

Service Essentials For Everyone In St. Charles

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Located forty five miles west of Chicago, Illinois, the beautiful setting, convenient location and abundant natural resources provided by the Fox River and its surroundings allowed the City of St. Charles to evolve from a small river settlement in 1833 to the proud community it is today. St. Charles has become a dynamic, prosperous city with a strong economic base and quality schools, parks and services. St. Charles' attractiveness and location create pressures for growth in housing, retail and employment as more people seek to become part of the community. This growth challenges the city to create new ways to preserve character, manage direct impacts such as increased traffic, and maintain quality services. The city has adopted six core values as the base of their planning and action steps to serve the community:

- ♦ Customer Focused
- ♦ Excellence
- ♦ Future Oriented
- ♦ Integrity
- ♦ Openness
- ♦ Lead by Example

Background

The city government has two primary external customers, the residential community and the business community. In 1997, the city administration took action on complaints they were receiving from the business community regarding service. In order to better understand customer needs, the city administered a citywide survey entitled the "Priorities Survey" as well as "The Business Retention" survey for the manufacturing community. Based on customer feedback, the perception of many customers was that the city was difficult to work with at times. Also expressed by the customers were observations that certain requests, i.e. obtaining building permits,

were delayed because they required multiple-department involvement in the process. The customers felt that internal communication was a challenge for the city and caused costly delays to building projects. A new mayor was elected in 1997 on a platform of making the city more "business friendly." The city administrator clearly recognized that training the staff on the fundamental skills of excellent service was needed. In addition, it was becoming clear to the administrator that the employees of the city must be brought to the forefront to deliver excellent service to the external customers. The satisfaction of the employees, the way they serve each other, their involvement in improving processes, and their adherence to customer service standards were identified as critical components of the customer service challenge. The city adopted the balanced scorecard process to measure performance in the areas of finance, operations, customer service, and employee satisfaction.

Training Pilot

The city administration identified the need to train city inspectors on the fundamental skills of providing excellent service to the community. The primary goal of the training was to give the inspectors the tools they needed to handle difficult situations as well as allow them leeway to make decisions in the favor of the customer. The overall desired change was to encourage staff to work with people versus focus only on the regulations. Service Essentials™ For Everyone - a comprehensive customer service training process, published by Moran Consulting, Inc., was selected as the tool for training. After an extremely successful training pilot with the city inspectors, the city made the decision in 1998 to provide training to every employee, supervisor and manager employed by the city.

The organization-wide training process began in 1998 with the selection of 10 individuals from various

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departments to deliver the training. Once certified, each trainer delivered the course to groups of ten to twelve employees. In addition, the training process has become a permanent component of the new employee orientation at the city. The curriculum included the six essential practices for great customer service:

- Module 1 Attitude of Excellent Service
- Module 2 Identifying Customer Needs
- Module 3 Thoughtful Body Language and Words
- Module 4 Uncompromising Service Contact
- Module 5 Resolving Conflict
- Module 6 Exceeding Expectations

The city has adopted a report card of measures to monitor the results of their customer service initiative. Such measures include: Customer Satisfaction, Internal Customer Satisfaction, and Employee Satisfaction. A pre and post training survey for the participant's perception of the change in the working environment was also provided. In addition, the city keeps an eye on the number of customer complaints as well as success stories. Other measures that are reviewed include the quantifiable value of customer retention efforts.

In a recent interview with the City Administrator, Larry Maholland, and the Human Resources Director, Kathy Livernios, some questions were asked regarding the results of the training process. Here are a few of their comments:

What are some results you have experienced regarding external customer service?

"The city often receives letters about people who work for the city that gave great service to customers; annual customer satisfaction surveys are starting to show results. We have customer service process improvement teams working on processes that are important to our customers and new standards are being developed as a result," Maholland reports.

Strategies to achieve that objective include increasing distribution and quality of "The Resident Guide," adding features and information to the city's web site and increasing the awareness and participation in the St. Charles Cooperative web site. Results of this process are currently being measured by tabulating the number of calls for information into the city offices.

What are some results you have experienced regarding internal customers?

"Employee satisfaction surveys and internal customer service surveys are administered every other year. We are starting to see positive results. Employees are choosing to remain working for the city because of the positive working environment; departments are working well together; people are still talking about the training that was conducted over two years ago." reports Livernios.



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The city has implemented a tracking system indicating why people leave the organization. Data indicates that people who leave the city are leaving for very personal reasons as opposed to reasons regarding dissatisfaction with the employer.

One Quantifiable Example of Customer Service Recovery

The city has experienced multiple success stories as a result of the training. One story shared by Maholland involved a customer who was hesitant to bring business into St. Charles based on word of mouth reports of bad service in the community prior to the training. Larry Swanson, the St. Charles Fire Chief, was involved in the service recovery effort writes...

A potential new business, owned by a local resident, considers moving into the community. It is a quality, well established business and deemed very desirable for the community. There is a problem. The owner approaches the city administrator and says he would really like to build his new facility in the community, but he's been advised by a number of contractors that the city is impossible to deal with, especially the fire department, which is extremely tough and difficult to satisfy.

The administrator suggests the owner contact the fire chief and advises that he is sure the owner will discover far less difficulty than he imagines. The contact is made and it is suggested that the owner bring in his design team and sit down for a meeting so any issues he may have can be brought forth and resolved. The meeting occurs, the owner and his team seems very surprised at how easily it moves through matters about the site and the facility construction. A number of suggestions are made as to alternate ways to do some things, which in fact saves the owner money and will speed the construction process as well. The meeting ends and the team leaves, still seeming surprised at how well things went.

Plans are developed, reviewed; some minor changes are needed and made in a timely manner. The construction goes forth and the owner meets his project schedule completely and opens his new facility somewhat



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ahead of time, and much quicker than he thought based on prior misconceptions. The owner called the city administrator and tells him the project was well done and congratulates him on the cooperative attitude of the city staff in the whole process, then follows up with a letter affirming their conversation. The business had become a successful part of the community.

This is not only CUSTOMER SERVICE, but has changed the perception of a number of persons as to what can be expected from the community.

Government, especially in the public safety field, has two customers at all times. The one we are dealing with in this example, and the customer that is the entire community at large made up of all the citizens and businesses. It can be a very fine line in meeting the needs of both customers simultaneously, but one that needs to be walked.

The customer in the situation above wrote a letter to Mayor Klinkhammer of St. Charles. Noted here are a few quotes from the customer letter:

"When we first considered moving to St. Charles, we expressed concern over the city's reputation of being difficult to work with on construction projects. During the construction process, I can say with all honesty that the interaction we experienced with every city department was professional, courteous and respectful of our needs and time constraints. After the project was completed, the many staff members we worked with left me with the impression that St. Charles was a community that would welcome our business and work with us to achieve our goals."

What is the dollar value to the City for the customer in this story?

Maholland responded: "Approximately \$140,000 a year in taxes." When asked how long the city would like to keep the customer, Larry's response was "Forever!"

For the sake of the math, let's assume the customer stays in the city for 20 years.

$$\$140,000 \times 20 \text{ years} = \$2.8 \text{ Million}$$

Research says that the average happy customer shares

their experience with about 10 others. In this example, the value may be:

$$\$2.8 \text{ Million} \times 10 = \$28 \text{ Million}$$

Research says that the average angry customer shares their experience with about 20 others. In this example, the cost of losing this customer might have been:

$$\$2.8 \text{ Million} \times 20 = \$56 \text{ Million}$$

What were some obstacles in creating a customer focused culture in your organization?

Obstacle #1 - Typical Cynicism

"We are finally overcoming the 'nay-sayers'," says Maholland. "Those are the people who are negative in the organization and would not support such an initiative. Some of them are leaving; others are slower to change. We had to get passed the novelty phase where the staff does not know how to react and might consider such an initiative a flavor of the week."

Why are the 'nay-sayers' coming around?

"Because they know we are going to follow-up and live up to what we said we were going to do." People generally don't like change. The 'nay-sayers' will likely say they have tried this before and it didn't work."

Obstacle #2 - Implementing a New Initiative

"Overcoming the status quo of people who are busy and work hard with little time for anything new. I think if you really believe in the concepts of Customer Service Excellence, you will overcome all obstacles. We realized that a new initiative takes time to gain the buy-in from staff. Our experience is that if you keep plugging away and do what you say you are going to do, people will eventually buy-in to the change. Once the concepts are ingrained in the organization, they are accepted as a part of the culture."

What other strategies have you implemented to reinforce the Service Culture?

Breakfast with the Employees

"We started a program where we randomly select 7 employees twice a month to go out to breakfast with administration. We rarely even talk about work; it is simply an opportunity to get to know each other. This is an example of a new initiative that was awkward at first, but now is an accepted part of our culture."

Listen and Learn

"This is a new initiative where supervisors with more than one level of authority will meet one on one with



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employees under their span of authority who do not report directly to them. For example, I will meet with every employee of the city except department directors and my assistant. Often when we, the administration, spend time with front line staff, it is in a formal setting like an all-staff meeting. In such settings we don't really learn much from the employees. The objective of "Listen and Learn" is to generate dialogue about difficulties that may be caused by decisions we make. I don't expect this to be effective right away. Real change takes time. I expect that several months down the road, this new method of feedback will be effective."

The city's employee survey includes the following question 'My department's management shows a great deal of respect for my skills and abilities.' The city developed an initial goal to improve this score from a 4.89 to a 5.00 in one year on a seven-point scale, and they expect to see greater improvement thereafter. The "Listen and Learn" program is a strategy in place to make that goal a reality.

Soliciting Feedback From Customers

"We have a part time individual assigned to go out and talk to developers and get feedback. This is not a formal quantifiable survey; it is more of an informal interview to attain open-ended feedback. We find this extremely helpful to find out better ways to meet our customer's needs."

Soliciting feedback from customers was developed in response to customers indicating a need for better communication between internal departments. This process was instrumental in creating the standard to do more pre-planning with the business customers.

Process Improvement

Are there specific processes that have improved as a result of this process improvement effort?

"I believe process improvement and customer service go hand in hand. You can't have one without the other. Customers expect great service and they expect the process to go well. We are training our staff on process improvement. Our ultimate goal is to have the front line staff completely empowered with process improvement. Participants on process improvement teams are evolving to be coaches to other teams and are participating on the steering committee."

The city has developed a new process that the city believes will make a huge impression. The city departments involved in a project will meet with businesses and architects prior to the development of drawings for construction. By doing this, the city can anticipate their needs and the problem areas to watch out for. This should have a huge impact on cycle time for approval for the plans. This process builds quality into the system where the city is partnering with its customers to help them succeed and meet their needs.

In addition, behavioral standards have been built into the employee evaluation process. These standards include the behaviors that turned this customer situation around.

One process team was assigned to work on Accounts Payable, specifically the length of time for invoice payment to vendors. The newly developed standard is that 90% of bills will be paid within 30 days.

"We are just starting to see results. One example is in the area of Accounts Payable. The team developed a report that is distributed to inform all departments of payments outstanding.

Data indicates at the beginning of the process 68.4% of the bills were paid within 30 days. Currently 93% of the bills are paid within 30 days.

Do you believe the Training Process has an impact on the process improvement initiative?

"Absolutely, process improvement is simply the next step in giving great service to our customers."

In what ways have you built accountability into the customer service initiative?

"As a result of the customer service focus, we hold ourselves accountable to improve the customer satisfaction scores. The areas needing improvement are incorporated into our performance goals."

Summary Survey of Service Essential Training Process and Results

- ♦ Pilot training program with inspector group
12/97
- ♦ Train the trainer program for selected trainers
2/98
- ♦ Organization-wide training program roll out
3/98 through 12/98

Employee Opinion Survey:

Scale: Each statement can be rated on a scale of "1" to "7" with "7" being the best possible score. Thus, on average, the closer a rating is to "7" the better it is. The numbers are equivalent to the following scale: 7=Strongly Agree, 6=Agree, 5=Slightly Agree, 4=Neutral, 3=Slightly Disagree, 2=Disagree, 1=Strongly Disagree.

Two questions that may be relevant regarding employee satisfaction are noted below:

1. *The city's management holds a common philosophy that provides me with a real understanding of what the city stands for:*

Average score (7 point scale):	
1999	2000
4.46	4.62

2. *I understand the city's mission and goals.*

Average score (7 point scale):	
1999	2000
4.86	5.10

Internal Customer Satisfaction

In a recent internal customer satisfaction survey report, employees shared the following commentary:

"I can see a difference: less blind transfers, more sharing of department information, more interdepartmental communication. Not everyone gets it, but they are a minority."

"Customer service in all divisions has been improved this year."

"I do feel the city is pushing forward in all aspects to improve the system and make each and every employee a better productive person, at the job as well as on a personal level." I have never worked for any company who has gone the extra mile to education and train their

employees. My only regret is I didn't come to the city ten years ago."

Pre and Post Training Survey - Opinion of the participants

A pre and post-survey was conducted as a part of the measuring the process and participants responded to the following questions:

The percentages noted here represent average scores based on 100%. The higher the averages score the more positive the overall response.

Pre-training Post-training

The city employees in my department...

Have an attitude that represents excellent customer service.	73%	78%
Practice effective listening skills to identify customer needs.	71%	75%
Practice body language that delivers a positive message to customers.	65%	72%
Take advantage of all opportunities to deliver Excellent service.	68%	74%
Effectively resolve conflict with customers.	73%	76%
Go the extra mile to delight customers.	65%	74%

Return on Investment (ROI)

ROI is a tough measure when it comes to training. Many of the city's focused initiative are affecting the bottom line. Let's look again at the one example shared by Larry Swanson.


The saved business customer will pay taxes to the city in the amount of \$140,000 per year. The customer was so delighted with the excellent service that he wrote a letter of thanks to the city administration. Statistically he will share his experience with 10 others who may bring businesses into the city.

\$2.8 Million x 10 = \$28 Million

Return on investment = 933: 1

Conclusion

Pressures from the economy and special needs of customers continue to challenge the city. However, what has been learned is that providing customer service skill building training to the entire organization has achieved positive measured results. Now that the staff has been trained and results have been measured, the reinforcement of standards and behaviors that represent a customer-focused organization is a critical part of the city's daily work. ■

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