



UNIT-7

Evaluating and Reviewing CRM Programme

Learning Outcomes

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

- ✓ Discuss the importance of training and development for efficient customer service delivery.
- ✓ Understand various training methods

Unit 7

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The Importance of Training and Development in Customer Service

Training and development is a key foundation in promoting a customer service philosophy.

When customer service training was in its infancy in the United Kingdom, the focus tended to be on 'catch all' training for front-line staff. A recent Industrial Society survey found that today, firms are putting more emphasis on training and development, as they focus more on the customer and encourage employees to become empowered. The report showed that leadership, quality and teamwork are the top three priorities for management training. Teamwork, quality and customer care were seen as the top three priorities for staff training.

Experience shows that training and development not only helps organisations be more flexible, proactive and customer-focused in the face of fierce competition, but it is also a prime motivational tool. The emphasis on customer service training has changed, therefore, to a philosophy which recognises that to alter the culture of an organisation to one that's customer-focused, training and development needs to be offered to *all* levels of management and staff.

Identifying Training and Development Objectives

Listen to Customers

Best-practice organisations use the information their customers provide to draw up training and development objectives and ensure they keep a clear focus on the business. As we discussed earlier, customer service is what the customer *says* it is. Only by asking customers their opinion can a business gain a true perspective of what matters to customers and how well it is performing, thereby identifying areas for improvement.

The customer service department of pharmaceutical giant GlaxoSmithKline used this type of gap analysis, in order to identify areas where it could proactively improve its service and add value for the customer. For example, the survey identified expected response times to queries and the customers' level of satisfaction with the current response. As a result of the survey, the members of the customer service department were able to set service standards and identify training and development needs, so that they could better-meet customer expectations.

Quantitative surveys are now commonplace in best-practice organisations; sometimes backed up by mystery shoppers to check that service delivery is consistent. One large, high street fashion retailer introduced a new refund policy to better-meet customer expectations. It provided a training package for all members of staff and their managers. Once the training had been introduced, a quantitative survey was

Undertaken, followed by a mystery shop to each store to monitor whether the policy was being implemented. The results identified further areas of training needed.

Customer focus groups and interviews are other methods that organisations use to get a more 'subjective' feel for customer expectations. The calling back (by phone or email) of customers on a sample basis is another technique, used for example by Southern Electric, to validate its service delivery.

Research conducted on customers of Marriott International suggested that a guest's overall perception of a hotel's service is based disproportionately on the performance of front-line staff. In an effort to improve guests' perceptions, a training programme called 'Front Desk' was introduced. Aimed at front-line staff, the training was delivered by managers in modular format. In every hotel where training took place, there was a one per cent increase in customer satisfaction.

Listening to customers, therefore, helps prioritise the areas in need of the most. Key success criteria can then be agreed. In setting training and development objectives and deciding on the methods to be adopted, it must be remembered that training and development will be more accepted when the trainee is motivated to learn and, in addition, when management *wants* the learning to take place. Therefore, it is important to create the right environment for learning to take place, in which training is enjoyable and not seen as a chore.

The objectives of the training and development must be clearly explained and agreed on by both the trainer/manager and the trainee. A clear set of objectives will allow the training and development to be validated after it has taken place and subsequently performance to be reviewed systematically, as part of an overall programme of customer satisfaction.

Training and Development Methods

In selecting the most appropriate training and development techniques for the target audience, there is a need to recognise that different people have different learning styles *and* that the training and development methods adopted must be suitable for the learning styles of the individual participants.

Before choosing a method, consideration needs to be given to:

- Ñ the learning to take place
- Ñ trainees' preferred learning style
- Ñ past experiences of training and development
- Ñ time available for training
- Ñ cost
- Ñ work environment
- Ñ degree of involvement required.

A lecture or prescribed reading, for example, involves a high degree of trainer/manager involvement, but little trainee participation.

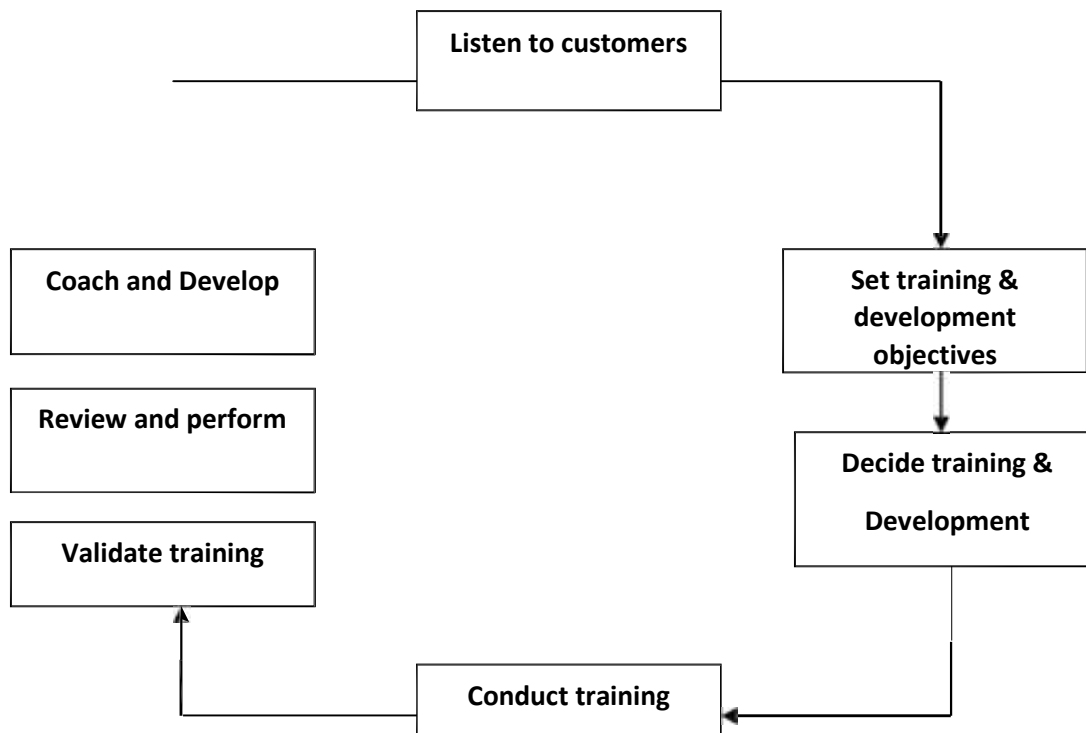


Fig: 6.1 Training & Development Cycle

Training and Development for Managers

Clear indications of managerial support and involvement are key to making changes in customer service happen. The best training in the world will fail without managers' praise, encouragement and good communication. Organisations such as BUPA, which instituted a change programme to help it continue to be customer-focused in its highly competitive market, have learnt from past experience that success depends on:

- Ñ involvement which is actively encouraged
- Ñ visible and involved top-management support
- Ñ a clearly-defined and communicated process and rationale for change, set in the context of a vision for the business
- Ñ demonstrable changes and improvements.

As front-line support staff often have the greatest exposure to customers, it is usually they who are the initial target for customer service training. However, training customer service at staff level is most effective when managers themselves have been involved in the development of the programme, actively

participate in it and are seen to change their behaviour in response to training they have undertaken; all *prior* to members of staff being involved in a customer service programme.

To create a culture of customer service and empowerment, managers at the Benefits Agency attended specially-designed training workshops. Prior to this, they had each written a personal development plan based on a 360-degree appraisal process of feedback. The workshops themselves were run to discuss the multi-rate feedback and to help managers identify areas for behavioural change. These were followed up with a six-monthly progress review to help managers in the process of individual improvement. Typical training and development requirements of managers in customer service environments include: leadership, communication, coaching and facilitation, presentation skills and teamwork.

Coaching

In non-bureaucratic and customer-focused organisations, managers need to move from the 'tell' style of delegation towards an 'ask' style. Coaching has come to be recognised as a valuable means of providing encouragement and support to employees as they take on additional responsibilities. Organisations such as Nuclear Electric have recognised the important role of managers in coaching employees to make the organisation more open and flexible. Senior managers have attended a 'people skills' programme covering coaching, open communications and people skills development.

Our experience demonstrates that managers generally need training and support in this important area, prior to implementing a customer service initiative. This is a key step in bringing about a customer service culture that is often neglected, in preference to beginning a training and development programme focused on front-line staff.

Managers as Trainers

Managers need to be actively involved in customer service and a lot of the most effective training today is delivered with the involvement of managers themselves. At restaurant chain Pizza Hut, for example, three hundred and fifty managers were trained in the delivery of a programme covering customer service, complaint handling, dealing with families, telephone skills, menu knowledge and health and safety. Likewise, managers at TNT delivered a thirteen-week programme, designed to promote improvements in customer service.

There are many advantages to utilising managers as trainers. First, the training itself can be carried out at times that are convenient to the workplace, rather than having to fit it into a central schedule. Second, in conducting training for staff, the manager or supervisor has a greater understanding of the relevant service standards and is able to more adequately maintain and review them. Third, training by managers encourages two-way dialogue and facilitates an atmosphere of discussion and problem-solving.

It is short-sighted to expect managers to deliver training messages, without *f i r s t* being given training in presentation skills/ training techniques, or having the opportunity to practise. One *e f f e c t i v e* method is for managers to participate in the same training and development in which their staff will subsequently participate.

An effective trainer will establish previous knowledge before training begins. Someone with little or no knowledge of a procedure or task is likely to require more explanation, instruction and practice, and a higher level of coaching than a person who has some knowledge but needs to develop his or her decision-making and thinking abilities.

A manager must fully explain the aim of the training and its content. He or she needs to communicate clearly and in a logical sequence when training. Starting with known and easy facts before going on to more unknown and difficult areas also aids comprehension. As we learn most through sight above our other senses, demonstration is very important in training. We also remember most of what we do; therefore practice is important for the trainee, as is regular monitoring and feedback of results.

According to the Industrial Audiovisual Association, we learn most through:

Taste - 3 %

Touch - 6 %

Smell - 3 %

Hearing - 13 %

Sight - 75 %

We remember:

10 % of what we read

20 % of what we hear

30 % of what we see

50 % of what we see and hear

80 % of what we say

90 % of what we say as we do.

Where a manager has a large department to coach and train, it may be possible to enlist the help of team leaders in the training process. Another helpful tool is the development of a coaching plan where managers can set out specific training and development objectives for each individual and plan their timing *and* how these will be achieved. The plan can be used to monitor progress and as a means of review with the trainees.

Customer Service Training For Front-Line and Support Staff

Ten years ago, particular emphasis was placed on 'evangelical' type training, which involved bringing together large numbers of staff and instilling a high degree of excitement and enthusiasm via a sophisticated and polished presentation. Organisations including British Airways, American Express and Thistle Hotels used this approach and the reported benefits were that everyone in the organisation was involved for a relatively short period of time in the same shared experience.

The disadvantage of this type of staff training is that it relies heavily on the manager or team leader endorsing the learning process, once the participants have returned to the workplace. It also works on the basis of a 'one-off hit.'

Customer service training should not be restricted purely to frontline staff. Many of the elements described below are equally applicable to staff in head office or support functions. To create a truly customer-focused organisation; *everyone* in the organisation should take part in customer service training.

Knowledge

To answer customer queries efficiently and effectively, front-line and support staff need to know the right procedures, have product knowledge and receive regular updates. Telephone banking service, First Direct, designed two schemes to improve staff knowledge of the entire business. First, there was a communications programme, where different parts of the business exchanged news of activities. Second, there was a problem-solving programme with cross-functional teams. These schemes have helped improve both front-line and support staff understanding of the organisation and its customers. Other companies, such as Texaco, have developed a communications charter which promises employees regular updates of information on both products and organisational changes.

One investment bank recently held a series of product knowledge sessions for support staff, where managers from each division presented an overview of their working day, together with information on the wider market-place. These proved very popular and helped increase overall support staff knowledge of the wider organisation.

Front-line and support staff also need to be knowledgeable about service standards, and training plays an important part here.

In the United States, Walmart recognises that not every individual learns in the same way. It has developed a variety of training methods, including weekly TV broadcasts, to appeal to different learning styles.

Skills Training

Typically, skills training in customer service includes aspects such as:

- Ñ Listening and questioning skills.
- Ñ Assertive communication.
- Ñ Dealing with difficult customers.
- Ñ Written communication skills.
- Ñ Teamwork.
- Ñ Complaint handling.
- Ñ Managing pressure and stress.
- Ñ Problem-solving in teams.

At the RAC, patrol staff have undergone training in listening skills (active listening), which is seen as an essential skill for all personnel, particularly roadside patrols and rescue service operators who answer the telephones. This is supplemented by further customer service training.

Customer-Focused Attitudes

Training can only influence attitudes towards the customer if it is part of an overall approach to development of customer responsiveness. Harvester Restaurants stresses in its induction programme, which all new staff attend, what they will do to personally fulfil the organisation's vision. Staff have first been taken through the mission and culture of the organisation and are then invited to make a commitment to it.

This commitment is then reviewed in working teams. Although training can go some way to influencing attitudes, the greatest influence will be on the job, and again the role of the manager and the environment within which the individual works greatly influence their attitude and performance. Encouraging employees to act as customers and to perceive the organisation from the customers' point of view goes some way towards influencing attitudes.

In an attempt to improve business relationships with small business customers, Barclays has designed a course called 'Understanding Small Businesses.' Here, managers learn from small businesses that have applied for a loan, as well as by preparing and presenting a fictitious small business plan.

In best-practice organisations such as BT, employees are encouraged to undertake benchmarking studies to help gain a wider perspective of their company.

E-learning

Organisations like Nationwide are making increasing use of the intranet for learning and development. Nationwide reports that as a consequence, staff efficiency has improved as employees no longer have to phone around the organisation to check correct procedures. Web-based corporate universities and training programs are also increasing in popularity.

Teamwork

Organisations are recognising the power of teamwork to improve customer service. In order to engender greater cooperation and empowerment, team-building training and events are useful mechanisms. One IT company designed a programme to train team members in communication and problem-solving skills and an understanding of the concept of teamwork. This was the foundation for a move towards greater emphasis on the customer and empowerment. It also dramatically lifted morale and productivity. Team get-togethers and outings are also a powerful way of bonding teams.

Empowerment and Multi-Skilling

There is a growing trend towards devolving responsibility for decision-making to employees in the belief that this will improve customer service. With this comes the need to train, develop and coach employees to help them take on additional responsibility.

The AA is typical of an organisation that has gone down the route of multi-skilling to provide a flexible response to customers. Initial investment in training has been repaid many times as problems are solved more readily and the quality of customer response has improved.

Process Improvement and Problem-Solving

If the processes within an organisation are inefficient, bureaucratic and unfriendly to the customer, then no amount of skill will help. To overcome problems such as these, companies are training staff in continuous improvement skills. For example, recognising the causes of problems and identifying straightforward ways of solving them. The Rover Group put all of its thirty thousand employees through training in the philosophy and skills of total quality, in order to refocus the organisation.

Other organisations establish cross-functional teams to discuss improvements to service quality. They are normally also empowered to implement these improvements. Such teams prove useful in breaking down departmental barriers and recognising the needs of the internal and external customer.

The Learning Organisation

The recognition of the link between an individual employee's performance and organisational performance has led many businesses to promote the concept of personal development and provide access to learning for all employees. Ford, for example, allocates £100 per employee, per year, to pursue any kind of learning of the individual's choice.

Peugeot dealer, Appleyard's of Chesterfield, aims to be the best Peugeot dealer in the United Kingdom. It is aiming to do this by raising the level of quality it provides via customer service and multi-skill training for its workforce. The emphasis is on letting staff decide what to study and giving them open access to a learning and education centre. Each employee has a budget of £100 a year, which is matched by the local Training and Enterprise Council. Topics that individuals have chosen to study to date include IT, maths, English, French, leisure activities and even singing.

Appleyard sees the outcomes in improved interpersonal skills, higher levels of staff morale and motivation, and greater flexibility to learn and adapt. Creating a learning environment is a proven means of encouraging employees' responsiveness to change.

Knowledge Management

Learning organisations discourage people from being protective of knowledge, instead urging them to use it for the good of the company. If a valued employee leaves the company, the organisation can lose

knowledge of the best practice in a specific area; the 'tacit' knowledge that the individual had in his or her head. Many organisations are now using technology to help individuals to share the knowledge they have about customers, and are reinforcing this by making knowledge management a part of performance review criteria.

Building Customer Service into all Training and Development Activities

Recruitment

To succeed in customer service, it goes without saying that you must recruit the right people. Studies of organisations which excel at providing customer service reveal that they invest heavily in the recruitment and selection processes.

Organisations including First Direct and TGI Friday have set up an intensive system for selection, including the production of customer-oriented candidate profiles which includes such aspects as:

- Ñ attitude towards customer service and people
- Ñ knowledge
- Ñ skill
- Ñ experience
- Ñ flexibility
- Ñ communication skills
- Ñ resourcefulness
- Ñ intelligence
- Ñ personality
- Ñ appearance.

Recruit For Attitude, Train for Skill

Increasingly, organisations are recognising that they can train skills and knowledge, but that if the person they are training has the wrong attitude towards the customer in the first place, the development can fall flat.

Blended learning

Part of the challenge of the manager in helping individuals to identify learning and development opportunities is creating an understanding that learning is not just restricted to training courses. For example, development may take place on the job, as well as by attending a training course. There is a wide range of learning and development options open to individuals – self-study, e-learning, seminars, conferences and workshops, coaching and mentoring etc. to name but a few. All of these, according to the need, may support employees in acquiring new skills and knowledge, changing behaviours and keeping abreast of developments in their areas of work.

Training To Deal With Challenging Situations

There is an increasing need for organisations to deal with challenging customer situations. The emphasis however, has moved away from labelling customers as 'difficult' to recognising that it is the *situation* rather than the *customer* that is challenging.

Research focused on the customer's perspective shows that the most important things customers want when they complain is to be listened to, to receive an apology and for the organisation to put things right. There is a common misconception that the customer's key concern is compensation. Studies show that this is not the case. From an employee's perspective, dealing with challenging situations can be stressful. We frequently find that this is not acknowledged openly in a service environment. Training in many areas of the health service, for example, now covers self-regulatory techniques to help service providers feel more able to take control of the situation.

Induction

Induction is a critical period when employees' attitudes towards the customer are often formed. Horst Schulze, CEO of Ritz-Carlton Hotels, explains that, "An employee is never more focused, malleable and teachable than [on] the first day on the job." It is vital, therefore, to ensure that customer service is given proper emphasis to new recruits and that training in customer service is given as a key part of the induction package. At DHL, every new recruit for any part of the organisation, including external agencies that provide a service to the company, spends a five-day induction period with a courier.

Customer service training is equally important for part-time staff. As demand from customers for flexibility increases, many retailers have responded by taking on additional part-time staff, thereby offering longer opening hours. This can cause problems for employers, because the part-time nature of the work means there may not be the time available for full training and development. Organisations sometimes send all staff on customer care training, including part-timers, as they recognise that the customer does not know (or often care) whether the person is working full- or part-time; he or she still requires the same standard of excellent service. This means that training methods have to be more flexible; often training modules are delivered on a self-study basis, with additional coaching from the manager. Companies that treat their new staff in the way they wish them to treat their customers set a positive example from day-one.

Managers need to view induction as a powerful means of demonstrating their own personal commitment to quality. Giving time to new recruits to provide, in person, an overview of the service philosophy, the vision and values of the organisation and providing anecdotal examples of how these values translate into behaviour, is an emphatic means of reinforcing a service strategy. Where senior managers cannot see new members of staff in person, a video of their message can be produced.

Competences

One way many organisations reinforce the need for customer service as a key behaviour for success is to include this in competency frameworks. These frameworks specify the standard of behaviour which is

required to perform successfully in any given job. Thomas Cook, for example, has developed a whole section on empowerment in its competency framework, to encourage enthusiasm and flexibility.

Competences are also linked with the appraisal system where, for example, people may be rated on how well they:

- Ñ find out what customers want
- Ñ talk to customers to discuss problems
- Ñ listen to customers' complaints and comment sympathetically
- Ñ resolve customers' problems
- Ñ plan their work and the work of staff to respond to customer needs
- Ñ change what they are doing at short notice to deal with customers' needs
- Ñ make others aware of the importance of satisfying customer needs.

Behaviours were identified by managers and staff which, it was believed, echoed quality principles and company values. This helped the process of identification with the ownership of these behaviours, mainly because they were in a language that the managers could recognise and identify from their own experience. The identified behaviours were that a manager:

1. Gets full use out of staff, knows their capabilities, encourages and considers their feelings and aspirations.
2. Has strength of purpose, is willing to deal with important issues head-on, no matter how tough.
3. Does the job for the company and the customer, puts in one hundred and ten per cent and sees him/herself as part of the team.
4. Is open and honest, approachable and dependable, a good listener, and displays an interest in other points of view.
5. Will take action – 'let's go for it.'
6. Will discuss decisions and listen to arguments. Disseminates all relevant information.
7. Inspires confidence and is to be trusted – decisions have been reached and thought through.
8. Delegates – demonstrates trust and encourages ownership.
9. Asks for people's ideas and is open to being persuaded by logical, relevant discussion.
10. Cares about people and their problems and is interested on a personal level.
11. Gives realistic objectives, has clear criteria and ground rules.
12. Knows what's going on, has a bigger picture, looks at problems globally, and can communicate the company view.

Performance Review

Customer focus should play an important part in an employee's performance review. For example, all employees at FedEx are annually appraised for their:

- Ñ customer orientation
- Ñ enthusiasm
- Ñ ability to fit into a team
- Ñ loyalty
- Ñ flexibility
- Ñ technical expertise.

This helps to reinforce the importance of customer-focused behaviour.

Personal Development Plans

Personal development plans (PDPs) help individuals spell out their development goals and work out how to achieve them.

Emotional Intelligence (EQ)

As customers, we recognise good or bad service as soon as we receive it. EQ includes the ability to put yourself in the customer's shoes and to see things from his or her perspective. This ability is most apparent when things go wrong, but EQ is relevant to every service act in the organisation.

Service providers who are emotionally intelligent are those who have high awareness of:

- Ñ themselves and the range and depth of their feelings; i.e. sad, happy, depressed
- Ñ other people, their feelings and what signals such feelings give off
- Ñ the impact they have on others
- Ñ the impact other people have on them.

They are able to use this knowledge to manage the way they deal with other people and to change the impact that others have on them or that *they* are having on the customer.

Increasing emphasis is therefore being put on customer service training on the emotional cost, as well as the economic cost, of customers doing business with an organisation. Likewise, customer service training today often includes emphasis on developing EQ.

When handling customer calls, particularly difficult ones, the ability to empathise with the customer is key. Service providers with high levels of EQ create a rapport with customers by speaking their own language; by showing an interest and relating to what the customer is feeling. This way, they form better relationships with customers which lead to more effective results, and they are able to diffuse most common difficult situations.

Review and Refresh Training and Development

Research by the Institute of Personnel Development shows that the most successful performing companies have proper systems of performance management. They employ managers who coach, mentor and provide training on an ongoing basis. This means that training constantly needs to be refreshed and renewed. Training and personnel departments may find it beneficial to develop their own standards and to regularly measure their own performance through techniques such as questionnaires, personal visits, telephone surveys and customer focus groups. Additionally, a planned programme of refresher training, reminders, training checklists and guidelines needs to be considered, in order to ensure the consistency of the training method.

Further Reading:

- ✓ *Best Practices in Customer Service, (1999), By Ron Zemke John A. Woods*
- ✓ *Measuring Customer Service Effectiveness, (2004), By Sarah Cook*
- ✓ *Customer Service Training, (2006), By Maxine Kamin*