

# Unlocking the Value of Voice of the Customer Surveys for Shared Services Organizations

Trends and Lessons Learned

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## INTRODUCTION

According to the benchmarking results of a recent HR shared services organization (SSO) survey conducted by APQC and ScottMadden, understanding links between voice of the customer and performance is seen as one of the most important keys to being a top-performing SSO. More and more SSOs have designed—and are administering on a regular basis—formal surveys to measure their voice of the customer levels. ScottMadden has been conducting voice of the customer surveys for our shared services clients for more than 20 years and has captured multifunction, multi-year overall satisfaction data for SSOs to provide insight on typical trends in voice of the customer.

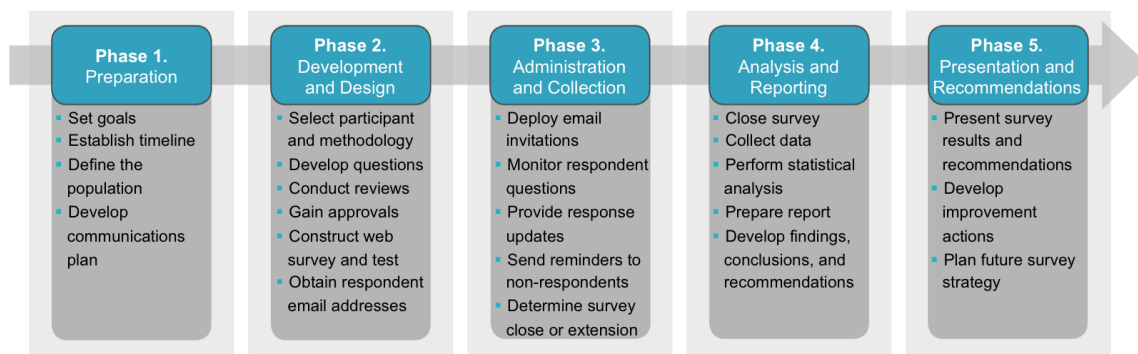
## WHY MEASURE VOICE OF THE CUSTOMER?

Voice of the customer for an SSO is a primary measure of results along with cost and compliance.

1. **Gauge current performance and measure improvement.** Voice of the customer surveys within SSOs play an important role in helping compare post-implementation performance to the satisfaction with prior delivery models.
2. **Pinpoint key drivers of satisfaction and loyalty to prioritize key issues.** Interpretation of the survey data enables SSOs to identify areas of strength and weakness and to develop plans to significantly improve customer loyalty and satisfaction.
3. **Understand alignment with customers and build superior customer value.** Knowing your customers' perceptions gives you power to anticipate rather than react to changing needs and to improve your organization's bottom line with actionable information.

## HOW DO WE DO IT?

Our process for conducting a voice of the customer survey includes five major phases. A customized approach to fit the survey process to your organization's unique customer relationships and specific information requirements is also needed.



## WHAT DO WE SEE?

### Trends in Voice of the Customer as SSOs Mature

Does voice of the customer with shared services exceed that of prior service delivery models? Does voice of the customer improve over time within SSOs? The answer to both questions is yes. Our data indicate that shared services satisfaction tends to exceed prior service delivery and continue to improve over time, but at a diminishing rate.

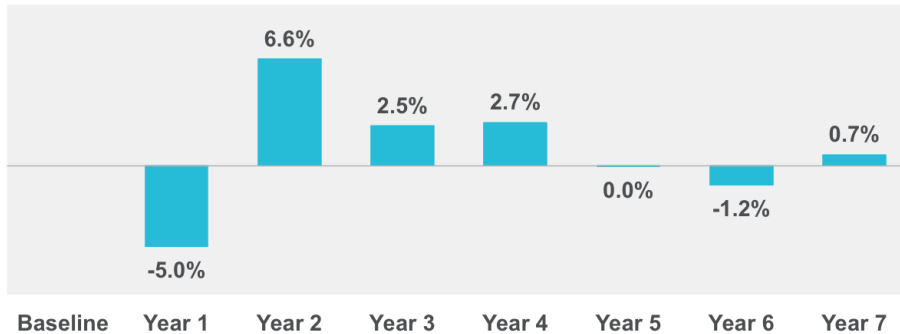


Figure 1. Overall Satisfaction Annual Growth Rate by Year

During the first year of operations, a decline in voice of the customer is usually seen in most SSOs. This decline is not surprising due to customer reluctance to adopt a shared services model. Likewise, initial operations during the first year can have some hiccups in service as all parties become accustomed to the new model. However, our

data also show that voice of the customer begins to increase in the second year of operations. And the second year is also seen as the period where the highest growth rate in satisfaction was reported. This growth surpasses the percent decrease in the first year for most SSOs. Thus after the initial years of operations, voice of the customer levels with shared services are higher than with prior delivery models.

However, with the growth of SSOs, the addition of multiple service offerings, the increase of customers' expectations, and the expansion of the customer base, the bar is raised, and SSOs must work harder to maintain the higher levels of satisfaction and to find innovative ways to continue improving. The average increases in years three and four trend relatively smaller than the second year as it becomes harder for SSOs to continue to improve on voice of the customer after the initial increases. From the fifth year of operations, voice of the customer tends to stay stable at the higher levels. Further growth and a higher voice of the customer level are more difficult to achieve if no action plans are developed for the key issues identified through the survey. The benefits of conducting the survey are lost if measurement results do not drive successful improvement initiatives.

### Understanding and Evaluating Differences

In addition to measuring improvements brought by shared services implementations, voice of the customer surveys also provide valuable input to companies' future improvement initiatives. Survey result analysis can be leveraged to pinpoint key issues and areas of strength and weakness that are driving overall satisfaction level up or down and to develop action plans accordingly.

As we can see in Figure 2, the four major functional areas (F&A, HR, Supply Chain, and IT) all show a positive average annual growth in overall voice of the customer levels. Among them, IT is reported as the function with the lowest average annual growth rate, while F&A ranks first with an average growth of 5.8% per year in voice of the customer. Across a broader range of functional areas, voice of the customer growth rates vary significantly after SSO implementation. Some functions had slow and steady growth, while others saw an immediate jump in satisfaction level. Annual increases in a specific year for different units across organizations range from 46% to -3.5%. Once performance is measured, a matrix like the one shown in Figure 3 can be used to evaluate and determine the right course of action. By measuring customers' opinions of service performance and service delivery in different functional areas, SSOs are able to pinpoint and prioritize key issues and areas of service.

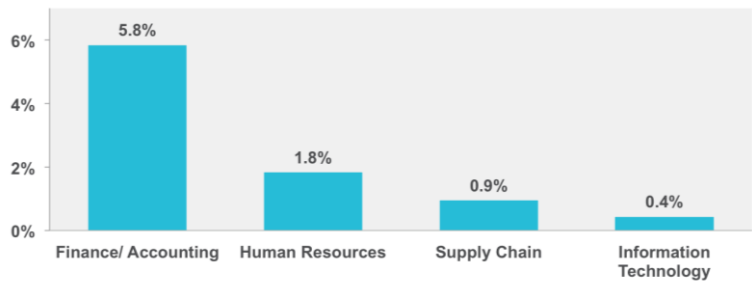


Figure 2. Average Annual Voice of the Customer Growth of Four Major Functions

### The Importance of Follow Through

For each key issue identified through the analysis of survey responses, companies can develop a corresponding action plan to address the underlying issues. Such actions take time to design, implement, and produce results, especially if such actions are to produce meaningful results. Additionally, customer perceptions often lag current performance, so improvements are not always recognized until they have been in place for some time. If we look into specific business units, the most common growth rate in a specific year is less than 1%, and only 8% of categories in our analysis achieve an annual growth higher than 5%.

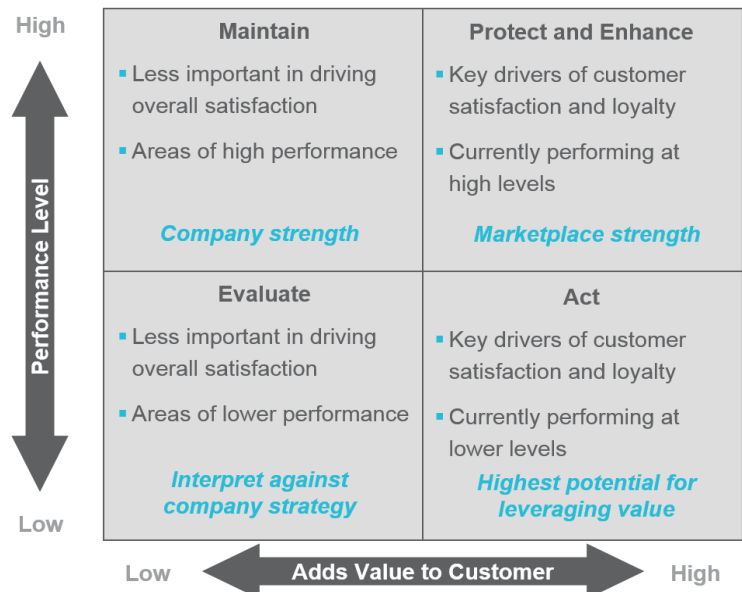


Figure 3. Evaluation Matrix

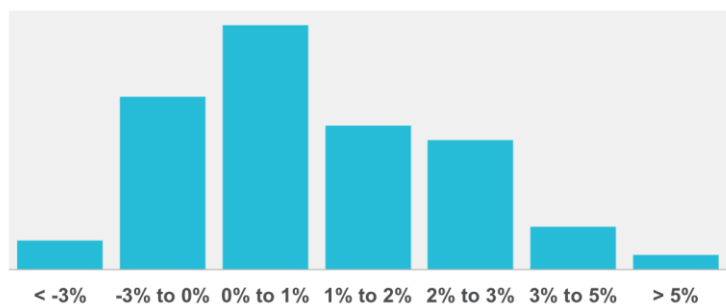


Figure 4. Distribution of Annual Satisfaction Growth Rate

Persistence is needed to improve voice of the customer. Organizations should allow time for improvements to produce results. Take note that small incremental improvements each year can accumulate to significant improvements in voice of the customer, so don't be discouraged if follow-up surveys don't reflect an immediate improvement in voice of the customer scores.

## WHAT SHOULD YOU KEEP IN MIND?

The following lessons learned are compiled from conducting voice of the customer surveys for our clients. Solid survey goals and parameters form the foundation for a successful survey; however, attention must still be paid to how the survey is constructed.

1. **Establish a baseline.** Capturing satisfaction levels prior to the implementation of a shared services model or addition of new services gives you important data for comparison that can help demonstrate the value of shared services.
2. **Define your customer groups and use samples appropriately.** Understanding the true customers of the functions and services within your SSO is important for formulating your survey design; samples should be used when appropriate to avoid over-surveying.
3. **Formulate good survey questions.** Constructing effective survey questions requires careful phrasing, appropriate response scales, and distinguishing between different service attributes and dimension that influence voice of the customer.
4. **Pay attention to survey structure.** Considering the flow of the survey and managing the overall length of the survey is important for ensuring a good response.
5. **Build a communications plan to support your surveys.** Communicating with your customers and employees is essential both pre and post surveys and in conjunction with other methods used for capturing feedback.

In summary, a survey strategy, a well-thought-out implementation plan, and a continuous improvement approach are important for an SSO. Surveys should be considered proactive tools offering valuable insight into customers' acceptance of new processes. They also serve as an excellent barometer for determining the voice of the customer, which, ultimately, is essential to an organization's success.

## MORE INFORMATION

For more information on how ScottMadden can assist you in designing, deploying, and interpreting voice of the customer surveys, please contact us at [info@scottmadden.com](mailto:info@scottmadden.com) or:

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More information about ScottMadden's practices can also be found at [www.scottmadden.com](http://www.scottmadden.com).

## ABOUT SCOTTMADDEN'S CORPORATE & SHARED SERVICES PRACTICE

ScottMadden has been a pioneer in corporate and shared services since the practice began decades ago. Our Corporate & Shared Services practice has completed more than 1,700 projects since the early 90s, including hundreds of large, multi-year implementations. Our clients span a variety of industries from energy to healthcare to higher education to retail. Examples of our projects include business case development, shared services design, shared services build and implementation, and shared services improvement.

## ABOUT THE AUTHORS

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