


# Managenergy Resource Tool: Taking Good Care of the Agency's Customers

*This customer care resource tool is part of ManagEnergy's ongoing work to help Local Energy Agencies and actors to learn from effective management innovations and good practice implemented across the network of 400 local and regional energy agencies in Europe, as well as providing resources and tools to help the agencies in their work.*

To view other resources please go to [www.managenergy.net/management.html](http://www.managenergy.net/management.html)

## TABLE OF CONTENTS

	SECTION TITLE	PAGE
1.	INTRODUCTION	1
2.	PRE-SERVICE PREPARATION	2
3.	SERVICE PROVISION	4
4.	EVALUATION OF SERVICE	4
5.	GOOD PRACTICE PROFILE: ENERGIKONTORET	5
6.	ACKNOWLEDGEMENTS	5
	CUSTOMER CARE CHECKLIST	6

## 1. INTRODUCTION

### About this Resource Tool

This resource tool provides guidance and insights into serving energy agencies' customers effectively. Some experience and good practice from local and regional energy agencies is also included, and a checklist tool is provided at the end.

### The Virtuous Cycle of Customer Satisfaction

Retaining existing customers and winning new ones is fundamental to the existence of any service organisation and attentive customer care is vital to keeping established customers happy and attracting new custom. Customers speak

amongst one another so excellent service provided to one existing customer can have direct positive effects if that customer speaks about their satisfactory experience. The opposite can, of course, also be true...

The normal service cycle is composed of three different stages that are closely interrelated but do not constitute a closed circle, but rather a continuous loop. The first stage can be considered the Pre-Service stage, where the energy agency analyses the needs of its customer and how these needs can best be met.

During this stage it is critical to listen to the customer and what his/her expectations are. This might sound like stating the obvious, but all too often we risk focussing a little too much on what we want to deliver rather than what the customer wants. Listen carefully also for any expectations that the customer may have in terms of how the service is going to be delivered (and if these expectations are realistic or not).

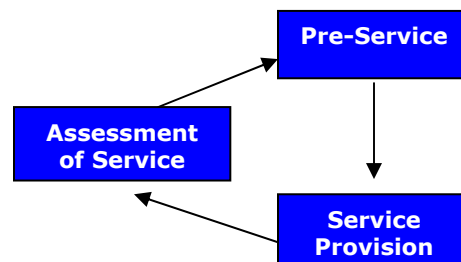
**Gain as much clarity as possible on what the agreed outcome will be!**

Before moving to the service provision stage, try to gain as much clarity as to the agreed expected outcomes, such that satisfactory service provision and attainment of the agreed outcomes can easily be assessed afterwards. Remember! If you haven't taken the time to define with the customer what satisfaction will look like (i.e. the agreed outcome), it will

be all the harder for the customer to be satisfied, and this may lead to mutual frustration.

The next stage is of course service provision, with all its technical specifications and processes, pilot, consolidation and monitoring phases. The third stage is the assessment / evaluation of the service provided to confirm that what has been agreed was delivered and according to the agreed quality level and customer satisfaction level. These stages allow a better management of customer expectations through assessing their needs and improving your service. This is the case for energy agencies as much as for any other business.

The flow chart below illustrates the cyclical nature of the relationship between service preparation, providing the service and assessing the quality of the service with one feeding into the other.



According to Pareto's law on average 80% of a company's revenue is generated from 20% of its customers, a fact often overlooked by companies. This is not to suggest that one must not aggressively pursue the new business whenever

possible but not to the neglect of existing customers who, more often than not, represent the lion's share of a firm's revenue. One such example of the need for **correct customer management** is that of the Dutch LEA First Regional Energy Agency (EREA) in Zoetermeer-Delft. This agency deals largely with its customers through Service Level Agreements or SLAs. These agreements are signed for periods of up to three years and constitute a large share of the agency's revenue, and thus investing the necessary (significant) preparatory time and effort to define the services and expected outcomes is important, given the importance of these agreements in the agency's overall income.

## 2. PRE-SERVICE PREPARATION

Retain old customers and gain new ones through a well thought out and researched marketing campaign. Marketing is the practice of communication to your target groups that you hope will purchase your agency's services or products.

**Marketing is not sales!** Marketing is about creating the right perception and assessment in your target group, with the objective of making them open to a possible sales proposal (where your agency has a service that meets their need). Thus, marketing is about creating the environment in which sales can be optimised or made most effective. **Most**

**great companies tend to be great at marketing.** A big sales performance requires a big marketing performance – it is an illusion to think that you can create a large portfolio of satisfied customers without a strong and effective marketing activity.

**State clearly what service you will provide and what service you will not provide** to protect yourself from accusations of unsatisfactory service. Draw up contracts that provide as little disruption to your agency as possible and at the same time minimise the possibility of customer dissatisfaction.

When engaging in contracting for a project with a customer there should be checks in place in order to ensure that what is promised can reasonably be delivered. Over promising on what you can provide will inevitably lead to disappointed customers and will reflect negatively on your agency's image.


Time should be taken to **define what the customer expects** and ensure that expectations match what your agency can realistically deliver. Failure to do so would again be detrimental to your agency brand image and could result in not only the loss of the customer in question but the loss of potential customers down the line. Time should therefore be taken to explain to the customer how the project will be delivered in terms of timeframe and content.

### 3. SERVICE PROVISION

Following on from the previous stage of pre service organisation through marketing and eventually the agreement on a contract, you and your agency should continue to **manage customer's expectations** by adhering to the old adage of *under promising and over delivering!* Efforts should also be made to stick stringently to the conditions of the contract and where possible you should aim to exceed expectations.

**Customer service does not end once the service has been provided** and strong ties should be maintained during and after the provision of the services. One worthwhile endeavour illustrated in the case study below and which drives down marketing costs is to establish customer loyalty.

The loyalty that comes from satisfied customers can be leveraged in order **to promote your agency among their peers.**

 *The power of leveraging satisfied customers to boost your agency's impact is illustrated below by the Swedish Energy Agency Energikontoret, which is profiled in Section 5 below.*

### 4. EVALUATION OF SERVICE

**Determine areas of strength, gaps in performance and areas for improvement.** Customer surveys are a consistently popular tool for tracking quality of service delivery and researching customer needs.


If executed correctly, customer surveys are an invaluable performance indicator which can help you shape the future of your business. However, if done incorrectly or poorly, customer surveying can quickly steer an organization off-course and into serious trouble.

Although it is important to offer customers the highest quality service it is also important to put any negative feedback in context and ask yourself if customers are being reasonable in their assessment or if they are demanding a service that goes beyond the agreed conditions.

Of course, the amount of time invested in defining agreed outcomes with prospective customers should bear some relation to the relative importance of this service for your agency. For example, if you have a Service Level Agreement (SLA) with a local municipality that accounts for 20% of your agency's income, you will need to have different levels of specification compared with if you are providing energy efficiency checks to 500 residential dwellings).

## 5. GOOD PRACTICE PROFILE - ENERGIKONTORET:

*Don't Just Tell the Customer what your Agency can do for them – SHOW them ...or better still – have someone else show them...*

 The Swedish-based energy agency Energi Kontoret uses a very effective (and low cost) means to raise the profile of the Agency and boost its image by **leveraging the value of satisfied customers to provide them with referrals and recommend them to their peers**. This approach is of course reliant on the willingness of the customer to invest time and effort but experience has shown that they are likely to oblige if they are satisfied with the service they received.

However, this good practice is not simply about increasing the effectiveness of Energi Kontoret's marketing process. An even more important added-value is that it allows the agency to show a new customer what has been done in other industries.

Another benefit is that this allows the two connected business owners to talk about what they expected and how the process worked, and gives them the freedom to express what they didn't like it. This also creates a network among the entrepreneurs who use green energy,












which has proved to be a value added for both Energi Kontoret and its customers.

Using an existing customer as a part of the marketing and sales process for gaining new customers for the agency's services can give your agency enhanced credibility.

Energi Kontoret also invites prospective customers to visit the websites of past customers in order to give them a feel for what services the Agency can provide them with and is used as a means to showcase success stories. This in itself is an effective marketing tool which requires little or no time or effort from the Agency's behalf.

## 6. ACKNOWLEDGEMENTS

The ManagEnergy Support Team would like to thank the local and regional energy agencies that provided input to this customer care resource tool.

 <b>CUSTOMER CARE CHECKLIST</b>	
1.	<p>Do you manage your customers correctly, granting time and money that is in proportion to the worth of the customer?</p> <p> See the case of SLAs for further elaboration.</p>
2.	<p>Do you have an effective communications programme in place that keeps established customers abreast of new services that you offer?</p> <p> It may seem obvious but an effective marketing campaign is fundamental to your agency's success. Refer back to the second paragraph in Section 2 for a refresher on the importance of good marketing.</p>
3.	<p>Do you give yourself sufficient protection from possible cases of dissatisfied customers by writing clear and concise contracts?</p> <p> The third paragraph in Section 2 explores the importance of being precise about what you offer and what you don't.</p>
4.	<p>When engaging in contracting for a project with a customer do you have checks to ensure what is promised is realistic and can be delivered?</p> <p> This ties in with the above point and is explored in the same section.</p>
5.	<p>Do you take time to define with the customer their expectations and check that they are realistic and achievable?</p> <p> This point is examined further on in Section 2.</p>
6.	<p>Are there measures in place to ensure that relations are maintained with the customer throughout the provision of the service and indeed after?</p> <p> Regular contact should be maintained with the customer to provide solutions to ad hoc problems and show a sense of commitment and after sale support</p>
7.	<p>Is there a clearly assigned contact person within your agency for managing the interaction with the customer?</p> <p> This would help build capacity for the above point.</p>
8.	<p>Do you take measures to drive down marketing costs by 'using' satisfied customers to spread the good word about your agency?</p> <p> See the Energikontoret case study for an example of a best practice in this area.</p>
9.	<p>Do you have measures in place to determine areas of strength, gaps in performance and areas for improvement?</p> <p> Section 4 looks into the possibility of using surveys to gauge performance.</p>
9.	<p>Are customers being reasonable in their assessment? Are they demanding a service that goes beyond the agreed conditions?</p> <p> This question is explored in Section 4, 'Evaluation of Service'.</p>