



EVOLUTION

Evolution

REVOLUTION

## TLF CLIENT CONFERENCE

In March we gathered, once again, at One Great George Street in London for our annual client conference. It's one of our favourite days of the year, despite the nerves and inevitable (hopefully invisible) minor backstage disasters. It's a chance for our clients to meet each other, hear from an inspirational keynote speaker, and learn lessons from some client case studies. We also enjoy the chance to test our latest ideas on a friendly audience! This was a vintage year, with delegates scoring it the most useful conference ever, so let's have a look at what they liked.

**Greg Roche, TLF Research**

Greg opened the conference by introducing the conference theme of change, specifically the choice between evolution and revolution. He also took us through the top 10 traits of organisations who are world class in terms of customer experience, which we're featuring in a series of podcast episodes. He added an 11th for the conference, which was being in it for the long haul. Change, he reminded us, is necessary if you want customers to be happier.




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**“For your customers to be more satisfied tomorrow than they are today, someone in your organisation has to do something different that they're not doing today.”**

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Greg handed over to Stephen, who dug into the theory and practice of culture change to discuss whether evolution or revolution is a more effective approach. His discussion, “Gradually then Suddenly”, will be featured in full in the next issue of Customer Insight, but here's a quote to pique your interest:

“If you want culture change to stick it can't be something that is simply done overnight. You can't make one big change, whether it's to structure, or working practices, or what your mission statement is, and expect it to change the deep and shared sense-making machinery inside



your people's heads. One offsite is simply not going to cut it.”

After a networking break, it was over to some clients to discuss the changes they had put in place to improve the customer experience. Two clients, from very different sectors, and at different stages of their change journey, took us through to lunch.

**Karl Symes, Irish Life**

Karl was gracious enough to only briefly rub salt in the wound of England's recent loss (and Grand Slam concession) to Ireland. As long term partners, we've seen Irish Life's journey up close for many years. Two case studies in the Customer Insight archive\* document previous milestones at which they've shared their experiences, so we were looking forward to another update. Karl started by reflecting on how long the culture change journey has been.

“We'd have liked to have got there much faster, but I think the benefits of that longevity will really start to pay off over the next number of years.”

Karl started by reminding us how important trust is to organisations, particularly in the financial services sector, and perhaps even more so in the life, pensions, investments and health insurance sectors that Irish Life operates in. Trust is central to the organisation's purpose, and the “In Touch” programme is about guiding its people, using research to understand what the right



behaviours and actions are to create customer confidence at each interaction.

Irish Life's long term commitment to this programme has built credibility with staff and also with all the financial advisors and other stakeholders such as regulatory authorities. In Touch was launched in 2003, and Karl reminisced briefly about his experiences with Greg and Iain (the two TLF client managers they've had in that time) and the researchers who have worked with them.

“We like to stick with the partners who are helping us to do the right thing. We really believe in looking after your customers, your partners, and everyone who works with an organisation, and that virtuous circle really pays off in the long run.”

Over the 15 years of the programme, Irish Life has marched steadily up our league of customer satisfaction from the bottom quartile to the top, an achievement they're rightly proud of. They were also the first winners of the All-Ireland Customer Experience award.

Picking up on the theme of evolution versus revolution, Karl spoke about the constant evolution of the In Touch programme against a background of flux and change in the macro-economic environment post 2008. Despite all the chaos, Irish Life stuck with their investment in the process – a brave and important decision.

“The final decision was ‘if we stick with this now, we'll reap the rewards for years to come’. During that economic crisis, it was almost the only thing which didn't get cut.”

Despite changes to ownership, CEOs, and all the wider upheaval, Irish Life has stuck with the programme. The research has changed and evolved, moving to more frequent surveys and a more touchpoint-based approach, really

\*Available online at <https://www.tlfresearch.com/customer-insight/>

focusing on making improvements to the most important moments of truth for customers. Karl shared a “wall-chart” type slide summarising all the changes and investments that the organisation has made over the years, which is a tangible reminder for all staff just how committed they are to the journey.

How has Irish Life used the results of the research programme to improve? Step one is to communicate the results to staff, which they have done consistently well. The next step is to do something about them, and as Karl observed the important thing here is to take action, rather than trying to pile up evidence for a single magic bullet solution.

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**“It’s not trying to do something perfectly, it’s trying to make it *better*. It’s about continually making small things better.”**

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Karl believes they could get better at communicating to customers (everyone can!), but another strength has been going back to the customers who have taken part in research. Customers are pleasantly surprised to find that they have been listened to, but there’s also a big cultural benefit of demonstrating a real interest in what customers have to say.

As well as the overall business leads on the programme, and the touchpoint groups in charge of each of the 6 main touchpoints, there are 40 Customer Champions throughout the business who act as the voice, eyes, and ears of In Touch, making sure the programme isn’t something that sits invisibly in the marketing or insights team, but is embedded in the organisation. Top level support is vital, but the ground-up structure built around customer champions

is also crucial to make the programme work.

Karl shared some interesting tidbits from their research, such as the fact that the importance of drivers varies quite widely across different touchpoints (for instance “the security of Irish Life” is much more important for customers taking out a new product than it is for customers when they are talking to a financial advisor? Sometimes it’s all about people, sometimes it’s more about the product. The most actionable part of the research programme has been continually hunting for the customer experience moments and behaviours which have the most impact on satisfaction. They’re really simple, like setting expectations, but they make a big difference to satisfaction. Three simple actions, put together, make a difference of 10 points to their Satisfaction Index.

“In financial services you need to bake in predictability to give your customers confidence.”

You need to think about how to engage and support your people. They want to make customers happy, Karl believes, and they want to make changes and improvements for customers all the time but that can be difficult in a highly regulated environment where we often have to treat everyone the same. It’s important to share the results regularly, focusing on the positives as well as the negatives, and continually showing people what difference they can make. As well as the scores, it’s important to use a lot of fun and engaging activities to keep the right tone and sense of momentum in the culture.

The facts may prove it’s working, but culture is shaped and demonstrated by stories, particularly about people making great decisions for customers – like the customer who phoned in to cancel her life insurance policy due to financial pressure because of a child undergoing cancer treatment, to be told that she was actually eligible for a €25,000 payment under that policy’s provision for children with serious illnesses.

Where next? Looking at the difference that customer experience makes to loyalty and repurchase rates, Irish Life believe it really makes a difference to move customers towards the highest levels of satisfaction. They have shown that moving people to a Satisfaction Index over 90 has a massive impact on loyalty behaviours such as retention and recommendation.

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*The priorities:*

- *Keep the Satisfaction Index improving*
- *Get as many customers as possible over a satisfaction score of 90*
- *Build more customer measures into operational measures*
- *Continue to support a culture where people do the right things intuitively*

*Karl’s tips, based on Irish Life’s journey, were:*

- *Get everyone behind the CSI data, rather than their own operational data – getting people to prioritise the customer view*
  - *Develop “perfect experience” measures*
  - *It’s important to link your customer programme to your purpose*
  - *Find ways to get everyone in the organisation involved*
  - *Over-communicate – keep everyone up to date on progress*
  - *Find ways to celebrate at every opportunity you can*
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Karl’s entertaining delivery and bags of useful content earned him the highest score we’ve ever had for a client speaker. Hopefully this quick synopsis gives you enough of the highlights to start along the same journey that Irish Life have been on.

### Anil Mehta, Together Housing

From the perspective of an organisation much earlier in their journey, Anil talked to us about Together Housing's first steps towards building a customer experience strategy, a strategy which he described as "embryonic". He promised a "warts and all" version of what their research programme has shown them, and why it's driving them towards a customer experience approach.

Anil spoke with an engagingly humble style, describing himself as not being a customer experience expert. In reality he showed us all that he has thought deeply about improving customer experience, and there was much to learn even at this early stage of the story.

Together are a housing association, meaning that their core business is to provide, repair, and maintain affordable housing. It's a heavily regulated sector, and Together is one of the largest Northern housing associations, formed about five years ago from a merger of smaller organisations. They have around 38,000 homes spread right across the width of the country, and a very diverse customer base. Their scale permits efficiencies, but also creates challenges in terms of providing services across very different types of customer across that wide footprint.

The starting point, as it is for most businesses, is to survey customers to find out how they feel. Satisfaction at the moment is mid-table, but the number is just the starting point, and in many ways it's the qualitative parts of the research that are more important. That's often the first step towards taking action off the back of a survey.



"It doesn't fill me with great pride, but it gives us a good idea of where we are."

A cynic might wonder why it's worth making the effort to measure and improve satisfaction if a high proportion of customers don't pay for what they're getting (the government does via housing benefit or Universal Credit). Beyond any moral imperative, there are clear practical reasons to measure and benchmark satisfaction in order to make service delivery as efficient as possible.

This addresses one of the big myths of customer satisfaction - that it is a cost. It's an investment, but more often than not satisfied customers are cheap to serve, and efficient processes work better for everyone.

"Satisfaction is synonymous with efficiency - the customer is our best consultant, and their feedback can highlight problems....We can use that to understand what we can do to improve, it's the raw material for our business improvement teams to look at how they can make services easy to access and easy to do business with....What I love about TLF is that they can make sense of that huge amount of qual that we get from our surveys."

Together has been gathering feedback from customers for a number of years about repairs, how enquiries are dealt with, and how easy it is for customers to contact. They've seen improvement in the customer services team, but less in the wider business. What's the problem? According to Anil the answer is simple: focusing on priorities for improvement delivers improvement, but action had been inconsistent

because it had been left to individual heads of service. At the time there was no business improvement function, no methodology to turn feedback into action, and business improvements were focused on business benefits rather than customer benefit. The result was satisfaction scores that were falling rather than rising.

Anil told us about how Rachel, the TLF Client Manager, and the Together business improvement team worked together using customer journey mapping as a tool to drive business change from the customer research. Over a number of sessions they mapped out the key areas of improvement, such as repairs. That journey was split into two: reporting the repair, and then the repair itself. Within those two parts there were 10 key touchpoints, and the priorities were divided up according to how practical they would be to address, then assigned owners and timescales. Some of the priorities included, for example: scrapping email repairs enquiries which were not working for customers or the business, to replace them with an online form which is more diagnostic and gathers more consistent information and improving the diagnostic skills of staff for telephone repairs reporting.



As well as addressing change systematically, Together knew it was important to tell customers that they should expect to see changes, taking them in detail through the process Anil had described for us.

The journey may not yet be complete (it never is), but Anil's open presentation had much to teach us about the steps required to turn customer feedback into systematic action, and the importance of communicating that change, in an engaging way, to both colleagues and customers.

**Keynote speaker: Linda Moir**

After lunch, we handed over the stage to our keynote speaker Linda Moir. In an engaging, funny, and warm session she gave us her perspective on the secrets of instilling a customer-focussed culture, based on her experiences as Director of Customer Service at Virgin Atlantic and then at the London Olympics. She started by addressing the theme of Evolution vs Revolution, and by challenging the idea that change comes from the top of the organisation.

**“Whilst in both cases you may know who was at the top of the organisations, what was achieved was largely done by harnessing the energy and enthusiasm of the people across the organisation.”**

When Linda joined Virgin Atlantic from BA it was at an interesting point in its development. Having started with a definitely revolutionary mindset, with the stated aim “to make flying fun”, it was now 30-some-something. Over time flying had become a commodity, and it was a very tough market. In order to compete, it was clear that Virgin needed to “grow up a bit” in order to attract more customers, especially highly profitable business customers. At the same time it was important not to lose the things which were strengths for the brand, such as their sense of fun (epitomised by big investments in having a cocktail bar and a cool lounge, and little things like salt and pepper shakers that



read “pinched from Virgin Atlantic”).

Virgin, as a brand, is famous for its people. Maintaining that meant trying to treat staff as if they were customers (a major theme of the Value Profit Chain), and building a collaborative culture that allowed staff to feel able to contribute. Linda gave an example: when Virgin launched a new flat bed in business class, to their dismay Singapore Airlines launched their own 3 months later. It was wider, longer, and better.

“In terms of the product it beat ours, but because of the collaborative culture we felt we had more to offer...”, in this case things like the staff suggestion that they should turn the seat into a bed whilst the customer had a drink at the bar, including putting a tiny teddy bear on the pillow. These things, as Linda points out, are low cost, but high impact. The lesson is that product can be copied, but it’s much more difficult to copy customer experience.

Linda did some research soon after her move from BA to Virgin, and found that BA were seen as “blue” (professional, but formulaic), where Virgin were “red” (fun, but inconsistent). It was clear that she needed to find a way to build on consistency without losing the Virgin personality of fun and informality. Her way to address this was a service strategy named “Brilliant Basics, Magic Touches”.

We often emphasise the importance of what we call “doing best what matters most” to customers. It doesn’t always seem that sexy, but it is definitely the key to creating



happy customers. The challenge is often how to enthuse your people about the idea of brilliant basics. Linda’s answer is “adult to adult communication” about why it’s important.

“You don’t get anywhere by telling people what to do, you’ve got to give them the information so they know it’s important and want to do it.” The magic touches part means that they also have the freedom to have fun, once the basics are nailed. Linda gave a great example of a magic touch – she received a letter from a frequent flyer who had been flying with his children, but forgot to pre-order them a special kids meal. One of the crew packed up little picnic bags with sandwiches from the food put on board for the crew, as well as some fruit & sweets.

**“People don’t do that because they’ve been told to, but because they love their jobs.”**

That’s true whether they’re frontline or back office, and it shows. “Your culture is exactly what customers see.”

Something pretty special had to come along to tempt Linda away from Virgin – the 2012 London Olympics. There she coordinated the 15,000 volunteer “Games Makers” and 6,000 paid safety stewards. Just like Team GB, Linda believes her team outperformed everybody’s expectations in the way they hosted. The bar for the games had been set incredibly high by Beijing, and Linda believed that personality was the key to doing a great job of hosting. “How did we tap into the personality, the friendliness, the

warmth, the wonderful diversity of the people of the United Kingdom? We built that revolution bottom-up.”

She started by asking the organisers of the Sydney games how they had made it the friendliest games ever. They put it down to three golden rules for managing volunteers (actually pretty good rules for people in general):

1. *People like being busy, so don't over staff*
2. *Rotate people, so they don't get bored (unlike Beijing, where the volunteers were trained in just one task... "People love learning things.")*
3. *Recognising people and their needs. Volunteers received small "shift gifts" of bronze, silver, and gold pin badges. More important, supervisors walked around, learning people's names, talking to them to make them feel valued.*

Encouraging the volunteers to have fun, to bring their personalities with them, created opportunities for lots of memorable interactions. Like the Virgin cabin crew, those moments of magic were often low in cost, but high in value. Linda gave an example of two volunteers who brought chocolate medals and toilet paper every day, in order to create races with "tape" for kids to burst through as they won.

**"The best ideas come from people who work with customers every day."**

The overriding theme that Linda's talk left us with was the power of trusting your people to know the right thing to do, and to want to do it. "Tell people what they need to achieve, don't tell them what to do." What they do need is support. As Linda said in response to an audience question, the thing which motivates people

to keep going through the more difficult parts of their jobs is the team around them, and their relationship with their boss. Again, the principle of treating employees like customers comes to the forefront.

**Tim Paddison and Rebecca Galley, Cromwell**

Our final session of the day was a double act, as Tim and Rebecca from Cromwell talked us through how they've gone about embedding customer experience improvements across the business, a distributor of industrial tools and consumables. The major message, as it so often is, was about the importance of communication.

Tim opened by explaining what Cromwell do, stressing the fact that as a distributor they don't actually make anything, so everything they do is a service. Tying in with the theme of the conference, he remembered that at the outset the perception was that this would be evolution, but when it came to implementation it felt like revolution.

Rebecca took over to describe how Cromwell's customer survey had helped them to understand what's important to customers, and how they were performing against that. This "doing best what matters most" view of the customer remains the core of TLF's methodology, and we know it works. To move forward it was also important to understand the perceptions of the team. "It doesn't matter what our strategy is, if the team isn't on board with it we wouldn't be able to embed the changes."

They found that customers were reasonably satisfied, but that internal perceptions of service

were much worse. This is actually very common, as staff tend to hear more bad news than good news, and it's one of the reasons that it's really important to gather objective customer insight. But how to move both perception and reality forward?

**"You need to have a story. You need to have something that people can relate to, see where they fit in, how they can be part of a journey."**

So they built a story around the changes Cromwell was making to serve customers more effectively, focused on the four key priorities that customers told them needed to change. Having the story is only the start, though. In order to cut through and reach everyone in the organisation it's essential to keep working at it. They had good buy-in from senior

people in the business, but the key is to get the story to all levels of the business, so Rebecca and Tim had to rely on other people telling their story. Contrary to popular belief, winning over senior people is actually relatively easy, compared to persuading people throughout the business, particularly the people at the front line who deal with customers directly. You can't just do it with a few emails, you need to talk about the "why", and really engage in a discussion with people.

Reaching that "critical mass of understanding", to quote Tim, took more time and effort than they initially expected. They had to find



ways to do it in the time available, and cost effectively too. The right mix of channels was crucial. Slide decks with one person talking won't work. Neither will emails. Instead, they held regular round table meetings, inviting people from different functions to a discussion, and encouraging them to speak to their own team members. Cromwell found that videos worked well, and we're also big fans of that as an engaging and (still) under-used channel of internal communication. Once the improvements had started to take hold they could use success stories to talk about what had worked well as a result, to help celebrate and embed the new ways of working.



Rebecca and Tim didn't promise us an easy ride ("Question: how resilient are you? Because you have to be resilient"), but they did manage to highlight the importance of investing the time to understand your team's perception of where the organisation is, listening to them, and doing the sustained work to communicate the story to them in an engaging way. This is where most companies fall down in the gap between insight and action, and the answer is always communication. As Greg commented afterwards "...you can't over-communicate".

**Panel with Karl Brown (Direct Line Group), Simon Stead (TPT Retirement Solutions), Donald Smith (Johnsons Stallbridge) and Linda Moir**

To bring the day to a close we assembled a panel of experts to discuss questions from the audience. They discussed:

- **The cost of improving customer experience.**  
What's the cost of not doing it? The importance of proving it, where you can, of giving colleagues tools to improve their service.
- **Steering customers towards digital channels.**  
Making sure you design digital journeys around what customers want. Linking developers closely to the customer service team, to resolve issues quickly and learn from them.
- **Getting messages down to the grassroots level.**  
Rewarding employees for delivering service. Giving feedback one on one, to show the results and make it a personal thing. "What people need is a darn good listening to." (that was from Linda). PowerPoint bullets is not how people in the real world communicate.
- **Introducing process without losing flexibility.**  
Make sure it's a good process, and explain the reason. Test the process with the people who have got to follow it through (people will find a workaround if they don't like it).
- **Permissions culture**  
If it's the right thing to do to step out of process, people will be praised not penalised... if the spirit was right.

from managers to feel able to do it. Storytelling and communication with staff and customers is what underpins the success of those efforts – you simply can't do too much of it.

**Evolution or Revolution?**

We'd taken Evolution vs Revolution as the theme for our conference. What emerged strongly from every presentation was the revolutionary power that's there in your people, if you can find a way to liberate it. That requires steady patient work to ensure that the messages are clearly communicated throughout the business, that people are able to express their personality, and that they have the right support