

PD CEN/TS 16880:2015



BSI Standards Publication

**Service excellence — Creating
outstanding customer
experiences through service
excellence**

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National foreword

This Draft for Development is the UK implementation of CEN/TS 16880:2015.

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A list of organizations represented on this committee can be obtained on request to its secretary.

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**Service excellence - Creating outstanding customer
experiences through service excellence**

Excellence de service - Exigences et lignes directrices
pour l'excellence de service en vue de créer
l'enchantement du client

Service Excellence - Schaffung von herausragenden
Kundenerlebnissen durch Service Excellence

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European foreword

This document (CEN/TS 16880:2015) has been prepared by Technical Committee CEN/TC 420 "Project Committee - Service Excellence Systems", the secretariat of which is held by DIN.

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Introduction

The competitive world in which customer expectations and behaviour evolve has changed. Today, globalization, new technologies, education, information, transparency and the increased choice of products and services allow customers more freedom of choice. Every purchase and customer contact is a moment of truth. Existing and prospective customers are influenced by the opinions of other customers, for example by their reviews on the internet. These reviews can have a disproportionate impact on an organization's reputation and its success or failure.

Organizations often say they put the customer at the centre of their business. However, in competitive markets it is essential to manage the whole organization around the customer and the experience offered. Organizations who know and do this will flourish. It is no longer enough for organizations to deliver the basic services and products expected by customers. To be successful and to stay ahead of competitors, it is essential to delight customers by providing outstanding experiences. This is the objective of service excellence.

This Technical Specification describes the principles, elements and sub-elements for creating outstanding customer experiences. The basic foundations of implementing service excellence are the two lower levels of the service excellence pyramid (see Figure 1). These are described in standards such as EN ISO 9001 and ISO 10002. This document deals with the upper levels which are:

- individual service (Level 3);
- surprising service (Level 4).

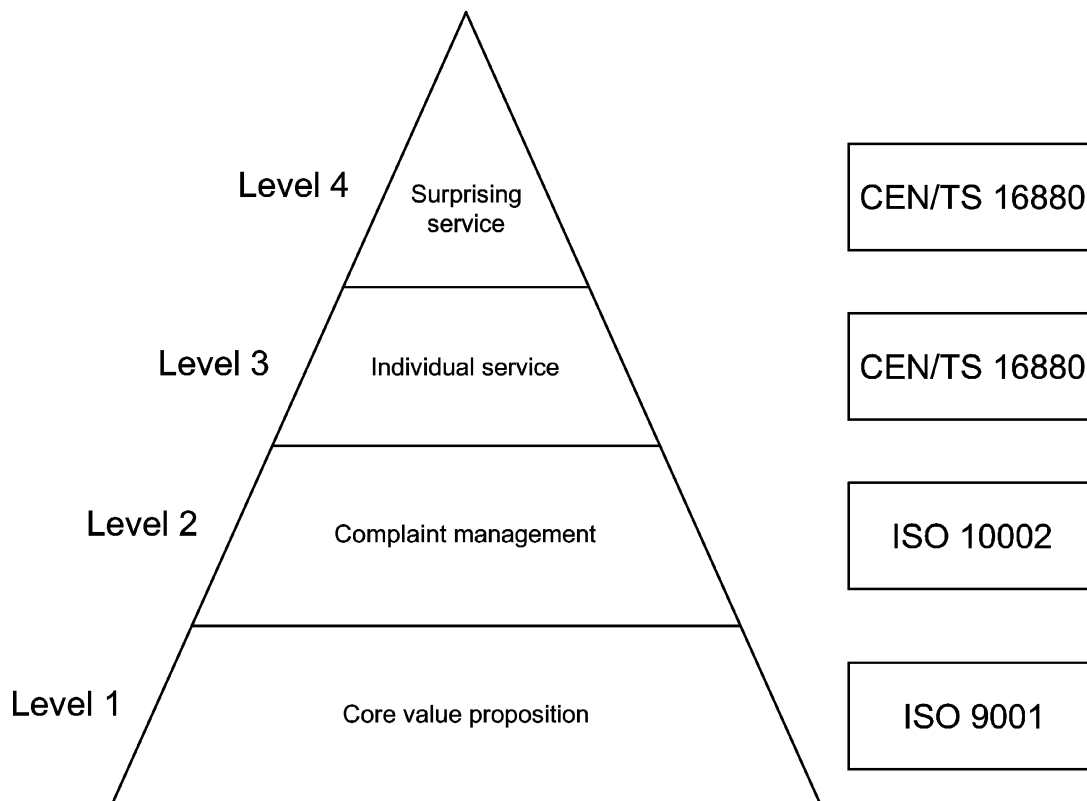


Figure 1 — Service excellence pyramid¹⁾

1) Adapted from DIN SPEC 77224.

These two levels create an emotional connection with the customer and lead to customer delight. The impact for the business is a strong brand image and attractiveness to new and existing customers as well as competitive differentiation.

Individual service (Level 3) is perceived by customers as warm, genuine, personalized and tailor-made. The customer experiences an emotional reaction by feeling valued.

Surprising service (Level 4) is tailor-made and leads to emotions of surprise and joy. It is delivered by exceeding customer expectations. This can be achieved by delivering unexpected outstanding customer experiences.

1 Scope

This Technical Specification sets out guidance for the implementation of service excellence in order to create outstanding customer experiences, exceed customer expectations and achieve customer delight. It does not focus on the provision of basic customer service which organizations should already have in place.

This document applies to all organizations delivering services, such as commercial organizations, public services and not-for-profit organizations.

2 Normative references

None.

3 Terms and definitions

For the purposes of this document, the following terms and definitions apply.

- 3.1**
co-creation
active involvement of stakeholders in service design, delivery and innovation
- 3.2**
customer
person or organization that could or does receive a product or service intended for, or required by, the person or organization
- EXAMPLE Consumer, client, end-user, patient, beneficiary and purchaser.
- Note 1 to entry: A customer can be internal or external to the organization. The output of each internal process is the input for the next process. The next process is the internal customer of the preceding process.
- 3.3**
customer delight
emotions of pleasure and surprise experienced by the customer derived from either an intense feeling of being valued or by expectations being exceeded
- 3.4**
customer experience
perception by a customer about their interaction with an organization, its products or services
- Note 1 to entry: An interaction is related to a customer journey or the whole relationship with an organization, its products or services.
- 3.5**
customer journey
complete sum of experiences of a customer when engaging with an organization, its products or services
- 3.6**
employee engagement
extent to which employees feel enthusiastic about their job, are committed to the organization and put discretionary effort into their work
- Note 1 to entry: Engaged employees are motivated to go the extra mile for customers and the organization.

3.7

satisfaction

perception of the degree to which expectations have been fulfilled

3.8

service

action of an organization to meet a demand or need

3.9

service excellence

capabilities of an organization to consistently deliver outstanding customer experiences

Note 1 to entry: Capabilities reflect the nine elements of the service excellence model and their interplay.

3.10

service excellence mission

general expression of what an organization is committed to do to achieve the service excellence vision

3.11

service excellence strategy

translation of the service excellence vision and mission into solid principles, objectives and actions in order to realize the envisaged goals

3.12

service excellence vision

future aspiration of an organization that explains its existence and how it focuses on achieving service excellence

4 Relevance and benefits of service excellence

Some of the greatest challenges today are the growing demands, needs and expectations of customers and their reducing loyalty. As customer needs and expectations expand, organizations should concentrate on optimizing the experience, using innovation at all touch-points in customer journeys. Services should be continuously and consistently improved, in co-creation with the customer and all other interested parties.

Service excellence describes a structured approach that enables the providing of outstanding customer experiences by individual and surprising service resulting in delighted customers. Consequently, service excellence leads to customer loyalty and improves business success. This cause and effect chain is shown in Figure 2.

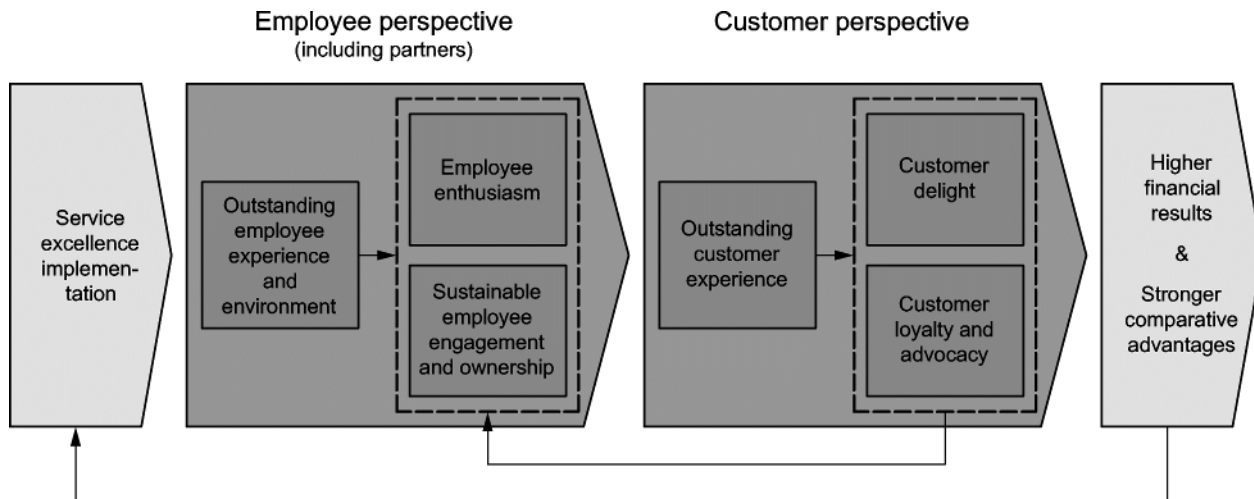


Figure 2 — Service excellence effect chain

Service excellence is a continuous process and requires investment in people, infrastructure and research. The organization can benefit from this investment in a number of ways, for example:

- competitive differentiation;
- higher growth of service excellence reputation;
- establishment and strengthening of long-term customer relationships (leading to a greater propensity to remain, repurchase and recommend);
- cost-saving potential in the long term (e.g. lower failure costs, easier sale conversions and reduced advertising expenses for acquiring new customers);
- an excellent employer image (leading to improved recruitment opportunities, higher levels of staff engagement and improved employee retention);
- improved customer co-operation and engagement.

5 Principles of service excellence

The seven principles of service excellence are:

a) Managing the organization from outside-in

The organization should design the desired experience from the customer's perspective. Once designed, resources and processes should be aligned.

b) Customer intimacy

The organization should strive for a superior level of individual personalization and be focused on the customer needs throughout. A strong relationship can be fuelled by continuous communication, which should reflect the customer's desired level of interaction.

c) People make the difference

The engagement of everyone in the organization, including partners, in achieving customer delight is of key importance.

d) Balanced attention to customers, employees and partners

Customers, employees and partners are important and the organization should give a balanced focus of attention to them all.

e) Integrated approach in order to deliver outstanding customer experiences

The organization should work through customer journeys with an integrated cross-functional approach.

f) Leveraging of technology

Appropriate technology should be used to create outstanding customer experiences, for both staff and customers.

g) Create value for stakeholders

Delivering service excellence leads to additional sustainable value for stakeholders. Co-creation with stakeholders should be used to create enhanced value. Value can be monetary as well as non-monetary.

6 Service excellence model

The service excellence model (see Figure 3) contains nine elements which lead to outstanding customer experiences and delight.

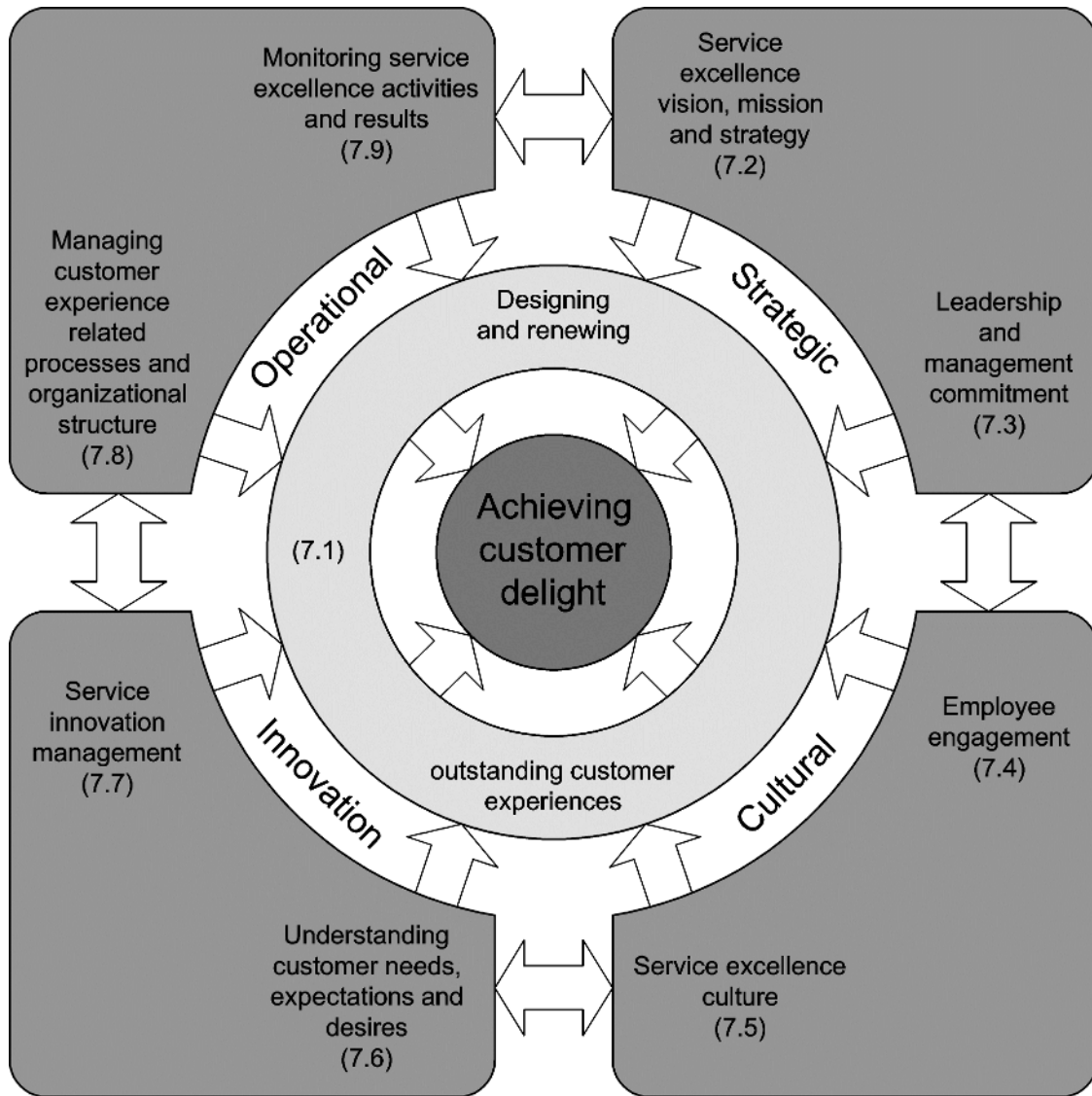


Figure 3 — Service excellence model

The objective of customer delight is at the centre of the model and is surrounded by designing and renewing outstanding customer experiences (7.1).

The additional eight elements (7.2 to 7.9) are equal with no sequence of implementation, and organizations can start from various points. These elements are grouped into four dimensions: strategic, cultural, innovation and operational.

7 Elements of the service excellence model

7.1 Designing and renewing outstanding customer experiences

To achieve customer delight, an organization should design, implement and manage the delivery of outstanding customer experiences. This element is divided into four sub-elements:

- a) Designing and documenting the customer experience

The targeted experiences should be designed from the customer perspective, including customer needs, journeys and the emotional results for both customers and staff. The organization should

document these customer experiences. The document should take into consideration the objective of achieving levels 3 and 4 (see Figure 1).

The document should include measures of success which evaluate the delivery of the targeted experiences.

The document should be reviewed on a regular basis to ensure changing customer expectations, competitor activities and innovation trends are reflected.

Appropriate practices for implementation include, for example:

- 1) develop and use service blueprints: these are descriptions of customer journeys delivering the targeted customer experience;
- 2) research emotions during customer journeys;
- 3) use the critical incident technique: research customers that have experienced specific incidents to understand them and make an in-depth analysis;
- 4) define service attitudes aligned with brand values and translate it into employee behaviour and requirements for customer journeys;
- 5) customers participating in workshops to develop customer journeys leading to the targeted customer experience. This should be done in close cooperation with employees (experience based co-design).

b) Setting organizational service standards and delivering the service promise

Each interaction in the customer journey is a moment of truth. In order to deliver the desired customer experiences, the organization should set and maintain market leading internal standards and regularly exceed its service promise. Organizational service standards should be formulated from the customer's perspective and in the customer's language (outside-in).

The management should be responsible for the implementation of internal service standards at all levels. Staff should fully understand the importance of these standards and be kept informed of performance.

Appropriate practices for implementation include, for example:

- 1) communicate explicitly formulated service levels or even total satisfaction to customers. This can be done with codes of conduct such as service guarantees, service or customer charters and service pledges;
- 2) use internal service standards for all customer journeys.

c) Deployment of the customer experience concept throughout the organization

The customer experience concept should document requirements for deployment. In case of large organizations and organizations with decentralized teams, it should be adaptable for local use where teams will jointly construct it with their customers and relevant partners. The direct involvement and co-operation of local teams and management in any deployment is an essential lever. The implementation of the concept requires the use of all the other elements (7.2 to 7.9).

Appropriate practices for implementation include, for example:

- 1) use creative brainstorming techniques and suggestion schemes;
 - 2) implement continuous improvement programmes dedicated to developing attentiveness towards the customer;
 - 3) exchange best practices with other organizations.
- d) Service recovery excellence

Helping customers with arising or existing problems and complaints in an individual and surprising way is an important factor for creating outstanding experiences and customer delight. The organization should design from the targeted customer experiences (7.1 a)) a service promise, service concept and service standards for delivering outstanding experiences to customers with problems and/or complaints. Teams in contact with the customer should have a sufficient level of independence and autonomy to go the extra mile and to do whatever is necessary to delight customers.

Appropriate practices for implementation include, for example:

- 1) define requirements of accessibility, ease and proactivity to deliver the targeted experiences;
- 2) organize forward resolution; the organization knows what problems customers are likely to encounter and should proactively inform them to avoid such problems;
- 3) communicate specific service guarantees to customers on the service level of service recovery.

7.2 Service excellence vision, mission and strategy

The element of service excellence vision, mission and strategy frames and determines the organization's targeted customer experience. It translates the principles and the design of outstanding customer experiences into all other elements of the service excellence model.

The service excellence vision, mission and strategy should be aligned to each other and to the organization's overall strategy. They should be created and reviewed by involving all stakeholders including management, staff and customers. The vision, mission and strategy should be communicated to and implemented by all parts of the organization to help create a service excellence culture and to inform everyone about the decision making. This element is divided into three sub-elements:

a) Service excellence vision

The organization should have a service excellence vision which clearly states its aspiration to consistently meet and exceed customers' expectations and desires through exceptional service delivery.

The vision should embrace the whole organization and be created with all relevant stakeholders.

b) Service excellence mission

The organization should have a mission which will enable the development of a service excellence strategy that sets the goals and objectives to achieve the service excellence vision.

The organization should evaluate the proposed mission statements from a customer and a feasibility point of view.

c) Service excellence strategy

The organization should translate its service excellence vision and mission into a sound strategy which is documented. This is an integral part of the organizational strategy and describes what the organization will achieve and how it will realize these objectives

The strategy should be based on the seven principles and the other eight elements to achieve the results described in Clause 4 and Figure 2. The strategy should be translated into actionable objectives, goals, programmes and other measures. Responsibilities and how the organization plans to implement these should be defined.

The strategy should be deployed to all parts of the organization and reviewed regularly.

Appropriate practices for implementation of the service excellence vision, mission and strategy include, for example:

- 1) produce an inspiring vision document which is widely circulated and gains acceptance by all stakeholders;
- 2) realize strategy workshops with all stakeholders in order to develop a service excellence strategy;
- 3) set up customer advisory boards.

7.3 Leadership and management commitment

All managers, including board members, have a vital role in determining, implementing and sustaining the service excellence strategy.

The philosophy and commitment of top management to create an environment which allows employees to realize their full service potential is critical in order to achieve service excellence. Leadership should focus on the development, growth and wellbeing of employees and the community within an organization. The leader delegates responsibility, puts the needs of others first and helps people develop and perform as much as possible. Employees can attain their full service potential through factors such as empowerment, enthusiasm, organizational pride and engaged personal leadership.

This element is divided into four sub-elements:

a) Leadership

Managers, through strong leadership and leading by example, should create an environment in which employees are able to deliver outstanding customer experiences.

Managers should consistently focus on the management of service excellence over a long period of time. This involves creating a culture that supports employees to develop autonomy and responsibility. Managers should support each employee to plan and organize their individual development. This means that management should promote a way of working that allows for mistakes to happen in order to enhance learning.

An important aspect is receiving feedback from customers as well as the rest of the organization to enable employees to reflect on opportunities and risks.

Managers should support employees by providing regular feedback. To support this, managers should actively listen to customers and act on their feedback. In addition, they should regularly engage with employees to ensure that they see, hear, feel and understand what is happening internally.

Appropriate practices for implementation include, for example:

- 1) implement organizational development programmes for service excellence conceived and/or delivered by a dedicated structure (e.g. service academies);
 - 2) use mentoring programmes and coaching for service excellence;
 - 3) organize 360 degree feedback involving also customers, peers and employees;
 - 4) share and promote best practices.
- b) Shared efforts, defined responsibilities and objectives

Leadership is fuelled by an organization functioning as a community, encouraging everyone to take ownership in shared activities and results.

This should not be confused with shared responsibility, which does not lead to intrinsic motivation.

Management should deploy programmes that ensure the acknowledgement of all employees' efforts as part of the result obtained. Translating the service excellence strategy (7.2 c)) into its organizational objectives with a balanced top down/bottom up approach should be part of the organization's regular planning and control cycle.

The outcome of such a process is that each department, team and employee is able to link their own objectives and individual actions with the service excellence strategy. All employees should be able to regularly review their objectives and results.

Appropriate practices for implementation include, for example:

- 1) personal development programmes for all competencies and behaviours (e.g. training of emotional and social competence);
 - 2) the use of storytelling (e.g. recounting good or bad stories of service excellence).
- c) Employee empowerment

Employees are expected to go the extra mile for customers in order to deliver outstanding and tailor-made experiences. This means that employees should have the freedom to act.

In order to achieve this, management should encourage, support and enable employees to reach their full potential by delegating authority and duties. To support ownership and responsibility, management should encourage employees to input to the decision-making processes.

It is also crucial to provide the necessary resources, training and continuous feedback to employees to support personal development. Managers should deal with conflicts in a constructive and fair way.

Appropriate practices for implementation include, for example:

- 1) delegate resource authority/customer compensation (e.g. budget authority);
- 2) set up team building;

- 3) enhance the acceptance of empowerment by integrating this aspect into the reward system of managers;
- 4) training of management in dealing with empowerment measures.

d) Enthusiastic employees

To achieve customer delight, employees are one of the most important factors. Their satisfaction and enthusiasm should be measured in a structured way. The organization should create an environment of physical and emotional balance between work and leisure for every single employee.

Employees can become enthusiastic by working on demanding tasks, by other outstanding job characteristics or by the employer itself. Challenging and innovative work are two of the most important requisites to encourage feelings of enthusiasm. Enthusiastic employees have a more stable positive attitude towards the organization.

Appropriate practices for implementation include, for example:

- 1) integrate employee enthusiasm indicators in employee surveys;
- 2) organize workshops on emotional intelligence and employee enthusiasm.

7.4 Employee engagement

The organization should use human resource processes and tools to stimulate and maintain shared values, beliefs and practices to create outstanding customer experiences at all levels and in all areas of activity in the organization. Management should ensure employees are enthusiastic and motivated to provide outstanding customer experiences and to delight their customers. Employees should have a genuine manner and be empowered to deliver outstanding customer experiences.

This element is divided into seven sub-elements:

a) Recruitment and induction of new employees

The main focus for recruitment and induction of new employees are their service excellence attitudes and behaviours. The organization should use various tools for sourcing, testing and selecting new employees with the best service excellence attitudes and cultural fit.

Service excellence attitudes are as important as diplomas and work experience in the recruitment process. The closer the position is to the customer, the more important this attitude is. During the selection process, candidates should be immersed in the organization's culture, using a clearly defined and substantial induction programme, so that the organization and the candidate can decide if there is a cultural fit on both sides.

The induction process should focus on the value of customers, their needs, expectations and the culture and values of the organization. Senior management should be actively involved.

Appropriate practices for implementation include, for example:

- 1) use of recruitment and selection tools verifying service attitudes of potential employees;
- 2) involve customers in the selection process;
- 3) organize mentoring/coaching on the job during and after the probationary period.

b) Continuous learning and development of all employees

The delivery of outstanding customer experiences is seen as a profession for which a continuous learning attitude is expected from all employees, regardless of their level of experience. Customer experiences are an essential point for all training, including technical training. The organization should establish a continuous learning programme for all employees with customer contact focused on the necessary skills for delivering outstanding customer experiences and customer delight. For all employees it is important to have a continuous learning programme on service excellence.

Training gives employees the opportunity to experience what it is like to be a customer and to learn through their eyes.

Appropriate practices for implementation include, for example:

- 1) organize apprenticeships, job sharing and secondments within other departments of the organization (or at the customer's organization);
- 2) use personal development plans to increase service excellence;
- 3) use of professional actors for role playing in service scenarios;
- 4) recognize and positively reinforce desired service excellence behaviours.

c) Feedback of customers at an employee/team level

The organization should continuously use customer experience feedback and listening mechanisms by implementing internal and external customer surveys. Individual employees and/or teams should frequently obtain feedback from customers on their service delivery. This feedback should be used systematically by employees and teams to learn from. It should also be used for appraisal and reward purposes. Customers who are either delighted or dissatisfied should be contacted.

The organization should encourage employees to ask internal and external customers for their personal feedback (providing the customer gives permission), in order to improve the service given on an individual and organizational level.

Appropriate practices for implementation include, for example:

- 1) measure customer experiences on a transaction basis (closed loop feedback), relationship evaluations, complaints, suggestions and compliments;
- 2) evaluate the relationship periodically with customers. Account managers and teams responsible for the relationship should receive the results;
- 3) present customers' feedback on a continuous basis to all employees;
- 4) encourage and use customer reviews.

d) Using empowerment

In order to encourage empowerment, the organization should remove barriers such as capacity restrictions, time constraints and strict procedures and rules. The organization should also encourage an empowering leadership style by using a range of practices, for example, share information about service excellence behaviours and outstanding customer experiences, provide

rewards based on service excellence behaviours and give power to make decisions that can influence service excellence performance.

Employees should be encouraged to achieve empowerment by discussing the barriers they experience with their managers. Employees who use their initiative to deliver outstanding customer experiences and delight should not be blamed or penalized if this is not achieved.

In order to deliver individual (Level 3) and surprising service (Level 4) mandated procedures and scripts for customer contacts should be abandoned except where legislation prevents. The organization should only provide frameworks for employees that give them guidance. Employees may be flexible within a framework as long as they can provide the appropriate rationale for doing so.

NOTE The role of leadership in empowerment is described in more detail in 7.3 c).

Appropriate practices for implementation include, for example:

- 1) give employees a wide range of redress options in order to solve problems and complaints without having to ask for permission;
- 2) allow employees to give discounts or other cost savings in an appropriate range in order to recover the customer relationship;
- 3) empower employees to provide small gifts or tokens for customers on particular occasions without having to ask for permission;
- 4) appoint a responsible employee to be a customer experience coach/mentor.

e) Evaluation and assessment of employees

The job descriptions and major targets/objectives of employees and teams should be focused on customer delight and delivering outstanding customer experiences, taking account of costs. Employees should demonstrate that they have consistently helped and served customers in an outstanding way.

The organization should recognize and celebrate role models, and take measures to address underperformance in achieving customer delight. Assessments should be used as input for the continuous learning and development of employees (7.4 b)).

Appropriate practices for implementation include, for example:

- 1) use of evaluation and assessment tools based on excellence-driven key performance indicators (KPIs) including empathy;
- 2) use of target agreements with competences and/or results on an individual level.

f) Recognition/acknowledgement system

A recognition policy is one of the most important parts of the service excellence strategy. The organization should promote a positive culture in which service excellence is standard and should establish formal and informal recognition systems. Top management should be actively involved in recognition actions.

The organization should stimulate exceptional service behaviours to create outstanding customer experiences. Financial and non-financial reward and recognition should be dependent on the achievement of service excellence and customer delight.

Appropriate practices for implementation include, for example:

- 1) celebrate successes and wins;
- 2) implement reward programmes/recognition systems for excellent service behaviour using 360 degree customer and stakeholder feedback;
- 3) use of non-financial rewards, for example, by involving employees in internal training, representing the organization in internal and external presentations and integrating them in service improvement/innovation task forces.

g) Employee feedback mechanism

The organization should operate open listening and feedback routes to learn from employees, measure their engagement and use results for improvements. These routes can be structured, for example, with questionnaires and employee focus groups, but can also be unstructured and integrated into daily work. The feedback can be used to strengthen employee engagement and improve service excellence.

Appropriate practices for implementation include, for example:

- 1) organize informal sessions with senior management and employees;
- 2) set up an e-mail address for employees direct to board members and top-management for submitting ideas, questions and complaints. Employees are guaranteed that they will receive a timely personal answer;
- 3) conduct improvement driven employee surveys, for example, employee satisfaction and motivation surveys.

7.5 Service excellence culture

The organization's culture is key in how people think, feel and act in order to attain service excellence, deliver outstanding experiences and achieve customer delight. As such the culture is defined by service excellence values, attitudes and behaviours and is an important part of the corporate culture. When defining the culture, organizations should consider internal and external elements. This culture element not only relates to customers and customer orientation but also to management, employees, learning and innovation. Therefore it links with other elements in this model such as Leadership and management commitment (7.3) and Employee engagement (7.4).

This element is divided into three sub-elements:

a) Defining the service excellence culture

The service excellence culture should reflect the organization's values, attitudes and behaviours. This enables the execution of the service excellence strategy which ultimately leads to customer delight. The culture is the DNA of the organization and should demonstrate the seven principles of service excellence (see Clause 5). Components of service excellence culture include:

- management style; how managers inspire and manage the organization (see 7.3);

- internal culture; how employees and management behave internally among each other, how they cooperate with colleagues;
- customer culture; how employees and managers think about customers, how they value them and how they act towards them;
- learning and innovation culture; how the organization learns, improves and innovates on a continuous basis (see 7.7).

Examples of such culture should include: commitment to excellence, passion, recognition, proactiveness, empowerment, openness to challenges and going the extra-mile.

As with the service excellence vision, mission and strategy, the service excellence culture should be analysed, defined and established by the organization's leadership team in close cooperation with employees and should be embedded in the corporate culture.

An important characteristic of a service excellence culture is that it is a positive culture. A culture that promotes internal positive feedback, learns from what delights customers and learns from compliments. The organization should celebrate successes, compliments and other positive feedback from customers.

Appropriate practices for implementation include, for example:

- 1) organize strategy workshops;
- 2) document the service excellence culture in a code of conduct or a service statement and deploying it.

b) Communicating the service excellence culture

To sustain and further develop the service excellence culture, management should continuously share their expectations with employees. This dialogue should be formal as well as informal. It may include training, discussions, presentations, the intranet and enterprise social networks. The goals of internal communication are to:

- ensure everybody in the organization understands the principles of service excellence;
- ensure the internal policies, codes of conduct, values, roles and responsibilities, appraisal systems and the service excellence culture are understood;
- develop a sense of urgency to deliver outstanding experiences;
- develop a sense of responsibility: the organization's leaders should clarify the service excellence goals and explain why all employees are critical in achieving them;
- create an atmosphere that welcomes questions and ideas: managers should be accessible for questions and input from staff, which is acted upon;
- create an atmosphere where staff can freely discuss topics with managers and each other. Employees should be allowed to raise both positive and negative comments.

Managers' behaviours and attitudes are critical to the success of communicating the service excellence culture. Managers should demonstrate the behaviours that will be expected from employees to deliver service excellence.

External communication informs customers about the service excellence culture of the organization. It should reinforce the targeted customer experience (7.1 a)), service standards and the service excellence promise (7.1 b)).

Appropriate practices for implementation include, for example:

- 1) internal use of: policies, codes of conduct, workshops, training, advertisements, websites, social media, interviews, speeches;
- 2) external use of: service statements, websites, marketing campaigns, advertisements, social media, interviews, speeches, fairs and exhibitions, public relations and events with customers.

c) Implementation of the service excellence culture

As described in the other eight elements of the service excellence model, the culture should be ingrained in all practices of the organization, for example:

- in the strategy and policies of the organization (see 7.2);
- in the roles and responsibilities of managers (see 7.3);
- in the job descriptions and appraisal systems (see 7.4).

The implementation of the service excellence culture should be monitored continuously by collecting feedback from customers, employees and relevant stakeholders. Measures should be benchmarked against other organizations over time to monitor progress.

Appropriate practices for implementation include, for example:

- 1) organize strategy workshops;
- 2) document the service excellence culture in a code of conduct or a service statement;
- 3) organize internal fairs;
- 4) promote intranet communication;
- 5) include service culture targets in the individual target agreements for managers and employees.

7.6 Understanding customer needs, expectations and desires

The organization should undertake extensive research and analysis to fully understand customers' current and future needs, expectations and desires (this will define the metrics in 7.9).

This element is divided into three sub-elements:

a) Scope and depth of listening to customers

The organization should have in place a permanent system which listens to and tracks the expectations and desires, as well as the existing and changing customer needs. This customer listening system should identify what is valued by the customer including expressed and unexpressed expectations, external factors, and rational and emotional dimensions of customer experiences.

Appropriate practices for implementation include, for example:

- 1) organize the co-creation of services with customers (e.g. crowdsourcing, experience based co-design);
- 2) develop future trend books and organize trend scouting.

b) Organization of data acquisition and use

The organization should consistently research customer needs, expectations and desires using various methods. This should be from a relationship perspective as well as through all customer journeys. The measurement should show the true interest and degree of understanding that the organization has with its customers. The outcomes of service delivered should be continually produced, analysed and used to enrich or create positive emotions for the customer.

This collection of information is multichannel and organized by departments with customer contacts or those in a position to collect information directly (e.g. internet, claim unit) or indirectly (e.g. customer studies).

Staff should be regularly reminded to capture customer feedback (comments, expectations, complaints, suggestions and compliments), whether positive or negative, and quickly pass it on to senior management. The analysis should integrate all performance, perception, emotional and behavioural data in order to direct the service excellence effect chain as presented in Figure 2. Multiple data sources should be used to understand cause and effect (see 7.9 a)).

Data acquisition and sharing of information is used on a macro (customers in general) and on a micro level (individual customers) to create customer insights. The organization should collect

varied data (e.g. preferences, expectations, hobbies, relevant contacts and feedback) on an individual customer basis. This information should be directly available to all employees during their contact with customers to enable them to deliver an exceptional individual service.

Appropriate practices for implementation include, for example:

- 1) use information from a Customer Relationship Management (CRM) tool;
- 2) integrate data from social media monitoring;
- 3) test products and the service experience with customers before launch;
- 4) ensure regular presence of the top management with employees on the front-line (i.e. those in direct contact with customers).

c) Adapting to customer needs, expectations and desires

It is usual for customers to expect products and services to remain fit for purpose and updated in response to changes, whatever the origin is (e.g. legal, social, technological, environmental, fashion, competitors, innovation).

The organization should anticipate changes that may occur within the market place and in customer demands, and have the ability to adapt. Anticipating needs means considering tomorrow's environment (e.g. products and services which are sold today are also future proofed).

Appropriate practices for implementation include, for example:

- 1) conduct trend studies; follow and anticipate on trends;
- 2) organize process re-engineering;
- 3) implement change management.

7.7 Service innovation management

The needs and expectations of customers are changing and are often undiscovered or not even understood by the customers themselves. What surpasses customer expectations today can be a standard requirement tomorrow.

It is essential that organizations aiming at service excellence and customer delight should improve their operations on a continuous basis. This is achieved by close cooperation with customers and other stakeholders. Innovation can be gradual, by improving current practices, or breakthrough, by developing and implementing new practices. In this way service innovation brings excellent value to customers through, for example, new services and customer promises and improved process performance that lead to a better service delivery and new business models.

This element is divided into four sub-elements:

a) Continuous improvement

At all levels of the organization there should be a positive attitude towards continuously improving current practices. This could, for example, be in the day-to-day contact with customers as well as in the back-office operations of the organization.

Appropriate practices for implementation include, for example:

- 1) use improvement tools and concepts in order to increase performance;
- 2) organize internal/external audits in order to pinpoint improvement opportunities and determine the effects of actions;
- 3) organize quality circles: teams of employees, managers and customers working on a concrete assignment to improve a practice.

b) Learning

The organization should stimulate and foster learning and a no-blame culture. At all levels of the organization there should be an open, eager and humble attitude to learn from best practices within the organization, from partners and competitors, and from other sectors. The organization should facilitate this learning attitude with suitable means and structured methods. It should also take on board and welcome the feedback of critical and stretching customers, employees and partners as another way of learning.

Appropriate practices for implementation include, for example:

- 1) organize competitive benchmarking; learning from competition;
- 2) organize trend watching: researching future developments;
- 3) use green fielding: using pilots in order to learn from new practices on a limited scale;
- 4) organize field trips: visiting and learning from best in class organizations;
- 5) use the voice of the customer to enhance the learning process;
- 6) use methods such as Kano model, laddering, means-end-analysis and importance-performance-analysis for evaluation of customer delight.

c) Innovation culture

The organization should stimulate and foster a service excellence innovation culture. It should encourage creativity, inventiveness and experimentation in order to introduce new ideas and practices to, for example:

- surpass customer expectations;
- deliver outstanding experiences;
- introduce new service practices;
- integrate goods and services;
- implement new customer journeys;
- improve internal processes and technologies.

The organization should allocate time and resources to implement innovations in an effective and speedy manner. The innovation culture of the organization implies the right to fail.

Appropriate practices for implementation include, for example:

- 1) use of idea generating methods;
 - 2) use of creativity techniques;
 - 3) organize dedicated time slots for employees/teams to work on innovations;
 - 4) organize co-creation in innovation with customers and other stakeholders.
- d) Structured innovation process

The organization should have a substantial network of contacts to help foster innovation. This can consist of customers, organizations in the value chain, universities and other relevant institutions.

The organization should have a structured innovation process to introduce service excellence innovations on a regular basis. The process should consist of four steps: idea generation, conception, development and market launch. These steps are necessary to generate, manage and control the continuous large flow of service excellence innovations from multiple value perspectives (e.g. new services, core services, service delivery and supplementary services). Senior management should allow sufficient time, resources and attention to the ongoing innovation process in order to reach its innovation objectives.

Appropriate practices for implementation include, for example:

- 1) make use of an innovation board: a board that meets on a regular basis in order to decide on new ideas;
- 2) use of the innovation funnel: a concept to structure the innovation process by using specific steps and go/no go decisions/control gates for each next step of the innovation process;
- 3) organize co-creation, experience based co-design (EBCD): customers not only describe the current customer journey but also the ideal customer journey. In the last phase they help implement this ideal customer journey;
- 4) use of a business model canvas: designing an innovative business model based on the links between value proposition, service strategy and targeted relationship and customer experiences.

7.8 Managing customer experience related processes and organizational structure

Organizations should develop, implement and manage customer journeys that realize their customer experience concept (see 7.1 a)) and lead to outstanding customer experiences. Organizations therefore should possess adequate processes, technologies, techniques and organizational structures to enable them to handle changing needs and expectations of customers. In this regard, the entire service value chain, including suppliers and other organizations, should reflect the importance of an outstanding customer orientation. In addition, needs of employees (e.g. employee feedback) should also be included.

This element is divided into three sub-elements:

- a) Managing customer experience related processes

An organization should align internal processes and its processes with partners in order to react to variations in customer needs. Thus, a customer experience related process management should identify, design, implement, monitor, report, and improve all customer experience related

processes to meet and exceed the needs and expectations of customers. Based on the service promise and service standards (see 7.1 b)) the organization can develop customer experience related processes that deliver the targeted customer experiences and offer an individual and surprising service.

Appropriate practices for implementation include, for example:

- 1) regular evaluation of customer experience related processes (e.g. mystery shopping, service excellence audits, monitoring KPIs of quality and of social media);
- 2) evaluation of process quality from a customer's perspective (e.g. by customer journey monitoring, customer diaries and regular customer surveys);
- 3) regular improvement of customer experience related processes (e.g. error/complaint management, quality circle, user groups and customer communities to exchange on service and process ideas and needs);
- 4) Regular revision of customer experience related processes.

b) Deploying customer experience related technologies and techniques

Technologies and techniques should help the organization to deliver outstanding customer experiences. They can also help the organization to manage service excellence and support employees in their daily work. The safe handling of customer data should be an essential objective and commitment of the organization.

Appropriate practices for implementation include, for example:

- 1) use of graphical methods of displaying multidimensional or multivariate data (e.g. radar charts, spider charts) as well as customer interactions (e.g. via touch maps);
- 2) use of Customer Experience Management (CEM): toolbox to strategically manage customer experiences by optimizing and synchronizing touchpoints. This should increase customer satisfaction, loyalty and advocacy;
- 3) provision of shared and consolidated databases (channel-independent) which allows crowd sharing between the organization and customers;
- 4) use of electronic devices that recognize individuals and offers personalized information and options;
- 5) use of technologies to create targeted experiences such as sound and smell in order to stimulate all senses.

c) Management of organizational structures and partnerships

An organization should have a structure that is flexible especially with regard to the needs and requirements of customers and employees. The entire organization should be aligned to inspire the implementation of a holistic customer orientation. By structuring the organization in line with customer experience related processes internal silos can be avoided. An additional way to ensure consistent customer orientation is to have close cooperation in service delivery and improvement between departments.

The organization should invest in a close cooperation with partners who influence the experience of customers. The objective is that they provide the same level and understanding for service excellence and customer delight as in their own organization.

Appropriate practices for implementation include, for example:

- 1) use of documentation and regular communication of service excellence elements in the services within the end-to-end processes. Representation of the entire value chain, including all internal and external service providers and necessary auxiliary processes that impact on customer delight for the organization;
- 2) regular review of the organizational structure based on customer and employee needs and requirements, using, for example:
 - market research;
 - benchmarking and best practices;
 - key figures per service unit with defined service levels;
 - workshops on customer delight;
 - workshops on innovative service ideas;
 - feedback from external stakeholders;
 - identification of target/actual variances (e.g. via scorecards).
- 3) use of partnership agreements and/or service level agreements with suppliers, internal customers and other organizations that have influence on customer experiences;
- 4) realize improvement and development activities such as training provided by the organization within the partners' organizations.

7.9 Monitoring service excellence activities and results

The organization should develop and systematically use a set of internal and external metrics focused on all elements of the service excellence model.

Top management should use these metrics to monitor, improve and innovate in all parts of the organization.

The metrics and how they are used should be evaluated regularly and improved where possible.

This element is divided into four sub-elements:

a) Causal relationships

The organization should understand the most important determinants/metrics of the elements of the service excellence effect chain (see Figure 2) and their relationships. Examples of the causal relationships are between:

- employee behaviour and customer behaviour;
- employee engagement and customer delight (and vice versa);

- customer perceptions, attitudes and actual behaviours;
- investments in service excellence and actual returns.

Appropriate practices for implementation include, for example:

- 1) use of statistical analysis in order to determine the most important factors influencing overall satisfaction and customer delight;
- 2) outline a cause and effect model based on the identified causal relationships.

b) Use of performance indicators

Based on the causal relationships the organization should use a set of input, throughput, output and outcome metrics to manage and improve the service excellence concept.

These metrics should be integrated into a service scorecard. The input, throughput and output metrics address the actual operational performance. The outcome metrics are related to emotions, perceptions and behaviours of stakeholders such as customers and employees.

Appropriate practices for implementation include, for example:

- 1) use of outcome metrics about customer experiences including perceptions of specific transactions and the relationship as a whole. Examples include scores and indexes related to customer experience, customer effort, customer satisfaction, customer delight and customer engagement;
- 2) use of intended and actual customer behaviours, such as advocacy (Net Promoter Score), retention/churn, share of wallet, and financial results such as customer lifetime value;
- 3) use of metrics about employee perceptions and behaviours such as employee involvement, motivation and engagement;
- 4) use of metrics about the operational performance such as communication channels, customer journeys and internal (support) processes;
- 5) use of metrics around reputation and branding;
- 6) use of metrics around learning, improvements and innovation of the organization.

c) Use of measurement tools

The organization should use measurement tools on a continuous and objective basis.

The tools provide insight on actual performance at an organizational, team and employee level over time. The metrics give insights in negative and positive deviations from goals which the organization should learn from.

Measurements should be used to benchmark with best in class organizations.

Appropriate practices for implementation include, for example:

- 1) use of tools to measure perceptions of stakeholders such as qualitative and quantitative surveys/interviews;

- 2) use of tools to measure service levels, empathy and process measures such as mystery shopping;
 - 3) use of tools to measure actual behaviours of customers such as database analysis;
 - 4) monitoring of social media.
- d) Use of metrics on operational, tactical and strategic levels

Metrics should be used to support and foster the positive culture of the organization and develop good practices into excellent practices. Results should be shared with all stakeholders on a transparent and frequent basis. In all parts and on all levels of the organization the metrics should be used to determine goals, performance and, where possible, improvements. The voice of the customer is as prominently used as other internal operational metrics. In addition to using dashboards/scorecards to present quantitative data, the organization should capture qualitative data such as the experiences and stories of customers and employees.

Appropriate practices for implementation include, for example:

- 1) visualization of results using dashboards, performance walls, barometers and narrowcasting on video screens;
- 2) develop a wall of fame to foster a positive culture;
- 3) use of results for appraisal and incentives for employees, teams and managers;
- 4) use of feedback to each group of stakeholders (identifying clear communication channels to each one).

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