



Coinciding with National Customer Service Week, SOCAPie (Society of Consumer Affairs Professionals in Europe) hosted its annual two day conference at The Tower of London on October 2nd and 3rd.



Of huge interest was the first day appearance of Rachel Elnaugh as keynote speaker. Rachel had been booked before the much publicised collapse of Red Letter Days and it is testament to her courage that she didn't cancel despite a further hauling over the coals the previous Friday, this time on Tonight with Trevor McDonald. SOCAPie CEO, Derek Williams decided to run the slot as a question and answer

session. What a good decision that was - the guy's a natural. He should be hosting a TV chat show! Following some very sensitive questioning by Derek and polite questions from the audience, it appears that the main lessons learned by Rachel are:

- 1) Don't overstretch yourself - A £5 million contract with Tesco was great to win but with hindsight Rachel didn't think its margins were sufficient to cover the operational strain imposed on the business.
- 2) Choose your team carefully - especially if you are stepping back from the day to day. Lack of unity and commitment to the original Red Letter Days vision may have hampered the company's endeavours to overcome its difficulties.
- 3) Watch the numbers - make sure you've got a good Financial Director and keep your eye on margins and profitability at all times.

Rachel did her image no harm by the open and frank way she answered all the questions. If you want to form your own opinion watch the second series of Dragon's Den starting this month on BBC2.



Roadchef Invests in Customer Satisfaction



On Monday morning Martin Grant, CEO at Roadchef gave a very interesting and witty talk on introducing one of Britain's three big motorway services operators to the idea of satisfying customers.

With a background that included Marks & Spencer, ASDA and Allied Domeq, and only 18 months into his new role,



The Venue for the 2005 Socap in Europe Annual Conference



The Tower of London

Martin was very honest about the challenges he faced. His story of dragging sceptical managers to first believe in the customer satisfaction measures, then address the issues and finally seeing customer satisfaction improve was a blueprint that would be recognised in many other companies. It's also a story that should inspire anyone trying to improve customer satisfaction against the odds. A 24/7 service obligation, young staff working unsocial shifts at inaccessible locations, a dreadful reputation, huge peaks and troughs in demand and customers whose only objective is getting out as quickly as possible!

The first thing Martin discovered when he arrived at Roadchef was that they had no customer satisfaction information whatsoever. He quickly introduced a programme, branded

"Moments of Truth" involving:

- Exploratory research involving focus groups to design a customer satisfaction questionnaire of relevance to customers. (Martin - "There's only any point being good at what matters to customers!")
- Customer satisfaction tracking producing fortnightly results (to keep staff on their toes) based on a composite index, weighted towards customers' most important requirements.
- Customer satisfaction related pay for management and staff, supported by prizes and celebrations for outstanding performance. (Results can be broken down to precise operational units).
- A set of values to guide staff behaviour:
 - ▶ Smile - first impression
 - ▶ Shine - cleanliness and presentation

- ▶ Read and recognise - anticipate the individual's requirements
- ▶ Recommend - up selling
- ▶ Support - anyone serving a customer
- Training involving three days off site for all staff to build customer service skills and teamwork.
- Communication - to keep the spotlight on customers, including a weekly staff magazine, noticeboards, letters in pay packets and celebratory events.

In the first year Roadchef's customer satisfaction index has risen from 79% to 86% with half the sites achieving 90% or above. Martin admits that his priority is now to improve consistency across sites and to relaunch the CSM processes, taking the opportunity to raise the bar to avoid complacency creeping in. The process will also be extended to cover new brands. Martin clearly sees branding as the way forward, even re-naming the company 'Roadchef Costa Coffee' to circumvent the Government's signage restrictions. However, he sees customer satisfaction as the cornerstone of the business and driving it as his own top



Customer

AVIS


eaga
partnership


City of Westminster

energywatch
your gas and electricity watchdog

Some of the
companies that
attended

priority. Hardly surprising because he knows it pays. He certainly wouldn't have persuaded his hard nosed venture capital shareholders to agree to his £3/4 million p.a. customer satisfaction programme unless they saw it as an investment rather than a cost!

The Gospel According to Harvard

That Value Profit Chain stuff gets everywhere! As well as Roadchef's total focus on delivering results to customers as the best way of delivering results to shareholders, the most noticeable theme of the conference was the proliferation of Harvard teachings across other speakers' businesses. Here are a few examples:

- Empowerment of customer facing staff to do what they need to do to deliver results to customers. Branded "Random Acts of Kindness" and recognised widely within the company, stories like 'the Partner who carried the old lady's shopping down the street and onto the bus' could have come straight out of Nordstrom.
- Recruit for attitude, train for skills. "You can turn great people into good retailers but you can't always turn great retailers into good people." To maintain the culture John Lewis also follows the line that

bad fit staff should be swiftly removed. "Hire for attitude, fire for attitude" can include saying goodbye to a new Partner within four weeks if they don't smile enough!

- Recognition. Those who do smile and do fit are recognised and handsomely rewarded. Managers are encouraged to "catch Partners doing something right"; an instant recognition scheme inspired by 'The One Minute Manager' reviewed in Stakeholder Satisfaction, Volume 2 Issue 2 (March 2005). The John Lewis employee ownership scheme

John Lewis

John Lewis Partnership

Customer Service Manager, Andrew McMillan quoted endless examples of best practice at John Lewis that could have come straight out of the Value Profit Chain, including:





John Lewis

red letter
DAYS

roadchef

provides tangible rewards too - a profit share of 14% of salary for all staff this year. Delivering results to employees must work. Their staff turnover is only 23% - half the retail average.

- The Partner Customer Profit Circle. Shown in the diagram on page 22, this one is straight out of the Sears case study. John Lewis has even adopted and adapted the Sears vision - "a great place to work, a great place to shop", and a few million people in the UK seem to agree with that!

Eaga Partnership

One of the fastest growing companies in the North of England, energy efficiency business Eaga Partnership has clearly borrowed heavily from Harvard best practice case studies. Like John Lewis

it is employee owned and clearly believes in the Value Profit Chain principles of profit resulting from customer and employee satisfaction. Director of Service Excellence, Annette Rowe, outlined her service beliefs including 'recruit for attitude, train for skills' and 'treating staff like customers'. This is managed through the Employee Opinion Survey which results in a Leadership Index for all managers, against which they are judged. Learning and development is fostered by the Eaga Academy and Annette underlined the company's belief in "training your talented people" - invest in staff who'll make the biggest difference to the company's future.

Delivering results to customers is promoted by encouraging all staff to put themselves in the customer's shoes

through Customer Journey Mapping, empowering them to do whatever is necessary to satisfy customers (Ritz Carlton) and "asking permission to say no" (Southwest Airlines). All this is celebrated through the Eaga Oscars on the last Friday of each month, a chance to recognise employees that have gone the extra mile for customers or colleagues and to have some fun! Last but not least is Eaga's strong belief in "visible top management" based on Harvard's teachings that the single most motivating factor for most staff is contact with their leaders.

Westminster City Council

Assistant Director of Customer Relations, Jan North, devoted her entire presentation to explaining Westminster's strategy of delivering results to customers - based on common sense principles - "customers don't want a relationship with us, they just want us to do the things they want us to do." Fully cognisant of the Harvard principle that investing in customer satisfaction reduces the cost of service, the council is striving to improve the customer experience whilst retaining one of the lowest rates of council tax in the UK. And here's a great common sense idea for achieving both - when they realised that most calls concerning the library service were about opening hours they simply inserted the opening times in every library book. Happy customers lead to happy council tax payers! **S**

