

The logo for Roads Academy features a dark blue background on the left and a maroon background on the right, separated by a white wavy line. The word "Roads" is in white serif font on the blue background, and "Academy" is in white serif font on the maroon background. Below the main text, a dark blue trapezoidal shape on the left contains the tagline "DRIVING CHANGE IN THE ROADS INDUSTRY" in maroon sans-serif font.

# Roads

# Academy

**DRIVING CHANGE IN THE ROADS INDUSTRY**

# Service Excellence

## Masterclass 1

Professor Bob Johnston, Warwick Business School

# Objectives

1. To encourage you to assess, challenge and improve the service and services you deliver to your customers and partners
2. To help you develop better business relationships with customers and partners
3. To support your transformation activities, in particular developing a service/customer culture and changing the way the sector thinks, behaves and performs

# Approach

1. To ask some questions and provide some ideas, tools and frameworks that can help drive understanding and improvement
2. To expose you to approaches taken by other organisations
3. To provide the opportunity to share ideas and experiences and learn from other colleagues in the roads sector
4. To identify lessons, learning points and actions to help you reduce costs and deliver excellent service

# Structure

Importance of service

Customers and partners

Customer insight

Overcoming the barriers

Understanding the customer



Bob Johnston, WBS

Jane Phillips, Customer Champion Team Leader, HA

Satisfaction measurement and improvement

Stephen Tomlins, Risk Manager, Enterprise Rent a Car

Relationships with the supply network

Tony Gates, MD Roads Maintenance, Carillion

Barriers to improving service

Alex Perry, Operations Director Coach, National Express

# In Search of World-class

- ◎ Carlsberg
- ◎ IBM
- ◎ Jones Lang LaSalle
- ◎ KPMG
- ◎ Mott MacDonald
- ◎ Network Rail
- ◎ Siemens, Germany
- ◎ Skanska
- ◎ TNT International Express
- ◎ Fire and Rescue Service
- ◎ Natural History Museum
- ◎ NLB, Singapore
- ◎ MTR Hong Kong
- ◎ Oxfam
- ◎ Queensland Police, Australia
- ◎ Singapore Police
- ◎ Singapore Zoo
- ◎ States of Jersey Government
- ◎ Yorkshire Water
- ◎ Baros, Maldives
- ◎ Cathay Pacific
- ◎ Chatsworth
- ◎ First Direct
- ◎ Icehotel, Sweden
- ◎ Manchester United
- ◎ Nationwide
- ◎ RAC
- ◎ Singapore Airlines
- ◎ Taj Exotica, Mauritius
- ◎ Tesco
- ◎ Zane's Cycles, USA

# World-class Service

- ⦿ Lack of complacency
- ⦿ Understand the business case for service
- ⦿ Customer insight - value and focus
- ⦿ Effectiveness and efficiency through collaboration
- ⦿ Understand what excellent service is
- ⦿ Constant pressure coupled with innovation and positive mindset to do more for less

# Importance of Service



Why is it important for you/your organisation to provide good service and a good experience to your 'customers'?



# Importance of Service

“We try to develop and deliver excellent services that satisfy our tenants’ needs and aspirations while providing excellent value for money. I believe by working with tenants and other agencies and partners we will not only contribute to the regeneration of north Manchester, but also develop successful communities and help reduced crime, fear of crime and anti-social behaviour. Our levels of satisfaction are high and we have also made major efficiency savings.”

Robin Lawler, CEO Northwards Housing

# Importance of Service

HA objective – “to deliver high quality service to all our customers”

Highways Agency Framework Document 2009

Economic growth – “Economic infrastructure drives competitiveness and supports economic growth by increasing private and public sector productivity, reducing costs, diversifying means of production and creating jobs .... There are opportunities to deliver projects and investment programmes more efficiently.”

National Infrastructure Plan 2010, p 9 and 18

# Importance of Service

The aim of the Service Transformation Agreement (STA) is to change public services so they more often meet the needs of people and businesses, rather than the needs of government, and by doing so reduce the frustration and stress of accessing them. The result will be services that are better for the customer, better for the front line staff and better for the taxpayer ... It will also save money and create more satisfying jobs for public sector staff.

HM Treasury Pre Budget Report and Comprehensive Spending Review, October 2007

# The Internal Service Rule



The level of external customer service will never exceed the level of internal customer service.

*Short-term exception to the rule:*

When you have a bunch of dedicated but disillusioned employees who make great efforts to overcome the organisation's culture and circumvent the organisation's systems and procedures.

Johnston and Clark 2008

# Internal Service

Poor service is usually the result of the service not being designed correctly – most problems (70-90%) are recurrent and (inadvertently) built into internal service processes.

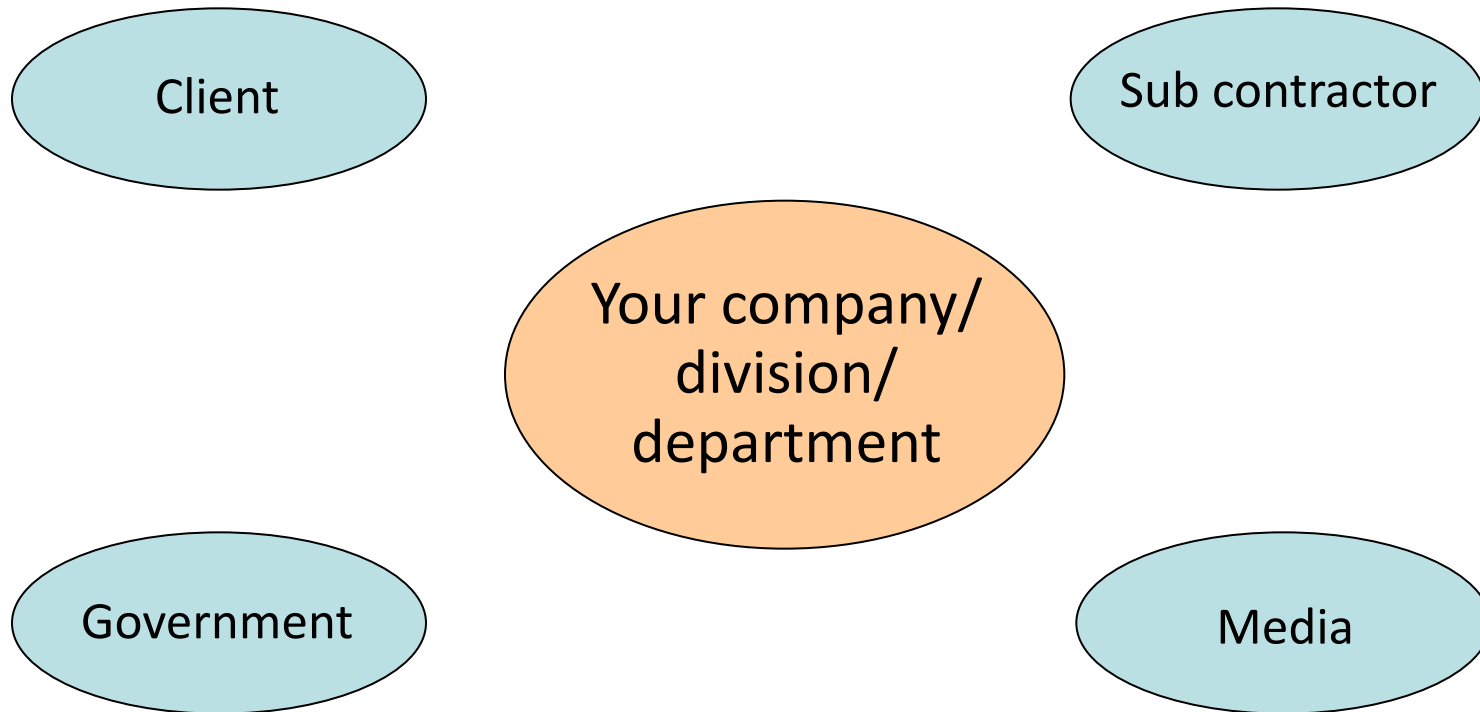
Edvardsson and Olson 1986, Crosby 1989

# Summary

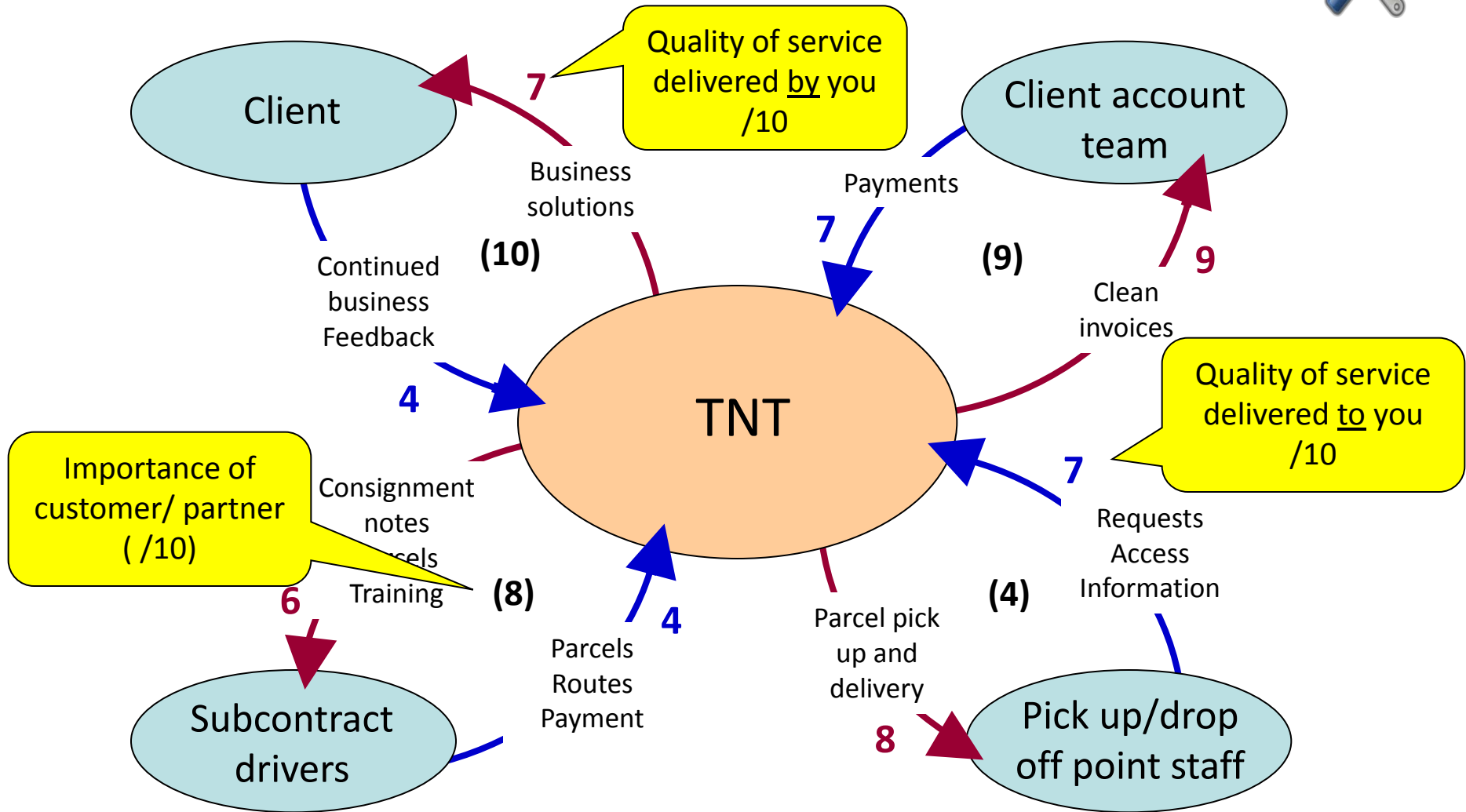
1. If employees don't know, or believe, why it should be provided there is limited chance of it happening.
2. Most employees understand the policy/sales/retention/word-of-mouth/safety imperatives but few mention 'pride' and 'job satisfaction'.
3. People (internal and external) need help understanding what a good service is and how to deliver it.
4. A better quality service leads to a better experience for both staff and customers, and reduced costs, so if you want to cut costs, don't cut costs, improve the service.
5. Leading-edge organisations understand how to make the business case for service.

# Customers and Partners

1. Who are some of your customers/partners to whom, or with whom, you deliver service?



# Stakeholder Network





# Customers and Partners

1. Who are some of your customers/partners to whom, or with whom, you deliver service?
2. What services flow between you and your customers/partners?
3. How good are the services that you deliver to those customers/partners? Mark them out of 10 (0=dreadful, 10=could not be better).
4. How good are the services they deliver to you? (0-10)
5. How important to you is each of those customers/partners (0=not at all important, 10=vital)?
6. Analyse, share and discuss your network and develop a list of key learning points.

# Service as a Collaborative Network

“Every organisation exists within its own ecosystem of cross-organisational relationships, which either add or subtract value from the organisation, depending on the skill with which it manages them.”

Lank 2006, p xii

“The nature of management work seems to comprise the resolution of problems arising from the lack of co-ordination rather than the planned and systematic pursuit of coordination.”

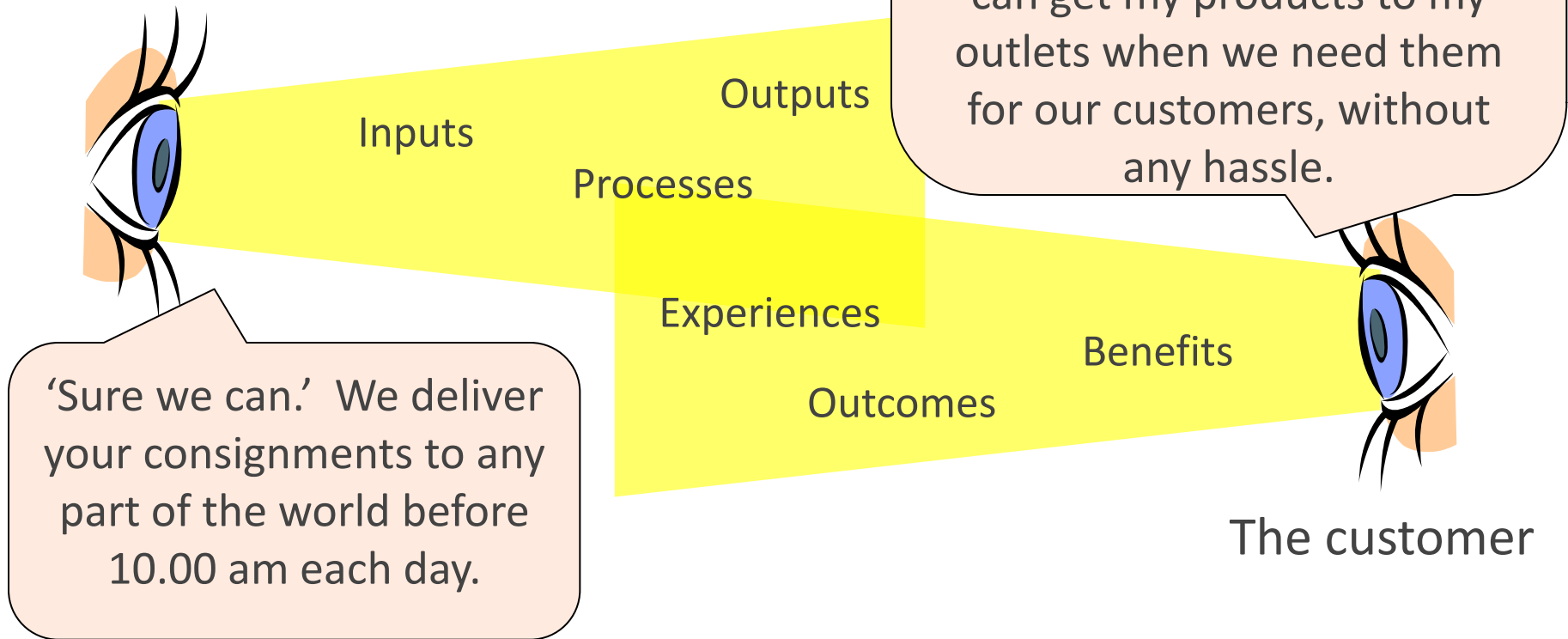
Carnall 2003, p 70

# Service as a Collaborative Network

1. Service is created and delivered through collaborative networks.
2. Excellent service is the result of good collaboration.
3. Collaboration is the result of:
  - Being able to see things from the customer's point of view
  - Understanding each others needs and expectations
  - Joint assessment of service delivery
  - Working together to overcome the issues getting in the way of good service

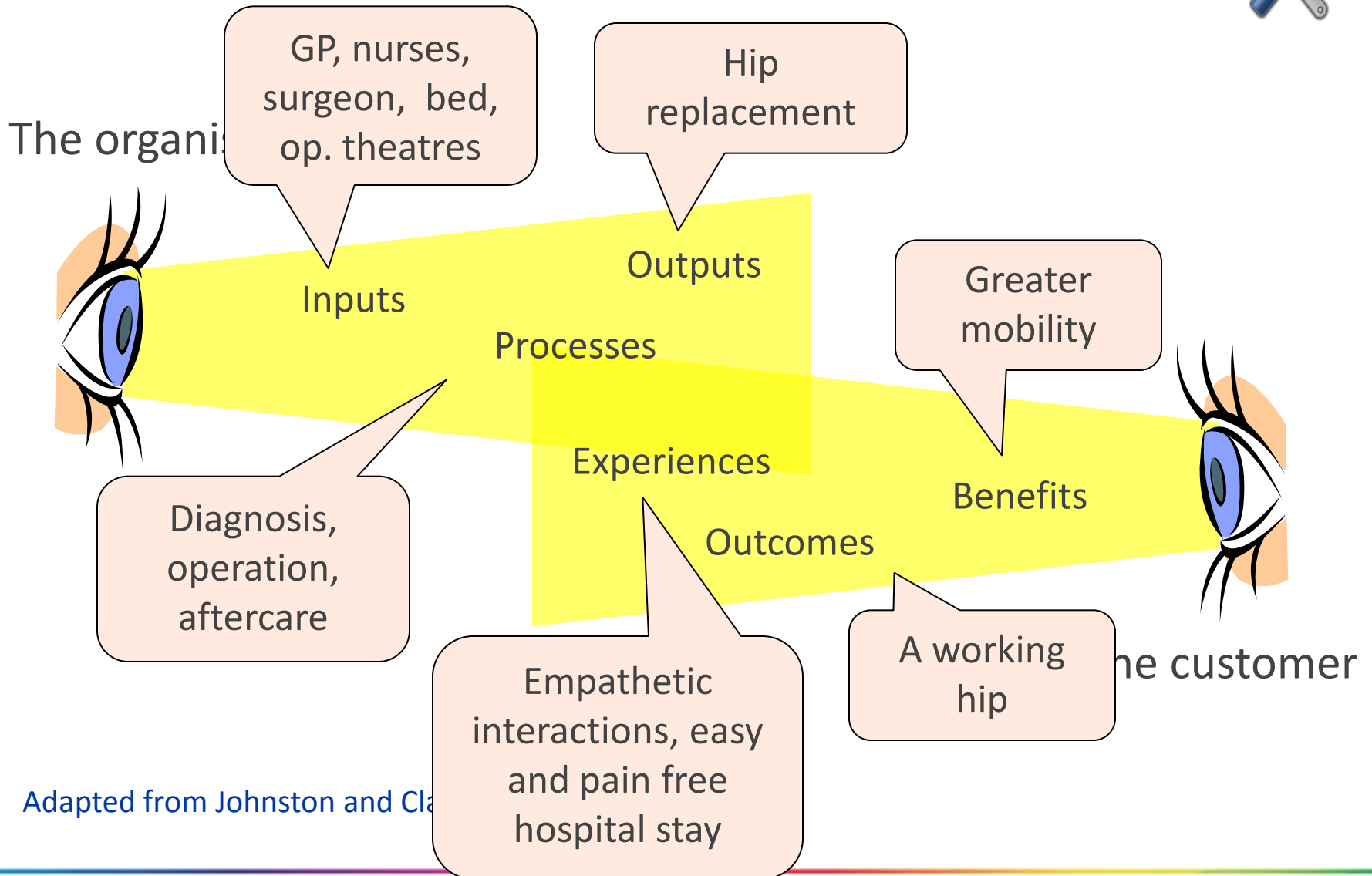
# Inside-out v. Outside-

The organisation



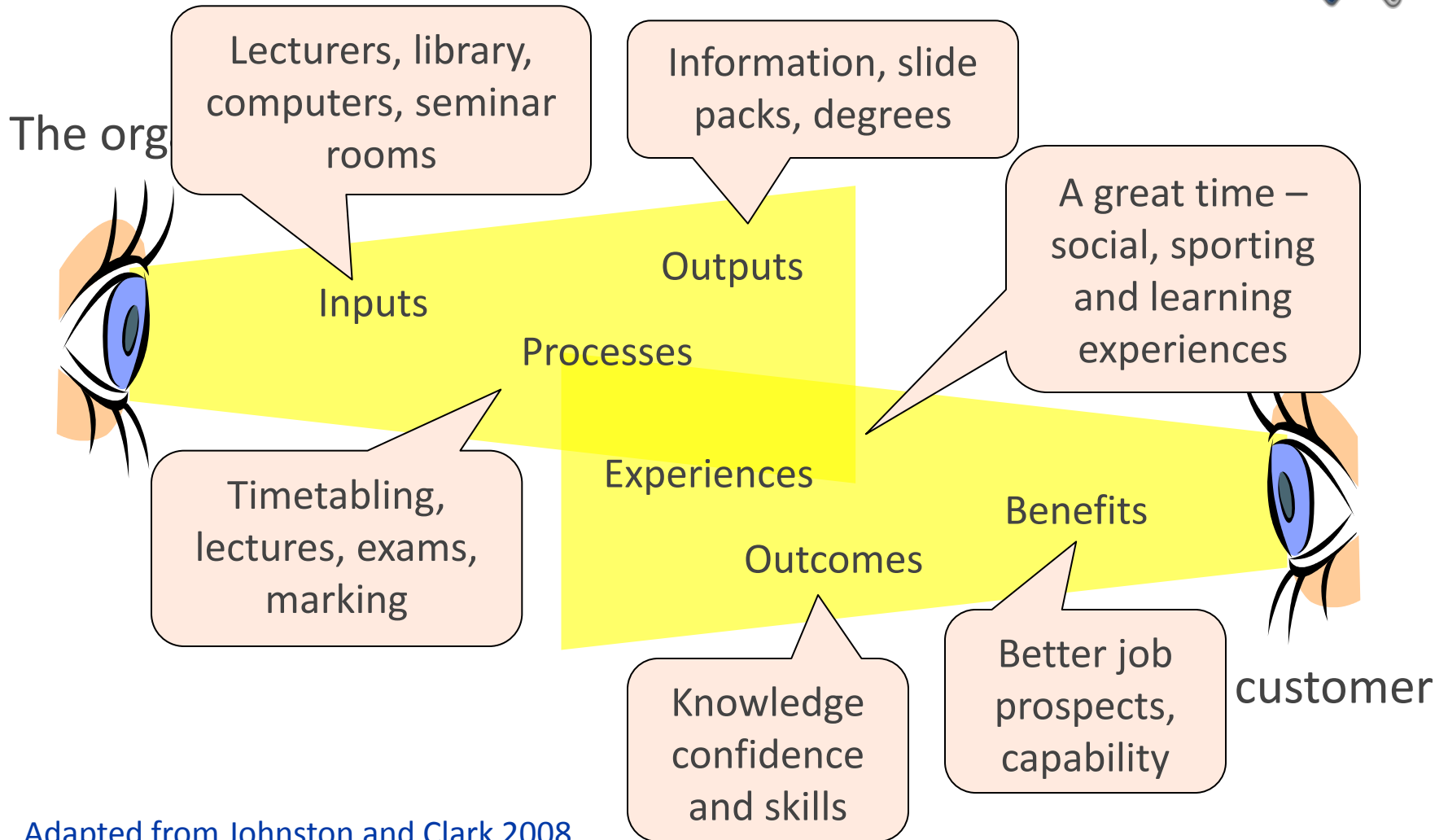
Adapted from Johnston and Clark 2008

# Inside-out v. Outside-in Lenses



Adapted from Johnston and Clark

# Inside-out v. Outside-in



Adapted from Johnston and Clark 2008

# Customer Expectations

What do your customers/partners mean by 'service'? What are their expectations?

Look at your stakeholder network and identify the factors that underpin the score for the 'level of service delivered' to/from your customers/partners – i.e. what were the criteria in your mind that led to your assessment?

# Critical Incident Technique



The analysis of customers' stories of excellent and poor service.

Usual critical incident questions:

1. Tell us about a time when you experienced poor service.
2. Tell us about a time when you experienced excellent service.



# Critical Incident Technique

1. Think of a time when a customer was very dissatisfied with the service s/he received. What went wrong? What made her/him dissatisfied?
2. Think of a time when a customer was delighted with the service. Why was this? What made the experience so satisfying?
3. Analyse the experiences.
4. What did you learn from this analysis?

# Traditional Approach

- ⦿ Error elimination
- ⦿ Focus on what goes wrong
- ⦿ Analysis of faults and foul-ups
- ⦿ Curing the fault
- ⦿ Moving on to the next problem

# Traditional Approach

“We are absolutely brilliant in a crisis. When things go wrong, we all pull together to make sure that we sort things out as quickly as we can. The problem is that we don’t seem to have the same commitment to service as usual.”

Mike Putman, CEO, Skanska UK

# Appreciative Approach



- ◎ Focus on the good times
- ◎ Enquire into the times when things go well ('exceptional arrival experiences' rather than 'lost baggage')
- ◎ Analyse the good experiences
- ◎ Find the root causes of success
- ◎ Learn from, and multiply, the good parts

Human systems move in the direction they inquire into.  
If we enquire into positive examples we'll move that way.

David Cooperrider

# Two Factor Theory



## Enhancing factors

(delights – leading to positive emotions)

- ⦿ Attentiveness
- ⦿ Helpfulness
- ⦿ Care
- ⦿ Friendliness
- ⦿ Commitment
- ⦿ Courtesy

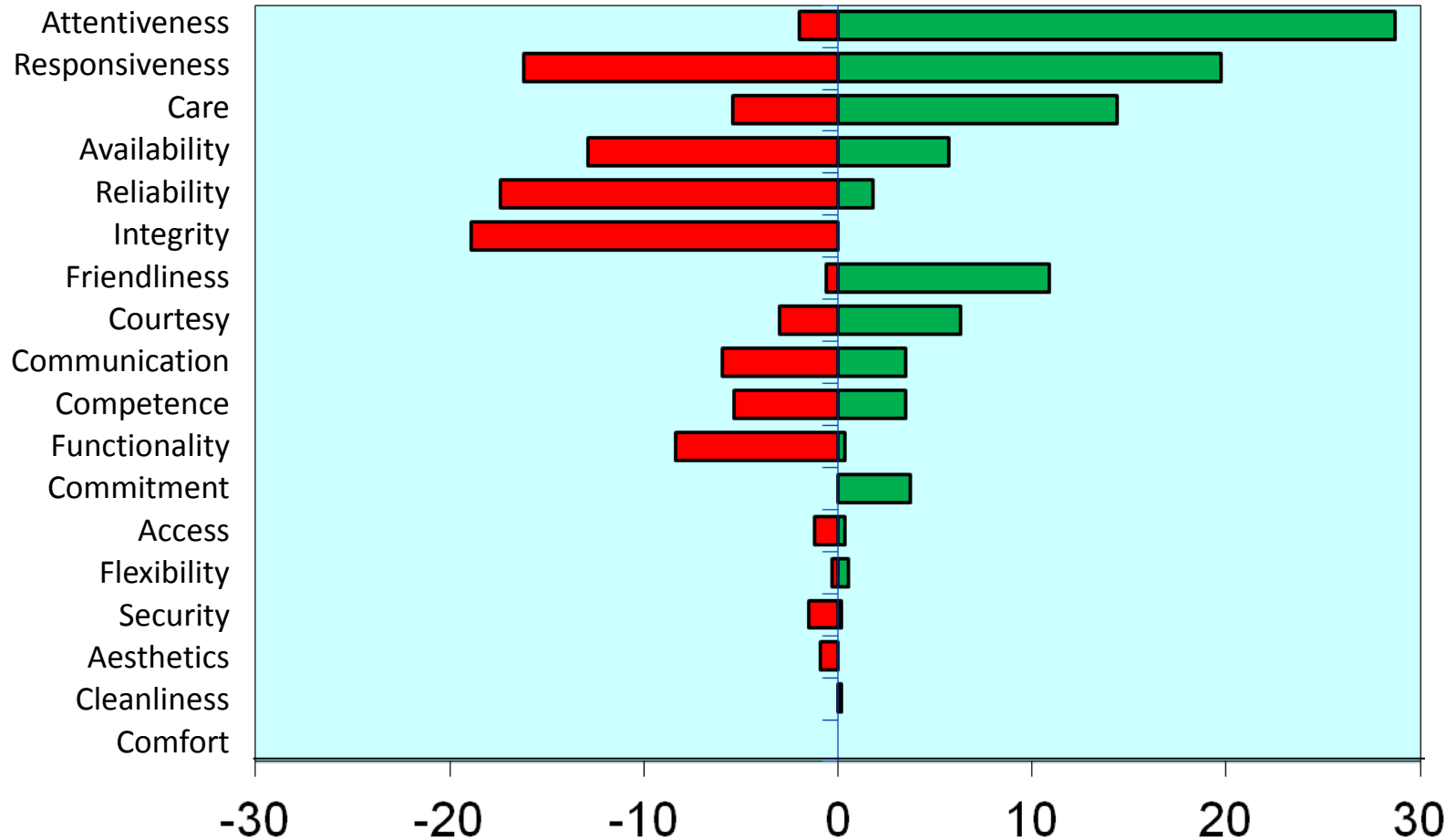
## Hygiene factors

(dissatisfiers – leading to negative emotions)

- ⦿ Integrity
- ⦿ Reliability
- ⦿ Availability
- ⦿ Functionality
- ⦿ Competence
- ⦿ Security

Johnston and Clark 2008

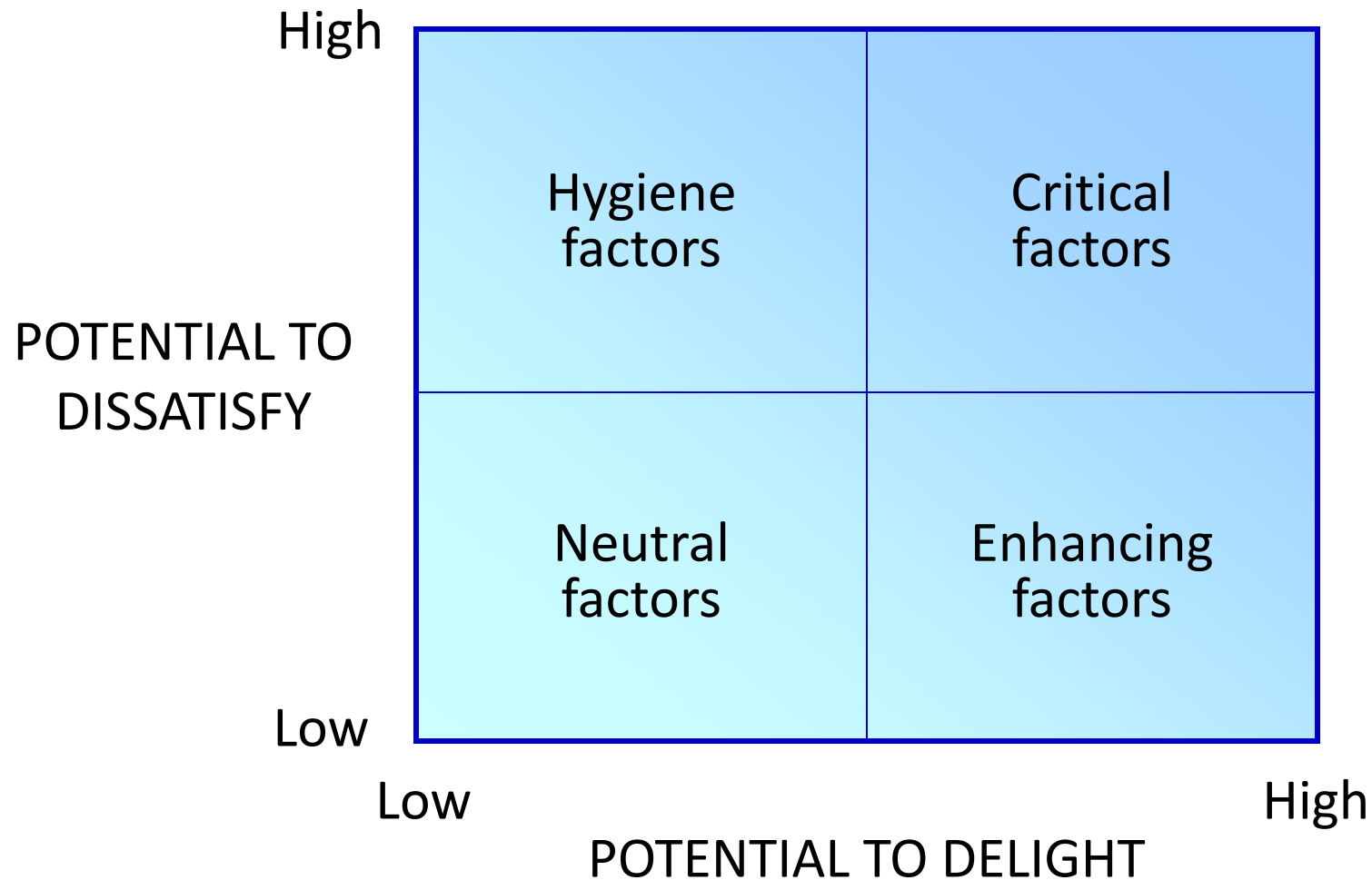
# Delight and Dissatisfaction



Johnston and Clark 2008

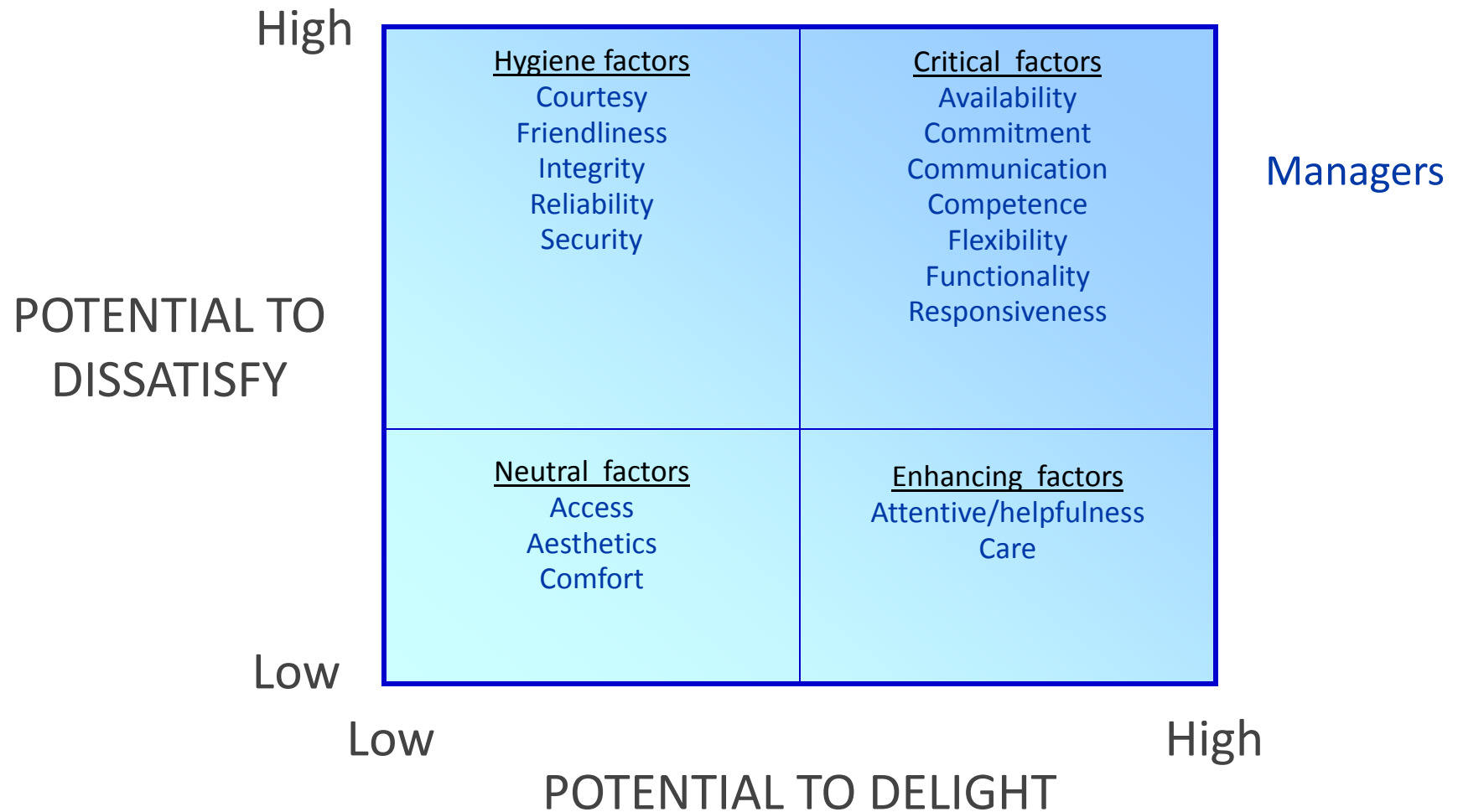
■ Delight ■ Dissatisfaction

# Types of Factors



Johnston and Clark 2008

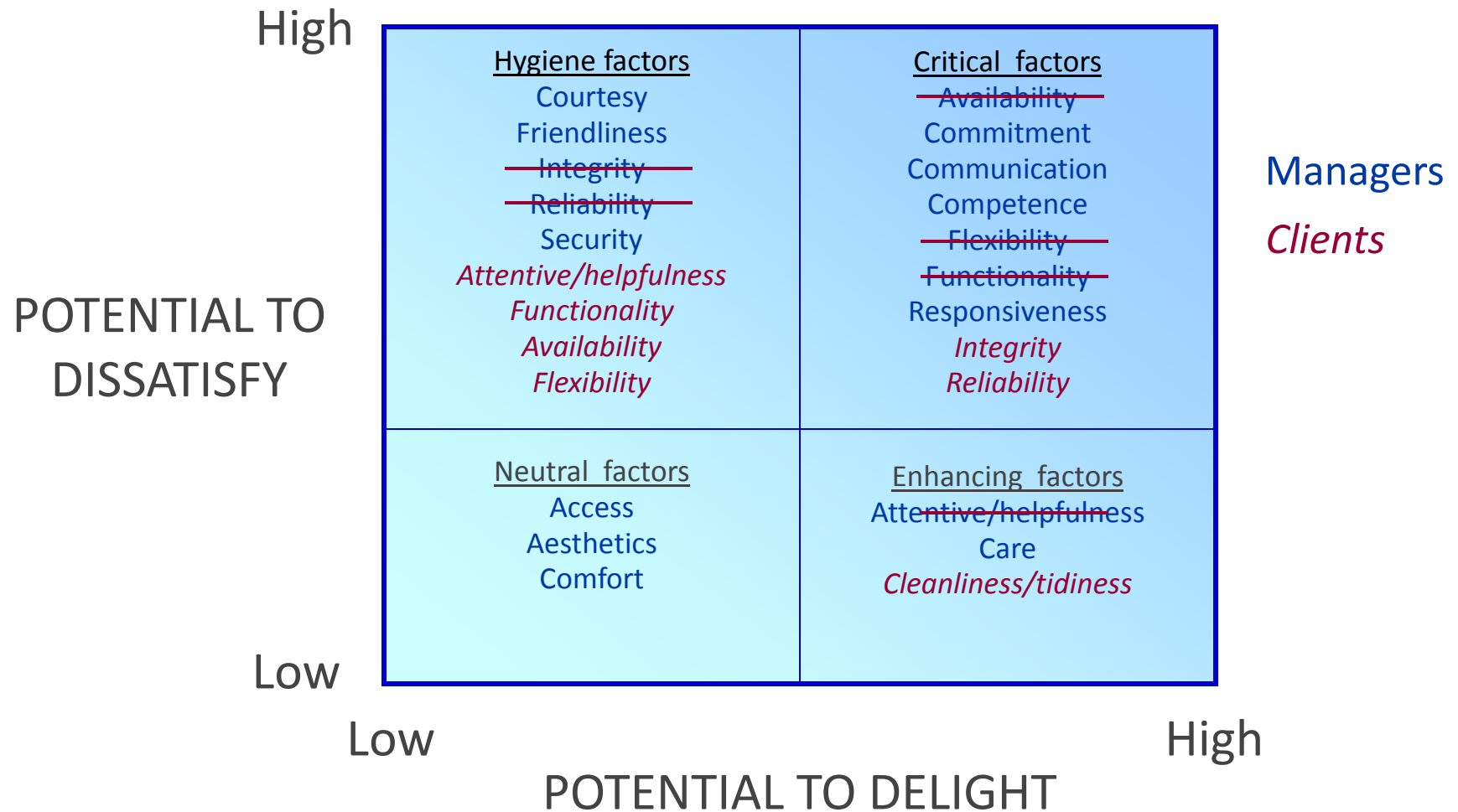
# Factors for a Consulting Firm



Johnston and Clark 2008



# Factors for a Consulting Firm



Johnston and Clark 2008

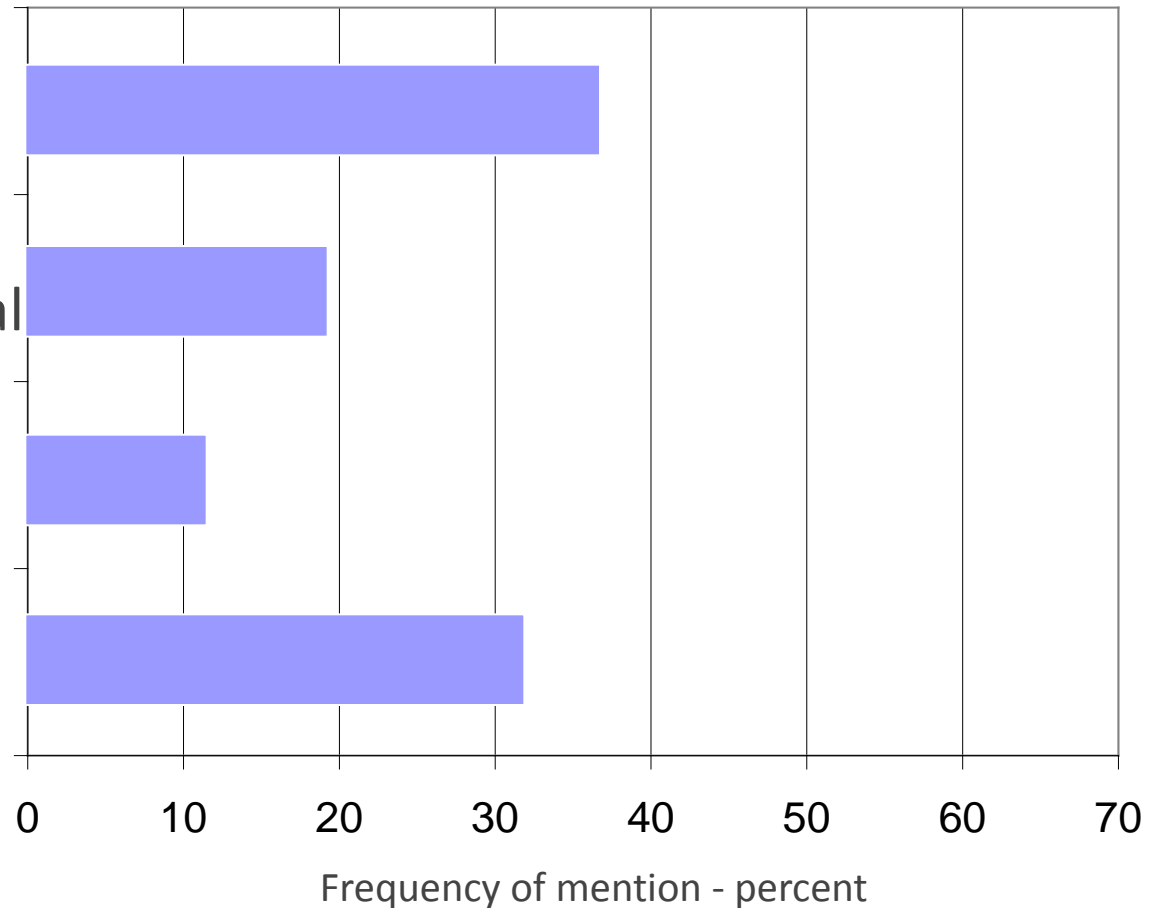
# Reputation for Service Excellence

1. Identify four or five organisations which have a reputation for delivering outstanding service.
2. Identify four or five organisations that have a reputation for poor service.
3. What is it that these organisations do to their customers that makes their service so good/bad?

# The Excellent

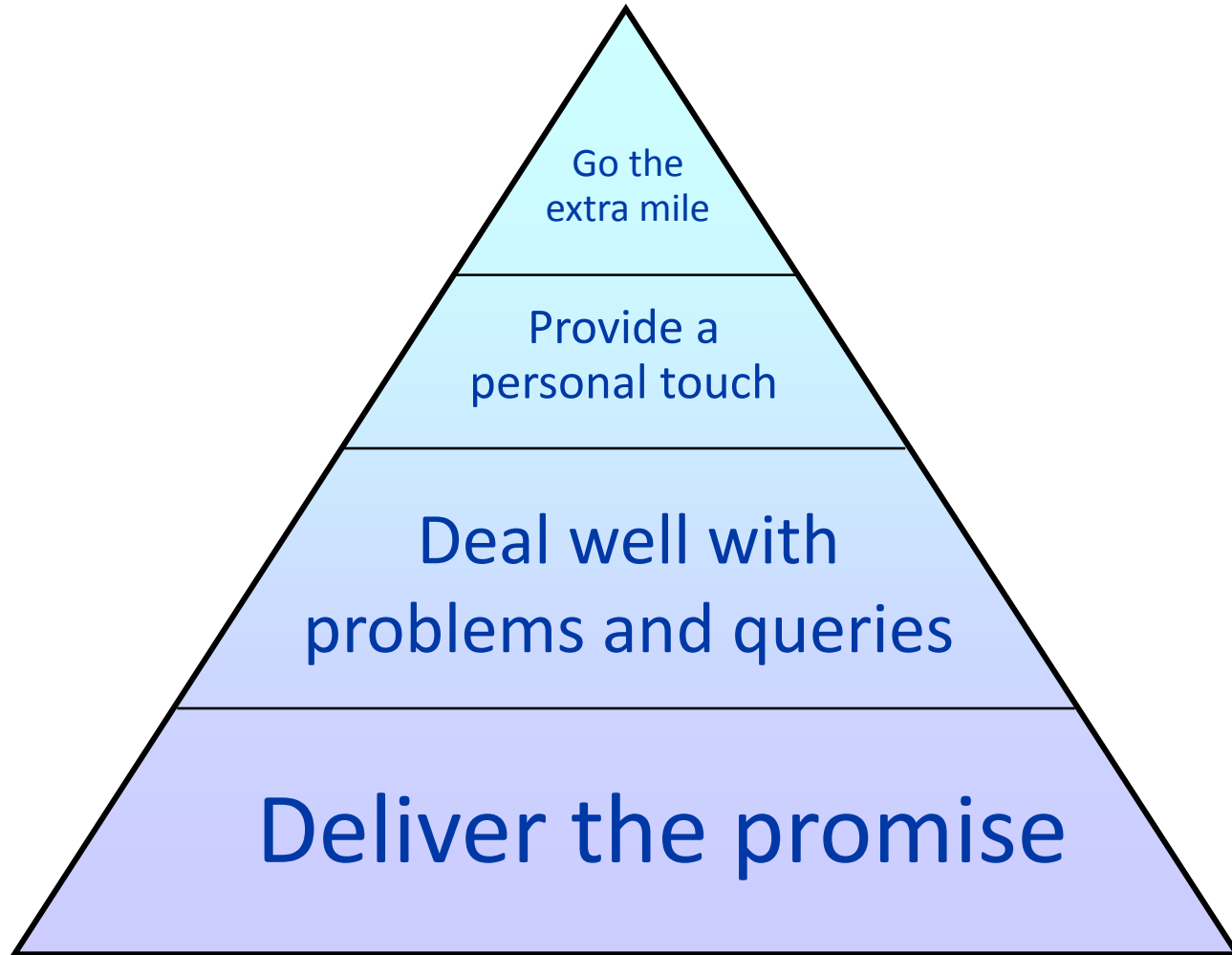


- They deliver the promise
- They make it personal
- They go the extra mile
- They deal well with problems/queries



Johnston 2004, updated 2010

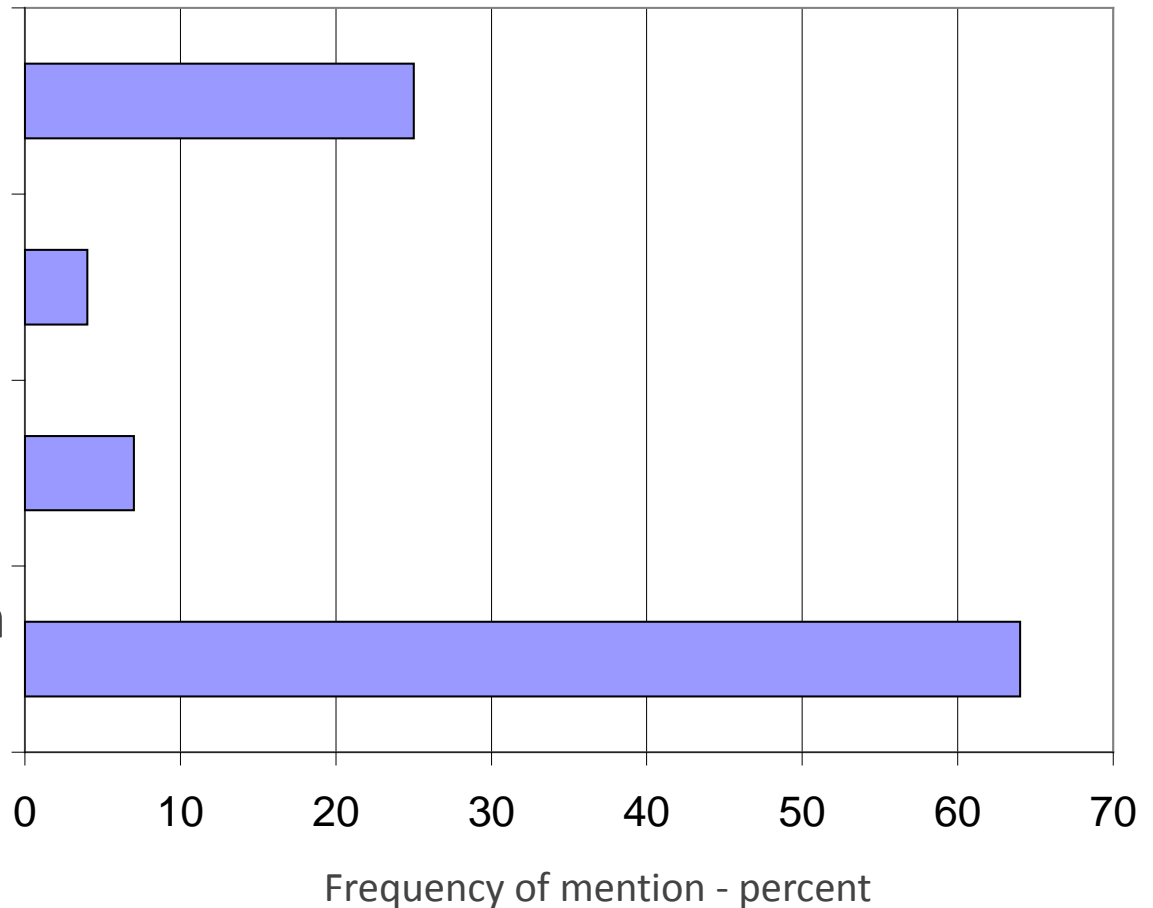
# Service Excellence Triangle



Johnston and Clark 2008

# The Poor

- They don't do what they said
- They are impersonal
- They don't make any effort
- They don't deal with the problems

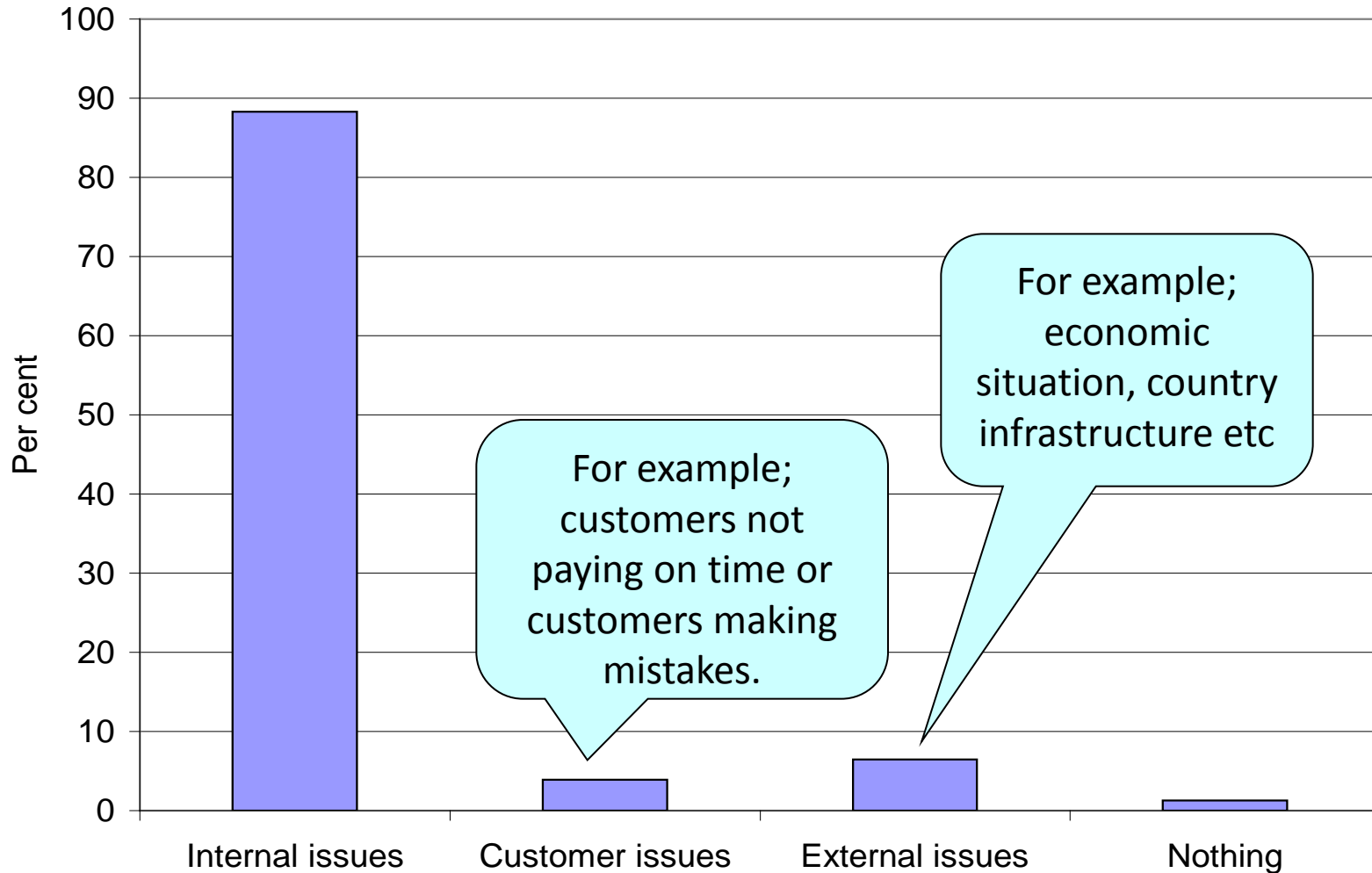


Johnston 2004

# Overcoming the Barriers

What are the things that are making it difficult for your staff, and you, to deliver (and even improve) a good (even excellent) service to your customers and partners?

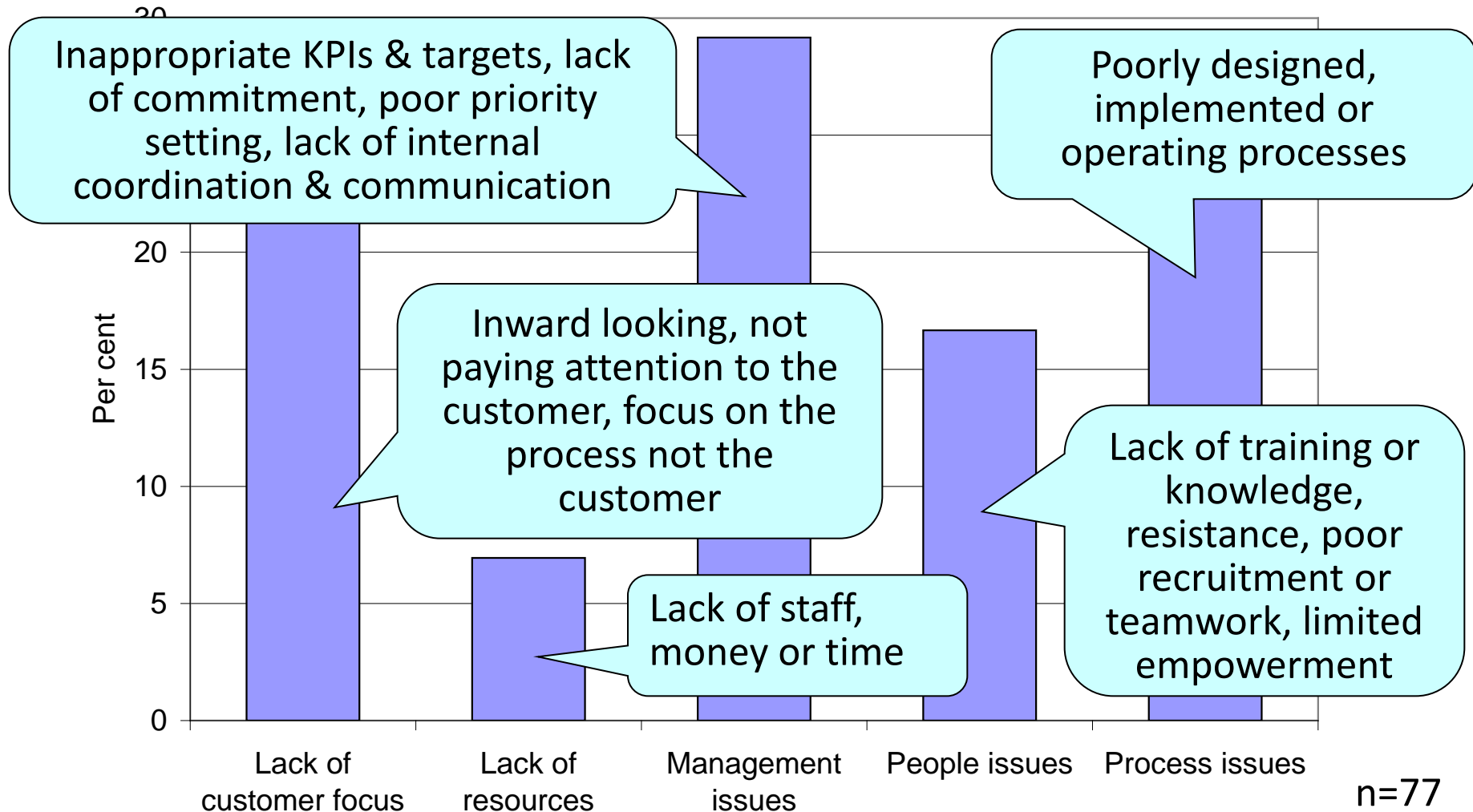
# Barriers to Improvement



n=77

Johnston 2008

# Barriers to Improvement



Johnston 2008



# Dealing with the Barriers



- ◎ Create groups of selected/volunteered members of staff
- ◎ Facilitated discussion
- ◎ Groups create lists of problems/issues
- ◎ Collect/integrate under themes (usually barriers)
- ◎ Visible list (e.g. white board or web site) with priorities, benefits, actions and progress against each
- ◎ Use short-term improvement groups to oversee action and report on progress
- ◎ Leadership and commitment for change
- ◎ Disseminate, recognise and celebrate change
- ◎ Repeat

# Other Good Questions to Ask

- ⦿ What's making it difficult for you to do your job well/ deliver good service to your internal/external customers?
- ⦿ What's going well? What are we good at?
- ⦿ What should we stop doing?
- ⦿ What should we do more of?
- ⦿ What should we do differently?
- ⦿ What ideas/practices/experiences/organisations could we learn from?

# Improving Service

A lot of money is wasted in organisations every year in the name of service improvement. From adding costly service features that are unimportant to customers to 'smile' campaigns. It is quite common for organisations to throw money away trying to create a better customer experience.

The answer?

Don't 'improve' it, remove the barriers to improvement.

# Service Improvement

Many managers think their role is to ensure their staff do their job.

I believe the role of managers is to ensure their staff *can* do their job.

One approach to transform services is to identify, then set about helping people deal with, the barriers.

# Conclusions

1. Excellent service (internal and external) has (and must have) a big impact on staff, customers and profit.
2. Leading edge organisations understand how to make the business case for service.
3. Excellent service is delivered through collaborative relationships.
4. Don't assume - really understand customer expectations and perceptions; know the hygiene and enhancing factors.
5. Developing a customer focus mindset requires an outside-in approach.
6. One good way of improving service is to identify and remove the barriers – the things that are preventing people delivering excellent service.

# Discussion Groups

- ◎ Relationships with the supply network  
Tony Gates, MD Roads Maintenance, Carillion
- ◎ Understanding the customer  
Jane Phillips, Customer Champion Team Leader, Highways Agency
- ◎ Satisfaction measurement and improvement  
Stephen Tomlins, Risk Manager, Enterprise Rent a Car
- ◎ Barriers to improving service  
Alex Perry, Operations Director Coach, National Express

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