

# Customer Service Transformation.

DBA Design Effectiveness Awards 2021

For Publication



# Executive Summary.

Modern Human worked in partnership with Tesco Bank's Design Practice to redesign customer services using design thinking. Most organisations are looking to automate customer service and reduce human contact but Tesco Bank worked with Modern Human to take a different approach. Together, we set out to understand the value that human customer service provides and the points in the customer experience where human contact makes a real difference. Understanding this enabled us to design the right colleague experience for customer service representatives: a colleague experience that empowers them to provide meaningful moments of human interaction.

Working in partnership with the Tesco Bank team, Modern Human completed a holistic redesign of customer services: the physical environment of the contact centre, the culture and practices, and the systems and tools. Modern Human codesigned with the Bank's customer service representatives, prioritised interventions and...

1. Redesigned the physical environment within the contact centre to optimise productivity and colleague wellbeing;
2. Designed the contact centre floors as a series of 'neighbourhoods' so that teams could work together most effectively;
3. Reduced noise through a range of acoustic interventions;
4. Designed new break spaces to help colleagues re-energise and support their productivity and wellbeing;
5. Created flexible shift patterns and breaks to best cater for colleagues' work-life balance and reduce their stress levels;
6. Designed a measurement framework for customer services that better reflected the value, rather than simply the cost of human customer service;

7. Created and initiated new rituals at the start and end of shift to better communicate important news instead of relying on email;
8. Reduced cognitive load through a new colleague desktop concept to simplify sign-on and provide a single view of the customer.

This holistic approach to improving customer service has had measurable and demonstrable impact, including:

· [REDACTED CONFIDENTIAL DATA]

These impressive statistics only hint at the significant qualitative impacts of the work. For example, a reduction in colleague error rate has eliminated the root cause of many complaints and reduced the likelihood of further complication of an existing complaint or issue. Customer complaints are used as a source for continuous improvement and the service centre staff feel even more empowered as the frontline of Tesco Bank's customer experience to drive retention rates and customer satisfaction.

# Context and Overview.

## Outline of project brief.

Tesco Bank's original brief set out three business objectives:

1. To understand the role that human contact plays in an outstanding customer experience.
2. To establish the role of colleagues in the Service Centre in providing an outstanding customer experience.
3. To provide the conditions needed in the Service Centre to enable colleagues to deliver the intended experience.

Modern Human worked very closely with the Tesco Bank Design Team to explore and uncover the organisation's underlying business challenge. It was two-fold:

1. They wanted to create a differentiated customer experience that creates customer loyalty for the Bank and wider Tesco Group whilst balancing the cost efficiencies of self-service customer channels. Generally speaking, the banking industry has long been moving towards self-service online and in Apps because human customer service is relatively expensive and customers often prefer self-service channels. Tesco Bank really wanted to understand the value of human customer service interaction and when it should be used for greatest positive impact for customers.
2. Tesco Bank wanted to create a colleague experience that retained [REDACTED CONFIDENTIAL DATA] staff and enable them to do the very best job they could. [REDACTED CONFIDENTIAL DATA]

The challenge would involve both service design and environmental design to arrive at the optimal solution.

Modern Human has developed a very close relationship with the Tesco Bank Design Team.

Both agency and client are comfortable with projects starting with an open scope and allowing the discovery process to inform the direction and ultimate deliverables. This approach of setting business goals for a project and allowing a multidisciplinary team comprised of client and agency staff to establish the direction, communicate it to executive stakeholders to gain their support and then move forward with piloting design interventions is a good sign of a mature client who knows how to use design strategically.

In this project Modern Human worked very closely with the Tesco Bank team, conducting design research together, using the design skills of both partners to identify the factors that would make the most difference to customer experience, planning design interventions in the colleague experience and then piloting them with colleagues.

Initially the scope was:

1. Service design
2. UX design of internal systems
3. Environment design of 2 contact centres totalling 21,000 sq. meters for almost 3,000 staff
4. Business Design: Operating model for the contact centre

Every study Modern Human has made of workplaces, including previous work for Tesco Bank, has consistently identified three key elements of employee experience that significantly contribute to the target customer experience. These factors are: the culture and practices within the client organisation; the systems and tools that colleagues are given and the physical environment they inhabit. The purpose or mission of the organisation should drive the design of all of these factors. We structured our response to the Tesco Bank's brief around addressing these four elements holistically using a combination of design thinking, service design and environment design.

In order to inform the strategic thinking and the design that would follow, we set about ethnographic research to uncover and understand the real needs of colleagues in the service centre. We shadowed colleagues at work, seeing their processes, systems, workarounds and culture, we listened to customer calls and complaints and used diary studies to understand the pressures and issues they faced at work and at home to get a full picture of their lives. To dive deeper into customer interactions, we completed over 400 case reviews and examined specific complaints; listening to the customer complaint, talking to the colleague who handled the complaint and talking to the customer who made the complaint. This approach gave us a 360-degree view of the customer services operation and enabled us to rethink the role of the customer service representative, the customer service centre and how customer service works.

The insights from this ethnographic research allowed us to recast the brief into 4 creative territories and address underlying challenges for the Bank. Those creative territories focused on:

**The customer experience of 'human contact'.** The customer experience focused on identifying situations where human interaction adds value, then making that experience as high-quality as possible for customers. That meant using technology to remove interactions where customers do not want to contact Tesco Bank; as well as creating a smooth, joined up experience for customers when they do make contact with the Bank.

**The day-to-day colleague experience.** To help colleagues deliver the best customer experience, the psychological and cognitive needs of colleagues had to be looked after. The colleague experience needed to enable colleagues to build, maintain and manage their energy day-by-day and throughout the shift cycle; being able to reflect on their energy levels and to re-energise when needed. This helped colleagues to better handle the tasks and strain of their jobs. The colleague experience also needed to enable colleagues to more easily deliver relationship-driven customer experience by satisfying the knowledge needs of colleagues (before, during and after calls) and improving tools, processes and practices to enable more effective work.

**Capability and culture.** To deliver a high-quality, relationship-driven customer experience we needed to make sure contact centre colleagues have the capability, resources and information to make knowledge-based decisions. They could also play a more central role in the design of customer experiences within the Bank.

**The physical environment.** To help colleagues deliver the best customer experience, the physical environment had to minimise the impact of stressors and distractions, create comfort and ease, improve environmental control and provide a sense of connection to Tesco. Throughout this project, the physiological and practical needs of colleagues had to be taken into account.

# Description.

Using these 4 creative territories as a starting point we worked closely [REDACTED CONFIDENTIAL DATA] to design and plan a series of interventions to realign the colleague experience to the target customer experience. This involved a 360-degree examination and redesign of customer services: the physical environment of the contact centre, the culture and practices within the contact centre, and the systems and tools.

It included:

1. Redesigning the physical environment within the contact centre to improve productivity and colleague wellbeing;
2. Redesigning the contact centre floors as a series of 'neighbourhoods' so that teams could work effectively together;
3. Reducing noise through a range of acoustic interventions;
4. Designing new break spaces to help colleagues re-energise and support their productivity and wellbeing;
5. Creating flexible shift patterns and breaks to improve colleagues' work-life balance and reduce their stress levels;
6. Designing a measurement framework for customer service that better reflected the value, rather than simply the cost of human customer service;
7. Creating and initiating new rituals at the start and end of shifts to better communicate important news instead of relying on email;
8. Reducing cognitive load through a new colleague desktop concept that simplified sign-on and provided a single view of the customer.

As an independent design practice, Modern Human worked very closely with Tesco Bank's own design practice and their Head of Service Design. For this project, the day-to-day team also incorporated a member of the people team and 3 subject matter experts from Tesco Bank's Customer Service operation, including a customer service manager and two customer-facing customer service colleagues.

Tesco Bank also convened a Steering Group that comprised the Customer Service Director, Chief Operating Officer (COO), Head of Colleague Experience, Chief People Officer and Director of Marketing and Customer Strategy. This Steering Group provided senior oversight and direction to the project.

The design interventions were driven by insight from ethnographic design research in the contact centre with colleagues. We shadowed colleagues at work, seeing their processes, systems, workarounds and culture. We listened to customer calls and complaints and used diary studies to understand the pressures and issues they faced at work and get a full picture of their lives at work and beyond. To dive deeper into customer interactions, we completed over 400 case reviews and examined specific complaints; listening to the customer complaint, talking to the colleague who handled the complaint and talking to the customer who made the complaint. This approach gave us a 360 degree view of the

operation and enabled us to rethink the role of the customer service representative, the customer service centre and how customer service works.

We also conducted a series of codesign workshops with colleagues throughout the project to involve them in the redesign of their colleague experience.

## Key facts.

[REDACTED CONFIDENTIAL DATA]

**Launch date:** 10 September 2019

## About Tesco Bank.

- 5.3 million customer accounts
- £6.6 billion in customer deposits
- £7.3 billion in lending
- UK based customer service centres in Glasgow and Newcastle
- 3400 colleagues based in offices in Edinburgh, Glasgow and Newcastle

Tesco Bank's goal is to help Tesco shoppers to manage their money a little better everyday. They've been around since 1997 and today have more than 5 million customers across a range of banking and insurance products.

Tesco Bank provides a range of financial services, including credit cards, loans, savings accounts, insurance and travel money.

# Results.

## Business impact.

This holistic approach to improving customer service has had measurable and demonstrable impact for Tesco Bank, including:

· [REDACTED CONFIDENTIAL DATA]

These impressive statistics only hint at the significant qualitative impacts of the work. For example, a reduction in colleague error rate has eliminated the root cause of many complaints and reduced the likelihood of further complication of an existing complaint or issue. Furthermore it has supported a culture in which customer complaints are used as a source for continuous improvement and the service centre staff feel more empowered as the frontline of Tesco Bank's customer experience to drive retention rates and customer satisfaction.

### Colleagues said

"I use the new breakout spaces during the shift if I want to get off the floor because on a telephony floor it's quite noisy and there's a lot going on. So it's nice now to have somewhere that is a bit quieter where you can get away from all the hubbub"

– Customer Service Representative

## Impact on colleagues.

The quantitative measures hint at the impact that the project has had on colleagues:

· [REDACTED CONFIDENTIAL DATA]

On an individual level, the project has improved the colleague experience for customer service colleagues. Improvements include:

**Reduced noise levels.** When we initially measured noise levels on the call floor, like most contact centres it was as noisy as someone doing the Hoovering. We redesigned call floors changing the interior architecture using environmental design. We introduced neighbourhoods, added walls and acoustic dampening. One of the simplest changes we made was giving all call agents two ear headphones. This cut out background noise and maximised their concentration on customer calls.

**Reduced cognitive load.** The cognitive load that colleagues were under was not just due to noise. They had a plethora of complicated systems making it analogous to trying to cook dinner while helping your teenage child with their maths homework. Together with Tesco Bank designers Modern Human designed the user experience of a new colleague desktop concept that centralised all systems in a single colleague desktop behind a single sign-in.

**The nature of the job is stressful and becoming more so.** The digital transformation of the Bank means that there are fewer people calling with simple enquiries like transferring money or making payments. After all, when was the last time you used telephone banking? Most customers use the App. That fundamentally changes the nature of the day for customer



service representatives. It used to be that 1 call in 10 was difficult. Now it is more like 1 in 2. That means their job is getting materially harder. Working together we performed the interior design of new break spaces designed to allow customer service colleagues to get away from their desks, away from the call floor, make a cup of tea, have a chat with a friend or just sit quietly and read a book. Comfortable furniture signals that the company cares about them. The new environments make them feel valued and the relaxed environment helps them re-energise, ready to tackle more complicated customer issues.

## Colleagues said

“I used to come in and sit and eat and just leave again. If I was wanting to go somewhere quiet, I’d maybe go down into the canteen at night when it was quiet and there was no one in there. It’s much better now having a softer space to sit in. It’s really bright round here, it does feel relaxing and the colours are all very relaxing. It makes a difference having that just off the telephony floor. To sit in one of the higher back chairs to catch up with a text, catch up with social media or if I’ve got a book with me, I’ll sit and read. It’s a more conducive environment for doing that now.”

– Customer Service Representative

**Breakout spaces that re-energise colleagues.**

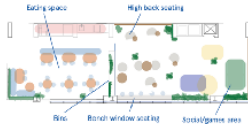
The concepts, the physical environment

In the breakout spaces, eating areas need to be distinct from relaxation areas. Moving the bins will naturally segregate this space. Adding plants can help create division whilst absorbing noise and food odours. Each kitchen needs a microwave and kettle.

In the rest areas, similar to airport lounges, high-back chairs absorb sound and provide pockets to rest or read. High-back seating by the window allows people to perform focus-based activities, such as studying.

Covering large walls with cork and adding plants will contain noise levels and break up the white space.

The social area and games could vary across floors to encourage social encounters, with more space prioritised to rest on every other floor.




Break spaces that re-energise colleagues.

**Neighbourhoods where colleagues feel they belong.**

Dividers create more intimate neighbourhoods.

Current walls are reutilised (black), new dividers are installed (orange), and existing cupboards (green) with planters and dividers on create lower, open boundaries between teams, and along walkways.

Different styles of desk layout within these neighbourhoods could create more bespoke setups for individual teams. Proposals on new desk configurations can be found in the Appendix.



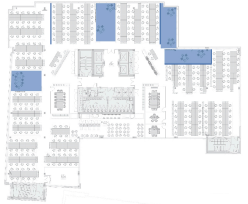

Different styles of break space on different floors.

**Meeting spaces that build stronger teams.**

New dedicated meeting spaces utilise the corners of the south side of the building, or existing resource spaces adjacent to windows.

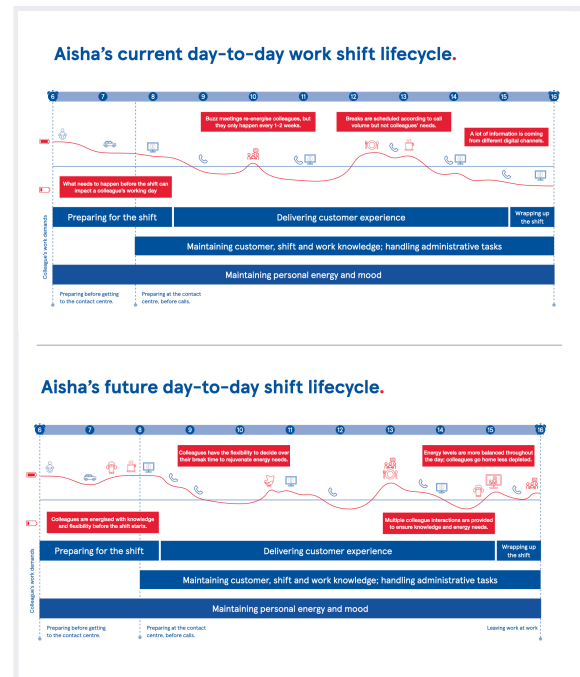
New head height, translucent walls fulfil two purposes: they separate these spaces from the main floor, and crucially soften the direct natural light into the screen-based working desk spaces.

When we piloted regular team buzz meetings, we had feedback that teams began to diagnose problems with transferring calls and created plans on how to solve it. It's important to create both the valued time and a physical space which encourages this creative, problem solving behaviour.





**Work-life balance.** Diary study and shadowing demonstrated just how varied people's motivations for working in customer service are. For some, working in the contact centre is the start of their career: an opportunity to get their foot in the door and work their way up. For others it's a stop gap while they study. For others it's a convenient job that they can fit around their life and their family. By introducing more flexible shifts we helped colleagues achieve a better work-life balance and supported diversity in the workforce.



#### Colleagues said:

"The flexibility within the working day is magic. I just think it's putting the control back in our hands."

– Customer Service Representative

"I love it, It's [Flexi shifts, breaks and lunches] just amazing. Being autistic, it's been really difficult to have a good work-life balance schedule. Time restraints and having the adherence has been a really big pressure on me... It has made a big difference to my confidence because I know that I am able to take some time when I am struggling and that I don't have to batter through it. I can take a few minutes break and I'm not sitting there thinking 'I need to go on another call. I can't do it' and start panicking and worrying about the knock on effect it has on with every other call. From that point of view, being able to take that time to let me be me is a big thing... I have more independence. I'm not having to rely on my team leader or asking someone if it's ok to go and have a breather."

– Customer Service Representative

"If you've had a tough call, it's good that you can take a break after that, doesn't

necessarily have to be the full 15 minutes. It means you're calm and back in the zone for your next customer. Previously, you'd be anxious going into your next one [call] and that can get pent up, whereas now you can get up and walk away with no impact on anything else."

– Customer Service Representative

"I've got 3 young kids and my husband works away quite a lot so I can get up in the morning and he can say 'I'm flying out to Norway at 9 o'clock' as happened last week and thought 'my god, what am I going to do with childcare.' So then I'd be chasing my tail all day thinking I'm not going to get in for 9 o'clock. Whereas now with these flexible 8 hours, I can get in for quarter past, I've got time to get them to breakfast club and get in, get myself set and ready for the day."

– Customer Service Representative

"I suffer sometimes with depression and anxiety so this is working with my normal day where can go and take 15 minutes go and chill for a wee minute when I need it and it's not impacting on my work."

– Customer Service Representative

## Impact on customers.

The quantitative measures are a good indication as to how this project has had an impact on the end-customer experience:

· [REDACTED CONFIDENTIAL DATA]

More customers, getting better service is leading to fewer complaints. Those complaints that do come through are getting dealt with faster. All of this leads to happier customers. During call listening we picked up the following customer who perfectly demonstrates the impact the project has had:

### Customers said

“I phoned up to complain but because of how you’ve dealt with it, I really don’t think I can. I mean I don’t need to anymore. Thank you for sorting it out.”  
– Tesco Bank Customer

Our combined Service Design work provided new operating processes within customer services. The project provided a framework for measuring the value as well as the cost of human customer service in order to support more balanced business decision making. Skilled customer service representatives provide an opportunity to build stronger customer relationships. In order to realise this value colleagues were empowered to nurture and grow customer relationships through interactions in the moments that matter to customers, rather than simply serving customers in discreet moments of need. Formalising and quantifying this role for human contact within the customer experience enables more realistic trade offs to be made when something has gone wrong; an opportunity to turn complainants into advocates.

## Strategic impact.

This project is part of a broader relationship with Tesco Bank in which Modern Human has helped establish design as a strategic activity within the Bank. Over the course of this relationship, together we have raised the maturity of design within Tesco Bank and have helped the design function operate more strategically within the business. Initially design was seen as an activity that was applied to user interfaces at an appropriate stage in a development process. Now, as a result of lots of hard work on both sides, design is seen as a strategic activity. Tesco Bank Design works with the Tesco Bank’s executive committee to rethink business concepts, create new product propositions and solve strategic business challenges. Now, the key focus is on the design process in relation to the company’s vision, purpose, desired business outcomes and future role in the value chain. As a result of our work together, design is seen as a route to solve business problems.

This project examined the colleague experience for customer service colleagues. The thinking has proliferated through the organisation and it is having a broad influence on the business. [REDACTED CONFIDENTIAL DATA]