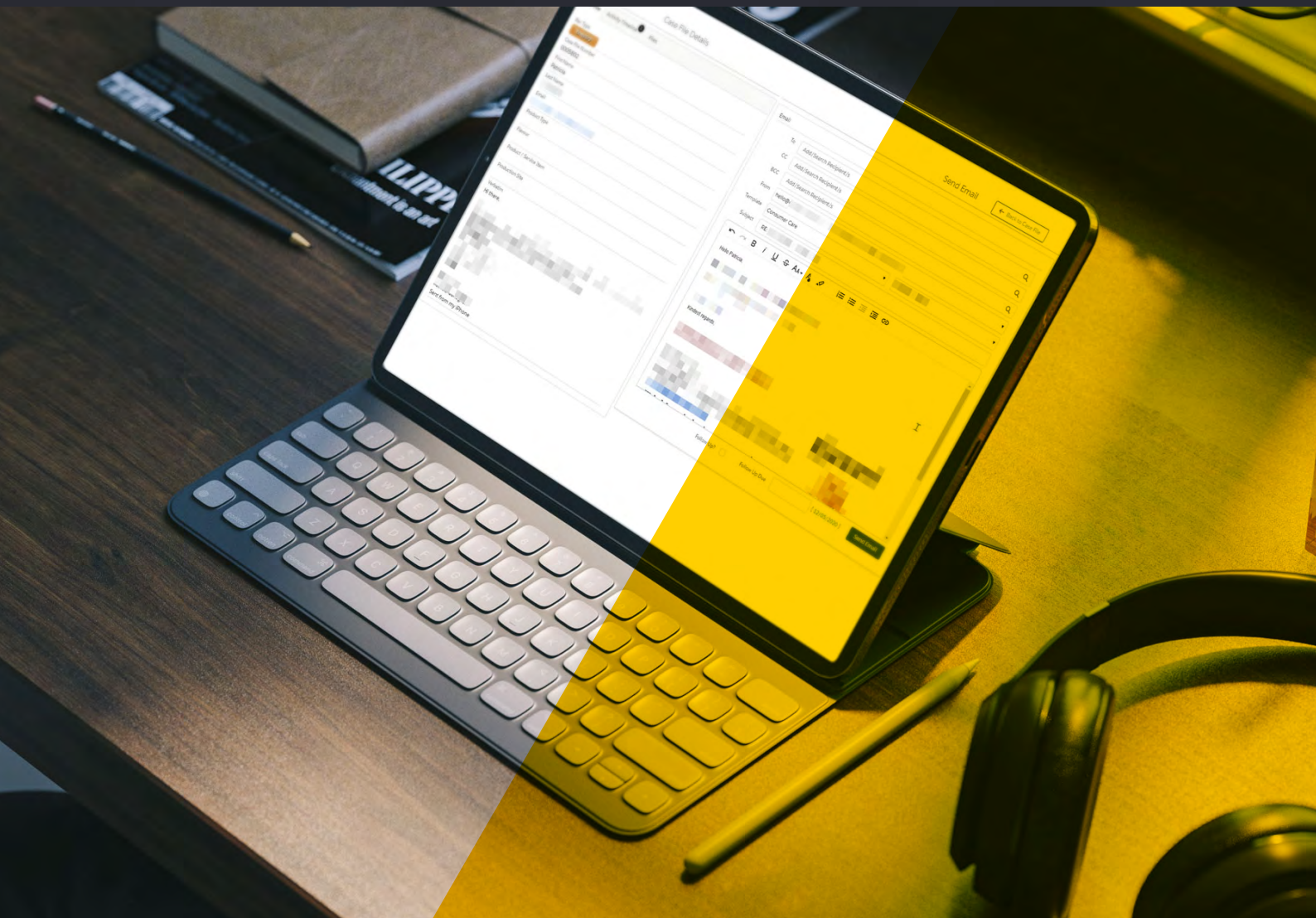


# 9 Costly Mistakes in Complaints Handling





# Introduction

**Complaints handling is an essential part of every customer-focused business. Not only does it allow your clients to give you valuable insight about their experiences, but it also provides for a platform to identify and fix the root cause of product and service failures.**

Unfortunately, many complaints handling systems are outdated and inefficient. In fact, there are several issues that are consistent across complaints departments, many of which can be easily solved. Much like a horse and cart in the hustle and bustle of the world today, an antiquated system is too slow and inept to deal with mass customers effectively.

Other systems are more efficient; we've equated them to the modern Toyota of today. Sure it's reliable and has got great fuel economy, but is it really your dream car? Definitely not.

Upping your complaints handling strategy requires system focus and processing changes, yet your effort will be rewarded in terms of:

- Efficiency;
- Identification of more improvement opportunities;
- Finding and fixing root causes sooner;
- Gaining deeper insight into what your customers are thinking; and
- Experiencing improved customer satisfaction

In this eBook, we'll explain exactly how you can turn your horse-and-cart complaints handling system into your long-awaited Ferrari. Check out our list of ***nine costly mistakes of ineffective complaints handling***, and see if a couple of them ring a bell. You'll be one step closer to riding in style.

# Horse-and-Cart Era

If you're still at the sticky note, pen and paper stage or if you are using Microsoft Excel or Access to record customer complaints; you're definitely stuck at the Horse-and-Cart era.

Not only are you missing out on huge productivity benefits, but you're also under-performing relative to what you could achieve with a purpose built complaints and quality database.

# 1

## Inefficiency due to poor time and resource management

Easily one of the most common mistakes in the horse-and-cart era of complaints handling is blatant inefficiency. Though there are many repeated causes of inefficiency in the complaints handling cycle, all of them ultimately end up as the sum of one unavoidable outcome: high unnecessary costs.

### EVIL #1: REKEYING OF DATA

Many businesses take far too much time and effort to process complaints-effectively reducing overall productiveness of both the task and the workforce. Double and even triple keying of complaints is a very common issue, and serves as a waste of resources and poor workforce management--those same employees rekeying data could be investigating the facts that led to the complaint and then resolving it.

### EVIL #2: UNCATEGORISED COMPLAINTS THROUGH THE CONTACT US PAGE

Likewise, many companies today have websites that provide a customer Contact Us page which is used as an entry form for customer complaints. Unfortunately, 9 out of 10 of these websites take the customer complaint and send it in the body of an email to a general customer service inbox. This inbox then has to be monitored by customer service staff and when an email arrives, it must be re-keyed into the actual complaints handling system. If your complaints handling system requires complaints officers to have to re-key in complaints, then unfortunately, you're still in the horse-and-cart era.



Image credit: Robert Goodman

This process results in increased costs, increased error rates and poor customer satisfaction. The good news is that its not rocket science to fix, yet it's surprising how many companies live this today.

**1****EVIL #3: READING THROUGH EVERY COMPLAINT**

This may be the only way to remind yourself of what stage you had progressed the complaint to; this is ok for one or two, but when each Complaints Officer has 30-50 open complaints to manage, that's a lot of reading and a lot of wasted time.

**HOW IT SHOULD BE:****> From Website Contact Us Page to Complaints Database With No Human Touch**

Your Contact Us page should insert Complaints, Enquiries, Suggestions and Compliments directly into the Complaints database with no human touch. This results in no rekeying from emails into the complaints database.

**> Fast Complaint Capture At The Frontline**

Complaint capture for all contact centre staff should be easy and fast resulting in maximum data accuracy. All frontline staff should have a simple form that can be easily populated and guides the user through the key information required to be collected. If you have to train the frontline staff on how to fill the form in, it's too complicated.

**> Use Automated Work Queues To Distribute The Workload**

Using key fields captured by the Contact Us page or the Frontline, you should be able to route specific types of Complaints, Enquiries, Suggestions or Compliments to specific teams or individuals for processing.

**> Complete visibility of workload**

The *exact stage of every complaint should be provided by the system* via a dashboard similar to the view a pilot has of their aircraft.

Within two clicks, the Complaints Officer should be able to navigate from their dashboard view of everything to a specific complaint to focus on, if they can't do that, your complaints handling system is wasting their time and creating costs that could easily be avoided.

The key concepts behind complaints handling efficiency revolve around the life of the Complaints Officer, the actual person that has to capture, investigate and resolve 5-50 complaints per day.

**1****> Utilise “Complaint Stages” To Structure The Workload Into Actionable Buckets**

A Complaints Office that can see their whole workload broken up into Complaint Stages finds it easier to prioritise their daily activities. Think of using the following categorizations as a guide:

1. Not Acknowledged
2. Not Actioned
3. Waiting on Me
4. Waiting on Internal
5. Waiting on External
6. Not Closed

**> Dashboards That Show Slippage Prevent Complaints Falling Through The Cracks**

Also make sure to use dashboards to offer an overall picture and highlights of those complaints that are approaching a service-level agreement (SLA) breach. This puts your Complaints Officer's in control and minimises unnecessary wasted time.



## 2

## Poor operational and strategic visibility

Visibility in the business sense means that your internal processes, statistics and KPI's are easily made available for decision making. If you've got no means of operational or strategic visibility, then you won't be able to make decisions or provide recommendations for improvements with anything more than a gut feeling.

Everything from reporting, dashboards, statistics, and, of course, data, should be made visible and clear. This includes strategic performance KPI's, which tell you who's performing well and who needs help.

*Keep in mind that operational and strategic visibility isn't just for analysis--its primary purpose is to ensure that your team and overall process is functional and that nothing slips through.* Once complaints go into the system, the data shouldn't fall through any cracks; being informed at all levels from Complaints Officer, Team Lead, Complaints Management, Other Department Managers and Executive means you're in control and can make decisions on facts and not gut feel.

### HOW IT SHOULD BE:

**Every staff member of your company that has an interest in Complaints Handling should have their own personal Dashboard(s).**

Each Dashboard should provide the facts in a structured way to tell a story either about how the team is performing if you are a Team Lead or about what customers are complaining about and what is causing those complaints.

Within two clicks that staff member should be able to navigate from the birds eye view to a specific complaint or root cause.

On top of having the Dashboards that provide a real time view of operational and strategic performance, **every user should be able to create their own reports** and charts using simple drag and drop tools to answer ad-hoc business questions as they arise.

3

## You have no single organisation-wide consolidated view of complaints

Today, many organisations have several complaints databases; one could have developed for one division or group and others, developed over time for other purposes. The end result is a fragmented view of who is complaining about what across your whole company.

For example, your marketing team might collect complaints on social media channels while other complaints would be collected by customer service. This provides for two complaints databases with different data and a possibly different demographic.

### HOW IT SHOULD BE:

**One of the end goals of managing complaints is to find out who is complaining about what**, so you can figure out the problem and fix it from the get-go. Typically, companies do this through a complaints "Source of Truth:"

Simply stated, a Source of Truth is (ideally) the single place that you go to see your complaints.

Whether the complaints came in via social media outlets, through your website, or through email or phone. *The entire point of the concept is that your company keeps accurate complaints in one clear source.*

**3**

Once you have a single database, the next issue to tackle is the accuracy, value and meaning of the data stored there.

Many complaints handling systems allow the users to type in information that is not validated; for example: A date entered that is not checked against your specific criteria can result in human error capturing a date in the future. ("When did you buy the product"; this date must always be either today or a date in the past it can never be in the future.)

Not validating the data entered by customer service or the customers themselves results in capturing a lot of information that is not only useless, but that can also cause a lot of wasted time and increase complaint handling costs and render reporting and statistics useless.

Keep in mind that the Source of Truth is also used to get a complete picture of your complaints, the inability of which increases the chance of complaints falling through the cracks. This slip will ultimately prevent you from standardising the customer experience-- regardless of the channel used to complain.



## Modern Toyota Era

Once you reach this stage of complaint handling, you've effectively moved on to owning a modern Toyota. Sure, you might be in the current century of automobile technology, but you're still no Ferrari.

## 4

## You have very few standardised complaints handling processes

Now that you've upped your game to a modern vehicle, there's a whole new set of issues to consider. First among them is the use (or lack thereof) of standardised processes within your complaints system.

Standardised processes are exactly what they sound like: a set of processes that provide for consistency regardless of the nature of complaint, the channel the complaint was captured in and the skill level or experience of the Complaints Officer.

Standardisation ensures for greater efficiency for several reasons, all of which aim for one long term goal of assisting the complaints officer in:

- Managing complaints,
- Responding faster, and
- Creating better overall customer and business outcomes.

Your company should take an active effort to standardise all of your complaints processes, including complaints collection/capture, assignment/routing, investigation (making enquiries to other departments and external service providers and tracking them), and responses (letters/emails advising of the outcome).

One example of standardised processes is the use of standardised templates for communicating to customers, internal stakeholders or external parties via SMS, Email and printed letter.

The Complaints Officer simply finds the template, generates the communication and sends it via the above mentioned channels. That communication item must be automatically stored against the complaint without the complaints officer having to do it manually, thereby creating a communication history and audit log without wasting the Complaints Officer's time.

***Not only will this save time in the long run, the process provides for repeatability in the workplace resulting in predictability, control and of course a consistent customer experience.*** On top of all that, standardised processes are great for your employees; they're both easy to learn and teach.

## 5

## A lack of (80/20) autonomous system control

Most organisations today use complaints handling systems that can only be changed or modified by either the IT department or the external supplier of the complaints handling system.

Complaints handling departments are continually faced with an ever changing environment. Some examples of these changes include:

- Products and services offered are introduced, changed or deprecated sometimes daily.
- The classification used to identify root causes can also change from week to week.
- Complaints staff come and go and the need to capture new data on complaints can arise unexpectedly.

**A critical limitation of many complaints systems is that Complaints Handling departments cannot control their own Complaints System for 80 % of the changes required on a day to day basis.**

Situations change at an uneven pace; new problems might surface weekly, monthly or yearly. This results in complaints handling departments having to ensure their system, processes, and the data structures change to accommodate them.

All of these changes should be considered as BAU or Business As Usual. They should be handled by the Complaints Department, not the IT Department who have other more urgent and company critical activities to attend to.

## 5

Examples of changes you can make (with no IT programming experience) include:

- Adding users
- Resetting passwords
- Creating reports and dashboards
- Adding new fields
- Change picklist values
- Changing the page layout
- Adding business rules like making a field mandatory
- Creating your own Letter, Email and SMS Templates
- Creating and launching your own Surveys

Companies who have complaints systems that require their IT departments or an external vendor who supplied the system will be unable to respond to problems in a timely manner. In fact, locked down systems can only be accessed and changed by experts who are not directly involved in the complaints handling processes.

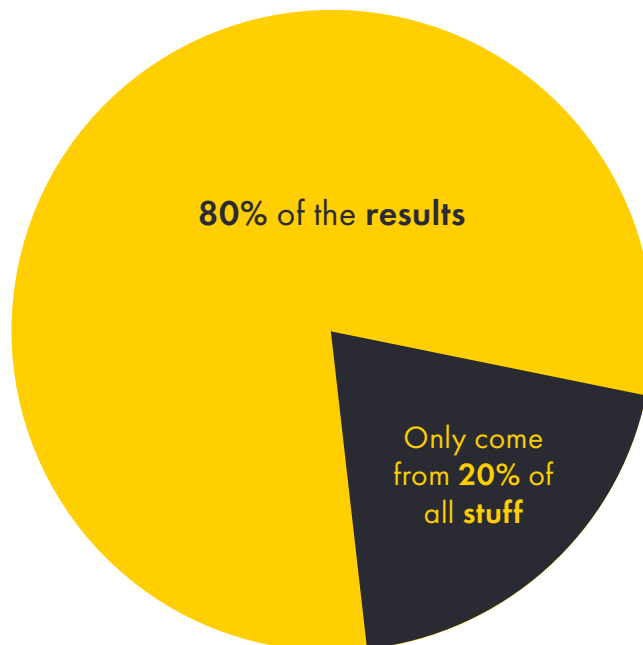
This means that simple system changes cost much more than they should, and require much more effort than they need and take much longer to complete. Complaints management representatives must send a request, receive a price, justify the change internally, receive approval, and then receive the implemented change after all of the companies other mission critical priorities are tendered to first.

What companies don't realise is that with a modern complaints handling system a good 80% of these changes can easily be made by the complaints management users/team leaders, offering a cost effective, time sensitive and all around better solution to complaints change management.



**5**

Other, more complicated changes that require advanced help are less common, and thus are worth the longer process that goes along with IT Department or external vendor help.



*The 80/20 policy not only allows for Complaints Change Management autonomy, it also allows for those most familiar with the complaints processing to be able to change it whenever they need to and do so in the most cost effective way.*

The cost of not having autonomous complaints change management can be over \$100,000 in unnecessary IT costs.

## 6

## You don't use Key Performance Indicators to evaluate complaints handling performance at complaints officer, team lead and company levels

The best outcomes are those that combine the best staff with the best systems. But without KPI's, how do you measure high performers and good practices?

**By using key performance measures, you can:**

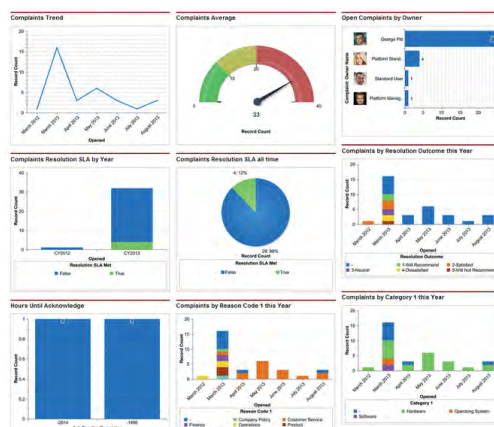
- Identify which individuals, teams and departments need to be congratulated for great performance and assisted for improvements.
- See trends over time that highlight seasonality and cycles.
- Evaluate your hierarchy, using KPI's to analyse the effectiveness of your entire company, a single team, or even an individual.
- Reward high performers and identify their good practices. If you find that a certain Complaints Officer achieving outstanding results, take the opportunity to reward and retain her and then analyse her practices and incorporate them into standardised processes.
- Find and fix issues that caused poor performance.

**Remember, KPI's are all about optimizing data use for overall company improvement.**

## 6

**Examples of KPI's at the complaints officer and team level include:**

- First Call Resolution % - % of Complaints closed at first call or contact
- First Call Resolution Qty - quantity of Complaints closed at first call or contact
- Average Open Cases / week - average number of open cases
- Average Business Hours to Close - average number of business hours to close a case
- Average Calendar Days to Close - average number of calendar days to close a case
- Average Refund Per Complaint - average refund / concession per complaint
- Average Closure Rate - average case closure rate
- Average Cases Created - average number of cases created
- Normalized Complaint Averages - In Food manufacturing it is often Complaints
- Per Million units produced or sold. In Services industries it is often Complaints per
- Jobs / Services provided.
- Total Open Complaints (Start of Week) - total open complaints at the start of week
- Total Open Complaints (End of Week) - total open complaints at the end of week
- Complaint Escalation Rate - the number of Complaints escalated expressed as a percentage of the total complaints for a given period
- Complaint Process Satisfaction Rate - the percentage of Complainants that were satisfied with the complaints handling process.



Check out the figure to get a feel of how exactly KPI's can look like. Note the use of different types of charts to clearly lay out recorded information, as well as the attention to timing--be it day, month, or year. We recommend you use a variety of performance indicators, as some measure might grant you clarity that another might lack.

## Ferrari Era

Once you've solved these problems, it's smooth sailing...err...driving from here on in. At this point, your complaints system is a well-oiled machine that's entirely functional and efficient, but still, not as effective as it could be. When you address the issues in this next section, you will have the Ferrari of complaints handling systems, but until then you're just cruising around in a Toyota with heaps of room for improvement.

7

## Not realising the value of social customer service

One of the last and easiest things to really spruce up your complaints system is the use of social customer service.

Much like the gleaming metallic paint on your beautiful Ferrari, social media is a great accessory to further enhance your complaints system and appeals to a greater demographic.

*Using social media such as Facebook and Twitter extends your reach in the best possible way: it's cost effective, easy to use, and great to reach out to mass amounts of customers at one time.* In fact, not monitoring Facebook and Twitter as the two most popular complaints channels in social media today means that you are missing out on those customers who have chosen to voice their concerns via public social media platforms.

This means that you'll be losing out on an important opportunity to showcase your "customer focused" nature, as well as missing important customer insight. Public relations disasters can be averted by monitoring and responding directly into the social media platform. The next step is to escalate that social media conversation and convert into a formal complaint that can be managed appropriately.



**7**

This is done by providing the customer with a contact phone number or email address for your complaints handling team. Essentially the customer is migrated from the publicly visible social channels to the private and more formal direct complaints handling channel.

Your complaints handling system must be able to monitor and respond directly into Facebook and Twitter and at the same time convert the social media conversation into a formal case to be handled by the complaints team.

So the end result is: The customer that complained via Facebook or Twitter feels that you're listening and acting and the public that can see the complaint and the action you take develops the perception that you are a customer focused company. Finally, the complaint is handled with the same efficiency and standardisation that the customer would have experienced if they complained via the website or phone.

The cost of not listening to and acting on complaints made via social media could be a public relations disaster.

8

## Not using “Quality Alarms” to monitor product and service failure

You need to make sure you can identify product and service failure as early as possible

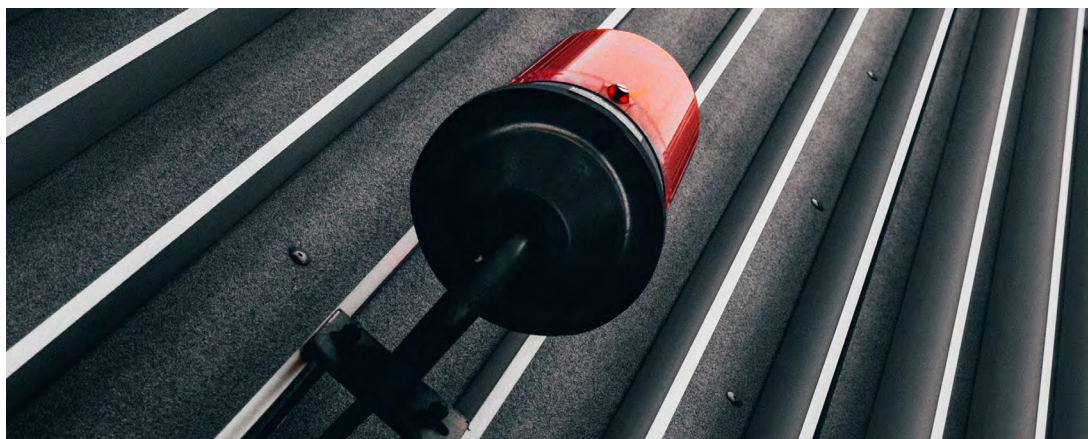
The best way to do this is to use “Quality Alarms”, which are alerts you to the root causes of product and service failure in real time. *This means that you are alerted when the failure happens, not at the end of the month by studying your last months performance history.*

Finding the root cause of product and service failures early is essential to quality assurance and continuous improvement.

We like to operate by the rule *“Find and Fix the root cause when it affects 2 customers...before it affects 200 or 2000.”*

*Use the quality alarms to identify root causes earlier than ever before*, which results in the containment and control of wastage/costs associated to product and service failure. Think of a company that has to do a product recall, but only identifies this when only 1000 products are manufactured and released into the market versus another company that has a product recall which gets identified when 100,000 products are released into the market. Which company would you prefer to be the QA Manager of?

The cost of not finding and fixing root causes earlier could be over \$250,000 in product recalls, warranty claims or refunds and the cost to brand damage could be millions.



## 8

## You're not getting continuous improvement value from your complaints

So we've got a quality alarm... now, what do you do with it?

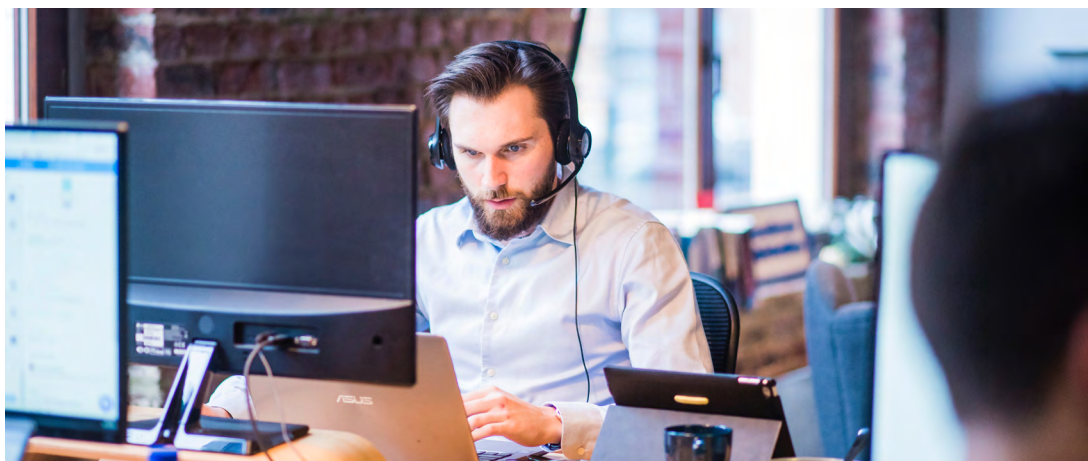
Finding and fixing the root cause fast and preventing it from happening again is the key to continuous improvement.

A quality alarm helps you find the root causes of product and service failure in real time. Once you identify the root cause, you need to implement an immediate corrective action to contain the damage as well as remedy the root cause to prevent it from happening again.

All complaints associated to the same root cause need to be linked to the corrective action. The primary reason for this is that fixing root causes can be costly and sometimes companies will claim the costs of fix the root cause on the responsible party.

For example if you company relies on a supplier to provide either a resource, ingredient or service as part of your product or service and you determine that this supplier was the cause of the failure, you may want to claim not only any wastage or product recall but also any refunds made to specific complaints.

The cost of not maximizing the continuous improvement value of complaints could be over \$500,000 in lost new product/service sales, lost market share and refunds/warranties.





# Conclusion

After reading this eBook, you should have a firm grasp on the 9 Costly Mistakes of Ineffective Complaints Handling. If you are currently experiencing any of the above problems, you need to look at modernising your complaints handling system. Most companies we have experienced start off with the basics and then turn on the more advanced modules over time. If you want to end up with a Ferrari, you need to get a Complaints handling system that can support the advanced capabilities of complaints handling but also incorporate quality assurance and social customer service features. Complaints Pro was designed from ground up to be the Ferrari of complaints handling systems.



## ABOUT THE AUTHOR

### Paul Evans

Director of Causia  
[pevans@causia.com.au](mailto:pevans@causia.com.au)



# About Complaints Pro



Designed with social media and quality assurance in mind, Complaints Pro is a modern complaints handling system that addresses all nine of the costly mistakes straight out of the box.

Request a free 30 day trial today and see it for yourself.

For more detailed information about complaints management, turn to any one of our How-To Guides or check out: [www.causia.com.au](http://www.causia.com.au).

**REQUEST A FREE TRIAL**