Operational Excellence: Customer Complaint Management

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Although customer complaints may have a negative connotation, they provide valuable and voluntary post-production data that would otherwise be difficult to find. Companies leveraging technology, such as enterprise quality management software (EQMS [1]), are building complaint management into strategies to help close the loop on quality management.

It’s because people complain about unfavorable experiences that we can identify various quality issues and relay them back, ultimately increasing total quality and decreasing the cost of quality [2]. In America, however, we sometimes take for granted that our citizens speak their minds. After talking with a global consumer packaged goods (CPG) company, it surfaced that the rate of complaints varies drastically between cultures and countries.

Below, I’ll discuss the functionalities of complaint management, its importance in closed-loop quality management, and a few thoughts from our conversation with the CPG giant.

Complaint Management Functionalities

Taking advantage of today’s automation capabilities, complaint management helps to reduce potential risks related to product use and safety. It can essentially be split into two areas: handling and tracking. The handling portion pertains to the process of resolving the complaint. For instance, when a complaint comes in, it needs to be logged in the system, responded to, investigated and escalated as needed.

Tracking refers to streamlining these processes through a centralized database. Within software packages, the logging, response, resolution and escalation workflows are monitored and available with on-demand reporting modules. Additionally, many applications have functionalities that communicate best practices, standard operating procedures (SOPs) and training schedules to customer service employees, reducing overall product risk and safety liability.

Closed-Loop Quality Management

Customer complaint handling and tracking are critical components of strong customer service, as well as the overall quality of the product. Closed-loop quality management, the concept of integrating quality management techniques and capabilities into the entire product lifecycle, relies on complaint management data to facilitate process and product improvements.

While closed-loop quality management is theoretically the ideal way of improving business performance, EQMS puts the idea into practice. It acts as a platform for collaboration and communication for cross-functional teams to resolve quality issues. In the case of complaint management, the EQMS system connects complaints to functionalities, such as corrective and preventive actions (CAPAs), or failure modes and effects analysis (FMEA).

Complaint management, when managed as part of an EQMS system, drives business improvements in customer retention, warranty reserves, service hours, operational risk and other areas. By connecting customer complaint data with traditionally disparate business processes and units (e.g. design, manufacturing, service, distribution, etc.), market-leading companies have been placing higher quality products on the shelves.

What Happens When Customer Experience Data Is Difficult to Obtain?

From our recent briefing with upper-level CPG management, we got the sense that feedback was not equally expressed throughout the world. They told us that Americans and the UK, for instance, are not only unwilling to stand for damaged or adulterated products, they're much more likely to contact the company about it. On the other hand, countries such as Spain or others in the Mediterranean region complain about 1 percent in comparison. The difference is drastic and seems to be cultural.

Since customer feedback is such a vital element of closed-loop quality management, the data has to come from somewhere. Consequently, in the absence of high complaint rates, market-leading companies have gotten creative. One solution is to do random on-shelf audits, testing the quality of products relative to specifications. This reveals information about design, production and distribution processes. Another solution is to contact customers directly, asking for feedback or by using focus groups.

What's your take? Please feel free to comment below. Our recent report Top Integration Points for EQMS [3] *provides an in-depth analysis on how quality management can be used to improve operations and realize operational excellence* [4].

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