

How to embrace customer contacts

How to leverage customer contacts to drive benefits for your customers, colleagues and the business

By Wayne Hunt, PatelMiller

Most organisations do not look upon customer contacts and complaints favourably. In fact, a good day is seen as one where they have fought off complaints and avoided any sort of compensation - we see this is an opportunity missed!

Customers are now even more the dominant force behind how consumer organisations operate and the feedback they provide should therefore be looked upon as great insight into how to improve your business. To achieve this it requires a mindset shift and ultimately a culture change.

The results can be significant and used to drive major improvements to make customers happier, make things easier for your colleagues – and save money for your business.

The context:

The way customers communicate with businesses has changed and a single contact can now have a major impact. This makes it even more important to deal with the problem quickly, compensate early and get a long term solution in place.

The big opportunity arises when customers are not satisfied and they go out of their way to tell us about the problem. This should be seen as the customer shining a light on what is wrong and it allows us to prospect for the underlying issues and do everything we can to fix them.

“The big opportunity arises when customers are not satisfied and tell us about the problem”

Just think, it may only be one customer telling you about the problem, but it is likely to be impacting many more - meaning it is a much bigger problem than initially thought – and a greater benefit when fixed!

The culture change:

If customer complaints, as in many cases, are seen as the enemy rather than the gift they actually are, then culture is almost certainly the issue. This leads to loss of customers, lost sales and a damaged brand, which is costly for any business to recover from.

The culture has to become customer driven and this starts from the leadership team right through the company to the colleagues in customer-facing roles.

We have seen examples of contact centre staff only being paid for the first few minutes on a call to a customer leading to rushed service – and even telling the customer they will have to call back.

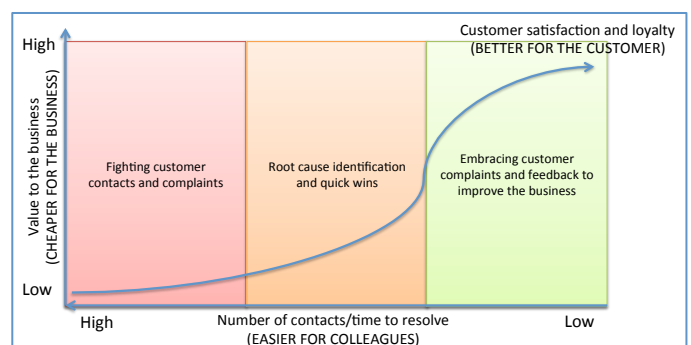
The new approach to complaints needs to change the culture in a dramatic fashion – perhaps complaints should be reviewed regularly at Board level and be a key performance measure.

A business needs to listen, capture, feedback and act upon every customer contact in a caring manner, ensuring the customer is asked how they would like to be compensated. This means providing customers with a mechanism to share their views in every channel, whether that be online, in store, via the call centre or social media.

A great example of this culture change in action is with the store colleagues of a leading fashion retailer, who pool customer feedback weekly and discuss this with central teams to make changes and improve the entire business.

Another proven method is to review the top complaints at weekly leadership meetings, assigning owners and putting long-term fixes in place – this changes the whole focus for all colleagues on dealing with customers and creates a customer centric organisation – Amazon does something similar to this.

By changing the culture and putting some of these changes in place, it



provides a cost effective way to create

"The culture has to change to become customer driven throughout the company"

loyal customers who actively promote your business. And this is all done by viewing customer complaints in a positive way.

The approach we take:

The approach we use takes elements of our Lean Six Sigma methodology to get to the root cause of the problem. This approach provides us with the tools, techniques and framework to get to the "nub of the issue" and implement the solutions identified (see our *Lean Six Sigma paper on the PatelMiller website for more information*).

The success of the whole approach is based on understanding the real reasons for the issues being raised – if we don't get to the root cause, we can never be sure of what is causing the problem and therefore any solutions proposed are likely to be incorrect or short term.

The best place to start is with the existing data that has been captured for customer contacts. This will provide a good overview but needs to be used with caution, as often the data captured is not recorded correctly (as in truth – nobody has been looking at it).

Further validation should come via observation of the channels receiving the contacts by activities such as spending time in the contact centre taking and monitoring calls, trawling and reviewing posts on social media and also via customer forums – this starts to really identify the issues.

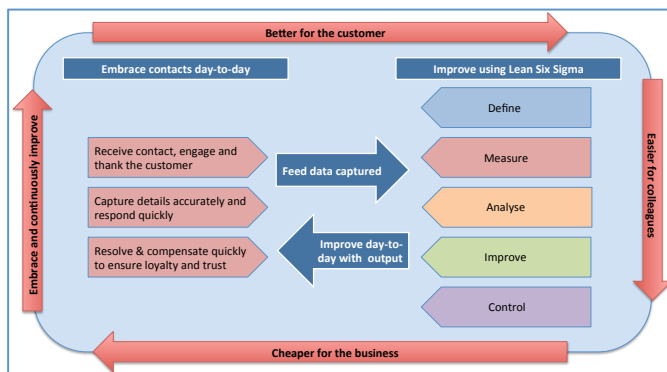
The data can then be crunched and we can start to identify the cause of the problems.

Using this method we found that at a major UK electricals retailer, 58% of distribution related complaints were down to the attitude of their delivery

drivers – solutions were developed delivering long-term benefits to customers and the business.

With the problems identified, a lasting solution can be designed and the changes required could even be used to drive the key elements of your company's business plan (we have even referred to this as "the customer plan" to reinforce its customer driven focus).

Remember, this is not a one-off process and the mechanisms put in place to capture the customer contacts and fix the issues need to become part of the everyday running of the business, again



highlighting the need for a culture change – you will then continue to have loyal, happy customers!

"The mechanisms put in place need to become part of the everyday running of the business"

Summary:

Customers who complain are often seen as the enemy rather than people who are helping companies make their business better by showing them what is wrong.

The key is to get to the root cause of the issues and drive business wide improvements with quality solutions. In many cases this requires a change in culture throughout the organisation.

Ultimately you end up with happy customers, things being easier for your colleagues and cheaper for your business.

Please get in touch using the details at the bottom right of this page if you want to know more.

About PatelMiller:

PatelMiller is a business consultancy that works closely with its clients to develop their strategies and deliver the full benefit of them.

Our team have gained their skills from working for leading consulting firms as well as the world's best retail and consumer businesses.

We combine the tools, methods and analytics of a strategy consultancy, with the pragmatism of a Retailer, to make sure potential benefits become real benefits, quickly.

The main things we do are:

- Create a **challenging vision**
- Develop **business plans**
- Design new **operating models**
- Improve **business processes** (including lean six sigma)
- Use **analytical tools** on your key business levers
- Run **programme management**
- Carry out **due diligence**

The businesses we have worked with include John Lewis, Dixons Retail, feelunique.com, Hotels4U, Monsoon Accessorize, Thomas Cook and Tesco.

Our senior team:



Anish Patel

Managing Partner

Anish has built up considerable Retail consulting experience, both with top tier firms

and as an independent advisor. Recently Anish held the leadership role of Retail Consulting Director for Deloitte UK.



Jonathan Miller

Managing Partner

Jonathan is an experienced advisor to Retailers, having worked for Accenture as a strategy consultant, and

then directly for Asda-Walmart, Tesco and Dixons in strategy and operations development roles.



Wayne Hunt

Associate Partner

Wayne has worked with Retail and consumer businesses since 1996 for leading companies such as John Lewis, Tui UK&I and Safeway, with a focus on delivering change, business planning and omni-channel.

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