



Summary of an Inquiry Report of the:
Policy Review & Performance Scrutiny Committee

Customer Leadership Inquiry Summary

May 2018



Cardiff Council

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FOREWORD

This report into Customer Leadership within the Council follows previous scrutiny work involving C2C, and committee visits to its offices, where we were able to witness the Council's customer service interface at close quarters. It also springs from anecdotal feedback which might be summarised as:

'There are pockets of customer service excellence within the authority, but it is not a core value which permeates the whole organisation. There is a need to share this best practice so that all our customer interactions match that high standard.'

We started with the widely recognised C2C customer experience. We were also pleased to recognise other services within the Council that had developed their customer leadership and changed, in fundamental ways, their working practices and attitudes at the customer interface.

The task group also felt it was important to evaluate the Council's customer service effectiveness against other organisations from the private and not-for-profit sectors.

In our meetings with Welsh Water, Admiral and British Gas it was reassuring for the task group to learn that some of our customer interfaces match those of highly regarded companies. We also learned a great deal about what it means and, importantly, what it takes to create an organisation-wide customer centric culture which is constantly reinforced from the top.

Our recommendations are not numerous, but if accepted they will be challenging. They will involve a culture shift, which will reverberate throughout the Council and demand new behaviours from our managers and staff.

However, the task group considers that the organisation is at a stage when such change will be welcomed and, indeed, will be essential as the Council moves into the digital age. The report coincides with the appointment of a Chief Digital Officer who we are recommending is tasked to drive the customer leadership agenda forward. We believe our recommendations dovetail closely with Cardiff's digital ambition.

I am grateful for the support of my task group colleagues Councillors Berman and Cunnah, and for the support of Nicola Newton, Principal Scrutiny Officer, whose essential contribution helped to keep everything on track.

Following the support of the Policy Review and Performance Scrutiny Committee for the report, I am pleased to recommend its findings and recommendations to the Cabinet.



David Walker

Councillor David Walker

Chair, Policy Review & Performance Scrutiny Committee

May 2018

TERMS OF REFERENCE

To explore opportunities for embedding customer culture and leadership across the Council by:

- Clearly defining the challenges, such as diverse services, multiple touch points, and a large number of staff.
- Reviewing existing best practice internally and externally
- Identifying mechanisms for improvement such as customer charter, customer “champions” across the Council, and corporate customer service training.

To examine Council policy (guidelines) for supporting the digitally disadvantaged (Digital inclusivity)

To make recommendations for improvements in Customer Leadership

APPROACH TAKEN

The Policy Review and Performance Scrutiny Committee Customer Leadership task group was charged by the full committee with delivering a report for its consideration. This report uses the evidence gathered by the task group to make key findings and recommendations to the Cabinet of the Council in respect of Customer Service Leadership. To achieve this the Committee's Principal Scrutiny Officer has worked closely with the Council's Customer Services Team to identify appropriate witnesses and taken a steer from all members of the task group. The task group received evidence from the following witnesses:

Internal Witnesses

Paul Orders Chief Executive;

Isabelle Bignall; Assistant Director Customer Services;

Matt Wakelam, Head of Infrastructure and Operations;

Rachel Bishop, Operational Manager, Customer Services;

Lowri Morris, Assistant Contact Centre Manager, C2C;

Mike Pope, Customer Service Trainer, Cardiff Council.

External Witnesses

Mike King, Head of Claims, Admiral Group;

Mike Mullins, British Gas;

Alun Shurmer, Director of Customer Strategy & Communications, Welsh Water;

Frances Ball, Business Development Manager, Institute of Customer Services.

The primary evidence from witnesses was supplemented by secondary desk-based internet research. Key messages from the research have been drawn to Members attention, and informed questioning during evidence gathering. The key findings and recommendations are the unanimous view of the task group.

KEY FINDINGS

Vision & Strategy

KF1 Customer service is about continuous improvement that places the customer at the centre of an organisations culture and ethos. Customer focussed organisations such as Welsh Water, British Gas and Admiral have in place vision statements that place the customer at its heart.

KF2 The Council delivers multiple, diverse services on a large scale. It has pockets of frontline customer engagement excellence; however, its internal customer management is not uniformly characterised by the same level of excellence.

KF3. Diverse service delivery requires a diversity of staff, and many roles are not traditionally customer centric. To develop a council-wide customer culture, the customer service expertise that exists within the Council's C2C service should be shared widely, both internally (back office) and frontline to improve customer focus and understanding.

KF4. The Council's strategic planning processes are well embedded and include the Corporate Plan, Directorate Delivery Plans, Team Plans, and Personal Reviews. There is a clear intention that all plans stem from or feed into the plan above or below respectively. However, for the Council to facilitate a culture of customer focus and leadership the combination of these plans must provide a framework and clear line of sight that has the customer at its centre.

KF5 The Council does not have a customer service charter, a customer vision or a customer strategy to which all services are committed.

Leadership

KF6 Effective customer service starts with a customer service vision emanating from the top of the organisation.

KF7 A step change in the profile and understanding of customer service is required across all management roles in the Council.

KF8 Responsibility for the new vision and leadership in customer service should sit with the Chief Executive. However, the new Chief Digital Officer senior appointment should hold council wide authority for Customer Service excellence in all Directorates. The role should ensure consistent Council wide adherence to customer service standards and, where necessary, recommend how services should be structured to achieve excellence in this area.

KF9 The Council could make better use of the customer expertise held within its C2C frontline service. Members consider there is potential for a comprehensive programme of customer-focussed projects led by C2C and sponsored by the Chief Executive. Such a programme could take a lead, for example, in developing customer strategy and standards, customer service training, good customer practice, and social media. C2C's services, experience and expertise could be made available to enhance customer service effectiveness in all Directorates. If it becomes evident that a service would benefit from C2C's customer expertise, resources may need to be put in place to facilitate the sharing of expertise.

KF10 A network of customer champions, such as the Cardiff Ambassadors network, should become the central focus for launching the customer service vision, the sharing of expertise, and reinforcing customer leadership in each service area.

KF11 Where it becomes evident that there are customer service management needs or shortcomings in service areas, a cohort of middle managers should be identified, who with the right support, advice and training will be tasked to raise customer service standards and change the culture.

KF12 It is essential for customer leadership training to focus on all levels of the organisation.

KF13 All service areas should be required to actively and positively take part in leading culture change

People

KF14 The inconsistency of customer service across the Council is an issue that would benefit from being addressed. Consequently, there are Council services that currently do not always handle customer enquiries in line with expected standards of customer service.

KF15 All service areas will have their own ethos and culture. Turning an organisation's culture into one of customer centricity results from multiple actions, not simply one initiative. It will require a change of culture involving all staff within each directorate.

KF16 Virtually all members of staff interact with customers, they may be internal to the organisation, external bodies, or residents in receipt of Council services.

KF17 The Council's values are brought to life through its people, who can be empowered to take on new challenges. The Cardiff Ambassadors programme, and Cardiff Managers training are good initiatives, which can be used for developing a customer service culture. There is an opportunity to refresh the Cardiff Ambassadors network and engage operational managers more closely in the Ambassadors programme.

KF18 The C2C service has a customer centric microclimate. There is an opportunity to expose other frontline Council services to this climate, share expertise, and secure on the job training. This can be done by inviting customer-facing staff into the C2C environment for a period of time.

KF19 All management teams should be accountable for good customer service. A hands-on management approach by operational managers can ensure that customers have a good experience when using council services. Consistent monitoring of the quality of these interactions should be part of the process of continuous improvement.

KF20 Managers at all levels have an opportunity to focus on the expected behaviours of a council employee detailed in the Council's Employee Charter during Personal Review conversations. Such conversations should assist the member of staff to consolidate their understanding of whether their customers are internal, external or both. These conversations should be consistent across the organisation.

KF21 Some managers may avoid challenging conversations with staff. Senior managers may also avoid challenging conversations with operational managers. At all levels, it is important that interactions between manager and employee are based on respect. Such challenging conversations will be essential in creating a customer-focussed culture.

KF22 It is important that high standards are applied when recruiting staff to customer facing positions. To achieve this may require directorates adopting C2C's policy of only recruiting staff who match the expected competencies.

KF23 The Council's corporate induction training would benefit from a review and refresh to include a strong customer service element.

Customer Expectations

KF24 Frontline customer service delivery lacks consistency in its application across directorates. Consistency of customer experience is important. Standardisation, alignment, and a consistent approach to customer service across teams and their leaders is essential.

KF25 Understanding who the customer is, and what they expect from the service the Council offers, whether internal or external customers, is critical to service design. All staff should understand who their customers are, their expectations, and whether their role delivers a back-office function serving internal customers, or a frontline function serving external customers.

KF26 Silos can affect the consistency of customer service across the Council. Where this is the case, barriers can be broken down by senior management action, to ensure customers are central to the service the team delivers and that staff become outwardly focussed.

KF27 Management training in customer care is transferable. The Council has been invited to experience Admiral's customer leadership approach first-hand, by spending time with the company or inviting key Admiral people into the Council to provide advice and support.

KF28 Customer focussed organisations such as British Gas and Welsh Water use Net Promoter Score (NPS) to evidence the effectiveness of their customer service. The customer is invited to score 1-10 following an interaction with the company and is then asked whether they would recommend the service. The Council does not operate such a feedback system and would benefit from exploring its potential benefits.

KF29 Welsh Water has a strategy to ensure the company's plans are increasingly customer-led whereby they actively involve the customer in the company's decision-making and business planning process. This approach requires an investment in customer research and customer engagement activity.

KF30 The Council would benefit from support and guidance in its customer leadership journey. The Institute of Customer Service (ICS) is the professional body that could support such a journey. ICS is nationally recognised for its work in helping organisations to move towards establishing a customer service ethos. It also helps by externally measuring and reporting on customer service performance standards.

KF31 To address customer service excellence the Council would benefit from

- Customer research and insight into how our customers perceive us.
- Benchmarking against other local authorities and against a wide range of customer focussed service providers.
- Accreditation such as that provided by ICS, including access to services to develop high performing individuals and teams.
- A major people development initiative to demonstrate commitment to and help make the vision a reality.
- Networking and Knowledge Sharing across sectors.

Policy & Processes

KF32 There is a broad range of customer demand in terms of levels of service. Ninety-five per cent of customers do not require personal interaction and will make full use of digitally based systems. It is however important that the Council offers a fallback position for those that would prefer a conversation or who lack digital hardware.

KF33 Digitalisation can lead to customer interface efficiencies but is not a panacea for achieving across the board high quality customer service. Senior managers are key to supporting service area interactions with the customer.

KF34 The Council can produce good performance information. This should improve as more robust customer service data is gathered through digitalisation, and agents have better information to hand. How the organisation uses data will be important. Digitalisation should enable greater insight, trend analysis and forward planning.

KF35 British Gas employs multi-skilled contact centre staff, trained to offer all services. The company aims to resolve 80% of requests for service first time. To achieve this the company holds customer data that enables 'data visioning', a mechanism that advises the agent on the best 'next step', to ensure the right information is provided to the customer, to avoid customer

queries escalating into requests for service. A data visioning approach brings ICT and the customer together behind the frontline and has the potential to drive out poor performance with better performance information informed by better digital data.

RECOMMENDATIONS

The task group has identified opportunities for placing the customer at the heart of Council service delivery. It will require raising the profile of customer service both politically and operationally. Members consider this step change is well within the organisations reach.

The Cabinet is recommended to:

R1 Evaluate then strengthen the customer focus of the Council's suite of strategic planning documents, introducing a clear customer-centric line of sight by developing:

- A new Customer Vision statement; *(KF1,4,5)*
- A Customer Charter that embraces customer service values and behaviours, such as the draft attached at *Appendix 1; (KF1,4,5)*
- A Customer Service Strategy to deliver customer focussed service both internally and externally. *(KF1,4,5)*

R2 Improve the Council's understanding of customer needs and expectations by involving the customer in business planning through customer research, engagement activity and use of customer insight data. Undertake a new Customer Service survey that provides a baseline as to the present consistency of the customer experience, service delivery and staff behaviours. *(KF29,31,32,34)*

R3. Embrace the requirement for clear leadership of the customer service vision by facilitating a step change in customer service awareness and understanding across all management roles, but specifically:

- Giving the Chief Digital Officer a mandate and full authority to ensure council-wide consistency of customer service standards. *(KF6,7,8,11,12,19,20,21)*

R4 Develop the culture, management accountability and customer training at all levels that will encourage consistency of service excellence by:

- Putting in place customer focussed training and development for all Council staff, frontline, back office, team leaders and managers to ensure staff behaviours reflect the Councils customer vision;*(KF11,12,13,14, 24, 25)*
- Introducing a new senior management focus on customer service council-wide, in-line with the customer service charter, recognising that it is senior managers who hold the key to service improvement by breaking down silos;*(KF2,13,15,19,26,33)*

- Encouraging individual employee commitment to customer service by introducing a customer focus to the Council's statement of employee values; (KF20)
- Ensuring each member of staff understands who their internal or external customers are. This can be re-enforced through the Personal Review conversation; (KF16,20,25)
- Introducing customer service as a standing item at team meetings (KF13)
- Refreshing the Ambassadors network to share the customer service vision of operational managers; (KF10,17)
- Refreshing the corporate induction process to embrace a customer focus; (KF23,25)
- Evaluating the Council's recruitment policies to ensure they re-enforce the emerging customer culture; (KF22)
- Making the customer expertise of the Council's C2C contact centre widely available to provide training for customer facing staff across the organisation; (KF3, 9,18,26)

R5 Explore the invitation to experience Admiral and Welsh Water's customer leadership approach first-hand, by spending time with the companies or inviting the company representatives into the Council. Secure opportunities for senior managers to spend time with these organisations to experience their customer service focus and culture. (KF27)

R6 Secure membership of the Institute of Customer Service as the professional body that could support the customer service development journey. The task group recommend *Trusted Advisory Network* membership as the Council has some of the building blocks for effective customer service in place but is facing a major set of challenges if it is to embed customer service throughout its operations. (KF30,31)

R7 Facilitate central monitoring and direction of the customer service experience and other data by:

- Introducing the Net Promoter Score system to benchmark progress in customer satisfaction. (KF28)
- Driving out poor performance with better performance information informed by robust digital customer data. (KF34)
- Exploring and introducing data visioning to support customer service delivery and to improve consistency of service. (KF34, 35)
- Using the impartial ICS monitoring and rating system to evaluate the Council's customer service performance. (KF30, 31)

COMMITTEE MEMBERSHIP



Councillor David Walker
Chair



Councillor Rodney Berman



Councillor Bernie Bowen Thomson



Councillor Joe Boyle



Councillor Stephen Cunnah



Councillor Owen Jones



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