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Papers

Customer management in public sector organisations

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Abstract

In this paper, we review the results of a recent pilot study of the extent to which public sector organisations (PSOs) are focused on understanding and managing stakeholders, citizens or customers. Our conclusion is that while at the tactical level there has been some progress, there is still a long way to go when it comes to focusing PSOs on this task strategically.

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Introduction

Across public services, whether centrally or locally delivered, many so-called ‘customer-focused’ initiatives have been introduced. Ministers and public officials have stressed the need to be ‘relentlessly customer focused’ by applying best practices drawn from public, private and voluntary sectors. Government is under pressure to design services to meet the needs of an increasingly diverse population, including the socially disadvantaged that are often so hard to reach. The need to be ‘citizen centric’ has become widely accepted in recent years, although some public organisations take refuge in long debates about who their customers are and whether they have the right channels to access them, directly or indirectly. The reputation of public bodies may be compromised if they offer services that customers do not recognise as being relevant to them, or ones they encounter difficulty in accessing. If managers of public services engage systematically in understanding the needs and behaviour of customers, the rewards will be felt by everyone — socially, democratically and economically. Stone *et al.*¹ argue that a comprehensive definition of consumer management and customer insight is essential in the public sector.

Aim of the study

The purpose of this study, carried out by WCL and Experian, is to investigate how far public sector organisations (PSOs) use customer insight to tailor service delivery and manage the ‘customer experience’ in the ways envisioned by Sir David Varney² and central government policy makers. This study used questions derived from WCL’s Public Sector Citizen Management Assessment Tool.

Keywords: public sector, customer, citizen, stakeholder, insight

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Limitations

This approach has produced some interesting insights about the implementation of customer management in PSOs. The sample is limited however, and the findings cannot be generalised to all PSOs in the UK. Further research is needed, and that is what we are planning to carry out.

Methodology

The research instrument was a self-completion questionnaire, which included 59 statements, open-ended questions concerning policy and practices, and questions on the demographics of the respondents. It was divided into the following sections:

- people and culture
- use of customer data to plan, drive and monitor services
- analysis and planning of services and contacts
- day-to-day customer management
- managing customer contact centres
- defining and delivering the customer experience.

A four-point Likert-type scale ranging from ‘strongly agree’ to ‘strongly disagree’ was used to record respondents’ opinion on each statement. The respondents were identified through snowball sampling. Accordingly, the first person was selected on the basis of familiarity with the subject area. After completing the survey, the respondent was asked if they would recommend a suitable public sector manager who would be interested in participating in the study. The online survey was sent to the managers of the PSOs. After two months of data collection, a total of 35 usable questionnaires were retained for analysis: 25 respondents were from local government authorities (LGAs), six were from non-departmental public bodies (NDPBs) and four were from central government departments (CGDs). For this analysis, ‘strongly agree’ and ‘agree’ categories are merged to identify the respondents’ support for the statements.

Results

People and culture

Table 1 shows how far consumer-oriented culture is embraced by PSOs. The responses are rank ordered according to positiveness of response.

Table 1 shows that there is a strong interest in customer management. A high proportion (80 per cent) felt comfortable using the word customer to describe citizens. Most respondents are likely to increase their investments in managing customers (91 per cent). This view is strongly supported across PSOs. The positive response may be because PSOs now understand the benefits of good customer management. More than 70 per cent of respondents stated that their senior officers feel that becoming more customer focused has reaped

The research method contained 59 statements about how public sector organisations manage customers

There is a strong interest in customer management

Table 1: People and culture

Statement	Agree (%)			
	All (n=35)	LGA (n=25)	NDPB (n=6)	CGD (n=4)
We are likely to invest more in improving the customer management in our area	91	88	100	100
Our political leaders feel comfortable using the word 'customer' to describe the citizens they serve	80	88	50	75
Our senior officers believe that becoming more customer focused has reaped rewards for customers and for our organisation	73	83	50	25
My organisation understands the implications of treating someone as a customer (eg their rules and rights, their and our obligations, their perceptions and behaviours, our attitudes and behaviours)	72	68	67	100
I think it is appropriate to look at the private sector for guidance in some areas of customer management	72	72	50	100
We have a business case to justify the amount we are spending on customer management	61	72	17	25
Agency officers feel comfortable using the word 'customer'	61	62	33	100
Our senior officers give clear and visible leadership in customer management, encouraging excellent levels of service, the delivery of an organisation-wide experience that customers want, and they are interested in numbers of complaints, enquiry types, etc	58	67	17	50
Our employees have objectives and targets around our customer objectives (eg around satisfaction or customer segment outcomes)	47	50	50	0
We have a clear strategy for the development of insight into our customers	47	45	50	50
We have a member in charge of customers	45	57	0	0
We have a common language (terminology) about 'customers' across the organisation	43	52	17	25

Over 50 per cent have a member responsible for customers

rewards for their customers and for their organisation. As a positive indication, over 50 per cent of LGAs reported that they had a member with responsibility for customers. This, however, does not seem to exist in other PSOs. While LGAs seem to have a business case for justifying the benefits of good customer management and their spending on customer management (72 per cent), the NDPBs (17 per cent) and CGDs (25 per cent) did not strongly support this view.

Despite apparent leadership in CM organisations remain silo'ed

The research suggests that although a customer-oriented culture has been introduced to PSOs, it has not yet been fully embraced across organisations. Leadership in establishing customer-oriented culture is critical in eliminating organisational barriers and overcoming organisational inertia in order to produce a customer-oriented culture (eg behaviours, attitudes, processes, use of systems, etc). On the positive side, 58 per cent of the respondents stated that their senior officers give clear and visible leadership around customer insight. Customer insight is, however, a relatively new concept for the NDPBs and CGDs. As can be seen from the respondents' opinion, there is little support for using a common terminology about 'customers' across these organisations (17 and 25 per cent, respectively). Interestingly, a

significant number of PSO managers (72 per cent) agreed that it is very relevant to use private sector organisations for examples of best practices in order to address the implementation of better customer management.

Use of customer data to plan, drive and monitor services

Table 2 summarises how far customer data are used to plan, derive and monitor services in PSOs.

Table 2 indicates that around 70 per cent of PSOs collect and store customer data. Fifty-seven per cent of the respondents agreed that the data are analysed for assessing the effectiveness of communication campaigns and service delivery. Although this is a good practice, the outcome of data analysis is descriptive and limited to a specific purpose. Furthermore, data and findings are usually kept within one PSO or in a specific department. The opportunity for understanding customer behaviour and developing better services by sharing the data seems to be missed. This lack of understanding about customer data management is supported by the respondents' agreement on specific statements. For example, PSOs very rarely use multivariate data analysis or data mining techniques to look for patterns, trends and clusters in customer data (16 per cent). Only 35 per cent of respondents stated that customer data are used for identifying trends in attitudes and behaviours of different customer segments and acting on them. It is rare to buy in third-party data to enhance in-house data or to use data to set target measures for key customer segments and groups (35 per cent).

Analysis and planning of services and contacts

Table 3 illustrates the implementations of analysis and planning of services and contacts in PSOs.

As can be seen from Table 3, 54 per cent of respondents supported the idea that PSOs have to carry out research into the future needs of customers for continuous improvements and for better customer management. The respondents, however, indicated that the regular application of benchmarking techniques and monitoring customers are not well established in PSOs (47 per cent). In particular, managers from NDPBs agreed that benchmarking methodologies are not used for the planning of services. Although there is evidence for customer involvement in the design of public services, this was supported by only 39 per cent of the respondents. Again, planning of life-stage strategies to manage citizens from the cradle to the grave seems to have rather weak support in LGAs (10 per cent) and NDPBs (17 per cent). CGDs claim much better practice in this area (50 per cent), but it is not clear how this is then delivered to citizens.

Day-to-day customer management

Table 4 shows the application of day-to-day customer management in PSOs. The table suggests that PSOs have relatively clear procedures for

There is a lack of understanding over how to manage customer data

Customers are widely involved in Service Design

Table 2: Use of customer data to plan, drive and monitor services

Statement	Agree (%)			
	All (n=35)	LGA (n=25)	NDPB (n=6)	CGD (n=4)
We have many sources of customer data (stored in databases, spreadsheets, on paper, PCs) across our department/authority/agency	73	80	17	100
We analyse communication campaigns to understand their impact against campaign objectives (eg response, service take-up, interest)	57	54	67	75
We analyse customer data to understand the performance of service delivery (eg take-up, continued use, satisfaction)	55	59	50	25
We have an agreed strategy for the deployment of insight about our customers (eg to improve our services to them and their take-up of our services)	49	56	33	25
We combine customer perception (attitude) with reality (behaviour, facts, figures) data in order to target interventions or communications (eg to locate areas where the fear of crime is greater than the actual level of crime)	37	33	50	25
We identify trends in attitudes and behaviours of different customer segments and act on them	35	29	50	50
We buy in third-party data to supplement our in-house data	35	26	50	75
We set and measure target outcomes for key customer segments or groups	33	33	33	25
We capture the customers' preferred method of contact onto our database (eg field, agencies, telephone, mail, e-mail, SMS, web/chat)	33	39	0	50
We maintain a database of customers and service use so we know, for instance, how many and which services each customer uses	32	41	0	0
We routinely collect and store customer data across the local agencies (eg LA, PCT, police — data types may be behavioural, satisfaction, transactional, complaints, etc)	27	22	17	100
We have one main customer database across the organisation	23	12	50	50
We have a consistent definition of customer types throughout the organisation (eg 'type' code(s) defining their likely needs, service requirements or engagement)	19	13	50	0
We use multivariate analysis or data mining techniques to analyse combined data and look for patterns, trends and clusters in the data	16	21	0	0
We use data (eg names) to identify language preferences in micro-neighbourhoods and tailor communications accordingly	10	9	17	0

Leaders clearly see improved complaints management as a way of improving service quality

dealing with customer complaints (84 per cent). As expected, many public sector employees are trained to look for signals of dissatisfaction (52 per cent), particularly in LGAs (59 per cent). Leaders clearly see improved complaints management as a way of improving the quality of service. Almost half of the respondents, however, said that there is a 'blame culture' for complaints. A blame culture tends to reduce the likelihood of capturing complaints and opportunity for improving services. Again, a systematic recording of the complaint data seems to be below the desired level for identifying service trends and bottlenecks in service operations (34 per cent).

Table 3: Analysis and planning of services and contacts

Statement	Agree (%)			
	All (n=35)	LGA (n=25)	NDPB (n=6)	CGD (n=4)
We research the future needs of customers so that we can evolve our services over time	54	56	67	25
We benchmark our organisation's performance (eg service take-up, satisfaction) against neighbouring or flagship authorities using comparisons of customer type	47	59	0	25
Customer feedback (about the desired experience) is monitored regularly (at least quarterly)	41	50	17	0
We involve customers extensively in the design of our services	39	41	33	25
We measure customer engagement rather than just satisfaction	28	33	17	0
We plan life-stage strategies to manage citizens from the cradle to the grave	16	10	17	50

Table 4: Day-to-day customer management

Statement	Agree (%)			
	All (n=35)	LGA (n=25)	NDPB (n=6)	CGD (n=4)
We have clear and effective escalation procedures for complaints	84	83	83	100
Our leaders see capturing complaints as an opportunity for service improvement	73	84	33	0
We have a 'no-blame' culture for complaints	61	58	67	75
We have a customer care centre to improve communications and service	64	68	50	0
We ensure same-day transfer of enquiry/information to the correct agency, recognising urgency	58	74	17	100
Our operators are trained to look for signals of dissatisfaction and capture the reason	52	59	17	0
We have full system-based telephone account management capabilities	41	48	17	0
We can allocate a team/individual 'lead' (ownership) for enquiries and anyone can see who this is	37	31	50	50
We collect and pool complaint data wherever it 'enters' the organisation so we can identify trends	34	39	17	0
We can ensure same-day transfer of enquiry/information to the correct agency through multiple channels (e-mail, telephone, fax, SMS, PDA) depending on the preferences of the agency concerned	32	37	17	0
We communicate with individuals via their preferred channel	29	30	17	50
Our system provides prompts to ensure that timely follow-up happens/feedback is received	27	38	0	0
We capture and store key enquiry qualification data to enable excellent enquiry management	20	26	0	0
Our customer database allows for outbound intervention or communication to be triggered based on dates set up in the system	13	17	0	0

There is little customer segmentation

A very small proportion of the respondents (38 per cent) in LGAs supported the idea that available systems ensure a timely follow-up when feedback is received. Interestingly, such systems are virtually

Table 5: Managing customer contact centres

Statement	Agree (%)			
	All (n=35)	LGA (n=25)	NDPB (n=6)	CGD (n=4)
The centre is primarily inbound	93	91	100	100
More than 75% of our customers say it is easy to contact the organisation (customers do not need to know how the organisation is structured)	50	54	33	0
The enquiry handler can link any enquiry back to the customer's contact history	30	39	0	0

Date-driven customer contact strategies are almost non-existent

non-existent in NDPBs and CGDs. Very few PSOs have customer databases (different from service databases) and even fewer segment their customer base in terms of attitude, behaviour and need. This is despite the fact that customer systems are often integral to customer management: increasing engagement, improving service design, and in capacity planning and forecasting. While many CGDs may not see the need to maintain end-customer data, they should at least be considering ‘customer style’ communication required for excellent stakeholder management, as WCL identified in its recent report for the *Public Management and Policy Association*.¹

Customer contact centres are primarily ‘inbound’ and reactive

Managing customer contact centres

Table 5 shows the management practices of customer contacts in PSOs. The table indicates that customer contact centres among all PSOs are mainly inbound, placing the initiative on customers to provide feedback. This is more pronounced in NDPBs and CGDs than in LGAs, showing a greater desire for communication. The results for LGAs indicate a stronger customer focus. They seem to be easier to contact and more likely to keep a customer’s contact history. Relationship building does not appear to be a priority with the majority of PSOs, especially CGDs.

Many local government associations are attempting to improve the customer experience

Defining and delivering the customer experience

Table 6 depicts the implementations of defining and delivering the customer experience in PSOs.

Table 6 indicates that, by and large, there are few guidelines among CGDs and NDPBs for delivering the customer experience. This contrasts directly with LGAs, where there are a number of guidelines to improve the customer experience. Overall, LGA delivery of a customer-oriented service seems to be more professional, with operators better trained and the organisation more aware of customer needs and choices. Although the survey suggests that some customer service training programmes exist in LGAs (54 per cent), most respondents agreed that a clear definition of customer experience or mapping of critical moments of truth for various groups of customers is lacking (16 per cent).

Table 6: Defining and delivering the customer experience

Statement	Agree (%)			
	All (n=35)	LGA (n=25)	NDPB (n=6)	CGD (n=4)
The customer experience we want to deliver has clearly defined aims for all delivery partners	59	74	33	0
Our professionals understand their role in delivering the customer experience	53	62	33	0
We have worked with groups of employees involved in customer contact (front or back office) so that they understand how they have to 'behave' to deliver the desired experience	48	52	50	0
We have a mandatory customer service training programme to support the delivery of the customer experience	41	54	0	0
We measure the customer experience of all types of our customers	37	50	0	0
We have identified the organisational barriers to achieving this experience	36	44	17	0
We have defined what we want customers to think, feel and say about us so that we can deliver against this and monitor progress	29	38	0	0
We have mapped the journeys a customer takes through each of these moments of truth	27	30	17	25
We have identified critical moments of truth (episodes that really impact customers) for various groups of customers	16	22	0	100

Great strides towards customer focus have been made

Barriers to becoming customer focused

The survey identifies some organisational barriers to being customer focused in the public sector, in particular

- lack of 'customer' expertise affects everything from leadership (a real understanding of what it means to be customer oriented) to data analytics (working with data to provide and embed real insight)
- working in professional silos prevents delivery of joined-up customer service and experience
- employee satisfaction is measured widely but, as with customer engagement, employee engagement and commitment are rarely measured
- lack of employee engagement and commitment is a problem, particularly when added to the common perception that managers cannot turn around poorly performing organisations
- few organisations have cascaded customer objectives into employee objectives, other than simple team-based satisfaction measures
- there are many examples of customer service training, but few of the definition of the desired customer experience (ie what you want the customer to think, feel and say at the end of this interaction or series of interactions).

One senior officer suggested that the combination of working in silos, weak frontline employee skills and leadership issues was the main

The combination of working in silos, weak frontline employee skills and leadership issues was the main barrier

barrier to implementing customer-oriented management:

‘Staff may not have the right skills and their organisation may be process-focused rather than outcome-focused. The information architecture needed to work across organisational silos may not be in place and there may be funding silos. There may be a lack of leadership and drive from the top of the organisation to become customer focused. The organisation may not be good enough at working in partnership with other organisations and sectors to meet customers’ expectations and allow them to realise their intentions’.

The need for implementing a customer-oriented strategy emerged from the comments of an LGA officer:

‘Firstly, behaviours and attitudes of the public sector employees and managers. We can do anything if we want to! We should all feel passionate about delivering excellent services to our customers and understand the implications if we do not. Secondly not having clear priorities that reflect the needs of customers to ensure we are doing the right things. Thirdly not having the right resources to do the job — people with right skills and expertise, recruitment and pay, training, systems that work, system development etc. Finally not having a seamless service provision with front office and back office processes aligned and robustly integrated’.

An LGA consultant stated that an external agency for efficient implementation of the customer-oriented strategy is needed:

‘We are an entirely customer facing organisation; we just have to raise awareness in the frontline staff about their responsibilities’

‘We are an entirely customer facing organisation. We just need to give a clear and constant message to staff about this and raise their awareness. We have just joined the Institute of Customer Service to help us progress this agenda and will be encouraging employees to work for one of their consultants’.

A starting point for better implementation of customer insight seems to be creating better awareness at all levels. A CGD senior advisor commented:

‘We are using customer insight tools to raise awareness in local authorities about good practice, but awareness is clearly a barrier’.

Conclusion

Overall, our survey shows that most PSO managers understand, at least conceptually, the importance of ‘customer management’ for delivering better services. Many worry that this will, however, greatly increase cost — they are not yet in tune with their private sector counterparts who understand that good customer management and increased efficiency can go hand in hand (eg better targeting of resources, reduced cost of failure, higher participation). Members and senior officers are beginning to encourage PSOs to become more customer oriented, but are not necessarily achieving greater participation in

PSOs appear to be 'product-orientated' rather than customer-orientated

making it happen. Development and implementation of customer management strategy, however, are rare.

There is clearly wide awareness of the ideas of customer insight in PSOs. This is a good sign that a customer-oriented culture is growing. A focus on 'customer experience' is clear from only around a quarter of the respondents, and therefore is not widespread. The good news is that the fundamentals of customer management tactics (people, process, channel management) are in place. In terms of maturity of customer management, LGAs lead the way. Based on our experience with private sector Customer Management Assessment Tool (CMAT) however, we believe that PSOs are 10–15 years behind the private sector in customer management. Most PSOs are in the early stages of professionalism in customer management, although there are some good examples of more advanced customer management approaches (eg Her Majesty's Revenue and Customs (HMRC), driver and vehicle licensing). Generally speaking, PSOs appear to be 'product-oriented' rather than 'customer-oriented'. The 'product-oriented' philosophy is characterised by organisations focusing on streamlining individual services and improving the efficiency of delivery of each service, with limited input from customers. There is little evidence of cooperation between PSOs in developing shared insight into their shared customers. Capturing customer data, detailed analyses of the customer data and proactive development of customer engagement either do not exist or are weak. PSOs, however, seem to be quickly adopting a customer-oriented philosophy; hence we believe it will not take long to catch up with the best practices in the private sector organisations.

The transformational challenges faced by product-oriented organisations include breaking down organisational silos, increasing customer and employee commitment, and developing customer support and measurement systems

In private sector organisations, moving from being product-oriented towards being customer-oriented requires evolution, not revolution. The transformational challenges faced by product-oriented organisations include breaking down organisational silos, increasing customer and employee commitment, and developing customer support and measurement systems. In our survey, respondents agreed that partners and employees are involved in delivering 'a great customer experience', but behaviours and attitudes of customers and employees are not fully integrated into developing and delivering customer-oriented services. For instance, there is little analysis of 'critical moments of truth', little 'customer journey' mapping. More common are 'process-oriented tactics' for service operations; hence customer needs are rarely fully met. A few leading PSOs carry out quite sophisticated analyses for understanding customers (eg spatial analysis, location of care centres, travel times). Sharing of customer data with other departments, analysis of different customer segments (eg satisfaction, perceptions) and integration of this information into service design and service operation management are, however, limited.

Improved use of customer data will help authorities understand customer needs, shape and deliver services, forecast service demand and monitor service delivery effectiveness. From an operations management perspective, capacity and competency planning is fundamental for good customer management. 'Bad' customer

management occurs when customers are forced to wait too long or are made to deal with someone who does not understand their problem and/or is not empowered to deal with the issue.

Our survey shows that PSOs do get feedback from customer groups, at least to some degree. There are many specific examples of consultations with customers to identify their future needs. For example, 39 per cent of the managers stated that they involve customers extensively in the service design process and 54 per cent use customer input to design future services, but 46 per cent do not. There are some good examples of customer data analysis using neighbourhood data profiles such as Experian's Mosaic code and deprivation indices. Customer satisfaction data are collected, at least on an annual basis, but the data are generally sliced, diced and purified into headline statistics, rather than used to understand customer service experience through more appropriate data analysis such as data mining and multivariate statistical analysis.

**e-service in PSOs
matches best practices
in the private sector**

Knowledge from channels such as contact centres or the web is rarely integrated into the day-to-day operation to support a totally customer-oriented philosophy. Customer insight can be greatly enhanced with behavioural or attitudinal profiling of customers, but customer analysis is carried out in less than 10 per cent of LGAs. There are few examples of a 'cross-authority' view of customer types or profiles, defining their needs or wants in a consistent way. Our concern is that 'customer insight' is being seen as a stand-alone industry (and a tactical one at that) rather than as a fundamental philosophy for the whole organisation. Although customer satisfaction is measured regularly, customer loyalty and employee commitment are rarely measured. Furthermore, 'event-based' satisfaction measures (eg post-event satisfaction) are limited. PSO managers clearly see complaints as a way of improving service, but almost half of the respondents stated there is still a 'blame culture' for complaints. A blame culture tends to reduce the likelihood of capturing complaints and therefore the opportunity of improving customer services.

**There is little evidence
that direct personal
communication with
citizens is used to
develop interests
in government or
engagement and
participation in local
issues**

In terms of channel management, e-service in PSOs matches best practices in the private sector. Efficient e-service channels can handle 'functional calls' with little human interaction. This frees up time to deal with more difficult calls, allowing the PSO to develop emotional engagement with the customer — if they have the competency (knowledge, attitude and skill) to do so. Applications of key account management and advanced case management are also apparent for complex and acute cases in the PSOs, such as children in care. The use of other more universal channels of outbound communication is, however, less widespread. For example, there is little evidence that direct personal communication with citizens is used to develop interests in government or engagement and participation in local issues. If the goal is to create loyalty and higher participation, this type of proactive communication is essential.

A fundamental building block of customer engagement is a consistent customer database, available to all relevant users, allowing

them to answer questions such as who, what, how much and when. There are real weaknesses in the PSOs regarding this issue. Some of these are listed below:

- having disparate databases: customer data are spread around departments, authorities, agencies and even individuals. One LGA estimated that it had 74 different databases of customer information
- little sharing of customer data across agencies
- no regular deduplication of personal data.

While service delivery is improving across the PSOs, there is a lack of a coherent communication strategy with citizens

While service delivery is improving across the PSOs, there is a lack of a coherent communication strategy with citizens. Campaign analysis is common, but of course only where campaigns exist. Most authorities carry out service delivery analysis, but on a service silo basis. Only a few PSOs have a service delivery database that is fully used to manage customers. There is little segmentation and there are few strategies on how to use customer types for better customer management. There are no 'date-based', 'transaction-based' or 'event-based' trigger mechanisms for consistent and regular customer contacts. Communications may be sent out from different departments but little attention is paid to the consistency of brand and quality of the message. This is likely to lead to a disappointing customer experience. There are few contact strategies (segment, message, media, timing and frequency) and few instances of personalisation of the message. More surprisingly though, there is not much recording (33 per cent) or use of 'preferred contact channel' (eg e-mail, mail, telephone, SMS). If these fundamentals are missed, a successful life-stage communication approach (eg for moving into or out of an area, birth, marriage and death) is difficult to achieve.

We know that a critical 'moment of truth' for all customers is that an organisation does what it says it will do, when it says it will do it. This is as true for day-to-day customer contact management as it is for service delivery. If someone is supposed to call back within 24 hours, they should call back within 24 hours! The enquiry management and follow-up process is critical in this, as these affect how well people are engaged (or not). Managers reported that 'direction of the customer enquiry to the right person or service' is pretty good. In most LGAs however, the contact centre has an uncomfortable relationship with expert departments and is not integrated into how the LGA operates. When enquiries are received, they are handled well at the first stage and many of the PSO managers (58 per cent) agree that they pass them on to the appropriate follow-up agency. There is, however, a tendency to pass on the enquiry but not manage the follow-up process. Monitoring of follow-up is less common (27 per cent), presumably unless the enquiry is complex or acute. Feedback codes, mechanisms and escalation processes are rarely apparent and little analysis of 'feedback cycles and quality' is carried out. Considering that many enquiries, other than simple requests, are followed up by third-party agencies and partners, this is an area that needs some investment. There

PSOs have made positive strides forward in the way they manage customers

is little evidence that enquiry qualification information is captured and stored to enable excellence in enquiry management. Contact centre analysis is generally focused on number of calls received, types of calls and call times. Managers implementing contact centre systems need to examine the role of such systems in creating the customer experience and their impact on dialogue, engagement and participation.

The challenge is to determine what kind of customer experience is needed by different types of customer in different situations, and which customer management models are best suited to helping PSOs achieve their objectives. There are many different 'models' of customer management, from key account management at one end of the 'customer intimacy' spectrum to the 'pile them high, sell them cheap' retail model at the other end. The principles of customer management can be applied to all PSOs, even though each PSO may need to develop a different model of customer management, depending for instance on the level of customer interaction, the types of service offered, the level of engagement likely and the nature of service operations. To determine the appropriate model(s) for a specific PSO, further analysis on how it works with customers to meet their needs is required. Each PSO will almost certainly need to adopt several such models to improve its customer management. Additionally, strong leadership and greater participation are required for successful implementation of customer management.

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