

‘Profits before people’ approach sounds alert for financial services industry

Industry warned: meet your customers’ great expectations – or else

Sydney, 27 September 2011: While many financial services organisations have the best of intentions when it comes to their customers, too often they end up instead on the road to hell, says international consulting firm, EA Consulting Group.

And poll figures taken at a Sydney breakfast forum held by EA Consulting Group in Sydney today bear this out, with 88% of attendees from major financial services and other corporate organisations conceding that their organisations pursue short term profit ahead of customer relations.

At the breakfast forum, attendees were addressed by a panel of experienced local and international financial services executives who explored the question: *The customer experience: has the customer been forgotten?* The audience was then surveyed on their own views and experiences on the subject via live poll, with responses thrown to the floor for broader discussion.

Attendees heard that Australian financial services organisations still have a lot to learn about intelligent use of social media but ignore it at their peril; that the customer experience should be addressed at Director and Board level – but too often is not; and that organisations seeking long term success should be looking beyond short term efficiency measures and sales figures to the more sustainable gains derived from a loyal and growing customer base.

A recurring theme was the disconnect between word and deed when it comes to looking after customers’ interests and the lack of genuine customer focus among many organisations.

“In practice you very rarely see the genuine article, because there is rarely if ever anyone on the Board whose role is solely about the customer experience,” said Ron Whatford, UK CEO of EA Consulting, one of the expert panellists.

“Certainly they all care and mean it when they say they do, and all have KPIs around it, but until there is someone who has ultimate responsibility and oversight of the customer experience at that level it will continue to come a poor second to other Board members’ concerns – in particular their short term profit and loss and related performance imperatives.”

Mr Whatford, who has previously held a range of customer-related roles in banking and finance, including as Chief Experience Officer at Lloyds Banking Group, also pointed out that the subjugation of customer needs flies in the face of the fact that customer expectations are becoming greater, not less – and that there are clear positive links between successful organisations and high levels of customer satisfaction.



The role of social media and mobile technology in heightening customer expectations was also canvassed extensively.

“Customers increasingly expect immediate and appropriate responses from their bank or other financial institution,” said Jason Millett, another panellist. Mr Millett held various General Manager roles in consumer and business divisions of the Commonwealth Bank and Westpac Banking Corporation before becoming a director of MillStreet Consulting.

“In what is essentially a bland set of offerings it is service and the ability to meet those expectations that will be the key differentiator. Customers expect that with the technology now available their bank will know their finances, know their habits and their issues and not have to, for example, endure endless calls going over the same ground with different departments. And if they do, it’s getting easier than ever to take their business elsewhere, literally with the click of a mouse, because more banks are actively helping them to make the switch.”

The third panellist, Gerd Schenkel, Executive Director of Telstra Digital, who in a previous role founded NAB offshoot and Australia’s fastest growing online bank, UBank, also highlighted the importance of the right organisational structure in achieving a culture of ‘zero tolerance’ for customer complaints.

“Organisations might have 20 more different departments that need to ‘touch’ on a customer’s seemingly simple needs,” he said. “However, too often, no single one of them has responsibility or oversight of the whole experience. So while each may cite relatively low mistake or complaint figures, once you add them all together you may be looking at up to half of their processes entailing a mistake at some stage. So what we need is a ‘glue’ that will unite those different departments, excellent communication between them and strong, firm leadership with a listening culture and an open mind on how to address issue and opportunities.”

Following the presentations, the live poll taken by audience members revealed some telling trends that bore out many of the panellists’ contentions, including:

- 88% recognising that technological devices such as tablets and smart phones would have either a ‘large’ or ‘game-changing’ effect on financial services
- 88% saying their company pursued profit above customer relations
- 63% agreeing that their company did not have a Board member or senior executive with enough influence to improve the customer experience
- 72% not confident that their organisation represented world standard customer service
- Only 23% are not using mobile technology, with 31% either planning or scoping its use and 46% already using it – but only 23% of those present have used either Facebook or Twitter to lodge a customer complaint or comment.

“Unless the issue of the customer experience is addressed, the long term effect of putting it too far down the list will become all too apparent,” said Ron Whatford. “Evidence suggests that there is huge business lost through poor customer service, however it’s not as easy to track the cause and effect factors for this as it is for short term bottom line figures. Empathy is important in the service we offer our customers, combined with a serious commitment to making it easy for customers to

deal with us. We need to demonstrate that we know how to do what we say we will – and that we do it well and quickly.”

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About ea Consulting Group

Founded in 1998, ea Consulting Group has become one of the largest Change Management Consultancies in the UK, engaging over 700 consultants mainly in the Financial Services sector in the last year. In 2010 eacg entered the Asia-Pacific market with the establishment of an office in Sydney, and, with new offices in Melbourne, Singapore and Hong Kong, the company is establishing a strong reputation in the region.

ea Consulting is passionate about improving Customer Experience – with Industry awards and a history of remarkable improvements in both customer satisfaction and business profitability, predominantly in the Financial Services and Telecommunications sectors.