



Customer satisfaction

Success at

The **co-operative**
bank



With over 300 employees and 20 Corporate Banking Centres around the UK, The Co-operative Bank's Corporate Banking Division puts much of its success in recent years down to its fanatical focus on customer service. The bank knows from its customer satisfaction survey data that more satisfied customers are more likely to use more of the bank's products and are more likely to recommend – in fact, 51% have recommended the bank in the last year. In recent years The Co-operative Bank's revenue and profits have grown along with customer satisfaction. There have also been other business successes. For example, the bank maintained a strong and stable capital position and at a time when many of its competitors have firmly closed the door to companies wanting to borrow, The Co-operative has lifted business borrowing from £6.2bn to £8.7bn. Over the last three years, its network has doubled from 10 to 20 centres and it has won numerous new customers who were dissatisfied with their previous bank. The Co-operative Bank is also well known for its strong ethical stance with both customer and employee satisfaction being key elements of its corporate social responsibility strategy. All of which demonstrate their commitment to support UK businesses.





Keith Alderson -
Managing Director
of Corporate and
Business Banking

Relationships

Of course, The Co-operative Bank knows that success in the corporate banking sector isn't a mass marketing exercise as it may be in retail banking; it's down to the quality of its relationships with customers. The front cover of its company brochure does highlight the phrase 'good with money', but your eye is drawn by the strapline 'As One – Success built on relationships'. According to Keith Alderson- Managing Director of Corporate and Business Banking, "We treat our customers as individuals – we really get to know them and their businesses. Our success comes from a clear commitment to genuine, long lasting relationships." To deliver on its 'relationships' promise, one of the ways the bank invests in service and customer relationship, is by giving its relationship managers a smaller client base and additional support staff to improve their availability and the customer experience.

Customer satisfaction surveys

With this type of customer focused culture, you would expect the bank to monitor its customers' satisfaction. It's done this for quite a few years, the last three of which have been with The Leadership Factor. The survey is annual since customer bases in corporate banking are quite small and the bank has promised that no-one will be asked to participate in the survey more often than once every 18 months. Contacts are interviewed by telephone, providing a rich vein of customer comments for detailed insight as well as statistical tracking of performance. In keeping with the bank's customer focused mission, Anita Kielty from the Business Management team, is keen to emphasise that "The survey is not just a tick box exercise – it's a real tool to help us fully understand how customers feel about their relationship with The Co-operative Bank. In the corporate banking market, the level of service plus the depth and quality of relationships with customers are the main differentiators".



Anita Kielty
Business Management Team

The customer experience through the customers' eyes

Anita is conscious that a good customer experience has to be defined and monitored through the customers' eyes, not based on what the company thinks is good customer service. Consequently, The Co-operative Bank began its Customer Survey Measurement programme with The Leadership Factor by conducting exploratory research (based on face-to-face in-depth interviews with a representative sample of customers) to thoroughly understand what factors were most important to them in their relationship with their corporate banker. The exploratory research confirmed the bank's belief that at the forefront of customers' priorities was the expectation that the bank would:

- ▶ Treat them as valued customers
- ▶ Keep them well informed
- ▶ Make a real effort to understand their business
- ▶ Be genuinely interested in their custom.

There's no denying that The Co-operative Bank's strong emphasis on customer relationships has enabled it to achieve very high levels of customer satisfaction and loyalty. The bank has improved its customer satisfaction index every year over the last few years and is now well up in the top quartile of The Leadership Factor's very large database of organisations' customer satisfaction performance. Other highlights include the fact that 88% of customers feel they are treated fairly by the bank, 91% find it easy to contact their Relationship Manager and 84% would definitely use the bank for any future banking requirements. Moreover, The Co-operative Bank as a whole (including Retail Banking) is consistently near the top of all key measures (customer satisfaction, complaint handling and net promoter score) on the UKCSI.

Internal communications

In Corporate Banking Division, the results of the customer satisfaction survey are eagerly awaited and widely communicated internally. As soon as the results are available they are presented to the leadership



team plus managers of all departments and teams, regional managers and staff representatives across all touch points of the customer experience. Following this, Keith Alderson sends a short message with high level results to the whole business, but as far as the detail is concerned, corporate banking has an excellent system to ensure that the details from the survey are cascaded to all staff who are involved with corporate customers, with Chris Wilson, Head of Real Estate and Public Sector Development and Richard France, Head of Corporate Relationship Banking presenting findings to their regional teams and ensuring robust action plans are in place addressing the areas of concern raised via the survey. Customer satisfaction is a regular agenda item for the monthly manager meetings with both corporate staff and support areas. To ensure key messages are delivered consistently, every member of the 12,000 staff in CFS receives a monthly face to face briefing which cascades through the organisation, starting with Neville Richardson CEO presenting it to his leadership team. Customer Satisfaction is a key component of this briefing known as *"The Understanding"*.

Within Corporate Banking dissemination of the survey results is extensive. Anita and her colleagues provide full details of the customer satisfaction survey results to all relevant customer facing teams. As well as results for the Regional Managers, the bank can drill right down to scores and customers' comments for each individual Relationship Manager (unless the respondent opts for anonymity). This rich stream of information enables all teams and each RM to absorb precise and relevant customer insight. Based on this they all develop their own action plans, sometimes in consultation with their customers to make sure they're on the right tracks. And that's another reason for Corporate Banking's success. They don't just make what they think are improvements, they make what the customer says are improvements!

Taking action

The action plans leave few stones unturned.

The Co-operative Bank's success isn't based on a few high profile company-wide initiatives - improving customer satisfaction rarely is. It's based on myriad small changes at team or individual RM level that are highly targeted on what specific customers want. For example, the bank's Queries Team simplified some forms to make them easier for customers to complete. Another team improved its ability to keep customers informed by finding out exactly when and how they wanted to be updated and then making sure that all customers received precisely the communications they wanted when they expected them. One RM learned that he was going too many extra miles for customers, giving great personal service but doing too much himself with adverse impact on his availability to other customers. He improved customer satisfaction by delegating more to the Customer Support teams.

In Customer Support actions have included the introduction of new technology to allow call recording and more checks on calls. This has led to more one-to-ones, but with a new twist where instead of the advisor listening whilst the manager gives feedback on the call, the advisor reviews it and outlines to their manager what they see as the good points and the areas for improvement. Then the manager comments and offers help if needed, but often it's not necessary because the advisors themselves know exactly how a call could have been improved. The customer survey results also feed into staff training programmes for new and existing employees. Based on customer feedback new or amended training modules have covered answering the phone, handling queries, keeping customers informed and delivering on promises.

A further example of the bank's commitment to improve the customer experience is that they have invested millions of pounds developing their new internet banking platform for business users. They launched the new electronic banking service in 2010 and are gradually rolling out the upgraded internet based version of Financial Director.



Richard France -
Function Leader,
Corporate Relationship
Banking



Internal benchmarking

Every month Anita and her colleagues follow up all the action plans. This isn't a big stick exercise. The culture is so customer focused that people don't need monitoring to implement their action plans. It's more about sharing information because once Anita's up to date, she can update progress on the intranet so that everyone can see what other teams are doing to improve customer satisfaction. This great cross-communication is further enhanced by joint customer service workshops across the front line and support teams.

Maximising the benefits of internal benchmarking in this way is another key ingredient in Corporate Banking's success. Following each survey, The Leadership Factor uploads the results onto a secure interactive web reporting site which team members can access with passwords. They can compare results across regional teams, Relationship Managers etc, learning from the teams or individual RMs that have the highest customer satisfaction for each question but the internal benchmarking extends beyond Corporate Banking.

Customer service culture

Other businesses within Co-operative Financial Services are very interested in Corporate Banking's customer satisfaction activities, so in addition to The Understanding, the survey results are published in the in-house magazine, 'The Know', as are other customer service features.



For example, the December 2010 issue showcased Co-operative Financial Services' efforts for National Customer Service Week, including visits to call centres by colleagues from across the business under 'The Exchange' scheme, designed to foster mutual understanding across different teams. There were also training sessions, competitions and even fancy dress to get everyone into the customer service spirit.

Feedback to customers

This genuine customer service spirit is one of the main factors behind The Co-operative Bank's success in improving customer satisfaction, but it's not always enough. Sometimes companies make improvements but customers don't notice. They have their own agendas, priorities, busy lives and work pressures. Moreover, human beings have an unfortunate habit of taking good service for granted but noticing and remembering all the things that didn't go quite right. The Co-operative Bank addresses this risk by providing extensive feedback to customers about the customer survey, its results and the actions they are taking in the light of what customers have told them.



Customer communications start with a letter before the start of the survey and a thank-you letter from Keith Alderson after they have taken part which also outlines the key results. This is followed by a four page feedback leaflet that provides a detailed account of the survey results and, importantly, the actions that Corporate Banking is taking as a consequence of the survey. The results and actions are also published on the Corporate Banking website and in its customer magazine, 'Insight'. A very effective measure is Relationship Managers' use of the printed leaflet in face-to-face meetings with existing and potential clients or at networking events.



This brings us back to where we started. The extensive feedback on how Corporate Banking listens to its customers and acts on what it hears helps to reinforce the relationship between the bank and its customers. It nurtures the like-mindedness, the feeling that the relationship isn't just based on a series of transactions (albeit delivered efficiently and with friendly service) but on a bigger strategic picture that all are working towards that enhances the long term interests of the bank, its customers and society as a whole. 



Richard Kimber

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