback to ensure you have been understood.
- Use empathy to help understand the possible effects on others of your communication.
- Consider timing. Identify specific times when your message will be most effective.
- Be positive. Your attitude, communicated by your words, will influence how people hear and accept the message.
- Think it through first, especially if the message is complicated.
- Listen. It helps to create empathy and avoid misunderstandings.

## New Staff Induction Programmes

Organisations frequently go to great lengths to recruit and select staff. Some of them then expect the new employee to intuitively 'know' what is expected of them in the workplace, and to perform accordingly. An induction programme is a formal process that introduces employees to the workplace and familiarises them with their jobs, team and the wider organisation. It gives new employees an understanding of their role in the organisation and the performance standards required in the new job.

The behaviour required of employees when dealing with customers and the systems/processes used to ensure customer satisfaction differ from organisation to organisation. Informing new staff of the needs of the organisation's customers, and the strategies to meet those needs, is one of the primary functions of a staff induction program in a customer-focused organisation.

You may choose to communicate and promote your service strategy through training sessions with your staff. You may conduct these sessions yourself, or internal or external training experts may conduct them. You'll first need to **determine the training needs**. These should come from observation of employee performance, examination of performance records, or the outcomes of a formal appraisal program. If there is a gap between the actual performance and the performance required to ensure the success of the service strategy, then you may have a training need.

This step is essential to ensure the real issue has been identified and the nature of the training required is determined. You can use the resource capability matrix described later in the learning pack to help you analyse the training needs of your workforce.

Next comes the **preparation of a training session plan**. A session plan is a detailed overview that clearly sets out what will be covered in the training session.

The training session plan should include such things as:

- the training outcomes
- where the training will take place
- key areas to be covered
- the training methods
- resources that will be used
- assessment criteria (what the staff will be required to know or do after training).

A well-planned training session will:

- help you stay focused on the training objectives
- outline the sequence and priorities of the skills and knowledge you need to cover
- provide a record of the training session
- be able to be used again or modified if necessary.

Here is an example of a plan for a training session, focusing on managing customer complaints for new administrative assistants in a manufacturing company.

SAMPLE TRAINING SESSION PLAN	
<b>Organisation:</b>	ABC Manufacturing
<b>Department:</b>	Human Resources
<b>Date:</b>	2 <sup>nd</sup> April
<b>Trainer:</b>	Simon Rogers
<b>Participant/s:</b>	6 new recruits — administration
<b>Location of training:</b>	Training room 1st floor
<b>Training objectives:</b> By the end of the training session, participants will be able to manage customer complaints effectively in their work area.	
<b>Introduction:</b> We will cover reasons for customer complaints and the benefits of effective complaint handling skills to manage complaints and emotions.	
<b>Assessment:</b> Participants will: <ul style="list-style-type: none"> <li>• determine reasons for customer complaints</li> <li>• identify benefits of complaint management</li> <li>• handle complaints</li> <li>• manage emotions.</li> </ul>	
Main points	Training methods
Why customers complain	Group discussion
The benefits of effective complaint management	Group discussion, brainstorming
Complaint management procedures	Overhead transparencies, practice
Managing emotions	Question and answer, role play
<b>Conclusion:</b> Areas covered, feedback about performance, any future plans. <b>Resources/training aids:</b> Whiteboard, overhead projector, handouts.	

British Airways started its quality service initiative with a programme called ‘Putting People First.’ This was a two-day event bringing together a carefully constructed cross-section of staff who deliver the services. Members of staff gathered together, one hundred and fifty at a time, at a large conference

centre. The seating was prearranged in small groups and organised into gatherings of eight people. The subject matter for the event covered a wide range of issues, from personal experience of dealing with service organisations to feedback on research and the importance of giving attention to customers. The events were rounded off by a talk from Sir Colin Marshall, who gave visible support to the messages of the course.

Feedback from the event identified the need for greater management commitment to the principles of service quality. Subsequently, British Airways instigated 'Managing People First,' a one-week residential course for managers to give them experience of managing in a service industry. Here, managers received detailed feedback on their strengths and weaknesses by means of a questionnaire which had been completed by both associates and subordinates. Also, managers had the opportunity to work in small groups, which provided support and encouragement, to investigate the need for change and to formulate a detailed plan for improvement.

### **Include Everyone**

Senior management often approach a customer service philosophy by directing their initial efforts at front-line staff. This can be a mistake, as a customer service philosophy needs to be integrated into all aspects of the business. Training front-line staff alone will not tackle the underlying issues of improvement in service, nor does it engender understanding of the internal customer.

Service improvement programmes should always begin with management. This has the dual-effect of bringing about involvement, participation and ownership at management level, as well as ensuring that before staff take part in the programme, managers have an understanding of the process in which everyone will be involved. Staff then will know that their managers have also undertaken similar activities.

At Xerox, for example, managers went through an initial quality programme twice – once to learn about the programme and once to be trained to teach *their* subordinates about the strategy.

### **A Company-Wide Initiative**

If a customer service philosophy is seen to belong to one person, one department, or one part of the business, the success of the programme will often be dependent on the political standing and influence of that particular department or person. Particularly where service excellence programmes are marketed to employees as a short-term campaign rather than an ongoing philosophy, there is great danger that employees see the introduction of service improvement programmes as 'flavour of the month.' In the same way, although it may be useful to employ the services of an outside consultant to aid the development of the company's programme, it is important to ensure that consultants are used only as facilitators for change, and that the strategy itself is seen to emanate from senior members of the company *and* is tailored to the organisation's specific requirements.

'Off the shelf' customer care programmes often have a major flaw in that their content and setting are irrelevant and not tailored to the organisation. Likewise, there has been a move away from a 'sheep-dip'

style of training, which all employees attend in an almost evangelical style, towards more tailored and practical programmes, often run in-house.

Lloyds TSB, for example, established a programme called 'Developing Service Excellence' which involved every employee in retail banking from front-line to the top team. Moving away from the traditional method by which they had introduced programmes in the past, 'Developing Service Excellence' was not delivered by a series of classroom-based workshops. Instead, Lloyds trainers trained managers and team leaders to lead a team-based process in branches and business centres around the country.

A series of team sessions was held, involving all employees undertaking self-managed development and the facilitation of team action-planning sessions during the course of team meetings. When IBM Asia Pacific agreed to the target of delivering world-class service to its external and internal customers, it meant reaching eight thousand people in twelve different countries. Their approach was for local teams to train themselves and then facilitate small group training sessions, in order to improve people's relationships with the customer at a local level. This way, all employees across the region took part in the programme.

### **Managers Lead the Way**

Best-practice organisations, therefore, engage managers to lead a service strategy forward. Emphasis on customer care has led Lex Retail Group, one of the largest motor retailer groups in the UK, into a major programme of change. The key to this was the realization that managers in the business needed to value their relationships with their own people as much as they valued their relationships with their customers, as it was believed that only people who *felt* valued could *give* value. Research shows that the most talented managers receive high ratings in the employee survey question: 'At work I have the opportunity to do what I do best every day.' Where employees agreed with this statement, customer retention and loyalty scores were appreciably higher.

Lex's vision focused on three main areas: delighting customers, empowering people and optimising performance. It was realised that to achieve this vision front-line employees needed to be supported by managers and allowed to take responsibility, in order to provide outstanding service. This meant a change in the top-down style of doing business that had evolved in the organisation. The main board sponsored a programme, which involved residential workshops for all managers on facilitating change. This in turn led to managers encouraging greater ownership and responsibility for problems.

One DIY retailer drove home the message about the need for good customer care by forcing managers to experience terrible service themselves. Managers were invited to attend what they thought was just another sales meeting, held at a distant hotel and starting at 8.30 am. When they arrived, nothing was ready for them. An hour later, still minus coffee, the executives were ushered into a filthy conference room. Cigarette ash and broken biscuits littered the floor where the remains of earlier meals had not been cleared away. Coffee, when it arrived eventually, was served by surly, unhelpful staff who argued among themselves.

At this point, the doors to the conference room opened and the assembled managers were asked to move into another cleaner room. Here, they were greeted by their directors and asked what they thought of the service provided by the hotel. The day then continued by emphasising the importance of customer care. Five similar one-day roadshows were held, each catering for sixty-five people. Participants at four roadshows were store managers and regional managers. The fifth was senior head office staff, including directors. A customer service programme was introduced at the roadshows which involved syndicate work. The approach was cascaded to train junior staff, using examples of bad service and team discussions as a way of highlighting areas of improvement.

Electricity Company, Norweb, has responded to privatisation and increased customer expectation by becoming slimmer, faster and more efficient. The company's top forty managers attended sessions called 'Breaking the Chain.' They used the analogy of an elephant that never forgets. Tethered as a baby, it tries to break free. It cannot and it suffers great pain. Even as an adult, tethered by a chain it could easily break, the elephant does not forget the pain and does not try to break free. The session focused on breaking free from the past and trying to create a customer-driven future.

It was followed by 'Get it off your chest' sessions, with a wider selection of three hundred staff from each of the branches and twenty customer services sections. Here, people were encouraged to say how things could be improved at work. The result was over eight hundred suggestions, which were all looked at and acted upon quickly to bring about improvements in service quality.

### **High or Low Key?**

Various techniques have been used by different organisations at the beginning of service quality initiatives, including holding workshops and seminars with senior management and day or half-day events, which both members of management and staff attend. Other organisations make customer service part of ongoing training and development. There is value in bringing together groups of people who would normally never meet, to discuss service quality. NatWest, for example, held a series of management workshops to introduce their quality service programme involving all executives downwards from every unit and department. Within two months, three hundred and thirty such workshops were held. The objectives of the workshops were to provide input and introduce the service quality programme to managers – all of which led to a huge increase in communication quality. In addition, a series of seven one-day events for all employees was held in seven purpose-built auditoria in locations throughout the country, to introduce the programme.

At the Woolwich Building Society, a customer service programme was developed which was initiated via a research programme, designed to establish not only what Woolwich staff, but also customers thought about the kind of service the building society offered. Subsequent to this research, a team was sent around the country to explain in-person the aims of the campaign and to quantify initial reactions.

This included detailed analysis of employees' attitudes to service and service delivery. The basis of this work founded a major educational programme involving three thousand five hundred people, including

everyone from the chief executive to the newest recruit. The programme for more senior staff was extended to include those aspects of leadership necessary to ensure the perpetuation of the process.

Other organisations introduce programmes in a more low-key manner, using vehicles such as team meetings, staff announcements and videos. The Nationwide Building Society chose to hold a series of evening party events for employees *after* its customer service strategy had been launched, as a thank you to staff.

Whatever the method chosen to introduce a service strategy, organisations need to ask some key questions:

- How does the introduction instil the values of the organisation?
- How does it fit the needs of employees?
- How is management commitment being demonstrated?
- How suitable is the approach?
- How will success be measured?

One successful service excellence programme, for example, resulted in an increase in customer satisfaction from sixty-nine to eighty-seven per cent in nine months, and an increase in staff morale in the same period of twenty-two per cent.

eBay began the online shopping revolution in the late 1990s. However, the selection of items for sale was very limited – there were fewer than three hundred thousand items on the site at any one time – compared with around ten million now. In 2006, ten per cent of the time the British spent online was spent on eBay.co.uk. In 2006, there were an estimated sixty-eight thousand people in the United Kingdom who made a living in-whole or in-part on eBay.

The company's ability to bring together a virtually limitless number of buyers and sellers, to trade an almost infinite variety of goods in a fun and interesting way, is based on a clear customer-focused strategy. eBay was created by its customers, for its customers. The organisation is founded on the belief that people are basically good. So, they trust one another to buy and sell and exchange money, without ever having met. This belief has driven much of the organisation's thinking and behaviour.

eBay's attraction is that buyers and sellers can instantly record their comments about the products and services involved. The degree of member-to-member interaction is so great that online discussion groups exist for experienced eBayers to help newcomers learn the ropes. eBay's strategy is to listen to customer feedback, in order to make improvements. PayPal and Skype are other examples of this. Another is the advent of the 'Buy it now' formula, which allows sellers to sell for a set or fixed price. This has opened the door for businesses selling new products on the site, in response to consumer demands.

Tesco started as a small market business and today is the fourth largest retailer in the world. According to Tesco Chief Executive, Sir Terry Leahy, there are four main things that have made a difference to the company's ability to compete internationally. The first is that senior personnel have been clear about what

they want to achieve. The second is that they have listened to what their customers have told them. The third is that they have given responsibility to their managers and staff. The fourth is that they have tried to keep things simple.

During the late 1990s, Tesco senior managers sat down with thousands of staff and asked, 'What is the business for? What do we believe in? Where do we want to go as a company?' Tesco's core purpose was expressed in one short sentence: *to create benefit for customers, to earn their lifetime loyalty*. The organisation has two values: try harder than anyone else for customers and treat people how you would like to be treated. It is focused on listening to customers. Once a year, all Tesco directors and a thousand managers spend a week working in-store. Every year, Tesco interviews tens of thousands of customers and in any one week, the company receives more than one hundred and twenty thousand contacts via telephone calls, e-mails and letters.

Tesco implemented the Clubcard rewards programme to gather necessary customer information, which it then used to cater to specific customer needs and potential wants. When shoppers signed up for the card, they submitted their age, gender and income. Tesco was able to segment shoppers based on these factors.

Tesco is a very flat organization. There are just six levels from the CEO to the front line. A lot of focus is put on manager and staff development, as well as trusting people on the ground. Tesco uses a measurement system called the 'Steering Wheel.' This is represented graphically in each store, so that staff can see at a glance how they and their store are doing. They are clearly able to see their particular contribution and the difference it is making.

### Further Reading:

- ✓ *Customer Management Excellence, (2003), By Mike Faulkner*
- ✓ *Business Success through Service Excellence, (2004), By Moira Clark, Susan Baker*
- ✓ *Business-focused IT and Service Excellence, (1998), By David Miller*