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# Customer Satisfaction

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Approaches and Techniques for Measuring Customer Satisfaction in  
Shared Services

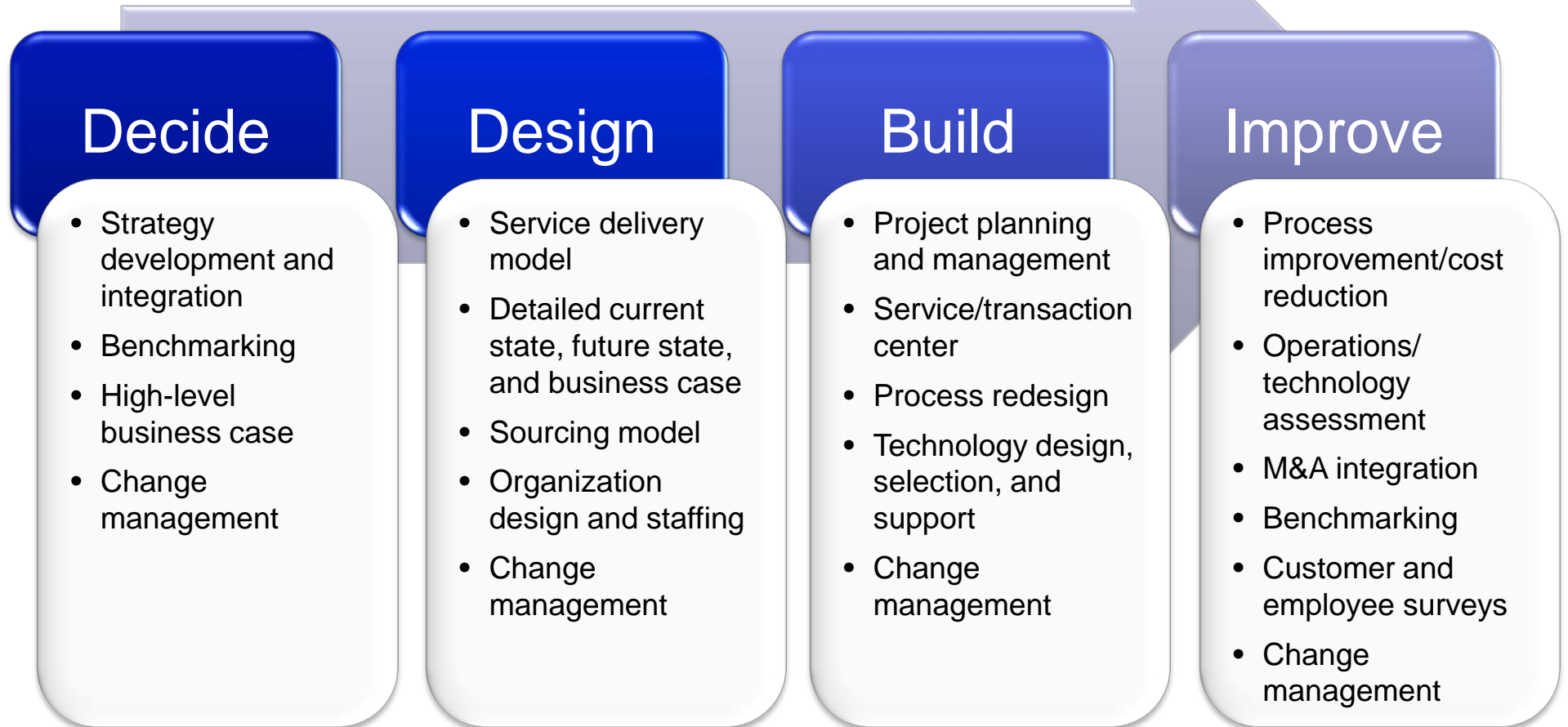
October 2011

# Agenda

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- ◆ About ScottMadden
- ◆ Customer Satisfaction Approaches
- ◆ The Power of Customer and Employee Feedback
- ◆ What to Measure
- ◆ Trends from Customer Satisfaction Surveys
- ◆ Lessons Learned

# About ScottMadden – What We Do



## Our Functional Expertise





# Approaches for Measuring Customer Satisfaction

<u>Approach</u>	<u>How Used/Purpose</u>
Transactional/ “Point of Sale” Surveys	<ul style="list-style-type: none"><li>• Collects immediate feedback on customer’s experience</li><li>• Provides feedback for specific individuals</li><li>• Enables trending and performance monitoring</li></ul>
Periodic Comprehensive Surveys	<ul style="list-style-type: none"><li>• Measures satisfaction across all service areas and dimensions</li><li>• Provides insight on awareness and importance</li><li>• Enables trending over time</li></ul>
Focus Groups	<ul style="list-style-type: none"><li>• Provides input to key service issues that can be used to design surveys</li><li>• Captures in-depth information on key issues that emerge from other surveys/feedback</li></ul>
Other Feedback Sources (complaints, escalation logs)	<ul style="list-style-type: none"><li>• Identifies immediate service concerns</li><li>• Highlights potential process problems</li><li>• Enables trending over time</li></ul>

# Approaches for Measuring Customer Satisfaction (Cont'd)

Comprehensive surveys include several types, which are each important for providing a full picture of customer satisfaction

## Periodic Comprehensive Surveys

Baseline  
Surveys

- ◆ When?
- ◆ How?

Customer  
Surveys

- ◆ When?
- ◆ How?

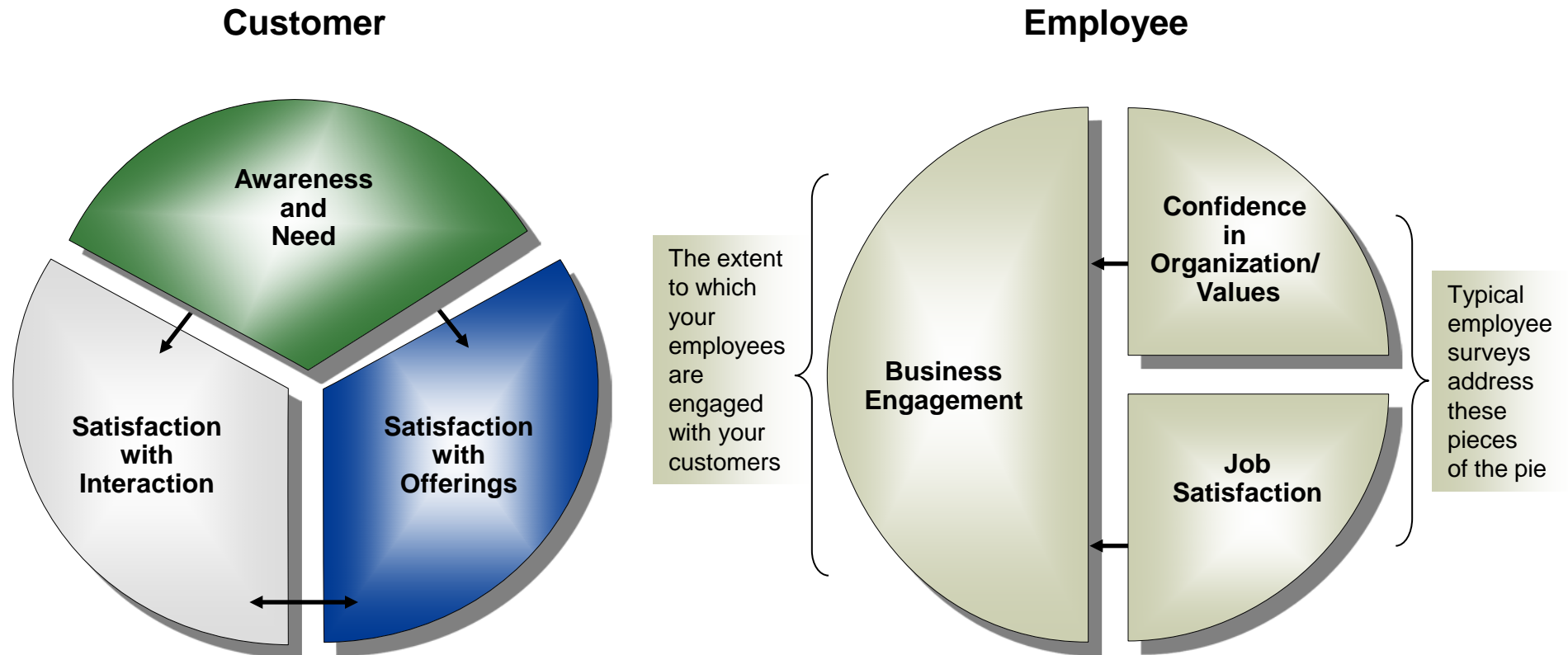
Service Delivery  
Employee  
Surveys

- ◆ When?
- ◆ How?

*The Power of Customer and Employee Feedback*

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# Why Measure Customer/Employee Perceptions?

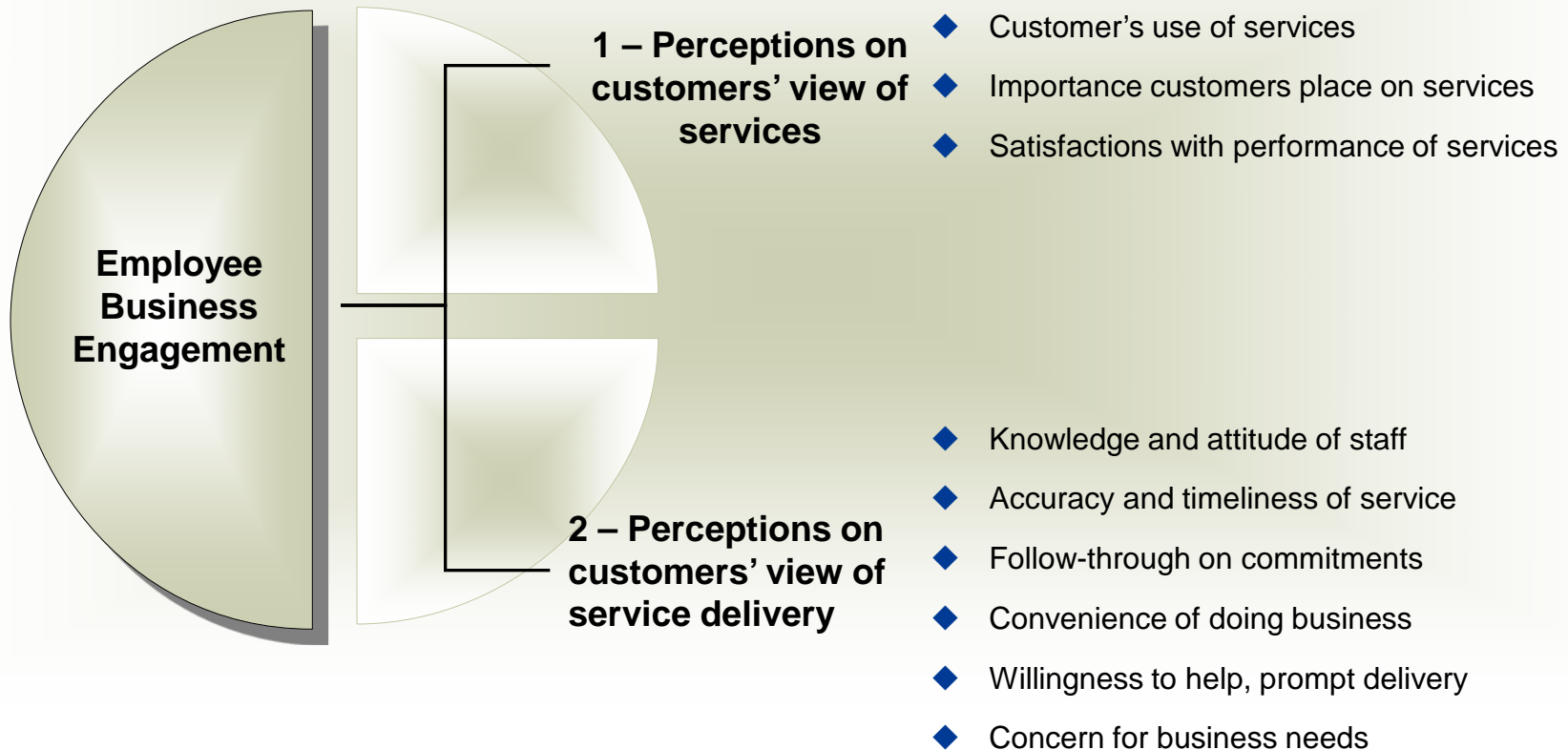


**Knowing your customers' perceptions *gives you power...***

- ◆ To anticipate rather than react!
- ◆ To improve your organization's impact to the bottom line!

# Linking Customer Satisfaction and Employee Engagement

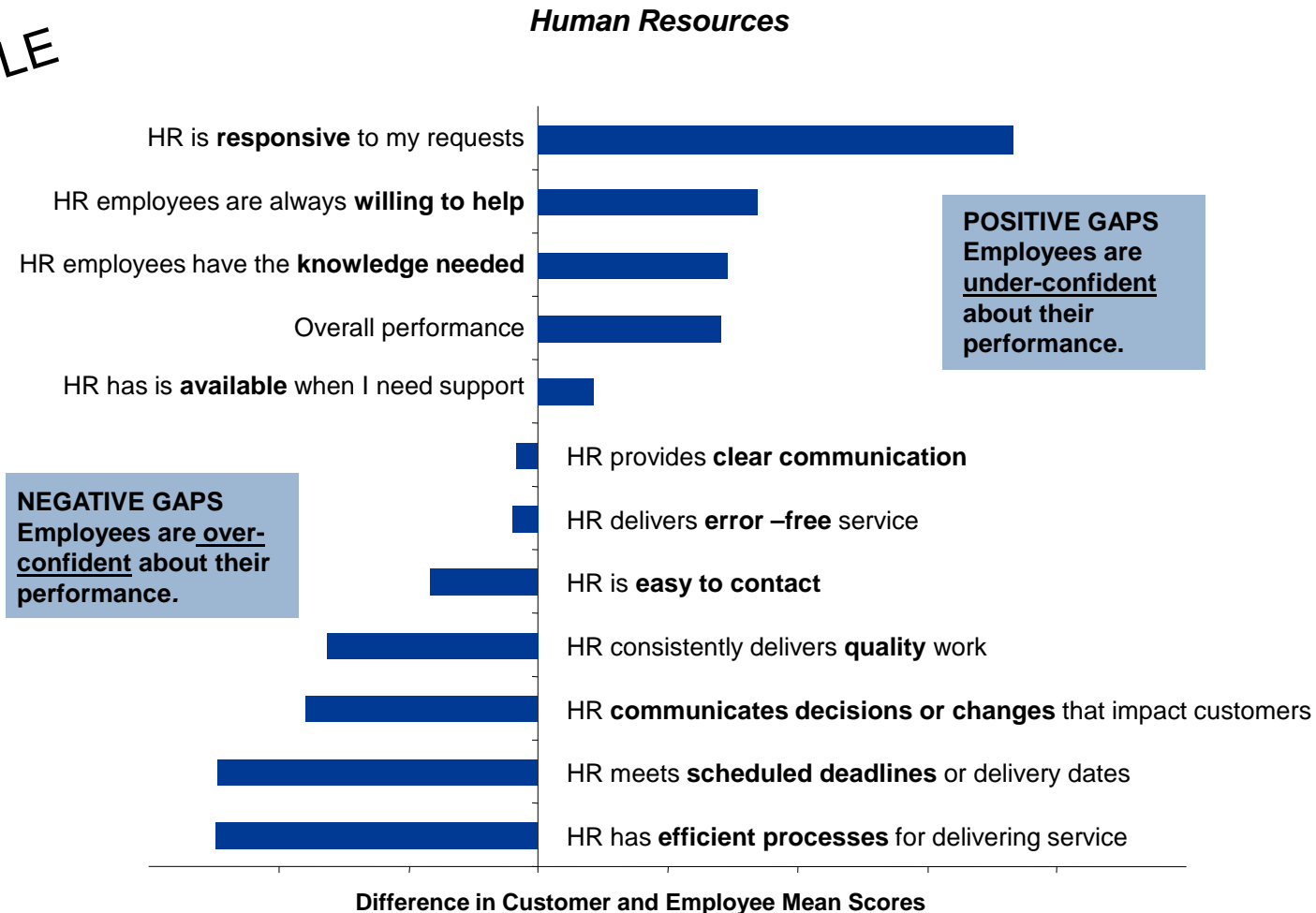
## Dimensions for Measuring Employee Engagement



# What You Learn

By measuring both customer and employee perceptions of service performance and service delivery, you are able to identify perception gaps between your customers and employees. Perception gaps can be used to formulate training and communication needs in addition to prioritizing improvement areas

EXAMPLE





# What to Measure – Key Issues to Consider

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- ◆ Are our customers aware of our services?
- ◆ Do our customers value our services?
- ◆ Which services are considered most important?
- ◆ How do customers rate performance on the services they consider most important?
- ◆ What drives satisfaction at your company?
- ◆ Do quantitative results match anecdotal perceptions?
- ◆ How do perceptions vary across
  - Organizations?
  - Geography?
  - Position level?
  - Length of service?
- ◆ Are there perception gaps between customers and service delivery employees?
- ◆ Are ratings consistent among like questions?

# What to Measure

**Solid survey goals and parameters form the foundation for a successful survey; a number of key dimensions should be considered when designing your surveys**

◆ Include multiple dimensions of customer satisfaction

- Awareness of services, options, needs, expectations, and service levels
- Qualifications
- Image of Organization



- Knowledge and attitude of staff
- Accuracy and timeliness of service
- Follow-through on commitments
- Convenience of doing business
- Willingness to help, prompt delivery
- Concern for business needs

- Use
- Importance
- Performance
- Costs

◆ Measure what you do

- Ask questions about specific initiatives or improvements made
- Ask questions relating to problem areas that you want to explore
- Ask questions regarding aspects of service or satisfaction which you can control and/or impact



# Approach for Trend Analysis

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**ScottMadden has been conducting customer satisfaction surveys for our shared services clients since 1998 and has captured overall satisfaction data to provide insight on typical trends.**

- ◆ We analyzed multi-function, multi-year customer satisfaction scores for shared services organizations to understand typical patterns in customer satisfaction
- ◆ Our hypotheses of satisfaction exceeding prior service delivery and continued improvement in shared services customer satisfaction over time were correct
- ◆ Those shared services organizations that regularly measure customer satisfaction benefit from the ability to use this data to demonstrate value to its customers
- ◆ Companies that conduct baseline surveys of customer satisfaction prior to implementing shared services have the added benefit of comparing their performance to the satisfaction with the prior delivery model

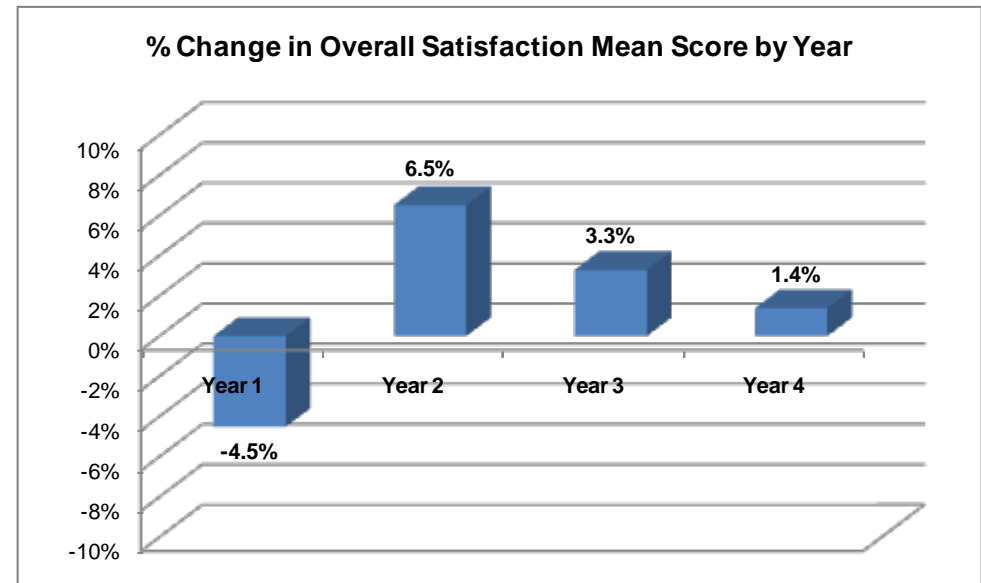
## Hypotheses:

- Shared services satisfaction exceeds prior service delivery satisfaction
- Shared services customer satisfaction improves over time

# Trends in Shared Services Customer Satisfaction – What We See

## What we see:

- ◆ Companies who have conducted baseline surveys before their shared services organization (SSO) is implemented typically see a decline in customer satisfaction during the first year of operations
  - 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 indicate that customer satisfaction increases in the second year of operations, and continues to increase in years three and four
  - The average increase in year 2 surpasses the percent decrease in year 1
  - The average increases in years 3 and 4 trend smaller as it becomes harder for SSOs to continue to improve on customer satisfaction after the initial increase
- ◆ After the initial year of operations, data show that customer satisfaction levels are higher with shared services than with prior delivery models
- ◆ For on-going operations, the bar is raised and SSOs must work hard to maintain the higher levels of satisfaction and to find innovative ways to continue improving



Note: Data represents multiple functional areas in shared services organizations and multiple industries



# Lessons Learned

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Consider these lessons when you plan customer satisfaction surveys.

- 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 shared services organization 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 customer satisfaction
- 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

# Lessons Learned – Summary

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- ◆ Customer satisfaction for an internal service organization is a primary measure of results (along with cost, quality, and compliance). Therefore, it deserves thoughtful attention
- ◆ Measurement of customer satisfaction is one element of a customer satisfaction program
- ◆ Lots of communication leverages the results of measurement
- ◆ Lack of communication destroys value
- ◆ Benefits are lost if measurement results do not drive successful improvement initiatives

DO
◆ Take time to define objectives
◆ Manage it like a project
◆ Include representatives from all shared services
◆ Follow through on communications and improvement initiatives

DON'T
◆ Approach it as a one time event
◆ Cut corners on survey design

# Contact Us

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For more information on customer satisfaction, please contact us.

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