



Closer to the Customer



“
our job is
to look after
our customers
”

Housing Associations have two purposes:

1. To improve the lives of their residents by improving the quality of their homes, neighbourhoods and communities. Some, like Affinity Sutton, even have declared objectives to improve wider aspects of residents' lives such as helping them with skills training for jobs, child care and access to low cost finance such as credit unions.
2. To invest in developing new social housing, especially in areas where there is a shortage of affordable homes. Affinity Sutton builds over 1,000 new homes each year, a mix of rented, shared ownership and houses for sale. The profits from sales help to fund further investment in achieving objectives 1 and 2.

Affinity Sutton is the product of three separate housing associations coming together – Broomleigh, Downland and William Sutton. The customer service ingredient goes back to 1992 when the London Borough of Bromley instigated the first urban council housing stock transfer in the UK. The transfer of 14,000 properties to what was then called Broomleigh Housing Association was also the largest ever made at that time, so the company was a ground-breaking organisation from the outset. To win tenant support for the change quite a lot of promises were made, so the early focus of the company was property refurbishment and

modernisation but in 1995 when that programme was well in hand, CEO Keith Exford brought in Neil McCall as Operations Director with a brief to modernise the organisation and make it customer-focused.

Not very close to the customer

Neil's enthusiasm for customer service originated during a trip to the States in 1993. As well as being impressed by the



Neil
McCall

general level of service and attentiveness compared with the current UK norm, he was also intrigued by the systems behind it. He would book hotels through their call centres, for example, and be amazed by how much they knew about him, such as his history of staying with that chain, how they would gather more information about his likes and dislikes, how they would treat him the same across all their hotels. Broomleigh had people on the ground who knew the tenant well but it operated through three local offices that handled their own calls



and effectively did their own thing. There was no information whatsoever to monitor customer satisfaction or even parts of the customer service function. Neil got his first information about what was going on (stats on call volumes and abandonment) from BT! There were plenty of abandonments. Perhaps there was nobody in the office when the phone was ringing, perhaps it was inconvenient so wasn't answered. With most of the staff having been transferred over from the local authority, it just wasn't a customer-focused culture. Not on the front line, not in the back office and not even at senior management level. To demonstrate the problem to the Senior Management Team, Neil made a video of a real tenant calling a local office and waiting as he stood there while the phone rang and rang. Neil asked Mark Easton, another new 1995 recruit to run a one-year customer service project to assess Broomleigh's current service levels, to look at latest thinking and practice, particularly the use of call centres for service delivery and to examine what cultural and communication changes were needed to make the organisation customer-focused.

A call centre for housing

Mark decided to set up a pilot call centre in Penge. The small eight people Contact Centre was officially a pilot not just because it was a new thing in housing but also because at that time there was still a lot of suspicion generally about call centres. Criticism included 'de-skilling', poor service because the technology wasn't good enough or the staff lacked the expertise and within Broomleigh because it was seen as a Big Brother approach

with staff constantly monitored through the contact management stats and the start of a centralisation process that would remove all power from local offices and eventually close them down. In some ways they were right. By 2000 the Contact Centre had 12 staff in a new building and all calls had been transferred to it from local offices. But only because it worked well, had eliminated abandonments, improved response times and was increasingly acting as a spearhead for making the organisation more customer-focused and changing it in other ways too.

A customer culture

To take responsibility for the Contact Centre and new customer focus drive, Broomleigh had appointed a new Assistant Director of Customer Service. Two in fact – Vicky Bonner and Ann Sheckley took on the role as a job share. They developed 'Customer First', a four day customer service training programme for every member of staff from caretaker to CEO. But to change the culture from "our job is to look after our properties" to "our job is to look after our customers" was going to take more than a four day training course, because along with its 14,000 properties, Broomleigh had inherited many of its 200 people from the London Borough of Bromley and a large number of them had little

exposure to other sectors and although they knew the job, they didn't like the idea of changing it in any way, and were definitely not 'close to the customer'. The expansion of the Contact Centre enabled the company to recruit young people, often from the private sector, train them thoroughly in customer service, infuse them with the customer-focused culture and, as they developed, promote them out into the rest of the organisation.

Partnering

As the 1990s advanced, customer satisfaction was becoming increasingly important throughout the UK, even in the independent sector, and the Government now required Housing Associations to complete a customer satisfaction survey, albeit only every three years. Vicky and Ann commissioned Broomleigh's first one in 2000 with high hopes after all the work they had done, but the results were disappointing, especially for repairs. A lot of time and money had been spent improving the properties in the 1990s but this wasn't reflected in tenant satisfaction.

As Neil McCall reflected on this disappointment, the reasons became clear. The system Broomleigh had inherited was to undertake repairs and improvements to its properties through a network of local contractors, who were used to working in a very contractual way. Neither efficient nor customer-focused, the relationship



Vicky Bonner



Ann Sheckley



became increasingly confrontational as Broomleigh tried to modernise them and encourage them to get closer to the customer. Neil therefore looked around at what was happening in other sectors and found a civil engineering company called Osborne that was doing a lot of work through a 'partnering' arrangement with Railtrack. At the time this was quite a step change involving:

- Open book accounting
- Not pricing and quoting every single job but working on an agreed profit margin with the partner
- A recognition that the contractor did need to make an acceptable profit
- A profit share where both partners would benefit from any underspend on the budget
- A customer satisfaction bonus to reward the partner if high levels of customer satisfaction were achieved and to make sure that any underspend bonus was not achieved at the expense of good outcomes for the customers.

Fundamentally it was about both partners working together, looking at the big repairs picture and working out ways of achieving better outcomes at less cost. If that was achieved, both would benefit. The partnership with Osborne broke new ground in the industry and became an award winning project. Constructing Excellence, a Government funded body with a brief to promote innovation in the

construction industry selected the partnership as a National Demonstration Project. By 2001 the small contractors were all eliminated and for reasons of risk management a second partner, Rydon, had been appointed to work alongside Osborne.

Measuring customer satisfaction

By now, Broomleigh was doing a number of innovative things and was well ahead of the housing industry game with its focus on customer service. However, the scores in its annual customer satisfaction survey were not going up. In 2003 they brought in UK customer satisfaction specialists, The Leadership Factor, to undertake a strategic review and recommend how Broomleigh could translate its good work into higher levels of customer satisfaction. The fundamental problem was that their customer satisfaction survey was not providing clear guidance on exactly what needed doing to improve satisfaction. So in another pioneering move, Broomleigh dropped the rather bureaucratic 'STATUS' survey that was almost universally used by the industry and replaced it with The Leadership Factor's much more action-focused methodology. This brought several benefits:

- A move from 5-point verbal to 10-point numerical scales for more precision and reliability
- Questions based on 'the lens of the customer' (i.e. the things their own tenants found most important) rather than standard industry questions invented by bureaucrats
- An understanding of the relative

importance of customers' requirements so that Broomleigh could 'do best what matters most to customers'

- Clear, focused PFIs (priorities for improvement) at the end of each survey so the company knew what action to take and was not diluting its effectiveness by trying to improve too many different things
- The introduction of a customer satisfaction bonus for all staff if the targets were hit – quite an innovative move at the time in any sector, let alone housing.

Expansion

By now Broomleigh had moved much closer to customers and, due to the success of its sector-leading innovations such as partnering and the contact centre, was a very efficient and profitable organisation. Deciding that the next challenge was expansion, Keith Exford and the Board looked for opportunities to merge with another Housing Association and identified Downland Housing Association, a company with slightly fewer properties but spread over a much larger geographical area along the south coast. When the merger happened in 2004, management set up a group structure with a parent company called Affinity to take over all corporate functions such as finance, with operational functions vested in Broomleigh and Downland as subsidiaries.

The Broomleigh journey was now repeated in Downland – customer service training, customer satisfaction surveys, customer satisfaction bonus, partnering, winning hearts and minds for a more cus-



customer-focused, go-ahead culture. Downland's incoming calls were routed into the Broomleigh contact centre which was now up to 20 employees. As soon as Downland was assimilated, management were looking for the next merger opportunity and identified William Sutton Housing, an organisation with over 20,000 properties spread all over the country. The 2006 merger transformed Affinity (now renamed Affinity Sutton) into a top 5 Housing Association with 55,000 properties, a national footprint and one of the biggest new build programmes of any social landlord. William Sutton had good customer satisfaction and a century of heritage but had a high cost base. So to speed up the integration Neil McCall moved over to be CEO of the new operating company.

The Contact Centre

By 2008, when the William Sutton incoming calls had all been re-routed, the Broomleigh contact centre employed 37 FTEs - mainly full time staff. In many ways it had driven and policed the customer satisfaction journey of the organisation. As well as being a great unit for recruiting and developing new employees that could subsequently percolate out into the organisation, taking their customer-focus with them, the contact centre was at the forefront of adopting best customer service practice.

The journey was very much helped by consistency of senior staff. Both Vicky Bonner and Ann Sheckley were action-focused, eager for change and determined to base the contact centre (and the customer service function) on the

best practice to be found in the private sector. The latest CRM and resource planning software were introduced as were targets at team and individual level which were monitored daily and displayed in real time on a Call Board. Not typical Local Authority or Housing Association culture at the time!

Vicky and Ann also played a lead role in driving the organisation closer to the customer by commissioning the customer satisfaction surveys, disseminating the results, managing the action planning process after the survey and organising company-wide customer service training. Following the Customer First training in 2000, a second module, 'In the Customer's Shoes', was developed and run in 2005, and a third, 'Closer to the Customer', is planned for this year. At Vicky and Ann's insistence, the customer service training courses were also extended to cover all the partners' employees. Partners were also included in the new complaint handling procedures, targets and training, as well as the development of a culture that embraced complaints, encouraged and captured as many problems/complaints as possible and significantly reduced the average time for responding to and resolving complaints.

Improving customer satisfaction

Complaint handling was one of Broomleigh's first PFIs (priorities for improvement) from the early Leadership Factor surveys. To drive satisfaction improvement by making a difference on the PFIs, the secret is to keep the spotlight on, constantly reminding and

motivating staff to address the relevant issues. Vicky and Ann kept reminding staff about the customer satisfaction bonus, did countdowns to the next survey and after listening to the Irish Life talk at The Leadership Factor's 2006 Client Conference, introduced a succession of initiatives to engage staff by bringing customer feedback into the office. (To read more about Irish Life's customer satisfaction improvement measures go to www.stakeholdermagazine.com/articles). These included PFI reminders in the lifts, cardboard cut-outs of customers with velcroed comment bubbles from customer surveys and a Pledge Tree in the staff kitchen / restaurant area. In its first week, the Pledge Tree generated 70 pledges of actions staff were going to take to address the PFIs, and the prize for the best one was only an Easter egg. Motivating staff to improve customer satisfaction doesn't have to be expensive! When one of the PFIs was to improve the general surroundings in people's neighbourhoods (with litter and dumped rubbish among the main dissatisfaction drivers), another cost-effective satisfaction improvement initiative was to put skips on all the estates and encourage residents to have a good clear-up. This involved customers and made it obvious that their concerns were being addressed, and since the Housing Association has a responsibility to remove abandoned rubbish, the cost of the skip hire was no more than they would have spent anyway.

Evolving the surveys

As companies become more mature in measuring and improving customer satisfaction, the difficulty of the task tends to



increase. The higher customer satisfaction becomes, the harder it is to improve it further. Having improved customer satisfaction very successfully in the early years and established themselves near the top of the housing sector league tables, Affinity Sutton encountered this when the improvement curve began to flatten. To counter this trend they made four changes:

The future

Affinity Sutton's closer to the customer journey was to take a mish-mash of inconsistent, uncoordinated customer service provided by a myriad of local offices and replace it with a planned, monitored and consistently good level of service led by the contact centre. This part of the change process is now largely complete but ironically, the next phase is about reversing that trend, but in a controlled way. You

have to get rid of inconsistent levels of service where nobody really knows what's going on because that's rarely good for the customer and it's almost always more costly than it should be. However, whilst centralisation improves control, reduces cost and improves service, there's no getting away from the fact that one size doesn't always fit all and, in a national Housing Association like Affinity Sutton there's a danger that the landlord is perceived as remote and inaccessible. And that's not closer to the customer! The next challenge is therefore to develop and implement differentiated service for different customer segments (e.g. general needs tenants, shared owners and retired people) without reducing the quality of service or increasing costs. These objectives as well as perceived accessibility will be achieved partly by improving self-service options on the web – a good model being the way the DVLA has made it so much easier for us all to renew our road tax using their website. But customers can't do everything themselves on the web, especially when customer requirements are as complex as they are in housing, so there's a need to improve local service delivery without sacrificing the control, quality and consistency that have been so hard won. It will mean a more mobile, flexible and well equipped workforce. Neighbourhood Housing Officers, for example, will all have to be equipped with laptops, 24 hour remote access to all computer software and files so they can instantly check the status of any of their tenants' repairs, transfer requests or arrears. Managing all this will be a bigger challenge than managing a contact centre and it will be essential to make sure that it evolves in a way that benefits customers, not just the organisation – hence the brand name for the next customer service training – Closer to the Customer. **S**

- 1 The frequency of survey was increased to monthly. Having results every month keeps the spotlight on customer satisfaction and greatly improves the link between taking action and seeing a change in the results.
- 2 The sample size was increased so that results could be drilled down to the lowest possible level. Affinity Sutton has divided operations and service delivery into 21 neighbourhoods. Each neighbourhood now gets its own customer satisfaction results every month.
- 3 As well as continuing to score satisfaction with the most important customer requirements out of 10 each month (because you have to have a scorecard that accurately shows whether satisfaction is improving or not), Affinity Sutton has introduced much more focused CEM (customer experience modelling) questions. These provide very tangible data on specific customer experience touchpoints from whether repairs staff showed identification to the length of time it took for a call-back to be made. The advantage is that levels of satisfaction can be specifically linked to staff behaviours that did or didn't happen.
- 4 Since repairs tended to emerge as a PFI on the annual customer satisfaction surveys, and most of the actions to address the PFI were down to partners rather than Affinity Sutton, a separate monthly repairs tracker survey was introduced. Previously, the partners had an obligation to conduct their own ongoing surveys to monitor customer satisfaction, but the results were suspiciously high when compared with the annual Affinity Sutton surveys. When the monthly monitoring of customer satisfaction with repairs was taken over by The Leadership Factor, satisfaction was shown to be much closer to the annual surveys and partners were given a clear objective to improve it. Based on repairs completed in the previous month, The Leadership Factor conducts 100 interviews each month for each partner (1,000 per month in total). The combination of swift information about current performance and transparent benchmarking across the partners (they all see each other's results), has created a powerful incentive to improve. In the 21 months that the survey has now been running customer satisfaction with completed repairs has improved by over 10% and is much higher than it has ever been in the past.