Customer Engagement Management

2017 Innovators Forum Report

Key Insights from the NAEP Innovators Forum and Recommended Strategies for Procurement Leaders

WITH SUPPORT FROM

JAGGAER

STONEBRIDGE VENTURES, INC.
Customer Relationships

Partnering to achieve shared goals

2017 NAEP Innovators Forum

This paper provides an overview of the 2017 Innovators Forum with a distillation of the key discussion points and recommendations regarding customer engagement management. The group engaged in robust dialog about improving customer relationships, but also focused on pragmatic ideas and practices that can be acted on today. The paper outlines a customer engagement management framework and recommendations for critical practices procurement leaders should follow.
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In procurement, we engage suppliers well and are starting to think of them as strategic partners. Of equal if not greater importance are the relationships we manage with internal customers. While most of us understand customer service and have good practices in place, we have not grasped the true significance of Customer Engagement. The Innovators Forum group believes we should enhance our practices in this area. Procurement leaders will need to alter a mindset that views Customer Engagement Management as a sales practice best suited to commercial companies. Providing service is why our departments exist and the essential component of brand image. If we cannot deliver on this basic requirement with excellence, then customers will not care about other ideas we have to improve value.

We distinguish the terms ‘customer service’ and ‘customer engagement’ for purposes of discussion and this white paper. We think ‘customer service’ is a tactical response (reactive in nature) to needs or issues presented to us by internal stakeholders. We think of ‘customer engagement’ as a strategic activity (proactive in nature) that focuses on relationship building and shared business knowledge that creates pathways to value improvement.

Colleagues who practice customer engagement management at a high level report the following benefits:

- They receive high **customer satisfaction scores**
- Customers treat them with respect and seek assistance on important procurement topics
- **Process inefficiencies** are reduced
- The number of **repetitive phone calls** is reduced
- They impacted **a greater amount of spend** than before
- The procurement team’s **brand image** has improved

The first step in building a program to enhance customer relationships is to develop a service vision that is understood by and engages every person in your department. It can be challenging to connect the importance of what front line employees do every day to your long-term strategy. The success of suppliers is generally governed by the effectiveness of their account teams and in a parallel manner our customer service performance and brand image are largely determined by the effectiveness of our people, particularly those folks on the front lines of customer communication. Viewed in this light, the selection and training of people is paramount.

Managing customer relationships with this level of intensity takes resources and thoughtfulness. It is important for the procurement team to identify key customer constituents and apply a methodical and periodic process for gathering input to understand their needs and wants. The importance of improving customer relationships is supported by research and forum participants experience validates that unhappy customers are expensive. They may go around established processes, ask repetitive questions and not fully comply with policy guidelines among other time consuming behaviors. The Walt Disney Company believes that 75% of customer service results depend on the efficiency of business processes¹. Disney strives to design processes with zero defects that can be repetitively delivered. To achieve this high mark requires a robust service culture and a framework and passion for continuous improvement. We can apply these principles to our procurement processes in higher education and agree that as an industry we are a long-way from achieving zero process defects. The further we are from this goal represents a missed opportunity to focus on activities that will have a greater strategic impact on our institutions.

If we create true two-way dialog and engagement with key customers, then we will build relationships with long-term focus and jointly developed strategic goals. Further, we will be taking a giant step toward our strategic vision of becoming an essential strategic partner.

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“Customer engagement is critical to all NAEP members regardless of the size of your procurement team. We can all benefit from a renewed focus on this core function.”

-- Doreen Murner, NAEP (Innovators Forum Participant)
The National Association of Educational Procurement (NAEP) convened the 6th annual Innovators Forum in Denver, CO on December 12, 2016. College and university leaders gathered to discuss future trends in higher education and their impact on procurement. The purpose of the Innovators Forum is to engage thought leaders in an analysis of the major issues impacting higher education institutions and procurement professionals and to better inform institutional stakeholders on alternative ways to approach these challenging issues.

The first Innovators Forum white paper published in 2012 had a special focus on current trends, issues and concerns and resulted in the identification of eight (8) key priorities for procurement teams. Subsequent white papers were connected to the original priorities and have been published with the following titles; “Procurement and the Impact of Technology and Expectations”, “Talent Management”, “The Procurement Brand” and “Enhancing Supplier Value and Performance”. Feedback from those attending this year and in previous years suggests these white papers are powerful tools for senior leaders and procurement professionals to learn about the challenges confronting higher education procurement and to educate administration about those challenges.

Building on the momentum of previous Forums, which explored a broad range of issues affecting higher education and procurement, this year’s group was asked to consider the topic of Customer Engagement Management.

The outcome of this year’s discussion continues the Forum’s goal of developing roadmaps that procurement professionals can use to better understand complex procurement topics, communicate those concepts effectively to senior leaders and to improve results in support of critical university strategic goals.
New attendees bring fresh ideas and insight. This year’s Innovators Forum was assembled by NAEP with the intent of deepening strategic supplier relationship management discussions. Attendees included administrative and C-level executives along with procurement leadership, business officers and key suppliers. The team was committed to fulfilling the mission of the Innovators Forum by capturing and sharing insights with each other – and with their colleagues in higher education and procurement via this white paper – so that other institutions and industry professionals may benefit from their exchange of ideas.

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An overriding theme in the selection of past Innovators Forum topics has been the idea that we want to move our procurement teams from tactical to strategic activities. A simple exercise to test whether we are achieving this is to add the hours worked by each of your employees and apply judgment regarding the percentage of hours engaged in strategic v. tactical activity. For most of us, we are not happy with the result of this exercise. While we might think of customer service as a tactical activity, the Innovators Forum group advises you to think of it as a core strategic activity. It is at the ‘core’ because it is the essential reason our departments exist and the primary thing customers want from us. We should, therefore, strive for excellence in our customer service and engagement processes. The ability to achieve our strategic vision and provide greater value to our campuses is dependent on this. It is easy to get into a ‘rut’ when it comes to customer service. We may do repetitive things without judging the true impact on results.

Historically, the procurement team has been responsible for administering the rules. We are the police and auditors getting in the way of departmental needs. Rules enforcement does not require relationship building skills. However, a key trend in procurement over the past decade has been a keen understanding that stakeholders want and need a ‘partner’ to help them accomplish objectives that are important to the university’s mission. The procurement team can and should be that ‘partner’. There are many definitions of ‘partner’, but one that applies here is “a cooperative relationship between people or groups who agree to share responsibility for achieving some specific goal.” (Princeton WordNet). Becoming a true partner for key stakeholders requires that we improve our customer engagement practices. This is a broad topic and the McKinsey Consulting Group advises us to be focused and proceed with the following three (3) key concepts in mind:

1. **Build an explicit link to value.** We need to understand clearly how our improvements will *generate value.*
2. **Base initiative priorities on opportunities that matter to customers.** This implies that we know what matters and how we can *improve on the current state.*
3. **Drive a transformation roadmap.** Successful customer transformation efforts balance short-term, mid-term and long-term needs.

Common sense tells us that unhappy customers are expensive and this is supported by considerable research. The extra ‘cost’ is hidden in our operations, but there is no doubt that the consequences of poor customer service and engagement impact us through 1) increased instances of policy & procedure non-compliance; 2) greater instance of repetitive phone calls; 3) a tarnishing of our brand image and 4) attempts to fill the void by establishing redundant or ‘shadow’ departmental processes.

The essence of procurement is to perform service on behalf of others. It is the hope of the Innovators Forum group that you will embrace this ‘mission’ and realize that customer engagement excellence is the key to unlocking your potential to increase the strategic impact of your department on campus. This is a ‘core’ function and responsibility of procurement and we should perform it at the highest possible level.
The University of Maine System has a strong strategic vision and belief in the importance of customer service. They recommend the resources listed on the website [http://worldclassbenchmarking.com](http://worldclassbenchmarking.com). The following images are screenshots from that website.

**Connecting The Chain Reaction of Excellence**

November 7, 2016 by Jeff Kober

Our thought leadership about how to make organizations successful has led to the following model: Moving from right to left, let's look at the links that connect these boxes together. Our thesis is that highly satisfied customers—not satisfied customers—are what really create growth and long term success. Let's look at an example of this in ...

Read more
Customer Engagement Framework

When procurement leaders discuss the phrase ‘customer service’ they generally understand what it means and have improvement activities they regularly pursue. However, the term ‘customer engagement’ can be vague and not as readily understood. Customer engagement implies a richer form of relationship building with key internal customers. In Strategic Supplier Relationship Management (SSRM) we pursue activities to understand desired goals and outcomes, the initiatives needed to achieve those goals and some understanding of how we can measure the impact. None of these things can happen without strong relationship building. In a similar fashion, the Customer Engagement Management Framework is about understanding the goals our key internal customers are trying to accomplish, how the procurement team can be a partner in the achievement of those goals and establishing a method to monitor impact. There are several frameworks that could be used, but the Innovators Forum group loosely adopted the approach used by the Walt Disney company as described in the book Be Our Guest. The framework provided on this page is adapted from the Disney approach (similar concepts, different words). Additionally, the group read selected background articles prior to engaging in this discussion. The following common themes were identified:

- The failure to clearly link the customer experience to value will doom many initiatives.
- Customers make impressions about your customer service with every encounter they have.
- Customer engagement is not a switch you can turn off or on, but a series of behaviors that should be calibrated to business goals.
- We need to recognize that our procurement function is not the center of the universe and that our true mission is to be of service to others.
- There isn’t anything that impacts your procurement brand more than the strategy you deploy to manage customer’s relationships inside of your organization.

![Customer Engagement Management Framework](image)

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“In our experience the one skillset we could all improve is the ability to collaborate, build relationships and partner with others to achieve a common goal. This skill is at the heart of customer engagement and it requires nurturing.”

-- Jim Knight, Stonebridge Ventures (Innovators Forum Facilitator)
Customer Service Vision

Previous Innovators Forum white papers have consistently identified the Procurement team’s Vision is to become an essential strategic partner to campus. A Vision is an important future oriented concept and is meant to inspire the team toward greater achievement. Although important, your Vision statement may not be actionable by each employee. The intent behind a Customer Service Vision is to define a meaningful purpose that each employee can act on each day. It is a statement of how we should treat customers every day and in every encounter. It is not something to be shared outside of your group.

The Innovators Forum group began a discussion on this topic recognizing two (2) important characteristics about a Customer Service Vision; 1) It should empower employees to solve client issues using process, technology, and analytics to proactively improve and 2) It should help define your customer engagement culture and inspire better communication and relationship building activities.

Defining a Customer Service Vision is an exercise that requires time to properly consider. However, to give the reader some thought starters we list below a few of the initial ideas developed in a few minutes of small group discussion:

- Be present, be curious, be caring, and provide solutions to say yes
- No one cares about what you know, until they know you care
- We skate to where the puck will be
- Call us first and we’ll be your last call
- Treat every problem as if it was your own

“We initiated a Procurement Advisory Board comprised of key stakeholders to provide critical feedback to our customer service vision and on-going performance. This group has been invaluable to our progress.”

-- Nichol Luoma, Arizona State University
(Innovators Forum Participant)
Part of Iowa State’s Service Vision is to direct customers on how to buy in a specific and detailed manner based on commodity categories. The following images are examples from their website.

**How Do I Buy...**

**Computers**

**Buyer(s):**
- Eric Johnson
- Jamie Albertson

**Description:**
All laptop and desktop computers purchased for use by campus personnel or using campus funds should meet the recommended ISU purchase standards. Quotes can be obtained from the TechCyle for academic departments or your analyst in Information Technology Services (ITS) for administrative units. Quotes may also be obtained by visiting ISU vendor sites for Dell, HP, and Apple. To review purchase recommendations visit the Desktop Standards Website. No central University support will be available for units purchased from non-authorized vendors.

Because of inventory and contract issues, the ISU Purchasing Card cannot be used to purchase computers or parts to assemble computers. Requests for computers that are not purchased through TechCyle or TechCyle must be routed to Procurement Services for processing on a requisition.

Vendor pricing can be seen by following the links from the ITS Sales website or by accessing the Dell contract in the TechCyle contract marketplace in AccessPlus.

**Paper**

**Buyer(s):**
- Tisha Campbell

**Description:**
Copy paper and related products should be purchased through Central Stores. Printed forms, business cards, letter head, etc. should be directed to the ISU Printing Department. For sources on other specialty papers, contact Procurement Services.

**Procurement Procedure:**
To find the best way to procure the goods or services in this category, please answer each of the following questions by clicking [yes] or [no].

Is the dollar value of the purchase over your p-card limit? [yes] [no]
Forum attendees next turned their attention to a discussion of leading practice techniques for obtaining Customer Knowledge. Disney creatively calls this process ‘Guestology’ or the study of what guests like and don’t like¹. In procurement, we might refer to this as the process of building a customer profile. We may want to know certain things about our customers, from our customers and for our customers. In other words, Customer Knowledge establishes an understanding of your stakeholders and provides the knowledge based on a need and want. At its highest level, it incorporates customer goals and identifies the role procurement can play in helping to achieve them.

The Innovators Forum group identified the following leading practices for your consideration:

- **Periodic meaningful visits to departments** that may include a review of spend and other data analytics including advanced visualization techniques (e.g., tableau). In these meetings we should listen more than we present.
- **Focus attention toward the on-boarding processes for new employees** and faculty members. This is a great opportunity to understand their needs and wants and begin relationships on a positive note.
- Make sure your **customer feedback** can be translated into the basic priorities that matter to your customers. Delivering on their primary wants and needs will go a long way toward building solid customer service performance.
- **Establish a Procurement Advisory Board** – Invite membership from your most important and strategic customer groups, meet quarterly, talk about strategic topics and solicit feedback for improvement.
- **Use Customer Relationship Management (CRM) software** and leverage the technology to understand and manage different customer groups. This is a great way to understand who your customers are, manage the multiple conversations that may be occurring from your team, document key aspects of these discussions and use data analytics to better understand the impact you are making.
- **Take a page from the way suppliers operate and build an Account Management Team** to coordinate your customer outreach and focus on strategic priorities.
- **Mine campus news sources** and aggregate information (major grants, awards, strategic priorities) about your customers. Gathering knowledge about your customers and having a better understanding of their priorities goes a long way toward building solid relationships. Any strong relationship needs to cultivate understanding, trust and transparency.
- **Use customer surveys that are structured appropriately** and designed for quick and effective responses can be a source of great information that is timely and consistent. The survey process allows you to track results over time and understand trends.
Case Study – University of California, San Diego (UCSD)

UCSD is an advanced user of Customer Relationship Management software. A summary of their metric dashboard is included here.
Customer Service Standards

It is important to have a clear picture of what customer service should look like in your department. Characteristics we might think of include such things as courtesy, consistency, accuracy, responsiveness and efficiency. If these words matter to our customer service, then we need to define them and have a way to measure achievement. To illustrate the importance of this concept, think about a time when you purchased a product or service and needed to call a support number for assistance. In some cases the service you received was amazing but usually it is average. Often, the person on the other end indifferently reads a script without a real connection to your problem. Is it possible this happens in your procurement group today? If it does, is that level of service acceptable? Can you explicitly define the customer service you want and can you select and train people to deliver on it? These questions illustrate why customer service standards are important. Standards should be placed in priority order so employees know what to do if there is a conflict between them. For example, Disney has a customer service standard of ‘safety’ which takes precedence over anything else. If a conflict arises between courtesy and safety, then safety must win out every time.

The Innovators Forum group spent time in small group discussions considering how the concept of customer service standards applies to Procurement. The following standards are suggested:

- **Commitment** - Do what you promised your customer. If customers take the time to provide feedback, then make sure there is follow-up. Communicate what you will do differently. The engagement you seek will quickly fall by the wayside if customers believe it is a one-way street without feedback loops.

- **Responsiveness** – Are we taking care of the issues that customers present each day? It is important to measure this. Customer surveys may generate fatigue over time. Think about a quick “Rate my service” process to get immediate feedback without requiring more than a few seconds of time from your customer.

- **Solution Oriented** – Offering solutions requires a true understanding of what customers are trying to accomplish. Solutions move us from being a reactive provider of services to becoming a proactive partner and collaborator to help accomplish goals. This is the essence of what many procurement leaders have expressed as their Vision for the team. How do we become an essential strategic partner?

- **Quick, Fast, and Efficient** – Customers are not patient. They generally look to get things done quickly and may receive pressure from leaders in their group. While this standard is important, it also presents a case study for why we should prioritize our standards. We may not want quick, fast & efficient to come at the expense of accuracy or providing the right solution to a problem.
Customer Service Standards

Case Study – University of Florida

UF includes a button called ‘Rate My Service’ at the bottom of service provider emails. One click sends the customer to a quick and easy six (6) question survey.
If we expect to deliver great customer service, then we must also have happy and engaged employees. The Gallup organization found in a recent study that companies in the top quartile of employee engagement experienced 10% higher customer satisfaction ratings\(^3\). A study by Bain & Company\(^4\) indicated that employee behavior and attitude was the most significant driver of customer satisfaction. It stands to reason, but there is a clear link between happy employees and happy customers.

We asked the Innovators Forum group to determine which factor was the most important to performance; 1) selection of people or 2) training of people. Five small groups distributed 100 points between these two choices with Selection winning in a landslide. Every group gave selection at least 80 out of 100 points with several saying it was as high as 90 points.

Given the dominant importance of employee selection it is important to critique our methods. After several minutes of small and large group discussion, the group offers the following thoughts for consideration:

- **General Practices:** Consider adding a customer service role playing scenario to your interview process. Remember that you cannot train for attitude, so look for people that match the energy and personality profile they will need to be successful in their role. Think about your current group of employees and try to identify the characteristics of your ‘difference makers’. What are the ‘it’ qualities they possess. You might consider having candidates describe themselves with five (5) adjectives to identify those special qualities. Be patient and don’t settle for second choices to fill a position quickly. It is always better to take your time and get the right person.

- **For Management Positions:** These positions are directly responsible for the type of culture you want to foster and there is ample evidence that employees quit their supervisors before they quit the company or University. The primary suggestion is to deploy a multiple interview format that involves key internal and external stakeholders. Have candidates interview with senior leadership, peer managers and a few employees. Have a good understanding of what the role entails and the success criteria needed to perform at a high level. Talent will outperform experience and fit has a better chance of making a long-term connection. You might consider inviting the candidate to an open forum where stakeholders can ask questions in a group environment.

- **For Frontline Customer Service Positions:** Have a good understanding of the customer service skills required to be successful in the role (communication, customer service, problem solving and desire for lifelong learning as examples). Ask a series of situational questions (“how would you handle ...”) that mirror the type of issues that come up in your environment. Employ a key lesson from Disney. Their goal is to create happiness and so they hire ‘happy’ people. In procurement, our goal is to provide exceptional service, so we need to find people who enjoy providing it to others. You might directly ask them ‘what great customer service means to them’? Follow this up by having them describe an experience from their past which illustrates great customer service. There isn’t a right or wrong answer to this question, but how the candidate addresses it will be telling. At the end of an interview always ask if the candidate has questions. This is a good barometer of their interest and fit with your culture.
Suggested Reading - Indiana University

The following book is highly recommended.

When was the last time you told your colleagues how much you value them? There is nothing trivial about recognition.
Case Study - The Kudos Program at UMass Lowell

The UMass Lowell KUDOS program is part of their Employee recognition program. It allows anyone at the University to recognize someone else for their efforts.

The KUDOS award program is intended to show immediate appreciation and recognition of individuals or teams for exceptional contributions and customer service inside or outside of their departments.

The administration of this program is intended to be as simple and user friendly as possible. Employees are encouraged to take a minute to recognize their fellow employees for whatever they believe warrants praise. Any individual may submit a KUDOS Nomination Form to recognize a University employee for their special effort or service to anyone on campus.

Give KUDOS by submitting a nomination online, or download a pdf version of the KUDOS Nomination Form and email it to: EmployeeRecognition@uml.edu.

Each recipient will receive the following:

- KUDOS Certificate of Appreciation along with a copy of the nomination.
- All recipients will be entered into a monthly drawing for a chance at prizes.
- All prizes will have a monetary value of no more than $25 and will be in the form of a gift certificate to a UMass Lowell venue.
- Recognition on a monthly basis in Today@UMass Lowell.
Customer Engagement, Methods

There are many ways to engage customers for the purposes of receiving useful feedback and supporting the pursuit of shared goals. Consider the variety of methods in use today from face-to-face meetings, websites, email exchanges, reports you provide, conferences attended, help desk operations and many social media opportunities. It is important to think about your customer engagement strategy and fit the appropriate use of these techniques with your plan.

From the perspective of the Innovators Forum group, the following customer engagement methods were judged to provide the most impact:

- **Face-to-face outreach meetings** are the most impactful, however, the group emphasized that visits must be ‘meaningful’. If outreach visits are perceived by your customers to be ‘routine’ without discussion that leads to progress against goals, then the level of effort placed on them will dwindle.

- Using **Customer Relationship Management (CRM) and Spend Analytics software** to support customer engagement can improve the productivity of your team and support meaningful agendas. CRM tools have been traditionally used by supplier sales teams, but they are equally valuable for internal customer discussions. Used appropriately, they can help keep track of customer issues, contact frequency and statistics to measure the impact of your activity. Spend analytics software has been commonly used by procurement teams to identify internal opportunities and set a strategic sourcing plan in motion. However, used in a more advanced way, this tool is instrumental in pushing information to customer groups and providing a basis for you to proactively support common goals.

- Organizing an **Advisory Board** that meets periodically to provide strategic input for how the procurement team can improve their operations. If organized appropriately, this technique can improve the effectiveness and efficiency of your customer engagement efforts. The idea behind an advisory group is to establish a solid cross-section of important customer stakeholders who can ‘represent’ the views of others and engage the procurement team in a meaningful and strategic two-way dialog.

- Obtaining regular **Customer Feedback** through more traditional avenues like customer surveys is still vitally important. A regular customer feedback program establishes a baseline and allows your team to track whether improvement is occurring. It is also a source for real-time information which allows leadership to spot issues as they arise and take immediate action. It is easy for survey fatigue to set in with your customers. Monitor participation rates over time and make sure your survey tools are not burdensome on time.
Case Study – University of Colorado

Included here is a summary of some of the Customer Engagement methods used by the University of Colorado.

Supplier Showcases
The Showcases are full-blown supplier shows featuring many critical University suppliers. In addition to suppliers, several CU departments have tables as well, including procurement, Help Desk, Risk Management, and the Policy Office. These half-day events happen on each campus in September. Attendance at last year’s Showcases was 1101. There were 175 combined supplier tables at the events.

Open Houses
Open Houses are held on all campuses in March to coincide with Procurement Month. This event features the University’s Strategic Suppliers and PSC staff manning tables. Attendees are free to visit tables of their choice. These events typically draw a high percentage of decision makers, and provide attendees with an opportunity to have more robust conversations with key suppliers and PSC staff than provided at the Supplier Showcases. In 2016, attendance at these events was 302.

Town Halls
Town Halls are held in the Spring and Fall on each campus, as well as a webinar presentation. These sessions are geared toward providing updates on all aspects of procurement, including travel, purchasing, procurement systems, and supplier updates. Policies, procedural guidance, and any changes at the PSC are presented by senior PSC staff in a classroom type setting. Questions are allowed at the end of the presentation. Last year, 178 attendees participated in the Town Halls.

Hospitality Expo
The Hospitality Expo was started a few years ago as a separate event from the Supplier Showcases. Due to campus requests, the Expo was created to provide access to more hotel, catering, resort and travel suppliers than were available at the Showcase events.

No Agenda Forums
No Agenda Forums started as a response to campus requests for an open, no agenda event with Procurement. PSC personnel staff individual tables with broad topics, such as Payables, Travel, Purchasing, etc. Campus customers visit tables of their choice to discuss issues, procedures and challenges. In its first year, attendance at the No Agenda Forums was 238.

Partnering with Procurement
This annual event brings together campus “super-users” of procurement services in a day long forum. Attendees sit with their peers from other campuses to discuss procurement topics related to their job duties. The forum also includes a round table session where attendees can visit topic-themed tables staffed by PSC staff. Additionally, a high caliber motivational speaker is included during the event to provide professional development to our campus customers. In 2016, attendance was 62.
We often think of customer engagement in terms of help desk operations, or the interactions that occur when customers call procurement team members with questions, or the process of gathering feedback from customer surveys. However, most of our engagement occurs when customers interact with our processes and inefficiencies in those processes, perceived or real, are the majority source of customer service performance and procurement brand image. Realizing the importance of process should help us prioritize time and effort devoted to improving them and educating our customers.

The Innovators Forum group, identified the processes that caused their customers the most frustration and discussed ways those ‘pain points’ could be improved. The following ideas summarize the group’s discussion on this topic:

- **Rules, laws, and policies** are the primary source of customer frustration with procurement. It is important to understand which of these are within the university’s control and which are not. For rules, laws and policies that cannot be changed, the procurement team needs to do a good job of explaining and communicating the reason for them. Among other things, it is critical to be consistent in our explanations. Inconsistent responses to common policy questions are a source of great customer frustration. For rules and policies within our control, it is important to study their impact periodically and adjust them if it makes sense. Often, the workload of our procurement teams is consumed by reviewing lots of small dollar transactions where little value is added activity. Customers will appreciate the right balance in our rules and policies.

- **Delivery expectations and responsiveness** can cause dissatisfaction with customers. As stated elsewhere in this paper, customers are not a patient group. There is a natural inclination to expect that procurement activities should not take much time. It is important to educate customers about how long things will take given alternative scenarios and to understand their role in helping expedite the process. For example, one cause of time delays may be the inaccuracy or incomplete nature of information provided by the customer on the front-end. Customers need to understand the shared nature of procurement processes. We might think about establishing service level agreements (SLA’s) that recognize the customer’s impact.

- **Risk Mitigation** is important to consider. As referenced earlier, if we study the workload in most of our procurement departments we can easily conclude that most activity is targeted at small dollar transactions and wonder if procurement is adding much value to the process. If we consider the risk profile of all procurement activity, then theoretically we should match workload to risk. If we match procurement expertise to higher level risks and allow customers greater freedom to execute on smaller risk transactions, then more customer satisfaction is likely to result. Finding the right balance in this activity is always the key and will differ for each university.

- **Disparate systems** can often be a source of friction and complaint with customer groups. To the extent possible, we want to provide simple and straightforward processes supported by understandable technology systems that enhance the customer experience.
Service Expedition: Exploring Services from the Customer’s Point of View

One Day Program – Next Dates TBD
McCord Hall, W. P. Carey School of Business
ASU Tempe Campus

Program Description

What is the program?

This NEW workshop will give you critical tools and insights to jump start your customer-centric initiatives and achieve your CX strategy goals. In this workshop you will learn Service Blueprinting, a powerful technique that will enable you to:

- Visualize your services from your customer’s point of view
- Evaluate your customer’s service experience
- Develop an action plan for service improvement

You will take a deeper dive into understanding your customer’s experience by learning Customer Journey Mapping and the concept of Branded Service Encounters. You will also learn how these tools and insights can be integrated and used together to create and sustain customer experience that’s aligned with your organization’s brand and customer experience strategy. This workshop is taught by one of our world-class academic instructors, who are the leading experts in Service Blueprinting.

Customer Engagement, Processes

Case Study – Cornell University

Part of Cornell’s customer service process involves making it easy for customers to do business. The following material from their website illustrates their approach.

Introducing the Procurement Gateway

Tuesday, June 4, 2013

We are very excited to announce the launch of the Procurement Gateway, a new web-based tool designed to simplify the process of purchasing goods and services from external suppliers. The
Given the potential impact of a Procurement Help Desk on customer engagement and service, the Innovators Forum group devoted some discussion time to identifying common themes that might be helpful to the industry. There was consensus that help desks should be a major component of your customer engagement strategy. There doesn’t appear to be a standard help desk model as each participant executed on this concept differently. While there isn’t one perfect way of going about it the following common themes did emerge:

- **Staff the help desk with full-time employees** who have wide procurement experience and can help customers with a variety of issues.

- **Provide the help desk with technology** like what a call center might deploy. It is important to mine the topics handled by the help desk to understand recurring patterns. Handling customer issues expeditiously is certainly of great value, but eliminating issues from recurring in the future may provide the greatest value. Analyzing help desk data can provide insights into training gaps/opportunities for end users and potential operational trends that could, if unaddressed, negatively impact customer perceptions over time (e.g., an increase in Accounts Payable inquiries might be symptomatic of an operational slowing of invoice processing).

- **Provide exceptional training** for help desk personnel. If we reflect on our own experiences of using help desks for product or services we purchased, there is nothing more frustrating than talking with a help desk person who is not helpful or who can only talk through a standardized script. The best help desk interactions occur when you speak with someone who is knowledgeable about your issue and can resolve it for you without a handoff. To execute on this requires a commitment to continuous training.

- **Give procurement organizational accountability** for the help desk to create one source of responsibility for procure-to-pay outcomes and customer service.
Barriers and Challenges

There are barriers and challenges to anything that is worth pursuing. It is beneficial to acknowledge them so that leaders can construct a plan to overcome them. As it relates to customer engagement and service the Innovators Forum group identified the following barriers and challenges:

- There is a lot of **customer turnover** which leads to a lack of understanding and requires constant training.
- **Leadership may not support** the amount and quality of resources needed to provide excellent service.
- Our customer colleagues **may not have an interest in procurement**, they have other goals and duties that occupy their attention.
- It is hard to have a positive culture, if the larger **University culture is negative**.

One substantial benefit to the Innovators Forum discussion resides in the presence of outside experts who help us think differently about these topics. In this case, we had several supplier executives in attendance and we asked them to share one piece of advice on customer engagement. This function is core to their success. Our supplier partners offered the following recommendations:

- Enhance collaboration skills and **make value visible** to both parties.
- Procurement teams often chase too many things. Be more selective and **focus your time** on achieving strategic objectives.
- Be **good at communicating the value** you bring to customers. Think about value from their frame of reference and not yours.
- Don’t be afraid to **utilize supplier resources**. Suppliers should partner with you to deliver and communicate value to key customer groups.
**Next Steps**

**Actions We Can Take Now**

Customer Engagement is a broad topic with many component parts that require attention if our performance is to reach excellence. As with any important strategic topic, it can seem overwhelming and difficult to prioritize action when so many things compete for attention. The Innovators Forum group is keenly aware of these challenges and offers the following action recommendations:

- Identify key customer groups and establish an ongoing conversation with them for the purposes of receiving feedback that is focused on improvements or shared goals. Take the feedback to heart, develop an improvement plan and share it with the groups that provided the feedback.
- Critically review your hiring process for prospective employees and develop procedures (properly worded job descriptions, interview questions, multiple role based interviewers, etc.) that identify the critical customer service differentiators you need to be successful.
- List your front-line customer service employees and consider your methods for providing training to them. Is it adequate for the important role they play? Is it formalized, repetitive and frequently updated? Seek input from your current employees.
- Think about your reward and recognition processes. We often focus on negative consequences for poor performance, but of equal or greater importance is our process for recognizing people who are doing it well. Recognition does not have to be monetary.
- Hold management accountable for customer service outcomes. It can be easy to blame individuals for poor performance, but management is responsible to hire and select the right people, give them great training, set the standards and build a culture that understands the importance of customer service.

**Actions the Innovators Forum Group is Taking**

Readers of this paper may find it useful to understand how the Innovators Forum group is pushing the envelope in Customer Engagement on their campuses. The following ideas were expressed during the group’s time together:

- The group sees a lot of value in high performing ‘help desk’ operations. If operating effectively, they provide excellent customer service and can identify recurring issues and problems for improvement.
- Several universities use CRM tools to track customer outreach efforts and record the feedback provided.
- Some participants are adding people to their organizations with specific customer engagement skills.
- Several participants were paying close attention to job descriptions and revising them as necessary to emphasize customer engagement skills.
- Everyone was developing analytics to identify systemic and repetitive customer issues and track the impact of improvements.
- Some participants were emphasizing continuous improvement skills as customer service is primarily delivered through our processes.
- Many were devoting significant time and resources to meaningful customer outreach sessions and acting on the feedback provided.
- Several had or were establishing advisory boards and using them as a ‘voice of the customer’ to provide improvement feedback.
- Many were beginning to Identify shared goals with customers.
Summary

This year’s discussion on customer engagement management links directly to the 2016 topic on strategic supplier relationships and previous topics that explored components of strategic procurement. In past discussions one key theme has been present, the importance of customer service. We are service organizations with a core responsibility to assist various stakeholder groups in achieving shared goals. It is only through a robust pursuit of excellence in customer engagement that procurement teams can deliver on our vision of becoming essential strategic partners to the campus community. Customer engagement is a relationship building strategic initiative that requires foresight and a solid execution plan. Customers will know whether our efforts are sincere or window dressing. If we are sincere and transparent in our efforts and can show a direct link to value creation, then trust increases and the opportunity to engage on the front-end of key decisions is likely to occur. When this happens the potential for greater influence and impact is strengthened and the professionalism by which we perform our job functions is increasingly recognized.
Questions for Your Team

Customer Service Vision

- Think about the points of contact between your department and customers. How would you rate the consistency of service across these touchpoints?
- Do your employees have a solid understanding of what customer service means in your department? Do you have a service vision that each employee can relate to and recite?
- Have you thought clearly about what the standard is for customer service in your department? Is it enough to avoid upsetting people? Are we satisfied if employees run through help scripts consistently?

Customer Knowledge

- Do you know who your most strategic and important customer groups are and can you recite the issues that are most important to them about procurement?
- What methods are used to periodically engage your customer base and solicit their feedback?
- Given the data and input you receive from customers, can you write 4 or 5 key bullet points about what they want from your department?
- What knowledge might procurement possess that would be useful to your customers?

Customer Service Standards

- Thinking about the following words can you describe your customer service standards? Do your employees have a clear understanding of what is expected of them across these dimensions?
  - Courtesy
  - Consistency
  - Accuracy
  - Responsiveness
  - Efficiency

Customer Engagement, People

- How do you select people for customer service roles within your organization?
- Can you describe the distinguishing characteristics between amazing and indifferent customer service? Does your interview strategy and questions identify candidates with distinguishing characteristics?
- Do your job descriptions adequately describe the importance of customer service and are these roles properly compensated?
Questions for Your Team

Customer Engagement, Methods

• List the ‘methods’ or ways that your department interacts with customers. On a scale of 1 to 5 (5 = very high) rate each method in terms of how effective it is for customer engagement, that is, developing a long-term relationship.

• The Innovators Forum group believes the following four (4) methods are the most impactful to customer engagement. Rate your department’s effectiveness in using these methods:
  o Outreach and meaningful customer visits
  o Using Customer Relationship Management (CRM) tools and spend analytics
  o Using an Advisory Board for input
  o Customer feedback forums

Customer Engagement, Processes

• Disney believes that 75% of great customer service is delivered through efficient process design that can be repeated. Think about the few key processes your customers use to interact with your department and rate each one on a scale of 1 to 10 in terms of efficiency.

• Do you have a culture and a discipline of continuous improvement where processes are constantly reviewed for improvements?

• Do you have the skills in your department to analyze process inefficiencies and make improvements where necessary?
Following are resource links offered by your colleagues.

- University of Colorado video links:
  - [https://www.cu.edu/psc/psc-metrics-fy-2016](https://www.cu.edu/psc/psc-metrics-fy-2016)
  - [https://www.cu.edu/psc/meetpsc-2015](https://www.cu.edu/psc/meetpsc-2015)

- Arizona State University
  - Services blueprinting link: [https://wpcarey.asu.edu/research/services-leadership/blueprinting-details](https://wpcarey.asu.edu/research/services-leadership/blueprinting-details)

- Indiana University
  - O Great One!: A Little Story About the Awesome Power of Recognition by David Novak and Christa Bourg

- Iowa State University
  - [http://www.procurement.iastate.edu/commodities](http://www.procurement.iastate.edu/commodities)

**Articles to Read**


- Five Ways to Create a Customer Service Culture; Shep Hyken’s customer service blog, [https://hyken.com/customer-service-culture/five-ways-to-create-a-customer-service-culture/](https://hyken.com/customer-service-culture/five-ways-to-create-a-customer-service-culture/)

NAEP is the association of choice for educational procurement professionals dedicated to their continued professional development and to reinforcing the strategic role of procurement in education. Since the 1920’s, NAEP has been the non-profit professional association primarily dedicated to serving higher education purchasing officers in the U.S. and Canada. In 1934, members of the Association founded E&I Cooperative Purchasing, Inc. as an important undertaking and benefit of NAEP membership. Currently, over 800 colleges and universities are members. NAEP is a member-focused association providing progressive knowledge management in strategic sourcing, supply chain, materials and logistics for procurement professionals. NAEP provides professional development and networking opportunities regionally and nationally. These meetings, workshops, and seminars provide knowledge transfer ranging from “beginning” to “advanced” and are conducted throughout the year and across the nation. Visit www.NAEPnet.org to learn more.

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Stonebridge Ventures is a leading professional services firm focused on creating innovative solutions in the higher education procure to pay market. We work collaboratively with client partners to solve pressing challenges and help enhance the procurement team’s role as an essential strategic partner. We specialize in strategic planning, spend analytics, category management, process improvement, supplier relationship management, organizational design and other important procurement issues. We have an expertise in driving collaboration between procurement and the facilities / construction team. Stonebridge helps you cultivate Better Connections with executives, suppliers, internal stakeholders and employees to deliver flexible solutions that enhance service, improve quality and reduce cost (procurement brand performance). Contact Jim Knight at jknight@stonebridge-ventures.com to learn more.

END NOTES

1 Disney Institute with Theodore Kinni, Be Our Guest, Perfecting the Art of Customer Service (Disney Editions, November 8, 2011).
2 Joel Maynes and Alex Rawson, Linking the Customer Experience to Value (McKinsey & Company, March 2016).