

HOW FAR DARE YOU GO?

Empowerment is not a new concept in customer service but Don Hales, founder and chairman of the judges of the National Customer Service Awards, has discovered from this year's finals that more companies than ever are releasing staff from strict rules and providing more freedom to act on their own initiative, allowing them to provide real service in response to customer needs. But how far can you go and what happens if you go too far? In this article Don relates the experiences of several of this year's finalists and winners, who have benefited from empowering their staff.



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Albert Einstein



The idea of empowering staff may not be terribly new but many companies find it difficult to release power to frontline and, by definition, often quite junior staff. The main concerns expressed are often that staff might make mistakes, their decisions may prove unnecessarily expensive and there may be a lack of consistency between one staff member and another. In truth, many management teams are just reluctant to release power to junior colleagues. Perhaps they see it as a threat to their own positions or just feel that they worked their way to the top to earn the right to make decisions, so why should they give that power away?

Benefits of empowered staff

Benefits arising from empowering staff to make decisions are convincing. The most important should be that customers can get instant satisfaction and, as a consequence, are more likely to remain as customers and purchase more products and services. The cost of acquiring new customers to replace those that could be lost without empowered staff should be brought into the equation when considering the cost that empowered staff might incur.

Additionally, empowered staff are undisputedly more fulfilled and therefore liable to stay longer thereby improving still further the customer service offered and, of course, reducing staff acquisition costs. Finally empowered staff that are able to make instant decisions reduces operational costs as meetings, reports and call backs are avoided, all of which contribute further to the bottom line.

National customer service awards

The theme of greater empowerment leading to improved customer service came through very strongly in this year's National Customer Service Awards with many stories of service improvement, increased customer and staff retention and, perhaps surprisingly, proof that empowered staff do not result in profits being given away as a result of over generous compensation for errors and omissions. The most effective empowerment initiatives concentrate on empowering "freedom of thought" rather than just passing on the right to make



judgements from a limited range of options. As a result staff used their freedom to get to understand their customers and their real requirements and this often produces imaginative and cost-effective solutions.

Friends Provident

Nowhere in the National Customer Service Awards was this point more graphically illustrated than at the Individual Customer Service Contact Centre at Friends Provident in Salisbury, an old established financial services organisation with a long and proud tradition and, arguably, until recently an old-fashioned view on staff control.

In order to provide excellent customer service from their contact centre at Salisbury, they subjected all new staff to a thorough two-week intensive training course before they went into the contact centre to start really learning the job by listening to colleagues' calls and eventually making their own calls, monitored by a "buddy". The course went through detailed instructions covering what to say and how to deal with just about every situation they might be likely to encounter. Every reaction was scripted, and designed to provide the most effective service for the customer. Like many contact centres they found that staff turnover was high which meant that there was a continuous need to repeat the expensive and tedious training sessions.

This would have been acceptable to the company if research had shown that customer satisfaction was high but a survey carried out showed that they ranked only 10th out of 11 comparable financial service companies, as well as revealed to their surprise that customers thought the service was pretty mundane. As a result they decided to reduce the initial training from two weeks to just two days (covering essential information, such as compliance) and they asked the team to treat the customers as "friends" (particularly appropriate in view of the company name) and to deal with them accordingly.

The results have been startling. Customer satisfaction rose appreciably, ranking them now 3rd out of 11 with anticipation of further improvements, and staff attrition has similarly improved. Bear in mind the cost saving from the reduced training courses (both in length and frequency) and the benefits are immediately obvious.

Keith Mansfield, Head of Individual Customer Services, sums up the success by telling the story of one of the advisors. Before they brought in the new philosophy, she was on a final disciplinary written warning for occasionally using too familiar terms to address customers. She sometimes called them "dear" or used first names or nicknames, instead of the approved "Mr, Miss or Mrs" stipulated in the manual.

She explained that she only did this when she could sense that it was an appropriate term to use in order to put customers at ease, whilst dealing with their queries. The old regime did not like it. In the new environment she has blossomed, becoming the winner of their first "Customer Service Advisor Award" based on customer and colleague feedback.

RAC Rescue

Another outstanding finalist in this year's awards was Jason Burrell a patrolman with RAC Rescue. Jason explained to the judges during his presentation that he regularly provides service for customers outside his work remit. One example came when he went to the assistance of a lady whose vehicle had broken down on the motorway. She was very distressed, not so much about her vehicle but because she was overdue at the school where she was due to pick up her two children. She knew that they would be worried by her non-appearance and she was concerned for their safety.

Realising the importance of his customer's priorities, Jason left the broken down car and drove his customer to the school to pick up the children and leave them with a trusted friend. He then returned to the vehicle with the customer and completed the repair. Yes, it took longer than it would otherwise have done but the customer needs were clearly satisfied and can anybody doubt that the customer will remain loyal for many years to come?

Jason gave several other examples of going beyond his normal role to provide extra service. There was the disabled driver who, after a period in hospital could not start his vehicle on his drive. Unsurprisingly, his battery was flat. Recharging the battery was a straightforward task but upon hearing that the customer was due to re-enter hospital for some further treatment, he made a point of revisiting when in the area and starting the vehicle so that everything would be working when the customer was finally discharged from hospital.

There was also the case of the elderly motorist who broke down due to a faulty alternator. Jason took the customer and vehicle home. Strictly speaking, Jason's job ended there but he could sense that the customer would have difficulty getting someone to come out and fix the car. The next day, in his own time, he went to visit the customer and offered to purchase a new alternator and, charging only for the cost of the part, he fixed it for the customer.

How do the RAC view Jason's activities which clearly stray outside those laid down in the operation manual? Well Jason reports all his activities, so they certainly





Employee



know all about his deeds, and they have made him reigning "Patrolman of the Year" (out of 1,500). He has every reason to assume therefore that RAC fully approve of his use of his empowerment.

Yorkshire Water

Yorkshire Water is another organisation that has done a fantastic job in empowering all of their staff and encouraging their business partners who work with their customers to do the same. The result is that if a field engineer has reason to call on a householder for one reason or another, he will not hesitate to effect a repair, like a dripping tap, whilst on the premises despite the fact that it has nothing to do with the purposes of the visit - the engineer makes the decision there and then, without reporting back to the office for authority. Some years ago, Yorkshire Water had a poor reputation for customer service and staff turnover was high. Today they are acknowledged as one of the country's most admired utility companies, staff morale is high and attrition is minimal.

Ladbrokes

The final example of empowerment in this article comes from, what to many might seem an unlikely source of great customer service with staff entrusted with the power to break rules - Ladbrokes, the bookmakers. The staff at Ladbrokes are continually encouraged to make decisions to provide extra service based upon their interpretation of local needs. Annette Williams manages the Normanby shop,

which was awarded the title of "Top Shop" from over 2,000 by

measurements as evidence of their continuing efficiency. Perhaps such organisations would do well to remember the words of Einstein, when he said:

"Not everything that counts can be counted and not everything that can be counted counts".

Ladbrokes and was finalist in the Retail Customer Service Team of the Year in the National Awards. Annette organises events, can refund bets if she or her team think the situation warrants such action and provides tea or coffee for regulars. One of her colleagues, Rueben Casco from the Millfield North London shop, won the "WOW! of the Year" Award in the National Customer Service Awards with dozens of nominations from the public. He even used his initiative to track down one of his customer's stolen motorbike!

Freedom of thought

All of the above examples, taken from presentations made during the finals of the Awards, demonstrate well-motivated staff endeavouring to provide great service on behalf of their companies who have the sense and trust to empower their staff. They are however, the exception rather than the rule. Today there are still too many organisations that insist on adherence to elaborate procedures that have to be obeyed to the letter. Such

companies often rely heavily on measuring every activity and use the

Current wisdom tells us that we are moving towards an era where the power in the customer service relationship is moving towards the customer and there are many examples, largely made possible by eCommerce, of companies adapting to the environment where the customer armed with power and knowledge really will be "king". Those companies finding it difficult to empower their own staff may find it impossible to thrive in a world where they will be forced to empower their customers. S



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