



What's in a Complaint? Pt.1

Every business, at some point or the other, has received a complaint. This may sound strange but if you are not receiving complaints, you may be losing valuable customers and therefore serious revenue. Most people see complaints as negative and counterproductive. However, complaints provide business owners with valuable feedback on their service delivery and products. If handled correctly, a complaint can put a business in a much better position than before the complaint was lodged.

Many businesses have recognized the importance of responding fairly and efficiently to complaints by customers. So, progressive businesses have developed effective and innovative methods for resolving consumer complaints. Some companies have even purchased or developed software designed to log and store complaints with resolution information.

Why is Complaints Handling So Important?

Complaints provide businesses with an opportunity to resolve an issue almost immediately. Very few people actually report their complaints so business owners should take every complaint seriously. Most big businesses will pay for customer surveys but will pay no heed to complaints. However, what they don't realize is that most times the information that is captured in the survey could have been obtained for free if they had a complaints management system in place. With a complaints management system (CMS) in place, a business can implement what the Japanese call 'kaizen' or continuous improvement. You can now improve your product or service based on the needs of your customers.

What is Management's Role?

Management **must** demonstrate a commitment to complaints management as this will be reflected in the attitude of employees. At the management level, the commitment to complaints management starts with the development of written policies and procedures for receiving complaints and their speedy resolution. This must be communicated to all staff and their responsibilities in handling the complaint must also be spelt out. Management also has the responsibility of reviewing the system periodically to improve these procedures. Another management function is to review the information provided in the CMS to make informed decisions on products and services. It may also be necessary to carry out periodic surveys of customers using the system to see whether they are satisfied with the system and whether they find the policies and procedures fair.

Next week we will discuss why it is important to publicize the fact that you have a complaints management system in place. We will also provide you with the critical steps to effective complaints management because if a customer's complaint is handled well, he/she will be a satisfied and loyal customer who makes for a healthy bottom-line.