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IMPROVING CUSTOMER SERVICE AND SATISFACTION

*“Keeping in touch with the customer’s needs will become an ongoing fire service challenge. The ability to continually repackage the organization and how we deliver service will directly regulate our survival in a rapidly changing future. Those flexible souls who can continually redefine their jobs ahead of the change curve will grow and prosper. Those who can’t, sadly will become **roadkill on the employment highway**—members who staunchly maintain ‘they hired me to fight fire (only)’ will become ‘sail firefighters’—occupational roadkill that is run over and smushed so flat they can be recreationally sailed like a frisbee.”*

Alan Brunacini, Fire Chief
City of Phoenix Fire Department

Although the focus of this chapter is on how you can use marketing principles and techniques to improve customer service and satisfaction, we'll begin by acknowledging fair perspectives and challenges that many people working in the public sector have—perhaps ones you share:

- We are the only office that offers building permits. What difference does it make whether or not the citizen had a pleasant experience? When they need to come back, they'll come back.
- As a bus driver, I don't see a reason to greet and smile at riders like they do at the Subway shop. My performance is measured by whether I get to the next stop on time, without accidents or tickets.
- We know what's in it for Burger King to let you "have it your way," and for Nordstrom to accept returns with no questions asked, and for Amazon.com to keep track of the books you've bought so that they can suggest new ones when you log on. We know that what's in it for them is more sales, increased profit, and ways to beat the competition. We don't get funded based on sales. We don't (and can't) make profits. And we don't have competitors.
- My understanding is that customer satisfaction is a function of expectations versus performance. If we meet expectations, a customer is satisfied. Given that most people don't expect much from government, I don't see what all the fuss is about.

After meaningful benefits for improved customer satisfaction have been identified, you move on to read about five major practices that will support your success in realizing them. We begin, however, with another inspirational story.

Opening Story: Phoenix Fire Department— “A Peace Corps with a Tank of Water”¹

The logo on the side of the Phoenix Fire Department’s fire trucks says *who they are*:

“Our Family Helping Your Family” (see Figure 8.1)

Their mission statement, a simple five-word sentence, says *what they do*:

“Prevent Harm. Survive. Be Nice.”

Their manuals and training materials say *how they do it*:

“Respond Quickly. Solve Problems. Provide Personal Treatment.”

Their Fire Chief, Alan Brunacini, says *why they do it*:

“For the people, pets and pictures.”



FIGURE 8.1 Phoenix Fire Department truck with slogan “Our Family Helping Your Family”

Challenges

When Alan Brunacini was four years old, he watched a big fire in a tire store and made his career choice—to become a firefighter. And when he joined the Phoenix Fire Department in 1958, he became a typical firefighter, where the name of the game was to be quick and solve the problem. At that time, firefighters were technicians, and customers were victims. By 1978, he had advanced through the ranks to Fire Chief, which is his role today (2006), 28 years later—a notable

accomplishment given that the average tenure of a fire chief in the U.S. is about two and a half years!

He can point to a defining moment around 1990 that shaped the next fifteen years for the Fire Department. It came from reading (really reading) letters from citizens. What he finally noticed in the letters was that they rarely wrote about the systems, equipment, and technical skills, considered heretofore the core products of the department. Instead, they raved or ranted about how they were treated by the troops. They talked about an additional product that was delivered—caring—and a new important piece of equipment—a heart. Customer service became the next logical area of focus for a department committed to ongoing development. It meant to Brunacini that customer needs, perceptions, and feelings were now a primary driver for how the service delivery system would look and behave. “After all, buildings and homes don’t vote. People do.”²

Strategies

Brunacini is now sought out weekly for presentations and conversations and has inspired others around the country with his bold customer service philosophies.

First, he shares that the Fire Department adds value to every encounter, which is demonstrated in the following stories, ones that embody Brunacini’s interpretation of the MBO management model to mean Management by Opportunity rather than Management by Objective. (Note that the terms “Mr. Smith” and “Mrs. Smith” are generic phrases for the customer and that these true stories are told in the present tense. This is intentional. They apparently happen every day in Phoenix.)

Phoenix Fire Department: Beyond Service

A major fire occurs at a lumberyard in Phoenix at 1:30 a.m. When it’s under control, a Deputy Chief (DC) is assigned to deal directly with the owner. From his cell phone on the scene, he calls Mr. Smith, describes the situation, and establishes a meeting place at the scene.

When Mr. Smith arrives, the DC meets him, gets him through the police line, takes him on a tour, describes the incident action plan, and begins to discuss a recovery plan. After Mr. Smith indicates that the majority of his business is from regular repeat customers over the phone, department communications personnel help develop a plan to do whatever is required to cause the telephones to ring in a temporary office at 8 a.m. The DC sets up a temporary office in a nearby motel, arranges hookup for cellular phones, and coordinates switching over Mr. Smith's business numbers to ring at the motel.

* * *

A self-employed cement contractor is finishing up a nine-yard pour of a driveway when he has a heart attack and collapses. A motorist calls 911, and a team is dispatched to the scene. After standard initial advanced life support treatment is administered, Frank Smith is then transported to a hospital. When the engine company Captain surveys and evaluates the scene, he realizes that a half-finished concrete driveway on a 90-degree day will be costly for the customer. He estimates that cost will be between \$2500 and \$3000, assuming that most of the work will need to be redone and supplies repurchased. A huddled discussion among the crew indicates that there are two members of an adjacent station who do cement finishing on their days off, so they are asked if they could finish the job. They complete the finishing and edging in 40 minutes. Back at headquarters, the engine Captain calls the hospital and asks them to let Frank's family know that the pickup truck and tools are secured at the station and that they shouldn't worry about the driveway job because "firefighter elves" finished it.

* * *

A collision injury that involves a 67-year-old man (Roscoe Smith) and a 42-pound dog occurs when an inattentive driver in another car runs a stop sign. Upon arrival, medics are assigned to the injured driver, and the Captain introduces himself to the dog, Jake. After rapport is established, the Captain assesses that the dog is okay and then puts him in the cab of the engine. Roscoe, who is still conscious, is most concerned about his dog. The crew assures him that Jake is all right and takes him to the closest trauma center. Meanwhile, Jake is transported to the neighborhood veterinarian, a mile and a half away. After it is determined that he is okay, the Captain then calls the medics at

the hospital with the name, location, and phone number of the vet's office, information to be included on Roscoe's medical records so they can reassure him that Jake is okay. On a subsequent trip the next day to the same hospital, they check in on Roscoe to be certain he received the status report that Jake was fine.

Next, this added value strategy relies on attracting and retaining smart and capable fire crews, treating them like you want them to treat customers, and modeling the desired behavior. It includes empowering them to identify and respond to service delivery opportunities right on the spot and to then be positively reinforced. A series of questions assists firefighters in determining what to do. Is it the right thing for the customer? Is it the right thing for our department? Is it legal, ethical, and nice? Is it safe? Is it on your organizational level? Is it something you are willing to be accountable for? Is it consistent with our department's values and policies? And according to the Chief, if the answer is yes to all of these questions, don't ask for permission. Just do it.

Finally, traditional Total Quality Management principles support a customer-oriented system. When a customer makes a complaint, for example, the standard is to quickly contact the person who complained and find out what actually happened. If "we screwed up," develop a new or improved standard to prevent future occurrences and then contact the customer and let them what know what you're going to do to fix this in the future.

Rewards

Chief Brunacini is the first to admit it's been a challenging fifteen years. He has had to overcome a 110-year history of a military management style. He has had to deal with skeptics and critics concerned with added costs and increasing expectations. He responds with the following:

#1. Look at our business outcomes:

- We've never lost a bond levy and are rarely denied resource requests.

- We have one of the highest staff satisfaction levels, safety records, and retention rates in the country.
- We have about 3,000 applicants each year for about fifty openings.

Next question?

- #2. If we can increase perceived value with minimal additional costs (sometimes just using the inherent required excess capacity), we can make a dent in the perception that government spends too much money and does too little.
- #3. Mr. Smith has paid taxes for 60 years. He deserves to have his dog dropped off at the vet until he can come home from the hospital.

Customer Service in the Public Sector

Customer service and satisfaction efforts, as described for the Phoenix Fire Department, may strike you as “a bit of a stretch.” Many public sector managers are probably skeptical about whether your agency could (or should) duplicate their approach and outcomes. Others may even question the fundamental premise that citizen or customer satisfaction matters. They might ask, “What impact does increased customer satisfaction have on funding, revenues, efficiency of operations, performance, and resource allocation for my agency or department?” Without a strong correlation, it’s tough to make this a priority.

Some of you have even more basic challenges, asserting, “Show me the problem,” and arguing that the quality of customer service is not (much) better in the private sector than it is in the public sector. At a National Customer Service Conference for the Environmental Protection Agency, for example, Ann Laurent, Associate Editor of *Government Executive Magazine*, proclaimed, “The quality of customer service is the same in the private sector as it is in the public sector. Some organizations are good; some are bad. For every Nordstrom, there’s a Sears. The difference is that the public sector is more closely scrutinized and reported on more widely.”³

Benefits of Improved Customer Satisfaction

For purposes of our discussion, you should assume that most governmental agencies have room for improvement in the area of customer service and that it is the allocation of resources to achieve progress that needs to be justified. The following discussions intend to do just that.

Improving Service and Satisfaction Can Increase Revenues

Customer satisfaction levels are most likely to have an effect on the revenues of agencies where citizens have choices for where to go for products, programs, and services (e.g., community centers who rent out facilities for meetings and workshops competing with hotels and conference centers). It is also most likely to impact organizations where “more is better,” where frequency of use increases revenues (e.g., basic products and services at a post office, as well as ancillary ones including guaranteed overnight delivery competing with UPS and FedEx).

Consider *public transportation*, for example, which is impacted by both variables. A community transit system has tough competition: the convenience and “love affair” most of us apparently have with our cars. Whether a citizen will give up his or her car and use public transportation will be highly correlated with his or her satisfaction with schedules, routes, numbers of transfers needed, timeliness, courtesy of the driver, cleanliness of the bus (and its riders), location of stops, whether there are shelters for waiting, and even whether there are benches to sit on while waiting. Perceptions and experiences of these aspects of the offer will impact first-time as well as repeat business, both impacting the agency’s annual revenues.

Improving Service and Satisfaction Can Support Future Funding Needs

In April 21, 2005, a headline in the *Seattle Times* warned “10 Seattle Schools Targeted for Closure. Sweeping changes aimed at trimming deficit.” Reading on, the article explains that the district is faced with

a growing budget gap and years of declining enrollment, in part due to birthrate declines but also due to families choosing private schools or moving to the suburbs. Because school districts are funded based on enrollment, the declining enrollment meant the district needed to drastically reduce its budget and was considering school closures and consolidations to reduce operating costs.

For agencies such as *school districts* that rely on government subsidies, and where these subsidies are based on citizen participation levels, customer satisfaction will have an impact. Levels of satisfaction with schools, for example, will be based on everything from classroom size, to how far a child is bussed (or not), to special offerings such as advanced science classes, to how administrators and their staff respond to parent and student concerns. When expectations are not met, parents consider other choices they have to fulfill their unmet needs, including private schools or moving to the suburbs or a different school district.

As another example, the U.S. *Farmers' Market Nutrition Program* is a program with a purpose to increase the use of fresh, unprepared, and locally grown fruits and vegetables among clients of the Women, Infants and Children program and at the same time expand their use and awareness of farmers' markets. It is funded by federal as well as local matching funds. Eligible recipients are issued coupons that can be redeemed only for unprepared fruits, vegetables, and herbs at farmers' markets. Whether or not the family goes to the farmers' market and actually uses their coupons, however, will be impacted by a number of variables including perceived convenience of transportation and parking, choices of produce, and how they are treated when they offer farmers their coupons instead of cash. Because redemption levels are reported and will be considered when allocating funds in the future, state program managers are motivated to measure levels of client satisfaction with the program and explore ways to increase redemption rates.

Improving Service and Satisfaction Can Enhance Operational Efficiencies

Can a case be made that happier customers lead to increased operational efficiencies? We think so, and it involves a systems approach.

Customers appreciate the benefits of increased operational efficiencies, often resulting in outcomes such as shorter lines, minimal wait time, and hassle-free experiences. Your agency can benefit from these conditions as well, having to expend fewer resources delivering service. The key to success is to design, monitor, and adjust processes and procedures based on customer needs, preferences, and behaviors. It counts on customers being more compliant during future exchanges. It requires an ongoing (never-ending) commitment to feedback and adjustments.

Consider the nature of *airport security lines* and what agencies and their employees around the world have done to speed up the process. Each adjustment and enhancement that has been made seems rooted in a unique understanding of the customer's barriers and motivations. Providing a plastic bag for pocket change and keys at the beginning of the line motivates passengers to empty their pockets earlier. Lines are cued and curved more like banks and Disney World, recognizing the time savings if passengers can be directed to the next available checkpoint. Signage with universal icons for prohibited carry-on items and videos, rather than brochures and fact sheets in a hundred languages, demonstrate the need to remove laptops before reaching the conveyor belt. The security agent provides a final convincing reminder to remove our shoes and a motivating message that it might help us avoid a potential, more thorough search. We are even given trays to enable us to quickly unload and retrieve our personal items. Then the system works better, and we as passengers experience a shorter wait. Knowing that the compliance behaviors work, most of us are even more prepared the next time we come. Our satisfaction then reinforces our behaviors and continues to increase the agency's operational efficiency.

Similar concepts can be and are applied to *community health clinics* seeking greater efficiencies, with universal desires for patients to keep appointments, to arrive on time with any important records or information, and to then follow recommended treatment plans. Understanding that "we are only human," a reminder call or card increases patients' chances of keeping appointments and bringing important items. When patients are seen at their appointed arrival time, it is likely to increase the chances that they'll arrive on time for their next appointment, dissipating the perception that they'll just

have to sit and wait when they arrive anyway. To increase compliance with treatment plans, standards have been created and implemented by some for follow-up treatment calls and even visits, providing increased motivation and reinforcement.

Both examples demonstrate that customers are more likely to require fewer resources when their barriers to desired behaviors are removed and when they experience benefits for “behaving” correctly that they value (e.g., shorter lines and improved health).

Improving Service and Satisfaction Can Improve Performance Measures

Many, if not most, governmental agencies develop and publish performance measures or indicators to assist in determining priorities for the future as well as to judge progress toward strategic goals and objectives over a period of time. The point is to determine whether and how improved customer satisfaction can have a positive impact on performance measures.

The *U.S. Census Bureau’s* recognition of the need for customer satisfaction in order to reach performance goals helps to demonstrate the point.

In the Bureau’s 2004–2008 Strategic Plan, one goal is most relevant for our discussion: “*Strategic Goal 1: Meet the needs of policy-makers, businesses and nonprofit organizations, and the public for current measures of the U.S. population, economy and governments.*”⁴ This goal is supported by several objectives, with one being most applicable to customer satisfaction: “*Objective 1.3: Ease the reporting burden on respondents.*” The agency recognizes that success of data collection depends on the cooperation and participation of those who provide the data—individuals, families, businesses, and governments—and that minimizing the reporting burden on respondents will increase their cooperation and subsequently decrease operational costs (e.g., for troubleshooting) and increase performance (e.g., meeting targeted response rates).

Several strategies and means to support this objective are specified in the plan based on understanding (once more) the barriers and benefits for participation among customers:

- Facilitate and simplify reporting by expanding electronic reporting capabilities and options, such as responding to recurring surveys through electronic means.
- Use respondent-centered approaches to data collection to facilitate participation and to ease response.
- Align data collection procedures with the record-keeping practices of households and businesses to encourage participation.
- Take full advantage of federal, state, and private sector information to eliminate redundant data requests.

Performance is measured, in part, by return rates. For Census 2000, the final mail return rate was 78.4 percent, an increase of three percentage points over the final return rate in 1990 of 75.0 percent.⁵

Practices to Support Customer Satisfaction

Now that a case has been made for potential benefits from improved customer service, consider the following five major practices utilized in the commercial sector to accomplish this goal—ones most relevant to public sector agencies.

#1: Support Employees to Deliver Great Service

Any discussion about improving customer satisfaction must begin with an acknowledgment of the key role that employees play, especially those on the front line serving the customer. Consider these highly leveraged customer contact points: a policeman ticketing a driver, a librarian at a help desk, a child protective services case manager making a house call, an IRS staff member answering a hotline for questions, a teacher disciplining a student, an employment security counselor helping a teen with a job application, a director conducting a tour at a national museum, and an agent searching a passenger at an airport security checkpoint. Each represents opportunities for creating satisfied customers, building loyalty, and engendering positive word of mouth—or not. Understanding the “make or break” nature of these moments, successful marketing companies have reversed the

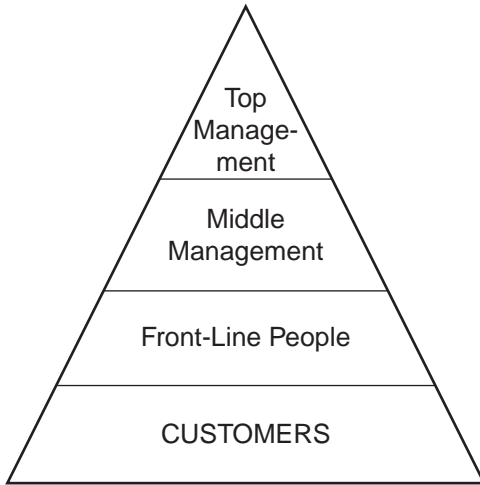
traditional organization chart, placing the customers at the top and front-line people, those who meet and serve customers, next. Middle managers are positioned to reflect the critical support they provide to frontline people so they can serve customers well. And at the base is top management, charged especially with hiring and supporting great managers. Kotler and Keller illustrate this reverse pyramid in Figure 8.2.

Given the importance of positive employee attitudes, service companies direct their attention and resources to attracting the best employees they can find, developing sound (but simple) training programs, and providing support and recognition for great performance. For Nordstrom, long considered a popular case for studying customer service principles, these are more than ideals. They are a reality.

Robert Spector has conducted extensive research on Nordstrom and clearly maps the company's philosophies and practices in a book he coauthored with Patrick McCarthy, *The Nordstrom Way to Customer Service Excellence*: "What makes Nordstrom unique is its culture of motivated, empowered employees, each with an entrepreneurial spirit. Nordstrom encourages, preaches, demands, and expects individual initiative from these people who are on the frontlines; people who have the freedom to generate their own ideas (rather than wait for an edict from above) and to promote fashion trends that are characteristic of that store and region of the country. The best Nordstrom sales associates will do virtually everything they can to make sure a shopper leaves the store a satisfied customer."⁶ Several of their recommendations seem most relevant for public sector agencies and are reminiscent of the opening story about the Phoenix Fire Department:

- **Hire the Smile. Train the Skill**—Spector and McCarthy assert that the qualities that Nordstrom looks for in its employees couldn't be more basic. It wants its salespeople to be *nice*, and they quote Bruce Nordstrom to underscore the point: "We can hire nice people and teach them to sell, but we can't hire salespeople and teach them to be nice."⁷
- **Lead by Example**—An illustrative story is shared in the book about an employee who was inspired by an unforgettable demonstration of the Nordstrom way. She observed Bruce

(a) Traditional Organization Chart



(b) Modern Customer-Oriented Organization Chart

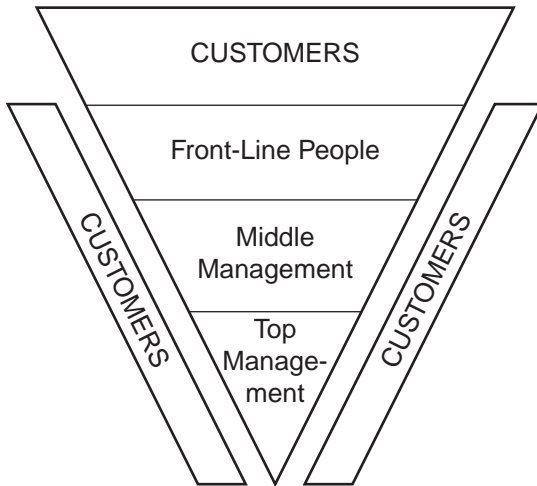


FIGURE 8.2 The Reverse Pyramid Organizational Chart⁸

Nordstrom walking through her department one day and spotting a can of pop on the counter. He evidently just picked it up, put it in a wastebasket, and then continued on his way. What

impressed the employee was that he never asked who put it there or why no one removed it. He took care of it himself, the essence of the Nordstrom way.

- **Empower Employees to Act Like Entrepreneurs to Satisfy the Customer**—Though some consider the term “empowerment” a cliché, “at Nordstrom, it’s a vital reality.”⁹ When others understandably ask whether practices such as empowering employees to accept returns unconditionally can be abused or get out of hand, Spector asserts that the response is honest and simple. “Sure it does, but central to the Nordstrom philosophy is a desire not to punish the many for the dishonesty of a few.”¹⁰ This philosophy holds true for employees as well as customers.
- **Celebrate Heroic Acts**—Recognizing and showcasing outstanding acts of customer service is a cultural norm at Nordstrom. When fellow employees witness great acts, they write up a story and share it with their manager. This activity as well as the subsequent recognition does more than make the recipient feel good (and appreciative to a colleague). It sends a clear message throughout the company that the way to advance in the company is to give great customer service.

#2: Ensure That Infrastructures and Systems Help, Not Hinder, Service Delivery

Many believe in well functioning systems as the key to customer service, asserting that when things go wrong, it is just as likely or even more likely that there’s a system problem rather than a human one. Whether or not systems are more important than a service-oriented culture, we know they’re as critical to customer satisfaction as a well-intentioned employee’s ability to serve their customer. The role of the marketer (or the marketing mindset) is to sense levels of customer satisfaction and to help pinpoint contact points and procedures that should be explored for potential improvement.

Singapore’s Changi Airport receives customer satisfaction awards and accolades on a regular basis, having been recognized for numerous years as the Best Airport in the World by *Condé Nast*

Traveler Magazine, by readers of the *Daily Telegraph* and the *Sunday Telegraph*, a U.K. newspaper, and the “Top Overseas Airport” in the *Wanderlust* Travel Awards among others.¹¹ Perhaps these outcomes are rooted in a vision of being the world’s best airport and global air hub and, more importantly, a focus on providing speedy and hassle-free clearance, what many customers want most. It is reported that passengers take less than three minutes to clear immigration, claim their baggage, and go through customs procedures. Departing passengers are said to find a similar convenience, expedited by a systems approach. A recent example (2004) of a technological improvement to their systems was the installation of a new software tool designed to simplify check-in, especially during peak travel periods.¹²

One of Britain’s fastest-growing crimes is *identity fraud*, not only costing the U.K. an estimated £1.3 billion a year but also costing victims up to 300 hours of their time to put their records and their lives back together.¹³ New systems to provide more security (and thereby increased customer satisfaction) were announced in March of 2005, with the introduction of biometric “ePassports,” which will provide stronger identity authentication through inclusion of a chip containing a scanned image of the holder’s unique facial features. In addition, all first-time adult passport applicants will undergo a face-to-face interview. The plan also calls for the introduction of a “lost, stolen, and recovered” passport database, which will link information on lost and stolen passports with law enforcement and border posts throughout the world. It is perceived that this strengthened U.K. system will contribute to international security and law enforcement, as well as help ensure that U.K. citizens can travel easily around the world.¹⁴

For this last example of infrastructure changes to improve customer satisfaction, consider the *emergency phone number* used in the U.S., “911”. Imagine the frustration and distraction for staff when the number is used for such calls as reporting lost pets, stolen bicycles, pot holes, burned out street lights, abandoned vehicles, or to find out if someone is in jail. And imagine as well the frustration for citizens who have a problem and don’t know who else or what number to call. Several cities across the nation are now offering an alternative for residents who have non-emergency but important calls a “311” service. The intent is to improve responsiveness to citizens when they need information and to support callers by

steering them in the right direction, making city government more efficient and effective and more like “one-stop shopping” for its citizens.

#3: Consider or Enhance Customer Relationship Management Systems

After managers in the public sector overcome the barriers of terminology, many find Customer Relationship Management (CRM) systems to be quite applicable to improving customer satisfaction. CRM systems include special software and sometimes hardware that enables the organization to access and monitor real-time as well as historical detailed individual customer information. The architecture of a CRM system includes operational as well analytical components and involves collaboration in order to capture customer data through the variety of customer contact points.

In Queensland, Australia, for example, the *Department of Child Safety* believes their new integrated client-management system will help them more effectively track and manage cases as youths move through the courts and state-sponsored care programs. In the past, the department relied on faxes to exchange information with law-enforcement agencies and courts around the country, and that information was then manually entered into computers. This new system enables agencies to exchange client data electronically, with beneficial outcomes including more time for workers to spend with clients, which may mean that kids are reintegrated into home environments more quickly.¹⁵

U.S. government spending on CRM systems was predicted by INPUT, a Virginia-based firm providing government market information, to increase from \$230 million in 2001 to more than \$520 million in 2006, an annual growth rate of nearly 18%. This growth has been driven largely by the 1998 Government Paperwork Elimination Act, which requires agencies to provide electronic options for paper-based processes, including transactions with customers such as bill payment. Understandably, this spending is expected to be highest among civilian agencies that have large customer service transactions with extensive customer data, such as the Internal Revenue Service and the Social Security Administration.¹⁶

#4: Discover the Benefits of Total Quality Management

Total Quality Management (TQM) was developed in the mid 1940s by Dr. W. Edward Deming, who was known for his use of statistics to achieve quality at a reduced cost. Several concepts are core to the theory, including one most applicable to our discussion regarding customer service ... *quality is defined by the customer and achieved through continuous improvement.* Although Japanese manufacturing companies were among the first to adopt Dr. Deming's theories, he caught the attention of many American companies in the 1970s and 1980s and a few public sector agencies as well, as described by a former Mayor of Madison, Wisconsin, Joseph Sensenbrenner, in a *Harvard Business Review* article in March-April 1991, titled "Quality Comes to City Hall."

While Mayor of Madison, Wisconsin, from 1983 to 1989, Sensenbrenner attended a presentation by Deming, who was 82 at the time. An early analogy presented by Deming struck home. It was his revolutionary (at the time) perspective that the potentially fatal flaw causing market share loss for U.S. companies was our system of "make-and-inspect," which if applied to making toast would be expressed as: "You burn. I'll scrape."¹⁷ The critical issue to which he was referring was that instead of correcting defects "downstream," we needed to get our "upstream" processes under control. And to do this, an organization must practice proven quality improvement techniques- techniques that begin with pleasing customers.

An inspired Sensenbrenner began experimenting. His first stop was the city garage, and his first daunting goal was to decrease vehicle repair turnaround time. He took it a "Deming" step at a time. He first gathered data from individual mechanics and from the repair process itself. He found that many delays resulted from the garage not having the right parts in stock. The parts manager said the problem with stocking parts was that the city purchased many different makes and models of equipment virtually every year, estimating that the current fleet included 440 different types, makes, models, and years of equipment. He also learned that this situation was due to a city policy to buy whatever vehicle had the lowest sticker price on the day of purchase. The parts purchaser agreed with the mechanic that fewer parts

to stock would make the job easier but proclaimed that central purchasing wouldn't allow it. Central purchasing pointed the finger at the comptroller, and the comptroller then pointed to the city attorney. At this apparent "end of the road," the city attorney replied that this was "of course" possible and that all that was needed was (more) detailed written specifications in advance. In fact he assumed they were doing that all along.

Sensenbrenner reported, "The result of these changes was a reduction in the average vehicle turnaround time from nine days to three and a savings of \$7.15 in downtime and repair for every \$1 invested in preventive maintenance—an annual net savings to the city of Madison of about \$700,000."¹⁸

This first exercise confirmed for Sensenbrenner that the source of the slow turnaround was indeed upstream, caused by a relationship of the city to its suppliers, not downstream, where the worker couldn't find a missing part. It also confirmed that the Deming quality strategy was not simply a matter of adopting a new set of slogans or a new accounting system. It required teamwork, breaking down barriers between departments, and involving employees in choosing the most cost-effective tools and materials for their jobs. And he found that employees were delighted that someone was listening to them instead of merely taking them to task.

#5: Monitor and Track Customer Expectations and Satisfaction Levels

One of the most important roles that marketing can play in improving customer satisfaction is to provide customer input and feedback. Marketers who stay close to the customer can provide insight on customer expectations, preferences, and needs to those who are designing programs and systems, measure and report on satisfaction (or dissatisfaction) with performance, and then make recommendations on areas for focus and on strategies for improvement.

One of the primary tools that public sector organizations have adopted for measuring and tracking customer satisfaction is the periodic survey. Using the results of these surveys, managers gain perspectives on how citizens view and experience their services.

The Institute for Citizen-Centred Service in Canada stresses, however, that although these measurement and assessments are very valuable, they are most effective when the results can be compared and evaluated against something, a process known as benchmarking. They suggest several benchmarks including expectations, goals, past performance, an industry standard, or the performance of peers.¹⁹

One example of a benchmark initiative is the American Customer Satisfaction Index (ACSI), which tracks trends in customer satisfaction and provides insights for companies, industry trade associations, and government agencies. It is produced by the University of Michigan in partnership with the American Society for Quality and CFI Group, an international consulting firm. ForeSee Results sponsors the e-commerce, e-business, and e-government measurements. Having been selected in 1999 by the federal government to be a standard metric for measuring citizen satisfaction, over 60 federal government agencies have used the ACSI to measure citizen satisfaction of more than 100 services and programs.²⁰

Another measure that satisfaction (performance) scores might be compared with is perceived need or levels of concern with community or social issues. In his book *How to Make Local Governance Work*, Ned Roberto, a professor of international marketing at the Asian Institute of Management, provides a powerful model for determining citizen priority concerns and needs. He takes it beyond the traditional step of identifying and ranking citizen concerns and problems related to current and potential governmental services. He sees the process as a two-dimensional one—as he professes, “it is not necessarily true that just because a problem is seen as the most serious, it will also be the highest priority problem to the citizens.”²¹

To illuminate this perspective, he describes a survey conducted for the City of Cagayan de Oro in the Philippines. The first set of questions asked citizens to rate a list of concerns and needs on a four-point scale in terms of how serious a problem they believed each was for the city. Then an additional series of questions asked respondents to rate perceptions of whether or not the citizen believed the government was doing anything about the problem. Results appear in Table 8.1.

TABLE 8.1 Cagayan de Oro Citizens Priority Problems for City Services (Base-200 = Voter Respondents)

Issues	This Is a Very Serious Problem in the City	City Is Definitely Not Doing Anything About This	Priority Index
	(1)	(2)	(3) = $\frac{(1) \times (2)}{100}$
Anti-crime services	49%	30%	14.7
Vice control services	46%	18%	8.3
Low-cost housing	43%	29%	12.5
Garbage collection services	35%	53%	18.6
Flood control services	32%	48%	15.4
Potable water supply	30%	31%	9.3
Hospital facilities/services	29%	15%	4.3
Fire protection services	26%	11%	2.9

Source: *How to Make Local Governance Work*, Dr. Ned Roberto, Asian Institute of Management (2002), p. 48.

As findings suggest, the problems rated as most serious (anti-crime services, vice control services, and low-cost housing) did not end up being the highest-priority problems for future focus, based on index scores in Column 3 of Table 8.1. On the other hand, another problem, garbage collection, scored the highest priority because city residents saw garbage collection as very serious (35% rated it as a very serious problem) and more than half (53%) believed that the government was not doing anything about it.

Summary

Through improved customer service and satisfaction, your agency may experience multiple rewards including increased revenues, more support for future funding requests, enhanced operational efficiencies, and improved performance measures. Five major practices to assist in this process include supporting employees to deliver great service, ensuring that infrastructures and systems help (not hinder) service delivery, developing Customer Relationship Management systems (CRM), and employing Total Quality Management (TQM) principles.

Early in this chapter you were hit with a few challenges often heard when promoting a focus in the public sector on improving customer satisfaction. The following summary is intended to give you “ammunition” to address them, should they come up in the future:

To the person managing the “only” building permit agency in town, we suggest that applying the TQM principles presented, which are grounded in customer feedback and preferences, may make it more likely that your customers will complete your permit forms properly and accurately—the first time—saving you hassle and time and increasing your performance measures. There may come a day, some hope, when your office might be paid based on the number of permits processed, so the more that are processed, the more (or less) money your agency would receive. You might want to get ready.

To the bus driver who questioned the value of treating passengers like customers, we hope you were inspired by what happens daily at Nordstrom, and it’s not all that unlikely that a “delighted” passenger might send a letter to your agency commending you and that, as a result, you might be featured in the next employee newsletter or even given an opportunity at your annual review to switch to that route and schedule you’ve always wanted.

To those who don’t see the benefit of letting customers “have it their way,” we remind you of the schools that may be closed due to declining enrollments.

To those who don’t see the relevance of Nordstrom’s practice of empowering employees to accept returns with no questions asked, we hope you’ll reread the stories of the Phoenix, Arizona firefighters who do “just do it” because they know that houses and buildings don’t vote on levies and referendums. People do.

To those who can’t imagine how Amazon.com keeps track of customer data and history the way they do, check out a CRM system or software.

To those who don’t believe public agencies have competition, ask the directors of your city’s library or the local transit system what keeps them awake at night. For the librarian, it might be Google’s databases, and for the transit director, Toyota’s Prius.

And to those who don't see why "all the fuss" about meeting expectations when expectations for government services are so low, we hope you now consider the positive side of this equation. This should mean that it probably won't take much to exceed expectations, and by doing so, you create opportunities for your agency to build loyal customers, enjoy positive word-of-mouth, maintain funding, increase revenues, and enjoy the status of a highly regarded government agency.