

# White Paper

## How to Guide: Create a Framework for Tangible CSAT and Sustainable Service Excellence

*A Continuous Process Improvement Method  
for Customer Satisfaction*

*July 2013*

## INTRODUCTION

In today's highly competitive market, more and more companies have come to realize the deciding factor for a customer is the experience they have in their ongoing interactions with the company. According to the Temkin Group, fifty-three percent of large companies have the goal to deliver the best customer experience in their industry within three years and seventy-seven percent of large companies plan to spend more on customer experience in 2013 than they did in 2012. Research by J.D. Power finds that the occurrence of problems is the single biggest driver of attrition.

Customer Satisfaction (CSAT) drives choice over other company competitors that customers could select. It has become critical for supplier partners to adjust to this demanding requirement by creating a great customer experience for their client's customers. Delivering a better customer experience is also becoming a key business driver due to the operational cost of problems. To put this in perspective, J.D. Power research proposes that a 5 point reduction in problem incidence equates to 16 full-time employees for every 1M customers. At an average cost per FTE of \$75K, the cost of problem incidence adds up.

The question for many organizations is how to make CSAT tangible? It is only by making customer satisfaction tangible that reducing problem incidence and improving experience satisfaction can become a consistent and repeatable process that provides measurable strategic impact. Additionally, the true cost of CSAT has been a question tough to answer given the variables that contribute to creating sustainable satisfaction.

This paper presents the opportunity to answer these questions definitively with a framework designed to reference a common set of data for categorization that enables the diagnosis, communication, planning, measurement and feedback necessary for continuous process improvement.

## THE NATURE OF CUSTOMER PROBLEMS

Problems often occur when something a customer expects to happen doesn't, or when something happens that isn't expected, given the nature of the customer's relationship with the organization. Recovering from a problem with a customer is difficult. Whether it escalates to a complaint is not the point. As J.D. Power points out, *"The distinction between a problem and a complaint is academic; if the customer thinks it's a problem, it's a problem."* This point makes the case for why prevention should be preferred over recovery. However, a preventive approach requires a shift in mindset to organizations that treat customer service reactively, rather than proactively.

When considering customer problems from the perspective of costs, the organization must take into account the tradeoffs between the customer value that can be retained or grown by solving the problem in relation to the organizational cost of solving the problem. The cost of solving the problem can transcend dollars to its cultural and strategic ramifications. In other words, the true cost of problems is tough to nail down.

However, for an organization that truly wants to become customer centric in more than messaging, a framework for continuously defining CSAT in relation to customer problem identification and resolution and knowing what delights your customers can be transformative. Making the intangible tangible enables operations to take control of a critical aspect of the customer relationship that has often remained elusive and puzzling.

### A FRAMEWORK FOR TANGIBLE CSAT & SUSTAINABLE SERVICE EXCELLENCE

Improving and sustaining excellence in customer experience is a source of competitive differentiation. Interactions with customers change all the time, as do their expectations. For example, the use of channels changing from interactions initiated on a mobile device, to online self-service, to an agent in the contact center. The diversity of channels that your customers use has contributed to the complexity that companies must address to create customer experiences that truly resonate and satisfy.

Proactively making the choice to focus on the development of tools, problem resolution methods and closed-loop feedback creates an effective environment for adjusting to this complexity; determining best courses of action for maximum impact; and best of all, making CSAT tangible.

The framework is predicated on extracting insights from the growing volume of data generated by each customer interaction. The volume of data has become so large that manual spreadsheets are no longer a feasible option. Spreadsheets have limited space, introduce errors due to reliance on manual processes and take too much time to inform a customer experience that must be adjusted continuously, in real time. Using automation tools in conjunction with defined processes that include visual management and feedback from the floor, organizations can capitalize on a methodology for self-improving and sustainable customer experience delivery.



Figure 1: Framework for Tangible CSAT

The following four components comprise the Framework for Tangible CSAT:

**Systematic Problem Identification (SPI):**

To truly solve a problem requires that the root cause is determined and the resolution is based on removing that catalyst. Identifying root cause takes data analysis and shortening the time to root cause identification requires that multiple data sources are analyzed during the identification process. With the growth in customer data, a tool that automates the process of performing a unified analysis across those data sources is the first component of the framework.

The SPI tool automates approximately 80% of the discovery and identification process and the relationships between CSAT, call types, (dis-)satisfaction, quality questions; and more, over time. The tool enables continuous weekly mining of CSAT and Quality data, performed more quickly and efficiently than spreadsheets and manual processes can manage. SPI introduces process standardization for problem and satisfaction identification and categorization.

Through a unified analysis that includes input from voice of the customer, internal call listening and, optionally, voice-of-agent or escalations data, it becomes possible to extract actionable insights from data trends and the answers to quality questions. Examples include:

- Cross Analysis: Top (Dis-)satisfaction Drivers vs. Top (Dis-)satisfaction Call Types
- Top Quality Areas of Opportunities by (Dis-)satisfaction Driver and Call Type
- CSAT and Quality Trends
- Root Cause Analysis at the Account, Team and Agent Level

SPI offers a comprehensive view of customer problems and delighters with the biggest impact to performance at one or more levels; including the driver, call type or performer level (agent, team, split, account, etc.). Instead of spending hours analyzing data, the operational focus is on using the insights from the data to improve opportunity areas and replicate good behaviors that produce a tangible and sustainable impact to CSAT.

**Systematic Problem Solving (SPS):** Once you have identified the problems, action must be taken. In the Framework, SPI is complemented by a structured and disciplined closed-loop action planning method. This management approach allows directing attention to not only addressing the problems with the biggest lift to CSAT, but enables the team to diligently track actions, root causes and progress of tasks.

*“As an operative leader, standing in front of your client with full understanding of the main drivers for CSAT gains their respect, gives you a better place to start from to gain the client’s respect. SPI allows us to be the trusted advisor we seek to be, with relevant data and to-the-point suggestions. It allows us to provide a view to the client they most often don’t have internally, thus added value is perceived.”*

– Angelica D.,  
Operations Director,  
Sykes Costa Rica

In addition, there is a direct link created between the data and the action for more accurately measuring and reporting on the impact of action plans to performance.

With the ability to identify the drivers within specific call types that impact CSAT—whether bright spots or problems—action plans are developed to improve performance. Because the actions are based on data, impact can now be applied to percentage improvements to CSAT. Finally, the cost of a percentage point in improvement can be quantified. This knowledge helps contact center operations to make better decisions based a cost assessment weighed against the company-assigned value of a business objective.

SPS is an action plan tracker that also allows for the identification of driver responsibility. This identification can help the company determine the impact of policy decisions on CSAT and, ultimately, the business. For example, the tightening of customer credit limits that causes the agent to deny customer requests for limit increases is beyond the agent’s control. With the ability to drill to a granular level within the data to identify how that one driver impacts CSAT can help the company to decide to create rules for when extensions of credit may be approved for best customers to lessen the impact or cost of lower CSAT that results from denying a customer’s request.

Because action plans are very limited and specific, it is easy to adjust them if the goal for the impact to performance is not achieved. This provides ultimate flexibility for continuous improvement to performance management processes. SPS also facilitates the need to quickly adapt to changing customer expectations. The action plans enable easy communication between Sykes and our clients about when performance was impacted, what root-cause drivers caused it, the respective impact and how we are addressing the situation to get to goal. We are able to definitively show where we are with progress at any given point in time to achieve a quantifiable CSAT improvement.

**Visual Management & GEMBA Walks:** To understand what is working and what is not, it is important to socialize the action plans with the agents who are responsible for their implementation. Through visual management and GEMBA walks, people connect and communicate; this is core to encouraging discussion about how to answer three critical questions:

- **How are we doing?**
- **How do we know?**
- **What are we doing to make things better?**

*“For me, the essence of SPI and SPS is efficiency. I see SPI as a directional tool and SPS as the proof of what I do with the visibility I gained. But what I truly respect and am grateful for is the discipline and methodology that come with these tools.*

*This experience has been eye opening, of what a team with the right discipline, energy and goal can accomplish.”*

– Oldemar M.,  
Account Manager,  
Sykes Costa Rica

GEMBA means “the real place” and is about going to the action to find out what is really going on. GEMBA walks are literally walks around the floor of the contact center designed to encourage on-the-spot feedback and idea sharing by discussing information on visual boards. The walks are truly about respect for people doing the work by engaging them directly and not relying on assumptions made from a distance. A mistake many make with GEMBA is in not understanding that it’s more than just looking around. GEMBA walks have a framework assisted by visual management. The visual boards used in the contact center are created to measure and direct action plans. This helps management to look at the work performed as activities with actions and flows.

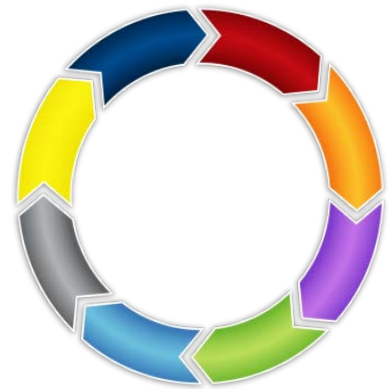
This is an innovative way of presenting, communicating and aligning vision/mission, goals and objectives, current performance, value streams, root causes, action plans and bright spots to all levels of the account (agents, the management team, support areas and the client). Visible communication helps socialize action plans the program has put in place. This regular two-way communication and discussion of all these aspects of the business can align and influence:

- Individual coaching, the understanding of what is and isn’t working and inviting individuals and teams to identify solutions for defects
- Tapping into agents’ wealth of knowledge about customers
- Appreciative leadership by celebrating and communicating success

**Agent Feedback Loop:** Aside from receiving agent feedback and input during GEMBA walks, having a way to receive, track and address agent feedback in real time is a critical complement to the overall framework. This communication channel and best practice provides the opportunity to tap into the agents’ wealth of knowledge about the customers’ experience.

Through this type of communication, operations gains an understanding of what is and isn’t working, as well as what is holding customer service back. It also proactively identifies areas for continuous improvement; whether it is tools, the product, processes or performance. Direct input from agents on what they think can be done to improve CSAT according to what they are hearing on the phones is highly valuable.

Closing the loop with the agents on the impact of their feedback when it has been considered for implementation by sharing how it supports the overall account objective is essential for refining and sustaining excellence in service. This entire process must be inclusive or it won’t deliver the best results.



*“This is a very useful tool which makes me feel backed up because, through this tool, I get an answer to all my questions.”*

– Juan B.,  
Customer Service Agent,  
Sykes Costa Rica

## CASE STUDY

One of our biggest financial clients made the business decision to work towards achieving a Number 1 ranking with J.D. Power. In partnership with that client, we looked to achieve the highest rating available from J.D. Power for the highest customer satisfaction achieved in financial services. This goal required an unprecedented effort spanning multiple sites, vendors, lines of business and call types.

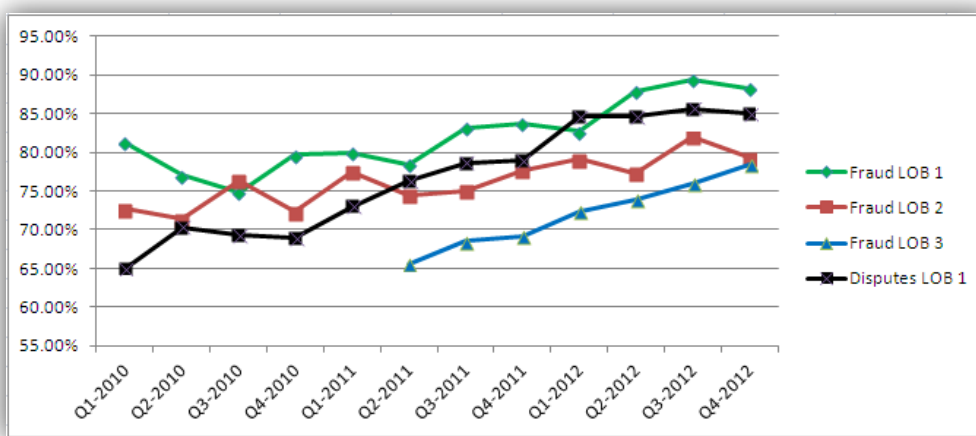
To meet that challenge, we focused our efforts on the effective use of the Framework that included the tools and new ways of thinking discussed above. The deployment of this continuous process allowed us to unleash even better CSAT than we'd been able to achieve previously.

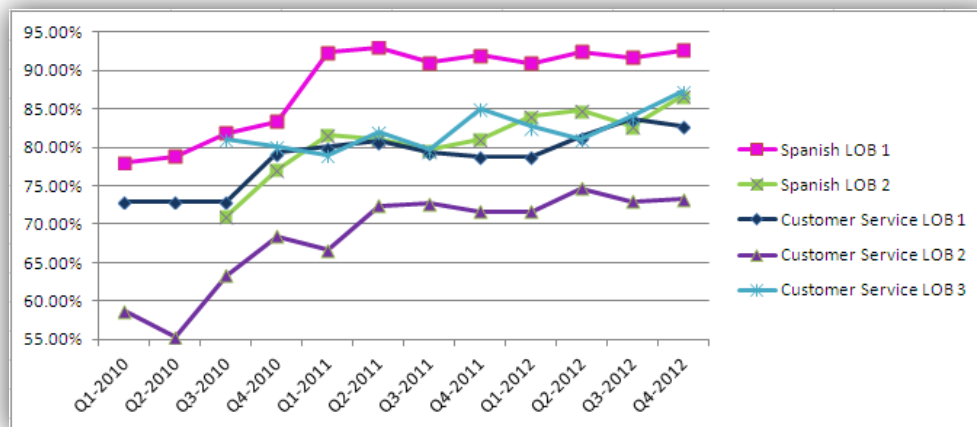
## IMPLEMENTATION

Implementing this framework has been a true journey of continuous process improvement by streamlining and adjusting the tools available to apply to the account's specific needs. We started out with very simple versions which we continuously evolved over time. It has been very much a "learning by doing" approach that required constantly improving the SPI tool and visuals with inputs from management, the client and agents. Over time, by refining our analysis and root cause categorization, as well as by asking the right questions and becoming more knowledgeable, we have fine-tuned the effectiveness of GEMBA walks at all levels of the organization, the knowledge transfer, analytical thinking and highly-productive brainstorming sessions. Those activities became thoroughly engrained in contact center operations, transforming them into a continually-improving environment based on our "Business As Usual" methodology of managing the account. Sykes has essentially transformed the customer's contact center into a holistic customer-centric operation.

## RESULTS

We can see that taking 2010 as the baseline, over the course of the last two years we have successfully improved CSAT by an average of over 8% network wide and as much as 20% in some lines of business.





## IN SUMMARY

Customers want to be treated in a way that makes them happy to stay. The challenge for contact centers is in meeting these needs in an environment that is looking to be cost effective. When efficiency and effectiveness meet, customer satisfaction is achieved in the best possible way—and at the highest levels. The Framework for Tangible CSAT does just that by combining communication, planning, measurement, and feedback in a consistent and repeatable manner.

For Sykes, creating this value is how we do business every day.



**Martina Horlacher, Sr. Account Manager, Sykes Enterprises**, has been in the contact center business for over ten years. She has lead several highly complex program implementations in a variety of industries. Martina is fluent in Spanish, English, German and French. In her free time she cares for an ever changing variety of animals.