

Dealing with a Customer Incident

By BNET Editorial

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It's definitely a moment of tension: A customer is unhappy, perhaps irate, and is seeking both attention and satisfaction. Or perhaps he's suffered a major setback—a storm or fire, for example—and is looking to you to rescue his business. If a company employee tries to brush off the customer (or, worse, ignore him), the situation will become a bigger problem when he vows never to do business with you again and threatens to tell everyone he knows about his poor treatment.

Even the most professional service companies will inevitably face a problem with a customer that, if left unresolved, may lead to a loss of business.

Having in place a process to respond quickly and effectively to a customer problem enables a company to deliver the highest standards of customer care at a time when the customer most needs it. Such a process is called “incident management,” and many software vendors offer programs designed *just* to track incidents. But having a process for dealing with customer problems does not require special technology; the principles of responding to a customer incident can be applied to any business. It may sound like a cliché, but more often than not, there are valuable lessons to be learned from customers who bring you issues to resolve. As you check your customer incident process, or invent one, here are three important questions to consider:

- Is there a business-wide appreciation of the importance of helping customers with problems?
- Do you have a process that designates one person (a personal incident manager), trained in customer service skills, to deal with a customer throughout an incident?
- More than that, is there an incident management program that assures that your business can provide the right level of customer care?

What You Need to Know

Should we offer incident management as part our service?

Much depends on the type of service that your company offers. The more critical your service or product is to the customer's business—telecommunications or computing, for example—having a fast and effective incident management process is critical. Disruption of those services could damage the customer's business. Yet, any concern of a customer should be your concern unless you *know* that the issue being raised is peculiar or bogus.

Why is it necessary to have a personal incident manager?

When everyone is in charge, no one is. During an incident, effective coordination of support services and regular communication with the customer are essential. Nothing is more irritating to a customer than confusion or chaos. By appointing a single person to take responsibility for coordination and communication, you can guarantee continuity and reassure the customer by giving them a single point of contact. You also minimize the chance that the customer will be confused or disappointed in how your business responded to his concerns. It might also be prudent to consider the value of having some type of central database to track the status of resolving customer incidents.

Can we plan for future incidents?

While you can't predict with precision the time and nature of customer incidents, the more you track customer concerns as part of your overall Customer Relationship Management (CRM) process, the more you will see patterns evolve. The higher the frequency of a particular type of customer incident, the more predictable it is. This is useful in two ways: First, you can try to manage your business so that such incidents are treated rapidly, routinely, and effectively. Ultimately, however, the greater value in such tracking/predicting may be the chance to rethink your business operations to eliminate such concerns as much as possible in the future.

What to Do

Deal with Customer Incidents

Customers who know that their problems will be taken care of are more likely to be fully satisfied with the overall customer service of a company. Quality experts have found that a key factor in delivering time-guaranteed services is the ability to reassure customers that help is on the way. Customers are more prepared to wait for help or support if they know their concern is being managed, even if there is a long gap between reporting the incident and having it resolved. Other research has shown that customers whose complaints are satisfactorily dealt with are likely to be more loyal than those who had no complaint in the first place. Building customer loyalty is perhaps the number one reason to be attuned to customer incidents.

Identify Opportunities for Incident Management

Christopher Meyer and Andre Schwager recently wrote about "Understanding Customer Experience," which focused on the importance of managers understanding how it feels to do business with a

company, from the customers' point of view. The authors report on a Bain & Company survey of 362 companies: "Only 8% of... [their customers] described their experience as 'superior,' yet 80% of the companies surveyed believe that the experience they have been providing is indeed superior." This bolsters the case for focusing on customer service by coming up with an effective incident management process. A number of scenarios can be used to identify situations where support like this could be valuable.

- Your customer could suffer a great deal of inconvenience and stress as a result of the incident. How your company reduces the stress and inconvenience helps to demonstrate high levels of care and increase customer satisfaction.
- The incident could threaten the efficiency of your customer's business, thus measures must be taken to limit the damage. How your company shares the concerns of your customer could open new prospects for a stronger relationship.
- Your customer might not have the skills and resources to resolve the problems on the spot and is thus dependent on external forms of support. This is a major opportunity for your company.
- Your customer has paid for a support package and has agreed to a certain level of response, thus your company must regularly audit whether such promised service is being delivered.
- Your organization's speed of response to a customer incident will be seen as a competitive differentiation, thus your management of such incidents could become a competitive edge.

Set Objectives for Incident Management

In developing a response and support strategy, you should set a wide range of business objectives:

- to provide the highest levels of quality response and customer support throughout an incident
- to minimize inconvenience for the customer
- to make sure that incidents are resolved promptly within agreed time scales
- to make sure that support resources are deployed effectively to maximize customer satisfaction

Appoint a Personal Incident Manager

The role of the personal incident manager is to take responsibility for the provision of appropriate services and to reassure the customer that help and support are on the way. In the smaller company, this may be a senior manager, even the managing director, but whoever takes the role must have the authority to take appropriate action. The personal incident manager:

- takes the incoming calls from the customer, establishes the location, and identifies the form of support needed

- provides individual guidance to the customer on action to be taken with an indication of support provided
- deals with the customer's immediate queries
- makes detailed arrangements to put support services into operation
- monitors the progress of support services and keeps the customer up to date if possible

Create the Infrastructure for Incident Management

The program has two main elements:

1. the infrastructure to deliver responsive service
2. the personal skills to provide the right level of customer care.

The infrastructure requires a significant investment to make sure that the service can be delivered rapidly and efficiently throughout the country. Depending on the complexity of the project, it might include:

- communications to provide a rapid response to customer questions and to put the service into operation
- a trained support team to deliver the service
- quality-controlled suppliers to support the direct response team
- a control center to manage the operations and coordinate the response
- a network of contacts and suppliers to provide the specialist services that form part of the response.

Build the Right Skills

Skilled staff members are essential to the effective delivery of high-quality customer service, especially in the event of a major incident. Plan now to build:

- incident management skills, to deal with customers who may be in stressful situations
- project management skills, to coordinate and implement a response
- technical skills, to deliver any specialized service
- communications skills, to coordinate the elements of the program

What to Avoid

You Fail to Communicate Effectively with the Customer

You cannot over-communicate with a customer during a critical incident. Research shows that customers who receive regular progress updates feel reassured that they are getting the right level of support. Anxiety levels are high during an incident, but regular communication helps customers to deal with the incident and contributes to overall customer satisfaction.

You Don't Have an Escalation Procedure in Place

A company should have a formal escalation procedure for dealing with customer incidents. If lower-level support staff cannot resolve an incident within an agreed time scale, the incident should be reported to a more senior manager, who could then commit more resources. If there is no escalation procedure, your company's response to the incident can bog down and damage customer relationships.

Where to Learn More

Books:

Glanz, Barbara. Care Packages for Your Customers. McGraw-Hill, 2007.

Strauss, Bernd and Wolfgang Seidel. Complaint Management: The Heart of CRM. South-Western Educational Publishing, 2005.

Web Sites:

Better Business Bureau: www.bbb.org

Customer Management Tips:

http://management.about.com/cs/generalmanagement/a/mgttips03_2.htm

"Understanding Customer Experience": by Andre Schwager, Harvard Business Online:

<http://harvardbusinessonline.hbsp.harvard.edu/hbrsa/en/issue/0702/article/R0702G.jhtml>

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