

Manage quality customer service

This learner guide supports BSBCUS501C Manage quality customer service in the BSB07 Business Services Training Package.

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## Where do customers fit in a business?

All customers have needs. Needs can be defined as being the gap between what is and what should be.

Needs can be felt by an individual or a group. It is the satisfaction of those needs that leads to customers perceiving quality customer service. Constant monitoring and improvement of the handling of moments of truth will lead to increased customer satisfaction levels and have a flow on effect across all business areas.

Any documentation created as guidelines or benchmarks for service delivery must be designed to satisfy customer needs and expectations and must recognise that the customer is a part of the entire business environment. This environment is made up of a network of organisations, activities and resources (human and non-human), which provide a product or service from inception to final delivery to the customer. It is commonly known as the supply chain environment.

The three main stages of the supply chain environment are:

- procurement
- production
- distribution.

External customers are usually placed at the end of the supply chain once the product is distributed for purchase. Before the product reaches the external customer it has been handled by staff who have procured, produced or distributed it within or to the business. Those staff members are internal customers of the organisation. Internal customers are as valuable to the final purchase as external customers are. Without internal customer loyalty and satisfaction of needs and expectations, productivity will be of a lower quality than desired. Diminished productivity is a cost factor which will affect overall business growth.

Any breakdown of service resulting in either internal or external customer difficulties at any point throughout the supply chain will cause dissatisfaction of customer expectations and may result in non-accommodation of customer needs.

Providing comprehensive customer service strategies to accommodate all customers, no matter how they fit within the supply chain environment, is the key to providing an organisation with the tools necessary to efficiently manage quality service delivery and to gain competitive advantages over rival businesses.

## Moments of truth

At each point of interaction throughout the supply chain environment a customer is either consciously or subconsciously forming an opinion. This opinion focuses on the standard of service being received and how that service standard meets their needs or expectations.

When a customer, internal or external, is faced with that opinion forming moment of interaction, emotional energy is expended. Regardless of whether the energy expended is positive or negative, it is the moment that a customer's perception of the service quality is heightened. At this time the customer and business are facing a moment of truth.

## Example customer satisfaction survey

In the following example a survey has been taken of 300 customers to determine their perceived level of service quality. Customers were asked to answer a set of questions and answer by giving a score out of 5.

Table 1 shows the questions and scoring system. Table 2 indicates the determinant for each question.

Table 1					
Question	Score 1=Poor 5=Excellent				
How would you rate the cleanliness of our shop?	1	2	3	4	5
What rating would you give our home delivery service?	1	2	3	4	5
How helpful are our service staff when attending to your needs?	1	2	3	4	5
How confident are you that our service staff have sufficient knowledge of our products to answer your inquiries?	1	2	3	4	5
How welcome are you made to feel when entering our shop?	1	2	3	4	5

Table 2
Determinant
Tangibility
Reliability
Responsiveness
Assurance
Empathy

## Analysing customer perceptions of quality

The scores in the Table 1 and Table 2 were totalled and averaged to distinguish which determinants were of most importance to customer satisfaction.

Analysis of customer perceptions of service quality				
Determinant	Total # of customers surveyed	total score	Average score	percentage
Tangibility	300	1030	3.82	17
Reliability	300	1400	4.99	21.7
Responsiveness	300	1353	4.58	22.3
Assurance	300	899	3.12	17
Empathy	300	1329	3.97	22

The results in this example show that customers are not as satisfied with tangibility and assurance determinants. Referring back to the questions asked of the customers reveals that shop cleanliness and staff knowledge are the areas of concern.

But is this information enough to build a new strategy on? The answer is obviously, no. Having the knowledge that dissatisfaction is evident can be viewed as a warning rather than as a catalyst for direct action. The overall areas of cleanliness and product knowledge need to be addressed, but the specific target to address is still unknown.

More data will need to be collected to give more specific information, e.g.:

- What does the customer perceive 'cleanliness' to mean?
- What particular parts of the shop are 'unclean'?
- How does this affect the customer when purchasing?
- Have complaints been registered?
- Is this a WHS issue?
- How often is this happening?
- When is this happening?
- How does this affect the customer's view of the quality of the service being delivered?

In other words, what are the customer's specifications?

### Exercise 3

1. How is customer satisfaction data collected in your workplace?
2. How often is customer satisfaction data collected in your workplace?
3. How are the results of customer satisfaction data collected in your workplace made available to staff?
4. Design a survey to evaluate perceptions of and problems with the quality of service delivery for a range of internal customers in your workplace.
5. Conduct the survey you designed in the previous question on at least 10 employees and report on the results.

# SECTION 4

## IDENTIFYING PROBLEMS

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Analysing research results derived from tools such as surveys, questionnaires, feedback forms, complaints registers, etc. defines customer specifications. The goal of the research is to examine what a customer sees as *quality* in any specific circumstance. The level of satisfaction felt by the customer will determine the level of quality perceived.

When problems are identified, efficient resolution procedures must be initiated. Without resolution a business cannot move forward and its ability to compete in the market will be severely hampered by customer perceptions of lack of business responsibility.

Whilst each problem may present a different face, the actual use of the word *problem* should be discouraged. The problem should in fact be looked at as an *opportunity* or *challenge* to be solved to further enhance customer service delivery and business image.

A proactive approach rather than a reactive approach to difficulties should be used by businesses to pre-empt any challenges that may occur.

Problem solving methods consist of the following steps:

<b>P</b> arts	<ul style="list-style-type: none"><li>• What parts make up the problem? What are its symptoms and causes?</li></ul>
<b>R</b> equirements	<ul style="list-style-type: none"><li>• What do the business and customers desire a satisfactory situation to be?</li></ul>
<b>O</b> bservations	<ul style="list-style-type: none"><li>• What verifiable observations exist in regards to data collection and analysis?</li></ul>
<b>B</b> eware	<ul style="list-style-type: none"><li>• What are the potential impacts and risks that the business needs to be aware of when implementing changes to rectify the problem?</li></ul>
<b>L</b> ayout	<ul style="list-style-type: none"><li>• What plan of action will be developed to rectify the situation?</li></ul>
<b>E</b> nlist	<ul style="list-style-type: none"><li>• Who will be enlisted to implement the improvement plan?</li></ul>
<b>M</b> onitor	<ul style="list-style-type: none"><li>• How will the implementation of the plan be monitored?</li></ul>

Notice that the steps to solving a problem do not concentrate wholly on the problem itself, which is the smallest initial step; rather they focus on the way in which the problem is dealt with. The manner in which a customer service staff member deals with a problem will decide the level of customer satisfaction.

## Resources

Monitoring results may indicate that the problem area is in resource availability.

When staff are wholly supported by management, when management uphold the same values as they dictate to staff, and when sufficient and adequate resources are available, an attitude of excellence in quality service delivery becomes second nature. Without adequate resources, quality is diminished.

Staff need adequate resources to do their job to the best of their ability. There is no use expecting a typist to create a document that is professionally formatted for publication on a manual typewriter. The typist would need desktop publishing software, training in how to use it, adequate computer processing power to run the software, access to subject matter experts and sufficient time to create the document in.

Without those resources the typist will become frustrated, upset and angry and the quality of work will be low grade.

Resources that effect product or service quality can be:

Buildings/facilities/ power	Facilities and buildings should offer space to work in, controlled temperature, adequate lighting, hygienic and safe working areas. Staff cannot produce quality service in limited physical conditions, nor will customers wish to enter premises to make transactions if the facilities are less than adequate or unsafe. Adequate power supplies and the budget to run the power is a vital resource consideration.
Equipment/ technology	'A tradesman is only as good as his tools' is an old saying that rings true in modern times. Without adequate tools for a job, the product or service quality will be poor. Precision equipment in production and up to date software and technology in administration will allow a well-trained staff member to provide high quality outputs.
Finances	Adequate facilities and equipment cannot be bought without adequate funding. There is an art to balancing budgets which requires a skilled person to control the expenses required to fund new strategies and to realise the desired financial gains from the project.
Information	Every staff member is an expert in their own role. Subject matter experts are part of every business. Access to the information that subject matter experts have is vital if new strategies are to be implemented and high quality products or services are to be delivered. The information passed between staff members in the process of retraining or learning is a resource that should never be withheld.
People/time	Whilst people mean wages and wages mean financial outlay eating away at profits, a job cannot be done to a quality standard if there are not enough people to do it. When staff are forced to work longer hours or work harder to make up in a shortfall of manpower, the quality of their productivity decreases. Every process takes time which should be taken into account when determining staffing levels.

## Overcoming difficulties by assistance

When monitoring results identify that the problem areas lie within the staff delivery of service, there is a shared responsibility between management and staff to implement learning and development needs and plans.

- The organisation should provide the policy and organisational directions that give rise to organisational needs and set the scene for staff development.
- Individual staff members are responsible for monitoring their own skill levels in regard to job requirements and career development.

It is the managers' responsibility to align the learning and development needs of the individual staff members with that of the organisation. Organisations now also expect more of their staff in the following ways:

- an expectation on workers to be more flexible, to take on additional responsibilities and operate in a team environment
- to be competent in the use of information and communications technology
- to increase their focus on independent learning
- to place greater emphasis on workplace learning.

Managers of organisations which encourage staff professional development try to build an environment where information is shared between staff members, regardless of their role in the organisation. For example, if a junior member of staff has exceptional skills in word processing, they could be asked to help teach a senior member who now needs to use word processing in their role. If a staff member handles a project particularly well they should document their procedures and strategies for other staff to use in the future.

Learning organisations should use staff mistakes in procedures as an opportunity to develop more learning opportunities. The skills and knowledge of each individual in the workforce are resources that the business must use and develop if it wishes to increase its business success into the future. Without an increase in knowledge, the business will remain static.

Peter Senge in *The Fifth Discipline* defines learning organisations as those that continually enhance their capacity to create the results they desire by promoting the following ideals:

- shared vision and a common sense of purpose
- common language for communicating information within the organisation
- understanding organisational dynamics and complex business processes.

To achieve goals of the organisation, managers need to treat each difficulty encountered during service delivery as a learning and professional development opportunity. The faster a business learns, the faster it grows.

Learning and development strategies should be monitored and evaluated on a regular basis and all aspects regularly revisited to ensure constant staff and business growth.

# Evidence requirements

## Critical aspects of evidence

The following evidence is essential to demonstrate competency in this unit:

- plans, policies or procedures for delivering quality customer service
- demonstrated techniques in solving complex customer complaints and system problems that lead to poor customer service
- knowledge of techniques for solving complaints.

You will be required to complete a series of assessment tasks and provide:

- 1 x customer service questionnaire
- 1 x SWOT analysis
- 1 x training needs analysis
- 1 x learning and development plan
- 1 x recommendation to management

## BSBCUS501C Manage quality customer service

Element	Performance criteria	How will the evidence be gathered?
1 Plan to meet internal and external customer requirements	1.1 Investigate, identify, assess, and include the needs of <b>customers</b> in planning processes	Exercise 1 Assessment task
	1.2 Ensure plans achieve the <b>quality</b> , time and cost specifications agreed with customers	Exercises 1, 2, 6 Assessment task
2 Ensure delivery of quality products and services	2.1 Deliver <b>products and services</b> to customer specifications within organisation's business plan	Exercise 3 Assessment task
	2.2 Monitor team performance to consistently meet the organisation's quality and delivery standards	Exercises 3, 6 Assessment task
	2.3 Assist colleagues to overcome difficulty in meeting customer service standards	Exercises 4, 6, 7 Assessment task
3 Monitor, adjust and review customer service	3.1 Develop and use <b>strategies</b> to monitor progress in achieving product and/or service targets and standards	Exercises 5, 6, 7 Assessment task
	3.2 Develop and use strategies to obtain customer feedback to improve the provision of products and services	Exercise 3 Assessment task
	3.3 Develop, procure and use <b>resources</b> effectively to provide quality products and services to customers	Exercises 6, 7 Assessment task



Element	Performance criteria	How will the evidence be gathered?
	3.4 Make decisions to overcome problems and to adapt customer services, products and service delivery in consultation with appropriate individuals and groups	Exercises 6, 7 Assessment task
	3.5 Manage records, reports and recommendations within the organisation's systems and processes	Exercise 8 Assessment task

### Critical aspects for assessment

Evidence of the following is essential:	How will the evidence be gathered?
<ul style="list-style-type: none"> <li>plans, policies or procedures for delivering quality customer service</li> </ul>	Exercises 3, 7
<ul style="list-style-type: none"> <li>demonstrated techniques in solving complex customer complaints and system problems that lead to poor customer service</li> </ul>	Exercises 5, 6, 7 Assessment task 1
<ul style="list-style-type: none"> <li>knowledge of techniques for solving complaints.</li> </ul>	Exercises 5, 6, 7 Assessment task