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9 CRITICAL COMPONENTS TO DEVELOP A SUCCESSFUL CLIENT INTERACTION FRAMEWORK

It's not that complicated… mastering client satisfaction through a comprehensive framework

Sustainable success hinges on satisfied clients. But this involves more than putting your staff through client service training and asking them to "play nice". The solution is to channel your services and interactions through a well-structured client interaction framework. Here's how.

Shared Services is characterized by specialist teams that are geographically unconstrained and client- focused. Though often confused with "centralization," the differentiator in Shared Services is that the internal client is provided with the same respect and service as the external client. External clients are typically treated well by providers because these clients have options and can go elsewhere for service. Internal clients can be treated poorly with few obvious consequences (at least in the short term), because they are often a captive audience. Successful Shared Services requires engaged clients, working in partnership with the provider. The **Client Interaction Framework (CIF)** provides these crucial implementation and control levers for service delivery.

What are the critical success factors for Shared Services?

The graphic below provides the four critical success factors to consider in any transformation, with detail provided from the perspective of Shared Services. Most Shared Services will focus on technology and processes, and typically some consideration is made to the people who will provide service.

Client
- Service orientation in place
- Structured way of dealing with clients
- Client satisfaction levels understood
- SPAs in place
- Reality versus perception
- Account management

Process
- Processes documented
- Standardized, controlled & repeatable activity
- Recharging methodology
- Benchmarking – internal/external
- Metrics: Control Based
- Efficiency & Effectiveness

CRITICAL SUCCESS FACTORS

Technology
- ERP implemented
- Document Scanning Solution
- Workflow
- Automated Payments
- Elimination of Side Systems
- Self services tools
- Automated Score Cards

People
- Skilled Leadership in place – do not compromise on competencies
- Team shape & stability – process shaped/spans of control/staff – perm vs temps
- Team members – culture, values & behavioral competencies assessed
- Team morale, reward & retention
- Working environment conducive to team working

"
Often the reason that certain Shared Services are performing sub-optimally is due to the lack of focus on the needs of the client"

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What are the nine components of CIF?

There are **nine critical components** to take into consideration in developing a best practice CIF (see below).

Account Management
- SSO to client; via reporting, interaction, escalation & communication

Client Contact Management
- Client to SSO; to manage and resolve queries and drive learning/improvement

Service Partnership Agreements
- SPAs are 2-way agreements clarifying both SSO services and client inputs

Client Feedback
- Client satisfaction continuously monitored both informally and formally

Continuous Improvement
- Mechanisms to identify the areas for improvement and to develop solutions

Process Control Database
- Documents end-to-end SSO processes; highlights activity of both SSO & client

Performance Measurement
- Comprehensive KPIs, measures and metrics framework, SSO & client

Performance Reporting
- Process performance will be reviewed monthly by SSO and client

Recharging Methodology
- Define basis for charging for SSO services to turn consumers into clients

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If you are not operating through a robust CIF, you risk confusion over roles and responsibilities; you won't be basing your policies on relevant data; and your service will be characterized by "one-way traffic" - i.e., rather than the SSO and client listening to each other, both are focused on driving communications down one-way channels, not acknowledging the traffic and concerns flowing the other direction. The resulting strained relationships will by necessity prioritize fire-fighting over service, and are bad for morale. Conducting a root-cause analysis on the issues being experienced by a sub-optimal SSO will typically disclose that one or more of the nine components of CIF have been neglected.

Leading practice Shared Services Organizations (SSOs) are aware that although they may only control a part of the processes, the end-to-end nature of processes means the real value-add often takes place at either end. A successful CIF strategy must, therefore, manage the impacts on both upstream and downstream processes.

Here is an overview of the nine components of a successful Client Interaction Framework:

1 Account Management

The key responsibilities of account management include facilitating successful internal and external client relationships; acting as the all-important key interface and internal escalation point between the client and SSO; reflecting the "voice of the client"; defining Service Partnership Agreements; and managing the governance and reporting framework. In addition the account manager engages with the client to improve upstream process performance, and fosters a dialogue based on facts, analysis and reporting to drive process improvement.

Client Contact Management 2

Client Contact Management defines how regular or daily interactions with clients are managed, how clients should contact the SSO to request service, and how requests are managed.

For normal day-to-day interactions a client will contact the SSO directly, however, in the event of more complex issues or problems, these requests are escalated to the Client Account Manager. Discussions on service expectations are not just about agreed delivery, but also about how the client needs to support service delivery. A key related issue regarding process performance is the need to effectively manage transparency and process compliance.

An important tool in Contact Management is a governance framework that clearly defines, between SSO and the client, who does what, and the agreed targets/standards. Joint ownership of efficiency targets is especially important, and is achieved through clearly defined responsibilities and standards.

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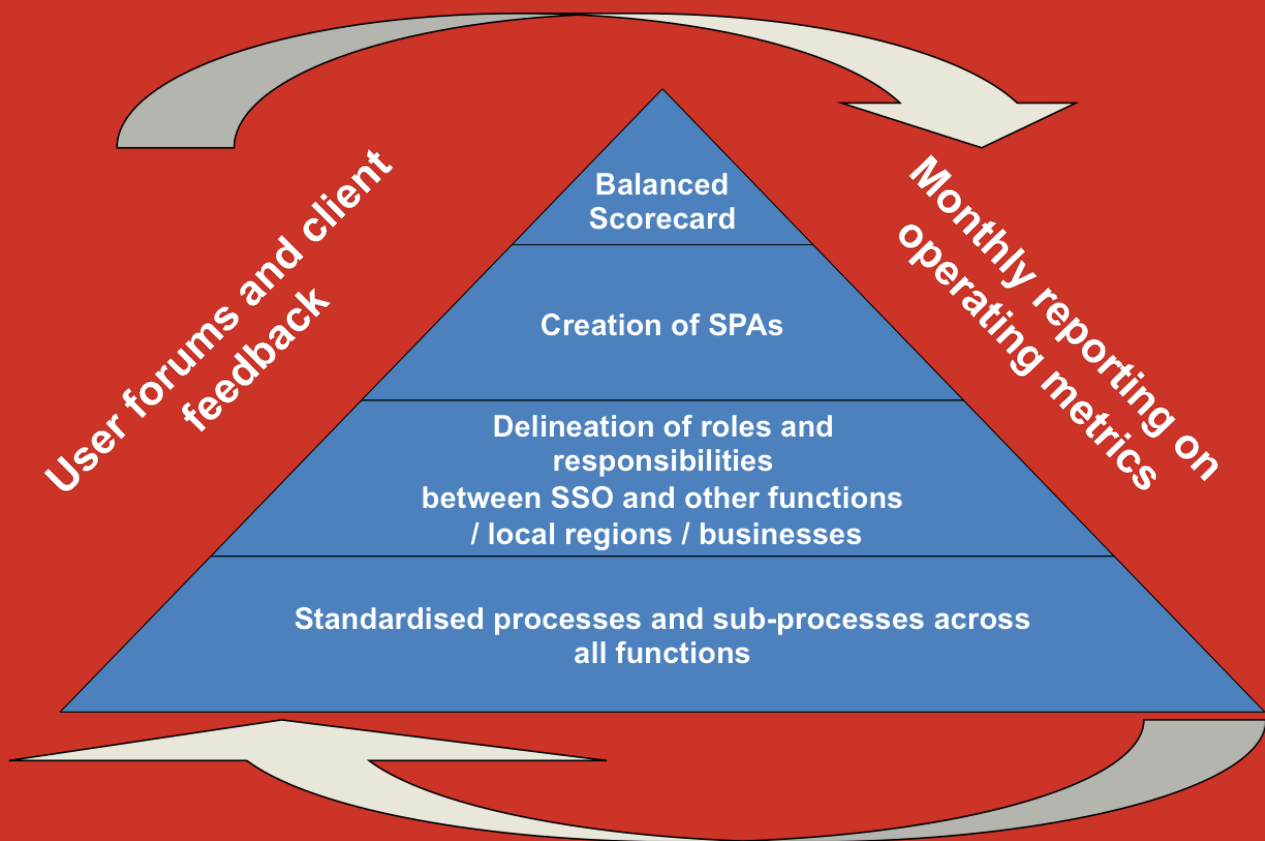# 3 Service Partnership Agreements (SPAs)

The Service Partnership Agreement between the SSO and the client represents a two-way agreement, in recognition of the partnership that is required for successful service provision. The SPA clarifies the relationship and expectations between the SSO and its clients. It identifies the services to be provided by the SSO to its clients, and the inputs that are required from the client that enable those services. It provides a framework for performance measurement and process improvement. SPAs allocate responsibilities for service delivery betweenthe SSOs, corporate departments, and the client, defining the appropriate level of service to meet the clients' needs.

The SPA exists to:
- Clarify the relationship and expectations between the SSO and its clients
- Provide a framework for performance measurement and process improvement
- Increase the SSO and clients' understanding of each other's needs

4 Client Feedback

Client feedback is essential. Developing, monitoring and ensuring compliance through an effective client communication and feedback mechanism – between the SSO, its clients and its key stakeholders - is fundamental to the success of the SSO. This feedback mechanism needs to be adapted to meet, and be relevant to, the strategic, operational and day-to-day requirements.

User forums and client feedback

Monthly reporting on operating metrics

Balanced Scorecard

Creation of SPAs

Delineation of roles and responsibilities between SSO and other functions / local regions / businesses

Standardised processes and sub-processes across all functions

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5 Continuous Improvement

Continuous improvement is key to any SSO that wants to remain effective – even if the initial goals have been achieved. It is important to define mechanisms that continuously identify areas for improvement and to develop appropriate solutions. Some examples of improvement initiatives are global methodologies like LEAN or 6-Sigma, which define, measure, analyze, improve, and control improvements. Some important pre-requisites for continuous improvement to become embedded:

- Creation of a dedicated team for continuous improvement
- Senior Leader sponsorship
- Development of appropriate skill sets
- Taking an integrated approach to improvement initiatives – not a stand-alone approach
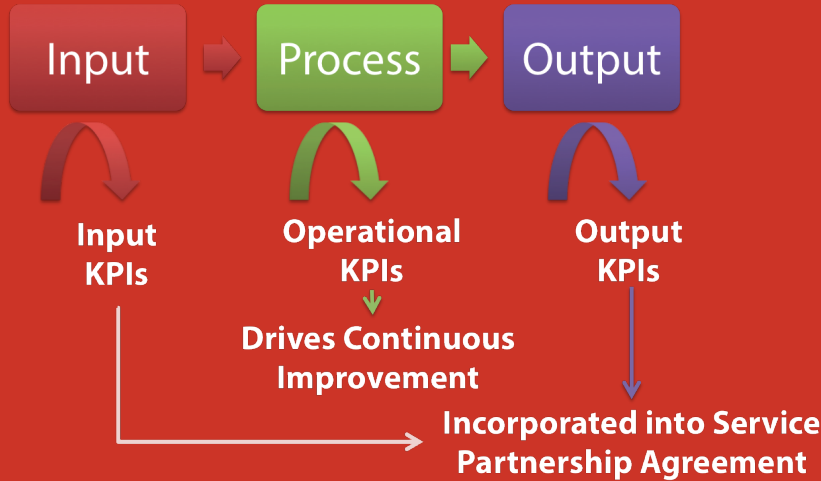

6 Process Control Database

The CIF clearly highlights the activity split between the Shared Services team and the clients of Shared Services. End-to-End processes must be fully documented and managed by the Shared Services team. End-to-End process ownership, roles and responsibilities, and hand-offs must be fully defined.

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7 Performance Measurement

Within the CIF, the performance of each process is measured in terms of how it delivers on client requirements. It is important, however, that performance is measured on both sides of the service partnership. One side is the performance of the SSO in meeting its agreed commitments to clients. The other side is the performance of the internal client in supporting the upstream process input requirements. To track performance it is important to measure agreed input and output Key Performance Indicators (KPIs), as well as the more standard operational KPIs.

Input → Process → Output

Input KPIs

Operational KPIs

Output KPIs

Drives Continuous Improvement

Incorporated into Service Partnership Agreement

Performance Reporting 8

To ensure the SSO is performing to its optimum capacity, process performance should be reported in detail and reviewed (by the SSO and its internal clients) on a regular basis. These reviews also provide an opportunity for coments to be heard.

9 Recharging Methodology

A pricing methodology defines the basis for charging for services by the SSO to its internal clients. While the method of charging can be adapted over time, it is important that there is agreement as to how services delivered are charged. Charging for services also allows clients to adjust their "consumption" of service where necessary, by creating more transparency into the cost of delivery.

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