



Service needs to do a better job at converting the raw data relating to the work it does into something that the stakeholders understand – cash. Customer service has a huge role to play in helping a business thrive, helping to win and retain business and increase the value of customers



## Debate at a glance: what you need to know

### KEY QUESTIONS

Does a corporate obsession with share prices contribute to the contact centre being driven by cost? What can be done to ensure the value of service is recognised in the boardroom?

### CONSTANT BATTLE

Regardless of which vertical industry they represent, customer strategists have very similar aims and challenges. Pressure from stakeholders is constant and customer service faces a daily fight

### BETTER JOB

The key piece is that service needs to do a better job at converting the raw data relating to the work it does into something that the stakeholders understand – cash

# Stakeholders ahead of your customers?

In a Customer Strategy Executive Forum debate - sponsored by Jacada - delegates discussed the strategies organisations employ to balance their contact centre customer service offering with their financial targets, and the link between the two. **James West** reports

**BUSINESSES EXIST TO MAKE** money and shareholders exert an irresistible influence ensuring they see maximum returns. Does a corporate obsession with share prices contribute to the contact centre being treated as a silo-department driven solely by cost? What can be done to ensure that the monetary value of service is recognised in the boardroom?

In the latest of its Executive Debate programme Customer Strategy bought together seven customer service to get to grips with the meaty topic of the link between customer service and other stakeholder value. Key elements of the debate - co-hosted by Mark Turner of Customer Strategy and Guy Tweedale of Jacada - follow.

The session began with a question to all of the attendees: is your priority stakeholders or customers, and what has formed your opinion? First to respond was Sally Ainsworth, customer service and strategy manager for United Utilities. "It's about striking a balance between the two; if you deliver good service, I believe the shareholder value follows."

### Service always a good starting point

There is a natural bias by businesses towards stakeholders, so the service department must work hard to make its case heard. Peter Maloney, head of service strategy for T Mobile, believes that service has much to offer as a starting point for a business strategy. "Stakeholder centricity will not always benefit the customer, whereas customer centricity will without doubt benefit the shareholder."

Evidence of stakeholders winning out is seen all the time. The idea of low cost outsourcing is an example of shareholders exerting pressure to cut costs, and how they became their own worst enemies by damaging the reputation and value of the business. The movement to onshore or bring customer-facing services back in-house is a good example of the customer backlash winning against the demands of the stakeholders. "You can outsource services, but people buy from people and if you get the customer experience wrong, there will be nothing left for the stakeholders. We supply electricity, the light turns on no faster than our competitors, so one of our key differentiators is the customer experience,"

comments Andrew Hancock, head of customer service for British Energy. Service plays a huge role in driving revenues into the business and this contribution is not always fully recognised. "We're an international company so it's difficult to reach our target market through traditional means such as advertising. Therefore recommendations from satisfied customers are what drive new business to us," says Matt Gorman, head of customer service strategy, RBS International.

There is a need to champion service to ensure the customer strategy is not dominated by costs argues Andy Corkhill, business development manager for Vertex. "You could have the best funded company in the world, but if you don't have the right services in place for customers, you will fail."

One of the problems blighting attempts to promote the value of customer service to the boardroom is a lack of visibility of the work being done and the importance of happy customers. There was a trend a few years ago to have someone represent customers at board level; the group was asked whether this was still the case. "This is a problem. Some organisations have both a chief technical officer and a chief information officer, both pushing forward the needs of IT, leaving no one to champion customers," says Andy Corkhill.

The participants were asked whether they had any systems in place to close the gap between senior managers and the front line. "We have a 'back to the floor' strategy which has come from the board," says Paul Whymark, head of sales and customer service for RBS Insurance. "Board members visit our centres as much as once a week and plug into calls alongside our agents to get an understanding of what the customer experience is."

### Joining up of customers and stakeholder needs

The only way to bed customer satisfaction goals into the business is to make it part of everyone's objectives. "If the managing director is targeted on satisfaction, it is driven through the organisation," comments Peter Maloney. Andy Corkhill cites a good example of a department that doesn't always deliver what the business needs. "How many different customer databases do you have? IT hasn't deliberately



» created it this way to make life difficult, but they are not driven to think in this manner.” To encourage the joining up of stakeholder and customer needs, Liverpool Direct facilitates communication between the two representative groups, as explained by deputy manager, Shelia Yates. “We have board members who visits our centres and we have a ‘just ask’ service where staff can talk to the chief executive and heads of service about any blockages they see in the service we offer.”

Paul Whymark says that there is another factor involved with understanding the relationship between delivering value to investors and offering quality service. “In my opinion, there is a third party to consider alongside stakeholders and customers: staff. In the insurance industry, every year, you’re up for tender with customers who are acting as their own brokers by searching for insurance deals online. I need to look after my staff, because happy staff equals happy customers, which then leads to value for shareholders.”

The dual goal of keeping staff happy and driving front line feedback up the corporate chain is tackled by RBS as Paul Whymark details. “We run a series of programmes similar to Dragons Den, where teams are asked to present ideas for making improvements, with a panel of decision makers assessing the viability of what has been put forward.” This is an approach shared by Liverpool Direct; Shelia Yates spoke about the need to find the ideas which will drive efficiencies and help the business plan to be formulated. “Because we are dealing with queries more efficiently and with fewer repeat issues, we’ve reduced cost by around 20 per cent. In the year 2001, we had one of the highest council tax bands, now we are among the lowest,” concludes Yates.

### Contact centre still seen as cost rather than value centre

There is still a persistent perception that the contact centre is a cost to the business, an idea confirmed by the experiences of Andy Corkhill. “We as an outsourcer are predominantly measured on cost, so in my opinion, the cost centre label still remains. No one has won business in the last 12 months for having the highest prices; they may be offering the best service, but they lose the tender. Customers are however getting savvy about low cost suppliers and realise that there needs to be a compromise between quality and cost.”

It has proven difficult to convince the business to look beyond cost, but there are methods which can help reduce the cost base which can appease the stakeholders without negatively impacting service levels. “The back office and field operations have as much bearing on the customer experience as the call centre, so by fixing issues in some of these areas, we’ve taken costs out by reducing the call numbers and improved the overall customer experience,” offered Sally Ainsworth. “You need to really drill down into why customers are calling back. Some back office staff may have never dealt with a customer directly and therefore don’t see an e-mail or transaction as ‘a customer,’” continues Shelia Yates.

### The link between customer ‘loyalty’ and ‘satisfaction’

Evaluating measures of success is something that all organisations should do, as Andy Corkhill detailed. “How can you be sure that customer satisfaction, or any of the other internal metrics that you measure, are actually important to making customers loyal? Surely, one of the key stats here is repeat business, because if someone keeps coming back, they must be happy with the service or product.”

This comment led into a broader debate about customer loyalty. “Retention is as important as finding new customers. We’re very focused on cross selling because we know that loyal customers are happy to buy more from you. If you are able to keep a customer for three years, it is likely they will stay with you for at least seven years,” says Paul Whymark.

But, as Andy Corkhill put to the floor, is a ‘loyal’ customer necessarily a happy customer? “Staying with a supplier doesn’t guarantee customer

## CUSTOMER STRATEGY DEBATE: THE DELEGATES

- **Paul Whymark**  
Head of sales and customer service  
RBS
- **Shelia Yates**  
Deputy manager  
Liverpool Direct
- **Andy Corkhill**  
Business development manager  
Vertex
- **Matt Gorman**  
Head of customer service strategy  
RBS International
- **Andrew Hancock**  
Head of customer service  
British Energy
- **Peter Maloney**  
Head of service strategy  
T Mobile
- **Sally Ainsworth**  
Customer service and strategy manager  
United Utilities
- Plus Co-hosts**
- **Mark Turner**  
publisher  
Customer Strategy
- **Guy Tweedale**  
senior VP and general manager EMEA  
Jacada

satisfaction, most people wouldn’t move home insurance until their current supplier gave them a reason to.” Paul Whymark responds. “Three years ago this was true, but now people move suppliers readily. Businesses have bitten themselves in a way, we educated the public about switching and now they do.”

Generating true devotion to a brand is not getting any easier, as Guy Tweedale, manager of EMEA at Jacada said. “Keeping the next generation loyal is likely to be even harder, my kids just keep buying new SIM cards, they shift between vendors depending on the offers and what network their friends are on.” Paul Whymark agrees that apathy and the fight for customers’ attentions is difficult for all businesses to control. “We may never talk to a customer because the transactions often take place online. Some insurers have tried to create glossy magazines to build brand attachment, but do people want to read an insurance magazine on a Sunday morning?”

Andrew Hancock believes that service can influence the brand value by focusing on a simple aim. “Loyalty comes when you make it easy for a customer to do business with you.” Paul Whymark agrees. “If a customer rings to cancel, we encourage them to stay. But if they still want to go, we make it as easy as possible and this way we can say: ‘please keep us in mind 12 months on’ because we know we will get another chance.”

There are certain intangible parts of the loyalty piece, according to Peter Maloney. “What makes me a loyal customer won’t always make others loyal.” Guy Tweedale said this is because customers all have their own priorities. High earners for example are unlikely to bother spending the time shopping for the cheapest electricity supplier when the price differential is so low. “However, for someone with less income, money is more important than their time,” says Tweedale.

The session demonstrated that regardless of which vertical industry they represent, customer strategists have very similar aims and challenges. Pressure from stakeholders is constant and customer service faces a daily fight to get recognition and support for the work that it does. The key piece to this discussion is that service needs to do a better job at converting the raw data relating to the work it does into something that the stakeholders understand – cash. Customer service has a huge role to play in helping a business thrive, helping to win and retain business and increase the value of customers, so it needs to make sure that these efforts don’t go unnoticed. ☺