Servicing Multiple Clients in Relationship World

Abstract

The paper reviews the current scenario in relationship world as well as puts forward what can be a better way for Relationship Management while servicing Clients.

The service world is based on how satisfied a customer is and the Relationship Management world is not any different.

This paper is a study of the Relationship world in terms of their hours, efficiency in hours and the Client Satisfaction Index. The methods are described in the paper below.

The paper intents to prove the following results –

- Improvement in Client Satisfaction Score for the periods when the same RM (Relationship Manager) takes care of all the products that the Client is availing service of.
- Efficiency in terms of hours for RMs handling multiple products for the same client.

This paper suggests that servicing a Client with multiple products should be through a common point of contact and not multiple Points of Contact as well as the mix needed in Efficiency to maintain high Client Satisfaction Scores.

Existing Relationship World Scenario -

Relationship management has evolved since its inception. From the earlier times when clients were serviced just by allocating a RM to them (Shown below) to the present time where a client's effort is tracked and weighted and RMs assigned accordingly.

RM	Clients	Effort per client
1	A	N/A
2	B	N/A
3	C	N/A
4	D	N/A

The present day service models for relationship management have started to capture the efforts required for each client. This effort is calculated based on their activities as per the contract details and as well as keeping track of all the activities recorded through historical data.

Client	Activities as per contract	Weightage as per contract	Historical Effort
A	2	0.75	a
B	1	0.25	b
C	3	1	c
D	2	0.75	d
E	1	0.25	e
F	3	1	f

Most of the clients of an organization are categorized based on either the Products that they are serviced or on other operational criteria.

[Reference – http://www.ijird.com/index.php/ijird/article/view/100088]

Now, efforts differ for the same client but across different Products(X, Y and Z).

Client	Product	Effort per client
	X	0.75
A	Y	0.25
	Z	1

In the existing Relationship model scenario most of the Clients are serviced by a different RM across different Product. This is predominantly because different Products have different specifications and hence different teams are required to service them.

Advantages of a Single Point of Contact (Relationship Manager) -

Having a single point of contact (SPOC) has its own advantages over multiple RMs across different Products for the same client.

The benefits for a single RM for the same client across different Products are –

Trust –

Building trust is of utmost importance in Relationship Management and what better way than to have a single point of contact where in the RM can spend more time with the Client which otherwise would have been split across the different RMs across different Products.

[Reference - http://www.balancepointpayroll.com/the-importance-of-customer-service-having-a-single-point-of-contact/]

Customer Satisfaction –

Customer Satisfaction improvement possibility as the RM now knows what the Client's requirements are and can implement seamlessly across the different Products.

Quality Delivery –

Having interacted with the client on changes for a particular Product the RM is in a better position to implement the same changes across all Products for the same client

Easy Accessibility & Practicability –

Having a single point of contact for the Client even though across different Products makes it easier for the Client to reach out to in case of any concern instead of going through a list to arrive at the correct RM name for a particular Product for the Client.

Time Saved -

A single RM for the same Client across different Products also helps reduce time spent in trying and contacting various numbers, email addresses and/or websites for assistance.

Again, we as a servicing unit want the Client spending time working with the RM on the issue and preferably not wasting time trying to get help because any time spent on any effort other than helping the Client with the issue is time lost.

Efficiency improvement in terms of Hours required to service the Client as well as overall effort required to service the Client reduces drastically because of the above mentioned advantages.

[Reference -http://www.itsmwatch.com/itil/article.php/3625741/The-Benefits-of-a-Single-Point-of-Contact.htm]

Assuming Clients A, B & C–

Client A across 2 different Products -

Time Tracking	Baseline Monthly Avg.	Monthly Avg.	% Total	Change
Product X	60	55	75%	-9%
Product Y	41	18	25%	-56%
	100	73	100%	-28%

Even though individually the hours required for Client A in Product X is 60 and in Product Y is 41, when serviced by the same RM it has been found that on an average the effort recorded for Product X is 55 and in Product Y is 18.

The overall average hour recorded when serviced by the same RM has been 28% efficient.

Client B across the same 2 Products –

Time Tracking	Baseline Monthly Avg.	Monthly Avg.	% Total	Change
Product X	50	64	61%	29%
Product Y	60	40	39%	-33%
	110	104	100%	-5%

Individually serviced in 2 different Products, the RM on an average requires 50 hours per month for Product X, whereas it requires 60 hours for Product Y.

Whereas, when serviced by the same RM there seems to be on an average for a period of 15 months an efficiency of 5% in terms of hours required to service the client.

The 3rd and final client taken as an example is **Client C** –

Time Tracking	Baseline Monthly Avg.	Monthly Avg.	% Total	Change
Product X	38	28	55%	-27%
Product Y	27	23	45%	-14%
	65	51	100%	-22%

Again a similar scenario emerges wherein the average hour required to service Client C across the 2 different Products by 2 different RMs are 38 and 27 hours respectively. Whereas when serviced by the same RM the effort required in terms of hours sees a drop of 22%.

Customer Satisfaction –

CSAT for Client A across Products X & Y –

On an average with the efficiency in terms of hours the CSAT has not taken a hit and in fact has seen an increase in some cases.

Quarter	CSAT Score
Q1'16	96
Q2'16	91
Q3'16	89
Q4'16	96
Q1'17	96
Q2'17	96
Q3'17	98
Q4'17	98
Q1'18	98

Quarter	CSAT Score
Q1'16	100
Q2'16	100
Q3'16	100
Q4'16	100
Q1'17	100
Q2'17	100
Q3'17	100
Q4'17	100
Q1'18	100

CSAT for Client B across the Products X & Y –

For Client B the CSAT seems to have improved for Product X in Q3'16, the same can be seen for Product Y as well in Q3'16.

Quarter	CSAT Score
Q1'16	84
Q2'16	91
Q3'16	100
Q4'16	100
Q1'17	100
Q2'17	100
Q3'17	100
Q4'17	100
Q1'18	100

Quarter	CSAT Score
Q1'16	84
Q2'16	91
Q3'16	100
Q4'16	100
Q1'17	100
Q2'17	100
Q3'17	100
Q4'17	100
Q1'18	100

The Client has seen an 8% improvement in the CSAT score in Q2'16 and then an improvement of 10% in the Q3'16 onwards for both the Products.

What drives CSAT-

Client Satisfaction (CSAT) score is the sum of respondents that answered somewhat or very satisfied. Higher the number, higher your customer satisfaction will be.

Traditionally it has been driven by error free tasks completed; relationships built over and above the transactional relationship as well as making sure no escalations or risk incidents are raised by the client.

Trade-off between CSAT & Efficiency –

A higher CSAT need not necessarily imply cost efficient.

Efficiency for Client A as well as for Client B across the same product against their CSAT –

	Avg. CSAT(5 quarters)	Efficiency(5 quarters)
Client A	91	86%
Client B	95	78%

Here we notice that a higher CSAT need not necessarily imply greater Efficiency. A lower efficiency implies lesser Processing hours being spent; this can imply that Client B with a higher CSAT score for the RM in the past 5 quarters actually has lesser percentage of processing hours being spent on it.

	Avg. CSAT(5 quarters)	Efficiency(5 quarters)
Client C	92	89%
Client D	97	80%

Similar occurrence can be seen for Clients C & D which makes us wonder what the optimum Efficiency needs to be for the CSAT to be maximum.

CSAT	Efficiency
>=85%	75%
>=90%	88%
>=95%	82%

The above relation between CSAT and Efficiency suggests that a certain amount of Non-Processing hours are required to have a good CSAT score, thus driving home the point that a mix of Processing & Non-Processing hours are required to drive the CSAT.

This helps understand that an efficiency in the range of 80%>=Eff<=85% provides the healthy CSAT score.

In other words a 90%>=CSAT<=95% can be seen as an opportunity for cost avoidance in terms of extra hours being spent on the client.

Conclusion –

The methodologies mentioned in the paper above can help the Relationship Managers achieve better Client Satisfaction Scores as well as operate more efficiently in this competitive world.

Definitions & Hypothesis –

*CSAT = Client Satisfaction Score.
*Efficiency = (Processing Hours)/ (Processing Hours + Non-Processing Hours)
* Client side point of contact does not change for at least 2 years in general.

Reference –

i)   "Capacity Planning in Client Services and Relationship Management - Maturity Models" by Swapneel Kitcha and Sourav Dutta. [http://www.ijird.com/index.php/ijird/article/view/100088]

ii)   http://www.itsmwatch.com/itil/article.php/3625741/The-Benefits-of-a-Single-Point-of-Contact.htm

iii)   http://www.balancepointpayroll.com/the-importance-of-customer-service-having-a-single-point-of-contact/