

# 5 insights for executives

## Customer first

Improving the customer experience across government

Of special interest to

Deputy secretaries  
Chief information officer  
Performance improvement officer  
Program manager

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. The 'E' and 'Y' are connected at the top. The background of the slide features a photograph of a man in a blue suit and purple tie, gesturing with his hand while talking to a woman in a grey jacket. The background is slightly blurred, focusing attention on the text and the EY logo.

Building a better  
working world



# 1

## What's the issue?

Citizens across America depend on the federal government for key services, such as filing for Social Security, Medicare or veteran benefits. Citizens also seek answers from the federal government for many questions ranging from inquiries about the filing of taxes to how to apply for a green card or federal student aid. The government now must have the capability to provide the same quality of customer service that citizens encounter in the private sector.

In 2013, citizen satisfaction with services provided by the federal government declined by 3.4% in the American Customer Satisfaction Index after two years of gains. The federal government received a rating of 66. Of the 12 major public and private sector entities examined, the federal government was 11th on the list, ranking ahead of only internet service providers.

# 2

## Why now?

In the FY 2015 federal budget, President Obama made “world-class customer service” a priority for the Administration during the next two years. The Administration also selected customer service as one of the 15 cross-agency priority goals. The Administration stated, “The American people deserve a government that is responsive to their needs. Citizens and businesses expect government services to be well-designed [and] efficient. ... Despite some important strides to improve customer service over the past 15 years, too many federal government services fail to meet the expectations of citizens and businesses, creating unnecessary hassle and cost for citizens, businesses and the government itself.”

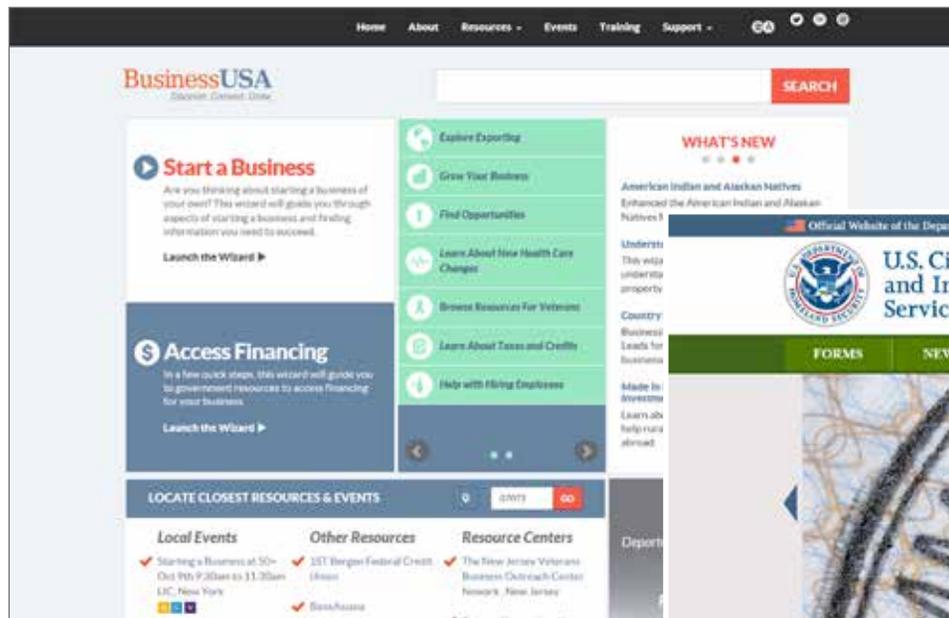
The United States Congress had also shown increased interest in improving customer service in government. In 2013, the United States House of Representatives passed the Government Customer Service Improvement Act of 2013. This legislation mandates customer service standards for all agencies, and it also requires them to collect customer feedback on their services.

# 3

## How does it affect you?

As taxpayers, citizens are increasing their expectations for high-quality public services. Congressional oversight on the delivery of services to the American public is also increasing. The recent problems seen in veteran hospitals have highlighted the importance of high-quality service delivery to citizens. When delivering poor customer service, government agencies are viewed as inefficient and wasteful, thus creating a negative perception both of the specific agency delivering the service and government in general.

Dramatically improving customer service can also drive significant cost savings. As more citizens move to using the internet and undertaking self-service activities, the cost to government decreases as fewer customer service representatives are needed at both call centers and in-service centers. The potential cost savings is large. If citizens cannot easily complete transactions online, they must then undertake more expensive interactions with customer service representatives.



Source: BusinessUSA, business.usa.gov



Source: U.S. Citizenship and Immigration Services, uscis.gov

# 4

## What's the fix?

As part of its part of initiative on customer service, the Administration has required all agencies to develop customer service plans to identify improvements in customer service. That, however, is the only the first step.

### Listening to customers and understanding their service needs

Government agencies need to deeply understand their customers based on their specific service needs. Some customer groups will need more services and assistance than other groups. Agencies must also find ways to make all their services easier to use and less burdensome. After launching its initial website in 2011, BusinessUSA spent the next year conducting usability testing, focus groups and surveys in order to better understand customer needs and the services they seek.

### Segmenting customers into unique groups based on their service needs

By listening to citizens, agencies can segment their customers into distinct groups and gain increased understanding as to how they want to receive information and communicate with government organizations. At the Office of Federal Student Financial Aid, the head of the organization told us, "I thought the agency could improve how we assess, interact and ultimately deliver to our broadening customer base. The changing profile of a prospective post-secondary student and the Administration's goal of increasing the number of college graduates required a dynamic understanding of customer behavior. ... We had the opportunity to leverage a lot of the customer and market segmentation analytics that leading private sector organizations were using. ... We rebranded the organization. Multiple websites were integrated into one that was designed to better suit the needs of the broadening definition of our customer. On the social media side, we substantially increased our presence and now run analytics around followers, subscribers, tweets and other forms of interaction. The agency has expanded its outreach to smartphones and tablets, in addition to the more standard venues."

### Developing new programs and streamlining services

U.S. Citizenship and Immigration Services (CIS) redesigned their services after a customer outreach effort, segmenting customers based on level of need: those who are comfortable with the internet and need little direct assistance from the agency, those who need some help, and those who are the most vulnerable and difficult to reach. CIS then developed new programs to reach vulnerable populations, while at the same time streamlining services for customers who need less assistance.

Effective customer service includes

### Deploying the latest technology

Government agencies need to determine which technology can most effectively serve their customers. This includes the development of new tools to assist both specific customer groups and the public at large. At CIS, they created an Office of Innovation and Technology that is devoted to designing new access points for citizens and new applications of technology to assist citizens. We were told, "We are changing the paradigm of how citizens will use the web and our phone service. In the future, the heart of customer service activities will be the web. One example is that we are creating a new change-of-address online tool for citizens since change of addresses is a common occurrence and crucial to our ability to reach citizens. We are also working on MyCIS, as well as an online Q&A service with an avatar much like the private sector is now doing."

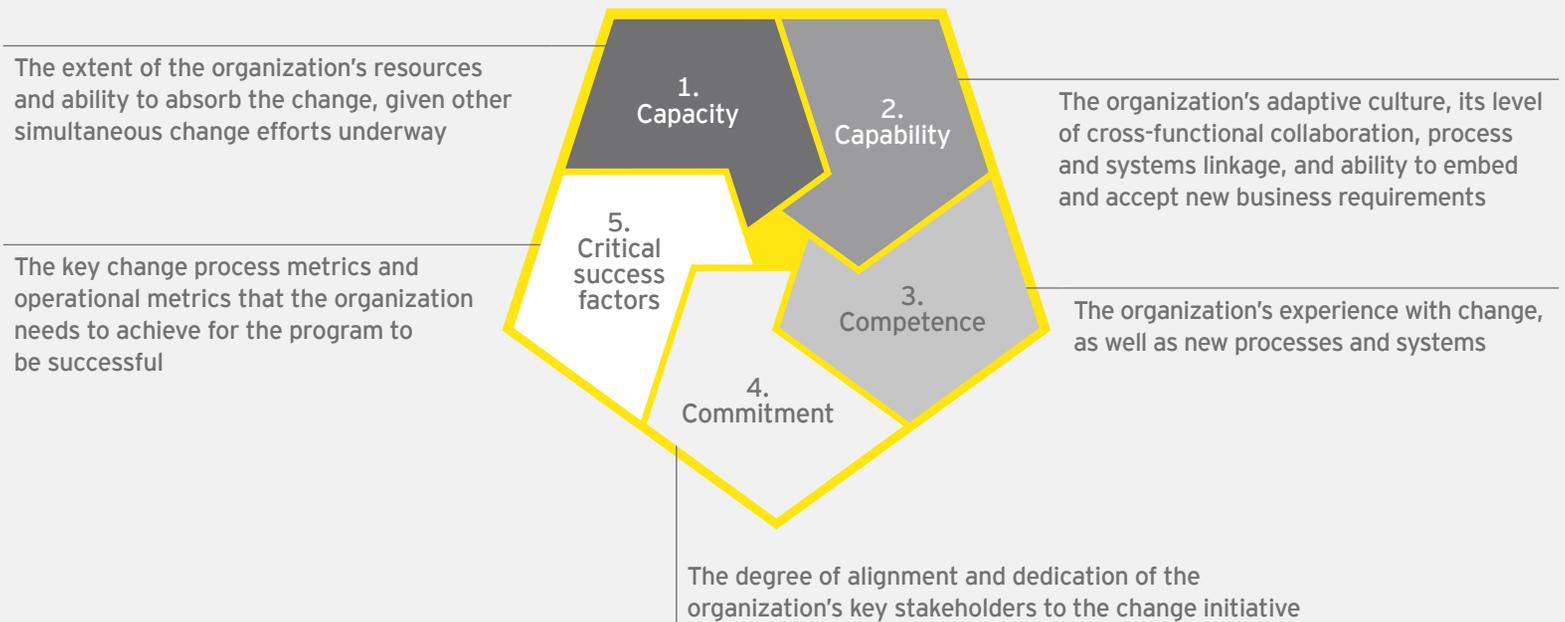
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## What's the bottom line?

Customer service is the best indicator of public attitudes toward government. As the quality of government service delivery increases, public attitudes toward government also increase. High-quality customer service is a signature of a functioning, well-performing government.

### Success factors for customer service

Assessing five critical change success factors – the five Cs – enables an organization to understand the challenges it faces, the level of support needed and the pace at which to enact change:



Source: Julie Harter, "Dear Customer: We are Ready, Willing, and Able," *Loyalty Management*, second quarter 2014.

# Want to learn more?



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