

E4-E5 (CFA)

QOS for CFA Networks

Agenda

- Introduction
- Various sectors of nation's economy
- Difference between a Product and Service
- Service systems & types of service systems
- What is Quality, Service Quality?
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- Cost of Poor Service
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Agenda

- Service Quality Gap Analysis
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- Service Quality in Telecom sector
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- Conclusion

Introduction

A nation's economy can be divided into various sectors to define the proportion of the population engaged in the activity sector. These sectors include:

- **Primary Sector**-Extracts or harvests products from the earth
- **Secondary Sectors**- Manufactures finished goods
- **Tertiary Sector**-It includes the service industries such as retails, wholesales, entertainment, restaurant & telecom etc.
- **Quaternary Sector**- Intellectual activities such as Govt., culture, libraries, scientific research, education & IT.
- **Quinary Sector**- Includes the top executives or officials for highest level of decision making.

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Introduction

- Telecom services play a very significant role in strengthening National economy.
- The quality of service is important to the customers as well as to the operators for their survival as well as growth.

Difference between a Product and Service



A product differs from service so, the marketer has to understand the differences between products & services so as to apply proper tools & techniques to be successful.

Product's physical parameter includes:

- **Form-** Physical structure
- **Features**
- **Performance quality**
- **Conformance quality**
- **Durability**
- **Reliability**
- **Reparability**
- **Style-** Look and feel
- **Design-** The way all the above qualities work together

Products' service distinctions include:

- **Ordering ease**
- **Delivery**
- **Installation**
- **Customer training**
- **Customer consulting**
- **Maintenance and repair**

Service systems & types of service systems

A system is an organized set of objects which process inputs into outputs that achieves an organization's purpose and meet the need of customers. It is architected as set of nine interlinked classes of objects.

Service System is distinguished from other types of systems as the customer may be actively involved in all nine classes as indicated below:

- **Customer reliability**
- **Goals**
- **Input**
- **Output**
- **Process**
- **Human enabler**
- **Physical enabler**
- **Informatics enabler**
- **Environment**

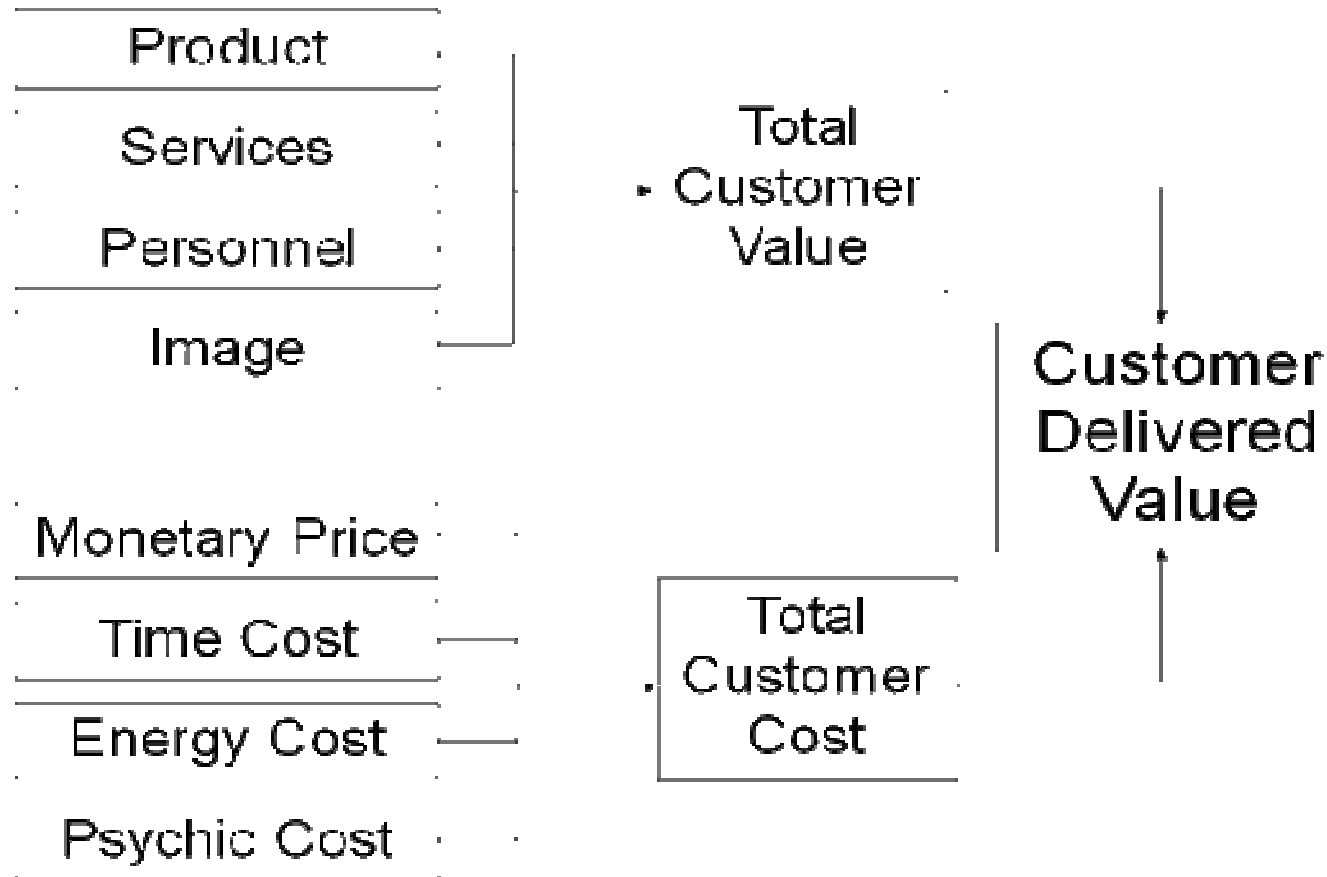
Types of Service Systems

- Service systems range from:
 - An individual person equipped with tools of the trade (e.g., architect, entrepreneur) to
 - Government agency or business (e.g., branch office of a post office or bank)
 - Multinational corporations and their information systems (e.g., Domino's Pizza, Federal Express).
 - Hospitals, universities, cities, and national governments
- Every service system is both a service provider and a customer of multiple types of services.

What is Quality & Service Quality?

- Quality is “fitness for use”
(Joseph Juran)
- Quality is “conformance to requirements”
(Philip B. Crosby)
- Service Quality: Quality of a service(s) is its ability to satisfy the needs and expectations of the customer.
- The term “Quality of Services” (QoS) is defined as “the collective effect of service performance which determines the degree of satisfaction of a user of the service”.

How a customer derives value from any product/service?



Cost of Poor Service

- Customers are 5 times as likely to stop doing business because of poor service than quality or cost.
- 96% never complain
- 90% stop being a customer
- Average unhappy customer tells 9 others
- Cost of losing a customer is 5 times his account

Value of a Good Service

- Service commands price premium
- Average happy customer tells 5 others
- Of the unhappy ones, 95% are happy if the problem is resolved quickly.
- Costs 5 times as much to obtain a new customer as keep an existing one.
- Service can help offset product quality.

Service Quality Dimensions -Focus



■ Reliability

1. Providing services as promised
2. Dependability in handling customers' service problems
3. Performing services right the first time
4. Providing services at the promised time
5. Keeping customers informed about when services will be performed

■ Responsiveness

6. Prompt service to customers
 7. Willingness to help customers
 8. Readiness to respond to customers' requests
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Service Quality Dimensions

■ Assurance

9. Employees who instill confidence in customers
10. Making customers feel safe in their transactions
11. Employees who are consistently courteous
12. Employees who have the knowledge to answer customer

■ Empathy

13. Giving customers individual attention
14. Employees who deal with customers in a caring fashion
15. Having the customer's best interest at heart
16. Employees who understand the needs of their customers

Service Quality Dimensions

■ Tangibles

17. Modern equipment

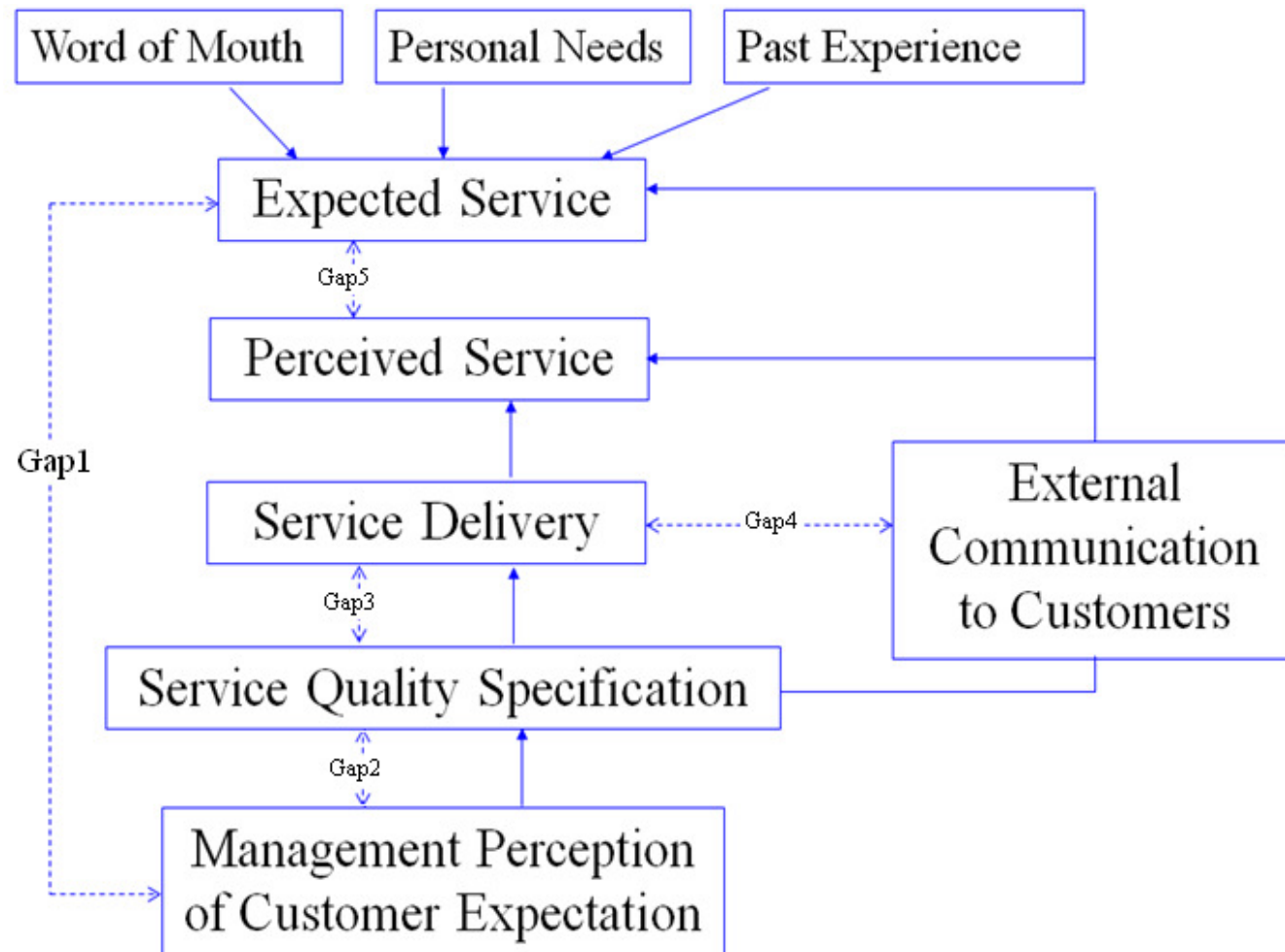
18. Visually appealing facilities

19. Employees who have a neat, professional appearance

20. Visually appealing materials associated with the service

21. Convenient business hours

Service Quality Gap Analysis



Key Strategies for managing service quality

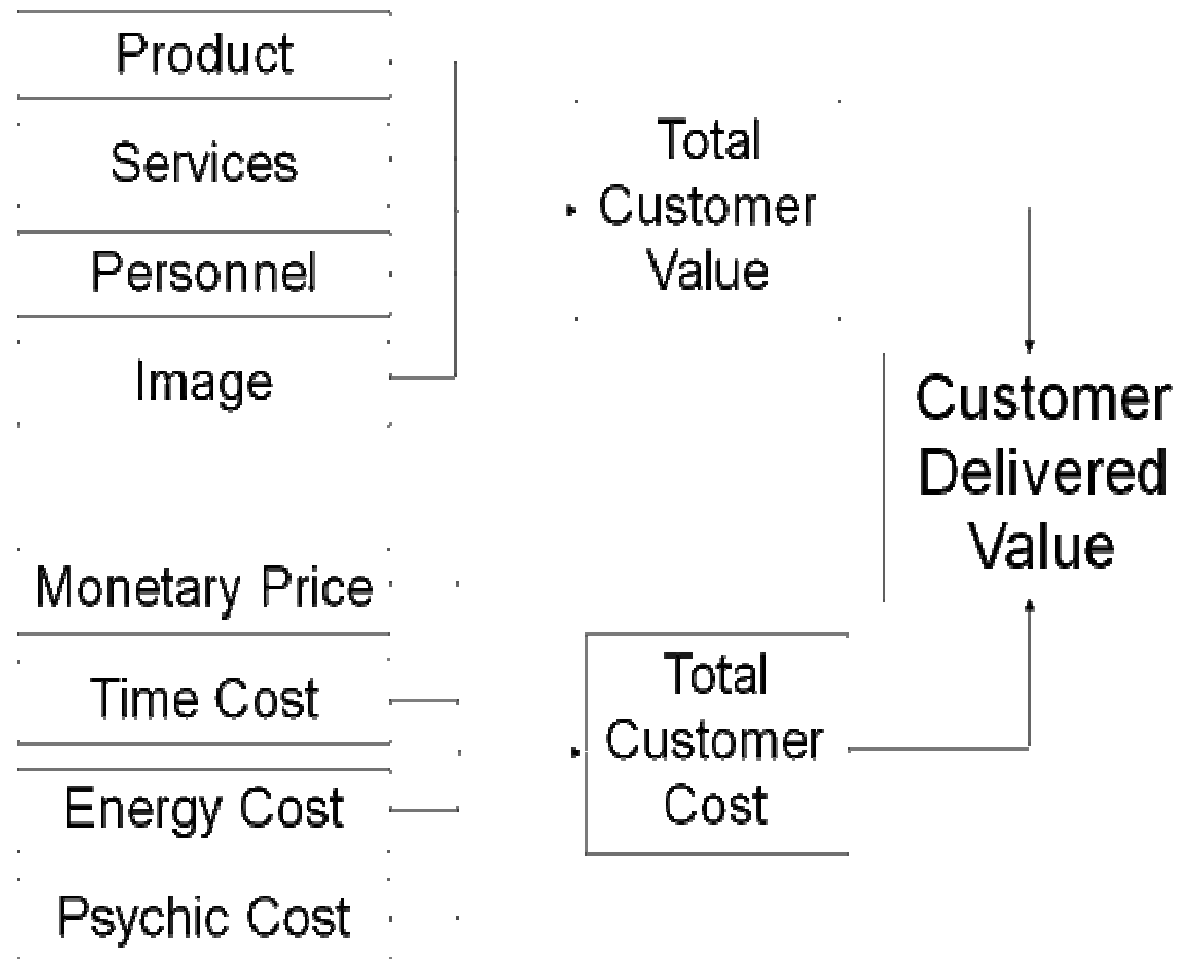
- Demand management
- Pre processing
- Standardization
- Managing expectations
- Capacity planning
- People management
- Differentiation
- Quality management

Business process re-engineering of service operations

It is a technique to improve services operations and involves the following actions:

- Several jobs are combined into one
- Workers make decisions
- The steps in the process are performed in a natural order
- Processes have multiple versions
- Work is performed where it makes the most sense
- Checks and controls are reduced
- Reconciliation is minimized
- A case manager provides a single point of contract
- Hybrid centralized/decentralized operations are prevalent
- Restructuring
- Customer involvement
- Use of IT
- Minimize no. of steps
- Centralized information
- Decentralized decision making

How a customer derives value from any product/service?



Service Quality in Telecom sector

- In cut throat competition, quality of service of networks distinguishes different operators.
- The regulator (TRAI) also conducts quarterly Quality of Services survey and publishes it.
- The various quality parameters for important services such as Cellular mobile, Broadband and Basic telephony are given in the handouts.
- Telecom operators including BSNL are also adopting ISO 9001 certification for consistent delivery of service quality.

Service Operations for Telecom sector



- Telecom Operators have automated their operations by
 - Telephone order Management Systems,
 - Mediation devices
 - Element Management Systems
 - Networking their exchanges with customer interface terminals
 - Computerization of Call centres
- Introduction of CDR based convergent billing system
- Introduction of Business Process Reengineering.
- ERP deployment is also underway in BSNL.

Conclusion

- To provide Quality Services, understand customers' service expectations and ensure how well those expectations are being met.
- Work systematically to remove systemic deficiencies that lead to poor customer service (Perform the Gap analysis).
- Recognize and capitalize on the increasing role of technology in serving customers.
- Continuously monitor customers' and consumer organizations' reactions.
- Adhere to the Quality of Service Parameters and improve upon them as much as possible.

