

# Chief Customer Officer Forum

The Westin,  
Melbourne  
26 - 27 October 2010



# Chief Customer Officer Forum

Proving that Better Customer  
Experiences are Cheaper



## Welcome from the CCO Forum Committee

Welcome to the thirteenth meeting of the Chief Customer Officer Forum, on behalf of the member committee and Limebridge Australia. The theme for the day is “Proving that Better Customer Experiences are Cheaper”.

It is particularly pleasing to welcome as members, Ian Harrison and Helen Wells who were guest presenters at the May Forum together with Peter Walker from the ATO who spoke in 2009 and Stan Neely from Centrelink.

We have a stimulating agenda today kicking off with Mr Mark Bouris who will provide his unique CEO perspective and closing with Steve Vamos providing a Board perspective.

In between we have a Panel of Ombudsmen from the three industries which cover most of our members. They will challenge members to think about the way we handle complaints and the associated costs. A special “Thank you” to Fiona McLeod, Simon Cohen (TIO) and Colin Neave (FSO) for participating in this panel.

The UK CCO Forum has lent us Victoria Georgalakis for the day as a guest presenter from AXA’s UK Health Fund. She will be presenting two breakout sessions. We are fortunate to also have three other presenters from outside the group leading breakout sessions so please make welcome: Andrew Taylor from Yarra Valley Water; Jill Marks from BankWest and Geoffrey Kiel who together with his son and Forum member, Andrew, will be talking about the amazing lessons of the Sushi Train.

The mid term site visits were well received by the members who attended the in-depth observations during August. Many thanks to Ian Harrison from CBA and Graeme Baker then of Westpac for hosting these meetings.

Planning is already underway for 2011 and we will trial different venues and some other shared experiences. Please let us know your needs and wants for these and future CCO Forums.

We hope you find today both valuable and enjoyable.

Dayle, Michelle, Geoff, Andrew, Tony and David



## Agenda

### Tuesday 26th October 2010

- 6:30pm – 7.30pm The Martini Bar for pre-dinner cocktails
- 7.30pm – 10.00pm The Wine Room for dinner  
The Westin, Melbourne  
205 Collins Street, Melbourne

### Wednesday 27th October 2010

- 8:00am Registration and Coffee
- 8:30am Welcome and Introductions
- 8:45am CEO Perspective: Mr Mark Bouris
- 9:45am Coffee recharge!
- 10.00am Ombudsmen Panel Discussion
- 11:15am Morning Coffee
- 11:45am Break Out Session 1: Discussion Topics
- 1.00pm Lunch
- 2:00pm Break Out Session 2: Discussion Topics
- 3:15 pm Afternoon tea
- 3:35pm Board Perspective – Mr Steve Vamos
- 4:35pm What did we learn and what next for the CCO Forum?  
Closing questions and wrap up
- 5:00pm Meeting Close







## Editorial – The myth that better customer experiences cost more

The Australian junk media promotes the idea that major companies who cut costs must be hurting their customers. We disagree. Of course cost cutting hurts the customer if it is done the wrong way. Some companies have understaffed their service operations, created backlogs or restricted access to manned service. Others have forced use of automation in ways that customers find difficult. But ironically it is the antidotes to this short term cost cutting that highlights how companies can cut costs and improve service simultaneously. Fixing sales and service failures, streamlining how the interactions work and providing effective self service, makes life better for the customer and company.

So how do you prove that better will be cheaper to a cynical board or CEO? That may require a little bit of a confessional of the issues that exist today. To prove the case requires an admission that customer interactions could be better and that some are unnecessary. Many companies who have achieved a significant customer experience turnaround start with an in depth analysis of both the nature of their interactions (in any or every channel) and how they are handled. This highlights the extent of unnecessary demand and identifies opportunities in the way they are handled (supply) such as hand offs, repeat contacts and failure to get the customers' desired outcome.

Analysis of contacts usually shows that better experiences can be cheaper because there will be less of them. We have written elsewhere that the best experience may be no experience at all. In contrast we still see many instances of customers having to interact with companies in order to fix things or chase things. Better is definitely cheaper when things just work the way customers expect. The UK vacuum cleaner maker Dyson, for example, closed its customer support line because no one was calling. The product just worked and service cost that company nothing.

Where interactions are necessary they need to be well handled. The simpler and faster a customer can get an answer or sign up for a product, the cheaper it will be. Effective operating models that deliver streamlined processes are better for the customer and cheaper to run. Similarly self service that works well for the customer is a lot cheaper to support than self service that drives calls, letters and emails.

We know that it's not easy to design, build and maintain effective sales and service operations but they are worth it. They reduce the volume of interactions, reduce the cost per contact and provide the customer with a better outcome. So everybody wins. We're still keen to find a business that has invested so much in the processes, people and systems that deal with the customer that doing it better will cost a great deal more, so let us know if it is out there. We'd really like to see it.

David Jaffe, Peter Morrison and Graham Howard





## Special Ombudsmen Panel Discussion

At the start of the day there will be a question and answer session with three leading industry ombudsmen, Fiona McLeod Energy and Water (Victoria), Simon Cohen Telecommunications and Colin Neave Financial Services. Please be prepared to ask them questions and engage in discussion around why we are not putting them out of business. They will also make some interesting observations on the differences in companies that they deal with.

### Breakout Sessions

#### A. The AXA story 1: How to create variable service capacity in the face of variable demand

At AXA PPP, UK Forum member Victoria Georgalakis has in place a range of structures and mechanisms that enable her to “flex” the capacity of core parts of her service operations. These include their training academy, access to ex front line staff and the way in which they have some functions off shore in order to leverage the expertise they have on shore. In this discussion Victoria will discuss the effectiveness of those mechanisms, the constraints as well as benefits of offshoring and compare notes with those who have used other flexing methods such as work from home.

#### B. The AXA story 2: Where should customer service be in the value chain to make better experiences cheaper?

Suppliers and third parties often play a key part in the customer experience whether it be telecoms installers, brokers, outsourced repairmen or in the case of Health Insurance, patient treatment. But AXA PPP in the UK doesn't just have one model of how to interact and manage providers and third parties, it has multiple models. In Health Insurance much of the cost of the product and the customers' perception of the brand is tied up in the treatment they receive. In this case study, Victoria Georgalakis will describe a range of different models that they use in their business to work with suppliers and get the experience that they want. Come to this discussion to hear how varied the level of service to supplier intermediation is, the implication for costs in the business and the mechanisms they use to ensure third parties deliver the appropriate customer experiences.

#### C. How to Apply the Business Revolution of Kaiten: The Sushi Train Experience

Revolutions in any industry are rare but we often don't have time to understand and apply the lessons from these disruptions. In the food industry, the Sushi train has become one of the fastest growing and most successful concepts globally. Professor Geoffrey Kiel and Forum member Andrew have studied this amazing business model and drawn out the





principles that lie at its heart. Better still they think it is a methodology that applies to any business. If you want a framework to re-assess your business, this may be what you have been looking for and should prove one of the most innovative sessions of the CCO Forum.

#### **D. Origin Energy's Journey: Using Lean Six Sigma to reduce complexity and increase customer focus**

Origin Energy has embarked on a transformation to achieve radical simplification for the customer which in turn will be more efficient for the business. Cassandra Fox will describe how Origin has brought the Voice of the customer into the business to shift the internal focus to one focused on customer needs. They are now using Lean/Six sigma techniques to create simpler processes and a culture of continuous improvement. She will describe the customer promise that Origin wishes to achieve and some of the techniques that they are applying (based on the expertise she developed at GE ).

#### **E. The Power of Collaboration between Front and Back Office – BankWest**

Getting a mortgage is one of life's most common reasons for stress and a common factor in pushing the stress levels is the delay customers experience when requesting an unconditional offer. At Bankwest, they identified that they could make customers happy by significantly reducing that time, by over 70%, and dramatically improve the relationships between Front Office Sales and Back Office Processing teams. In this case study, Jill Marks will describe the program they have put in place to change the mindset for Bank colleagues that makes both customers and all those involved in the process happy. The results have been spectacular but it has needed change and understanding across the end to end process. This should be a fascinating discussion of mechanisms that have produced great customer and business outcomes.

#### **F. The Case for Proactive Contact and Re-thinking end-to-end Processes – Yarra Valley Water**

In recent summers Yarra Valley Water was faced with increased water fault volumes and a shift in customer perception as a result of drought conditions combined with tough water restrictions. A review was undertaken to optimise the fault call resolution process in order to reduce costs, minimise negative media and negative customer feedback. Better service proved to be improved customer communication. Hear from Andrew Taylor on how contacts have been driven down by re-thinking the process.





## Guest Speaker Biographies

### Mark Bouris – Entrepreneur

Mark Bouris is one of Australia's most successful businessmen. From humble beginnings, the immigrant's son founded Wizard Home Loans, one of Australia's largest non-bank lenders, and turned it into a financial powerhouse, taking on the big banks by offering consumers something different - smarter access to better value loans.

In 2006 Mark founded an investment firm, BBB Capital, which provides advice and capital to medium sized and larger corporations. He is also Executive Chairman of Yellow Brick Road which offers a full suite of financial services and advice to clients wanting to build financial security for the future.

Mark Bouris has a well earned reputation for championing legislative reform for the benefit of consumers. He is a member of the expert panel appointed by the Federal Government to review Australia's sporting system, a past trustee of Sydney's Powerhouse Museum and former chair of the Federal Government's expert group on consumer protection in electronic commerce. In 2004 Mark was appointed Adjunct Professor (Banking & Finance and Business Law and Tax) by the University of NSW. He was also host of the first season of Channel Nine's The Apprentice Australia.

### Steve Vamos – Board Member

Steve Vamos is an industry shaper who understands the challenges of operating in the connected and fast changing economy we work in today. Named in the top five most influential members of the Australian technology industry in successive years (2004 and 2005) by the Australian Financial Review, Steve is a non-executive Director of Telstra and the founding President of the Society for Knowledge Economics (SKE) - a not-for-profit think tank.

Previously, Steve was the CEO of ninemsn from 1998 to 2002, growing the Microsoft and PBL joint venture from start-up to online media industry leader. He was Vice President of Microsoft Australia and New Zealand from 2003 to 2007, before moving to the United States to become the company's head of Worldwide Sales and International Operations for their Online Services Group. There he was responsible for the organisation's international business in more than 30 countries.

Steve was also Vice President and Managing Director of Apple Computer Asia Pacific from 1996 to 1998, Managing Director of Apple Computer Australia from 1994 to 1995, and spent 14 years with IBM Australia in a number of sales, marketing and general management positions.

### Victoria Georgalakis – AXA UK

With a marketing background with American Express, Lloyds TSB and the Centent Group, Victoria joined AXA PPP healthcare in 2003 as Head of Strategic Marketing. Her responsibilities of research, product, marketing



*Mark Bouris*



*Steve Vamos*



*Victoria Georgalakis*





*Geoff Kiel*

strategy, e-business, strategic relationships, internal communications and liaison with AXA UK for brand, PR & sponsorship, had management of direct marketing added in 2005.

For the last 3½ years Victoria has been Customer Service Director at AXA PPP healthcare. The role combines day to day management of the claims, member services and telephony operation with off-shoring management and long term service strategy; seeking to balance service excellence with claims cost management.

**Geoff Kiel – Competitive Dynamics**

Prof Geoffrey Kiel FAICD is the Founder and Chairman of Competitive Dynamics Pty Ltd, one of Queensland’s largest management consultancies. He has extensive personal experience working with clients in areas of strategic planning, marketing and economics. In addition, he is well known for his work in corporate governance and advises many boards on a range of matters. He is also a director of several organisations.

Professor Kiel is co-author of the major Australian practical guide to governance “Boards that Work” published by McGraw Hill, “The ASX Corporate Governance Council’s Principles – A Compliance Toolkit” and the new book “Board Director and CEO Evaluation” also published by McGraw Hill. He has published over 100 research papers, books and refereed conference papers.

Professor Kiel was a Professor of Management at the University of Queensland from 1983 - 2007, and Head of the Graduate School of Management from 1981-1991. In that role, Professor Kiel made a major contribution to the development of marketing as a discipline, not only at the University of Queensland, but also more generally, through his involvement in industry and in the provision of executive education.

**Cassandra Fox – Origin Energy**

Cassandra’s career started in Manufacturing, graduating from UTS with a degree in Manufacturing Management. She later moved into the field of Marketing and held various roles focusing on quantitative research and analysis.

In 2000 Cassandra joined the Marketing team within the General Electric Commercial Finance division and was later selected to support the launch of GE Six Sigma program in Australia, becoming Master Black Belt certified in 2005.

In 2006 Cassandra relocated to Belgium to take the role of Quality Leader for GE Security and was responsible for Product Quality and Lean Six Sigma across Europe, Middle East & Africa. In 2008 Cassandra relocated back to Sydney to become the Lean Six Sigma Leader for GE Commercial Finance Australia & NZ.

In 2009 Cassandra moved to Melbourne and joined Origin Energy as the Quality & Continuous Improvement Leader.



*Cassandra Fox*



*Jill Marks*



### **Jill Marks - Bankwest**

Since joining Halifax Bank of Scotland Group in 1980, Jill has undertaken a range of roles at all levels of the organisation. From the late 1990's she has led large processing teams through major change programmes to revolutionise back office operations, including automation, paper digitalisation, work flow and work management. Jill transferred to Bankwest in 2007 to lead their Retail back office and in addition, Bankwest business operations since June 2010.

### **Andrew Taylor – Yarra Valley Water**

Andrew Taylor started working at Yarra Valley Water in 1999. For nine years Andrew worked customer service improvement projects in the billing, metering and contact centre areas of the business. In 2008, Andrew moved to the Infrastructure Services area of Yarra Valley Water to investigate opportunities to improve customer service across the sewer faults and rehabilitation process. In 2009, as the most effective way of implementing the projects recommendations, Andrew commenced as Manager of the Customer Service Management team. The Customer Service management team is responsible for managing repeat sewer service failures.

### **Fiona McLeod – Energy and Water Ombudsman (Victoria)**

Fiona McLeod is Victoria's Energy and Water Ombudsman. The Energy and Water Ombudsman (Victoria) (EWOV) receives, investigates and facilitates the resolution of complaints and disputes between consumers of electricity, gas and water services in Victoria and the scheme's industry members. Originally appointed as Electricity Industry Ombudsman (Victoria) in 1995, Ms McLeod was the first such Ombudsman in Australia. She has since overseen the expansion of the scheme to include gas in 1999, water in 2001 and liquefied petroleum gas in 2005. Ms McLeod is Chair of the Australian and New Zealand Ombudsman Association (ANZOA).

A Fellow of the Australian Institute of Company Directors, Ms McLeod sits on the Boards of the Psychology Board of Australia and General Practice Victoria, is Chair of the Victorian Responsible Gambling Advocacy Centre, is a member of the Consumer Credit Fund Advisory Committee, a Director of Powerlan Limited and is Chair of Trustees of Douta Galla Aged Care Services.

### **Simon Cohen – Telecommunications Ombudsman**

Prior to his commencement as Telecommunications Industry Ombudsman, Simon Cohen was the Victorian Public Transport Ombudsman from February 2008 to June 2010.

Simon has worked in complaints investigation and resolution or related areas for more than 15 years. Other previous appointments include:

- Assistant Ombudsman (Police) and lawyer at the NSW Ombudsman



*Andrew Taylor*



*Fiona McLeod*



*Simon Cohen*





Colin Neave

- Conference Registrar at the Commonwealth Administrative Appeals Tribunal
- Investigation Team Manager and lawyer at the NSW Health Care Complaints Commission

Simon has a First Class Honours degree in Law from the University of Queensland.

### Colin Neave AM – Chief Ombudsman Financial Services

Colin has practised as a Solicitor, been Company Secretary of a listed company and held public service positions. He commenced as the Banking and Financial Services Ombudsman in February 1996 and was appointed Chief Ombudsman of the Financial Ombudsman Service on 1 July 2008. He has been the Chairman of the Commonwealth Consumer Affairs Advisory Council (and its predecessors) since July 1997 and the Legal Services Board, Victoria, from December 2005.

### Chief Customer Officer's Action Check List

	Issue or aspect of our end to end customer experience that requires my attention	What changes will I make to improve the delivery of our end to end customer experience
1		
2		
3		







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