

Subject Matters Breakfast Briefing sponsored by unlimited April 9 2002: 8.15-10.30am at Café Royal.

Briefing Notes – 4 pages.

Speakers

Tony Collins, independent CRM consultant
Graham Jackson, HSBC
Kieran Hedigan, CEO and co-founder Rossbank

Executive summary

Turning around contact centres is not just about technology: in particular, it's not about the expensive customer relationship management IT systems so dearly beloved of large consultancies during the 1990s and seen as the solution during this period.

Too many big IT CRM solutions treat contact centre staff as an expendable 'cotton mill' asset and miss the point. Managing staff via People Relationship Management (PRM) and treating them as the key element that delivers effective CRM is the way forward.

PRM is relatively inexpensive and is about taking a new approach to staff, i.e. training, career development, qualifications, interesting and varied roles, development growth, a range of skills, flexibility, pride.

PRM creates a motivated team who will deliver the best kind of emotional elements and interactions when dealing with customers. The best and oft-quoted example of this is First Direct.

Training is about intervention in a person's development to offer blended training that is a multi-faceted, multi-media approach where people are prompted and prepared for training, intervention takes place and then they are followed up after training.

Creating customer contact excellence is achieved through enabling management to deliver by empowering staff to achieve.

TONY COLLINS, Customer Contact Specialist

SUBJECT: CONTACT CENTRES SUCCEED VIA MOTIVATED STAFF, NOT JUST EXPENSIVE CRM TECHNOLOGY COUPLED TO A 'COTTON MILL' MENTALITY

Tony has implemented 100 customer contact centres during a 12 year career in the industry. Very few have made money and the ones that did took three to four years to go into profit. Amazing when you think that so far \$4.2 billion (£2.8 billion) has been spent on Customer Relationship Management (CRM).

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But what for – some evidence shows that customer satisfaction is taking a nose dive despite all this CRM money being spent.

His answer is that it is not always a totally customer-driven approach that delivers customer satisfaction – and nor is it always the expensive software options that supply CRM. No, it is a happy and motivated workforce who deliver customer satisfaction

But why and how? Figures from JG Barnes show that the main drivers of customer satisfaction are EMOTIONAL ELEMENTS, INTERACTIONS. Whereas the TECHNICAL PERFORMANCE, PROCESS AND CORE PRODUCT are in reality less important when it comes to pricing and complaint handling; adhering to and delivering on standards; and providing personal service, attention and quality of contact and, unsurprisingly, the feeling and emotions that are communicated.

YOU DON'T NEED MANAGERS

Tony suggested that technically you don't need managers – just empowered and motivated contact agents and customers – but in reality it is a triangle of CREATING CUSTOMER CONTACT EXCELLENCE through ENABLING MANAGEMENT TO DELIVER by empowering staff to achieve.

In other words, the customer 'wants', the manager 'understands' and the agents 'give' – all circulating in a mutually dependent triangle organisation.

OLD LANGUAGE

Expendable front line troops
Just be there and follow orders
Achieve the target set, minute by minute
Control

NEW LANGUAGE

Highly skilled sales/service agents
Essential for CRM success
A different outcome to each contact
Empowerment

What do agents want: a career path, qualifications, interesting and varied roles, development growth, range of skills, flexibility, pride. In reality they are badly trained, housed and paid and the RESULT is annual staff turnover is often between 25% and 80%.

How do you reverse this? A culture of excitement, challenge and BLENDED learning; confident managers and measured standards of performance.

Tony said: training should be a two-year package made up of 50% 'e learning', 30% bespoke tutor and 20% coaching to achieve: CRM, telephone, sales, technology skills plus abilities in contact management and knowledge of the organisation they work for, products, markets and lastly a good recruitment induction.

Graham Jackson, Training Development and Systems Manager, HSBC Bank plc

SUBJECT: HOW WE TRAIN STAFF WITH BLENDED LEARNING

Graham has worked in HSBC branches, regional offices and head office: i.e. has wide experience of banking at all levels for HSBC, which has 160,000 employees and 6,500 offices in 78 countries.

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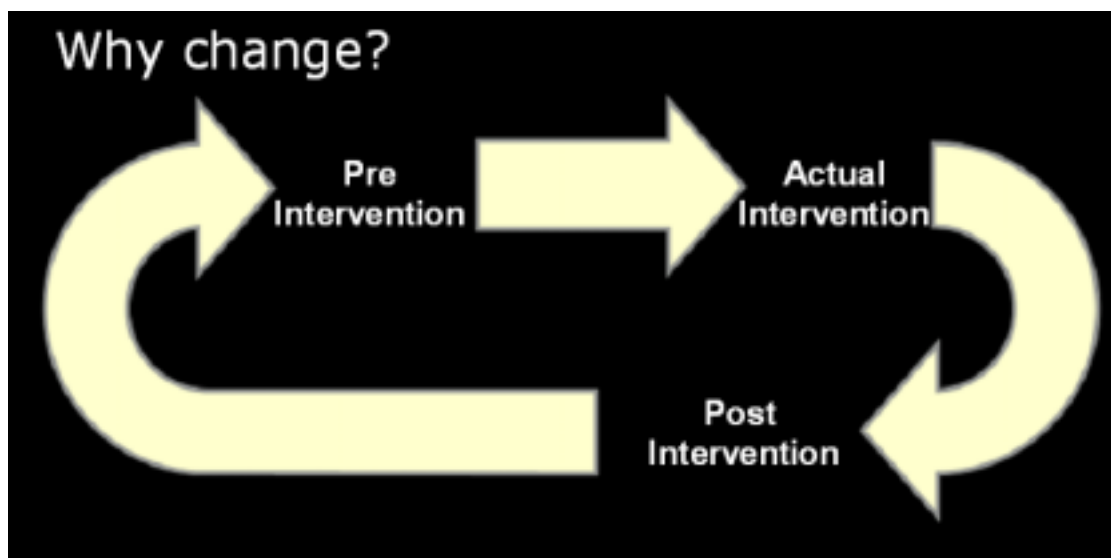
Graham has taken staff training and broken it into three areas to make up BLENDED TRAINING: 1. Pre-intervention. 2. Actual Intervention. 3. Post Intervention.

But what's wrong with traditional workshops? He said: "They are difficult to get learners to do pre-course work for and even persuading managers to give briefings prior to one is a hard task."

What is intervention?

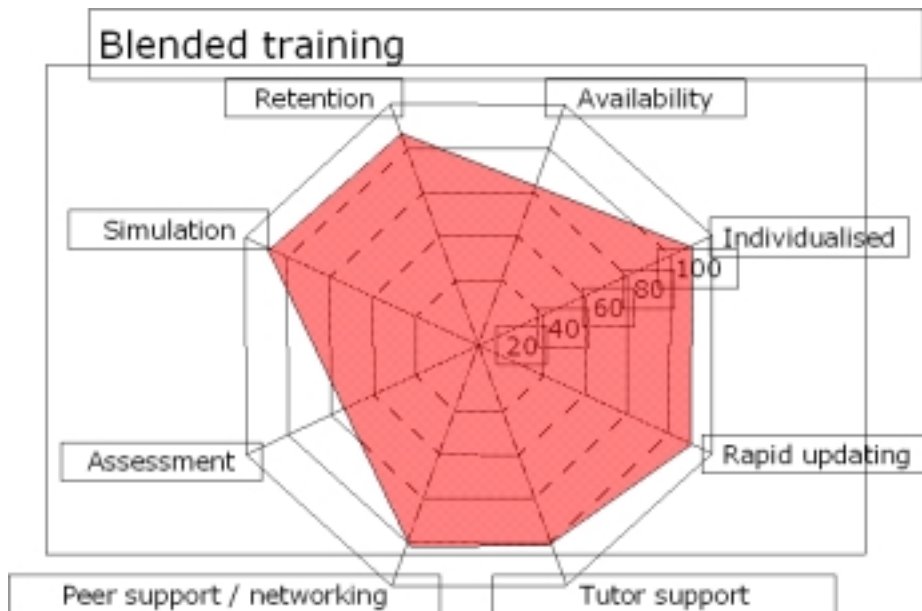
1. Pre-intervention is good because it helps a learner consider his or her personal objectives.
2. Actual intervention must include a range of media, learner preferences, places to practise without risk, handouts to take away.
3. Post Intervention is about allowing and urging learners to practise their new skills back in the work place: TO MAKE A DIFFERENCE and develop WISDOM.

Lastly, the learner must identify needs after a course (or intervention) and then join the cycle again with Pre-intervention on another learning experience.



THE BLENDED TRAINING LEARNING SPIDER WEB

Different qualities of a learning experience are judged on tutor support, rapid updating of individualised experience, availability, retention, stimulation and assessment.



For example, a book scores well on availability but little else. Classroom training scores well on most things but poorly on individualised experience.

BLENDED LEARNING OR TRAINING, however, scores well on almost every quality because it is not a single approach to training but instead a blended, or multi-faceted approach including everything.

Lastly, one of the forgotten constraints on all training is the attitude of business heads, leaders and managers who reject learning styles, refuse to release staff, want courses shorter, resent lost sales opportunities and time and see courses only in terms of bottom line.

THE ANSWER: Knowledge gearing. A straight line with a fulcrum in the middle is OK. A fulcrum at the extreme 'business performance' end and learner effort at the other means small results – but the answer is the 'impact fulcrum' at the learner effort end: this means the business performance/results swing is larger – hopefully PLEASING EVERYONE.

KIERAN HEDIGAN, CEO and co-founder, Rossbank.

SUBJECT: WHY IS THE FINANCIAL SERVICES INDUSTRY SO BAD AT CRM?

Rossbank was founded to provide bespoke call centre and internet customer contact solutions. Kieran is co-founder of Rossbank and has experience in setting up telebusinesses in financial services including Sun Alliance Investments On-Line, Commercial Union's PEP telebusiness operation and the ground breaking Promise direct mortgage business for Credit Suisse Group.

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Customer Relationship Management needs to be innovative and tuned in to People Relationship Management (PRM). In other words technology and process are very important but it's your people that make you profitable.

The background.

The UK CRM market place is marred by question marks over CRM effectiveness and pay-back, CRM is proving to be complex and costly, held up by deep-rooted organisational and cultural blockages and being implemented within a mindset swing towards cost reduction and down sizing.

So what should Financial Services organisations do?

Take on a new philosophy and culture that MAKES A DIFFERENCE with motivation and reward, people management, team and individual coaching, training, monitored recruitment and scalability (e.g. flexible contracts).

Kieran said: If you are fair with your staff, then they will be fair with you – and you must share everything with them because their view of the company is aspirational. The approach many banks take is to rely on customer surveys to solve problems but the real solution is PRM: it delivers low staff turnover.

If you have a contact staff member every day handling and selling products worth £80k or more (e.g. mortgage) then why are they paid only £15k a year? An Aston Martin sales person would get more selling fewer products of the same value.

CRM is already about PRM. Why? The much used Accenture findings this year found that the top three things CRM is about are (1) motivating and rewarding people (2) turning customer information into insight (3) building selling and service skills – all topics tackled by PRM.

But what are the main strands of PRM?

1. A culture of knowledge integrity and courtesy
2. Delegated authority to staff to engage the customer (e.g. no SCRIPTING)
3. Collective authority to EVOLVE the team.
4. Career progression without move to management plus excellent pay scales, annualised hours contracts but also a recognition that people are NOT only motivated by money.

But we are a big bank and we can't innovate quickly enough!

So outsource – let other people do things they do best and leave you to do what you do best. Retail examples include Dell Computers, Timberland shoes and Lexus cars, all of which make little or none of the products they sell.

Ends.