

**CUSTOMER FEEDBACK
SYSTEMS
A CASE STUDY
NEDBANK**



1. WHO IS NEDBANK?

The Nedcor Group is one of South Africa's leading financial organisations with assets in excess of R250 billion. The holding company Nedcor Limited is listed on the JSE and holds four banking licenses (three local and one international).

Nedcor has an international presence through outlets in London, Isle of Man, Singapore, Hong Kong, Beijing and sub-Saharan Africa.

The group structure has been set up optimally to service their varied clients. The size of the merged group allows specialisation, while enabling them to offer a full range of banking services to corporate and commercial as well as retail clients. Nedbank is the commercial and retail banking arm of Nedcor Limited.

Through the composition of merged core businesses and alliances they have:

- one of the largest retail banking footprints in SA;
- some of the best possible partners in SA;
- a bank assurance and wealth management model;
- a strong focus on client franchises; and
- a powerful force in corporate and investment banking with Nedbank Corporate.

2. NEDBANK'S KEY BUSINESS OBJECTIVES

To improve profitability through:

- Aggressive cost cutting
 - Technological leadership
 - Six Sigma process efficiency
 - Revenue enhancing programmes including:
 - Retention of existing clients and expansion of the range of products used by these clients. Achieved through superior client service.
 - Differentiation through strategic focus on customer service.
 - Central management of the group's interest rate risk and foreign exchange exposure.
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3. ABOUT CUSTOMER FEEDBACK SYSTEMS

- Product** A unique electronic data gathering device, installed at points of customer contact enables our staff to monitor, manage and continuously improve the experience of our customers, one of the bank's key stakeholders.
- Benefit** CFS's system enables continuous tracking of service performance within the bank. Real-time feedback gives us the opportunity to implement immediate and simple measures by way of corrective action, and creates vital learning opportunities. This results in increased profitability through improved service experiences, customer retention and growth.
- Target Markets** CFS is clearly of use to any organisation that has customer footfall through its premises.
- Customers** In the retail banking sector, CFS numbers amongst its clients Bank of Ireland, Nedbank, Standard Bank, Barclays, HSBC, National Bank of Dubai, Bank of Australia and ABSA.
Clients in other sectors include the M&S, Tesco, Specsavers, NHS, Clicks (SA), Discom (SA), ARAMARK, HCA Group and Partnership Health.

4. NEDBANK'S SERVICE MANAGEMENT STRATEGY

The Customer Feedback System has been incorporated into Nedbank's service management strategy. Results from the feedback devices are combined with other business measures to give an overall customer service score.

The Customer Feedback System is currently installed in 200 Nedbank branches situated throughout South Africa. Currently, there are over 1200 feedback devices positioned at Teller, Enquiries and Forex counters in Nedbank branches.

The Customer Feedback devices gather real time customer feedback. Customer feedback from all branches is transmitted electronically to a secure central database that is hosted by CFS.

CFS compiles daily, weekly and monthly operational reports that are emailed to each branch. In addition to which, appropriate versions, reflecting the results from within their areas of responsibility are also sent to area and regional managers.

Branch management receive information that shows performance by teller as well as the performance by hour of day and day of week. This allows them to identify precisely where and when issues occurred which allows them to identify why and take the appropriate corrective action.

Area and regional managers receive information that allows them to compare performance by each of the branches or areas within their area or region. These reports provide summary information for the prior period, league tables and trend information.

The system is monitored daily by CFS to ensure that all device are working. Where issues are identified the local customer staff are notified and corrective action taken. Customer feedback information is monitored daily by CFS analysts.

On a monthly basis, Nedbank receives over 300 000 responses from customers. This feedback is cascaded through the business and used to drive improvements in service levels.

Staff in every branch begin each day knowing what their customers said about their service levels the previous day. It is this level of heightened awareness, combined with the weekly staff meeting, during which staff discuss the results and suggest improvement plans, that has resulted in significant improvement in service levels.



Since implementing the Customer Feedback System in Nedbank...

- The number of customer responses has increased steadily in each region.
 - Customer Feedback Scores have consistently improved.
 - Customer's perception about the time they wait to be served has improved.
 - There is greater staff awareness about the importance of customer service and delivery.
 - Nedbank compares customer service scores for branches, areas & regions – daily, weekly and monthly to identify areas requiring corrective action.
 - A branch culture has been created where customer service is “top of mind”.
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- Staff accept the system because they are involved in the process of generating action plans for improving customer service.
- By changing the questions, Nedbank receives feedback from customers on several key issues. This helps them with planning and decision making

6. THE BUSINESS BENEFITS

The use of CFS has allowed Nedbank:

- To obtain information on important issues from a key stakeholder
- To obtain this information on a real-time basis, allowing a rapid and appropriate response.
- To have a sound basis for tactical and strategic decision making.
- To benchmark customer service across all branches and over time, improving competitiveness and improving standards across the business.
- To improve customers' Goodwill by demonstrating that the business cares about what they think
- To improve customer retention.
- To achieve greater levels of staff participation in the decision making process, leading to greater staff retention.
- To use the process to reinforce training / values / culture.
- To encourage greater accountability for customers, thereby improving the customer experience.
- To avoid the old time consuming and expensive methods of gathering, analysing and reporting on customer feedback.

7. TESTIMONIALS

A MEANINGFUL 'SERVICE QUALITY' MEASUREMENT TOOL

"We had no consistent means of measuring our service, as it was happening, so did not really know how we were doing. We relied on customers who gave feedback either telephonically or personally, but, this was usually only given for 'extreme' service, be it good or bad."

- Area Operations Manager

"One of our critical success factors is to understand our customers' requirements. The Customer Feedback System helps us to set targets and measure whether we or not we are achieving them."

- Area Operations Manager

It is an excellent measurement tool for management, for establishing the quality of service in the branch."

- Branch Manager

PROVIDING REALTIME, ACTIONABLE INFORMATION

"The real time MI provided assists us in keeping our focus. Where specific problem areas are identified, they can then be monitored and addressed in a timely fashion. The devices provide key source of actionable information."

- Regional General Manager

PROMOTES IMPROVEMENT IN CULTURE AND BEHAVIOUR.

"The system has created healthy internal competition between staff in the branches and between branches in each area and region."

- Regional General Manager

"The CFS system is one of the better things that has been implemented in our branches. It has made the staff more aware of their level of service. It has created team spirit and competition amongst the tellers and enquiry staff...they can't wait to get the results from the previous day."

- Branch Manager

ENCOURAGES ACCOUNTABILITY FOR RESULTS AND IMPROVEMENT

"The benefit of the Customer Feedback System is that the information is available the following day. This enables us to take action 'in-flight', to ensure that service levels remain high. ... I can only add that, with the constant focus and feedback on Customer Service, our results have seldom fallen for more than a day... We have remained consistently above the 95 % requirement."

- Area Operations Manager

"Customer Service is part of the performance agreement of all branch staff, and we did not, until CFS was introduced, have any tangible way of measuring this."

- Area Operations Manager

"I can measure myself against the other branches in the area."

- Branch Manager

VOICE OF THE CUSTOMER

"With the implementation of the Customer Feedback devices in the branches, it has helped us improve our customer service, as we now hear what the customers think of our service."

- General Manager
