

Government Business Council

Underwritten by:

Deloitte.
Digital

The Path to Customer-Centric Service

A Candid Survey of Federal Managers

June 2015

Purpose

After a series of events that arguably damaged the reputation of the federal government's customer service programs, in 2015 the Obama Administration announced its intention to overhaul public services to make them more customer-centric. Customer service factors heavily in the Digital Services Playbook, while the Office of Management and Budget (OMB) has designated it a Cross-Agency Priority Goal, focusing on streamlining transactions, developing standards for high-impact services, and using technology to improve the customer experience.ⁱ

However, leading consumer studies and public opinion surveys have found that there is still much to be desired from federal customer service. According to the American Customer Satisfaction Index (ACSI), for instance, federal customer service continues to lag behind the private sector standard.ⁱⁱ Further, there is disagreement as to whether the challenges are primarily cultural or technological.

To better understand customer service from the perspective of the federal workforce, evaluate the drivers and challenges to reform, and shed light on improvements currently underway, Government Business Council (GBC) and Deloitte conducted a survey of federal managers.

Methodology

GBC deployed a survey to a sample of Government Executive, Nextgov, Defense One, and Route 50 print and online subscribers on May 12, 2015. The pool of 410 respondents includes employees at the GS/GM 11-15 grade levels and members of the Senior Executive Service (SES). Respondents include representatives from at least 31 federal and defense agencies.

i. Office of Management and Budget, "Cross-Agency Priority Goals: Customer Service"

<http://www.performance.gov/node/3400/view?view=public#overview>; ii. American Customer Satisfaction Index, "Federal Government Report 2014" <http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-federal-government-report-2014>

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1

Executive Summary

Executive Summary

Perceptions of customer service quality differ between federal managers and the general public

65 percent of federal managers indicate that their organization goes above and beyond to deliver a customer experience tailored to users' unique needs, and 67 percent say their organization's service is on par with that from the private sector. However, according to leading consumer surveys, satisfaction with government services is at an eight-year low and the federal government ranks near the bottom in a cross-industry comparison.

The motivation to improve customer service, as well as the obstacles, vary depending on agency mission and constituency

Respondents who report that their agency's core mission is regulation and enforcement perceive compliance with federal mandates as the leading driver of customer service improvements. Alternatively, those whose organizations are primarily focused on providing public services cite the need to improve engagement with citizens and customer satisfaction. Overall, respondents report that the obstacles to meaningful reform are budgetary, technological, and cultural. Public service-focused respondents, however, are more likely to cite outdated technologies, cultural resistance to change, poor training, and a lack of interagency collaboration as challenges.

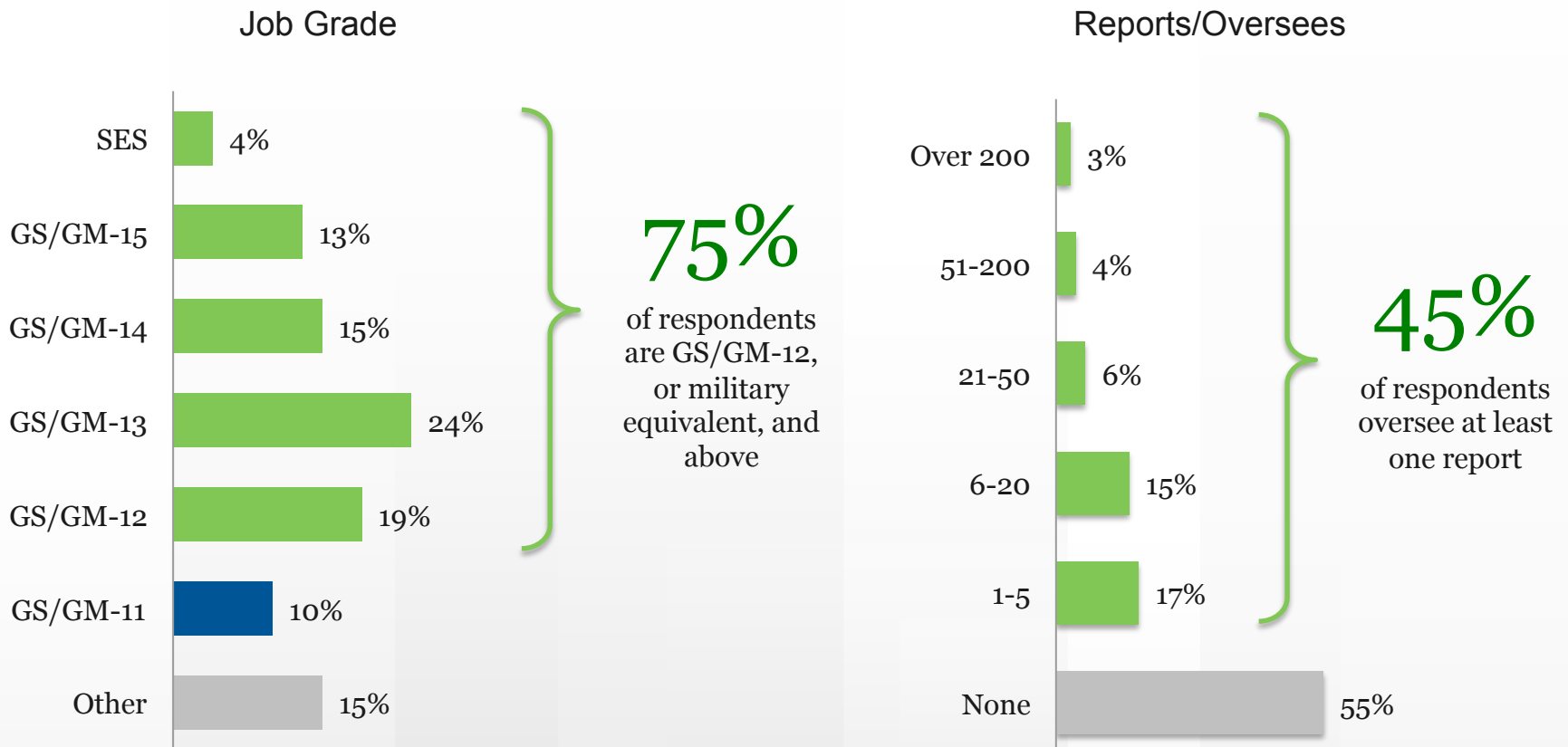
Many agencies have yet to take key steps necessary to improve service

Less than one-quarter of respondents say their organization uses analytics to define customer segments, integrates data with data collected by other agencies, uses a customer relationship management (CRM) system, or aligns incentives with attention to customer-centric service. Further, less than half believe that their organization does a good job soliciting feedback from customers and only 42 percent say their organization uses quantitative metrics to track performance toward customer service goals.

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Respondent Profile

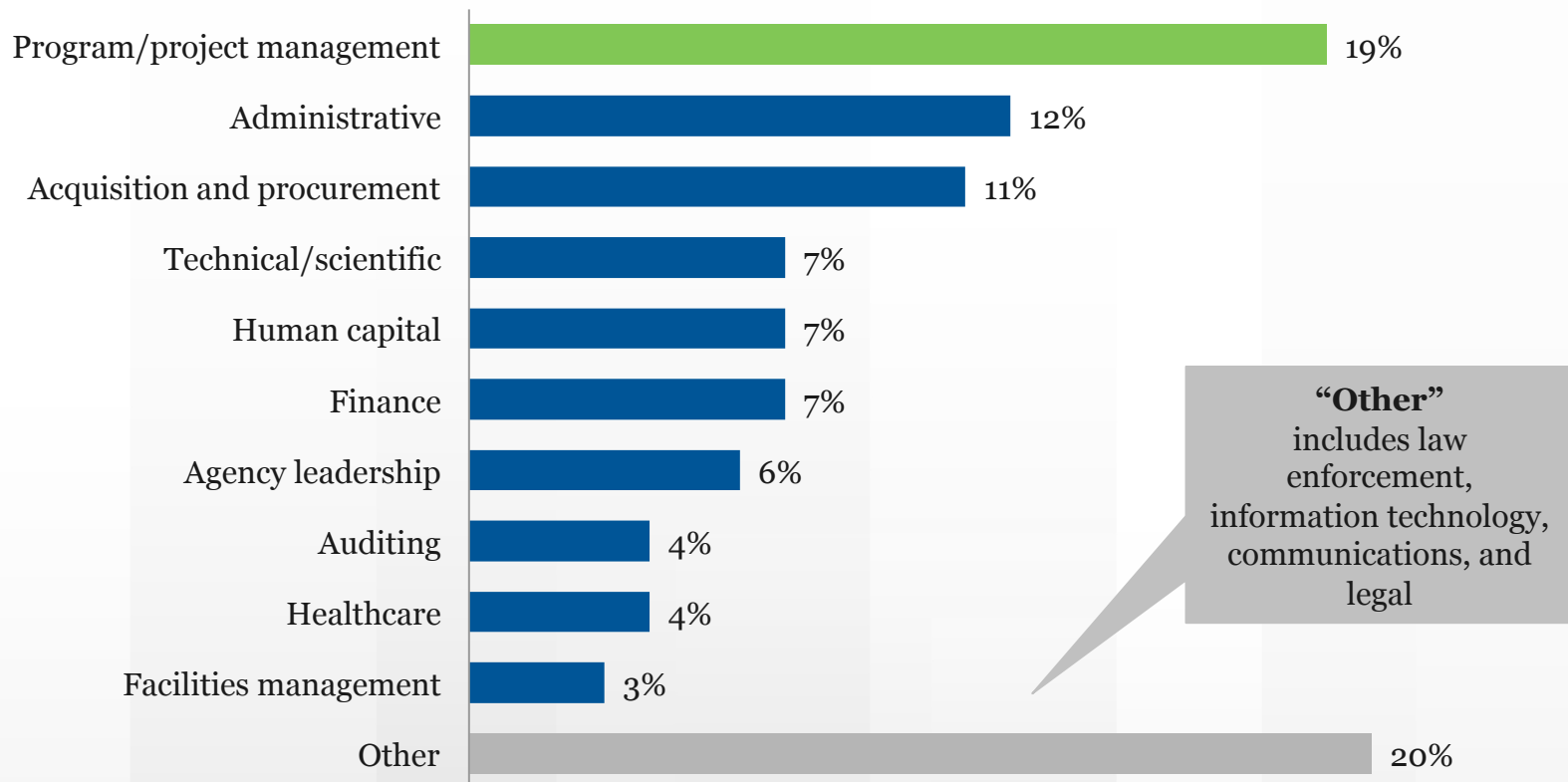
The sample is comprised largely of senior officials in management roles



Percentage of respondents, n=410

The sample includes respondents from a diverse array of job functions

Job Function



Percentage of respondents, n=410

Most frequently represented agencies

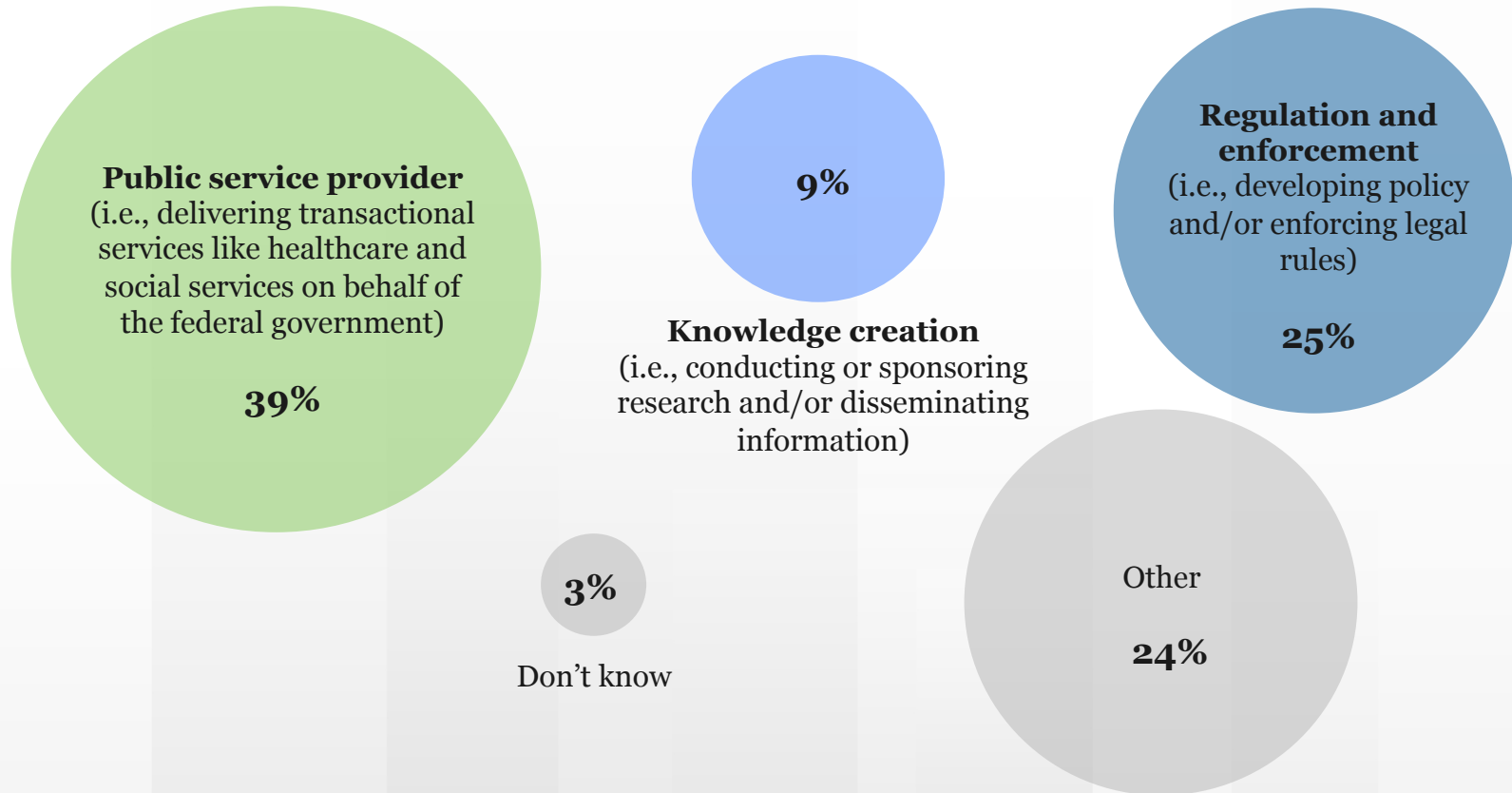
Department of Agriculture
Department of the Army
Department of Defense
Department of the Treasury
Department of Veterans Affairs
Department of the Navy
Department of the Air Force
Social Security Administration
Department of Health and Human Services
Department of Homeland Security
General Services Administration
Department of Transportation
Department of Commerce
Environmental Protection Agency
Department of the Interior

Department of Energy
Department of Housing and Urban Development
Department of Justice
National Aeronautics and Space Administration
Department of Education
Department of Labor
Department of State
Office of the Joint Chiefs of Staff
United States Marine Corps
Office of Personnel Management
Small Business Administration
U.S. Agency for International Development
Executive Office of the President
National Science Foundation
Other agencies

Agencies listed in order of frequency. Not all participating agencies listed.

Respondents are affiliated with diverse core missions that shape the services they provide

In general, how would you characterize the core mission of your specific bureau/sub-agency?



Percentage of respondents, n=410

Respondents describe their organization's core mission in their own words

In general, how would you characterize the core mission of your specific bureau/sub-agency?

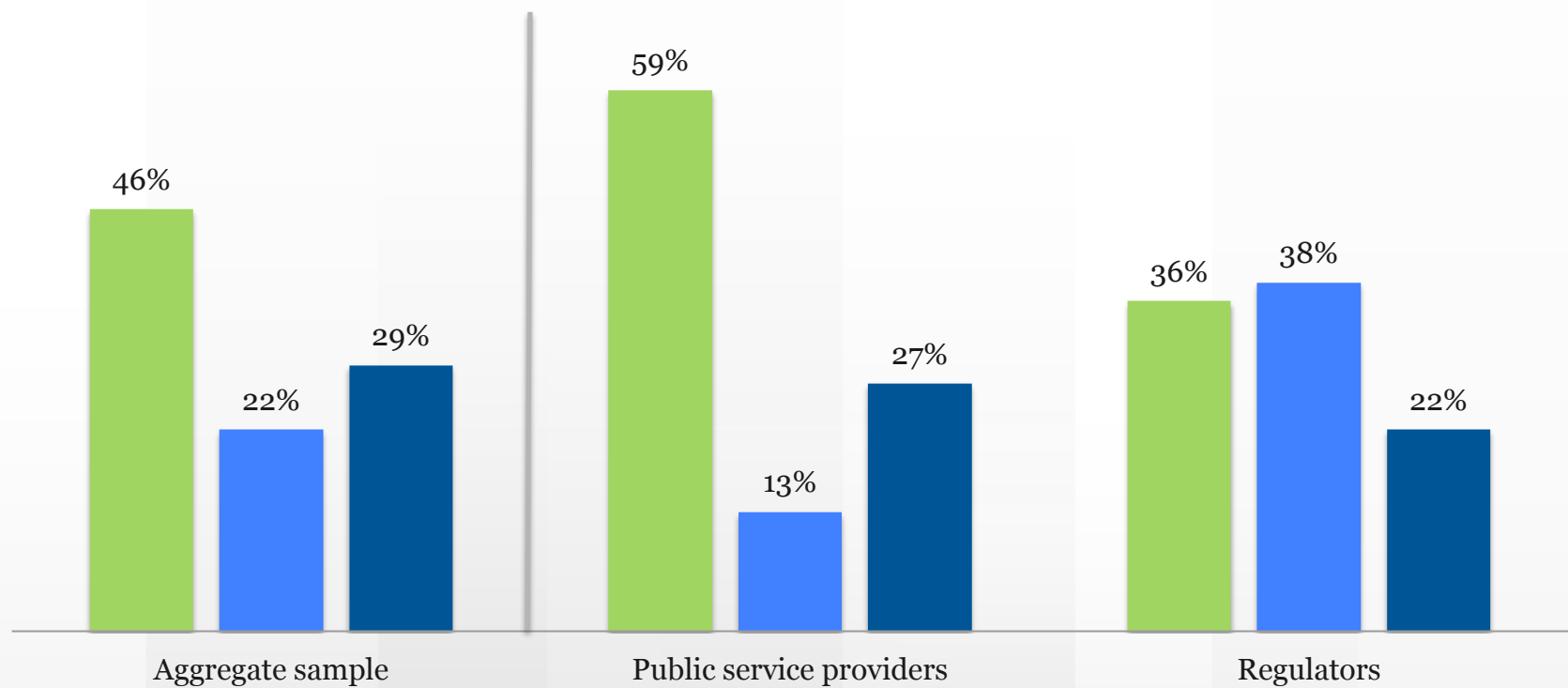


Respondents who selected “Other” were asked to describe their bureau’s mission in their own words. Words used most frequently appear largest.

Respondents' "customers" vary depending on their organization's core mission

In general, whom does your bureau/sub-agency consider its primary "customers"?

■ Individuals/members of the public ■ Businesses/private organizations ■ Other public sector entities



Percentage of respondents, aggregate n=406, public service providers n=159, regulators n=100

Customer service initiatives must consider the differing agency missions and customer groups

Major Customer Groups

Core Agency Missions		Individuals/Members of the public	Businesses/Private Organizations	Other public sector entities
	Public service	<ul style="list-style-type: none"> • Veterans Health Administration provides health services for veterans • U.S. Postal Service delivers mail 	<ul style="list-style-type: none"> • DLA evaluates and awards contracts to suppliers of materiel and equipment • BLM awards permits for cattle grazing on public land 	<ul style="list-style-type: none"> • Federal shared services (e.g., for HR, IT, financial management functions, etc.)
	Knowledge creation	<ul style="list-style-type: none"> • Launch of a new space telescope by NASA • Discovery of a new cancer drug through NIH-funded research 	<ul style="list-style-type: none"> • US-CERT disseminates list of latest cyber threats to critical infrastructure providers 	<ul style="list-style-type: none"> • OMB circulates best practices to help agencies improve customer service • Research by GAO and CRS
	Regulation and enforcement	<ul style="list-style-type: none"> • TSA conducts airport safety screenings • IRS issues penalties for tax code violations 	<ul style="list-style-type: none"> • SEC requires financial institutions to implement new reporting requirements • EPA enforces clean air regulations on firms 	<ul style="list-style-type: none"> • CMS supervises states' expansion of Medicaid benefits • Treasury Dept. oversees implementation of open spending data initiatives

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Research Findings

i.

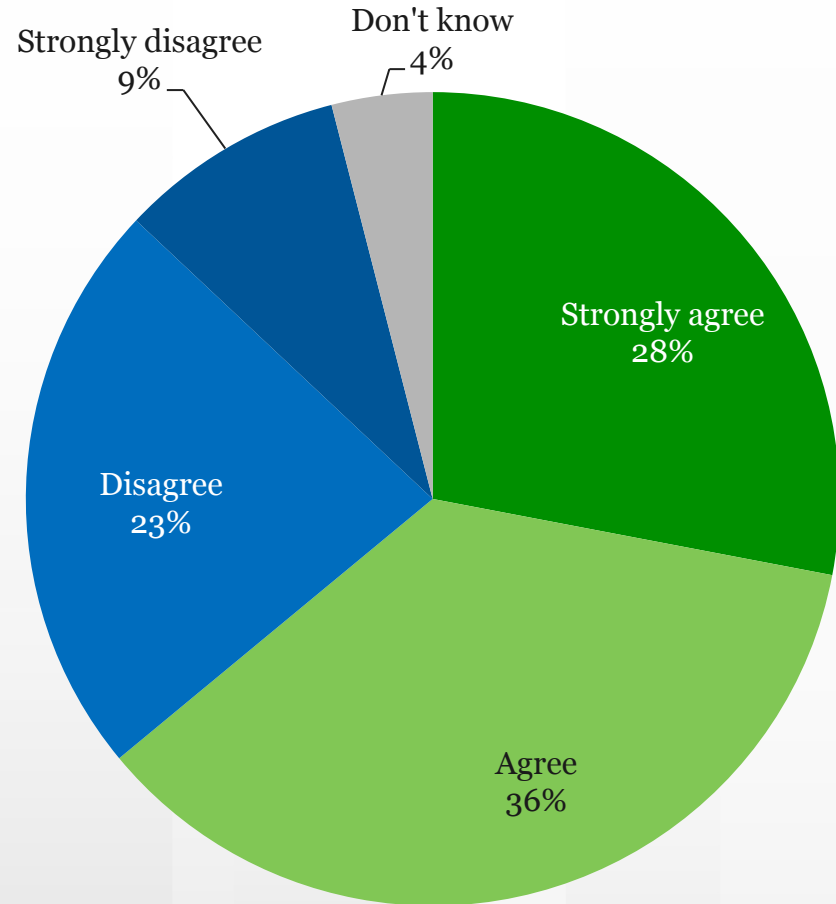
The State of Federal Customer Experience

A majority of respondents say their organization tailors services to customers' unique needs

My bureau/sub-agency goes above and beyond to deliver a user experience tailored to its customers' unique needs.

65%

of respondents **agree** or **strongly agree** that their organization provides a customer service experience tailored to its users unique needs



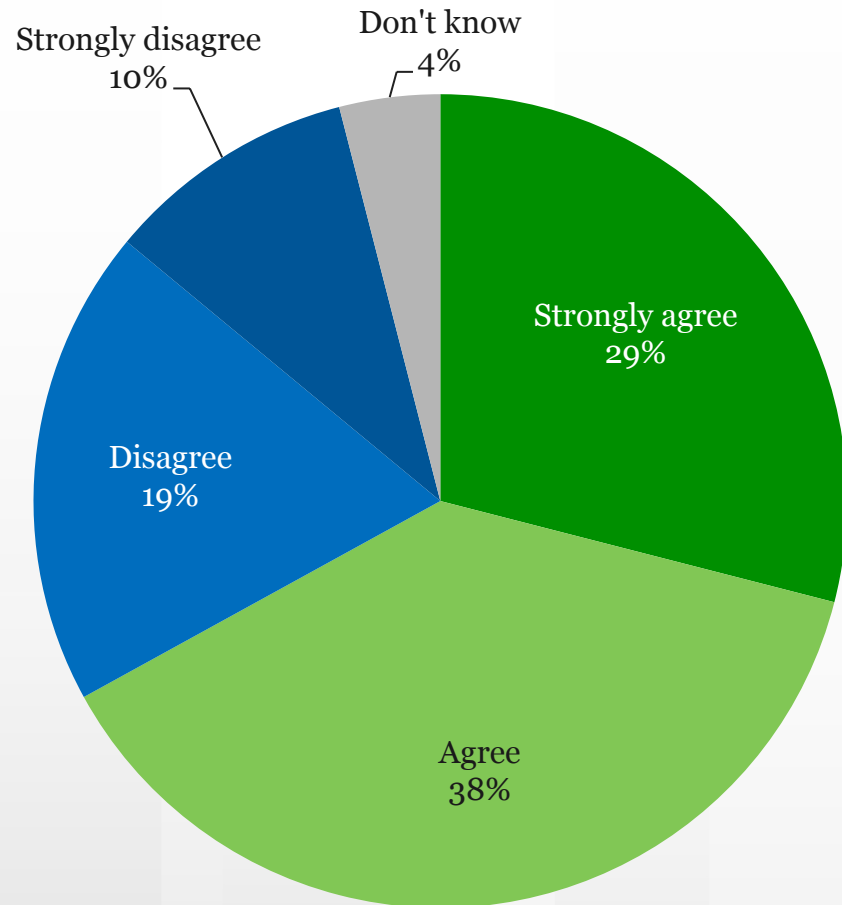
Percentage of respondents, n=407

Two-thirds of respondents say their customer service is at least on par with the private sector

My bureau/sub-agency provides a customer service experience that is at least equal in quality to what one would expect from the private sector.

67%

of respondents **agree** or **strongly agree** that their organization provides a customer service experience that is at least on par with the private sector



Percentage of respondents, n=408

Respondent confidence in high service quality is consistent across customer groups

69% of respondents say their organization provides a level of customer service to **businesses or private organizations...**

68% of respondents say their organization provides a level of customer service to **individuals or members of the general public...**

64% of respondents say their organization provides a level of customer service to **other public sector entities...**

...that is on par with the private sector standard

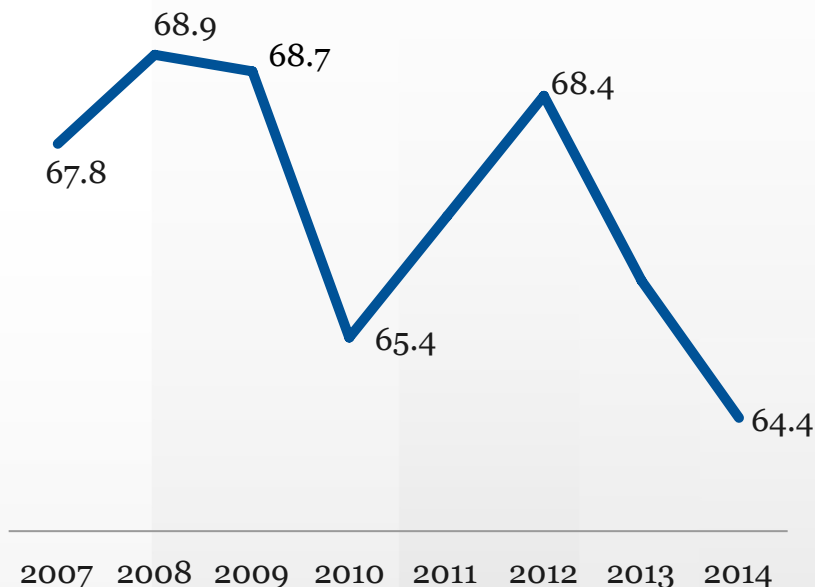
Percentage of respondents, individuals/members of the public n=186, businesses/private organizations n=89, other public sector n=117

Yet, citizen surveys paint a different picture of federal customer service

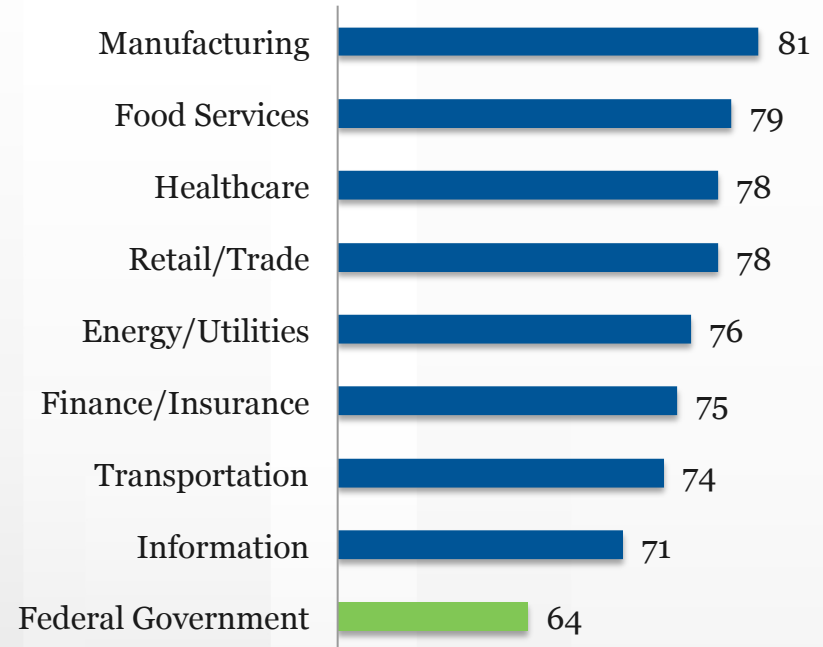
The American Customer Satisfaction Index (ACSI) indicates that public satisfaction with federal customer service is at an eight-year low

The federal government still trails private sector industries in terms of customer service quality

Federal Government ACSI Score*, by Year



ACSI Score 2014, Cross-Industry Comparison



American Customer Satisfaction Index, "Federal Government Report 2014"

<http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2014/acsi-federal-government-report-2014>

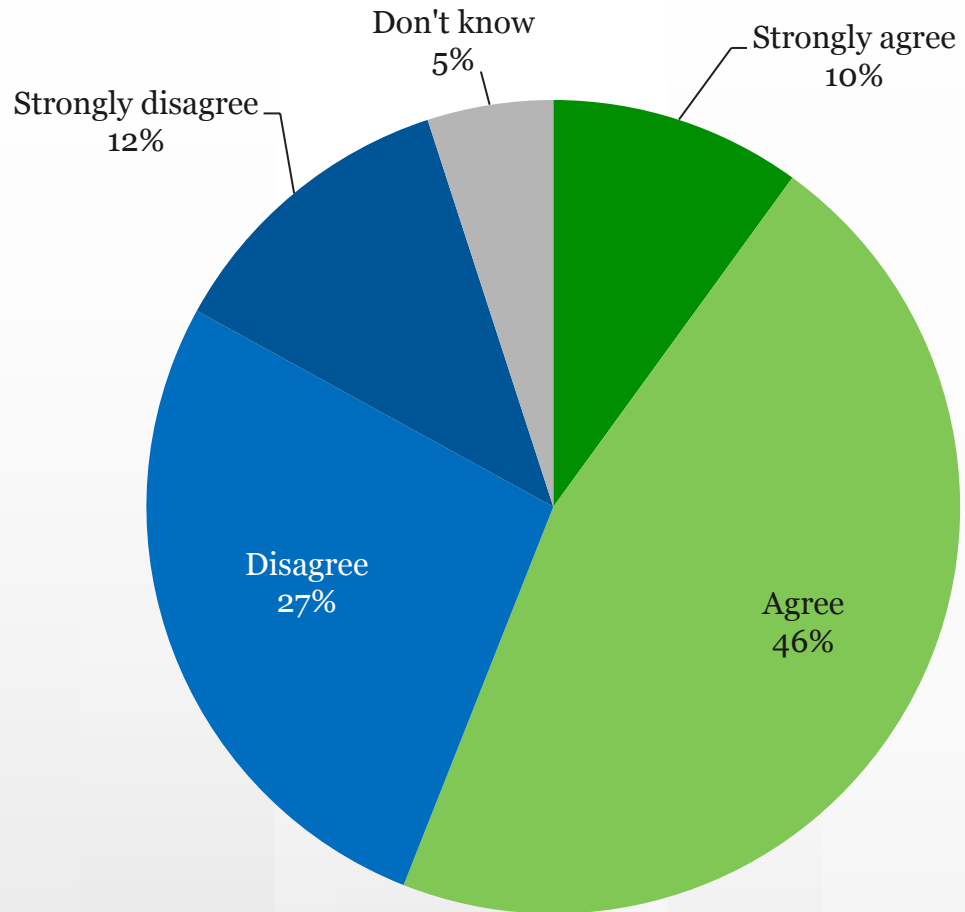
* Scores range from 0-100

Users of intra-governmental services have mixed feelings about customer service quality

I am satisfied with the quality of customer service I receive from other departments/agencies.

Only 56%

of respondents are satisfied with the services they receive from other departments/agencies



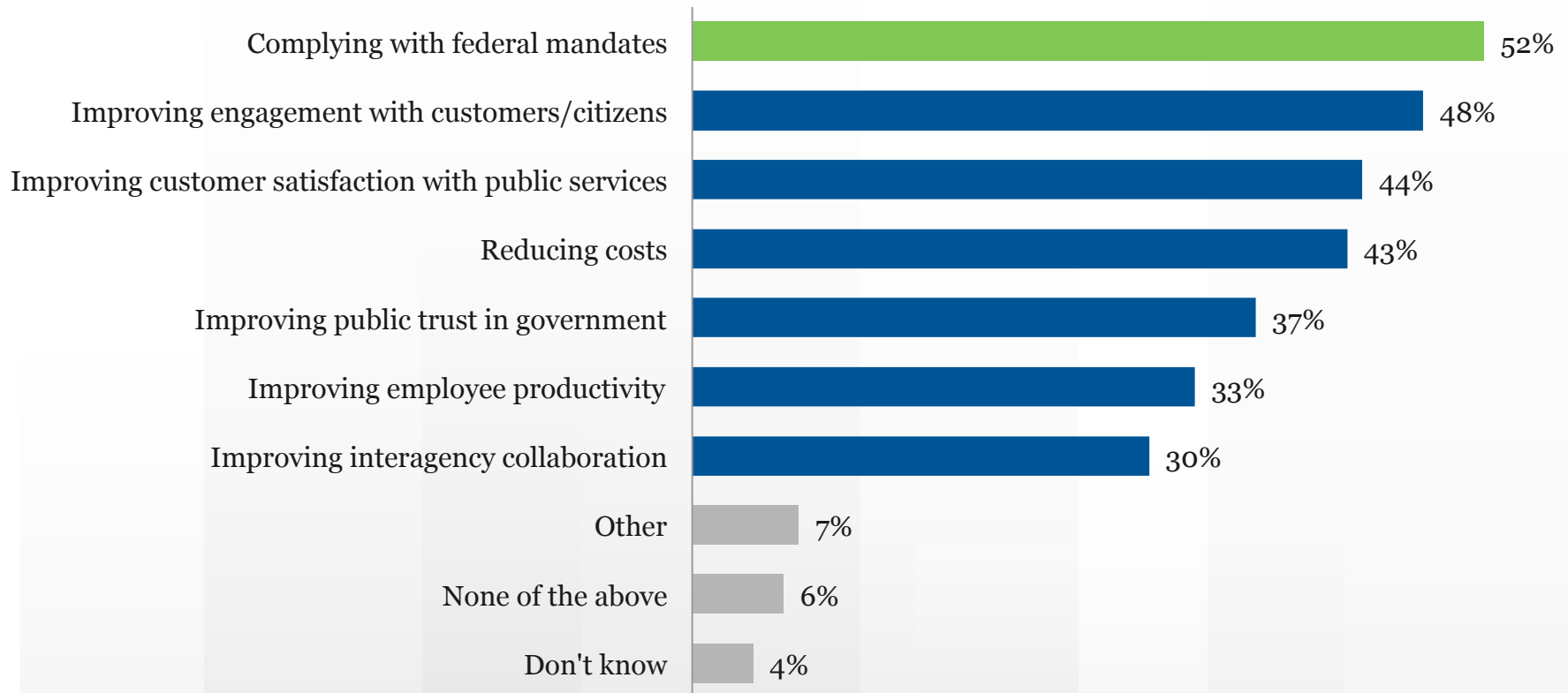
Percentage of respondents who indicate they receive service from another department/agency, n=121

ii.

Drivers and Obstacles

Compliance and citizen engagement top the list of factors driving customer service reforms

Top Drivers of Customer Service Reforms

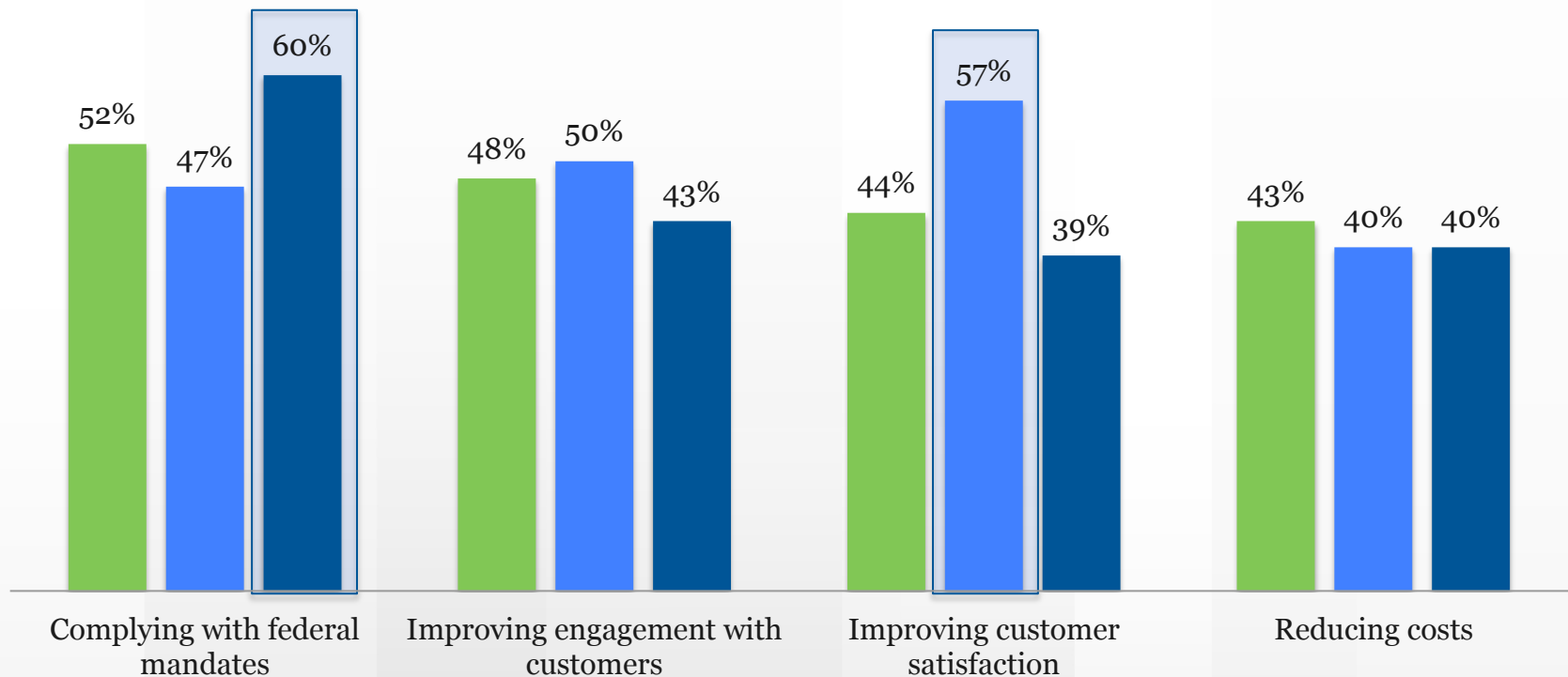


Percentage of respondents, n=408
Respondents were asked to select all that apply

Compliance is paramount for regulators, just as customer satisfaction is for service providers

Top Drivers of Customer Service Reforms, by Core Mission

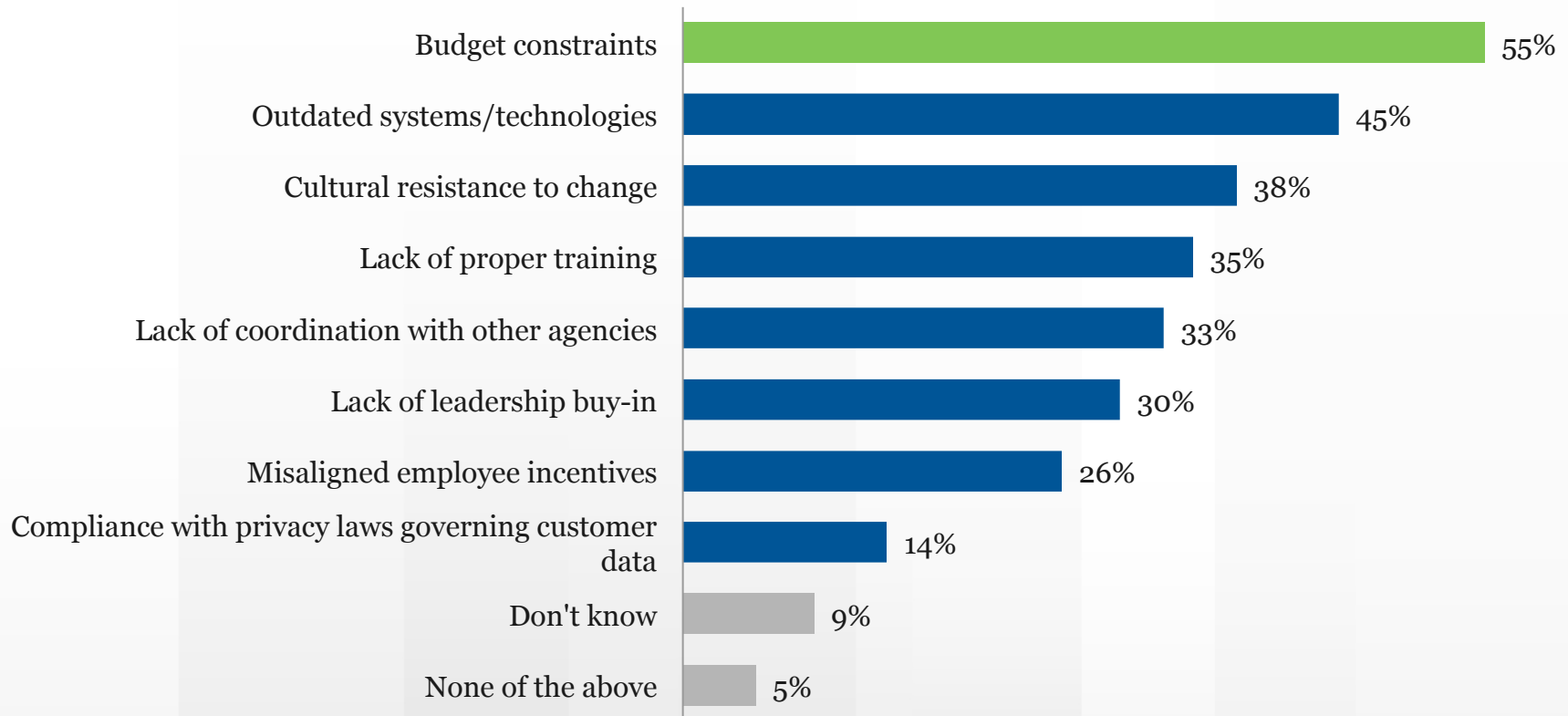
■ Aggregate sample ■ Public service providers ■ Regulators



Percentage of respondents, aggregate sample n=408, public service providers n=159, regulators n=99
Respondents were asked to select all that apply

However, budgetary, technological, and cultural challenges impede necessary reforms

Top Obstacles to Improving Customer Service Quality



Percentage of respondents, n=403
Respondents were asked to select all that apply

Many of the challenges federal agencies face are structural

“We have an exponentially expanding customer base due to the baby boomers reaching retirement age and a static or declining level of resources. In addition, customer expectations for new service delivery platforms (i.e., Internet, live chat, etc.) are increasing, but we do not have the resources to bring these platforms online as quickly as public preferences are changing. That creates a drag on our ability to affect change.”

“Services need to be individualized but staffing levels have decreased, which decreases amount of attention each case can receive.”

Sampling of open-ended responses

However, respondents also identify the need for process and technological transformation

“Lack of state of the art technologies to meet customer expectations and allow employees to provide a better experience for customers.”

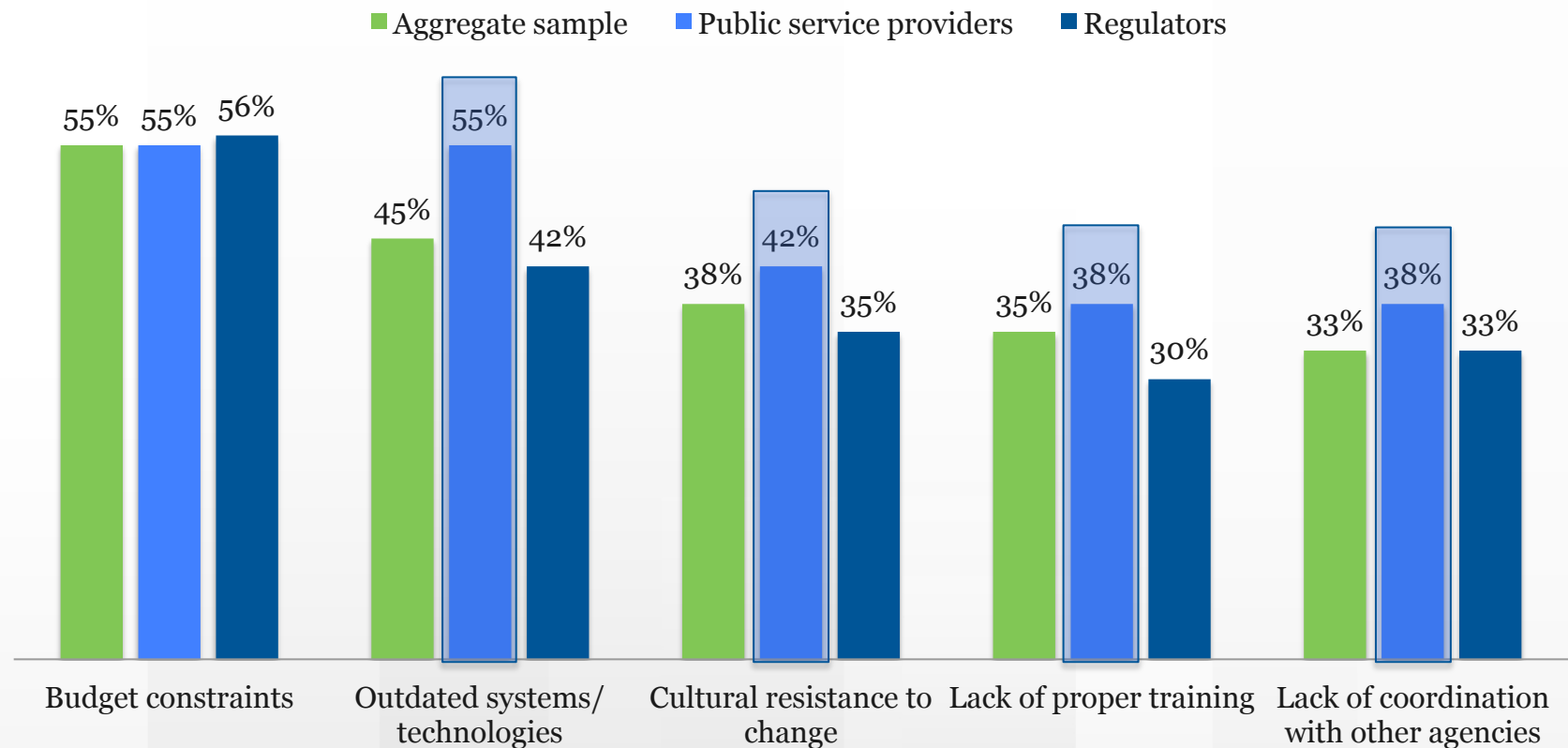
“It is difficult to efficiently roll out programs and meet customer needs with a system that can't handle the workload! Our system seems to be down more than it is up and going. Sometimes I feel like we are set up to fail.”

“Our organization does not try to collect information from customers, nor does leadership use the feedback from employees to try and understand what they have and/or what to do as far as giving directions or decision making.”

Sampling of open-ended responses

Public service providers perceive greater technological and cultural challenges

Top Obstacles to Improving Customer Service Quality, by Core Mission



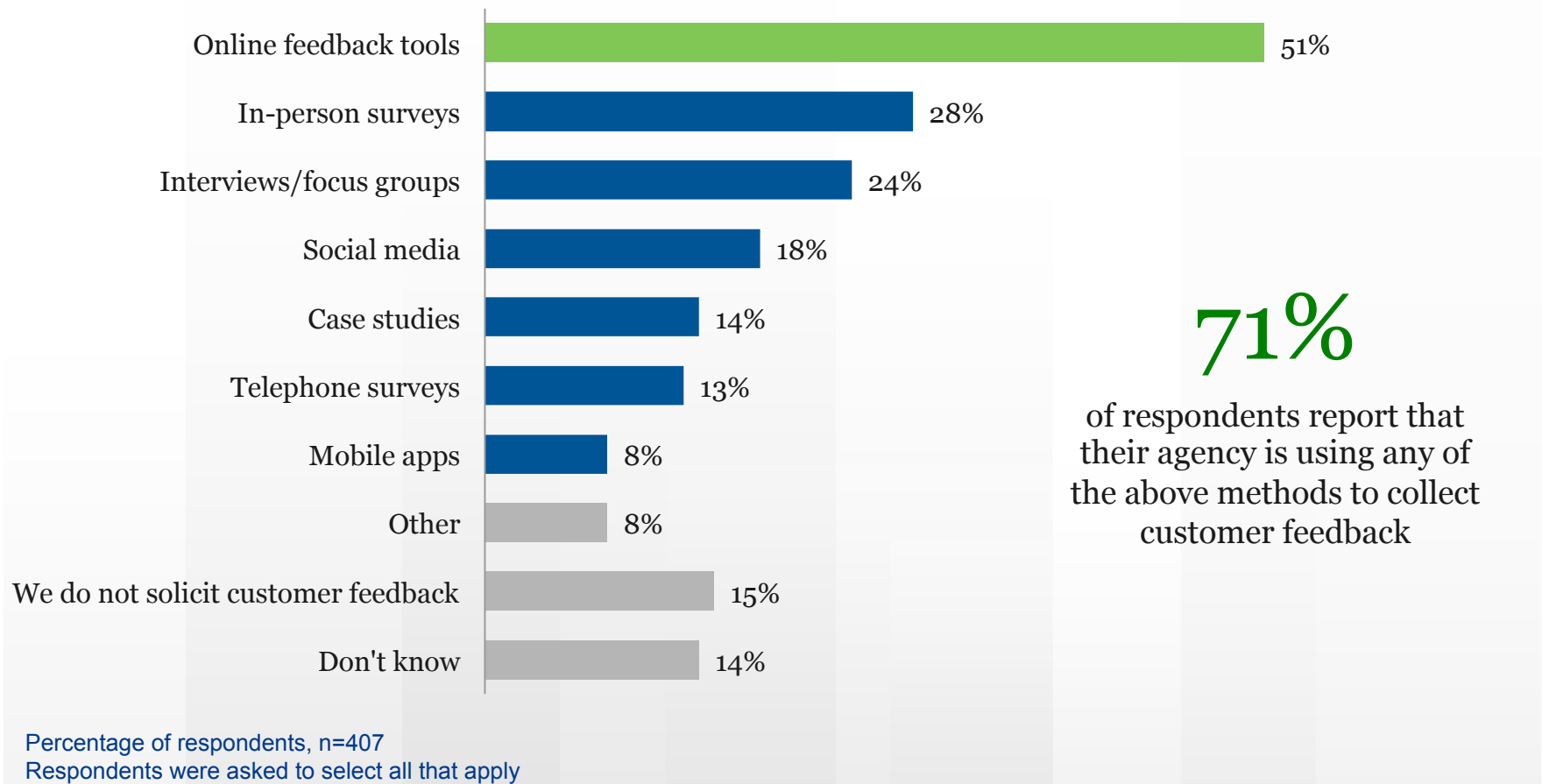
Percentage of respondents, aggregate sample n=403, public service providers n=159, regulators n=97
Respondents were asked to select all that apply

iii.

Reforms Currently Underway

Agencies employ a wide variety of channels to solicit customer feedback

Which of the following tools does your bureau/sub-agency use to solicit customer feedback?

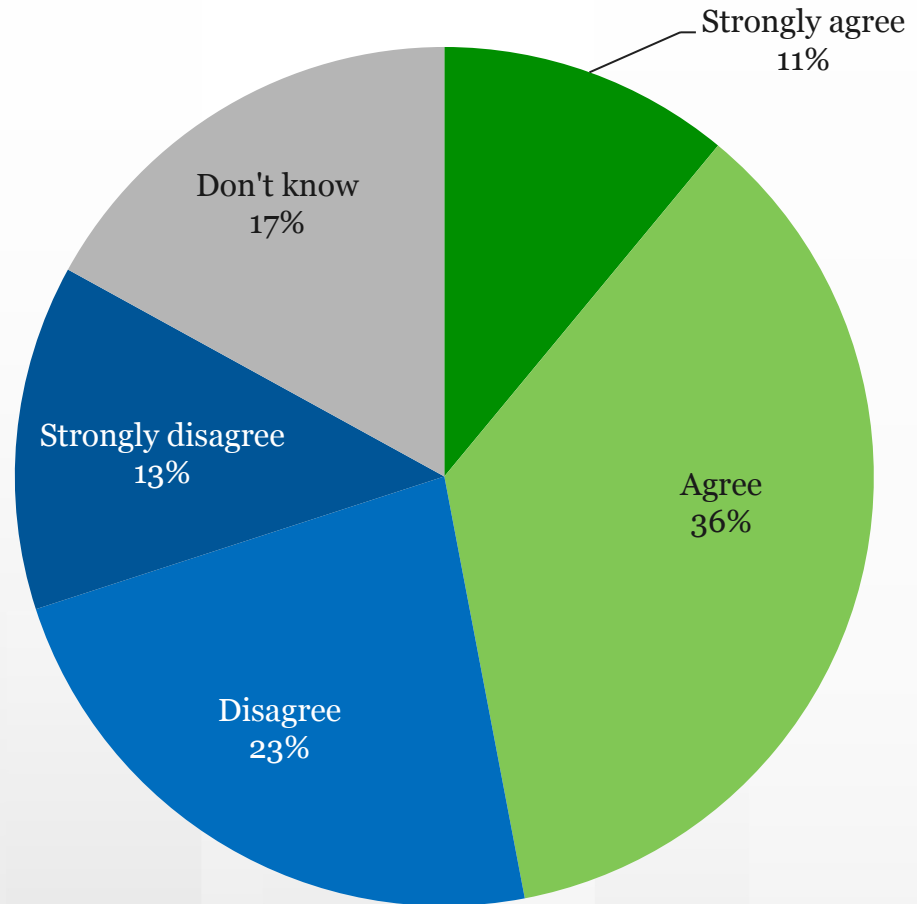


But less than half of respondents say their organizations do a good job collecting feedback

My bureau/sub-agency does a good job of soliciting customer feedback.

Only 47%

of respondents **agree** or **strongly agree** that their organization does a good job of soliciting customer feedback



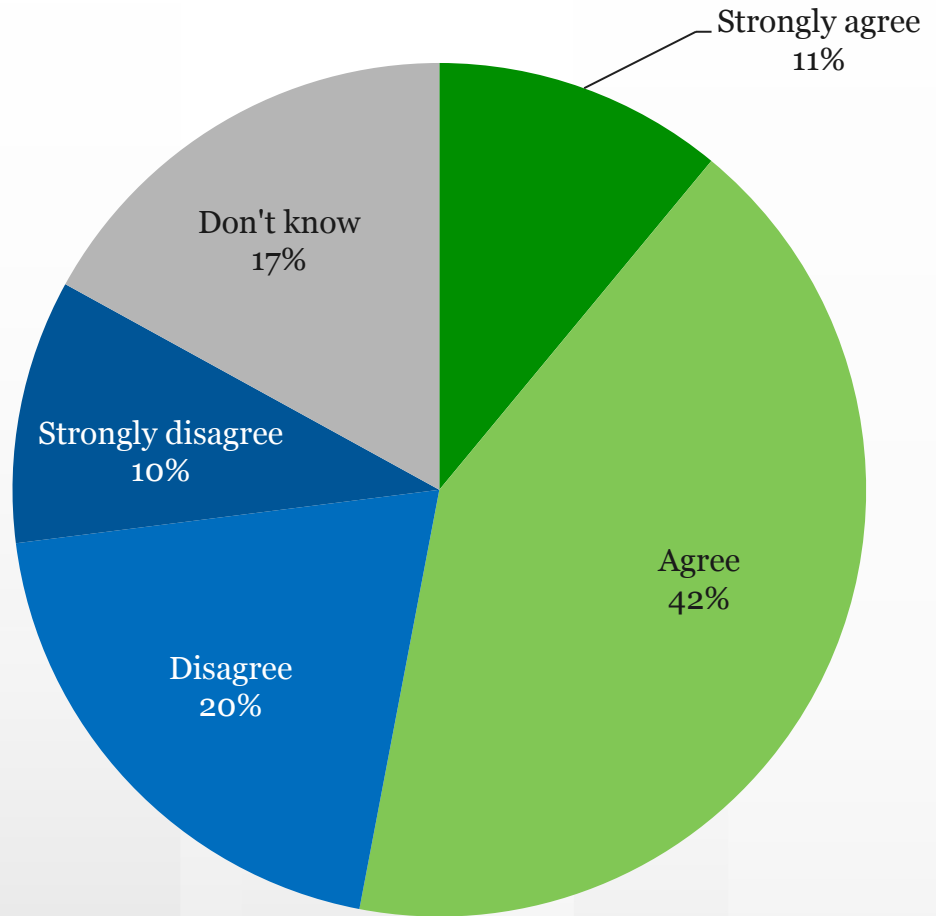
Percentage of respondents, n=407

Half of respondents say their organizations clearly display customer service guidelines

My bureau/sub-agency clearly displays its customer service policies and guidelines for public consideration.

Only 53%

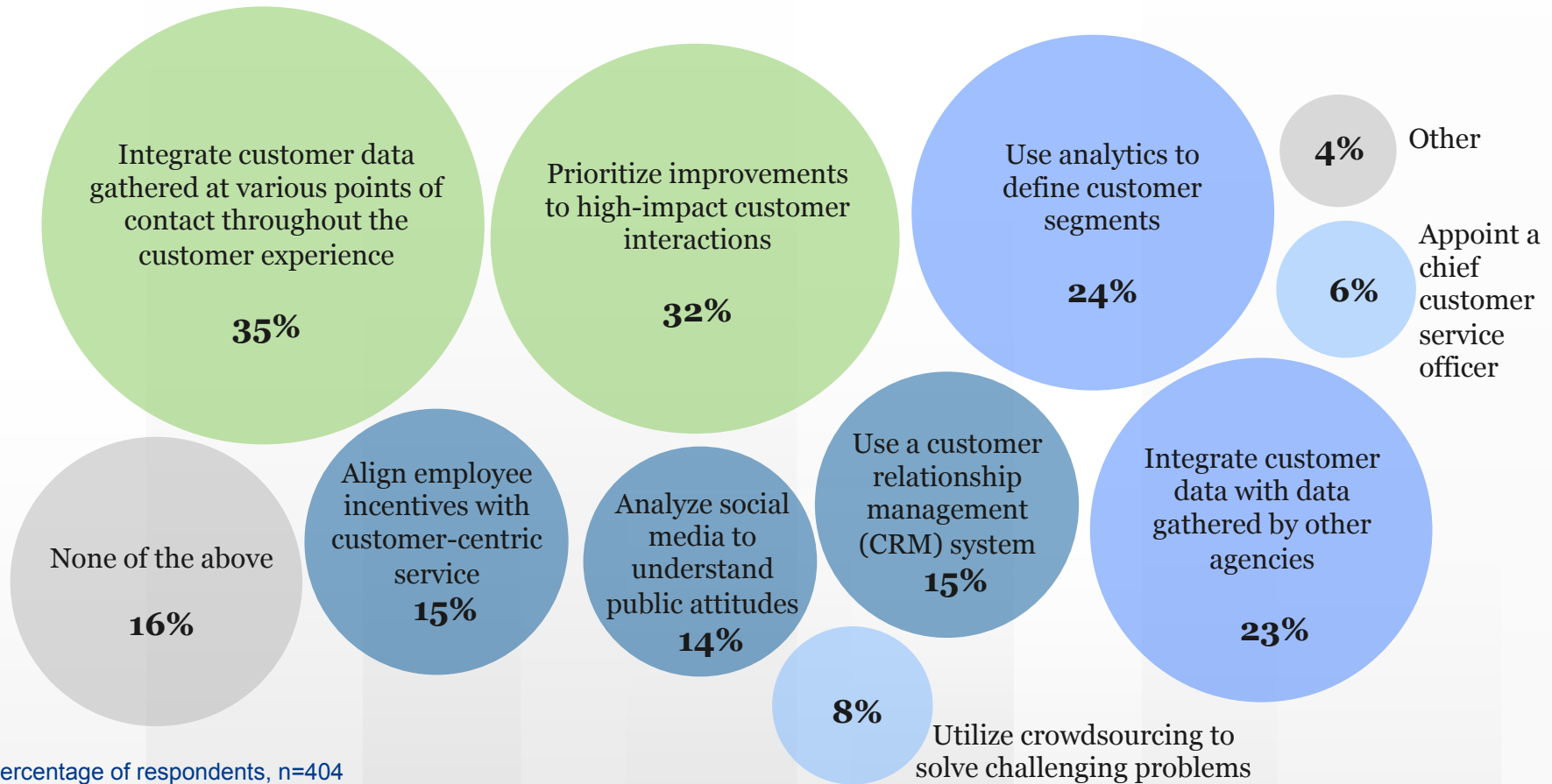
of respondents **agree** or **strongly agree** that their organization clearly displays its customer service policies and guidelines



Percentage of respondents, n=407

Many agencies have yet to take crucial steps toward improving customer service

Which, if any, of the following steps has your bureau/sub-agency taken as part of its efforts to improve customer service?



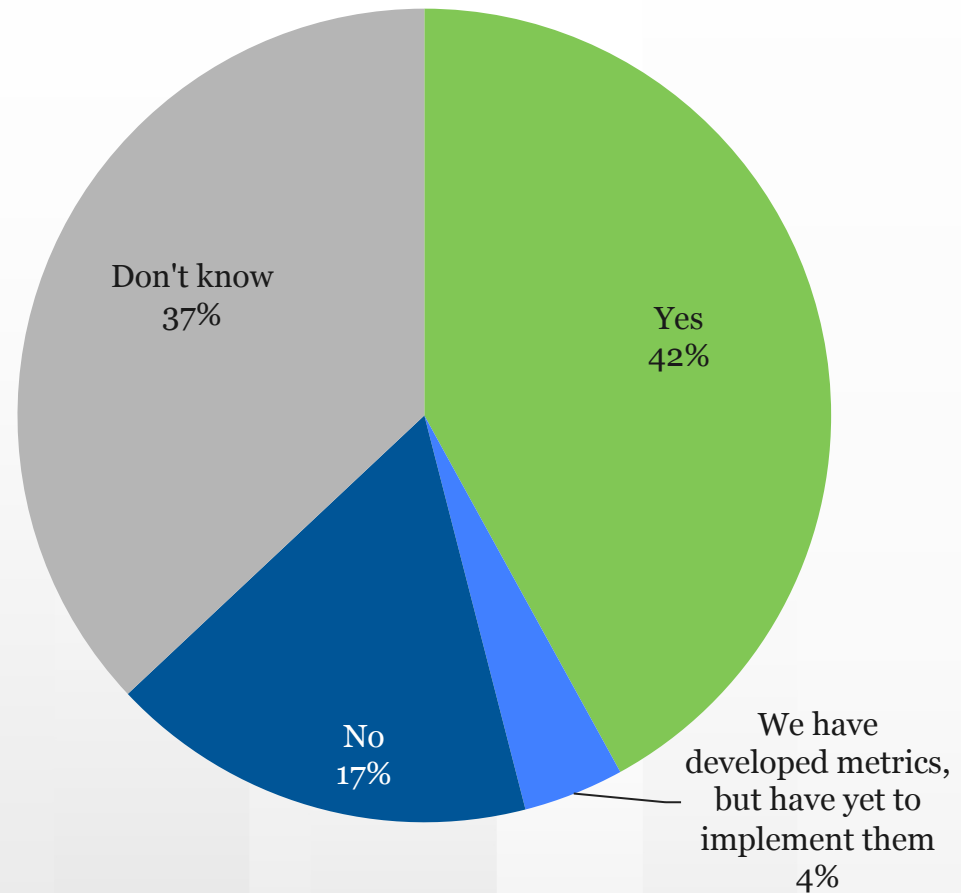
Percentage of respondents, n=404
Respondents were asked to select all that apply

Less than half of respondents say their agencies use quantitative metrics to track performance

Does your bureau/sub-agency use quantitative metrics to track its performance over time?

Only 42%

of respondents report that their organization uses quantitative metrics to track customer service performance



Percentage of respondents, n=409

4

Final Considerations

To achieve more customer-centric service:

Identify and prioritize cultural and process-driven improvements to customer service

Although limited budgets will continue to be a reality for the foreseeable future, many of the challenges identified in this report can be addressed through a re-examination of current processes. Respondents, especially those in public service-focused organizations, indicate that overcoming cultural resistance to change and improving training and interagency collaboration could help agencies improve customer satisfaction. Further, less than half of respondents say their organizations are using quantitative metrics to track customer service performance, and even fewer report that their agency is taking other crucial steps like prioritizing improvements to high-impact services and aligning employee incentives with customer-centric service. Addressing these issues can make meaningful improvements in service quality despite the current budget environment.

Use customer feedback to help identify areas for improvement

Less than half of respondents say their organization is doing a good job of collecting customer feedback. By encouraging customers to voice their opinions on the services they receive, agencies can more readily identify problems that might have been overlooked or caused greater issues downstream. In addition, demonstrating responsiveness to customer feedback can help agencies build trust with their core constituencies and help improve overall satisfaction.

Leverage data and analytics to provide a more personalized user experience

Agencies have a diverse range of core missions and customer groups, which makes it essential that agencies tailor their services to users' unique needs. While a majority of respondents believes that their agency is already doing this, there is ample room for improvement. Respondents indicate that agencies are behind the curve when it comes to integrating customer data from various touchpoints, as well as with data collected by other agencies. By adopting a more data-driven approach, agencies can better understand and anticipate the needs of their major constituencies and deliver better, more customer-centric service.

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