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Customer Satisfaction Measurement is Key

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Measuring satisfaction levels on services delivered to internal customers provides a quantitative baseline for comparing results over extended time periods and enables fact-based decision-making.

As with most any type of data collection, amassing customer satisfaction data is a low-value activity. The high value-added potential occurs after the information is collected in assessing what the data means, what improvement is needed and what specific actions are required to produce the results to move the enterprise forward.

Where people frequently get bogged down in data collection is not knowing what data to collect nor how best to get it. Most surveys conducted by in-house personnel are done by inexperienced staff in data collection or the externally-oriented market research function. While these people may be knowledgeable about customer surveying, they generally lack specific knowledge of internal customer surveying. There's a huge difference.

Few service delivery organizations really want to hear whether their customers are happy or not. Even among organizations that do a commendable job of leveraging service delivery costs, few really care whether their internal customers love their service delivery. Senior management is primarily concerned with cutting service delivery costs, not customer satisfaction. Most service providers feel that while it would be nice if their customers were happy, it really doesn't matter much because customers have no choice but to buy from them anyway.

When customers provide feedback, improvements rarely occur. As one frustrated business unit executive said, "You ask which services are important to me or whether they are being delivered satisfactorily, but if you're not going to do anything to improve them, why should I take the time to respond?"

Organizations truly concerned about customer service and maintaining a customer-service orientation demand regular feedback regarding how their service providers are doing so they know if they are working their way towards becoming their internal customer's supplier of choice. The feedback also alerts them to investigate any customer issues that may exist. CSM and the resulting feedback are essential in order to put some teeth into customer-service orientation.

Obviously, not all services are equal and at any point in time, different services have different importance to customers. But service providers can't presume to know which services are most important and why unless their customers tell them. Lacking that input,

providers may be spinning their wheels, directing a disproportionate effort towards services that are unimportant to their customers. Providers may perceive unit cost as the basis for satisfaction while their customers may see responsiveness or reliability as the issue. It's not unusual for providers in transaction processing to be so focused on unit costs and cycle time that customer satisfaction is neglected. Without customer feedback, there is no reliable data available upon which to evaluate customer service.

Steve Welch, president of SBC Procurement/ Corporate Real Estate at Southwestern Bell Corp., believes customers develop greater trust once they realize service providers truly care about their interests, evidenced by the fact that they become less interested in formal service agreements. Welch feels his internal service delivery organization has an inherent competitive edge over external competitors because they can get closer to their customer's real requirements faster than an outside company, and spend a lot of time developing processes that clearly define customer requirements. They meet with customers several times each year to review their portfolio of products and projects with the goal of meeting their customer's competitive needs and creating strategic value.

CSM is an attempt to get providers to drive to a greater degree of integration with their customers. Too often, however, providers assume if no one is complaining too loudly, the service must be okay. Of course, if you don't ask how you're doing, you don't have to worry about getting feedback that says you need to do better. Then too, service providers have a history of believing that they are the experts on customer service who know what's best for their customers. As concept of surveying customers on performance emerges, providers are faced with the proposition that while they may have functional expertise, they lack a customer perspective as to whether services are being delivered in a way that meets customer needs and expectations.

Despite widespread acceptance of CSM, relatively few companies that embrace the concept achieve significant performance improvement. One reason is that most do it for the wrong reason. Typically, an executive in the organization attends a seminar or Shared Services conference and hears someone bragging about the "score" they achieved doing CSM. The executive becomes enthused, and not wanting to be left behind, launches the company into a CSM program.

In short, most companies do CSM because other companies are doing it. They don't understand that the reason to do CSM is to get the feedback so they can better serve their customers. And the way to tell if they're getting better at serving their customers is to use CSM feedback to do improvement action planning based on fact-based decision making. Most are focused on their scores versus what the implications of CSM scores are on their costs. Rather than use CSM as a mean to improve performance, they use it to rationalize their existing performance to senior management.

Most companies view their score as the most important element in CSM. But it is not about scores; it's about getting consistent, accurate feedback from customers on which to base improvement action planning. Few companies actually analyze the data to determine which services have higher importance and lower fulfillment to their customers.

Organizations that do CSM often fail to define service requirements thoroughly, which contributes to their inability to run their organizations like a competitive service business. Those that define requirements for each service and service level find they must address questions on whether their providers really care about service and what degree of commitment they have towards fulfilling the requirements on a daily basis. That's a whole different dimension of requirements discovery. It's not unusual for providers to adopt a mindset that if they can achieve a 90% score, they are doing just fine. So even though some organizations define customer requirements, if they don't equip their providers with the necessary skills and knowledge to focus on requirements as their primary objective, gathering the information is a costly waste of time.

The success of any service delivery organization is largely based on the knowledge, skills and ability of its providers to deliver services at required levels. Inherent in that capability is having regular input from customers as to what those required service levels really are. The only way to accurately gain this data is through regular CSM. But surveying customers is not enough. The right feedback must be obtained, and it must be analyzed, interpreted and acted upon in order to achieve improved performance.

Unless an organization is willing to address both ends of the equation, it may be better off going about its business and ignoring how its customers feel about service delivery or service levels. At least the organization won't be wasting money on unnecessary consulting fees or needlessly bothering their customers.

Service providers who wish to solicit their customer's perceptions and use that information to make fact-based decisions regarding performance improvement and ultimately benchmark against best-practices companies must educate customers about the services they perform, the results delivered and the joint opportunities for improvement. Then, they must listen to what customers say about the ongoing efforts. Doing this will allow service delivery organizations to construct the foundation for a permanent partnership with customers and position themselves to ultimately become the supplier of choice. It will also provide the vital data for external benchmarking.