

**COMPLAIN AWAY: HOW CUSTOMER COMPLAINTS CAN  
HELP YOU IMPROVE YOUR BUSINESS PROCESSES**

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### **Biography**

Jillian Mercer, presents with a wealth of experience in management in both the private and public sectors.

She:

- is National President (elected/voluntary) of the Australian Customer Service Association and Chairs the Board of Management;
- was immediate past-President of the Western Australian Division of the Australian Customer Service Association and represented the interests of both the Private and Public Sector industries of Western Australia at the Board for three years;
- is Chair and President of the Women in Management Group of the WA Division of the Australian Institute of Management;
- was Western Australian site evaluator (representing the Public Sector) for the Australian Customer Service Awards in 1995 and 1996;

Jillian has been involved in many of the WA Government reform programs from 1986 to 1996 and is known throughout the State for her work in spreading the message of change to both State and Local Government representatives in forums and training sessions in all major country urban centres in WA. She was also the architect of such high profile projects as developing the current whole-of-Government Customer Focus program.

She has a National profile as well and in 1998 published two chapters in the book, *Customer Service Excellence: How Organisations in Australia are Exceeding Customer Expectations*.

Prior to her Government work, Jillian worked in the retail, hospitality and corporate film industries, and as an educator in both Australia and the United Kingdom. She's also worked in many ordinary jobs around the world during her extensive travels.

She was Manager, Quality Improvement at a large WA teaching hospital with some 3,000 staff immediately prior to establishing her own business.

### **ACADEMIC QUALIFICATIONS**

Bachelor Arts (English)	Western Australian Institute of Technology, 1978
Bachelor of Education,	Murdoch University, Western Australia, 1980
Master of Education,	Murdoch University, 1981

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### Abstract:

The aims of this paper are as follows:

- to provide a framework of indicators of **effective** complaints handling;
- to explore how customer complaints can be used to drive process improvement in your business

### COMPLAINTS ARE ASSETS

The complainant is one of the most important assets a company can have access to. It is the complainant who **informs** us (if we care to listen) **where** our business processes are going wrong.

### COMPLAINT DEFINITION

A complaint is, *“any expression of dissatisfaction which requires a response.”* Often customer complaints relate to standards of promptness and responsiveness not being met by a company - rather than any problem with the quality of the product.

### COMPLAINTS REVEAL WASTE

Incapacity of a company to meet customer demands and specifications relate to processes and systems being overly complex or waste laden (waste being of labour as well as material).

This paper provides practical and simple ways of accessing the complexity behind every single, simple or complex customer complaint so that the information can be used to improve processes.

## **Introduction**

Complaints are a normal part of everyday business. Complaints are often only recognised when they are presented by customers who have become belligerent - and **that** only happens when earlier attempts at expressing dissatisfaction by the customer have not been regarded by the company.

This paper sets out to explore :

- what a complaint is;
- how the early stages of complaints are often presented as mild irritation and dissatisfaction with some failure to meet a deadline or promise;
- the cost to business of NOT dealing well with complaints;
- a framework of indicators of effective complaints handling; and,
- how customer complaints can be used to drive process improvement in your business.

## **Complaint Issues**

### **Complaints reveal waste**

Incapacity of an organisation to meet customer demands and specifications relate to processes and systems being overly complex or waste laden (waste of **labour** as well as materials).

This paper provides practical and simple ways of accessing the complexity behind every single, simple or complex customer complaint so that the information can be used to improve processes.

### **First: recognise a complaint**

A complaint is, “...*any expression of dissatisfaction which requires a response.*” Often customer complaints relate to standards of promptness and responsiveness not being met by a company - rather than any problem with the quality of the product.

To ignore the often subtle and indirect indicators that one of your customers is not entirely happy with some aspect of the services they are receiving, is to invite an escalation of the problem and to potentially loose the customer.


Every one of your staff must be aware of what customers want (see table 1 in this paper), and how to recognise a complaint as falling within one ( or many) of those “wants” arenas.

Many organisations measure customer “churn” or attrition rates but not **why** the rate is occurring. Unless you have some processes in place to ensure that you know why customers are leaving you, you are simply driving your business without any navigation instruments.

### **What do customers want?**

We know that customers have certain requirements of any organisation whether it is supplying a service or a tangible product as part of the transaction.

There is various research from all sort of industries and many parts of the World that reveal what customers want. AT and T in the US conducted research in the 1980s and came up with a generic list of what customers told them they want from any service transaction as follows:

<i>A <u>relationship</u>, and:</i>		???	
<input type="checkbox"/> <b>Do it right the first time</b>	<input type="checkbox"/> <b>Promptness</b>		
<input type="checkbox"/> <b>Accessibility</b>	<input type="checkbox"/> <b>Kept informed</b>		
<input type="checkbox"/> <b>Responsiveness</b>	<input type="checkbox"/> <b>Follow up</b>		
<input type="checkbox"/> <b>Knowledgeable people</b>	<input type="checkbox"/> <b>No Surprises</b>		

**Table 1. What do Customers want?**

Notice that in the list in **Table 1**, a **relationship** is the key aspect. There are protocols which, when present in interactions with customers constitute a “relationship” in their view.. These indicators include;


- (1) being pleasant, courteous and helpful;
- (2) knowing the customer’s name and other details;
- (3) recalling recent and other History with the company; and,
- (4) remembering previously specified requirements, amongst others.

This is all just the first step of what the customer wants - but it is not enough. The other eight indicators in **Table 2** relate to the capacity of the processes and systems of your organisation to meet those customer needs.

### Complaints are assets

The complainant is one of the most important assets a company can have access to. It is the complainant who **informs** us (if we care to listen) **where** our business processes are going wrong.

If a customer complains or expresses dissatisfaction with our service, you can be sure that the complaint will be because of one of the following:

<i><b>Because we:</b></i>		
	<input type="checkbox"/> <b>Did NOT do it right the first time</b>	<input type="checkbox"/> <b>Were NOT prompt</b>
	<input type="checkbox"/> <b>Were NOT accessible</b>	<input type="checkbox"/> <b>Did NOT keep the customer informed</b>
	<input type="checkbox"/> <b>Were NOT responsive</b>	<input type="checkbox"/> <b>Did NOT follow up</b>
	<input type="checkbox"/> <b>Were NOT knowledgeable about our processes and products</b>	<input type="checkbox"/> <b>Provided <i>unpleasant</i> surprises</b>

**Table 2. Why do Customers Complain?**

The complaint becomes an **asset** because if we really listen carefully and analyse which of the above that the customer is expressing dissatisfaction with, we can have a very clear idea of what it is that we need to specifically do differently in our processes to:

- fix this problem for this customer; and,
- to ensure that we error-proof the problem permanently to ensure it doesn't happen for other customers ( because you can be sure it **is** happening for others who have not told you).

### **Compounding Complaints**


It is important also to notice that many customer complaints fall into several categories as listed in the box above. That is, a customer may have returned a product because it was faulty, and then you may have failed to have it repaired or replaced in time for the customer to meet their production schedule/s and then you may have failed to let them know that you were unable to meet their deadline requirements, and then your staff may have been rude to them when your customer/s become angry. This is what we call a **compounded** complaint.

### **Cost Of Complaints**

There have been various attempts to analyse the cost of complaints to an organisation - whether rectified at first point of contact or even if the complaint has traveled extensively through an organisation and possibly become a full-blown media circus with which senior executives and CEOs must deal.

Various models can be found which assert that they measure the cost to an organisation of handling complaints. The one below measures the **internal** cost to an organisation. It does not even begin to measure what the external cost might be if the media get involved, or if the complaint goes to outside arbitration or mediation.

<b>COST TO HANDLE CONTACTS</b>	
■ 1 x Contact	= \$ 5.00
■ 2 x Contacts	= \$30.00
■ 3 x Contacts	= \$80.00
■ More Contacts	= \$\$\$\$ ???



**Table 3**

The first level of complaints handling where your staff member on the counter or on the telephone can fix the low level expression of dissatisfaction easily and quickly, may take about \$5.00 worth of their time. As the complaint is not managed and is handed on to supervisors and managers and/or senior executives, their time managing the complaint becomes more and more expensive. See **Table 3**.

### **Handling Complaints At First Contact**

It is easy to see that the more people involved in handling a complaint and putting things right when they go wrong, the more expensive it will be. It becomes a classic example of, “...*fixing errors upstream...*” rather than, “...*getting it right from the start...*”

There are some simple guidelines for managing complaints well from the beginning. Once you and your staff are tuned into what the customer is really telling you, you have an excellent opportunity to:

- act continuously to fix complaints at the first expression of dissatisfaction before they become compounded and costly to rectify; and,
- capture and use the information and experience to continuously improve your business processes to better meet the needs of customers.

### **Effective Complaints Handling: 7 Key Principles**

Complaints must be encouraged; acted upon at first point of contact if possible by adequately trained and empowered staff; and, information from them used to error-proof processes by all involved in the processes and systems.

To achieve a “win, win” situation for the customer and for our business, effective complaints handling is:

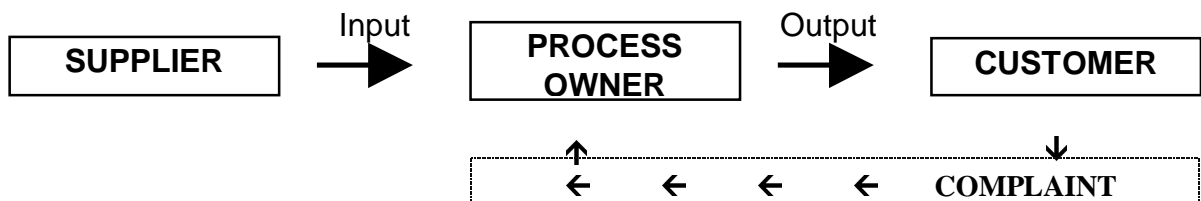
- (1) **Accessible:** Complaints system must be accessible and well-publicised.
- (2) **Simplicity:** The complaints system must be simple and easy-to-use for both staff and customers
- (3) **Informative:** Management must be informed about all business complaints so that you can improve your services.
- (4) **Speedy:** Your business must have established, speedy time-limits for action and for keeping customers informed of progress.
- (5) **Fair:** Your business must be fair in handling customer and staff during any full and impartial investigation.
- (6) **Confidential:** All complaints must be handled confidentially respecting both staff and customers where it is appropriate.
- (7) **Effective:** All points of a complaint must be addressed and redress provided if necessary.

*All staff must be trained in and aware of your complaints handling system before they start working with any customers in any capacity.* This is because customers express minor dissatisfaction *in situ* at any gateway to your organisation. Inexperienced, untrained staff will not know how to recognise a complaint; How often have you heard, “*Sorry, I can’t help it, I’m just new here (!).*”

### **Complaints Handling Processes**

Most people would be familiar with the Quality-based Model for deconstructing the complexity inherent in process interrelatedness. A modified version of the SiPoC model appears below. In the diagram below, you can see that the complaint offered by the customer is picked up by the contact person and fed back to the process owner for action. The process of capturing the information from customer complaints is iterative and should be subject to continuous improvement efforts.

Taking the simple building block of understanding processes (the SiPoC model) see **Figure 1:**



**Figure 1**

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This is a very simply expressed way of addressing customer complaints. Whereby, the information from the complaint is fed back to the process owners who then work with the process suppliers to remove waste from the input phase to improve the process and better meet the customer needs. The challenges are to ensure that every gateway in your organisation is able to capture the information and that the next person in the process is able to and receptive to hearing the issue.

Thus, the complaint must be analysed by your most skilled and trained staff to find out what happened to make the customer dissatisfied. For example:

- (1) Why didn't we do it right first time? What happened to cause the process to fail?
- (2) Why couldn't the customer contact us when they needed to?
- (3) In what way did we not respond to the customer's expressed ( or otherwise) needs?
- (4) What didn't we know about our processes (how long it would take); and our products (specifications/capacity, knowledge etc.); and our services ( *"I don't know if we can do that for you... ."*)?
- (5) Why weren't we fast enough? Why did we keep the customer waiting? What wasn't ready on time and in the place it would have been?
- (6) How come we did not let the customer know what was going on so that they could make other arrangements if necessary?
- (7) Why didn't we contact the customer ( or the supplier) to make sure all was in order for the customer?
- (8) How come we are surprised ( or shocked) the customer in such a way that they're unhappy?

By examining the answers to these **very** basic questions, we can begin to understand what we need to do differently to improve our processes and our service to our customers.

### **Verbals Please**

It may seem unnecessary to say; however, **NEVER ask a customer to put their complaint in writing.** It is **your** responsibility to sort out your business problems, not your customers! The customer has already done you a favour by bringing a complaint to you, don't expect more of them. Also when you do that, customers will do one of two things. They will either put it in writing and get very angry doing so; or, they will **not** put it in writing and will take their anger out in to the streets, and houses of their friends and families, and potentially do immeasurable damage to your business - damage which you cannot control for you won't even know it is going on.

On the other hand, if you honour a customer complaint and handle it well, the two things that happen are that:

1. you have control over the complaint and can fix the problem that caused it; and two,
2. your customer is liable to tell others about how well you managed it, build on their loyalty to you, and return as a regular customer, and tell others to come to you as well.

### **The Really Simple Way**

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There is an even simpler way to manage customer issues before they become complaints. That is:

1. stay close enough to your customers so that you can ask them questions and hear their answers; and,
2. develop a customer “bug list” and fix the bugs ( this means asking your customers what bugs them about your business - and then fixing up the “bugs”).

### **Conclusion**

Complaints must be encouraged; acted upon at first point of contact if possible by adequately trained and empowered staff; and, information from them used to error-proof processes by all involved in the processes and systems.

### **Readings**

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