

MASTER

Inspelen op de toekomst : verbeteren van het customer service programma voor de afdeling Klantenservice van KPN Inkoop & Logistiek

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Inspelen op de toekomst

Verbeteren van het customer service programma voor de afdeling Klantenservice van KPN Inkoop & Logistiek



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Inspelen op de toekomst

Verbeteren van het customer service programma voor de
afdeling Klantenservice

Technische Universiteit Eindhoven
Faculteit Technologie & Management
Opleiding Technische Bedrijfskunde

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Abstract

The subject of this report is the development of a new customer services process for the Customer Service department of KPN Procurement and Logistics. The reason to develop a new customer service process is the performance of the department. The department did not meet the targets set by its customers. Also, the customer expectations of the functional possibilities of the department have been changed.



Executive summary

Introduction

This graduation project has been carried out for the Customer Service department of KPN Procurement and Logistics in Leidschendam. KPN Procurement and Logistics is part of the holding KPN.

KPN is a Dutch telecommunication company that is pursuing growth in four core business areas:

- fixed telephony;
- mobile communications;
- internet, call centre and media services;
- data / IP services.

KPN offers a full range of telecom and ICT services in the Netherlands and operates internationally under its own name or with partners.

KPN Procurement and Logistics is a service provider for the different departments of KPN and KPN associated companies. It provides services in the field of procurement, logistics, physical distribution, repair and accounts payable / billing.

KPN Procurement and Logistics co-operates with clients and customers. Contracts are concluded with clients. Agreements about the product portfolio, logistics concept, way of distribution, planning, et cetera are determined in co-operation with the client. The customers are mostly organisation units of the clients. They call products according to concluded contracts.

The Customer Services department was established in 1995 and is the interface between the internal KPN Procurement and Logistics organisation and the customers. Customer Service handles all customer reactions about logistics. These customer reactions are: requests for express deliveries, problems with deliveries (goods that are not delivered, materials that are out of order by delivery, wrong items delivery, et cetera), questions about terms of delivery and changes in outstanding orders. The customers are divided in four productgroups: Retail, Infrastructure (Infra), Data communications and ICT (Dacom/ICT) and "Randapparatuur & Systemen" (R&S) The employees of Customer Service treat all these customers equally. If the Customer service employee does not have the information or knowledge to provide an answer to the customer, the questions will be send to an internal employee ("put through"). This is done by an e-mail, named CS-message. The department is accessible from 8.00-18.00.

Problem and assignment formulation

At the establishment of the department, some targets were formulated by the internal organisation, after a benchmark study and in consultation with clients and customers. It seems that the department is not able to meet these targets. These targets and results of the month October 1999 are:

- attainability: 95% of the callers should be connected to an employee (result: 83%);
- service-level: 85% of the calls should be answered within 16 seconds (result: 32%);
- response: 95% of the reactions should be solved by the employees of the department (result: 75%);
- response time: all CS-messages should be answered in time (result: 64%).

There are also some developments, which have a negative effect on the performance of Customer Service. These are:

- Changes in the market: the number of customers is increasing and customers are in need of more made to measure goods. These changes lead to different incoming questions and problems that Customer Service is not able to handle. This leads to unstructured solutions and an increasing number of CS-messages. Since January the first of 2000, customers are allowed to make use of other logistics service companies.

- **Changes in expectations:** Though being the central department for all customers, the customers have the need to be treated as special. They want a group of people who are dedicated to them. It also seems that the expectations about the performance of Customer Service differ for customers.

In literature, customer service is defined as: the activities and agreements round products and services, to fulfil the customer needs. Customer service should lead to customer satisfaction. There's a relation between customer service and company's profit or sales. Companies realise that customer service is a added value to their products and services. At KPN Procurement and Logistics, the Customer Service department is responsible for delivering customer service. Therefore, it is important to know the needs of the customers and fulfil them as much as possible.

The graduation assignment is expressed as follows:

Improve for the department Customer Service the customer service program. Starting-point is to meet the targets of the department and fulfil the wants and needs of the customers in an effective way.

To be able to fulfil the assignment, the following research questions have to be answered:

1. Internal analysis: what is the current customer service program, and what is the Customer Service department it's part and how does this department perform (facts)?
2. External analysis: what is, according to the customer, the performance of the department Customer Service (feelings) and which factors influence this?
3. Which improvements can be made for the customer service program?
4. In which way should these improvements be implemented and evaluated?

The assignment starts with an internal analysis, followed by an external analysis. The results of the internal and external analysis were the input of a SWOT-analysis to formulate improvement proposals. The chosen proposal has been worked out and implemented.

The information for this research is gathered through the use of literature, by the internet and intranet and by interviewing customers, managers at KPN Procurement and Logistics and other employees.

Results of the internal analysis

During the internal analysis, the function and processes of Customer Service are described. Further the causes why Customer Service does not meet its targets is researched. The result of the internal analysis is a summary of strengths and weaknesses of the department.

Customer Service plays an important part in supplying information concerning products and orders from and to customers and the internal organisation. Customer Service notices the needs of customers with relation to services of KPN Procurement and Logistics. At the same time, Customer Services notices indistinctnesses among clients and customers concerning agreements with KPN Procurement and Logistics. The department is also responsible for customer care and unburdens the internal organisation by handling most part of the customer reactions.

As mentioned at the problem description, Customer Service does not meet its targets. With the help of a fishbone diagram the possible causes are identified. The main causes are:

- attainability: customers ring off the call, on account of long waiting-times or misdialled numbers.
- service-level: more calls then employees can manage, because the number of callers increases and peak moments arise. Questions become more difficult, through which calls take more time.
- response: employees dispose of insufficient or specific information.
- response time: employees of the internal organisation do not reply in time.

Strengths of the department Customer Service:

- Customer Service is a central department for all customer reactions;
- employees are very helpful;
- most questions of the productgroup Retail are handled by Customer Service;
- questions about stock products and express delivery inquiries can be handled directly.

Weaknesses of the department:

- the attainability is widely different and too many questions have to be “put through” ;
- the department is dependent on the internal organisation;
- Customer Service does not have a customer satisfaction research;
- communication among Customer Service, the internal organisation and the customers is insufficient.

External analysis

The most important findings of the external analysis are obtained from an inquiry among customers and an environment-analysis. This inquiry is used to measure the customer satisfaction of the department Customer Service. Customers are asked to judge the dimensions: tangibles, attainability, empathy, assurance, responsiveness and reliability with a report-mark.

In total can be commented that the worst judgement was “attainability” for all customers. The customers of the productgroup “Infra” were most unsatisfied. Some people gave higher marks, because they know Customer Service is dependent on the internal organisation. Striking was the remark of some customers they don’t know what Customer Service can mean to them.

From the environment analysis appeared the increasing competition in the telecommunication market and the developments of technology (e-mail, internet and voice-response). This results in higher expectations of the performance of KPN Procurement and Logistics. The number of customers is also increasing on account of the increasing number of stores, decentralisation at customers and new customers.

The opportunities and threats of the department are:

Opportunities:

- Customers desire a different way of getting the service from Customer Service, because of the development in the ICT.
- Changing customers and by that changing expectations: Customer Service must serve more and different clients.

Threats:

- customers are allowed to use other logistics service companies;
- higher requirements of product availability on account of the increasing competition;

Determine improvement plans

The results of the internal and external analysis formed the input for the next phase: determining improvement plans. Strategic improvement proposals are defined by use of a SWOT-analysis. There are some organisational, financial and technical conditions for this project. The most important conditions are: job-rotation, it is not desirable to make the employees of Customer Service specialists. One-stop-shopping: Customer Service must stay the central department for all customer reactions. Filling: the proposal must be manageable with the present filling. Considering the proposals and conditions, two improvement plans have been chosen:

1. introduce a customer satisfaction measure system;
2. introduce a route-system for incoming calls.

Knowing the customer his satisfaction of your department gives insight in how customers experience the performance of the department. Since there is a relation between customer

satisfaction and sales or profit, having satisfied customers is important. Measuring the satisfaction periodical shows the areas that need to be improved.

The other plan is chosen to improve the targets of the department and to fulfil the customer need to feel special.

Work out of improvement plans

Satisfaction measure system

Based on literature and the survey of the external analysis, the aspects that define the satisfaction of customers are determined. These aspects are: employees, attainability, response-time, service and knowledge. Questions have been formulated for these aspects. Surveys or interviews can measure the satisfaction. A work instruction is made for both ways.

The cost to implement this measure system are wage (When the measurement will be done annually, it will take about 160 hours a year.), costs of material (paper) and other costs. In total, these costs are so low they are not an objection. To implement the system it is important to have the co-operation of the management team Logistics. The measurement system can be presented and discussed in the two-weekly management team meeting. It will take five weeks to implement the measure systems. When the measurement is carried out, it will take about eight weeks (part-time) to do the measure, analyse the results and start with the improvement plans.

Route-system for incoming calls

There is a clear distinction among customers and questions which can be handled by the employees of Customer Service and which have to be sent to the internal organisation. The productgroup Retail has questions that can be handled by the employees of Customer Service. Therefore, the routing is based on customers. The following routing options are defined:

1. Primafoon and Business centres
2. Infra
3. Others

The design of the route-system is described.

The initial costs for implementing the route-system are at least DFL.200,- The monthly costs will be DFL.4000,-. This is based on the subscription costs of the route-system and the telephone costs. The telephone costs will be on account of the department Customer Service.

To implement this route-system different groups of telephone-lines have to be created. The new phone number and working method has to be communicated to the employees of Customer Service and the customers. The time to implement the new work method will be eight weeks. Four weeks after the implementation, the route-system must be evaluated and adapted or enlarged.

Conclusions and recommendations

The most important conclusions and recommendations of this research are named here.

Conclusions:

- Customers Service is not able to meet its targets, though these targets are very important for the customers.
- Customer Service is the only entry for customers to get answers to their questions or problems. When Customer service is not able to handle the questions or problems, the customers do not have other possibilities.
- Though customers are allowed to use other logistics service companies, not one customer has switched. Customers do ask for more specification of their payments and used services.
- The communication among the internal organisation, Customer Service and the customers is slight.

Recommendations:

- It would be useful for KPN Procurement and Logistics to measure the satisfaction of all departments. The measure system as developed in this project can be a part of it.
- Add tasks to the department Customer Service. When Customer Service would handle the “not delivered” questions, the response-time would decrease and it will unburden the internal organisation.
- More information flows among the internal organisation, Customer Service and the customers. Customer service can play a central role in this. A communication matrix can be useful.
- The internal organisation must report the status of a CS-message.