

**When the Waiter Brings Bad Food:**  
***Measuring the contribution of the  
Service / Support Organization  
in an environment of  
intervening external influences***

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We've all encountered the situation where a restaurant dining experience is ruined by mediocre or poor food, even when the reputation, environment, and service provided are outstanding. In most cases, the waiter who brings the bad food ultimately pays the price, either in a reduced tip, or in having to bear the bad news.

In some cases, when the waiter is outstanding enough, their performance is separated from the disappointing culinary experience, expressed in the form of a decent tip. In the case of anything other than an unusually outstanding service performance, or a particularly enlightened patron, "the waiter pays" for the disappointment brought on by the poor food, even though it was beyond his or her control.

As Customer Service Professionals, we face the "Waiter and the Chef" dilemma on a daily basis as it impacts front line service personnel performance scores and resulting Service Center overall performance scores. This is becoming an increasingly concerning fact of life as more companies are adopting "customer satisfaction" measures across all enterprise operations where support scores are compared to sales, delivery, billing, etc.

### **The Dilemma**

In these environments of cascading, overarching perceptual influences, how do we accurately measure the individual service personnel performance as well as the Service/Support function performance overall? That is, how do we separate the waiter from the chef?

In the service / support and call center environment, the need for accuracy in such measurements – isolated from influences beyond control of the service agent – is an increasing requirement, particularly in the evolving impact of measurement supported by EFM, CEM, CRM and call center metric technologies.

In utilizing customer surveys for agent performance measurement for stack rank reporting, or for "best in class" Performance Modeling, failure to isolate the influence of both positive and negative perceptions and experiences on the individual performance measure can lead to significant aberrations in agent evaluation, training and motivation, not to mention fairness. These influences can contribute large magnitudes of error when the agents are specialized by product or class of service, geography, language, etc.

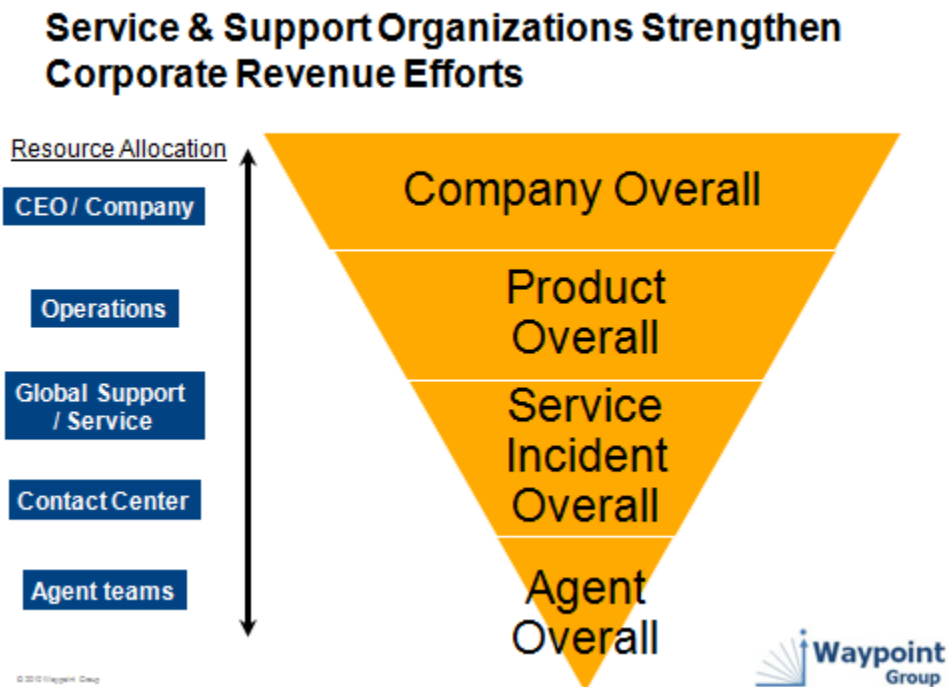
While these exogenous influences can be somewhat normalized by comparing agent scores within like product or service segments, the wide variety of customer type and experience and associated perceptions still significantly impact individual score accuracy, particularly when small sample sizes (e.g. <20% of customers in B2B environments) compound the problem.

## The Solution

A reasonable solution to improving individual service performance accuracy can be achieved in a straightforward manner. To begin, the survey program and process can be designed to accommodate:

1. A recognition of the existence of intervening perceptions on the individual measurement
2. An appreciation for the fact that these intervening perceptions and the associated impact on individual ratings are beyond the control and influence of the individual being measured
3. The ability to develop and apply a reasonable measure of the intervening issues and variables separate from, and in addition to, the individual measurement
4. An analytic plan that provides for:
  - a. Isolation of the intervening influence from the individual measurement
  - b. Ability to assess the valence (positive or negative) and degree of impact of intervening influence on the individual measurement

In this line of thinking, the layers of influence above or around the individual agent performance are assessed, isolated, parsed out, and identified according to both function, and ideally, by owner. In this way, whether or not the Service function can have any impact on product or brand performance, at least it can demonstrate the need and point of responsibility for improvement in these areas if service is to be appropriately measured. The following diagram represents this Isolation/assessment paradigm as a hierarchy:



## *Questionnaire Design*

Questionnaire design to support this measurement paradigm needs to address the effects of the customer's prior experience with the brand, product, and various services offered, as all of these have the potential to significantly shape perceptions which influence ratings of the individual agents' performance being measured. Additional questions designed to measure these perceptions need to be employed in the questionnaire.

Most service incidents have elements beyond the agent's purview such as escalation, hand-offs to other agents, scheduling service provided by others, etc. , in the process of closing the service request. Even the effect of an errant IVR system can be influential.

In view of these intervening variables, the questionnaire must present appropriate questions to provide for an assessment of the overall perception state of the respondent as they move through the measurement hierarchy:

1. How would you rate (brand) as a company overall?
2. How would you rate (brand's) products and services overall?
3. How would you rate the overall service provided in your most recent service transaction?
4. How would you rate (agent) who worked with you in this latest service transaction?

(NOTE: These questions are for illustration purposes only and are generic, non-executable examples)

## *Analysis*

Once established, these questions provide the basis for a relevant supporting analytic schema in which we describe and assess an influence environment. The individual performance score becomes the dependent variable and each of the "upper" measures in the hierarchy are influencing independent variables.

In this manner, the relationship between the variables each on each other can be displayed in a simple regression model: we plot the Regression coefficient of Brand, Product, and Service Transaction impact on the Individual Agent performance scores, each on its own.

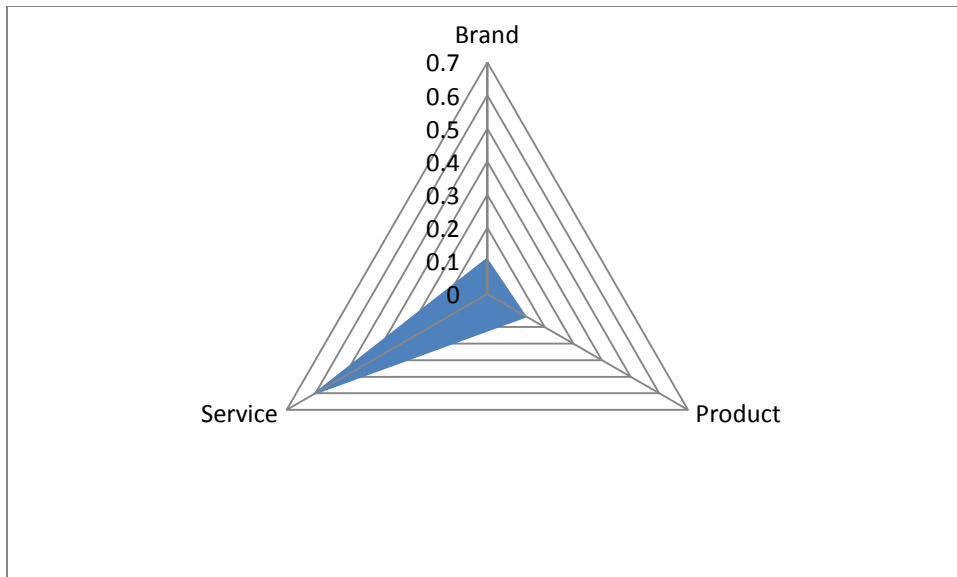


Figure 1: Example Case #1 – Commodization

*Example Case #1 – Commodization:* In this example we see the extent to which the ratings of overall performance of the company’s brand, products and service transaction environment have a definitive impact on individual agent score. At a glance, we see that the impact of the Service Experience is large and Brand & Product are far less. For the Brand, a correlation of this low magnitude would indicate there is little need to continue to measure or be concerned with it in regard to brand on individual score measurement, and thus this question could even potentially be removed from the questionnaire.

This influence chart exemplifies a competitive, but commoditized product environment, where brand perception is unimportant, or little is known and understood about the brand. In this situation, it can also be seen that product perceptions are influential, but not critical.

The issue in this market would be one of critical need for effective, efficient service case resolution as a clear differentiator.

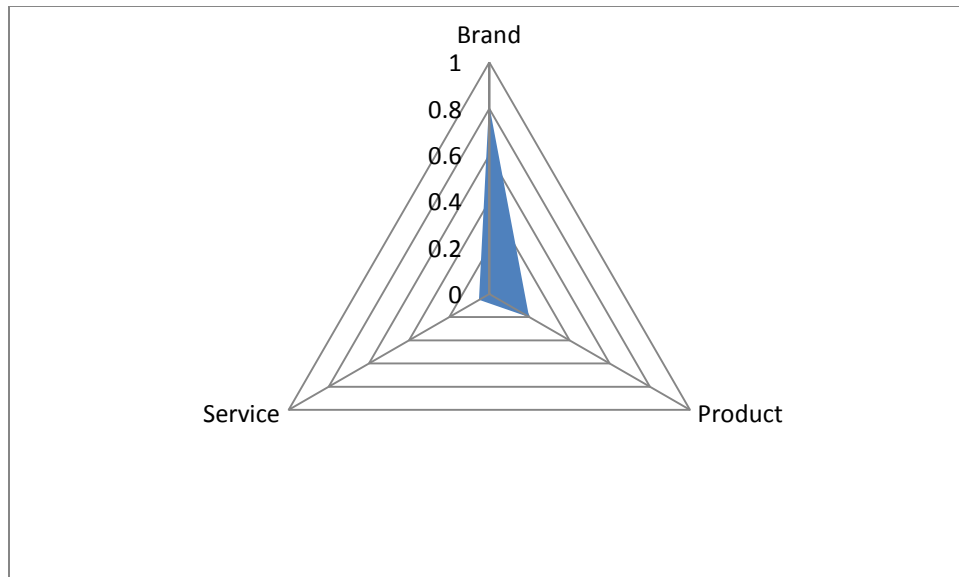


Figure 2: Example Case #2 – Brand Power

*Example Case #2 – Brand Power:* In this case, the Brand influence on the agent rating is very high, overpowering product perceptions and even the management of the overall transaction case. How can this be? This influence case represents a highly predispositioned customer.

Past experience and/or Brand perception is so strong in this example that the individual agent performance is not particularly influential. Two distinctly different situations exemplify this:

*Positive Brand Power:* First, reputation and expectations of the brand and all it brings are so low that one doesn't care what the agent does: ratings of the agent will never be high, largely because of their association with the brand. Think about your most hated bank, mortgage, cable, utility company or department of motor vehicles.

*Negative Brand Power:* In this influence case is the Brand is so highly regarded that a halo is placed on the agent, even in the case of their mediocre performance. Consider your local Bentley, Jaguar, or Lexus dealer.

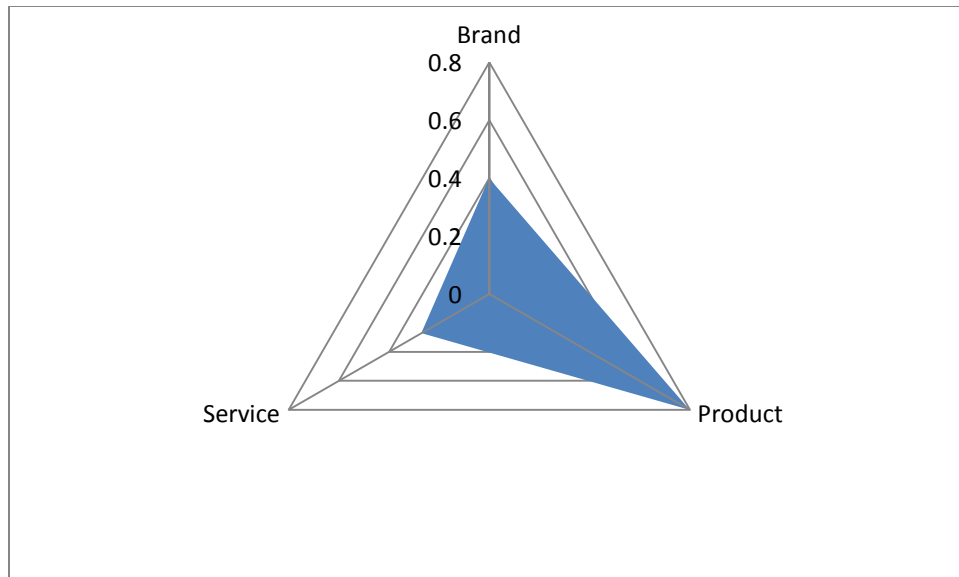


Figure 3: Example Case 3 – Product Performance

*Example Case #3 – Product Performance:* The case for Product performance influence on the agent and service rating is one of the most common observed. Strong product perceptions often overpower the brand and even the most effective management of the overall transaction case. This influence case represents a highly predispositioned customer.

Positive or negative product perception is so strong that the individual agent performance is not particularly influential. As with the Brand Power example, we have a polar situation:

*Negative Product Perception:* Product performance experience and perceptions are so low that ratings of the agent will seldom be high. All the agent can really do is empathize and report the customer concerns back to management, which is often a dead end as responsibility for product design is disconnected from support.

*Positive Product Perception:* Outstanding product performance perception sensitizes the agent performance environment either positively or negatively. The agent is in the position of having a halo effect, as with positive brand perception, but at the same time, has the onus of being equipped to perform to the high level of expectation placed before him by the performance intrinsic to the product itself. This is an environment where “acceptable” agent performance agent can be disastrous. A well known computer manufacturer and the fruit it produces comes to mind in this case.

### Considerations and Conclusions:

As service management professionals, we need to carefully consider individual performance scores in the context of recognized influencing variables beyond the individual’s control if we are to achieve accurate individual performance scoring. In environments employing individual score stack rank reporting and “best in class” Performance Modeling, this is a key requirement.

Whether or not the described approach is practical from an empirical or statistical standpoint, the process of consideration and development of a practical methodology for recognizing intervening influences on individual scoring is a worthwhile pursuit in deeper learning of the customer to front line

interactions. It's a step in the right direction in creating more equitable evaluations of differences in individual performances for incentives, motivation, and training.

At minimum, any measurement leading to stack rank or comparative agent reporting must carefully consider and develop relevant peer groups based on known differences between the groups in influencing factors of Product, Brand, and methods of case management in regard to the latitude of control by the agent.

Use of questionnaire design and associated analysis as described can assist in finding appropriate group or team segments based on customer perceptions vs. managerial, structural or operational divisions which otherwise might be quite arbitrary in establishing equitable comparisons.

Within such established peer groups, comparisons based on trend improvements as percent improvements over time make more sense than repeated score stack rankings:

1. In the absence of the approach suggested in this paper, stack rank scores and any associated rewards may be arbitrary, affected as much by chance as actual performance excellence.
2. In the event that outside influences can be normalized or at least recognized, stack ranking fails to put emphasis where it belongs, on change and improvement. Consider measuring % improvement over time as a peer group in order to effectively gauge performance improvement efforts.
3. Ranking is by nature cardinal, not ordinal: the level of effort required to move up the ranks is not equal from bottom to top.

### **Taking it to the Top**

Support Managers know that empirical measures at the individual level are personal and have impact on the agent as a human. For this reason alone, we have a responsibility to make them as accurate as possible. Failing this, we have a responsibility to at least interpret the measurement in context; in this case, the miasma of customer experiences, expectations and perceptions. This interpretation needs to be part of the individual agent evaluation process as well as management's assessment of the overall customer service operation.

In the "fog of war" the management boardroom has a tendency to think in silos. The Customer Service silo, however, has in it grains of Brand, Product, Sales, Pricing, Billing and Delivery to name a few.

As responsible champions of individual performance, Service Professionals need help from top management to understand that they may be the chefs, but there is far more than the food involved in serving a perfect meal.

*Should you have any questions, please feel free to contact us at [info@waypointgroup.ORG](mailto:info@waypointgroup.ORG), or (925) 709-4627.*

***About Waypoint Group – What we do:***

We employ precise customer feedback to allow our clients to make better decisions, be more customer-centric, and drive and manage change in the enterprise to drive growth in individual Customer Lifetime Value and long term profitability.

- Through “1-to1” dialogs: Procedural, short term wins, customer retention and acquisition
- Through 1-to-Many initiatives: Structural improvements in services, products, market position and brand.
- Financially: High returns on program investment in the form of revenue from increased customer retention and loyalty, up-sales, cross-sales, word of mouth referrals and brand strength

***How we do it:***

- Precision in data collection (mostly web, but also phone, mail, and in-person where required)
- Sensible but appropriately powerful analysis, simply displayed (avoiding paralysis)
- Role based report distribution (right reports, right person, and right time.. typically to the desktop)
- Software "platform" to manage the information collection and distribution processes
- Deployment of the process with attention to the forms of cross functional communication, governance, and program management that will support decisions and actions that improve the customer experience

The tactical key to change management in this discipline is executed primarily through improved dialogs with customers in major touchpoints such as

- Service follow up
- Sales/Account management follow up
- Internal and external communication programs

Our management of the discipline of this process provides for insight into operational, structural, and strategic opportunities for which we support processes for making decisions and taking actions along the priorities that best support desired customer outcomes and associated financial benefits.