



Achieving Experience Excellence: Lessons from the winners of The Customer Experience Awards

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Introduction

WHEN it comes to serving customers, and offering them an experience that will make them come back to you time and time again, a small minority of organisations stand out from the crowd for the energy, commitment and innovative thinking they apply to getting it right. There's a world of difference between those who are truly driven by customer focus, and those who simply pay lip service to the ideal, while following a separate agenda.

Who are they? The marketplace offers some clues about which companies are serving their customers best; after all, if you're making profitable sales to millions of customers, you must be doing something right. But that is only part of the story. The Customer Experience Awards is a unique programme of recognition designed specifically to highlight the role that customer-facing processes play in overall business and organisational success.

The awards put the spotlight on those organisations which really excel in this area, as well as identifying examples of best practice and sharing them among a wider audience.

Over the last decade and a half, they have created a community of people committed to the ideals of great customer service and have furnished some rich case studies of organisations who found their own way to offer outstanding experiences to their customers. More significantly, the awards have spawned a framework that puts the whole area of customer service and experience on a more rigorous footing. The model can be followed by any organisation to achieve excellent results with customers, and provides powerful benchmarks it can measure itself against. It is a process that many organisations, once they've first dipped their toes in, find they become addicted to, in the never-ending quest for improvement.

This paper gives an overview of the awards; their history; the structure and process of the them and insights from Moira Clark who has been a judge of these awards for many years.

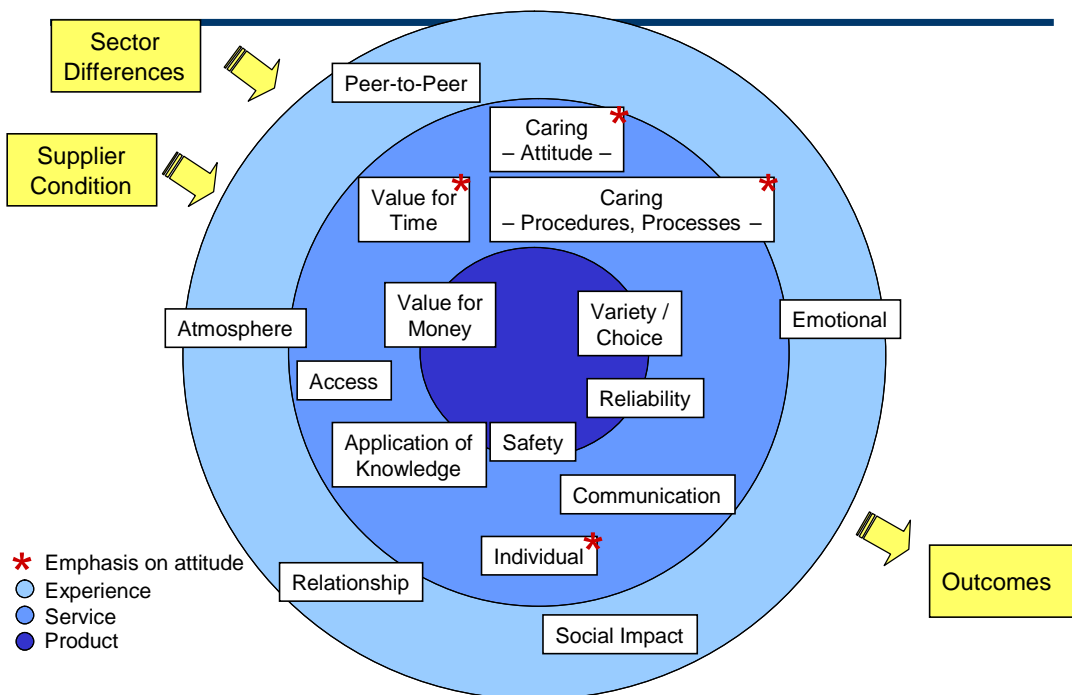


About Customer Experience

These days we are becoming much more experience-orientated. Customers are becoming much more demanding. It doesn't matter whether you are in the business-to-business space, or the business-to-consumer; as a population we are becoming older, more demanding, and much more difficult to please.

So how do we approach the subject of customer experience? Lemke, Clark and Wilson (2006) have undertaken research into business-to-business and business-to-consumer customer experience and as a result of their work they have developed the following model.

Figure 1 Customer Experience Model



The middle of this diagram represents the core product, which must work; wrapped by the service surround, which is about exchanging value for time, and issues such as accessibility. The outside circle represents customer experience, where emotions, atmosphere and so forth come into play.



Traditionally in Anglo Saxon protestant communities, emotions are usually kept in check, particularly in the workplace where people try to hide emotions from colleagues as well as from customers. Yet in reality, everything we do involves emotion, and every customer experience evokes emotions; it can make you feel cared for, happy, or delighted; on the other hand, it can make you feel angry, upset or frustrated.

Understanding knowledge is also important in developing customer experience. There are two types:

- Articulate knowledge – this type you can write down, if you're an engineer, an MBA, an accountant, and so on, it tends to be the kind of knowledge you can teach other people who want to join the profession. Some companies treat their customer experience a bit like that – they have a set of rules and processes to define what customers will go through.
- Tacit knowledge – this is the kind of knowledge that usually provides organisations with competitive advantage. It's silent, it's implicit, and you *cannot write it down*. In the context of customer experience, it may be something that is superb, that the customer simply wasn't expecting, that delights them in some way. The next generation of customer experience will concentrate on tacit knowledge based on hard-to-quantify experience.

A good example of using tacit knowledge for enhancing customer experience is demonstrated by BMW. It employs people in the US and in Germany focusing solely on the sound of the door as you shut it. They also have people in the US working just on the smell of their cars. This follows on from a particular insight: when you go into a showroom, the first thing customers tend to do is sit in the car, shut the door, hold the steering wheel, and breathe in. These features are tacit knowledge because you can't write them down, but you know when it's right. So tacit knowledge can go a long way to creating perfect customer experience.

Our research has shown what the key experience factors for customers in both the B2B and B2C space are:



Figure 2 Important CE Factors in B2B and B2C

B2B	B2C
1. Extent of Personal Contact	1. Helpfulness
2. Flexibility	2. Value for Time
3. Implicit Understanding of Customer Needs	3. Customer Recognition
4. Pro-activity in Eliciting Customer's Objectives	4. Promise Fulfilment
5. Pro-activity in Checking that Everything is OK	5. Problem Solving
6. Promise Fulfilment	6. Personalisation
7. Knowledge	7. Competence
	8. Accessibility

These are the factors that organisations must build into their customer-facing processes, and the way they present themselves to customers. For example: personal contact, in the context of a small business, means there's somebody at the other end of a phone line you can call; you're not just a number to them. These are also the factors that the Customer Experience Awards are looking for, to a large degree. And it's interesting to note that one of the previous finalists in the awards, John Lewis, had the top three factors on the B2C list as the three top items on their own list for training their people.

History of Awards

The model underlying the Customer Experience Awards was first developed in 1989 following an international research project involving 3,000 companies from Europe, the USA and Japan. One result of this research was a self-assessment questionnaire which has subsequently been refined and developed as the awards evolved.

The awards were first operated as the Service Excellence Awards by *Management Today* in 1995. The following year, Unisys took over sponsorship and administration of the awards, building on their expertise in the area of service and customer focus. The self-assessment questionnaire was built by Dave Jackson, founder of Clicktools, based on a model he had developed several years earlier.

The awards were guided by two objectives:

- To identify and recognise those organisations operating in the UK, which are the industry leaders at serving customers.
- To help organisations identify their strengths and weaknesses, and provide benchmarks and guidance to help them improve performance.

In 2006, after 12 successful years, a new company was formed to take over the running of the awards; the following year, they were re-launched as the Customer Experience Awards, with the *Sunday Times* taking over as the programme's media partner. The change of name was designed to recognise that customer experience is a broader concept than service, and one that touches the whole organisation, rather than sometimes becoming the domain of a customer service department. Taking another step forward in 2008, accreditation was introduced to answer the demand from some organisations for a lasting recognition of their achievement, to run alongside starting in 2009.



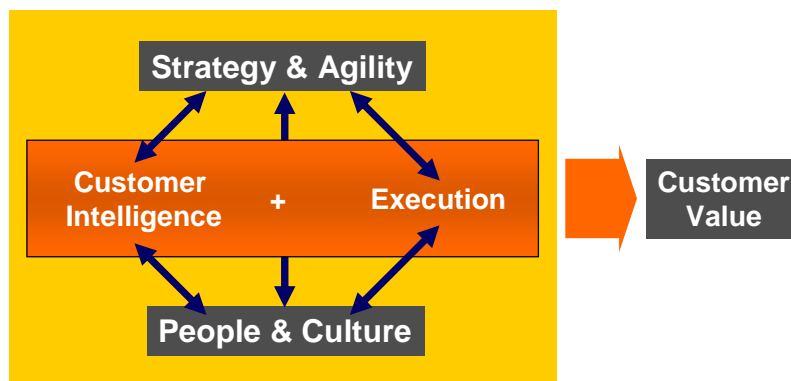
Based on 12 years as a judge and sponsor, Professor Moira Clark also sponsors the Customer Experience Leadership award, given to one individual each year who has made an outstanding contribution towards their organisation's customer experience. In the first year of this award – 2007 – it was given to Dr Mike Chester of the National Refractory Angina Centre.



How the Awards Work

Companies taking part in the Customer Experience Awards have frequently observed that the process is far more rigorous than for most business awards programmes. The process begins with an organisation filling out a lengthy submission, which combines detailed questions about their activities with the opportunity to assess their own level of advancement in each area. There are five main areas – the vectors – which come under scrutiny (see Figure 3): These are

Figure 3 Customer Experience Capabilities Model



- Customer intelligence: how the organisation builds an understanding of the needs and expectations of its customers; and how they perceive its performance.
- Execution: how well it executes service delivery, including developing new products and services to meet customer needs; service recovery; and continuous improvement.
- People & culture: how well the organisation inspires its people at all levels to deliver superior customer service.
- Strategy & agility: the direction of the organisation, and how successfully it adjusts its customer strategy in response to the changing environment.
- Customer value: a series of output measures showing how customers respond to the organisation's efforts to deliver superior customer experience.

In other words, it is a holistic view which takes account of all the different parts of the organisation that contribute towards the experience which the customer actually encounters. It's not enough to leave customer experience in the hands of your marketing department, or your call centre or operations team, or any other part of the organisation on its own. In a joined-up organisation, everything impacts directly or indirectly on the way your customers perceive you.

After the organisation has made its submission, it is reviewed and evaluated by the judging team, who have a keen eye on the scores that entrants have awarded themselves – and particularly whether they are borne out by supporting evidence. They also look at how each entrant scores against a benchmark of previous years' winners. The recently expanded list of categories is:

- * Best small business
- * Best medium business
- * Best large business
- * Industry sector
- * Financial Services
- * Business to Business
- * Information Communications & Technology
- * Hospitality, Leisure & Tourism
- * Business & Professional Services
- * Public Sector, Voluntary & Charitable
- * E-commerce
- * Consumer Services

Three finalists are chosen in each category to receive a site visit, which is an opportunity for them to present their credentials as an organisation which excels in customer experience, and an opportunity for the judges to subject them to a rigorous examination. While the organisation hosting the visit will do their best to orchestrate what is seen, and who is spoken to, the judges will do their best to go "off piste", look for other evidence, both good and bad, and talk to people of their own choosing. After the visits, the judges confer and decide who the winners are, to be announced at an awards ceremony later in the year.

Achieving Experience Excellence: Lessons from the Winners

Although the process of selecting winners is important, the real value of the Customer Experience Awards lies in the innovative ideas and approaches that different entrants have brought to the awards over the years. Here are some examples grouped under the headings of the different vectors.

Customer Intelligence

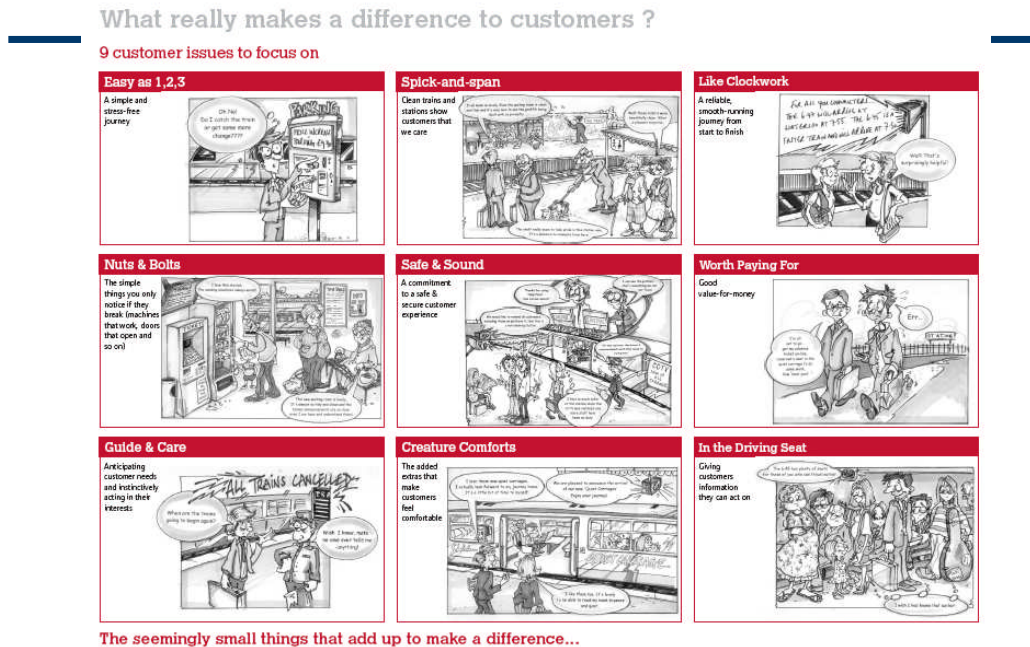
Most organisations gather a lot of information from their customers, either through transactional data, or through various forms of surveys. The real challenge, though, is to gather insight from all that intelligence, and to put it to good use in designing your customer experience.

National Express – winner in the Business to Business category in 2007 – is an excellent example of how it can be done. The company created a map of the journey that a passenger will experience if they board one of National Express's coaches or trains, and they used the feedback from customer surveys to identify passengers' expectations of:

- quick and efficient service,
- on-time arrival,
- a clean environment,
- any problems to be dealt with.

They developed this map into a series of cartoons (see that they use to train their staff; it gives their own people a vivid picture of what a journey looks like through their customers' eyes.

Figure 4 NatEx Group - Making the Customer Journey Visible



Cougar Automation, a company which specializes in designing control systems, exemplifies another approach – providing complete transparency of the data they gather to all their people. Employees can see how the company is performing on particular accounts, the feedback from individual customers, including satisfaction surveys, and even the (private) company accounts. Their philosophy is: why should we keep any of this under wraps? And by disseminating this intelligence they are empowering their people to respond to it.

Innovation can also reside in how you find out about your customers. Woburn Safari Park, a major leisure attraction, wanted to find how their visitors actually spent their time in the park. They came up with a brilliant idea to carry out their own form of ethnographic research. As a family arrived, they would approach and ask: would you mind if we follow you for the day? In return for free admission, the family was observed – unobtrusively – throughout the day, noting which attractions they spent time on, which rides they took, what the children were interested in, even how many times they went to the toilets. Their research highlighted at least one really useful insight: people were spending 45 minutes at lunch, instead of the industry norm of 20 minutes, which had a huge implication for the number of staff and tables available. So



they redesigned the lunch experience completely around the 45 minute time period.

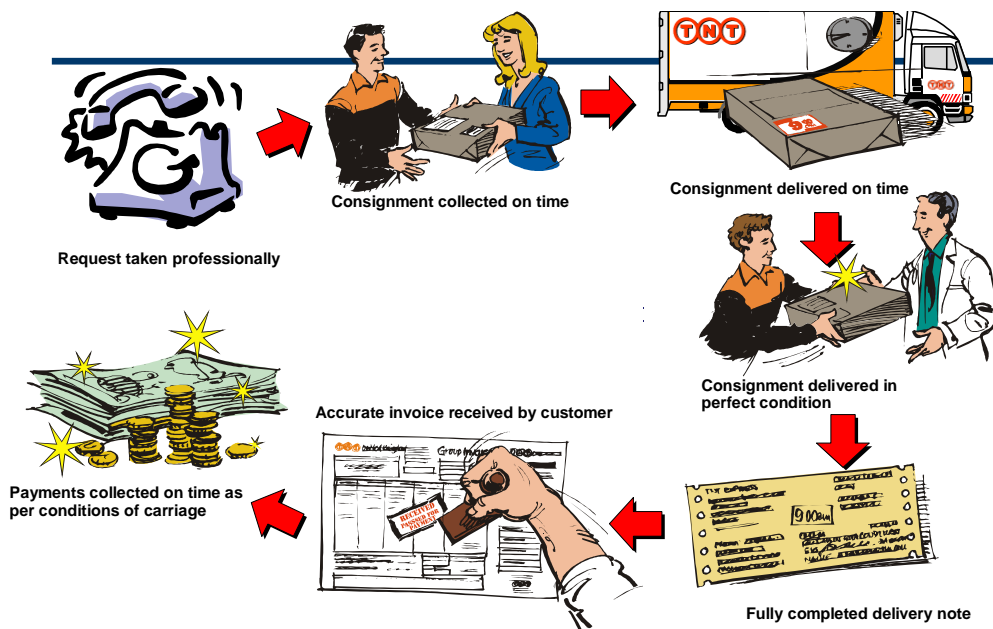
Nationwide Building Society also pursued the idea of observing customers at close quarters, setting up a room like a sitting room at their head office, then inviting customers to come in and 'do their finances' as if they were at home.

Execution

Clearly it's no use having great ideas if you don't deliver against them, and so it's no surprise that the awards have placed increasing emphasis on the second vector, execution.

TNT, the express delivery company, was an early overall winner of the awards. And one of its outstanding ideas – which particularly impressed the judges – was that of the 'perfect transaction'. As part of its approach to quality improvement, TNT worked out what a perfect transaction would look like, from a consignment collected on time; to delivery in perfect condition; cash collected from the customer; and accurate paperwork all round.

Figure 5 TNT Perfect Transaction



To encourage further innovation, TNT ‘borrowed’ another idea in this area from a fellow awards finalist, Foxdenton School in Oldham. They told employees ‘you can make any improvement in execution of what we do, without requiring approval from above, so long as it doesn’t cost more than £100’.

Execution is about getting things right, but also about putting things right when they’ve gone wrong. One organisation that excels in this is Bromford Housing Group, winner of the Public Sector award last year. One of its initiatives was to set up a dedicated complaints and compliments database, which enabled it to reduce complaint resolution times to under two days. And while other organisations alienate or even penalise customers who complain frequently, Bromford enrolls these people as Customer Inspection Advisers (CIA) – a special panel that continuously monitors how the housing group is performing, and looks for areas of improvement.

People & Culture

Over the 12 years that Professor Clark has been involved in the Awards, the companies that stand out most are those that get this bit right; it is a mixture of values, leadership style, and recruiting the right people. It is also about training those people and rewarding them for the right behaviours.

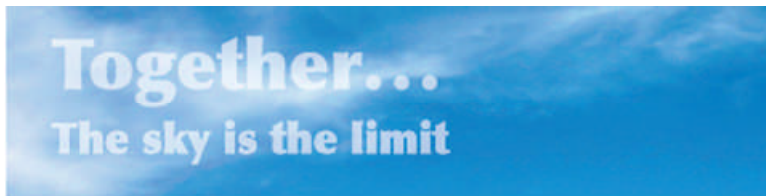
Recruiting the right people is obviously key. At web hosting company Rackspace, which was the overall winner a few years ago, the chief exec Dominic Monkhouse was very keen to find people with the right attitude; he asked potential recruits to sing a song, or draw a picture in the hope that he would see other aspects of their personality and attitude. He also introduced a ‘hall of fame’ where everyone had their picture and ‘ten things you don’t know about me’ all along the wall. This reflected the fact that people only bring one slice of themselves to work, but outside they do extraordinarily interesting things. Companies, therefore, often miss opportunities to engage with the ‘whole’ person and the benefits that can result from that.

At Cougar Automation, they refer to their own people as ‘cats’ and their philosophy towards people is summed up in a virtuous circle: happier cats deliver better service which leads to happier customers. Cougar also have a radical view that staff should be entirely self-managed; they have no hours of work, and they

choose their managers. Managers are there to support their next in line rather than manage them.

Another organisation worth mentioning here is Eaga, a Stock Exchange-listed company which provides solutions for energy efficiency, social and environmental challenges. They say that their values are so central to them, that they must form an important part of the recruitment process; they also excel at recognizing and celebrating achievement.

Figure 6 Recognition: eaga Engagement Scheme



- Recognition
- Celebration
- Involvement

The Eaga Stars scheme (Special Thanks and Recognition) rewards enables colleagues and customers to commend a member of staff who has done something which was above and beyond the call of duty. And the company's Chief Executive sends a personal birthday card to every member of staff at their home address.

Strategy & agility

How an organisation plans its strategy and responds to changes in the market place as well as in the broader social and economic environment are all important components in providing the right customer experience. One organisation that has excelled in this department is the Nationwide Building Society; its decision to retain its mutuality and make a benefit of this for its customers looks especially astute in the light of recent events. This is exemplified in

the Nationwide's Five Drivers of employee commitment which are recognition of how central their people are to their success.

Figure 7 Nationwide 5 Drivers of Employee Commitment

- Pay – fair and equitable
- Length of service – productivity and quality
- Resource management – enough people at peak times
- Coaching – respect and support from manager
- Values – believes in what they do and sees roles models



First Direct also provides an excellent example in this area: from the very beginning their concept was to offer a 24/7 banking service, which recognised that many customers no longer had the desire, or the time to visit a bank branch. The model that First Direct pioneered has now been copied by many other banks, but they have remained consistently ahead of the competition in terms of innovating, whether that be using text messages to inform a customer that they are overdrawn, talking to customers without prepared scripts, or offering lower prices on less expensive channels such as the Internet.

Feedback and Learning

Finally, it is worth emphasising that an important part of the value of the Customer Experience Awards has always been about offering organisations the opportunity to learn from each other – and from the benchmarking reports prepared by the judges. An innovation highlighted by an entrant one year would inevitably turn up on other site visits the following year. The important thing is that the idea has not been cosmetically attached, but has been properly adapted by the recipient, and is providing tangible value. This is also the point of the Winners' Seminar which is held each year: in short it is an ideal opportunity to listen to the ideas of your peers, and consider how they could work in your own organisation. Likewise, the Awards provide a gateway into a network of other organisations which enables you to benchmark against the best. No wonder these are billed as “The awards your customers want you to enter”!

ABOUT THE AUTHORS

Moira Clark is Professor of Strategic Marketing at Henley as well as being Director of The Henley Centre for Customer Management. She also serves as a consultant to a number of leading UK and European companies. Her major area of research and consulting is in Customer Relationship Management, Customer Retention and Internal Marketing in the Service sector. She has worked extensively in the area of culture and climate, its impact on retention and loyalty and the critical linkages between employee behaviour and customer retention. She has published widely on this subject and is co-author of Relationship Marketing for Competitive Advantage, Winning and Keeping Customers and Relationship Marketing: Strategy and Implementation. Moira is also a judge for the prestigious Sunday Times UK Customer Experience Awards. Her new book 'Business Success through Service Excellence' examines the crucial factors needed to achieve and maintain service excellence. She is a frequent keynote speaker at many public and in-company seminars and conferences around the world. Moira joined Henley in 2005 from Cranfield School of Management. Prior to joining academia, she was an international marketing consultant based in Munich where she was involved with a wide range of industries including service industries, consumer and industrial goods manufacturers. She has also worked as a marketing director for an international health food manufacturer and as a marketing manager for the toiletries subsidiary of Dunhill International.

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