

CUSTOMER SERVICE MANAGEMENT

PGDM-103

BLOCK 1: BASICS OF CUSTOMER SERVICE MANAGEMENT



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CUSTOMER SERVICE MANAGEMENT



Knowledge Management and
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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



CUSTOMER SERVICE MANAGEMENT

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BLOCK 1: BASICS OF CUSTOMER SERVICE MANAGEMENT

Block Introduction

Customer service is a conditioned service provided to a customer that appears during and after purchase. It is a sequence of series of activities that is designed to improve level of customer's satisfaction with an idea that product or service has to meet customer expectation. A customer is a person or organization that marketer thinks is a potential or a current service buyer from goods and services which are offered by marketer's organization. Further, a customer is not necessarily someone who is currently purchasing from marketer.

In this block, you will get knowledge about customer and various customer services with idea about internal and external customers. The concept of qualified and motivated employees is well explained with their working features and characteristics. The block will detail about features and characteristics of Silo Mentality with ways to destroy it. The knowledge about working and use of Kano Model with three attributes are well detailed.

After studying this block, you will be able to understand correctly about customers and having distinction among internal and external customers. The concept about Recovery Paradox with idea about Strategic Initiative will give more knowledge to you.

Block Objective

After learning this block, you will be able to understand:

- The various types of customers.
- What is the need for motivated employees?
- The Kano Model: 'Basic' attributes.
- Performance attribute.
- Delight' attributes.
- More about the 'WOW'! Factors.

Basics of
Customer Service
Management

Block Structure

Unit 1: Defining and Appreciating the Customer

Unit 2: Importance of the Internal Customer

Unit 3: Customer Service Recovery

UNIT 1: DEFINING AND APPRECIATING THE CUSTOMER

Unit Structure

- 1.0 Learning Objectives**
- 1.1 Introduction**
- 1.2 Definition of Customer**
- 1.3 Customer Service**
- 1.4 The Internal and External Customer**
- 1.5 Let Us Sum Up**
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- 1.8 Assignment**
- 1.9 Activities**
- 1.10 Case Study**
- 1.11 Further Readings**

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- Customer
- Customer Service
- Internal and External Customer

1.1 Introduction

Customer service is a conditioned service to customers that appears during and after purchase. It is a sequence of series of activities that is designed to improve level of customer's satisfaction with an idea that product or service has to meet customer expectation. The idea of customer service is to take care about company issues in stores, over phone and even through email. Companies that produce highly technical products, such as software or satellite television, often

have technical support staffs to resolve problems. It is noted that customer service is an important for any organization for many reasons. It would be difficult for a company to survive without customer service, as there would be no one available to handle payments or answer questions from prospective customers.

It is seen that when customer visits a local retailer to buy machines, they are able to benefit sometimes from additional service of having machines installed for them. At the same time it is looked to get a good service from retailer, who will be happy to help them with advice about the properties of different types of furniture, repayment terms, delivery, etc. If an oil company presumed that the function of its retail network was simply to sell petrol and lubricants it would quickly loose business to competitors. Its real function is to supply a 'customer service' in its case the service of enjoyable, trouble-free motoring.

Logically, customer service is an important ingredient of marketing mix for products and services as high quality customer service requires creating customer loyalty. Today, customers are not simply interested in product what are being offered but also interested in additional elements of service which receive when they enter in retail outlet, to refund and help as they receive when they have a complaint about a faulty product that they have paid for.

1.2 Definition of Customer

A customer is a person or organization that marketer thinks is a potential or a current service buyer from goods and services which are offered by marketer's organization. Further, a customer is not necessarily someone who is currently purchasing from marketer. The customer falls in three customer groups:

Existing Customers: The Existing customers are those who have acquired or exercised an organization's product or supports, absolutely within an approved duration of time. For numerous agencies the time frame may be low, for simulation, a coffee shop may individually entice someone to be a present consumer if they get accumulated inside the concluding period of three months. Other agencies may observe someone as an essential consumer even though they have not acquired in last few years which can be a television manufacturer. Existing Customers are close-at-hand beyond the most authoritative of the three customer categorizes since they have a new association with concern, consequently, they assign company a cogitation to stay in connect with them. Increasingly, Existing Customers additionally depict the outclass market for former sales, definitely if they are engorged with the attachment they have with

the merchant. Acquiring these Existing Customers to acquire more is descriptively below high-priced as well as time dissipating than discovering new customers mainly since they understand as well as eagerly confidence the caterer also, if coordinated accurately, are easy to reach with promotional approaches.

Former Customers: The Former Customer is group of such people which have formerly had interaction with marketing organization because of their previous purchase. It is seen that marketer have no longer felt that the customer is an Existing Customer as they have not purchased from marketer during certain period of time or through several other means. The values of this group to a marketer rely on whether customer's earlier relationship was considered satisfactory to customer or marketer. Suppose a former customer who think that during his early visit, he was not treated well by marketer will become difficult for him to buy again any product even though the price was attractive.

Potential Customers: Potential customers are those which have not either purchase or interact with marketers. These customers will think what marketer believes as per the requirement that eventually considered becoming an Existing Customers. To find Potential Customers is an on-going process as existing customers becomes former customers who can be replaced by new customers and also, the existing customers are best source for future sales as new customers are required in order for business to expand.

Check your progress 1

1. Customer is a:

a. individual

c. corporate

b. organization

d. all of above

1.3 Customer Service

Customer service continues the term of service to customers preceding, for now and later purchase. Customer service continues a categories of operations created to elaborate the category of customer's appeasement with an approximating that a product or assistance grasps encountered the customer expectancy.

Its consequence diverges by products, business as well as consumer. It assigns the interchange of faulty or abandoned goods on a receipt and within a discriminated time. Retail markets prevalent have a desk or counter that dedicatedly contracts with returns, exchanges as well as rejections, or to behave additional exercises at the point of sale. The created achievement of comparable interactions depends on employees who can change themselves to the disposition of the guest. In an overall sales mechanism along with engineering activity, customer service practices an important position in an organization's which can brings about capital along with earnings. From that perspective, customer service should be embodied as part of an overall impends to methodical betterment. Its practice converts a complete consideration which a customer has of the organization.

Numerous people have clashed that the quality as well as category of customer service has diminished in modern years, additionally that this can be acknowledged to a need of support or willing at the executive as well as middle management categories of a corporate and/or a customer service ordinance. To approach this confrontation, many organizations embrace exercised a diversification of methods to correct their customer gratification levels also other key performance indicators (KPIs).

The success of any organization depends on high-quality customer service. But for companies that strategically align customer service with their overall corporate tactics, it can transcend typical good business to become a profitable word-of-mouth machine that will transform the conclusion. For this the use of formal research, case studies and patented practices introduces that shows how:

- calculating financial impact of good and bad customer service
- making financial case for customer service improvements
- systematically identifying causes of problems
- aligning customer service with brand
- connecting customer service strategy into organization's culture and behaviour

Dos:

- Have a long-term strategic plan
- Be committed at the top
- Involve and trust your people

- Be customer-centric
- Listen to your staff and customers
- Measure the right things

Don't:

- Ignore your existing customer base
- Stop training in the tough times
- Pretend you're good if you're not yet
- Only listen to the good news
- Invest in technology too early
- Quit when it gets tough

Check your progress 2

1. Customer Service is:
 - a. issuing of discounts on goods
 - b. caring for customer needs
 - c. online product solution
 - d. all of above

1.4 The Internal and External Customer

A customer can be a consumer as on buying goods, can be consumed by him. So finally, customer may act consumer, but just equally as in case of purchased items for someone else to get it consumed. It is found that an intermediate customer cannot be a consumer as ultimate customers of goods and services themselves uses goods and services or can uses them into other finished products. These types of customers are called as industrial customers or business-to-business customers. Also, it is seen that customers who buy services instead of goods are called as consumers.

It is seen that at same time, customers also actively dealt with business that is present inside a particular period which depends from product sold with such customers who are either passing customer or has no longer customers who

wishes to select business with competition. Non-customers are people who are active in a different market segment completely.

Based on Tennant, customers are distinguished as employed out with fields of marketing. But an ultimate categorization can be of marketers, market regulation, and economists that categorise as:

- a. External customer: It is a type of customer who is not directly connected to particular organization.
- b. Internal customer: It is a type of customer who is directly linked to an organization. An internal customer can be a stakeholder, employee or shareholder.

Check your progress 3

1. Non customers are people who are active in:
 - a. buying goods from previous retailers
 - b. buying goods from factories
 - c. different market segment
 - d. all of above

1.5 Let Us Sum Up

In this unit we have learnt that a customer service is type of service which is offered to customers before and after purchase of product. It carries series of activities which is designed to improve level of customer's satisfaction to meet their demands. It is found that customer service is an important part of marketing mix for products and services as high quality customer service is required to create customer loyalty.

It is noted that a customer is a person or can be an organization where marketers think from area of goods and services that are to be offered by marketer's organization that necessarily is someone who is involved in purchasing from market. The Existing customers are such type of customers having exercised an organization product or supports present in required time duration while former customer are those which have formerly had interaction with marketing organization and potential customers are those which have not either purchased or have interacted with marketers.

It is known that an external customer is such a type of customer who is not directly connected to particular organization while an internal customer is that type of customer who is directly linked to an organization.

Defining and
Appreciating the
Customer

1.6 Answers for Check Your Progress

Check your progress 1

Answers: (1-d)

Check your progress 2

Answers: (2-b)

Check your progress 3

Answers: (1-c)

1.7 Glossary

1. **Customer** - A party or an individual who receives or consumes products and has ability to select among different products and suppliers.
2. **Customer Service** - It is an interaction among customer and product provider during sale and thereafter.

1.8 Assignment

Write short note on External Customer.

1.9 Activities

Collect information on Internal Customer and explain its role in an organisation.

1.10 Case Study

Discuss the requirement of Customer Service in Indian Growth.

1.11 Further Readings

1. Ullman, David G., The Mechanical Design Process, McGraw-Hill, Inc., U.S.A., 1997.
2. Jacobs, Randy, Evaluating Satisfaction with Media Products and Services: An Attribute Based Approach.

UNIT 2: IMPORTANCE OF THE INTERNAL CUSTOMER

Unit Structure

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 The Need for Motivated Employees**
- 2.3 The Need for Qualified Employees**
- 2.4 Silo Mentality**
- 2.5 Destroying the Silos**
- 2.6 The Customer Loyalty Ladder: From 'Suspect' to 'Partner'**
- 2.7 Going up the Ladder**
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- 2.15 Activities**
- 2.16 Case Study**
- 2.17 Further Readings**

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- The need for qualified employees
- Silo mentality
- About destroying of Silos
- Customer loyalty ladder

2.1 Introduction

While internal customers may not constrainedly acquire the products or benefits advanced by their consumer, the internal customer association additionally performs an essential role in the business's achievement. In the sales specimen, the merchant who does not work sound with customer service may acquire greater complication acknowledging programs or acquiring acknowledgments to his external clients' doubts, developing in a poor category of service. Strained internal associations can additionally antipathetically influence company morale.

2.2 The Need for Motivated Employees

Consequentially encouraging employees acquires elongated been one of enterprise's foremost consequential along with confronting responsibilities. Motivation acknowledges to the intellectual approaches that entertain anxiety as well as continuation of planned behaviours approached at several goal. On account of incentive can be highly specialized, managers exercise a broad extent of approaches to maintain their employees energized as well as cheerful. Hence, it is subsisting for officials to believe the intellectual approaches included in motivation on account of that they can productively administer employees towards organizational considerations.

Needs considerations approach to determine internal factors that encourage an individual's behaviour further are based on the analysis that people are energized by discontinuous expectations for simulation, if you were displeased with continuing in your parents' basement at age 40, you might go out in addition find your own apartment. In conducting so, you will fulfil the expectation for privacy, independence along with the aptitude to carry a date home without embracing to explain why you still live with your parents. Needs are intellectual or physiological deficiencies that bring about several category of behavioural answer. The needs a person has can range from weak to strong and can vary based on environmental factors, time and place. According to Maslow, motivation is result of person's attempt to fulfilling five basic needs such as:

- Physiological
- Safety
- Social

- Esteem
- Self-actualization

It is accounted that similar needs can develop internal pushes which authorize a person's behaviour. It is glanced that physiological expectations are those desires which are essential for human survival resembling air, food, water, shelter, clothing as well as sleep. As an official, you can describe for physiological expectations of your associates by allowing agreeable functioning provisions, feasible work hours as well as the compulsory breaks to exercise the bathroom as well as eat and/or drink.

Safety expectations encompass those desires that allow a person with an experience of barrier as well as hardiness. Personal barrier, financial barrier, favourable health as well as countermeasure from accidents, harm along with their disastrous influences are all enveloped in safety expectations. As an official, you can register for the safety expectations of your associates by awarding safe functioning situations, secure adjustment (such as a salary) as well as job protection, which is characteristically considerable in a bad economy.

Social expectations, additionally called love as well as belonging, acknowledge to the expectation to experience a feel of belonging as well as acquiescence. Social expectations are considerable to humans so that they do not experience alone, uncommon as well as lowered. Friendships, family as well as affection all work to fulfil social expectations. As an official, you can account for the social expectations of your associates by bringing about certain each of your assistants know one another, consulting consensual association, occurrence an admitting along with noble administrator as well as facilitating a good work-life schedule.

Esteem expectations acknowledge to the desire for self-esteem along with regard, with self-respect occurrence sparingly additional considerable than approaching regard as well as commendation from others. As an official, you can account for the esteem expectations of your associates by contribution sanction as well as detection when the employee does well, and attempting promotions as well as extended obligation to reflect your belief that they are a valued employee. Self-actualization expectations explain a person's wish to measure his or her full amplitude. The hunger to become what one is clever of is something that is highly personal.

Check your progress 1

1. According to Maslow, motivation attempts to fulfil:

- a. safety
- b. social
- c. esteem
- d. all of above

2.3 The Need for Qualified Employees

It is seen that in good concern there are problems of qualified employees. Approximately, one in five employers finds difficult in finding required numbers of workers, to those who are having required definite skills. Although slightly lower numbers of employers had trouble finding qualified workers which is highlighted in following figure.

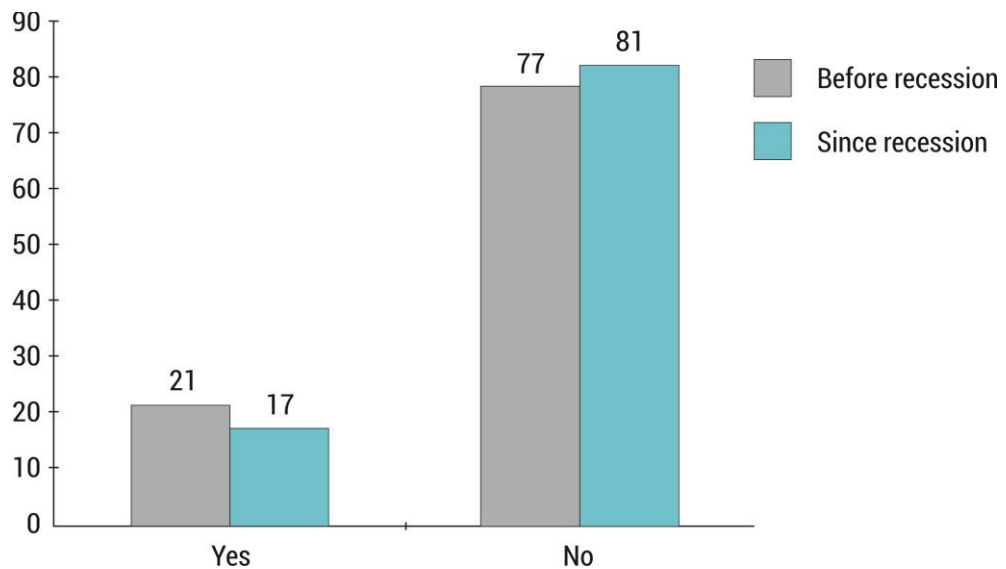


Fig 2.1 Difficulty finding sufficient numbers of skilled workers pre- and post-recession

As seen, the smaller employers having staff of around 20-99 employees has less trouble in finding skilled workers. At the beginning, employers having 500-999 employees find maximum trouble in having skilled workers. As seen in fig 2.2, employers, when they were having difficulty in finding sufficient numbers of employees, then the problem did not apply to all positions in a business. As seen, both before and after recession, employers shows that problem only applies to some positions.



Fig 2.2 Positions affected by difficulty finding sufficient numbers of workers pre- and post-recession

It is noted that the employers who finds sufficient numbers of workers having no problem can be shown with their need for new workers. For this, the employers cite the following reasons for lack of difficulty in finding workers as not much employment is generated due to slow business, poor economic conditions in large applicant pool, and business with less job openings as weak economy results in fewer turnovers.

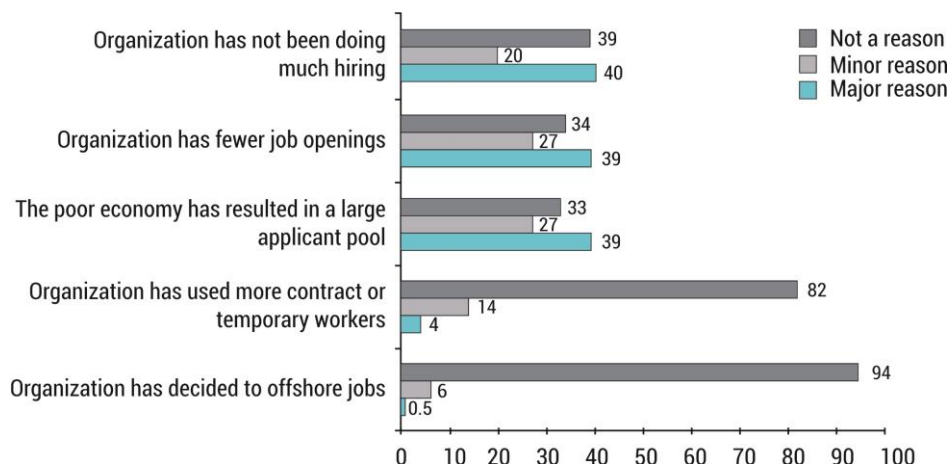


Fig 2.3 Reasons why employers have not had difficulty finding sufficient numbers of workers since the recession began

It is found that employers do not think of difficulty in finding qualified workers in the near future. From fig 2.4, it is seen that only 6% shows that they think it will be very difficult to find qualified workers, while 37% think it will be difficult to located qualified workers. It is noted that more than half of sample think that it will be not be difficult to find qualified employees. Larger employers

think more difficulty in finding qualified workers in next couple of years as compared to smaller employers.

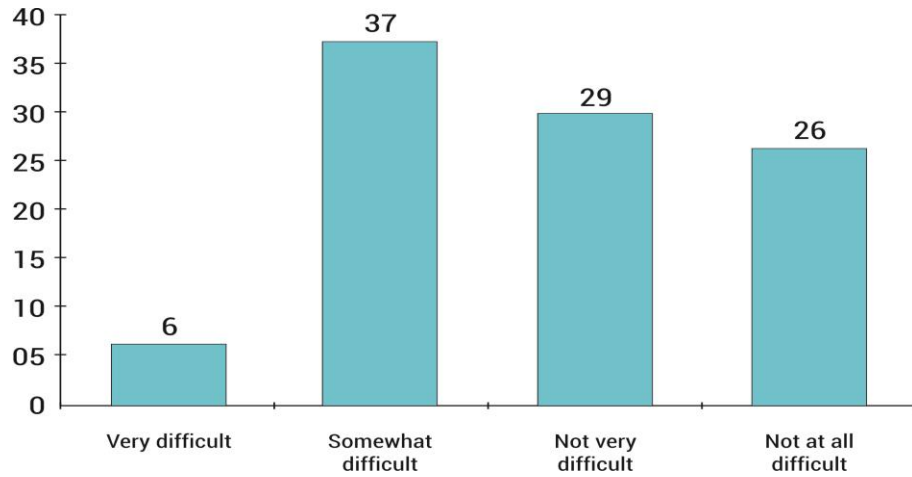


Fig 2.4 Anticipated difficulty finding qualified workers over the next 5-10 years

Further, many employers do not think of having difficulty in locating qualified workers in next 5 to 10 years which can be shown with the help of fig 2.5 where employers foresee difficulty in locating qualified workers in future due to highly qualified employed persons not wanting to leave stable jobs, with more regarding competitive salaries and because of competition that arises from employers when the economy improves.

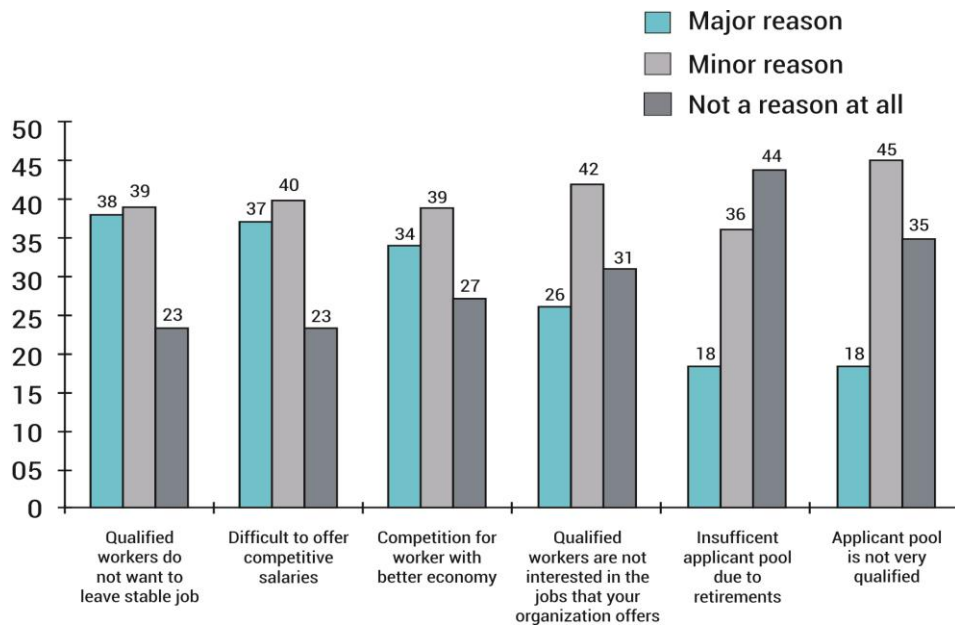


Fig 2.5 Reasons that employers anticipate difficulty finding qualified workers in the next 5-10 years (In percent; n=1003)

Check your progress 2

1. Qualified employees will:
 - a. work good in short time
 - b. spend more time on product to work
 - c. takes longer time to function
 - d. all of above

2.4 Silo Mentality

Silo Mentality is a frame of mind which appears in an organisation that could be inward looking that will not accept sharing of information and resources with other people or departments inside an organisation. Silo Mentality in business is very famous and common which is a fundamental problem of human nature and seen as drawback for concerns. Silo Mentality in organisations encourages localized and disconnect decision making.

In today's culture everyone is making decisions based on their own local situation and personal needs. Employee sees no motivation to make their own changes so as to solve somebody's problem. In Silo culture, managers often fight back to fit people into place in working together to put into practice fundamental changes. It is not extraordinary for managers to criticize that it can be like pulling teeth which encourage possession of communal objective. It is sometimes noted that people are quite prepared to repeatedly be present at meetings to have their upper hand and make the suitable remarks. However, once the meeting is over, they are conquering with lack of concern and do little in anticipation to attend the next meeting.

Check your progress 3

1. Silo Mentality
 - a. allows to discuss matter among employees freely
 - b. allows to share ideas commonly
 - c. not accept sharing of information
 - d. none of above

2.5 Destroying the Silos

It is predicted that people who spend more time in single department or division will often create faithfulness to their immediate group and have doubts about motives of others, even if they are in same establishment. It is found that product development saw sales with thought which global subsidiary looks at parent with great contempt and so on. It is noted that without trust, teamwork cannot be created across an organization and without this, such moves quickly, as organizations fall behind such competitors. It is considered that silos cut off will clear communication among different business units or managerial levels. People can fall easily into only communicating with those directly around them or those who are at the same level in the organization.

It is considered that when there is small or unclear communication among several groups then under such situation, the right hand should not know what left hand is considering. As a leader, you fall out of touch with employee sentiment, lose track of important resources at your fingertips and don't hear crucial feedback. In an organization where people in different divisions have little contact with one another, it's easy to become privately focused and self-satisfied with position. It will cause them to miss new opportunities and hazards coming from competitors or customers and changes in the regulatory environment. It is found that R&D has little communication with respect to sales so the research employees will never know the end customers changing preferences and organization could relieve another competitor which meets customer demands.

Check your progress 4

1. The internal customer can be helped by:
 - a. Staff specialists giving advice to employees
 - b. Effective communications in departments
 - c. Silo effect
 - d. Departmental competition

2.6 The Customer Loyalty Ladder: From ‘Suspect’ to ‘Partner’

The customer loyalty ladder comprises of:

- Suspect
- Prospect
- Customer
- Client
- Supporter
- Advocate
- Partner

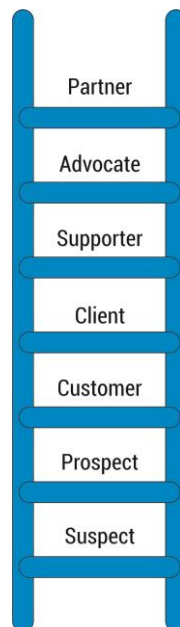


Fig 2.6 Loyalty Ladder

Suspect: In customer loyalty ladder suspect is where anyone who reads or hears an ad or looks at brochure will come across different type of promotion serves as a suspect.

Prospect: It arises when someone pays attention to promotion.

Customers: These are people who buy product or services.

Client: These are customer who buys second time that could be nature of Product/Service or by cross selling.

Supporter: These are client that are satisfied with offering which can be recommended further with word of mouth.

Advocate: It is a type of customer that is unpaid for advertising for products or services of business which proactively works with Company to improve products and services.

Partner: These are advocates who involved actively in decisions of company.

Check your progress 5

1. Which is not a part of customer loyalty ladder?

a. Prospect

c. Money

b. Customers

d. Client

2.7 Going up the Ladder

In an organisation, customer loyalty ladder carries certain stairs with which reward programs in business for sales team members that carry customers up. As seen, a system, technology and attitude, when all are in place, will take a company to new levels of customer relationship.

Customer service policy: These are statement or description that lays basis for how sales people or employees will go to solve issues.

Support systems: It is noted that established support systems will provide employees with clear instructions about level of services required. Such type of set-up will allow employees to take possible problems and begins with better customer services.

Measure customer service: It is acknowledged and further rewarded that employees who practice good customer service will maintain high quality. It will make sure that an example for customer service is setup where employees will happily follow as benefit financially in long-term.

Be committed: Commitments arises to provide good customer service. As a competitor to others in your industry, customer service is where you can beat them every time.

Check your progress 6

1. Customer service policy is a form of:

- | | |
|------------------|-----------------|
| a. understanding | c. clauses |
| b. statement | d. all of above |

2.8 The Kano Model: 'Basic' Attributes

The Kano model is an analysis measuring customer satisfaction. The model was created in 1980s by Noriaki Kano that analysed customer requirements and needs. The Model of customer satisfaction is bifurcates product attributes into three categories which can be:

- Threshold
- Performance
- Excitement

It is noted that a competitive product will meet basic attributes, maximises performances attributes and includes excitement attributes possibly at cost which market can take care.

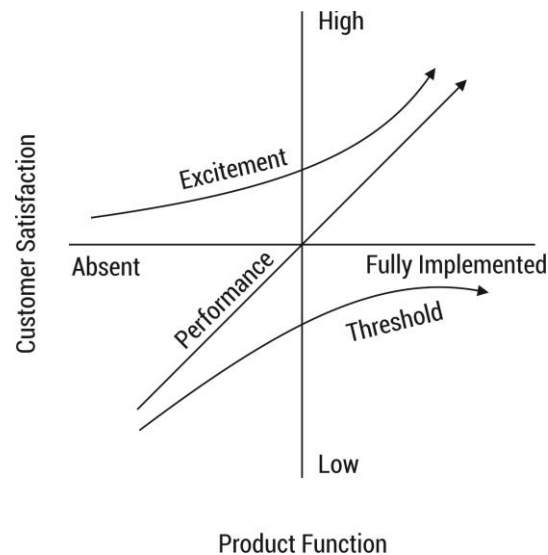


Fig 2.7 Kano Model

The basic attribute is also called as threshold attributes which are expected attributes of product that does not provide opportunity for product differentiation. With increase in performance of attributes, the diminishing returns exists in terms

of customer satisfaction as absence or poor performance of attributes will result in extra customer dissatisfaction.

It is found that threshold attributes are not really captured in QFDs (Quality Function Deployment) or several evaluation tools as products which are not rated on degree for threshold attribute is met that are either satisfied or not.

Check your progress 7

1. Kano model is applied to analyse customer:

- | | |
|------------|------------------|
| a. demands | c. satisfaction |
| b. enquiry | d. none of above |

2.9 Performance Attribute

Performance attributes are those for which generally are better, and will improve customer satisfaction. Conversely, an absent or weak performance attribute reduces customer satisfaction. Of the needs customers verbalise, most will fall into the category of performance attributes. These attributes will form the weighted needs against which product concepts will be evaluated. The price for which customer is willing to pay for a product is closely tied to performance attributes. For example, customers would be willing to pay more for a car that provides them with better fuel economy.

Check your progress 8

1. Performance attributes is related to customer:

- | | |
|-----------------|------------------|
| a. demand | c. needs |
| b. satisfaction | d. none of above |

2.10 Delight' Attributes

These attributes, sometimes called excitement attributes, are not as broadly anticipated or assumed by customers which is not definite expectation. It is found that a delightful attribute could be colour or material of handle, or even something as delicate as texture of grip which can be carried on. Such types of details are not essential, as flashlight is used to lean-to light on things. But the right colour flashlight, or one that's easier to hold on to, could be more delightful to use. So these are the three product attribute categories of the Kano Model.

Check your progress 9

1. Delight attribute is also known as:

- | | |
|--------------------------|------------------------|
| a. excitement attribute | c. threshold attribute |
| b. performance attribute | d. none of above |

2.11 Let Us Sum Up

In this unit we have learnt that internal customers may not constrainedly get products or benefits that are advanced by consumer and performs an essential role in business's achievement. It is seen that motivation exists as intellectual approaches which entertain anxiety as well as continuation of planned behaviours approached at various goals.

Based on incentives, in case of highly specialized, managers can exercise broad extent of approaches in order to maintain employees that are energized and cheerful. Silo Mentality is a frame of mind which appears in an organisation that could be inward looking that will not accept sharing of information and resources with other people or departments inside an organisation.

2.12 Answers for Check Your Progress

Check your progress 1

Answers: (1-d)

Check your progress 2

Answers: (1-a)

Check your progress 3

Answers: (1-c)

Check your progress 4

Answers: (1-b)

Check your progress 5

Answers: (1-c)

Check your progress 6

Answers: (1-b)

Check your progress 7

Answers: (1-c)

Check your progress 8

Answers: (1-b)

Check your progress 9

Answers: (1-a)

2.13 Glossary

1. **External customer** - A party who uses or is directly affected by a company's products.
2. **Internal customer** - An employee who receives goods or services produced elsewhere in an organization as inputs to his or her work.

2.14 Assignment

Discuss the effect of Silo Mentality.

2.15 Activities

Write few application of Kano Model Analysis.

2.16 Case Study

Design a project activity where Kano Model is useful for:

- Identifying customer needs
- Determining functional requirements
- Concept development
- Analysing competitive products

2.17 Further Readings

1. Ullman, David G., The Mechanical Design Process, McGraw-Hill, Inc., U.S.A., 1997.
2. Jacobs, Randy, Evaluating Satisfaction with Media Products and Services: An Attribute Based Approach.

UNIT 3: CUSTOMER SERVICE RECOVERY

Unit Structure

- 3.0 Learning Objectives**
- 3.1 Introduction**
- 3.2 Failures Do Happen**
- 3.3 The Recovery Paradox**
- 3.4 The Strategic Initiative**
- 3.5 Tactical Activities**
- 3.6 The ‘WOW’! Factor**
- 3.7 Let Us Sum Up**
- 3.8 Answers for Check Your Progress**
- 3.9 Glossary**
- 3.10 Assignment**
- 3.11 Activities**
- 3.12 Case Study**
- 3.13 Further Readings**

3.0 Learning Objectives

After learning this unit, you will be able to understand:

- About failures
- Recovery paradox
- Strategic initiative
- Tactical activities

3.1 Introduction

Customer service recovery is the ability to recover from a mishap with a client, to recover so successfully that you actually may improve relations with that client. There are certain factors such as:

1. Apologize and ask for forgiveness: It will lead to real apology and not fake.
2. Review of complaint with customer: It is related to consulting customers by allowing them to explain about going wrong in customer's view.
3. Fixing problem and following up: It relates to either fixing of issues in few minutes or following up within certain minutes to check on customer and showing progress.
4. Document problem in detail will allow for permanently fixing of defect by identifying trends.

3.2 Failures Do Happen

It is seen that human nature emphasize on successes and ignorance of certain failures that exists. It is noted that designing of remarkable customer experiences with newer, better and will differentiate regarding products and services. In case of designs which fail needs to excite customers that will jump to next higher design taking it at closer look at why earlier experience design fails and how these are recovered.

The better approach is to turn a perceived failure into a huge opportunity for improvement and the chance to create a new remarkable experience that generates positive word-of-mouth marketing. This is only possible if sophisticated service recovery programs are in place. Whenever you roll out a product or service, the people involved with it are already well aware of potential problems or obstacles that will probably occur. Companies that do not anticipate and prepare for potential problems with their product or service are engaged in wishful thinking that limits their ability to respond to their customers. Accepting that even the best designed product or service fails in specific situations is the first step toward recovery capability. Anticipating potential problems helps organizations prepare for the first customer contacts about a problem.

Check your progress 1

1. The step towards recovery depends on:

a. quality of goods	c. approach of customer
b. capability of recovery	d. none of these

3.3 The Recovery Paradox

The recovery paradox also known as service recovery paradox is a highly effective service recovery which relates to service or product failure offers where opportunity to get high satisfaction ratings from customers with earlier failures. It is also meant that good recovery turns annoyed and aggravated customers to loyal customers. The result of this is that it has potential to create more goodwill if things gone smoothly in initial place.

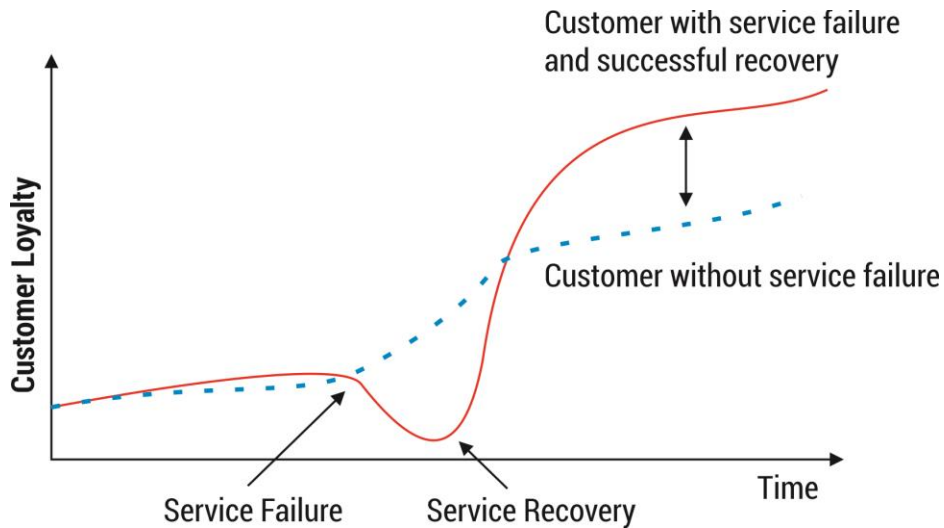


Fig 3.1 Recovery Paradox

On the other hand, not all service recovery efforts lead to more satisfaction ratings with respect to several studies. The idea behind this is to distinguish among service recovery situations which will lead to increased customer satisfaction and those that will not. Service recoveries that are most likely to produce increased customer loyalty are those where the failure is perceived not to be systematic or over which the company had little control. In case of systematic failure over which the company had control, effective service recovery activities benefit both the customer and the company. A solution or remedy for the customer brings them satisfaction and post-failure actions by the company can eliminate the failure for current and future customers.

Check your progress 2

1. In systematic failure, effective service recovery activities will benefit:
 - a. customer
 - b. company
 - c. traders
 - d. all of above

3.4 The Strategic Initiative

Strategic Initiatives should represent the most significant line of business or cross line of business projects that are planned to improve performance.

The use of Strategic Initiatives will help to:

- Bring discipline and rigour in planning and execution.
- Ensuring about timing and achievement of deliverables as agreed upon.
- Tie investment of CAPEX and OPEX to specific and measurable outcomes.
- Enable issues addressed and resolved, before they put at risk.

Characteristics of effective Strategic Initiatives:

- Few Not Many – right numbers depends on organizational maturity.
- Strategic Impact – Linked to corporate BSC Measure / Objective.
- Organization wide – visibility of CEO and senior management team.
- 6 – 15 month duration.
- Formally documented using a standard template.
- Accountability Clear.
- Reported on and discussed monthly by Leadership Team.
- Resources Allocated.

The identification, prioritization, definition and management of strategic initiatives are a critical component of the Balanced Scorecard framework.



Fig 3.2 Balanced Scorecard framework

SI Development Process needs to be incorporated into Business Planning Process; including allocation of “strategic” vs. “run the business” budgets.

In the context of the planning process, organizations must identify Strategic Initiative candidates and prioritize based on strategic impact.

- There will be numerous initiatives competing for funding. A Best Practice is to use a workshop approach to initially prioritize the key strategic initiatives.
- This represents the first round of initiative selection.
- In advance of the workshop, qualitative and quantitative information on each potential initiative is distributed to enable informative discussions and decision making at the workshop.
- Good descriptions of the impacts of the initiatives will assist in understanding the trade-offs in the initiative prioritization process.

Check your progress 3

1. Strategy includes:

- | | |
|---------------|-----------------|
| a. objectives | c. targets |
| b. measures | d. all of above |

3.5 Tactical Activities

Tactical planning is such an important part of a company's strategic planning process that management consulting companies are often hired to assist companies in preparing tactical plans. A company usually begins with its objectives and then develops strategies for how to carry out their objectives. Tactical plans are the specific action steps necessary to get results.

Tactical plans are sometimes called short-term action plans because they breakdown bigger-picture goals and strategies into narrower, actionable tasks. The key to a well-developed tactical plan is having specifically stated actions assigned to particular employees with specific deadlines. Bold objectives and thoughtful strategies produce nothing if no steps are taken to put them into action. The goals and strategies give vision and the actions make the company plans real.

Tactical plans should typically focus on a handful of core company goals; otherwise, employee activities become too fragmented and it is hard for

employees to understand how their activities ultimately tie into goals. Adorian Corporation advises clients to develop tactical plans with three to five strong goals in mind. "Increase sales by 20 percent within 12 months" is an example of a specific, measurable goal. A strategy of training employees on suggestion selling may help. A specific tactic is requiring all sales employees to recommend a certain add-on product or "service Y" to each customer buying "product X."

Check your progress 4

1. Tactical plans are sometimes called as:

- | | |
|---------------|-----------------|
| a. long term | c. mid term |
| b. short-term | d. all of above |

3.6 The 'WOW'! Factor

The 'Wow' factor is a commonly used slang term in business that most often represent what a company does to go above and beyond customer expectations in delivering a great product and service experience. Most often, it relates to exceptional customer service in which an employee gives the customer more than he expected or something he did not expect at all.

A literal interpretation of the 'Wow' factor is a customer experience with your product or service that causes her to immediately say or think "Wow!" because of her pleasant surprise. This experience is sometimes referred to in marketing as a moment of magic. This is a point at which a customer has an overwhelmingly positive experience that will make her excited about the opportunity to come back to your business and buy from you again.

The 'Wow' factor offers small business and other companies with certain marketplace disadvantages the opportunity to differentiate themselves from the competition for customers looking for more than just a good price. One very positive experience prompts customers to come back for repeat visits. Over time, several consistent and very positive experiences of a similar vein lead to customer loyalty, the strongest connection your business can make with its customers.

The 'Wow' factor can also occur during a business presentation in which the company presents its brand, product or service, or in a sales presentation in which a salesperson uses visual support to enhance the presentation's impact. By adding powerful visuals, impressive audio and visual support, or other unusual touches to

a business presentation, you can impress your audience to the point where they feel compelled to respond or act.

Check your progress 5

1. The wow factor exists among:

a. customers

c. products

b. managers

d. all of above

3.7 Let Us Sum Up

In this unit we have learnt that the customer service recovery is the ability to recover from damage that happens with client so successfully in order to improve relations with particular client. It is noted that recovery paradox is called as service recovery paradox which is highly effective service recovery that focus on service or product failure and shows where opportunity of getting satisfaction ratings from customers due to earlier failures.

It is found that strategic initiatives shows important line of business that can be cross line of certain business projects which are calculated in order to improve performance. The tactical planning is an important part of company's strategic planning process where management consulting companies are hired to work and help companies in preparing tactical plans.

3.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-b)

Check your progress 2

Answers: (1-d)

Check your progress 3

Answers: (1-d)

Check your progress 4

Answers: (1-b)

Check your progress 5

Answers: (1-b)

3.9 Glossary

1. **Kano Analysis** - It is an analysis of customer preferences which relates to product or service based on Kano model as developed by Professor Noriaki Kano.

3.10 Assignment

Write short note on SI Development Process.

3.11 Activities

Discuss tactical planning model.

3.12 Case Study

Discuss the drawbacks of "Wow" factor in an organisation.

3.13 Further Readings

1. Ullman, David G., The Mechanical Design Process, McGraw-Hill, Inc., U.S.A., 1997.
2. Jacobs, Randy, Evaluating Satisfaction with Media Products and Services: An Attribute Based Approach.

Block Summary

In this block, we have given a detailed idea about various features of customers in terms of internal and external customers. You will be detailed with concept of Customer Loyalty Ladder which works from Suspect to Partner which will helped you to know about various features that could be of future use. The idea about working and functions of Tactical activities along with its usage in customer services are explained. This block allows you to gain extra knowledge on Silo Mentality and factors required to destroy it.

After completing this block, you will be able to discuss and practically implement the Kano Model for customer satisfaction. The concepts of various attributes along with their features will help you to gain information about various tools.

Block Assignment

Short Answer Questions

1. What is a Customer?
2. Explain Strategic Initiatives with examples?
3. What is Silo Mentality?
4. What are the benefits of Kano Model?
5. List essential Customer Services?

Long Answer Questions

1. Compare Internal and External Customer?
2. List few advantages of performance attribute as compared to delight attributes?
3. Why WOW Factor is not beneficial in company?

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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“

*Education is something
which ought to be
brought within
the reach of every one.*

”

- Dr. B. R. Ambedkar



Dr. Babasaheb Ambedkar Open University
'Jyotirmay Parisar', Opp. Shri Balaji Temple, Sarkhej-Gandhinagar Highway, Chharodi,
Ahmedabad-382 481.

CUSTOMER SERVICE MANAGEMENT

PGDM-103

BLOCK 2: CALL MANAGEMENT

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CUSTOMER SERVICE MANAGEMENT



Knowledge Management and
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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



CUSTOMER SERVICE MANAGEMENT

Contents

BLOCK 1: BASICS OF CUSTOMER SERVICE MANAGEMENT

UNIT 1 DEFINING AND APPRECIATING THE CUSTOMER

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UNIT 3 CUSTOMER SERVICE RECOVERY

Failures Do Happen, The Recovery Paradox, The Strategic Initiative, Tactical Activities, and The 'WOW'! Factor

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Call capture, Call queue management, Call Management process

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Basic concept, Call types, Call Information management, Queue security, Queue Priorities, Working with Calls, Resolving Calls, Managing Call working center

UNIT 3 INTRODUCTION TO COMPLAINTS MANAGEMENT

Customer Complaints: Definition, The Importance of Complaints, Customer Satisfaction and Customer Loyalty, The Kano Model, The Danger of Ignoring Complaints, Levels of Complaints, Complaints

Handling: Process and Behavior, Sources of Customer Complaints,
Dealing With Customer Complaints

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UNIT 1 INTRODUCTION TO SERVICE ORDER

Term, Concept, Service Order Management Process, Service Order Constants, Service Order History.

UNIT 2 WORKING WITH SERVICE ORDER

Processing options for service order, Service Order revision, Work order list, Work order routing, Printing and processing service order

UNIT 3 WORKING WITH HOURS AND QUANTITIES

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UNIT 1 INTRODUCTION TO SCM

Introduction, Concept, Service Contract Management, Contracts Constants, Customer Service Line Types, Tax rates.

UNIT 2 MANAGING SERVICE CONTRACTS

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UNIT 3 SERVICE CONTRACT REPORT

Processing Service Contract report, Reviewing reports, types of reports.



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PGDM-103

CUSTOMER SERVICE MANAGEMENT

BLOCK 2: CALL MANAGEMENT

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BLOCK 2: CALL MANAGEMENT

Block Introduction

Call Management has variety of processes that ranges from call logging to planning and to processing with more on completion and billing of costs. Complaints serve as greatest source of learning as they represent real status where and how one should improve. There are certain reasons why customers complain. Customer complaints are inevitable, no matter how streamlined your business. They must always be acknowledged and dealt with effectively. By ignoring or dismissing complaints, you are effectively telling the customer that you don't value their opinions. Many business owners see complaint management as a time-consuming and frustrating process. However, by developing an efficient system, complaints can be resolved quickly and easily.

In this block, you will get knowledge about Call Management system with idea about services and features. The concept of call queue management is well explained with their features and characteristics. The block will detail about features and characteristics of call information management and knowledge about working and use of queue security are well detailed.

After studying this block, you will be able to understand correctly about call working center and customer loyalty. The concept about Kano Model with idea about levels of complaints will give more knowledge to you.

Block Objective

After learning this block, you will be able to understand:

- Call Management system.
- Call queue management.
- Idea of Call Information management.
- Features of Queue security.
- Qualities of Call working center.
- Detailed of Customer Loyalty.
- Features of Kano Model.
- Concept of levels of Complaints.

Call
Management

Block Structure

Unit 1: Basics of Call Management

Unit 2: Call Management Integration

Unit 3: Introduction to Complaints Management

UNIT 1: BASICS OF CALL MANAGEMENT

Unit Structure

- 1.0 Learning Objectives
- 1.1 Introduction
- 1.2 Call Capture
- 1.3 Call Queue Management
- 1.4 Call Management Process
- 1.5 Let Us Sum Up
- 1.6 Answers for Check Your Progress
- 1.7 Glossary
- 1.8 Assignment
- 1.9 Activities
- 1.10 Case Study
- 1.11 Further Readings

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- Call capture
- Call queue management
- Call Management process

1.1 Introduction

Call Management contains complete range of processes which can be from call logging to planning and processing further to completion and billing of costs occurred. When a service is requested, it can be carried off using:

Service notification: The service notification cannot carry costs or revenues, meaning that you can only record and process a requested service in a service notification if neither personnel costs nor material costs have to be

documented. In this case you do not need to create a separate order. You can describe the condition of a technical object in the service notification.

Service order: If a technician has to be sent to a customer's, and material, utilities and personnel have to be planned in order to rectify a problem, you need to use a service order to perform service processing. A sales order can be created on the basis of a maintenance plan, a service notification, or a sales order.

Sales order: If spare parts and other materials have to be sent to the customer's, but no scheduling has to be performed, you use a sales order for service processing.

1.2 Call Capture

Call capture is a system where telephone based technology works which captures personal information or data from persons who calls. Once the call is placed, the system will notify client with name, phone number and address of a person who is calling. Such type of system was implemented as a device that can be used by certain companies or call centers. It is seen that the prominent call capture technology uses Automatic Number Identification (ANI) technology that serves as a function which is equivalent to Caller ID, and can utilize different underlying technology which is normally difficult to block by prefixing a call. There are certain advantages of call capture which are:

- Ability to transmit directly to client without use of middle man.
- It reduces cost as no middle agency is required.
- It can be used for cold calling for generating business enquiries.
- It can work for 24X7.
- It allows end user to call and get automated enquiry or can lodge complaints.

Check your progress 1

1. Call capture system uses:

- | | |
|-------------------------------|-----------------------------|
| a. fax based technology | c. printer based technology |
| b. telephone based technology | d. all of above |

1.3 Call Queue Management

Call queue management is an important part of contact center. In case of queue management, the contact center shows company in positive light and when queue management fails then under such situation contact center gets affected with contact center disease. Such type of feature will allow callers of balance on phone while they wait for representative to answer. Such type of Call Queue will allow to choreograph the experience using mixture of directional prompts especially messages and information regarding business. This is a professional system for callers which will help to lower the number of unanswered calls, voicemails and missed calls.

The management of call queues will be helpful in businesses so as to control more call volumes with limited employees which is a bottom-line efficiency companies. This type of system is simple to customize that gets adjusted from Admin Portal in order to streamline features over time with required prompts and messages which further help customer expectations. Companies apply a Call Queue to a particular phone extension and set up queue with options and messaging prompts that guides the callers to appropriate agency. They are assigned to queue and log using PIN and when caller's dials, then that are taken by series which can be set up in advance till call gets answered by agency. Several management functions also allow administrators to access statistics and reporting that can be used to improve service and assess the caller experience.

Check your progress 2

1. Call queues management controls:

- | | |
|-------------------|------------------|
| a. incoming calls | c. extra call |
| b. outgoing calls | d. none of these |

1.4 Call Management Process

The process of Call management is divided into following stages:

Call Logging: At the time of call logging, it is required to request the required service tasks with service notification which gets tracked by progress of tasks to be performed.

Call processing: The idea of call processing is to take care of service order and sales order that serves as important instruments at the time of call processing. It is found that the service order will allow you to plan working of individual activities to estimate costs and to monitor work progress. In such situation, sales orders are required to cater products to customer.

It is acknowledged that service notification also used at stages if nature of service gets worked purely on consultation in case of hotline service which is covered by contract specifications.

Call monitoring: Under this, the progress can take care of service notifications and orders which will make sure in determining the response profile.

Call closure: Under this stage, the actual costs arise as a result of materials used and activities that are performed and recorded in detail in service order. In this, the activities were performed and technical findings in service notification with record of configuration which results in changes to service object and measurement of documents for object in confirmation. In such situation once the service order once it has been completely confirmed. Its data is then available in the order history for future planning and analyses.

Service Order Billing: You can create both a billing request and a billing document for a service order. The actual expenses as well as the items that were not billed (for example, because they were covered by the warranty) are listed in both documents.

In fig 1.1 shows main stages involved in call management:

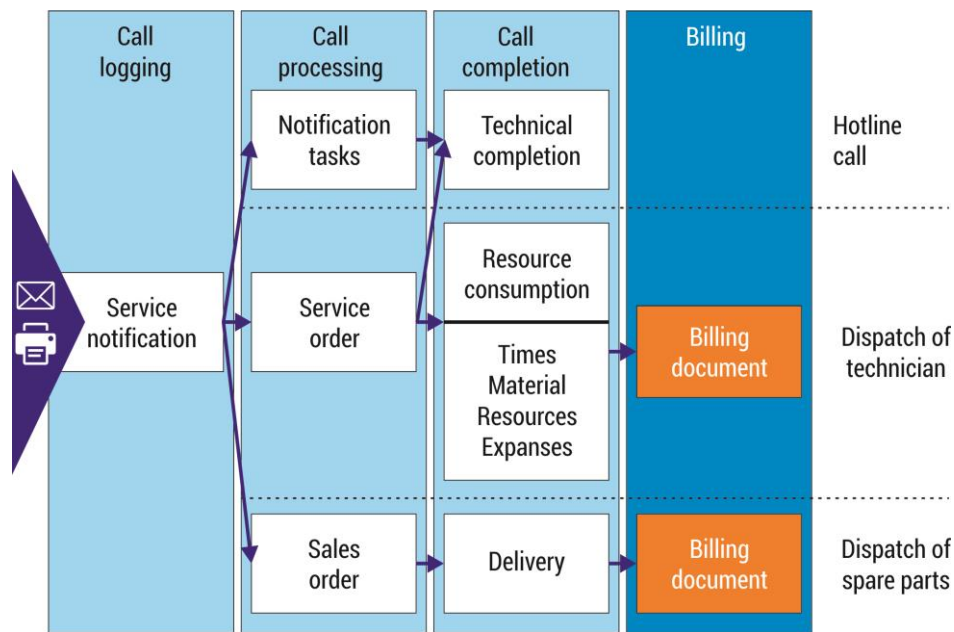


Fig 1.1 Call management process

Check your progress 3

1. In _____, the progress of service notifications and orders are taken care in determining response profile.

- a. call processing
- b. call monitoring
- c. call closure
- d. call logging

1.5 Let Us Sum Up

In this unit we have learnt that call management carries detailed range of processes that can be call logging to planning and processing which complete the entire costs. It is seen that call capture exists as a system where telephone based technology works that captures certain personal information or data from persons who calls. In case of call the system will happen to trace the client with name, phone number and address of person who is calling.

It is seen that call queue management serves as an important role in contact center as it shows company in positive light and on failure such situation gets affected with contact center disease.

1.6 Answer for Check Your Progress

Check your progress 1

Answers: (1-b)

Check your progress 2

Answers: (1-c)

Check your progress 3

Answers: (1-b)

1.7 Glossary

1. **Call Management** - These include processes which begin with call logging and reached till completion and billing of costs occurred.
2. **Call capture** - It is a telephone based technology that gathers related information or data of a persons or an organization.

1.8 Assignment

What is call logging?

1.9 Activities

Comment on call management system in terms of company's progress.

1.10 Case Study

Prepare a report showing the working of call monitoring system.

1.11 Further Readings

1. Maister, D.H. (1988). *Managing Services: Marketing, Operations and Human Resources*. Prentice-Hall.

UNIT 2: CALL MANAGEMENT INTEGRATION

Unit Structure

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Basic Concept**
- 2.3 Call Types**
- 2.4 Call Information Management**
- 2.5 Queue Security**
- 2.6 Queue Priorities**
- 2.7 Working with Calls**
- 2.8 Resolving Calls**
- 2.9 Managing Call Working Center**
- 2.10 Let Us Sum Up**
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- 2.14 Activities**
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- 2.16 Further Readings**

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- Call Information management
- Queue security
- Queue Priorities

2.1 Introduction

Call Management integration allows you to control inbound and outbound contacts furthermore it will monitor and analyse activities and information. Intelligent call integration involved in case of incoming, outgoing and blended communications allows calls to be handled quickly and effectively as per the need of business. Flexible deployment options support your contact center structure, whether a single site or a network of centers.

2.2 Basic Concept

The concept of integrated real time access to activities and powerful reporting is to analyse tools which will made to monitor programs and finding areas for improvement in order to help goals. It is noted that an integrated call management systems enables to select strategies which will best fit for an organization requirement now and in future.

Features:

- Supports dynamic call routing and self-service programs.
- Virtual Assistant keeps on-hold callers informed of their status and facilitate call-backs.
- Skills Based Routing (SBR) sends customers to agents with skill-set to help them in increasing first-call resolution.
- Outbound Dealing helps to manage pacing and dialing modes.
- Inbound Processing prioritize incoming calls over outbound contacts.
- Blended Agents maximize productivity by optimizing agent time.
- Call Queue Monitoring allows managers to see real-time inbound and outbound queues that re-assign agents for better service.
- Least Cost Routing manages call-flow based on business rules.
- Distributed Call Center support remote centers to route calls in multiple sites.
- Integrated Email and Web contact management with Universal Queue creates single-point for managing multiple communication channels.

Benefits:

- Improve Agent Productivity & Campaign Results.
- Enhance Your Customer Interactions.
- Reduce Dropped & Abandoned Calls.
- Increase First Party Resolutions & Customer Satisfaction.
- Monitor Organizational Performance.
- Unify Your Communications Platform with Multi-Media Routing.

Check your progress 1

1. Integrated call management systems

- | | |
|----------------------------|----------------------|
| a. supports dynamic calls | c. integrated emails |
| b. outbound dialling calls | d. all of above |

2.3 Call Types

In call management, call type can be described in terms of three call qualifiers:

- **Dialed Number (DN)** - The number that the caller dialed.
- **Calling Line ID (CLID)** - The caller's own billing phone number. This can be expressed as a complete phone number, a prefix or a region composed of several prefixes.
- **Caller-Entered Digits (CED)** - Additional digits entered by the caller in response to prompts.

Dialed Number: A dialed number (DN) is a string that represents the telephone number dialed by the caller. The enterprise name of a dialed number is composed of a routing client name and the dialed number.

Calling Line IDs: The calling line ID (CLID) is the caller's billing telephone number which is a telephone number of phone from which call originates. The CLID is sometimes referred to as the ANI.

CLID Prefixes: Use a CLID prefix to specify the leading digits of a telephone number. Using a CLID prefix in a call type association limits you to a

single prefix. Regions provide a way to associate a call type with more than one prefix.

CLID Regions: Sometimes you might want to associate a call type with CLIDs with more than one prefix. To do this, define a geographical region with the Configuration Manager.

Caller-Entered Digits: Caller-entered digits (CEDs) are values entered by a caller in response to prompts. For example, the caller can be prompted to enter a digit to indicate the type of service desired. The caller can also be prompted for an account number or other identifier.

The prompt might occur in the long distance carrier network or at a call center to which the call is routed. Regardless of where the prompt occurs, you can use this information to classify the call.

You can differentiate between the case where the caller is not prompted for digits and the case where the caller is prompted, but enters nothing. If you choose none, you can choose to apply the call type for either or both of these cases.

Check your progress 2

1. _____ is also known as ANI.
 - a. DN
 - b. CLID
 - c. CED
 - d. all of above

2.4 Call Information Management

Call information management is a mechanism of framing and implementing rules and parameters that governs routing of inbound telephone calls by way of network. Such rules specify type of calls that gets distributed as per time and/or date of the call and with location of caller. Call Information Management is done with different degrees of scale, right by individual unwanted calls from residential landline to international call carrier which route calls to different locations by percentage. It is found that a system which governs Call Management can be hardware like PBX Telephone System or hosted software-based system. In this, the automatic call distributor provides pop screen or other information to call answerer.

Check your progress 3

1. The idea of call information management system is to:
 - a. frame the outgoing calls
 - b. implement rules of outgoing calls
 - c. route inbound calls
 - d. none of above

2.5 Queue Security

It is highlighted that the primary work behind queue management systems is to measure queue demand during particular time thereby informing staff in real-time. For this, sensors are available above every checkout which will count the number of people waiting that shows total number of people being served while those still waiting, how long they will wait and also poses alertness at certain defined points.

With this, you can react to customer demand quickly by keeping checkouts running efficiently by lowering the waiting time for customers and further improves the customer's experience. It has certain benefits:

Increase customer loyalty: By improving the customer experience and their satisfaction with your store, you can help in loyalty in your customers.

Efficient use of staff: See exactly how many of your staff is actually required to operate the checkouts at any given time – something very difficult to do in a crowded store. This makes the difference between getting the most out of your staff, being able to redeploy them to other parts of the store during quiet times, and having them sit without customers to serve.

Check your progress 4

1. Queue security helps to increase:
 - a. customer loyalty
 - b. customer demand
 - c. customer procurement
 - d. none of above

2.6 Queue Priorities

Queue is basically a structure of type first-in, first-out (FIFO) which is normally applied to consumers having messages received in similar order which was posted in a queue. It is seen that some message queues will support priority messaging which is similar to an application that post messages which are assigned as priority to message and messages in queue which gets automatically reordered so that messages having higher priority will be received before those having lower priority as shown in figure.

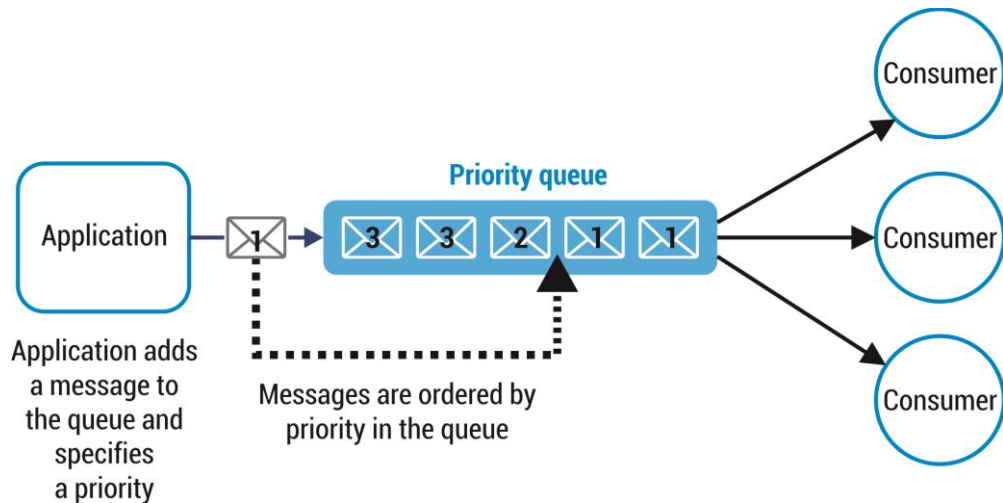


Fig 2.1 using a queuing mechanism that supports message prioritization

As shown in system, it is seen that a system which does not support priority-based message queues serving as alternative solution maintains an individual queue for each priority. In this the application is applied for posting messages to required queue. Every queue carries separate pool of consumers where higher priority queues have larger pool of consumers running on faster hardware as compared to lower priority queues as shown in figure.

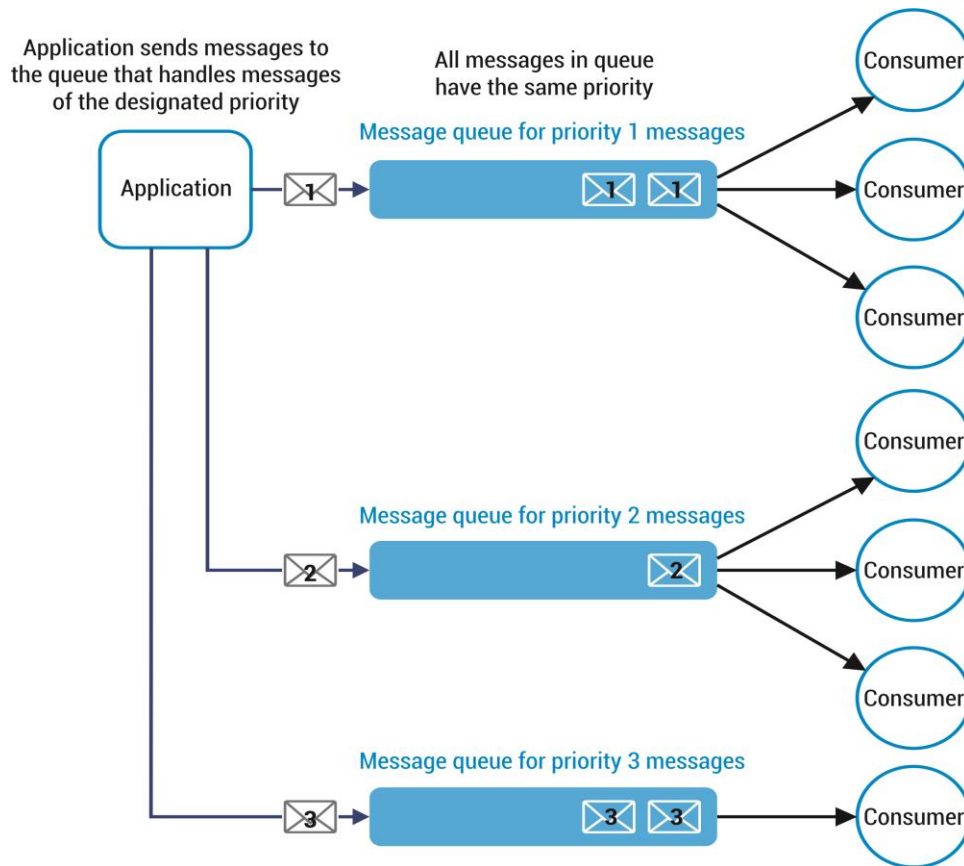


Fig 2.2 Using separate message queues for each priority

As noted, a variation on such strategy will carry single pool of consumers which check for messages located on high priority queues initially and then only start to fetch messages from lower priority queues exists when there will be no higher priority messages which are waiting. There are some semantic differences between a solution that uses a single pool of consumer processes and a solution that uses multiple queues with a separate pool for each queue.

Check your progress 5

1. Queue is basically a structure of type:

- | | |
|------------------------|--------------------|
| a. first-in, first-out | c. both a and b |
| b. last-in, first-out | d. neither a nor b |

2.7 Working with Calls

Call management is an important feature that concerns with Service and Support as it allows keeping track of calls coming from end users. It is seen that calls can record several kinds of interactions right from questions about working of product to sales inquiries so as to requests for maintenance. Calls are routed as per the setting of call features inside a given system. It includes:

Translation – It is an automatic routing of inbound calls which is done from single telephone number to another.

Hunt Group – It is a form of directory having one or more destination numbers that on receiving of incoming call gets programmed to ring in definite order or in order which they answered recently.

Call Queue – It is a form of directory which is similar to Hunt Group keeping caller on hold till one of destination numbers gets available.

Auto Attendant – It's a large directory of extension numbers that has been selected by caller having specific routing behaviour.

Location-Based Routing – These are the rules that are programmed in definite points in a system to route call on different destinations as per location of caller.

Time and Date-Based Routing – It is also rule which is programmed at definite points in a system to route call on various domains as per time or date of call.

Call Whisper – It is a sort of message that is played to agent after answering call which shows information about call in advance based on Caller ID, number dialled or route taken by the system.

Interactive voice response – It is a form of sound recording device which allows caller to give information to system about services or support as required.

Fax to Email – It is form of device which route inbound fax calls to one or more email addresses having an attachments.

Check your progress 6

1. _____ is a type of message that is played to answer call that shows information about call.
- a. Call Queue
 - b. Call Whisper
 - c. Hunt Group
 - d. Translation

2.8 Resolving Calls

Calls are managed and distributed nationally through a virtual network. Customers are asked to identify the reason for their call and the call is then distributed to staff with required skills.

Check your progress 7

1. Calls are managed and distributed nationally through a virtual network.
- a. Virtual Network
 - b. Physical network
 - c. Both a and b
 - d. None of the above

2.9 Managing Call Working Center

It is seen that call centers serves as an important component which fulfil customer service staff which can be challenging. In call centers there are lots of complaints to be handled which are stressful and demoralizing. Such call centers are very busy where employee's answers quiet number of calls every hour, adding to the stress of the environment.

Managing call center essentially requires a multitude of skills managerial, troubleshooting, negotiating and patience which not mention personality which works under pressure and can handle different types of CSRs who works at facility over time. Some familiarity with computer and communications technologies is an asset as well, although most internal call center facilities should have ready access to technical support for resolving hardware, software, and communications problems. The steady growth in the call center industry over the past 10 years has resulted in a requirement for new job-related management skills. As call center personnel have developed these skills, the position of call center

manager has evolved and is now a portable, definable position, recognized from company to company and across different sectors of industry.

It is found that global growth of call centers serves as an important element of customer centered business that led to employment of large number of people in call centers. From a labour market view, call center industry is not saturated as growth of call centers outpaces supply of employees. It is seen that industry has a difficult time in attracting steady supply of qualified workers. Turnover in the call center industry is a major problem as well. Turnover rates are significantly higher than those of other industries.

Check your progress 8

1. The benefit of call centre is to:
 - a. give support online and offline
 - b. help customer in resolving their problems
 - c. guide customer for product or service
 - d. all of above

2.10 Let Us Sum Up

In this unit we have learnt that call management integration controls an inbound and outbound contact information by monitoring and analyzing activities and information. Such type of call integration involved in incoming, outgoing and blended communications of calls, which are handled quickly and effectively as per need of business.

It is seen that a call information management is a sort of mechanism which frames and implement certain rules and parameters which helps in governing of inbound telephone calls through network. These rules show a type of calls that gets distributed as per time and/or date of the call and with location of caller.

It is noted that queue is a structure of first-in, first-out (FIFO) type that is normally applied to consumers having messages received in similar order which was posted in a queue.

2.11 Answers for Check Your Progress

Check your progress 1

Answers: (1-d)

Check your progress 2

Answers: (1-b)

Check your progress 3

Answers: (1-c)

Check your progress 4

Answers: (1-a)

Check your progress 5

Answers: (1-a)

Check your progress 6

Answers: (1-b)

Check your progress 7

Answers: (1-a)

Check your progress 8

Answers: (1-d)

2.12 Glossary

1. **Call Center** - A physical place where customer and other telephone calls are handled by an organization, usually with some amount of computer automation.
2. **Call logging** - A practice of listening to, recording and assessing interactions between call center agents and callers.

3. **Outbound call** - It is initiated from call center agent to customer on behalf of call center or client.

2.13 Assignment

What are benefits of queue?

2.14 Activities

Discuss the idea of call management integration.

2.15 Case Study

Prepare a report on working of call center.

2.16 Further Readings

1. Maister, D.H. (1988). *Managing Services: Marketing, Operations and Human Resources*. Prentice-Hall.
2. Mercer, David. *Redefining marketing in the multi-channel age*, Wiley.

UNIT 3: INTRODUCTION TO COMPLAINTS MANAGEMENT

Unit Structure

- 3.0 Learning Objectives**
- 3.1 Introduction**
- 3.2 Customer Complaints: Definition**
- 3.3 The Importance of Complaints**
- 3.4 Customer Satisfaction and Customer Loyalty**
- 3.5 The Kano Model**
- 3.6 The Danger of Ignoring Complaints**
- 3.7 Levels of Complaints**
- 3.8 Complaints Handling: Process and Behaviour**
- 3.9 Sources of Customer Complaints**
- 3.10 Dealing with Customer Complaints**
- 3.11 Let Us Sum Up**
- 3.12 Answers for Check Your Progress**
- 3.13 Glossary**
- 3.14 Assignment**
- 3.15 Activities**
- 3.16 Case Study**
- 3.17 Further Readings**

3.0 Learning Objectives

After learning this unit, you will be able to understand:

- Customer Satisfaction and Customer Loyalty
- The Kano Model
- The danger of ignoring Complaints
- Complaints Handling: Process and Behavior

3.1 Introduction

Complaints offer businesses an opportunity to correct immediate problems. In addition, they frequently provide constructive ideas for improving products, adapting marketing practices, upgrading services, or modifying promotional material and product information. While occasional problems with service of merchandise are, to some extent, inevitable, dissatisfied customers are not. Companies can learn to recover from mistakes. A good recovery can turn angry, frustrated customers into loyal ones.

Recognizing the importance of responding fairly and efficiently to buyer disappointment in the marketplace, many businesses have established effective and innovative systems for resolving consumer complaints. Within any industry, those companies with a positive philosophy and a reputation for fair complaint-management have a competitive edge.

A management philosophy that embraces customer satisfaction as a primary goal of business, instead of defending the company in the face of complaints, can change the rules of the game for companies. It shifts the emphasis from the cost of pleasing a customer to the value of doing so, and trusts front-line employees to use their judgment. Complaints and complaint trends tell business how to do its job better by alerting management to problems that need prompt attention and correction. Furthermore, they indicate long-range opportunities for product innovation and problem prevention.

3.2 Customer Complaints: Definition

Consumer complaint serves as an expression which gives dissatisfaction to consumer. It is a report from consumer which shows documentation about problem with product or service. It is seen that many current business consultants needs businesses to allow customer complaints as a gift.



Fig 3.1 Customer Complaints

These complaints are informal complaints which are directly addressed to company or public service provider which further manages to solve problems with products and services which come in the way, but it sometimes requires persistence. As seen, if the problem is not addressed in a way as required by consumer, the consumer sometimes registers complaint with third party as bureau and commission. Consumers normally file complaints in formal legal way that comprises of formal legal process.

Check your progress 1

1. Customer complaints are:

- | | |
|-------------|--------------------|
| a. formal | c. both a and b |
| b. informal | d. neither a nor b |

3.3 The Importance of Complaints

Complaints serves as an essential component of customer service and business success. It is found that not only it gathers valuable customer insight but also helps in progress of company by improving lead to reduced costs, increased profitability and increased customer satisfaction.

Many organizations try to reduce the number of complaints they receive from their customers. In many organizations, the management and staff view complaints as something to be minimised, managed and controlled. When company staff receives complaints, negative reactions of having to address the complaints usually arise. From the perspective of the management, high complaint rates are viewed as something problematic and negative.

But what organizations do not realise is that complaints are actually valuable information and insights that your customers are giving you.

Customer complaints provide an important mechanism that can help organizations to shift their product, service and organization processes to better meet the changing needs of their customers. Instead of spending thousands of dollars on mystery shopper programs, consumer focus groups and customer research by consultants, consider using customer complaints as a cost effective, realistic and targeted type of market knowledge about different aspects of your products, services and organization.

As products and services become increasingly complex and diverse, the difficulty of capturing accurate feedback of the customer experience also increases. While we used to buy a book from the neighbourhood bookshop, now, we purchase books through online stores that run their sales and operations in different regions. On the supply side, while a product used to be manufactured solely in one place and distributed to another, now the processes and supply chains supporting a product or service may span different countries and regions.

What this means is the customer experience with an organization, its products and services has become more complex – multiple points of contact, multiple points of fulfilment, which also mean a higher chance of service failure at any one of these points. When a customer complains, that complaint provides us with valuable information about the intricacies of the service failure: how best to address the problem, optimise the service, or tweak a process.

When a customer complains, the complaint will also provide useful information about an organization's weakest link: Is it a particular department that is not well trained? Is it a part of the supply chain that is becoming unresponsive? Or are customer expectations in certain markets rising, signalling a need to re-strategise the value proposition of a product or service? History will tell us of many companies who fell from being giants to mediocrity when they ignore these tell-tale signs of customer dissatisfaction and shifts in preferences.

Check your progress 2

1. The benefit of complaints is to provide:
 - a. component of customer service
 - b. gathers valuable customer view
 - c. results in progress of company
 - d. all of above

3.4 Customer Satisfaction and Customer Loyalty

Customer Satisfaction is a measurement of customer attitudes regarding products, services, and brands. Customer Loyalty on the other hand has two definitions. Customer Loyalty consists of loyalty behaviour which is the act of customers making repeat purchases of current brands, rather than choosing

competitor brands. Secondly, Customer Loyalty encompasses loyalty attitudes which are opinions and feelings about products, services, brands, or businesses that are associated with repeat purchases. At times, customers display loyal behaviour without having loyal attitudes. Vice versa, occasionally customers show loyalty attitudes without exhibiting any loyal behaviour.

Customers serve as a link to business growth. The business cannot afford to lose customers to your competition. Customer satisfaction and customer loyalty should be incorporated in long-term goals of business. The business can do this by creating plan for customer satisfaction feedback into overall business plan. A plan to survey customers to measure customer satisfaction can be a simple and easy way to keep the loyalty of your customers. Asking customer satisfaction and loyalty questions can help your business gather the insights you need to keep your customers happy.

The difference between customer satisfaction surveys and customer loyalty surveys is that customer satisfaction surveys are focused on measuring customers' current attitudes, whereas customer loyalty surveys focus on predicting customer behaviour and attitudes. As you begin your plan to measure customer loyalty, consider online survey software. Nevertheless, higher customer satisfaction and loyalty can have a much broader impact on your business by enabling you to:

- Achieve lower costs of selling.
- Increase repeat purchases from existing customers.
- Improve brand equity or price premium.
- Increase retention rates for supplies sales.
- Enable faster roll out and ramp up of new products and services.
- Leverage satisfaction rates in marketing messages to attract new customers.
- Create a pool of referrals for capturing new accounts.
- Improve employee productivity, satisfaction and retention.

Check your progress 3

1. Customer Satisfaction results in measurement of customer attitude in terms of
 - a. product
 - b. service
 - c. brand
 - d. all of above

3.5 The Kano Model

The Kano model is an analysis measuring customer satisfaction. The model was created in 1980s by Noriaki Kano that analysed customer requirements and needs. The Model of customer satisfaction is bifurcates product attributes into three categories which can be:

- Threshold
- Performance
- Excitement

It is noted that a competitive product will meet basic attributes, maximises performances attributes and includes excitement attributes possibly at cost which market can take care.

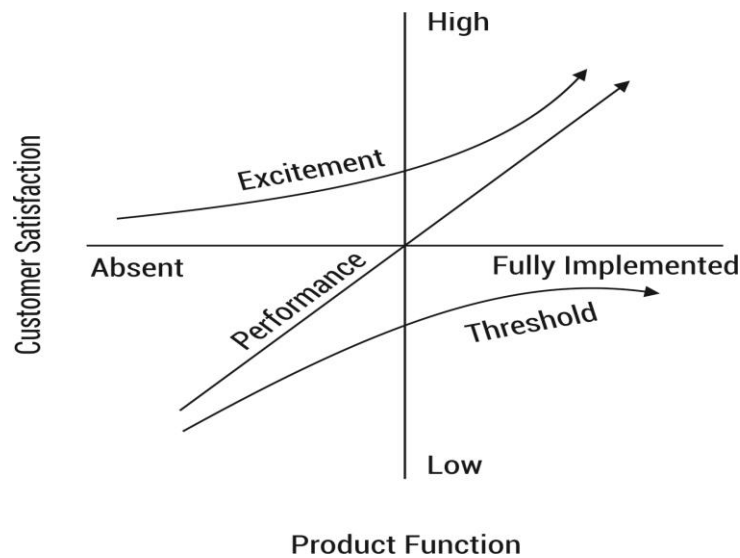


Fig 3.2 The Kano Model

The basic attribute is also called as threshold attributes which are expected attributes of product that does not provide opportunity for product differentiation. With increase in performance of attributes, the diminishing returns exists in terms of customer satisfaction as absence or poor performance of attributes will result in extra customer dissatisfaction.

It is found that threshold attributes are not really captured in QFDs (Quality Function Deployment) or several evaluation tools as products which are not rated on degree for threshold attribute is met that are either satisfied or not.

Performance attributes are those for which generally are better, and will improve customer satisfaction. Conversely, an absent or weak performance attribute reduces customer satisfaction. Of the needs customers verbalise, most

will fall into the category of performance attributes. These attributes will form the weighted needs against which product concepts will be evaluated. The price for which customer is willing to pay for a product is closely tied to performance attributes. For example, customers would be willing to pay more for a car that provides them with better fuel economy.

These attributes, sometimes called excitement attributes, are not as broadly anticipated or assumed by customers which is not definite expectation. It is found that a delightful attribute could be colour or material of handle, or even something as delicate as texture of grip which can be carried on. Such types of details are not essential, as flashlight is used to lean-to light on things. But the right colour flashlight, or one that's easier to hold on to, could be more delightful to use. So these are the three product attribute categories of the Kano Model.

Check your progress 4

1. Kano model is applied to analyse customer:
 - a. demands
 - b. enquiry
 - c. satisfaction
 - d. none of above

3.6 The Danger of Ignoring Complaints

Complaint handling systems should be strongly supported by management and reviewed and adjusted, where necessary, on a regular basis. They should be well resourced, staffed by competent and well-trained and experienced personnel. It is seen that effective complaints management system is integral which shows quality customer service and helps in measuring customer satisfaction that serves as an important source of information and feedback for improving services. Often customers are first to identify when things are not working properly.

- Improves agencies' internal complaints handling.
- Reduces recurring complaints.
- Improves standards of service to the community.
- Raises standards of decision-making.

It is found that customers not responds well to be ignored that becomes a powerful expressions of anger. Every complaint that was left unanswered and

every minute sits on page threatens the future business who proclaim themselves less likely by offering their custom to companies who don't take social customer service seriously. Consumers' opinions of a company and their subsequent behaviour are influenced not only by their own experiences, but more significantly those of others. More respondents indicated that their future business with a company would be affected by a page filled with unanswered queries than their individual experiences of neglect. This shows clearly the need to deal with customer service as fully as possible on public social networks.

It is found that good managed complaints will result in benefit of business. Good business owners should learn how to see complaints as an opportunity with which they develop strong, lasting relationships with customers furthermore will improve customer service. Customer complaints give businesses valuable information about how they need to improve. The depth of impact of complaint on a business is mainly determined by owner and staff of company. If complaints are handled poorly, customers may withdraw their business and encourage others to do the same. Complaints that are handled well may help you retain existing customers and could result in new customers being referred to your business.

Check your progress 5

1. Ignoring complaints lead to:

- | | |
|-----------------------------|--------------------|
| a. customer attraction | c. loss to company |
| b. customer dissatisfaction | d. all of above |

3.7 Levels of Complaints

There are certain levels of customer complaints that are:

Billing Issues

- **Construction** – It is applied to question which relates to charges to construct to provide service.
- **Disputed Bill** – It is applied when issues of amount disputes begins.

Deposit Issues

- **Deposit** – In case of deposit which is not paid or on disputing amount of deposit or deposit has not been refunded.

Disconnection Issues

- **Disconnect** – It is applied in case of service disconnection or threatening with disconnection.

Service Issues

- **Customer Service** - Used when complaining for company service.
- **Delayed Service** - Used when you have requested service and company has delayed installation.
- **Quality of Service** - Used when complaining about quality of service that mainly for company's physical plant, facilities, or product.
- **Payphone** - Used for complaints about payphone service.
- **Prepaid** - Used when a prepaid calling card did not work properly, or as advertised.
- **Refusal of Service** - Used when a company has refused to provide service.
- **Slamming** - Used when your preferred telephone carrier was changed without authorization.

Check your progress 6

1. Under which complaint head issues, customer services are applicable?

- | | |
|-------------------|-------------------|
| a. Billing Issues | c. Deposit Issues |
| b. Service Issues | d. none of these |

3.8 Complaints Handling: Process and Behaviour

A complaints management system is a staged way of receiving, recording, processing, responding to and reporting on complaints as well as using them to improve services and decision-making. It outlines the stages and primary areas of responsibility for managing complaints.

A good system provides a simple process that is clear for customers and staff. It is a way to resolve problems and avoid delays that may arise when matters pass through various levels within an agency. The process must be transparent, timely and user-friendly. An effective process ensures information is widely available to your clients on how to make a complaint.

Staff should be equipped to provide verbal advice about the complaints handling process and assist people to make complaints. Discussions are often effective as a first step in resolving issues, as people often prefer to talk to someone rather than write to a faceless agency official.

Check your progress 7

1. The process of complaints management system includes stages such as:
 - a. receiving
 - b. recording
 - c. processing
 - d. all of above

3.9 Sources of Customer Complaints

Complaints serve as greatest source of learning as they represent real status where and how one should improve. There are certain reasons why customers complain.

1. **Not Keeping Promises:** In case of promise not done. There are usually a lot of complaints from the customer when the promise is not fulfilled.
2. **Poor Customer Service:** This results in bad customer service representation while keeping customers waiting for long time and not resolving issues.
3. **Transferring One CSR to another:** Weak staff training leads to calls or chats that transfers from one agent to another which is nothing irritating as telling story.
4. **Rude Staff:** Checking of conversations and recording staff interaction with customers. It is found that good strategy is required to keep an eye on rude attitude, inability to listen and interrupting customers complain.
5. **No Omni-channel Customer Service:** Giving customers easy way to get in touch with requirements of good customer service.
6. **Not Listening to Customers:** It happens when customer is ignored and is not given any attention.
7. **Hidden Information and Costs:** Interact fairly with customers by keeping fees hidden and uncovering in middle of process for human to complain.

8. **Low Quality of Products or Services:** If you promise high quality of your products or services and what you deliver is of lower quality and then be sure, your customers will share this bad experience publicly and most likely complain in social media networks.
9. **Keeping an Issue Unresolved:** Not solving issues and complaints results in harm for any business. While keeping issues and complaints solved further improves service at similar time.
10. **Inaccessibility:** When a customer is seeking assistance there is nothing worse than lack of contact information or unanswered emails and not returned calls.

Check your progress 8

1. Which is not the cause of customer complaint?
 - a. Keeping Promises
 - b. Better Customer Care
 - c. Rude Staff
 - d. Low Quality of Products or Services

3.10 Dealing with Customer Complaints

Customer complaints are expected no matter how a business is established and how your product stands. The complaints are always acceptable and should deal effectively. If you try to avoid or ignore complaints, you effectively tell a customer of not valuing your opinions.

Many business owners see complaint management as a time-consuming and frustrating process. It is viewed that developing efficient system resolves complaints quickly and easily. As complaints happen every day, so in case of customer complains, it is normally a good reason or genuine concern. They usually have made a purchase that did not meet their expectation—a product, service, or maybe a combination of the two. In the customer service industry, we cannot avoid complaints. We must take care of the customer by listening to the complaint, and resolving it, to ensure a happy customer.

Customers want to know someone is listening and they are understood, and they are hoping you are willing to take care of the problem to their satisfaction.

No matter what the situation is, when a customer brings a complaint to your attention—even if they do it in a less-than-desirable way—be thankful.

Check your progress 9

1. Customer complaints:
 - a. should be avoided
 - b. should be handed carefully
 - c. should rectified after giving as least priority
 - d. all of above

3.11 Let Us Sum Up

In this unit, we have learnt that a management philosophy is that which embraces customer satisfaction as a primary goal of business rather than defending company in facing complaints which changes rule of game for companies. It is seen that consumer complaint serves as an expression which gives dissatisfaction to consumer. This serves as a report from consumer which shows documentation about problem with product or service.

It is noted that complaints serves as required component of customer service and business success where not only it gathers valuable customer insight but helps in progress of company by improving in reduced costs by increasing profitability and customer satisfaction. It is found that customer satisfaction is measurement of customer attitudes regarding products, services, and brands while customer loyalty comprises of loyalty behaviour that shows customer making repeat purchases of current brands instead of choosing competitor brands.

3.12 Answers for Check Your Progress

Check your progress 1

Answers: (1-a)

Check your progress 2

Answers: (1-d)

Check your progress 3

Answers: (1-d)

Check your progress 4

Answers: (1-c)

Check your progress 5

Answers: (1-b)

Check your progress 6

Answers: (1-b)

Check your progress 7

Answers: (1-d)

Check your progress 8

Answers: (1-b)

Check your progress 9

Answers: (1-b)

3.13 Glossary

1. **Customer** - A party or an individual who receives or consumes products and has ability to select among different products and suppliers.
2. **Customer Service** - It is an interaction among customer and product provider during sale and thereafter.

3.14 Assignment

What are the advantages of customer complaints?

3.15 Activities

What are features of handling customer complaints?

3.16 Case Study

Comment on Customer Complaints and discuss?

3.17 Further Readings

1. Mittal, Vikas & Carly Frennea (2012) "16- Managing Customer Satisfaction," Handbook of Marketing Strategy.
2. Singh, Jagdip, and Robert E. Wilkes. "When consumers complain: a path analysis of the key antecedents of consumer complaint response estimates.

Block Summary

In this block, you have been given detailed idea about various features of call queue management and call information management. You will be detailed with concept of queue security and call working center that works from setup till customer feedbacks which helps you to know about various working characteristics of call centre. The idea about working and functions of Kano Model with customer services are explained. This block allows you to gain extra knowledge on levels of customer complaints with certain information related to importance of customer complaints.

After completing this block, you will be able to discuss and practically implement Kano Model for customer satisfaction. The concepts of various call information and management system along with their features will help you to gain information about various tools.

Block Assignment

Short Answer Questions

1. What is Call Management system?
2. What is Queue security?
3. What are the importances' s of Customer complaints?
4. List features of customer loyalty?
5. Briefly explain Call Information management?

Long Answer Questions

1. Explain the different levels of Customer complaints?
2. Detailed about the features of Kano Model?
3. Explain the qualities of call working centre?

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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“

*Education is something
which ought to be
brought within
the reach of every one.*

”

- Dr. B. R. Ambedkar



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'Jyotirmay Parisar', Opp. Shri Balaji Temple, Sarkhej-Gandhinagar Highway, Chharodi,
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CUSTOMER SERVICE MANAGEMENT

PGDM-103

BLOCK 3: SERVICE ORDER MANAGEMENT



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CUSTOMER SERVICE MANAGEMENT



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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



CUSTOMER SERVICE MANAGEMENT

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Dealing With Customer Complaints

BLOCK 3: SERVICE ORDER MANAGEMENT

UNIT 1 INTRODUCTION TO SERVICE ORDER

Term, Concept, Service Order Management Process, Service Order Constants, Service Order History.

UNIT 2 WORKING WITH SERVICE ORDER

Processing options for service order, Service Order revision, Work order list, Work order routing, Printing and processing service order

UNIT 3 WORKING WITH HOURS AND QUANTITIES

Entering time, Updating hours and quantities, Reviewing and Approving Cost Routing, Billing and paying Service order

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Introduction, Concept, Service Contract Management, Contracts Constants, Customer Service Line Types, Tax rates.

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Entering Service Contract, Processing Options for Service Contract, Service Contract Revision, Defining the Entitlement Rules Sequence, Canceling and Suspending Contract Information, Contract editing

UNIT 3 SERVICE CONTRACT REPORT

Processing Service Contract report, Reviewing reports, types of reports.



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CUSTOMER SERVICE MANAGEMENT

BLOCK 3: SERVICE ORDER MANAGEMENT

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BLOCK 3: SERVICE ORDER MANAGEMENT

Block Introduction

Service Order is such order that does works as service on certain item and contains service job that works for certain task. It is created by user only as they own certain items. It is seen that service order is associated with agreement which was carried among service provider and service recipient where one-time services are ordered by service recipient and resource to billing is carried on completion of work.

In this block, you will get knowledge about service orders with idea about its features. The concept of Service Order Management Process is well explained with their features and characteristics. The block will detail about features and characteristics of Service Order Constants and knowledge about Service Order history are well detailed.

After studying this block, you will be able to understand correctly about processing options for service order and work order list. The concept about Work order routing with idea about reviewing and approving Cost Routing will give more knowledge to you.

Block Objective

After learning this block, you will be able to understand:

- The features of Service Order.
- Service Order Management Process.
- Service Order Constants.
- Introduction to Service Order History.
- Processing options for service order.
- The Service Order revision.
- Characteristics of Work order list.
- Detailed knowledge about Work order routing.
- Features of Printing and processing service order.

Service Order
Management

- The concept of entering time.
- Features about updation of hours and quantities.
- Characteristics of reviewing and approving cost routing.

Block Structure

Unit 1: Introduction to Service Order

Unit 2: Working with Service Order

Unit 3: Working with Hours and Quantities

UNIT 1: INTRODUCTION TO SERVICE ORDER

Unit Structure

- 1.0 Learning Objectives**
- 1.1 Introduction**
- 1.2 Term**
- 1.3 Concept**
- 1.4 Service Order Management Process**
- 1.5 Service Order Constants**
- 1.6 Service Order History**
- 1.7 Let Us Sum Up**
- 1.8 Answers for Check Your Progress**
- 1.9 Glossary**
- 1.10 Assignment**
- 1.11 Activities**
- 1.12 Case Study**
- 1.13 Further Readings**

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- Service Order Management Process.
- Service Order Constants.
- Service Order History.

1.1 Introduction

Service Order is type of order which performs a service on particular item. The service order will contain service job which is for each task to be performed. The service order is created by user only as they own certain items. It is noted that

user will pass the service order to provider to do necessary services. Once the provider completes the work/service, then in such case provider will send a completed order back to user who further will review it and close the order.

To handle the end-to-end service order lifecycle, it is advisable to help in fulfilling complex and bundled orders quickly and accurately. In case of order, whether by self-service or customer agent, service order management processes will take every order and will decompose them into series of interdependent work which arranges completion across one or multiple fulfilment systems. It is seen that orders involves both manual and automated tasks like engineer site visits, equipment provisioning and configuration.

1.2 Term

In short term, service order is a term associated with agreement that was carried among service provider and service recipient where one-time services are ordered by service recipient and resource related to billing which is carried on completion of work. There are certain terms associated with service order such as:

- **Company:** It means is an association of a corporate body which is related to the entity that issues this Service Order.
- **Company Property:** It means any property owned by, leased to or under direct or indirect control of Corporation or Company.
- **Contact Person:** It means Company contact identified or designated as such in this Service Order responsible for ordering and supervising services and receiving notices on behalf of Company.
- **Contractor:** It means Person designated in Service Order to perform Services.
- **Governmental Authority:** It means any governing political body that has jurisdiction over services performed, including and not limited to any state, nation, municipality, or any person deriving its authority from any governing political body.
- **Law:** It means any international, federal, state, or local law, rule, regulation, code, or ordinance including, not limited to technical codes and standards, workers' compensation legislation, Environmental Laws, the Safety and Health Acts, and all other Laws relating to labour, employment, and safety.
- **Person:** It means any natural person, entity or Governmental Authority including, but not limited to, any corporation, firm, joint venture,

partnership, trust, unincorporated organization, voluntary association, or any department or agency of any Governmental Authority.

- **Revised Service Order:** This relates to written authorization to alter, add to, or deduct from the Services described in this Service Order
- **Revised Service Order Request:** It means written request from Contractor for a Revised Service Order, which Revised Service Order Request will be in the form of Exhibit B to this Service Order.
- **Schedule of Charges:** It means agreed upon amounts to be charged by Contractor for unit prices, allowances, services and any other items, as set forth in Service Order.
- **Service Order:** It means written order issued by Company for specific services to be performed by Contractor, including any exhibits and schedules attached hereto, and any and all approved plans, schedules, exhibits, designs, specifications, drawings, addenda, and modifications contemplated by this Service Order, in each case as modified by the most recently issued Revised Service Order.
- **Service Period:** It means period of time, including, but not limited to, period of time for authorized adjustments, allotted in Service Order for performance of Services.

Check your progress 1

1. _____ issues the Service Order.

a. contractor

c. contact person

b. company

d. person

1.3 Concept

A service order contains operations that describe the individual work steps. An operation can be divided into sub-operations for greater detail. It contains following data groups:

- Header Data
- Location and account assignment data
- Object data
- Settlement data

- Operation data
- Component data

The service order is used to document service and customer service work. In particular, you can use the service order to:

- Plan services with regard to usage of material, utilities and personal
- Monitor which executes services
- Enter and settle costs that arise from service

The data for the service order is entered in the history and is important for evaluations and future planning. You can also create a one-time customer in the order and transfer the data, for example, to the sales order.

Check your progress 2

1. Service order contains _____ data group.
- a. header data
 - b. object data
 - c. operation data
 - d. all of above

1.4 Service Order Management Process

The process flow of service order management is shown below:

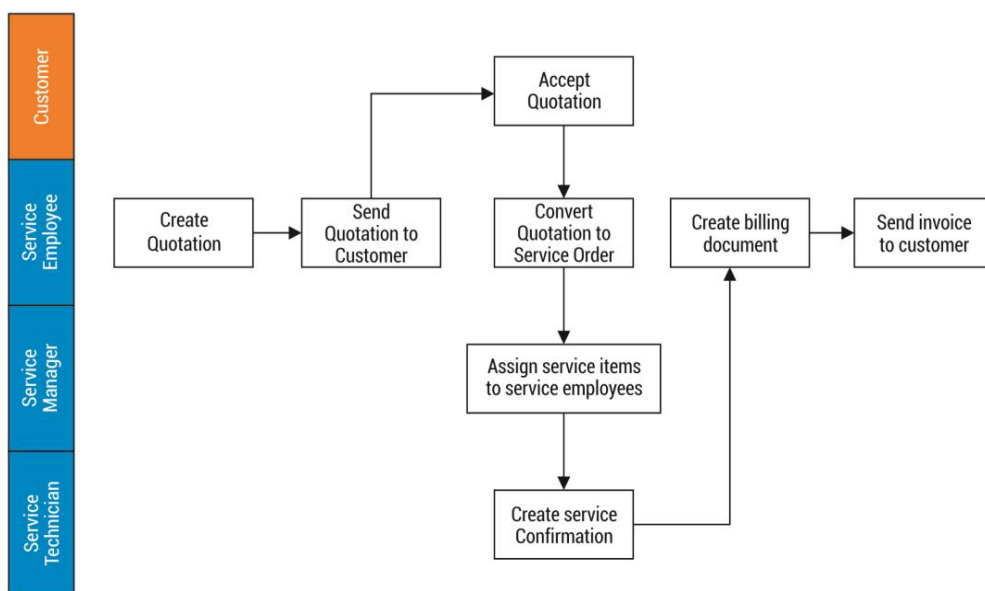


Fig 1.1 Service order process flow

There are various stages of service order management process which includes:

- Creating Quotation
- Sending Quotation to Customer
- Accepting Quotation
- Converting Quotation to Service Order
- Assigning Service item to Service employee
- Creating Service Confirmation
- Creating Billing Document
- Sending Invoice to Customer

In the above process, it is seen that initially the quotations are generated by service employee which is send to customer for approval. Once the customer approves or accepts the quotation, it is send to organisation where it will convert to service order where services are assigned to service employee. After this, it is confirmed by service department which is further send to billing department for invoice.

Check your progress 3

1. Which among the following is customer role?
 - a. Creating Quotation
 - b. Sending Quotation to Customer
 - c. Accepting Quotation
 - d. Converting Quotation to Service Order

1.5 Service Order Constants

Customer service is basically applicable in call-centre where customers is most visible and needs of an organizational performance is required. Many organizations carries customer service as most challenging and neglected areas of management. For customers, quality of customer service shows whether to buy,

and whether to remain a customer. Under such situation, think of that moment how you behave as customer.

The importance of customer service lets senior executives to establish managing customer service standards and quality. Constant customer care shows empowering of customer facing and call-centre staff that fails to design policies and systems to empower customer facing staff.

It is seen that rather many organizations and leaders are habitually fixated on sales, marketing, advertising and promotion that determines an attractive customers paying scant regard to certain customers leaving, just for want of some simple effective customer service and care.

Customer service can be an extremely demanding and stressful role particularly for those which are involved in high pressure sectors like communications, finance, distribution, logistics, public services and utilities, education and healthcare, computers and IT support at same time management and executives appear to be blind to the needs of staff and customers alike.

Check your progress 4

1. Constant is committed to maintaining:
 - a. very highest standards of customer care
 - b. pass service order to provider
 - c. assigning service order
 - d. none of above

1.6 Service Order History

Service orders are created by user as they own these items. Here the user will pass the Service Order to Provider to perform services. Once the provider completes the work/service, it sends the completed order back to user which will be reviewed by user. There are following order status:

OPEN --- It is when order is created by User.

QUOTING ---- It is when order has been sent to providers for Quotes.

SERVICING ----- Once the provider selects the service, the service order is assigned to provider for doing service.

COMPLETED ----- Once provider completes the service and sends it back to user for review.

CLOSED ----- This is the end state of an order. Once the user reviews the Item and services performed, he/she will close the order.

Check your progress 5

1. Which is applied when order is created by User?

- | | |
|------------|------------|
| a. open | c. closed |
| b. quoting | d. service |

1.7 Let Us Sum Up

In this unit we have learnt that service order is such order that does works as service on certain item and contains service job that works for certain task. It is created by user only as they own certain items. It is seen that service order is associated with agreement which was carried among service provider and service recipient where one-time services are ordered by service recipient and resource to billing is carried on completion of work.

Normally it is seen that a service order contains operations which describes the individual work steps and is divided into sub-operations for more detail. In this, the data for service order is entered in history and is important in calculating future planning. It is found that once the customer approves or accepts the quotation, it sends to organisation where it will convert to service order where services are assigned to service employee.

So finally, it is seen that service orders are created by user as they own these items that further will pass service order to provider to do services. Once provider completes work/service, it sends completed order back to user which will be reviewed by user.

1.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-b)

Check your progress 2

Answers: (1-d)

Check your progress 3

Answers: (1-c)

Check your progress 4

Answers: (1-a)

Check your progress 5

Answers: (1-a)

1.9 Glossary

1. **Service Order** - Order which works as service on particular item and has service job working for certain task.

1.10 Assignment

Discuss the various stages of service order management process.

1.11 Activities

Write the role of customer activity in customer process.

1.12 Case Study

Discuss the customer services in terms of managing a service.

1.13 Further Readings

1. Stuart Rance and Ashley Hanna, (2007). Service Management.
2. External Service Provider, (2011), by Ashley Hanna.

3. Policy on Use of External Services, (2012) by Stuart Rance.

UNIT 2: WORKING WITH SERVICE ORDER

Unit Structure

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Processing Options for Service Order**
- 2.3 Service Order Revision**
- 2.4 Work Order List**
- 2.5 Work Order Routing**
- 2.6 Printing and Processing Service Order**
- 2.7 Let Us Sum Up**
- 2.8 Answers for Check Your Progress**
- 2.9 Glossary**
- 2.10 Assignment**
- 2.11 Activities**
- 2.12 Case Study**
- 2.13 Further Readings**

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- Service Order revision.
- Work order list.
- Work order routing.

2.1 Introduction

Order processing serves to plan, manage and monitor the flow of goods. This requires an information flow that precedes, accompanies and follows the

flow of goods. Once the customer has placed his order, the manufacturer or retailer sends the customer an order confirmation specifying the scheduled delivery time. All parties involved in the flow of goods also receive prompt notification about the scheduled delivery. As a result, these parties have the time they need to plan and schedule, two necessary conditions for optimally executing the flow of goods in terms of costs and services.

2.2 Processing options for service order

The process flow of service order management is shown below:

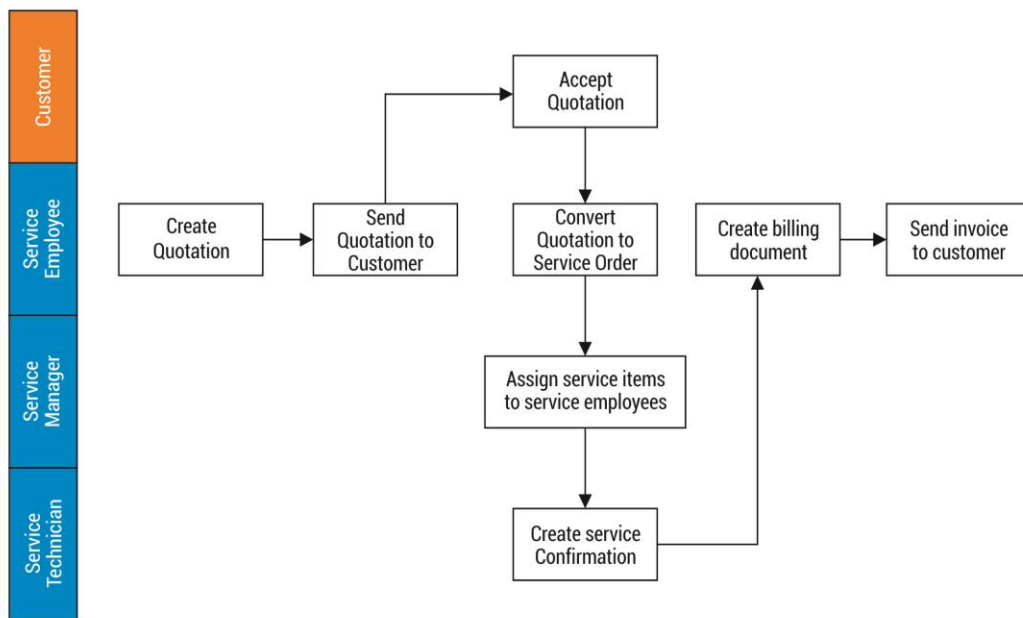


Fig 2.1 Service order process flow

There are various stages of service order management process which includes:

- Creating Quotation
- Sending Quotation to Customer
- Accepting Quotation
- Converting Quotation to Service Order
- Assigning Service item to Service employee
- Creating Service Confirmation
- Creating Billing Document
- Sending Invoice to Customer

In the above process, it is seen that initially the quotations are generated by service employee which is send to customer for approval. Once the customer approves or accepts the quotation, it is send to organisation where it will convert to service order where services are assigned to service employee. After this, it is confirmed by service department which is further send to billing department for invoice.

Check your progress 1

1. Which among the following is customer role?
 - a. Creating Quotation
 - b. Sending Quotation to Customer
 - c. Accepting Quotation
 - d. Converting Quotation to Service Order

2.3 Service Order Revision

Businesses strive to keep their customers happy through different customer-service strategies. Businesses have to care for external customers and also internal customers (or employees). Good customer service is about satisfying the needs of individuals and retaining loyalty to the organisation.

Customer-service statement or promise

These are directed at customers and many detail what they should expect in terms of how the organisation will deal with them, deadlines and quality of service. Some organisations have even gone so far as to promise penalty payments if they do not meet their promised deadline for solving a problem.

Check your progress 2

1. An employee can be:
 - a. internal customer
 - b. external customer
 - c. both a and b
 - d. neither a nor b

2.4 Work Order List

A work order is also known as job order is a type of order which is received by organization from customer or client or can be generated internally within an organization. It can be for particular product or service. The service work order is equivalent to service order where location are recorded along with date and time furthermore the service is done along with nature of work.

A service work order is equivalent to work or service order where job order records the location, date and time the service is carried out and the nature of service that was carried out. Work Orders are used to:

- plan and schedule work
- accumulate charges for work that will be recharged to others
- document costs of an event
- do preventive maintenance work

A work order is an authorization to produce a specified quantity of a specified item by a specified date.

Work Order 9999			
<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Date</u>
2000	Pencil	500	12/01/00

Fig 2.2 Work order list

Check your progress 3

1. The purpose of work order is:
 - a. plan for work
 - b. schedule for work
 - c. accumulate charges for work
 - d. all of above

2.5 Work Order Routing

Work order routings shows operations or steps which is needed to manufacture or to give service for an item. In this the routing codes will locate the work order routings as shown in fig 2.3. In this, the routings and operations are setup with the help of Routings/Work Centres module. It is noted that the routings are automatically linked if item number and routing number are similar.

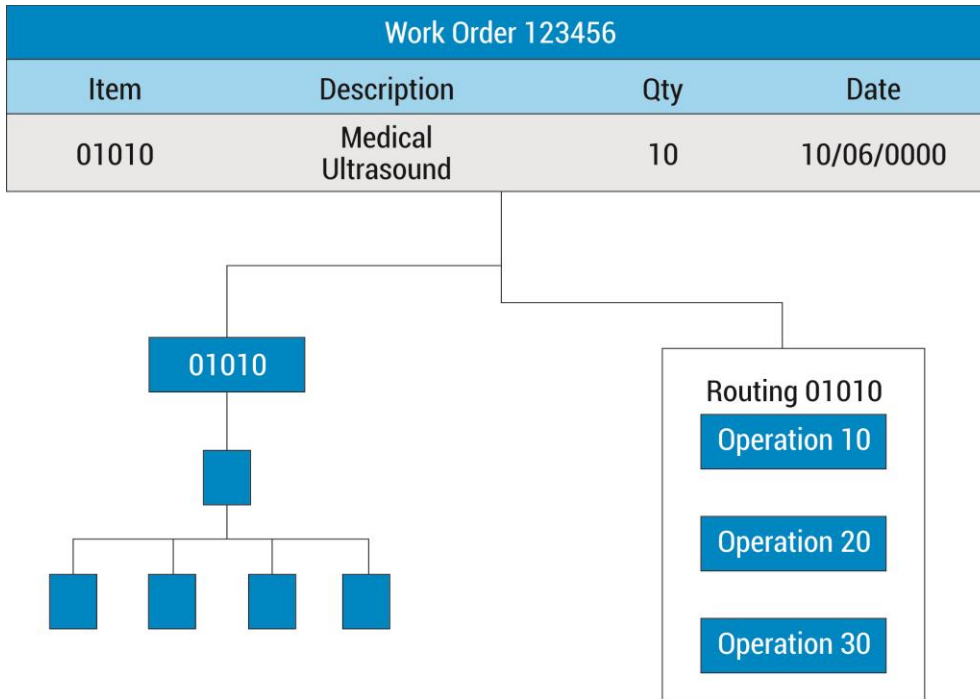


Fig 2.3 work order routing

We see that when a work order is generated, then a standard routing is copied into it. Further, when work continues, required changes can be made to particular copy using Work Order Routing Maintenance. It is always to when you can actually compare standard routings.

It is seen that once work order routing is created, changes to item routing will not affect the work order. Together the work order bill and routing will allow to capture built in documentation that will record what really occurred as opposed to planning.

Check your progress 4

1. In case of work order routing, the routings automatically linked if:
 - a. item number is similar
 - b. routing number is similar
 - c. item number and routing number are different
 - d. item number is similar to routing number

2.6 Printing and Processing Service Order

In any business, completing customer orders are important and are applied in case of product or service. Order processing is important in any sales or service process and it will ensure correct step of competition in obtaining new business and in strengthening current relationships.

Order processing is important as:

- Efficient processing of customer orders leads to increased sales.
- Be known for exceptional customer service.
- Manual processing of orders and inquiries take up time and money; an effective order processing system eliminates time wastage and also reduces overheads.
- Order processing directly affects the bottom-line.
- Due to a number of problems, order processing may not be as smooth as you'd like.

Some of these include:

- Core processes such as Sales and Marketing are taking a hit because of the increasing time and money spent on fulfillment and customer support.
- You are lagging in adopting technological innovations and improved business processes.
- Your company faces a shortage of customer fulfillment resources and your current staff isn't able to satisfy the orders coming through.
- The management of your clerical and customer support personnel is taking time off your core process and it is also increasing costs.

Check your progress 5

1. Order processing is important because:
 - a. efficient processing of customer orders increases sales
 - b. known for exceptional customer service
 - c. order processing directly affects bottom-line
 - d. all of above

2.7 Let Us Sum Up

In this unit, we have learnt that an order processing serves to plan, manage and monitor the flow of goods which requires information flow that precedes, accompanies and follows the flow of goods. It is seen that businesses that strive are those which keep customers happy through different customer-service strategies. Further, it is analysed that businesses have to care for external and internal customers. Good customer service is about satisfying the needs of individuals and retaining loyalty to the organisation.

It is known that work orders routings shows operations or steps that are required to manufacture or give service for an item. In case of routing codes it is seen that such codes will look for work order routings where routings and operations are setup with Routings/Work Centres module.

2.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-c)

Check your progress 2

Answers: (1-a)

Check your progress 3

Answers: (1-d)

Check your progress 4

Answers: (1-d)

Check your progress 5

Answers: (1-d)

2.9 Glossary

1. **Work Order by Item** - Report Prints work order data sorted by item number.
2. **Work Order Status** - Report Prints work orders by status.

2.10 Assignment

How printing of work order is done?

2.11 Activities

Discuss about work order routing?

2.12 Case Study

Comment on work order processing.

2.13 Further Readings

1. Stuart Rance and Ashley Hanna, (2007). Service Management.
2. External Service Provider, (2011), by Ashley Hanna.
3. Policy on Use of External Services, (2012) by Stuart Rance.

UNIT 3: WORKING WITH HOURS AND QUANTITIES

Unit Structure

- 3.0 Learning Objectives**
- 3.1 Introduction**
- 3.2 Entering time**
- 3.3 Updating Hours and Quantities**
- 3.4 Reviewing and Approving Cost Routing**
- 3.5 Billing and Paying Service Order**
- 3.6 Let Us Sum Up**
- 3.7 Answers for Check Your Progress**
- 3.8 Glossary**
- 3.9 Assignment**
- 3.10 Activities**
- 3.11 Case Study**
- 3.12 Further Readings**

3.0 Learning Objectives

After learning this unit, you will be able to understand:

- Entering time
- Updating hours and quantities
- Reviewing and Approving Cost Routing

3.1 Introduction

We all know that time is important in customer service. We strive to provide fast and easy resolution because we think our customers value their time. And, as cost centres, we certainly value time from a cost efficiency point of view. All customers are time-sensitive. And while that may not be surprising, what's interesting is that the degree of time-sensitivity is different across individuals. It seems that the majority of today's customers feel time pressured and put a great deal of value into how they spend their time.

3.2 Entering time

Customer service is the act of taking care of the customer's needs by providing and delivering professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met. Customer service is meeting the needs and desires of any customer. It promises for delivery of products and must be on time without delay and cancellation of products.

Untimely response to customer requests is one of the hallmarks of poor customer service. Customers want to feel valued; they want to know their business is appreciated. Therefore, customers are likely to take their business elsewhere if they feel neglected, if they have an immediate need for a service that you are failing to deliver, or if they simply do not appreciate your work ethics. Poor response time, especially if done repeatedly, results in loss of customers and revenue. The key to generating loyal customers is to provide them with efficient service by the required time frame.

Customers often turn to social media to communicate with businesses with the expectation of receiving an immediate response. Even if you are a one-man shop or don't have the budget to hire a social media marketing team to handle these issues, make sure you respond to customers as soon as you see their posts. Responding in real time shows you value your customers and their business. Small businesses and larger corporations alike use social media to connect with their customers in real time. Connecting through social media allows your company to brand itself and have a real voice that engages with your customers. However, these easy-access mediums also open your business up to direct and indirect criticisms from customers.

Check your progress 1

1. Customer service relates to:

- a. time
- b. money
- c. people
- d. all of these

3.3 Updating Hours and Quantities

During the service and developing of an item on work request, the hours spent on production and number of items gets recorded and completed in time which allows monitoring progress and actual costs and comparing them with standard hours and quantities that you estimated for the job.

Hours and quantities can be applied to particular work order so that you can maintain accurate manufacturing accounting and costing data. To accommodate both piecework and hourly-rate employees, you can record hours and quantities either per work order or per employee. The Hours and Quantities will charge actual hours and quantities to work order. You can use the processing options to specify either of these formats for work order time entry:

Format

Description

- | | |
|-------------------------|--|
| Order number format: | This format records time and quantities for employees by work order |
| Employee number format: | This format records time and quantities for the routing instruction steps on a work order by employee. |

Check your progress 2

1. The Hours and Quantities will record the customer:

- a. hourly rate
- b. buying rate
- c. transaction rate
- d. all of above

3.4 Reviewing and Approving Cost Routing

It is known that creating customer experiences shows value of your customer's attention and time. You can share offers during waiting time, deliver customer information to agents by helping them to give assured fast and accurate answer, and relay alerts and notifications to callers. As seen, the customer will have more engaging, satisfying experiences with context-aware applications which will optimize interactions based on prior purchases, transactions, or business insights.

As noted, the approval of expenditures as per policy based on workflows which customizes business processes with full audit trails and visibility of actual expenditures and pending commitments. Work Place offers a flexible solution to set up and maintain approval workflows for entry and changes to

- Budgets
- Requisitions
- New Vendors
- Vendor Contracts
- Purchase Orders
- Check Requests for non-PO purchases
- Receiving Invoice
- Matching Inventory transactions
- Projects, phases, activities
- Project time entries
- Travel Requests
- Expense Reports

Check your progress 3

1. The workflows approval needs:

- | | |
|---------------|-------------------|
| a. Budget | c. Purchase Order |
| b. New Vendor | d. All of above |

3.5 Billing and Paying Service Order

Service bill is a document which includes parts, installation steps and repair instructions for service technicians to use when installing or service a product at customer's location. Bill describes the structure of piece of equipment, material or functional location having complete, formally structured list of components making up technical object or assembly. The individual components can be stock or non-stock spares or assemblies, which in turn can be described by another bill of material. Each component is listed with its quantity and unit of measure in the bill of material. Bills of material have two main uses within maintenance and service:

- Structure description: You can use a bill of material to describe the structure of a piece of equipment, functional location or material, as regards its individual components.
- Assignment of spare parts: You can use a maintenance bill of material to specify the spare parts that are required for performing the service.

For customer service purposes, you most frequently require multi-level bills of material that can have any number of levels. The highest level depicts, for example, the customer's equipment. The lower levels depict the components that make up the piece of equipment as well as their components and spares.

Check your progress 4

1. The bill shows:

- a. description about equipment
- b. quantity
- c. functional location
- d. all of above

3.6 Let Us Sum Up

In this unit we have learnt that time is important in customer service as services are provided fast and easy resolution as customers value their time since time certainly values from cost efficiency point of view. It is seen that customer service is act of taking care of customer's needs by providing and delivering

professional, helpful, high quality service and assistance before, during, and after the customer's requirements are met.

It is noted that at the time of service and developing of an item on work request, the hours spent on production and number of items gets recorded and completed in time which allows monitoring progress and actual costs and comparing them with standard hours and quantities. It is viewed that approval of expenditures as per policy is based on workflows that customize business processes with full audit trails and visibility of actual expenditures and pending commitments.

3.7 Answers for Check Your Progress

Check your progress 1

Answers: (1-a)

Check your progress 2

Answers: (1-a)

Check your progress 3

Answers: (1-d)

Check your progress 4

Answers: (1-d)

3.8 Glossary

1. **Work order** - A document received by an organization from customer or client or from order created internally within the organization.

3.9 Assignment

Write the process of bill generation.

3.10 Activities

State the important in customer service.

3.11 Case Study

Justify hours and quantity with customer service.

3.12 Further Readings

1. Stuart Rance and Ashley Hanna, (2007). Service Management.
2. External Service Provider, (2011), by Ashley Hanna.
3. Policy on Use of External Services, (2012) by Stuart Rance.

Block Summary

In this block, you have been given detailed idea about Service Order revision and processing options for service order. You will be detailed with concept of Service Order Constants and history which helps you to know about various working characteristics of service orders. The idea about working and functions of updation of hours and quantities as customer support are explained. This block allows you to gain extra knowledge on Service Order Management Process which explains processing layout.

After completing this block, you will be able to discuss and practical implement Reviewing and Approving Cost Routing for customer satisfaction. The concepts of Printing and processing service order with their features will help you to gain information about various tools.

Block Assignment

Short Answer Questions

1. What is Service Order revision?
2. Layout some features of Service Order?
3. What is concept of entering time with respect to customer service?
4. What is work order list?
5. What is work order routing?

Long Answer Questions

1. Write steps involved in processing options for service order?
2. List characteristics of Reviewing and Approving Cost Routing?
3. What are the importance's of Service Order Management Process?

Enrolment No.

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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“

*Education is something
which ought to be
brought within
the reach of every one.*

”

- Dr. B. R. Ambedkar



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CUSTOMER SERVICE MANAGEMENT

PGDM-103

BLOCK 4: SERVICE CONTRACT MANAGEMENT



**Dr. Babasaheb Ambedkar Open University
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CUSTOMER SERVICE MANAGEMENT



Knowledge Management and
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ROLE OF SELF INSTRUCTIONAL MATERIAL IN DISTANCE LEARNING

The need to plan effective instruction is imperative for a successful distance teaching repertoire. This is due to the fact that the instructional designer, the tutor, the author (s) and the student are often separated by distance and may never meet in person. This is an increasingly common scenario in distance education instruction. As much as possible, teaching by distance should stimulate the student's intellectual involvement and contain all the necessary learning instructional activities that are capable of guiding the student through the course objectives. Therefore, the course / self-instructional material are completely equipped with everything that the syllabus prescribes.

To ensure effective instruction, a number of instructional design ideas are used and these help students to acquire knowledge, intellectual skills, motor skills and necessary attitudinal changes. In this respect, students' assessment and course evaluation are incorporated in the text.

The nature of instructional activities used in distance education self-instructional materials depends on the domain of learning that they reinforce in the text, that is, the cognitive, psychomotor and affective. These are further interpreted in the acquisition of knowledge, intellectual skills and motor skills. Students may be encouraged to gain, apply and communicate (orally or in writing) the knowledge acquired. Intellectual-skills objectives may be met by designing instructions that make use of students' prior knowledge and experiences in the discourse as the foundation on which newly acquired knowledge is built.

The provision of exercises in the form of assignments, projects and tutorial feedback is necessary. Instructional activities that teach motor skills need to be graphically demonstrated and the correct practices provided during tutorials. Instructional activities for inculcating change in attitude and behavior should create interest and demonstrate need and benefits gained by adopting the required change. Information on the adoption and procedures for practice of new attitudes may then be introduced.

Teaching and learning at a distance eliminates interactive communication cues, such as pauses, intonation and gestures, associated with the face-to-face method of teaching. This is particularly so with the exclusive use of print media. Instructional activities built into the instructional repertoire provide this missing interaction between the student and the teacher. Therefore, the use of instructional activities to affect better distance teaching is not optional, but mandatory.

Our team of successful writers and authors has tried to reduce this.

Divide and to bring this Self Instructional Material as the best teaching and communication tool. Instructional activities are varied in order to assess the different facets of the domains of learning.

Distance education teaching repertoire involves extensive use of self-instructional materials, be they print or otherwise. These materials are designed to achieve certain pre-determined learning outcomes, namely goals and objectives that are contained in an instructional plan. Since the teaching process is affected over a distance, there is need to ensure that students actively participate in their learning by performing specific tasks that help them to understand the relevant concepts. Therefore, a set of exercises is built into the teaching repertoire in order to link what students and tutors do in the framework of the course outline. These could be in the form of students' assignments, a research project or a science practical exercise. Examples of instructional activities in distance education are too numerous to list. Instructional activities, when used in this context, help to motivate students, guide and measure students' performance (continuous assessment)



PREFACE

We have put in lots of hard work to make this book as user-friendly as possible, but we have not sacrificed quality. Experts were involved in preparing the materials. However, concepts are explained in easy language for you. We have included many tables and examples for easy understanding.

We sincerely hope this book will help you in every way you expect.

All the best for your studies from our team!



CUSTOMER SERVICE MANAGEMENT

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UNIT 1 DEFINING AND APPRECIATING THE CUSTOMER

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UNIT 3 CUSTOMER SERVICE RECOVERY

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BLOCK 3: SERVICE ORDER MANAGEMENT

UNIT 1 INTRODUCTION TO SERVICE ORDER

Term, Concept, Service Order Management Process, Service Order Constants, Service Order History.

UNIT 2 WORKING WITH SERVICE ORDER

Processing options for service order, Service Order revision, Work order list, Work order routing, Printing and processing service order

UNIT 3 WORKING WITH HOURS AND QUANTITIES

Entering time, Updating hours and quantities, Reviewing and Approving Cost Routing, Billing and paying Service order

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Introduction, Concept, Service Contract Management, Contracts Constants, Customer Service Line Types, Tax rates.

UNIT 2 MANAGING SERVICE CONTRACTS

Entering Service Contract, Processing Options for Service Contract, Service Contract Revision, Defining the Entitlement Rules Sequence, Canceling and Suspending Contract Information, Contract editing

UNIT 3 SERVICE CONTRACT REPORT

Processing Service Contract report, Reviewing reports, types of reports.



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CUSTOMER SERVICE MANAGEMENT

BLOCK 4: SERVICE CONTRACT MANAGEMENT

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BLOCK 4: SERVICE CONTRACT MANAGEMENT

Block Introduction

A contract is an exchange of goods or services from vendor to buyer on agreed upon value in money during a period of time. Each contract owner should maintain an inventory listing of the contracts they are responsible for.

In this block, you will get knowledge about Service Contract Management with idea about its features. The concept of Contracts Constants is well explained with their features and characteristics. The block will detail about features and characteristics of Customer Service Line Types and knowledge about Tax rates are well detailed.

After studying this block, you will be able to understand correctly about basic of Entering into Service Contract and idea about how to alter the service contract. The concept about Service Contract Revision with idea about parameters to revise and approve service contract gives more information to you.

Block Objective

After learning this block, you will be able to understand:

- The features of Service Contract Management.
- Features about Contracts Constants.
- Customer Service Line Types.
- Basic Tax rates.
- The basic about Entering Service Contract.
- Idea about Processing Options for Service Contract.
- Service Contract Revision.
- Characteristics about Entitlement Rules Sequence.
- Features of Canceling and Suspending Contract Information.
- Contract editing.
- Processing Service Contract report.
- Features related to Reviewing reports.

Service
Contract
Management

Block Structure

- Unit 1: Introduction to SCM**
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- Unit 3: Service Contract Report**

UNIT 1: INTRODUCTION TO SCM

Unit Structure

- 1.0 Learning Objectives**
- 1.1 Introduction**
- 1.2 Concept**
- 1.3 Service Contract Management**
- 1.4 Contracts Constants**
- 1.5 Customer Service Line Types**
- 1.6 Tax Rates**
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- 1.8 Answers for Check Your Progress**
- 1.9 Glossary**
- 1.10 Assignment**
- 1.11 Activities**
- 1.12 Case Study**
- 1.13 Further Readings**

1.0 Learning Objectives

After learning this unit, you will be able to understand:

- Service Contract Management
- Contracts Constants
- Customer Service Line Types
- Tax rates

1.1 Introduction

A contract describes the exchange of goods or services (it may be renewable) from vendor to buyer for an agreed upon value in money during a period of time. The contract can be either a sales or purchase contract. A contract

describes the exchange of goods or services (it may be renewable) from vendor to buyer for an agreed upon value in money during a period of time. The contract can be either a sales or purchase contract.

1.2 Concept

Contracting can test how an organisation manages and organises its affairs. Good contract management requires an organisation to think and act strategically, have good and sound business skills and processes and be able to retain and promote the organisation's core values and ethos. It is seen that effective service contract management will save organization money while increasing the quality and value of services. No longer can a one-size-fits-all solution be accepted as adequately managed service.

Service contract management is rarely a bottom-line decision where total cost of service goes beyond number on last page. There are a variety of service aspects that must be taken into consideration when determining the value of a service contract. Among these are parts costs, labour, upgrades, material and digital detectors. Poor service contract management can lead to increased costs, extended downtime, poor diagnosis, legal and liability issues, and employee inefficiency.

Check your progress 1

1. The poor service contract will lead to:

- | | |
|-------------------|-----------------|
| a. increased cost | c. legal issues |
| b. poor diagnosis | d. all of above |

1.3 Service Contract Management

Contracts relating to acquisition and disposal of goods and services will need varying levels of management intervention depending on their value, duration, complexity and the strategic importance of the goods and services. Contract management should ideally feed information into demand management, logistics management, and supply chain performance systems.

To facilitate good contract management it is useful to classify contracts or groups of contracts according to the level of management intervention required. Such a classification system should take into account:

- Contract type or nature.
- Strategic importance of the goods and services being purchased or sold.
- Contract duration.
- Contract complexity.

Each contract owner should maintain an inventory listing of the contracts they are responsible for. It is recommended that each institution select the lowest level of management that may be designated as contract owners. A simple Contract Inventory system which provides records of classifications captured in the information reflected in the bullet points below. For each contract, record the ID number, description, type, Rand value and duration in months. Give the contract a rating of High, Medium or Low for the perceived level of complexity and strategic importance. Using the available information, provide an overall classification of High, Medium or Low management intervention required.

- Contract ID
- Contract description
- Contract type
- Contract value
- Contract duration
- Perceived complexity (H/M/L)
- Perceived strategic importance (H/M/L)
- Overall level of management intervention required (H/M/L)

Check your progress 2

1. A service contract will necessarily have:
 - a. Contract type
 - b. Contract date
 - c. contract duration
 - d. all of above

1.4 Contracts Constants

Contract Constant refers to every facet of a business. It is the name which measures of integrity, commitment and quality. Constants will secure assets, minimise risk and deliver broad scope of quality services more than meeting highest expectations. When you partner with Constant, your trust is rewarded with outstanding results.

A service contract describes the minimum resource requirements of an application. Negotiations among service contracts determine if a system can satisfy the minimum requirements of all applications. A service contract also serves the purpose of isolating the execution of its application from others. Enforcing service contracts at runtime requires the operating system to support some form of resource reservation. Other constants referenced within Service Management:

- work order constants
- contract constants
- equipment master constants

Check your progress 3

1. Which is not a constant under service order management?
 - a. work order constants
 - b. contract constants
 - c. labour constant
 - d. equipment master constants

1.5 Customer Service Line Types

Lines list the individual service, usage, and subscription items that are included in the contract. A single contract can have multiple lines. Each line inherits certain information from the contract header such as dates, bill to, billing rules and schedules. These can be changed as appropriate to allow the contract to conform to the customer requirements. A contract line may be related to one or more sub lines. Three line types are available:

Service lines: Cover a broad category of items that can include activities such as field service, depot repair, call center, technical support, or any other user-defined business activities.

Usage lines: Charge customers for usage. For example, a photo copier company might wish to charge for the number of copies that are made within a period.

Subscription lines: Cover subscriptions for both tangible and intangible items. Tangible items include magazines, collateral, or any other physical item that can be shipped through Oracle Order Management. Intangible items can be collateral sent through e-mail.

The contract line items shall have following characteristics:

- **Single unit price:** The item shall have a single unit price or a single total price.
- **Separately identifiable:** A contract line item must be identified separately from any other items or services on the contract.
- **Separate delivery schedule:** Each contract line item or service shall have its own delivery schedule, period of performance, or completion date expressly stated.
- **Single accounting classification citation:** Each contract line item shall reference a single accounting classification citation.

Check your progress 4

1. Which is not a characteristic of contract line?
 - a. Single unit price
 - b. Double unit price
 - c. Separate delivery schedule
 - d. Single accounting classification citation

1.6 Tax Rates

Contracts between tax payers and tax receivers are generally set out in the laws and policies of the tax receiver organisation. The tax receiver is obliged to provide certain services in return for payment of the tax. Policies and procedures will almost certainly be already in place together with processes for review and updating. The policy on contract management should merely indicate where to find these laws, policies and procedures.

Check your progress 5

1. The tax receiver is obliged to provide certain services in return for payment of the tax.
 - a. True
 - b. False

1.7 Let Us Sum Up

In this unit we have learnt that a contract describes the exchange of goods or services from vendor to buyer for agreed upon value in money during a period of time. The contract can be either a sales or purchase contract. It is seen that contracting refers to testing of how organisation manages and organises its affairs. A good contract management requires an organisation to think and act strategically, have good and sound business skills and processes and be able to retain and promote the organisation's core values and ethos.

It is seen that a contract is related to acquisition and disposal of goods and services that requires at varying levels of management intervention depending on their value, duration, complexity and the strategic importance of the goods and services.

1.8 Answers for Check Your Progress

Check your progress 1

Answers: (1-d)

Check your progress 2

Answers: (1-d)

Check your progress 3

Answers: (1-c)

Check your progress 4

Answers: (1-b)

Check your progress 5

Answers: (1-a)

1.9 Glossary

1. **Customer** - A party or an individual who receives or consumes products and has ability to select among different products and suppliers.
2. **Customer Service** - It is an interaction among customer and product provider during sale and thereafter.

1.10 Assignment

What are contract constants?

1.11 Activities

Discuss Service Contract Management with examples.

1.12 Case Study

Comment on service contract line types.

1.13 Further Readings

1. Enterprise Contract Management – A Practical Guide to Successfully Implementing an ECM solution, Anuj Saxena, 2008.
2. Contract Management (MFMA) Learner Guide, PALAMA 2010 by Ronald.

UNIT 2: MANAGING SERVICE CONTRACTS

Unit Structure

- 2.0 Learning Objectives**
- 2.1 Introduction**
- 2.2 Entering Service Contract**
- 2.3 Processing Options for Service Contract**
- 2.4 Service Contract Revision**
- 2.5 Defining the Entitlement Rules Sequence**
- 2.6 Cancelling and Suspending Contract Information**
- 2.7 Contract Editing**
- 2.8 Let Us Sum Up**
- 2.9 Answers for Check Your Progress**
- 2.10 Glossary**
- 2.11 Assignment**
- 2.12 Activities**
- 2.13 Case Study**
- 2.14 Further Readings**

2.0 Learning Objectives

After learning this unit, you will be able to understand:

- Entering Service Contract.
- Processing Options for Service Contract.
- Service Contract Revision.
- Entitlement Rules Sequence.
- Canceling and Suspending Contract Information.
- Contract editing.

2.1 Introduction

A service contract is a contract or agreement, for a separate or additional consideration and for a specific duration, to perform the repair, replacement or maintenance of any kind of property, or indemnification for the repair, replacement or maintenance of property, due to a defect in materials or workmanship or wear and tear. Although a service contract may cover any kind of property, some of the most common kinds of property covered by service contracts include motor vehicles, personal electronics, computers, home appliances and certain residential plumbing, heating, cooling, ventilation, and electrical system components.

2.2 Entering Service Contract

When you buy goods or services from trader, you need to enter into a contract. Before doing any contract, you have to take as idea on:

- What is a contract?
- Terms and conditions
- Ending a contract

Contract

A contract is an agreement made between two or more parties that are legally enforceable. Contracts can be written or verbal. A contract arises when one party makes an offer and the other party communicates an intention to accept it. You could be entering a contract by:

- Signing a document
- Selecting a product in a shop and paying for it at the check – out counter
- Choosing on agreed term

It is against the law for businesses to force into entering a contract.

Terms and conditions

Contracts have terms and conditions which set out the rights and responsibilities of each party to the contract. Make sure you read and understand the terms and conditions of a contract before you accept it. If you are unsure, seek legal advice. While you may have the opportunity to negotiate before you agree, it is common for you to be offered the same or a similar contract as everyone else.

This is known as a standard form contract. There are laws to protect you from unfair contract terms in standard form consumer contracts where you have little or no opportunity to negotiate with the trader.

Ending a contract

There are limited circumstances when consumers may end a contract without penalty and these can include:

- If the business has misrepresented the goods, services, terms or conditions
- If a cooling-off period applies.

Check your progress 1

1. Which is not an important aspect of entering into contract?
 - a. looking for terms and conditions
 - b. idea about contract
 - c. possibility of contract amendments
 - d. none of the above

2.3 Processing Options for Service Contract

It is noted that a contract or offsite processing option is normally carried off for customers as it is efficient and economical way of processing service contracts especially when dealing with small quantities or when customer does not have space or resources to manage. There are two possible ways to process service contracts:

On-site Processing: In this, placement and operation of units is safe, simple and efficient. With the presence of large capacity units there will be elimination of inefficiencies which got linked with off-site processing having high inventories, long turn-around times and external quality processes.

Contract Backup Processing: Under this, the company will work closely with clients to plan for most efficient on-site solution to meet product demand forecasts. However, being prepared to meet unanticipated high volume demand or emergency, alternatives to on-site processing is important. In case of such contract service, the services are there for all on-site clients which provide assurance in meeting such needs.

Check your progress 2

1. The onsite process of service contract will:
 - a. increase productivity
 - b. lowers additional cost
 - c. gives satisfaction to customers
 - d. all of above

2.4 Service Contract Revision

Once the Service Contract is made between the buyer and provider, the buyer can always revise the terms and conditions laid in the document. If a buyer wants to increase the quantity of an item with revise cost of an item or adding new detail lines to procurement document, he can consent with the provider for revise. The revision is possible to any field laid in the service contract.

The service contract can be revised monthly, half yearly or yearly due to Annual or Monthly Maintenance Fees or Consumer Price Index percentage. Further the terms can be revised based on increasing or decreasing of agreed upon RFP; thus, allowing agency to add maintenance lines to a contract and/or contract renewals.

Check your progress 3

1. The service contract can be revised only:
 - a. monthly
 - d. half yearly
 - c. yearly
 - d. none of above

2.5 Defining the Entitlement Rules Sequence

Entitlement rules enable your organization to perform entitlements for Cases and Work Orders automatically when the cases or work orders meet your pre-defined qualification criteria. This saves significant time during call center interactions with customers and avoids errors caused by end users. Entitlements help you determine if your customers are eligible for customer support so you can create cases for them. A customer may be eligible for support based on a particular asset, account, or service contract. Depending on how entitlements are set up, you can view and create them on the Entitlements tab or from the Entitlements related list on accounts, contacts, assets, or service contracts.

Entitlement processes are timelines that include all of the steps (milestones) that your support team must complete to resolve cases. Each process includes the logic necessary to determine how to enforce the correct service level for your customers. Not all entitlements require entitlement processes. For example, an entitlement might just state that a customer is eligible for phone support and business hours define phone support to be 24/7. Cases move through an entitlement process as follows:

1. A support rep adds an entitlement with an entitlement process to a case.
2. The case enters the process based on its creation date or a custom date/time field. A custom date/time field lets users edit a date on the case to trigger when it enters the process.
3. Sales force assigns milestones with matching criteria to the case.
4. Milestone actions determine when and if warning, violation, or success workflow actions fire for the case.
5. A support rep updates the case to complete a milestone action.
6. After a case is updated, it cycles through the entitlement process and initiates any milestones that match its criteria.
7. The case exits the process based on custom criteria or when it's closed.

Check your progress 4

1. Entitlements is related to following contracts:

- | | |
|-------------|-----------------|
| a. accounts | c. service |
| b. assets | d. all of above |

2.6 Cancelling and Suspending Contract Information

A service contract can be cancelled as you have rights when you buy or use service as per the different terms and conditions. If you have a major or minor problem with service which can't be fixed within a reasonable time, then under such circumstances, you can cancel a service contract if:

- Provided with unacceptable level of care and skill
- Unfit for required purpose
- Not delivered in particular time as agreed upon

There are certain situations when you are unable to cancel a service contract or get refund if problem was outside control of provider in such case when:

- You have changed your mind
- Request of your service is against provider's advice
- Failed to clearly explain needs to provider

In case of problems related to service, you can:

- Contact service provider verbally or in writing to explain the problem.
- Relevantly ask service provider to compensate you for any damages or losses caused by problem.
- Seen in such case when you do the payment and services are already started.
- Show proof of purchase with receipt or bank statement.

Check your progress 5

1. Which among the following reason shows the service contract cannot be cancelled?
 - a. when you have changed your mind
 - b. provided with unacceptable level of care and skill
 - c. unfit for required purpose
 - d. all of above

2.7 Contract Editing

Service contracts are important for any service or goods to be purchased. Such contracts are agreed contracts which show the expectations of clients and their providers. The service contracts will cover several service configurations and types of contract agreements which show the service contract and/or service configurations. When negotiating a contract, or after a contract has been signed, you may have reason to modify or change it. Generally, contract modifications require the agreement of all parties to the contract.

To be legally binding, a contract must be agreed to by all interested parties. It is seen that before entering into a contract, you should carefully read it and make sure that you understand your obligations and obligations of other parties to contract. There are certain reasons where you want some alteration or modification in the contract which includes:

- To extend a contract.
- To change the duration of a contract.
- To change the quantity items that falls under the scope of the contract.
- To add additional items to the contract.
- To change the payment terms of the contract.

Check your progress 6

1. Which is not the reason for alteration of service contract?
 - a. when you want the quantity of items to be changed
 - b. when you want to have different payment terms
 - c. when you want to have free services
 - d. when you want to change the duration

2.8 Let Us Sum Up

In this unit we have learnt that a service contract is a contract or agreement for separate or additional consideration and for specific duration, to perform the repair, replacement or maintenance of any kind of property, or indemnification for the repair, replacement or maintenance of property, due to a defect in materials or workmanship or wear and tear

As seen, a contract is an agreement made between two or more parties that are legally enforceable in written or verbal format. It arises when one party makes an offer and other party communicates an intention to accept it.

It is noted that a contract or offsite processing option is normally carried off for customers as it is efficient and economical way of processing service contracts especially when dealing with small quantities or when customer does not have space or resources to manage.

In a Service Contract between a buyer and provider, the buyer can always revise terms and conditions laid in document. If a buyer wants to increase the quantity of an item with revise cost of an item or adding new detail lines to procurement document, he can consent with provider for revise.

Service contracts are important for any service or goods to be purchased. Such contracts are agreed contracts which show the expectations of clients and their providers. The service contracts will cover several service configurations and types of contract agreements which show the service contract and/or service configurations.

2.9 Answers for Check Your Progress

Check your progress 1

Answers: (1-d)

Check your progress 2

Answers: (1-d)

Check your progress 3

Answers: (1-a)

Check your progress 4

Answers: (1-d)

Check your progress 5

Answers: (1-a)

Check your progress 6

Answers: (1-c)

2.10 Glossary

1. **Service** - It is an intangible commodity which is an example of economic goods.
2. **Acceptance** - It is an expression of absolute and unconditional agreement to all the terms set out in the offer.

2.11 Assignment

What is contract editing? Explain.

2.12 Activities

Prepare a report showing detailed about modifications of customer service report.

2.13 Case Study

Can a service contract be revised? Discuss.

2.14 Further Readings

1. Enterprise Contract Management – A Practical Guide to Successfully Implementing an ECM solution, Anuj Saxena, 2008.
2. Contract Management (MFMA) Learner Guide, PALAMA 2010 by Ronald.

UNIT 3: SERVICE CONTRACT REPORT

Unit Structure

- 3.0 Learning Objectives**
- 3.1 Introduction**
- 3.2 Processing Service Contract Report**
- 3.3 Reviewing Reports**
- 3.4 Types of Reports**
- 3.5 Let Us Sum Up**
- 3.6 Answers for Check Your Progress**
- 3.7 Glossary**
- 3.8 Assignment**
- 3.9 Activities**
- 3.10 Case Study**
- 3.11 Further Readings**

3.0 Learning Objectives

After learning this unit, you will be able to understand:

- Processing Service Contract report.
- Reviewing reports.
- Types of reports.

3.1 Introduction

A contract is a binding legal relationship which obligates a seller to show the services and further requires a buyer to pay for such service contracts. It includes all types of commitments which obligate Government to an expenditure of appropriated funds excepting or otherwise authorized in writing. So, a contract is an arrangement which is clear and certain as per relationship and performance requirements of parties involved.

Further we see that a service contract is an agreement of entering into separately stated price and specified period under which provider agrees to repair, replace or maintain a product or pay to repair, replace or maintain a product.

3.2 Processing Service Contract Report

The processing of service report shows how to create and process a service order for work for which a service contract was completed. It incorporates the confirmation of service order and resource related to work with reference to the service contract.

The customer while asking for contract report of work. It is seen that a service personnel should take care of damaged work. A service contract exists for particular work. The contract incorporates special price for particular work to be carried. In such case a service order is created for particular work and a contract for work is signed. The material required for work is assigned to individual operations in the order. The cost report gives you an overview of the planned costs determined for the order as a result. In this, the actual hours worked by the service personnel as well as the components replaced are confirmed for the service order. The system creates a billing request for resource-related billing. In doing this, the system takes price determination information from the service contract including any additional price agreements into account. The billing request is processed in the Sales and Distribution application component and released for billing.

The steps of processing of report shows:

- Creating Service Order from Notification.
- Assigning Components and Releasing a Service Order.
- Posting Goods Issues for a Service Order.
- Confirming a Service Order.
- Creating a Billing Request.
- Creating a Billing Document from a Billing Request.
- Settling the Costs of Service Order to Service Contract.

Check your progress 1

1. The purpose of service contract report:
 - a. to perform maintenance work that was signed
 - b. to perform billing process after completion of work
 - c. to perform quality check after work done
 - d. none of above

3.3 Reviewing Reports

The review process of the service report carries three essential dimensions:

1. Performance measured against key performance targets.
2. Customer satisfaction with total service experience.
3. Client satisfaction.

It is seen that every dimension is analysed and head of the service division makes a judgement of classification. The contractor feedback and assessment of strengths with certain areas for improvement are also included where certain dimensions are not relevant or are difficult to apply because of certain types of contract where the framework gets adjusted or simplified at discretion of heads of service.

In case of key performance targets, the contractor performance was measured and a summary is plotted to analyse performance against KPTs as shown below:

Table key performance targets

KPT ref	Description of KPT	Target	Performance	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
KPT 1					
KPT 2					
KPT 3					
KPT 4 etc					
Overall "average" KPT performance rating score (arithmetic average)					
Overall "average" KPT performance (excellent, good, fair, weak or poor)					

In case of customer satisfaction, a data is plotted describing the collection of data, sample size and qualifying comments that is easy to analysis customer satisfaction performance appears. For reasons of consistency with previous assessments, and fairness among contractors, following table will assess the contractor:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

Fig 3.1 customer satisfaction grades

In case of council satisfaction, a client satisfaction summary score mentioning contract monitoring officer activity with contract is analysed for council satisfaction. For reasons of consistency for fairness between contractors, following table will detail the assessment of contractors based on customer satisfaction:

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

Fig 3.2 council satisfaction criteria

Check your progress 2

1. The purpose of reviewing a report is to:
 - a. check the performance of targets
 - b. check for customer satisfaction
 - c. check for client satisfaction
 - d. all of these

3.4 Types of Reports

The contract is between the service contract provider and the consumer. The price of the service contract is in addition to the price of the product. There are certain types of service contract reports such as:

- **Personal Service Contract Reports:** The report provides basic information on personal service contracts that were either filed with or reported to the Department of Enterprise Services. This report includes both personal service contracts and architectural and engineering contracts awarded by state agencies.

- **Agency Contract Reports:** It is a type of report that is required to be submitted on annual financial year basis with list of contracts and/or amendments that are effective between July and May each year.
- **Client Service Contract Reports:** In this the client services are defined as services which are provided directly to agency including but not limited to medical and dental services, employment and training programs, residential care, and subsidized housing. In this, the clients are a member of public, who have social, physical, medical, economic or educational needs and requires government assistance to meet those needs. They are those who the agency has statutory responsibility to serve, protect or oversee.

Check your progress 3

1. Which among the following reports are submitted in annually in a financial year?
 - a. Personnel service contract
 - b. Agency contract report
 - c. Client service contract
 - d. all of above

3.5 Let Us Sum Up

In this unit we have learnt that a contract is a binding legal relationship that arises among seller to show services where a buyer is needed to pay for such service contracts which includes commitments that are obligated to Government in writing.

It is seen that a processing of service report shows how to create and process a service order for work for which service contract was completed. It incorporates the confirmation of service order and resource related to work with reference to the service contract.

Further we see that the review process of the service report is basically done in order to check for the performance that was measured against key performance targets, customer satisfaction with total service experience and more with respect to client satisfaction.

3.6 Answers for Check Your Progress

Check your progress 1

Answers: (1-a)

Check your progress 2

Answers: (1-d)

Check your progress 3

Answers: (1-b)

3.7 Glossary

1. **Service contract** - It is a contract where obligor under contract agrees to maintain or repair tangible item.
2. **Obligor** - It is a person who is legally or contractually, obliged to provide services for service contract to purchaser.

3.8 Assignment

Highlight the merits of Customer Service report.

3.9 Activities

Is person service report more beneficial than agency contract report?
Discuss.

3.10 Case Study

Discuss the different types of service contract reports.

3.11 Further Reading

1. Enterprise Contract Management – A Practical Guide to Successfully Implementing an ECM solution, Anuj Saxena, 2008.
2. Contract Management (MFMA) Learner Guide, PALAMA 2010 by Ronald.

Block Summary

In this block, you have been given a detailed idea about Entitlement Rules Sequence and information related to Cancelling and Suspending Contract Information. You will be detailed with concept of service contract editing and processing and knowledge about how to edit fields inside the service contract. The idea about working and functions of Processing Service Contract report and several customer type line reports are explained. This block allows you to gain extra knowledge on reviewing of service reports which explains further about necessary layout of service report.

After completing this block, you will be able to discuss and practical implement the different types of service reports. The concepts of different service contract along with their features will help them to gain information about various layouts of service reports.

Block Assignment

Short Answer Questions

1. What do you mean by Contract editing?
2. What do you mean by Entering Service Contract? Give examples.
3. How processing of information is done in a service contract?
4. What do you understand by Service Contract Management?
5. Highlight few features about Tax rates on customer service?

Long Answer Questions

1. Explain the detail about Service Contract Revision?
2. How to cancel a particular service contract?
3. Write steps to review a service report?

Enrolment No.:

1. How many hours did you need for studying the units?

Unit No	1	2	3	4
Nos of Hrs				

2. Please give your reactions to the following items based on your reading of the block:

Items	Excellent	Very Good	Good	Poor	Give specific example if any
Presentation Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Language and Style	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Illustration used (Diagram, tables etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Conceptual Clarity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Check your progress Quest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____
Feed back to CYP Question	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____ _____

3. Any Other Comments

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*Education is something
which ought to be
brought within
the reach of every one.*

”

- Dr. B. R. Ambedkar



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