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New focus put on customer satisfaction: ISO 9001:2000: Deadline looms for compliance with revamped standards

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Byline: Timothy Renshaw

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Conversations between customers and companies are set to get a lot more candid. And new guidelines from the International Organization for Standardization could play a big part in promoting that open dialogue.

The world's largest developer of standards made several key changes to its 9000 family of quality management guidelines three years ago. Companies that are already accredited have until Dec. 14, 2003, to comply with ISO 9001:2000 standards, which focus on quality management, management responsibility and the analysis and improvement of products and customer service.

Many domestic and international contracts and purchasing orders require ISO certification. Canadian companies are therefore increasingly becoming ISO-compliant.

The number of ISO certifications in Canada has gone from 477 in 1990 to 11,700 in 2002.

But there is more than dry numbers and purchasing orders at the core of ISO compliance. There is the issue of conversation.

Customers now expect to have meaningful exchanges with the companies with whom they do business, and those companies willing to listen will benefit, industry analysts say.

Sue Aldrich, senior vice-president with Boston-based Patricia Seybold Group, says prevailing wisdom held that efficient production and effective marketing are the sole keys to a company's success. But that, she says, has changed in the past five years: "People have begun to be persuaded that focusing on your customers and their value and profitability might be an alternative path to success."

In Canada, companies such as WestJet have long been on that path. Last year, the airline launched its Interactive Feedback Corner. It opens a Web-based

channel for customer input on virtually every aspect of the airline's operation through an online ratings and comments system.

It is more than a one-way conversation.

Rosanna Imbrogno, director of customer service for WestJet, says the feedback gives the company ongoing insight into what it is doing right and what it is doing wrong. But the system, which uses customer experience management technology developed by Vancouver-based **ResponseTek** Networks Corp., also allows WestJet to deliver that input to the appropriate decision-makers and front-line staff and to track company response to customer feedback.

Ms. Imbrogno says the technology has improved communication between the company and its customers "because it engages you with your customer and your people."

And communication has proved effective for WestJet. In July, it announced second-quarter net earnings of \$14.7-million, a 19.5% increase over 2002 second-quarter earnings, and its 26th consecutive profitable quarter.

Syed Hasan, chief executive of **ResponseTek**, says conversations with senior executives of major corporations such as American Express and Sega during eight years as a corporate strategy consultant sowed the seeds for his company.

"[It was] the realization of how much their decision-making was devoid of the customer experience and the customer perspective of what they were offering."

Mr. Hasan says customer surveys traditionally are built on questions a company wants answers to. They do not, he says, allow customers to give input they believe is valuable to improving services they receive. And the surveys are usually invasive and far removed from a customer's buying experience.

He says a core **ResponseTek** principle is "that customer insight should be driven by the customer and be driven at the point of paying, at the point of delight. Things we call the moments of truth."

Those moments can be captured through various methods, including in-store kiosks or during Interac transactions.

ResponseTek's technology gathers input and organizes it for senior management decision-making, but it also routes that input to areas of the company that can act on the needed changes.

In a 2002 report, Ms. Aldrich applauds the design, response channelling, data collection and analysis of **ResponseTek**'s customer experience management

service, which she estimates costs anywhere from US\$25,000 to US\$200,000 a year.

The report also lauds the technology's ability to affix priorities to results and deliver them to company personnel who can resolve issues raised externally or internally.

Ms. Aldrich says many companies invest huge resources in collecting feedback, but they fall short on follow-through.

For instance, she says customer surveys are largely foreign beasts to businesses. "They spend forever trying to figure out what to ask and then they have no idea what to do when they get the feedback."

She says a company Web site team typically will initiate online customer surveys. "But then they get [responses] like: 'We hate your pricing.' The Web team can't do anything about that, so what do they do? They throw it away or put it in a pile until someone asks [for] feedback. But they're not in a position to force the feedback down anyone's throat, especially if it's someone who didn't ask for the feedback."

ResponseTek was launched in 1999. It now has offices in Vancouver, Toronto and the United Kingdom.

It employs about 35 people and its roster of customers includes Xerox, British Telecom, Nike, Washington Mutual Bank, WestJet, Fairmont Hotels and Resorts and SportChek.

Meaningful conversation between those companies and others and their clientele matters, Ms. Aldrich says. "We think it matters hugely."