

## **Touchstone August 2008 edition.**

**The following article/report was highlighted in our August 2008 edition of Touchstone. If you are not on our mailing list and would like to be included please fill in your contact details under the 'contact us' tab at the top right hand corner of our web site.**

### **Case Study: The case of the missing sales Enquiries**

This report is a summary of a full report which was kindly offered to David Hutchins to be published in David Hutchins now out of print 'Quality Circles Handbook'. However, Second hand copies can be obtained on the internet. We still have a few at our office.

We have included it here on our web site because whilst the project took place many years ago, the content is just as relevant today and we believe that it provides a perfect insight into the workings of a Quality Circle. It also has the value that it was carried out by staff in a service operation. So many people erroneously believe that Quality Circles and Kaizen activities are only relevant to manufacture. Quality Circles and Kaizen activities can work anywhere where people work together and share common problems.

**This report summarises the findings and background pertaining to a problem raised by an 'Inside Sales' Quality Circle.**

#### **1.0 INTRODUCTION**

At the formation of the Inside Sales Quality Circle a list of items for attention was drawn up, two of which were 'incorrect routing of telephone calls' and 'incorrect routing of correspondence, telexes, emails etc'.

When the time came to deal with these problems it was decided that, as many of the related factors were the same or similar for all problems, they should be combined as:

'Incorrect routing of telephone calls and correspondence'.

Several 'brainstorming' sessions involving all members of the Circle, and checks with the switchboard and mail room. culminated in the production of a 'possible causes' list and subsequently one of 'possible solutions'.

The full report is in eight sections:

- 1) Introduction
- 2) Recommendations
- 3 and 4) Explanatory notes on the recommendations
- 5) Benefits
- 6) Background on telephone calls
- 7) Background on correspondence

#### **2.0 RECOMMENDATIONS**

**2.1 IMPROVE OUR INFORMATION TRANSFER TO POTENTIAL AND ACTUAL CUSTOMER BY MEANS OF:**

2.1.1 Revised letter heading

2.1.2 Sticker for attaching to outgoing letters, compliment slips, specification sheets, etc

2.1.3 Acknowledgement card

2.1.4 Revised visiting cards with 'inside contact' information

2.1.5 Contact information to be added to specification sheets, brochures, etc.

2.1.6 Contact information to be incorporated in advertisements

## 2.2 APPOINT CORPORATE CO-ORDINATOR(S) TO WHOM DIFFICULT TELEPHONE CALLS AND LETTERS ARE REFERRED, SUPPORTED BY:

2.2.1 Product/customer/divisional lists

2.2.2 Specific switchboard operator/mail-sorter training

2.2.3 Divisional/departmental coordinator

## 3.0 SUGGESTIONS FOR REDUCING THE OCCURRENCE OF THE PROBLEM

In checking the reasons for misdirection of telephone calls and correspondence, etc., it became clear that outgoing information in the form of letters, advertisements, catalogues, etc., was sometimes unclear and often actually misleading.

Examples, with suggestions for improved information, are given in the following pages under the headings:

3.1 Letterheads

3.2 Sticker for outgoing letters, etc.

3.3 Acknowledgement card

3.4 Visiting cards

3.5 Specification sheets/brochures

3.6 Advertisements

## 4.0 EXPLANATORY NOTES ON DUTIES OF COORDINATOR (S)

4.1 One of the many advantages of the official appointment and recognition of corporate and/or divisional/departmental co-ordinators is that definite responsibility rests with named persons. They can be trained as necessary, and have access to equipment and information required to 'solve the problem'. This avoids the 'hit or miss' nature of the present situation.

A full-time co-ordinator's responsibility could extend to follow-up activities, to ensure that the correct allocation of a letter, 'phone call, telex, etc., has resulted in customer's requirements being met.

4.2 UP-to-date and complete product lists should, and in some areas may, already exist, and can be used for many purposes other than that proposed In this report, e. g. training of new employees, supplementing quotations, providing information for new and potential customers, encouraging inter divisional business (we certainly place orders with outside suppliers on occasion for equipment which could be obtained from another division)

### **3.1 Letterheads.**

The address, telephone numbers and the email address was moved from the bottom of the sheet to the top right hand corner.

References were moved from the body of the text to the top left hand corner .

The point size of the registered address at the foot of the page was reduced in size.

### **3.2 Sticker for outgoing letters, etc.**

One common solution to the omission of Contact Information on outgoing documents, at relatively low cost, is the "sticker". A two



**XXXXXXI XXXXXX Ltd.,  
XXXXXXX House,  
Berks Square,  
Benbury,  
Berkshire RG10 4EZ  
Tel 01344 934555  
Email s.pickwick@summertime.com**

**Inside Sales Back-up  
see overleaf**

FRONT OF CARD - "INDUSTRIAL PRODUCTS GROUP" COULD MORE APPROPRIATELY BE REPLACED BY "PROCESS CONTROL DIVISION".

**INSIDE SALES SUPPORT**

**J. Wardle - Inside Sales Supervisor  
B. Snodgrass - Senior Inside Sales Engineer  
R. Wozenham - Senior Inside Sales Engineer  
J. Marley - Senior Inside Sales Engineer**

BACK OF S. PICKWICK'S CARD GIVES NAMES OF INSIDE SUPPORT PERSONNEL - USEFUL FOR TELEPHONE CONTACT AS S. PICKWICK USUALLY "OUTSIDE" BUT APPARENTLY NOT APPROVED BY XXXXX. TRANSFER INFORMATION (EDITED) TO FRONT OF CARD.

**MARK TAPLEY  
Senior Sales Engineer  
Test Division**

**XXXXXXX XXXXXX Ltd.,  
XXXXXXXXX House,  
Berks Square,  
Benbury,**

**Berks. RG10 4EZ**  
**Tel 0344 24555**  
**email: M.Tapley@summertime .com**

FRONT OF CARD - BACK IS BLANK.

"TEST DIVISION" IS A GOOD LOCATING DESCRIPTION (AS COMPARED WITH "INDUSTRIAL 'PRODUCTS GROUP", FRONT OF CARD SHOULD ALSO PROVIDE INSIDE CONTACT DETAILS, AS SUGGESTED ABOVE.

The product lists should be programmed into existing computers, thus providing the twin benefits of simple updating and speedy access. The 'hard-copy' lists could then be obtained from the computers a printers.

'Guide to Products and Services' is already under development in corporate Communications, and it may well be that it will meet some or all the requirements stated above.

3 The present training of switchboard operators should be supplemented more specific instruction regarding methods for clarifying caller's requirements. A list of questions, perhaps in the form of a simplified logic diagram, would be useful. The continuing use of the words 'Industrial' and 'Commercial' when questioning callers should be discouraged, as they tend to confuse rather than clarify.

#### **5.0 BENEFITS DERIVED FROM RECOMMENDATIONS**

5.1 Improved customer relations and company image.

5.2 Less lost or delayed mail (and possibly fewer 'lost orders')

5.3 More efficient switchboard and mail room operation.

5.4 Less non-productive time spent by inside sales/contract engineers – et al.

5.5 Improved inter- and inter-divisional communications and product ledge. (This was also a major issue identified in the recent attitude Survey').

#### **6.0 BACKGROUND ON TELEPHONE CALL PROBLEMS**

6.1 Telephone calls are received at an average rate of 1600 calls per day.

Of these approximately 10% or 160 cannot be placed with certainty and 1% or 16 cannot be identified at all.

Yearly therefore, taking into account public holidays and weekends, uncertain and unidentified calls total 40000 and 4000 respectively.

Assuming only 5 minutes is spent on correctly placing each uncertain and unidentified call, the total time wasted amounts to two full time employees per year.

6.2 The negative effects of the above can be summarised as:

6.2.1 Wasted time on the part of the switchboard operators and more often, relatively expensive part-time troubleshooters in the various divisions.

6.2.2 Delays in dealing with customer requirements, resulting in frustration at least and no doubt disillusion and loss of business at the extreme.

## **6.0 INCORRECT ROUTING OF TELEPHONE CALLS**

### **PROBLEM**

Telephone calls are for obvious reasons the hardest of our subjects to document. We stopped short of taping conversations.

However, we have identified some common problems. Misdirected calls seem to happen more often in the afternoon. They are not restricted to industrial but common to all divisions, in fact the more I have investigated the more it seems that we are all at some time during the day talking to other divisions' customers.

The most common cry from customers seems to be 'you are the fifth person I have spoken to in xxxxxx, what are you going to do about it?'. I have had a call, this week from a customer in Bristol asking for dampers, which seemed to be a Commercial application. I took the customer's details and then went on the route he would have taken if he was transferred. Firstly, I rang Commercial Sales in Benbury, who in turn passed me on to Building Services in Benbury. As the customer was in Bristol, I was passed on to Building Services in Birmingham, but when I rang them, they told me Building Services for Cardiff is now dealt with from a new office in Bath. So after five calls, the customer would have arrived at the correct office.

This example shows just some of the problems a customer can encounter when ringing Xxxxxxxx. He was lucky I knew the product he was talking about. Many employees have heard of the newer divisions, but we have very little idea of what they sell in any detail.

From a survey done on the switchboard over a period of a month, we have some idea of their workload and the problems they face.

No. of calls: Average 1600 per day

No. of calls that cannot be placed with certainty: 10% or 160

No. of calls that cannot be identified: 1% or 16

The way problem calls are dealt with at present is to pass them through to certain 'trustee' employees within the various divisions who know a fair amount about their own division. These people are most commonly inside sales engineers, but others are also involved.

### **EFFECTS**

There are three main effects of this problem.

Firstly, and most important, is the image customers get of Xxxxxxxx when they decide to ring us. The sheer frustration they can experience can put them off XXXXXX for life. Many of the industries we deal with have very good 'grapevines' and word soon gets round about the bad points of dealing with a company. All of this after spending £XXXXX on the communication budget. Our advertising and merchandising can be first rate, but no customer is going to negotiate an obstacle course to get a Versapak!

Secondly, when we look at the problem calls, we can see that over a year, taking into account public holidays and weekends our 10% of uncertain calls and 1% of unidentified calls come to 40000 and 4000 respectively per annum.

If we look on these calls as time wasted by the people they are put through to, the cost to the company can be quantified.

For a person earning £6000 per annum, who spent five minutes on each call; this would cost £12000 p. a. or 2 person years.

The figure for salary may be on the conservative side and does not, of course, include the other costs of employing a person, such as pension, national insurance surcharge and training. The time spent on a call is also on the conservative side. My example of the call from the customer in Cardiff took me twenty minutes.

The third effect is on the employees who have to take these calls. After two or three in one day their attitude towards the customer becomes less helpful than even they feel it should be. A comment I have heard is that they know how customers should be dealt with, but they end up hearing themselves making all the classic mistakes of ineffective communication. It is very difficult to sum up in words the effect this has on people, but the frustration is there and is not going away.

## SOLUTIONS

Our brainstorming session produced the following list of possible solutions.

1. Product lists (cross-referred to appropriate divisions, departments, etc).
2. Customer lists (cross-referred to appropriate divisions, departments, etc.)
3. Experienced operators,
4. Switchboard troubleshooter
5. Divisional/departmental troubleshooter
6. Corporate troubleshooter
7. Better operator training
8. Departmentally addressed Email terminals in switchboard room
9. Computer accessed lists
10. Message recorder

### **7.0 BACKGROUND ON MAIL AND TELEX/EMAIL PROBLEMS**

7. 1 Statistics quantifying these problems have been obtained from the mail room as follows:

In an average month, the mail room in Benbury 1 received 13 000 pieces of mail.

Of these at least 28% or 3200, are simply addressed to the company, without reference to a specific person or department.

Mail room staff route this 'unidentifiable' mail to the most likely' department or person. However, in many instances their best guess is incorrect, and several transfers of the document from one department/division to another can result, before the correct destination is found - if indeed it ever is. (Some letters are almost certainly 'lost')

7.2 The negative effects of the above can be summarised as:

7.2.1 Wasted time on the part of mail room and telex staff and more often, relatively expensive part time troubleshooters in the various divisions.

7.2.2 Delays in dealing with customer requirements, resulting in frustration at least and no doubt disillusion and loss of business at the extreme

### 7.3 INCORRECT ROUTING OF MAIL, TELEXES and EMAIL

This problem, though very real, is less 'urgent' than telephone calls which obviously must be resolved 'on the spot' whereas written communications can be temporarily put on one side for identification. In an average month, the mail room in Benbury 1 receives approximately 13000 pieces of mail. Of these, at least 28% (3200) are addressed simply to the Company in general without reference to a specific person or department. A further 90 are 'real problems'. Whilst items addressed to a named person or department are forwarded 'as received', the remainder need to be opened and any enclosures stapled to the covering letter and then sorted by reference to the heading or any recognisable reference. Assuming, that this procedure takes 30 seconds per item, it occupies more than 1 man-hours per day. An additional hazard is that enclosures can become separated from their parent correspondence. In one specific instance a set of customer specifications were divorced from the remainder of the enquiry for 7 days, having inadvertently been routed with another piece of correspondence from the same customer to another division.

As with telephone calls, mail room staff route unidentifiable mail to the 'most likely' department or person. However, in a large percentage of cases their 'best guess' is incorrect and can result in correspondence circulating through many departments before reaching its correct destination.

The flaws in this method are obvious.

- (a) It is dependent on the goodwill, knowledge and availability of the initial recipient.
- (b) Delays in handling.
- (c) Additional costs to the company in the use of time spent by sales engineers in these extraneous tasks.

## DEFINITION OF 'PROBLEM' CORRESPONDENCE

- (a) Letters addressed to 'the company', i.e. no divisional, departmental, or name reference.
- (b) Letters addressed to individuals with common surnames but without initials. We have SMITH (8), JONES (5) and WILLIAMS (5).
- ~c1 Lack of any XXXXXX reference, e.g. quotation or order number, typists reference, etc.
- (d) Letters or enquiries for obscure or specialist products. XXXXXXX's continuing expansion into new fields and product ranges results in enquiries for items with which the majority of staff are unfamiliar.
- (e) Letters from customers unfamiliar with the diversity of XXXXXX divisions who address mail to 'Head Office'.

## TELEXES and emails

The problems encountered with telexes and emails (of which we estimate to receive some 2500 in an average month), are in general similar to those listed above, but are less easy to resolve. Incoming telexes are routed via mail room and any ambiguities are initially handled under the 'best guess' routine as are emails which can arrive at anyone's machine if they are on line.

Should this 'guess' prove incorrect, the recipient will either attempt to resolve it or pass it back to the mail room.

In very few cases does a telex or email give the customer's name. Most have an 'answer-back' code or address which often bears no relationship to the customer's name: e.g. XYZ Company is SETL G and some emails are sent from private addresses with Yahoo, Hotmail etc. extensions.

Thus it is necessary to send a telex/email to the customer requesting 'name and address' before any further action can be taken.

## NEGATIVE EFFECTS

### 1. Time wasted by:

- (a) Mail room
- (b) Telex/computer operators
- (c) Recipients of misrouted mail.

### 2. Poor service to customers due to:

- (a) Delay in replying to enquiries/literature requests.
- (b) Delay in actioning orders with consequent failure to meet deliveries (particularly for items normally ex-stock).
- (c) Delay in providing information on delivery status of existing orders.
- (d) Apparent lack of interest.

The overall effect can be loss of business due to erosion of customer confidence in our organisation.

## POSSIBLE SOLUTIONS

1. Basic 'product knowledge' training of mail room staff.
2. Production of an 'in-house' listing of products and divisions (including addresses as necessary). This could be produced and updated with minimal cost as in the same way as the internal telephone directory.
3. Appointment of a corporate troubleshooter to whom all such problem correspondence should be passed.
4. Making it easy for customers and prospective customers to address mail correctly by:

- (a) Affixing a sticker to all items of outgoing mail giving name, division and possibly telephone extension of person to contact
- (b) Incorporating into all sales literature the correct and full title and address of the relevant XXXXXXI location.
- (c) Reintroduce the 'Acknowledgement of correspondence/enquiry/order postcard used some years ago with great success. This could be a general-purpose card. See sample.
- (d) Incorporate name of 'inside sales' back-up on all visiting cards and identify with division/department name.

Subsequent discussions resulted in the deletion of solution 10 and the

ACKNOWLEDGEMENT

DATE .....

WE ACKNOWLEDGE WITH THANKS RECEIPT OF YOUR .....  
 DATED .....

YOUR REF .....  
 OUR QUOTATION/ACKNOWLEDGEMENT/LITERATURE WILL FOLLOW  
 WITHIN .....  
 YOUR CONTACT IS .....  
 PHONE NO ..... EXT .....

IN CORRESPONDENCE PLEASE QUOTE:  
 YOURS FAITHFULLY,

setting aside at least for the present - of solutions 4, 5, 8 and 9. Our best considered solution was

- 6 - the CORPORATE TROUBLESHOOTER with backup from
- 7 BETTER TRAINING FOR OPERATORS,
- 1 and 2 PRODUCT and CUSTOMER LISTS and
- 5 DIVISIONAL/DEPARTMENTAL TROUBLESHOOTER.

The lists would be prepared and up-dated by divisions and could eventually be accessed via computer terminals.

Taking these one by one:

**Better training for operators**

This is a fairly easy process of training not in their job but who does what and where in Xxxxxxx.

**The corporate troubleshooter**

would be responsible for all customers whose calls cannot be placed. He would be fully conversant with Xxxxxxxx, its divisions, products and services. He would be responsible for updating and improving on the product and customer lists. All divisions would have to update him on new products, deletions from ranges and any new services offered.

uMaybe in the initial stages he would have to be supported by a divisional troubleshooter whom he would go to, to find products or services in the division. This divisional troubleshooter would be responsible for updating the corporate person as outlined above. This could be performed by current personnel and would not be a new appointment.

**8.0 CONCLUSIONS**

The Circle would recommend that the company appoints a troubleshooter to deal with customers along the same lines as the other company. This has the advantage of saving engineers' and other employees' time and relieving the frustrations caused by these calls.

The image Xxxxxxxx presents to the customer can only be enhanced from the one they get at present. We believe this solution along with our other recommendations is the most cost effective answer for Xxxxxxxx as the company expands and our product and service base becomes more and more diverse.