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ARTICLE OPERATIONS

Kick-Ass Customer Service

Consumers want results—not sympathy.

by Matthew Dixon, Lara Ponomareff, Scott Turner, and Rick DeLisi

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ILLUSTRATION BY RAMI NIEMI

Think about the last time you flew. When you checked in, did you use a self-service option—like the airline’s website, app, or airport kiosk—to check your bags, choose your seat, and print out your boarding pass? Or did you instead wait in line at the airport to speak with a human being? If you’re like most people, you used the self-service option. Indeed, our data show an overwhelming preference for self-service: Across industries, fully 81% of all customers attempt to take care of matters themselves before reaching out to a live representative.

Self-service offers companies a tantalizing opportunity to reduce spending, often drastically. The cost of a do-it-yourself transaction is measured in pennies, while the average cost of a live service interaction (phone, e-mail, or webchat) is more than \$7 for a B2C company and more than \$13 for a B2B company. Corporate investment in self-service technologies has been enormously effective at removing low-complexity issues from the live service queue, and most companies we’ve studied report a steady reduction in such contacts over the past few years.

All this creates a new challenge: As customers handle more of the simple issues themselves, frontline service reps get increasingly tough ones—the issues customers *can’t* solve on their own. And today’s reps are struggling with these complex problems. As one service leader at a large retailer admitted to us, “Our people are woefully ill-equipped to handle today’s customers and their issues. We’re not running a contact center here. It’s more like a factory of sadness.”

Compounding the issue, as companies have focused on new self-service technologies, they’ve underinvested in frontline service talent. They still hire, onboard, develop, and manage their service reps in much the same way they always have. While the self-service experience has improved dramatically in recent years, the live service interaction has barely changed in decades, creating a gap between customers’ expectations and actual experience. Tales of poor service provoke outrage on social media and go viral despite companies’ best efforts to contain them. Not surprisingly, customer satisfaction has been in steady decline across industries for years.

What’s more, putting unprepared staff on the phone with irate customers is expensive. Complex issues take longer to handle, driving up costs: The average cost of a live service contact jumped from \$7 in 2009 to nearly \$10 five years later (see the exhibit “Climbing Costs, Fleeing Reps”). Inadequate training

also drives staff turnover, which is exacerbated by a tightening labor market—attrition among customer service reps has shot up from 19% during the Great Recession to 24% today. Not only does higher turnover increase recruitment and training costs, but it also forces companies to pay more to retain the reps they have, lest valuable knowledge and experience walk out the door.

In a world of self-service, talented reps matter more than ever. But what sort of people are best equipped to handle today’s customers? And how can organizations ensure that they attract and retain the most-effective reps? That’s what we set out to learn.

SEVEN TYPES OF REPS

To determine the optimal service representative profile, we conducted a global, cross-industry study of 1,440 reps. We found that all reps fall into one of seven profiles we derived from the data: Accommodators, Competitors, Controllers, Empathizers, Hard Workers, Innovators, and Rocks (see the exhibit “The Seven Types of Reps”). Our team then interviewed dozens of reps to better understand how the different types approach their jobs. We also surveyed contact center supervisors about the types of reps they like to hire and manage.

When managers see the seven profiles, they prefer, by a wide margin, Empathizers—42% of the managers we surveyed favored this profile. It’s not surprising, then, that Empathizers made up 32% of all frontline service reps in our study. In interviews, managers described the ideal rep as “service-oriented,” “a good listener and communicator,” and someone who “likes helping others.” That role is not an easy one. Said one VP of service for a large cable operator, “Today’s customers are unbelievably impatient. As soon as we ask how we can help them, they jump down our throats. They’re frustrated because of the amount of time

IN BRIEF

THE CHALLENGE

Customer service quality is falling. That’s because today’s reps aren’t selected and trained to handle increasingly complex customer issues.

THE FIX

Managers should abandon their preference for caring, supportive reps and instead recruit and develop outspoken, take-charge types who quickly and aggressively solve customers’ problems.

they've had to invest on their own, frustrated by the amount of conflicting information they find on the internet, and frustrated by the thought of having to deal with a service rep. They're not calling us because they want to; they're calling us because they have no other choice."

So how well do Empathizers perform? To find out, we collected rep-level data on key metrics used for performance management in service organizations. In line with our own research into what drives customer loyalty in the service environment, we focused on reps' ability to make service interactions as effortless as possible (see the sidebar "Simply Solve Customers' Problems"). We also factored in other quality indicators, such as customer satisfaction levels, along with productivity measures such as average handle time.

Our results departed dramatically from what managers expect: Empathizers don't come out on top; Controllers do. The latter outperform all other types of reps on a host of quality and performance measures—most notably, reducing the effort required of customers. Yet service managers like this profile least: Only 2% said they would hire Controllers ahead of other types.

Why do Controllers do better than their counterparts? Our structured interviews revealed that they are driven to deliver fast, easy service and are comfortable exerting their strong personalities in order to demonstrate their expertise. They describe themselves as "take charge" people who are more interested in building and following a plan than "going with the flow," even in social situations. They're confident decision makers, especially when nobody's in charge, and they're opinionated and vocal. As one Controller explained, "I like to take control of the situation and guide people."

And as the problems reps deal with have become more complicated, Controllers have turned out to be the best problem solvers. Not only do they proactively diagnose customer issues, but they also consider the customer's personality and the context of the call in order to customize a solution and present it effectively. Controllers focus less on asking customers what they'd like to do and more on telling them what they *should* do—the aim always being to get to the fastest and easiest resolution. The conversation feels decidedly human and off-script: Controllers tend to shun generic language and prescribed checklists, especially when their diagnosis suggests that customers have already invested significant time trying to resolve an issue on their own.

Consciously or not, Controllers deliver what information-saturated customers want (according to the research): clear guidance instead of excessive choice. In CEB's customer contact practice, for example, we've found that 84% of customers would prefer a straightforward solution to their problem rather than a broad array of self-service channels (e-mail,

SIMPLY SOLVE CUSTOMERS' PROBLEMS

CEB data from more than 100,000 customers worldwide shows that interactions with service reps are four times likelier to lead to customer *disloyalty* than to loyalty. So, as we've argued elsewhere (see the "Further Reading" box), companies should focus on sparing customers grief rather than trying to delight them with over-the-top service. Here are some suggestions:

Improve self-service tools. Customers may not need live help if self-service channels are simple and intuitive. That doesn't have to mean big investments in new technologies. A leading credit card company, for instance, designed an interactive tool that customers see as soon as they visit the support website. The tool asks two questions about the reason for their visit and then guides them to the optimal channel for solving the matter. This approach helped cut interactions via e-mail (a particularly high-cost and low-satisfaction channel) by a third.

Preempt repeat calls. Don't obsess about resolving customer issues in a single phone call or e-mail; instead, concentrate on "next-issue avoidance." Customers often recontact companies when the fix for their original problem creates a new concern. So be proactive: Help with whatever people call about, but also address issues they're apt to call back about. One of our clients, a utility provider, texts customers with status updates about how it's handling their issues—a strategy that prevents repeat calls to check on work-order progress.

Use "experience engineering" techniques. Another effective strategy involves training frontline representatives to shape people's perceptions of the customer service experience. For example, you can teach your team how to use language to influence customers' reactions to disappointing answers or proposed solutions. Consider the cable operator whose subscribers were annoyed to be given an eight-hour service window for next-day repairs. Today the company's reps make that all-day window more palatable by offering another option: a two-hour window in three business days. Faced with a slower response, the vast majority of customers gladly take the eight-hour window.

chat, social media-based service, and so on). In our sales practice, we've discovered that providing customers with prescriptive guidance that simplifies big purchase decisions leads to far lower levels of buyer's remorse. And in our marketing practice, we've found that brands scoring in the top quartile of the "decision simplicity index" are 85% likelier than those in the bottom quartile to be purchased by consumers.

Managers looking to shift to a Controller approach in their service interactions face three pressing challenges: hiring more Controllers; teaching other types of reps the skills necessary to create a Controller experience with customers; and rebuilding the climate of the service organization to encourage and reward Controller behavior.

HIRING CONTROLLERS

Controllers accounted for only 15% of the customer service reps in our sample. Given their scarcity and their superior performance, you might assume they'd be harder to attract or more expensive to hire than other candidates. To test this, we studied a

THE SEVEN TYPES OF REPS

A global, cross-industry study of 1,440 frontline service representatives revealed distinct differences in personality and approach to the job. Empathetic reps were by far the most common type, but Controllers ranked number one in making interactions efficient and painless.

THE CONTROLLER	THE ROCK	THE ACCOMMODATOR	THE EMPATHIZER	THE HARD WORKER	THE INNOVATOR
Outspoken and opinionated; likes demonstrating expertise and directing the customer interaction	Unflappable and optimistic; doesn't take difficult conversations personally	Meets people halfway; involves others in decision making; eagerly offers discounts and refunds	Enjoys solving others' problems; seeks to understand behaviors and motives; listens sympathetically	Follows rules and procedures; likes working with numbers; is persistent and deadline-oriented	Identifies ways to improve processes and procedures; generates new ideas and options
RANK: #1	RANK: #2	RANK: #3	RANK: #4	RANK: #5	RANK: #6
PROPORTION: 15%	PROPORTION: 12%	PROPORTION: 11%	PROPORTION: 32%	PROPORTION: 20%	PROPORTION: 9%



SOURCE CEB 2015 FRONTLINE WORKFORCE FIT AND ENGAGEMENT SURVEY

THE COMPETITOR

Focuses on winning, outperforming colleagues, and changing others' views

RANK: #7

PROPORTION: 1%



panel of 1,022 job seekers. After classifying each job seeker as one of the seven rep types, we tested each group's appetite for frontline customer service roles. Controllers, we found, are just as likely as other reps to accept a job paying under \$35,000 a year (the average for contact center workers), are less likely to hold a college degree, and are more likely to apply for a frontline customer service job.

This doesn't mean that hiring Controllers is easy. A number of obstacles stand in the way. First, the messaging that companies typically use to attract candidates to frontline service positions is more likely to repel than attract Controllers. Our team audited the job postings of several dozen *Fortune* 500 companies and found that the firms all used much the same language to describe their frontline rep positions—though, ironically, many of them tout the unique, differentiated customer service they offer. These firms tend to call for candidates with “proven customer service skills,” thereby limiting the candidate pool to applicants with previous service experience (who, according to our data, are far less likely to be Controllers).

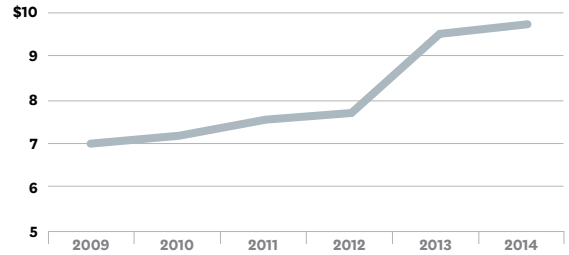
These companies also offer a highly generic employment value proposition: Virtually every posting we reviewed promised some version of “challenging career opportunities” and a “culture that rewards performance.” Additionally, the typical postings signaled a desire for candidates who conform to old stereotypes of customer service workers—people who “can meet quality and productivity standards,” deliver service “through the use of multiple systems, applications, administrative processes, and operational tools,” and “work an eight-hour shift.” Unfortunately, this sort of role is exactly the opposite of what Controllers are looking for. In our interviews, they indicated a clear preference for the flexibility to express their personality and handle issues as they think best. A posting that describes a rote and mechanistic service role tells Controllers that the company is seeking factory floor drones who can follow rules and procedures, not knowledge workers who will be trusted to exercise their own judgment to deliver superior customer service. That's a deal breaker for Controllers.

By rewriting job postings, companies can powerfully influence whom they attract. Macquarie Telecom, in Australia, surveyed its high-performing reps to find out what excited them about their work and then crafted a job posting to draw attention to those features. The company promises that reps will “serve as the customer's primary point of contact” and “own customer issues, from start to finish.” Job listings also include phrases picked up from Macquarie supervisors, who describe their best customer service staffers as “keen problem solvers” with a unique ability to “think on their feet” and as “self-starters who are comfortable taking the initiative.” Finally, Macquarie's postings spotlight the employee benefits

CLIMBING COSTS, FLEEING REPS

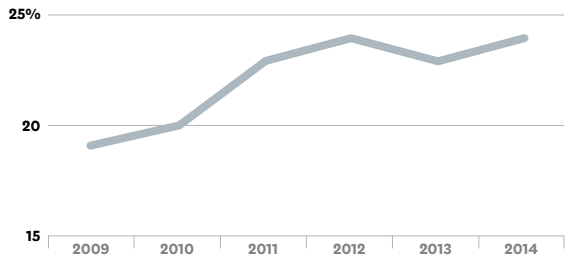
As call complexity increases, the average cost of a live service contact has risen 38% since 2009.

COST PER LIVE CONTACT
Moving average, US\$



Many reps are ill-equipped to handle complicated customer calls, and they're quitting in droves.

EMPLOYEE TURNOVER RATE
Moving average



SOURCE: CEB

that high performers said they valued most—such as a world-class training program for new hires, the ability to earn industry certification, and the opportunity to work in an energetic, fast-paced environment.

Once an organization has learned how to draw in target candidates, it must become more aggressive about ensuring good fits. Like Macquarie, Canadian outsourcer Blue Ocean uses language designed to lure Controllers from diverse professional and personal backgrounds, not just those with prior service center experience: “If you excel at figuring out logic puzzles and logistics nightmares like organizing sports tournaments or planning long road trips with multiple vehicles, then we bet you have the right stuff.” The company also uses deflective language (“This job isn't for the faint of heart”) and is candid about the difficulties reps face: “Sometimes you won't know the right answer, but you're the kind of person who is always up for the challenge. You'll rely on your resources and quickly research a response—and sometimes you'll just have

FIXING THE PROBLEM—AND THEN SOME

More than other types of service reps, Controllers take charge, directing the customer interaction and efficiently solving customers’ problems.

ACTIVITY	WHAT MOST REPS DO	WHAT CONTROLLERS DO
Engaging the customer	TREAT EACH CUSTOMER IN A CONSISTENT WAY, FOLLOWING A STANDARD SCRIPT “First, I’d like to thank you for being a loyal customer. Now how can I help you today?”	CUSTOMIZE THE INTERACTION TO INDIVIDUAL CUSTOMER PERSONALITIES AND CONTEXTS “I see that you’ve called three times recently. Let’s get this problem fixed for you.”
Troubleshooting	STICK TO PRESCRIBED CHECKLISTS AND STEPS “First, we’ll need to install the latest version of the software.”	IDENTIFY WHAT CUSTOMERS HAVE ALREADY DONE ON THEIR OWN AND SKIP AHEAD TO THE RIGHT NEXT STEP FOR THEM “OK, if you’ve followed all the troubleshooting advice on the website, then you’ve obviously already installed the latest software. Let’s try something else.”
Presenting solutions	GIVE CUSTOMERS A CHOICE OF RESOLUTION OPTIONS “You can mail your device back to us at this address. Or you can bring it to one of our stores for a replacement.”	PRESCRIBE THE FASTEST AND EASIEST RESOLUTION PATH “I don’t see your device in stock at your local store. I’d recommend mailing us your old one—you’ll get a replacement a lot faster.”
Resolving issues	SOLVE ONLY THE PROBLEM THE CUSTOMER CALLED ABOUT “Have I fully resolved your issue today?”	ANTICIPATE AND RESOLVE ADDITIONAL POTENTIAL PROBLEMS “Customers in your situation often end up facing a related issue. Let me tell you about that now so you won’t have to call back later.”

to Google it.” Clearly defining expectations not only dissuades poor-fit candidates—who are more likely to leave in the days and weeks following their initial training—but also signals that the service organization has exacting standards, contradicting the assumption that anyone can do the job. Blue Ocean also takes care to combat negative stereotypes about the role, disseminating videos on social media to challenge common misperceptions and present Blue Ocean’s service center opportunities in a favorable light.

Carefully crafted messaging will attract Controllers, but it won’t guarantee that they’ll receive safe passage through the hiring process. As we’ve discussed, many customer service managers have a strong preference for Empathizers and a bias against Controllers. We’ve created an interview guide to help overcome these biases by suggesting questions that will help identify Controllers and highlight “red flag” responses. For example, we suggest that interviewers ask, “Tell me about a time you realized that a process you’ve been asked to follow didn’t make sense. What did you do?” and “Describe a time when you needed someone to do something right away but you knew that person is usually passive. What did you do?” Many companies we work with are using this “Controller screen” in pre-hiring interviews and assessment tests, helping to streamline employee selection.

TEACHING THE CONTROLLER MINDSET

Even a robust hiring approach, retooled to attract and identify Controllers, will leave companies with a significant number of other types of reps on the front

lines. So in addition to better hiring, companies need to consider new approaches to talent development and performance management to help non-Controllers act more like Controllers.

Companies that have committed to imparting Controller skills have shifted their training curricula away from teaching product knowledge, rote processes for handling calls, and procedures for using systems and tools. Instead they’re teaching reps to apply listening techniques and frameworks that replicate the Controller’s instincts for quickly understanding what the customer needs and how to deliver the optimal personalized resolution. However, nuanced Controller skills can’t be taught through traditional classroom instruction alone. Companies intent on developing Controller skills are increasingly moving toward on-the-job, manager-led coaching that helps reps attain greater mastery over time.

Unfortunately, most frontline managers confuse coaching with performance management. In the typical service organization, most coaching is an episodic, “check the box” exercise done away from the floor, usually once every week or two. These sessions often involve reviewing recorded calls from days or weeks prior, making reps struggle to recall and explain the details. And because the focus tends to be on what went wrong rather than why it happened, the sessions can feel punitive rather than constructive.

Though such coaching is common, in a study of more than 300 frontline customer service managers, we found that some managers use more-effective “integrated coaching”—interactions that happen on the floor in short bursts during the regular daily workflow.

We saw a dramatic difference in the impact of the two coaching styles. Teams for which the majority of coaching was of the integrated variety performed 12% higher than average on company-reported quality and productivity metrics. Just as significantly, when managers focused on scheduled coaching, those teams performed 5% lower than average.

BUILDING A CONTROLLER-FRIENDLY SERVICE ORGANIZATION

Controllers value being allowed to solve problems in a way that doesn't require strict adherence to a rigid protocol. They also prize the freedom "to bring up problems with policies and procedures"—they want to be part of organizations that are serious about continual improvement and willing to give reps a voice in that process.

Creating this sort of climate—where reps are permitted to exercise judgment and help identify improvement opportunities—requires new ways of managing individual performance and team engagement. First, from a performance management perspective, companies must rethink their current "checklist" approach to quality assurance. The traditional QA method—which requires reps to stick very closely to a defined call process and scripted interactions ("Say the customer's name three times," "Apologize for any difficulty the customer may be experiencing," "Always thank the customer for being loyal," and so on)—runs directly contrary to a Controller approach.

One large bank replaced its QA checklist with a "flexible competency framework." Rather than scoring reps on their ability to stick to a script, the bank assesses them on core competencies such as negotiation and rapport building. Its framework doesn't tell them what to say but instead describes behaviors on a spectrum of performance from "novice" to "expert." For example, a novice might "talk over the customer," while a more advanced rep would "use a collaborative and assertive tone." By articulating the characteristics of high performance in each competency but not dictating a precise script, the bank leaves reps to exercise their own judgment in individual customer interactions—and to be evaluated by managers accordingly.


The bank's client interaction outcomes have dramatically improved as a result of this change. The approach helped fuel both a 5% increase in the number of customers paying their balances during the calls and a 30% improvement in customers' committing to a payment plan. The new framework also helped reduce rep appeals of QA scores. Previously the bank saw an average of 20 to 30 appeals each month—a rate that's since dropped to fewer than five a month. Said one of the organization's QA managers, "You want people to become experts in the skills that matter—not experts at rotely following directions. Our staff feel like the handcuffs have been removed."

In addition to approaching performance management differently, companies need to employ new vehicles for soliciting feedback from reps and involving them in creating a better customer experience. Fidelity Investments created an online discussion platform for reps to funnel improvement ideas to senior management and seek colleagues' advice on how to handle customer issues. The forum is moderated by veteran service reps who act as conduits between the rep community and management, passing the best ideas along to the leadership team and communicating responses back to their fellow reps. In the forum's first year, reps posted more than 3,000 comments, including 350 ideas that management considered worthy of further evaluation. For example, reps identified a website timeout issue that was frustrating customers and leading to increased calls—a problem that was rapidly fixed once it came to light. More than 100 improvement ideas have since been approved by senior management, helping the organization to save more than \$4 million.

Another major financial institution, in Australia, likewise created a process for inviting improvement ideas from reps. The company has a quarterly "Have Your Say Day," when reps present concepts to senior management. To help reps prepare, the company provides after-hours coaching on building business cases, making presentations to leaders, and developing project plans. Proposals are scored by management against standard criteria relating to financial impact, customer impact, ease of implementation, and other factors, and those clearing a defined score threshold are green-lighted for action. In addition to surfacing dozens of improvement opportunities—for instance, consolidating an internal function in the contact center, which reduced call transfers and generated efficiency gains of 350,000 Australian dollars annually—the effort has led to an 11% improvement in frontline staff engagement.

WHEN WE SHARE our research with managers, they sometimes cringe at the thought of a service organization full of Controllers, let alone Controllers interacting with their most frustrated and troubled customers. Managers frequently tell us that Controllers "wouldn't be a good cultural fit" and would lack the requisite empathy to succeed. But our interviews reveal that Controllers are, in fact, quite empathetic. They do understand customers' needs and frustrations. But they respond in a distinctive way. They recognize that after toiling away online trying to self-serve, customers don't want an apology—they want a solution. ☺

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FURTHER READING

For more on improving the service experience for customers by reducing their effort, see the following:

"Stop Trying to Delight Your Customers"

Matthew Dixon,
Karen Freeman, and
Nicholas Toman
HBR, July–August 2010

"To Keep Your Customers, Keep It Simple"

Patrick Spenner and
Karen Freeman
HBR, May 2012

The Effortless Experience: Conquering the New Battleground for Customer Loyalty

Matthew Dixon, Nick Toman,
and Rick DeLisi
Portfolio/Penguin, 2013