



THE CUSTOMER CENTRIC YOU

making customers the focus of everything you do

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indeed frequently that region gave the institution its name. One example was the Halifax building society. By the 1980s the Halifax was a major financial institution, but many other UK institutions were still relatively small and operated in specific localities. As the 1980s progressed they were building up their own small networks of ATMs but if one of their customers was venturing to another part of Britain, there was no realistic way for the customer to access the institution's ATMs.

Initially the ATMs was simply seen as serving as an extension of a physical branch's opening times, but the exciting dynamic potential of ATMs to do far more than this was spotted by some ambitious young executives in banking who sensed that a real revolution in how banks delivered customer service was underway and wanted to be part of it.

One of the most ambitious and far-sighted of these young executives was Rob Farbrother, who in the early 1980s was working with the British building society the Abbey National (now Santander Bank) and energetically helping to automate the front desks of the building society's hundreds of UK branches. Farbrother, an extremely energetic, creative individual who also resolutely believes in getting details right, then went on to join the large US bank, Citibank, in London as its operations director.

As Farbrother says:

Citibank was keen to spearhead an attack on the more established UK banks, but wanted to do this not by creating expensive bricks and mortar service centres but rather by investigating how multi-functional ATMs could create a more cost-effective and customer-friendly service and then acting vigorously on this knowledge in a competitive sense.

He adds:

It was an exciting time to be in the banking business. It wasn't just that ATMs were being deployed for the first time, though they were. It was also that the potential for ATMs to feature in networks that would allow customers unprecedented new levels

of utility had made me realise that this was an area I really wanted to explore.

Farbrother's exploration of this opportunity led him to leave Citibank and set up an organisation initially called Funds Transfer Sharing (FTS) which offered the cunning proposition of creating a nationwide ATM network to which a full range of financial institutions could belong and offer their customers the enormous benefit of access to a nationwide network.

Farbrother's business model for FTS involved the organisation catering for large institutions that could afford their own ATM network but which saw the need to extend these services by using other institutions' ATMs *and* also involved FTS catering for small institutions that wanted a more localised type of ATM network that was installed and managed by a service provider that had access to other, larger, ATM networks.

Eventually, an ATM network – known as LINK (which still exists today) – was created for the first category of financial service organisations, with Farbrother as the founder chief executive officer (CEO). Simultaneously, FTS was created for the second category of financial service organisations, with Farbrother as the founder CEO and shareholder.

Farbrother had considerable success with LINK, which attracted many larger institutions, while FTS proved simultaneously attractive to smaller institutions.

Farbrother continued to expand his business model globally, creating reciprocal arrangements with ATM networks in Spain, Portugal, Italy, France, Belgium and Japan. Farbrother's international initiative was in effect a response to customers' needs to use their own savings account cards abroad to obtain local currency in the countries they were visiting without the charges often imposed by such organisations as Visa and Mastercard; charges that Farbrother regarded as excessive.

ATMs and ATM networks in the financial services sector were one highly visible sign of a revolution in customer-centricity that is still continuing today. It is a revolution characterised by the combined use of powerful computer technology and tele-

communications technologies, which have in many cases usurped the previous business model that involved customers being served by physical branches. Essentially routine transactions have more and more been taken out of physical branches and are delivered to customers remotely. In the 1980s the remote delivery method was real-time networks such as those that Funds Transfer Sharing ran, and also services delivered over the telephone.

By the mid-1990s, when the internet revolution alongside the email revolution began to create a virtual world as varied and complex as the real one, these new delivery channels came into being.

Call centres have also been important since around the mid-1990s, and the fact that call centre employees in developing countries such as India are paid far less than those in developed countries has led to a situation that we all nowadays tend to take for granted, but which if you think about it is rather strange: our needs as customers are frequently met from call centres in places such as India that are many thousands of miles from where we live. Whatever you think of the levels of customer service delivered by call centres – and, as we shall see, they frequently have some drawbacks attached to them due to the inherent way in which their customer service approach is structured – they are here to stay.

The consequences of this revolution in customer services, occasioned by the fundamental automation of many aspects of the customer relationship through the use of advanced computer technology and new types of telecommunications technology, continue to transform our world today. They mean that many things customers took for granted in the past are no longer possible.

For example, there was a time when you paid your utility bill by going into the local office of the utility company and making a payment over a counter or perhaps dropping the payment into some device that received it automatically. However, utilities companies in the UK and in many other countries no longer offer physical branches and everything must be done remotely by phone, email, via the internet, or indeed via Rob Farbrother's next entrepreneurial ventures – called PayPoint in the UK and PayShop in

Portugal, where Farbrother now lives. PayPoint and PayShop enable customers conveniently to pay their bill at the checkout of any of many thousands of retail outlets, ranging from local tobacconists to convenience stores and large supermarkets.

Just as the Industrial Revolution that began in the middle of the eighteenth century created a situation where, for the first time in history on a large-scale, workers and their customers were rendered significantly remote from one another both at a practical and conceptual level, the new revolution in customer service has created automated delivery channels that can save everyone's time, and can also save organisations the huge cost of setting up physical branches to deliver services, but where it is too easy for the interaction between customer and customer service operative to become remote and impersonal. It is too easy for customers of a call centre, for example, to be seen as just a name on the other end of a phone and not as human beings with their own needs and agenda.

As for the banking industry, the trend towards replacement of physical branches by a service delivered by means of remote automation was counteracted by the realisation that banks do need to have some physical location for selling financial services to customers. Also, the very nature of the banking industry means that there are many complex services where it is necessary for customers to meet the bank's staff physically. It is also difficult fully to automate the paying in of cash and cheques to an account although many banks do this with some success. Yet most banks that aim at national coverage like to have a branch in all towns of any significant size, and in cities. Branches clearly offer promotional advantage to banks, and this is seen as important because of the very fact that customers have a choice when it comes to which bank to use.

It might be asked why it is that utilities companies do not any more have physical branches in towns when they themselves are selling to customers who have a choice about which provider to use. The answer seems to be that the much simpler nature of the utility service does not create a situation where customers need to visit their utility company on a regular basis.

What does Rob Farbrother think about the current state of the revolution in remotely-delivered customer services that he helped to kick-start in the 1980s?

I believe we are now at the dawn of new innovations in technology that further extend opportunities for delivering customer service remotely. However, there are important improvements that need to be introduced if the full potential of this revolution is to be achieved. In particular, internet banking must be made much more secure so that there can be far more confidence in the security of conducting transactions over the internet. There also needs to be more attention given to providing a friendlier interface to the online presentation of groceries and other household goods on internet shopping sites. As well as this, internet shopping should be supported by a customer-orientated and dedicated call centre where practical help can be given. The personal touch of the customer choosing to deploy a web-cam image of the customer himself/herself and the call centre agent in a corner of the screen (via, for example, Skype or MSN Messenger) could enhance the communication. Delivery of goods and accuracy of the fulfilment of orders could also be improved, with logistics employed more effectively.

Conclusion

There have been more changes in human life, at a technological and social level, since the middle of the eighteenth century than there were since the beginning of human history. There have correspondingly been more changes in how organisations interact with their customers over the same period than there were since the beginning of human history.

Looking at customer-centricity from a historical perspective, we can identify the following three vital dynamics that are also highly relevant today:

1. Organisations passionately wanted to find ways of delivering customer service cost-effectively. Gradually it was realised