

The 5 drivers of client centricity

A BLUEPRINT FOR THE NFP SECTOR



Success. Mapped.

Contents

| | |
|---|----|
| INTRODUCTION | 1 |
| The current state of play | 2 |
| The challenges | 3 |
| The case for change | 5 |
| 1. DRIVER #1 – CLIENT CENTRIC LEADERSHIP | 6 |
| 2. DRIVER #2 – CO-CREATE / ADAPT CLIENT PROPOSITION | 8 |
| 3. DRIVER #3 – ALIGN PEOPLE AND CULTURE | 10 |
| 4. DRIVER #4 – ALIGN SYSTEMS AND PROCESSES | 12 |
| 5. DRIVER #5 – SYSTEMATICALLY MEASURE / IMPROVE | 14 |
| COMMUNICATING AND ACTING ON CLIENT FEEDBACK | 17 |
| HOW INSYNC HELPS NOT-FOR-PROFIT ORGANISATIONS | 18 |
| NOTES | 20 |

Introduction

TO SURVIVE AND PROSPER IN THE CURRENT NFP LANDSCAPE, NFP ORGANISATIONS MUST BE CLIENT CENTRIC – PUTTING CLIENTS AT THE CENTRE OF THEIR THINKING, PLANNING AND DECISION MAKING.

A changing landscape

The not-for-profit (NFP) sector is experiencing change at a rate that is equal to, or faster than, many other sectors of the economy. One of the many areas of change relates to the funding and personalisation of services. Funding is increasingly being allocated to the consumers of services rather than to the agencies providing the services. Additionally, consumer directed care requires an understanding of each consumer's unique circumstances, respecting their right to set their own goals, and providing services in a way and at a time that meets their needs best. In short, NFP clients have more choice and empowerment than ever before and this trend is increasing.

Client choice also signifies that the NFP sector is becoming more contestable with open markets and competition. Clients are gaining the power to choose the services they want from the provider they feel most comfortable with. NFPs need to move from *providing the best service they can* (given their limited resources) to becoming the *provider of choice* in a competitive market. To survive and prosper in this environment NFP organisations must be client centric

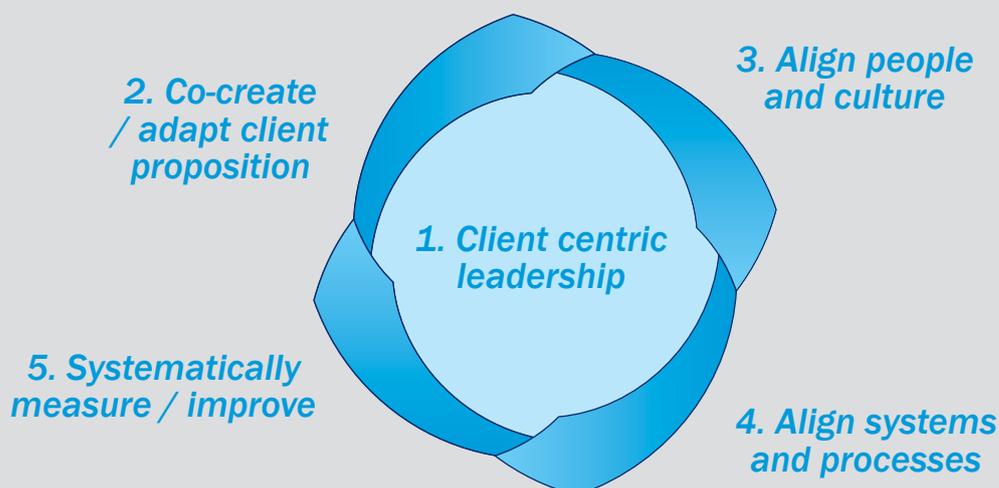
– putting clients at the centre of their thinking, planning and decision making. This is easy to say, but there are many practical challenges to making it happen.

Sector wide research study

To understand how these trends are impacting service providers and how they are responding, Insync conducted a sector wide poll of NFP executives. We received a very good response. Executives from 56 leading NFP organisations chose to participate, making the sample size large enough to be reasonably representative. They evaluated the current state of play in their organisations and also shared the practices that their organisations are implementing to be more responsive to the needs and expectations of clients. Only aggregated results are presented in this paper. As agreed with participants, individual responses have been kept confidential.

We based the research study on a framework that Insync has developed for measuring and improving client centricity. The framework highlights five drivers for building and sustaining a client centric organisation.

The client centric organisation

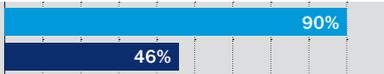
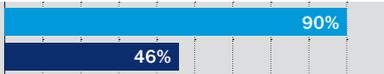
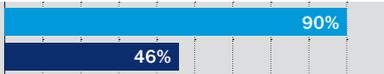


The current state of play

NFP EXECUTIVES CLEARLY RECOGNISE THAT CLIENT CENTRICITY IS IMPORTANT FOR THEIR ORGANISATION'S SUCCESS, BUT THEY ALSO ACKNOWLEDGE THAT THEY HAVE SOME WAY TO GO TOWARDS BEING TRULY CLIENT CENTRIC.

Whereas the drivers of client centricity were generally rated as high *importance* by 80-90% of respondents, they were typically rated at a high level of *performance* by only 35-45% of respondents. Fewer than half of respondents felt that their organisations were achieving a high level of performance on any single driver and this dropped below a quarter for the lowest performing driver (systems and processes).

Furthermore, only 15% of respondents felt that their organisations were performing at a high level on at least four of the five drivers. This provides a strong indication that 85% of NFP organisations could be falling well short of being truly client centric.

| DRIVER | RATING ¹ | | | | |
|---|---|-----------------|---|------------------|--|
| 1. Client centric leadership | | | | | |
| Our board endorses and promotes the importance of client centricity throughout the organisation | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |
| Our executive team has made client centricity a fundamental element of the organisation's strategy and desired culture | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |
| 2. Co-create / adapt client proposition | | | | | |
| Our organisation seeks to understand clients' individual needs and preferences in a systematic way | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |
| Our organisation has a clear promise, statement or charter that communicates how we will meet clients' needs and expectations | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |
| 3. Align people and culture | | | | | |
| Our employees take care to understand and meet the unique needs, preferences and expectations of individual clients | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |
| 4. Align systems and processes | | | | | |
| Our employees are supported by reliable and efficient processes and systems to meet clients' individual needs | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |
| 5. Systematically measure / improve | | | | | |
| Our organisation systematically and regularly gathers client feedback to measure satisfaction and outcomes achieved | <table border="0"> <tr> <td>High importance</td> <td></td> </tr> <tr> <td>High performance</td> <td></td> </tr> </table> | High importance |  | High performance | |
| High importance |  | | | | |
| High performance | | | | | |

¹ Key: Respondents were asked to indicate how important each item was for their organisation's success on a 7 point scale (1 = not at all important, 7 = extremely important) and how well their organisation was implementing and acting on the item (1 = not at all well, 7 = extremely well). In the chart, high importance = % of respondents who selected a 6 or 7 on the 7 point scale for importance and high performance = % of respondents who selected 6 or 7 on the 7 point scale for performance.

The challenges

INTERNAL AND EXTERNAL CHALLENGES TO BECOMING TRULY CLIENT CENTRIC SHOULD NOT BE UNDERESTIMATED.

Internal challenges

Internal challenges relate primarily to truly understanding what clients need and expect, aligning the organisation's people and culture accordingly, and building sufficiently flexible and robust processes and systems.

| CHALLENGE | DESCRIPTION / VERBATIM COMMENTS |
|--|--|
| Driver 2. Co-create / adapt client proposition | <ul style="list-style-type: none"> • Difficult to do client participation authentically. We are struggling to avoid 'putting words in the mouths' of our clients and making consultation authentic not tokenistic. Have also observed many sector level consultation meetings don't involve users, indicating that we are not yet thinking in a client-centric way in the _____ sector. • Moving from an acknowledgement that customer relationships are important to an understanding of customer experience and then adoption and integration of co-design is a lot harder than you think. • Sometimes it's difficult to get clients to provide constructive criticism and being able to provide safe places for them to provide that. • Managing client expectations – we cannot always deliver all of what clients wish for. • Recognising a range of stakeholders as clients – need to manage multiple diverse expectations and priorities. |
| Driver 3. Align people and culture | <ul style="list-style-type: none"> • We are in an industry with very high staff turnover which makes embedding a customer centric culture somewhat challenging. • It has taken time to bring staff along on the customer service approach journey. • Biggest barrier is Industrial Relations restrictions – for example, the award limits working hours so don't have the flexibility to always provide services when clients most want them; need a more agile workforce to truly meet client needs. • [Client centricity] is a challenge to the dominant "professional" culture and takes significant change management. _____ services grew up on paternalism so it's a big shift. • Challenges are that frontline staff believe they know the customer so don't understand why we need a customer strategy or any programs around this. • Staff are not trained at uni or TAFE in client centric practices for the most part nor how to collect feedback or analysing feedback data. Staff often rate themselves high in staff survey re being client centric (80% say yes), but then we ask if they gain feedback from clients in the last three months and scores drop to 40%. • New strategies for employees needed. Low skilled workers who need different skills in the new world. |
| Driver 4. Align systems and processes | <ul style="list-style-type: none"> • Allocating the necessary resources to develop strong processes and systems is challenging. While a theoretical priority, challenging to remain as a key focus in practice. |

The challenges cont.

INTERNAL AND EXTERNAL CHALLENGES TO BECOMING TRULY CLIENT CENTRIC SHOULD NOT BE UNDERESTIMATED.

External challenges

External challenges relate primarily to contractual and funding arrangements.

| CHALLENGE | DESCRIPTION / VERBATIM COMMENTS |
|--------------------------|--|
| Contractual arrangements | <ul style="list-style-type: none">• When delivering on some performance based government contracts it is often a struggle to get the right balance between customer centricity and meeting government KPI's/compliance.• Collaborating with government organisations often draws our people away from client facing activities toward bureaucratic fulfilment – it drives us crazy!!!! |
| Funding | <ul style="list-style-type: none">• Funders (private and public) may not value this, or if they do, will not fund the activities that make it happen. Evaluation and monitoring involve expertise, time and resources.• Fundraisers!! Almost all their science and methodology of working is very transactional borrowing heavily from corporate sector success but that undermines the values and meaning of contributing to a NFP.• In relation to NDIS – funding for coordination services is limited and that is our core business. We believe that clients are missing out on critical support and guidance to enable them to choose and manage their services. We have chosen not to enter into the NDIS at this time for that reason. |

The case for change

ONLY ABOUT ONE IN SIX ORGANISATIONS ARE ACHIEVING HIGH PERFORMANCE ON AT LEAST FOUR OF THE FIVE DRIVERS. THIS MAKES A VERY STRONG CASE FOR CHANGE.

Moderate performance is not good enough

Achieving moderate performance rather than high performance will almost certainly lead to extinction over time. As industries mature and new entrants make their appearance, moderately performing organisations start to shrink and then disappear. (Blackberry, Ericsson, Motorola and Nokia all made pretty good mobile phones but have been eliminated from the market.) As funders of social services seek to do more with less and provide service recipients with more choice, it is quite likely that moderately performing NFPs will shrink or disappear if they aren't able to lift their game and achieve great outcomes with their clients.

Client centric leadership

Leadership was seen to be the most important driver of client centricity in the poll. 90% of respondents said that executives needed to make client centricity a fundamental element of the organisation's strategy and desired culture.

Extensive research tells us that high performing organisations have united and aligned leadership teams. NFP organisations that want to be truly client centric will need to have a common view of what a client centric organisation looks like and what needs to be done to make the organisation truly client centric.

While the study findings show a high level of consistency in the views of executives, they certainly weren't unanimous. Organisations seeking to be more client centric can't assume that it is obvious what is required. They will need to take the time to think through what client centric means for their own organisation and ensure that the leadership team have a common view on this. Otherwise there is a real risk of pulling in different directions and not achieving the desired outcomes.

Good practice guide

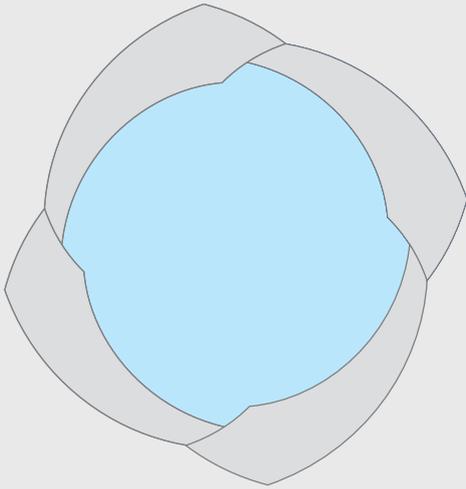
The executives who participated in the study were generous in sharing good practices that their organisations have adopted, or are adopting, to become truly client centric. They provided their ideas and experiences in response to two open text questions:

- What are your main priorities and strategies for building a client centric organisation?
- What methods do you use to measure client satisfaction and/or outcomes achieved?

The sections that follow provide a framework for building a client centric organisation in a systematic and disciplined way. Comments from the study participants are provided verbatim and in full in the most relevant section. Many comments cover more than one section but they are only provided once in the section where they were considered to be most relevant.

Drivers of client centricity

| | |
|--|--|
| 1. Client centric leadership | Put clients at the centre of organisational planning and delivery |
| 2. Co-create / adapt client proposition | Understand exactly what clients want and be clear how your organisation can help them |
| 3. Align people and culture | Engage and equip employees to provide high levels of client centred care |
| 4. Align systems and processes | Streamline processes and systems to make it easier to serve clients |
| 5. Systematically measure / improve | Systematically gather client feedback to ensure they are achieving the desired outcomes and identify where you need to improve |



DRIVER #1

Client centric leadership

Nurture an ethos that puts clients at the centre of organisational planning and delivery

| POLL RESULTS | RATING ¹ | |
|---|---------------------|-----|
| Governance – board promotes client centricity | High importance | 82% |
| | High performance | 36% |
| Leadership – executives prioritise client centricity in organisation’s strategy and culture | High importance | 90% |
| | High performance | 46% |

¹ % of respondents who indicated high importance or high performance by selecting a 6 or 7 on a 7 point scale where 1=not at all and 7=extremely important or extremely well

Fewer than half of the respondents think that their organisation does a good job of creating an organisational ethos where the client is at the centre.

Those who are performing well in this area follow a two pronged approach:

- Articulate a client experience strategy that is clearly linked to the vision and mission
- Embed a client centric ethos or culture throughout the organisation

Articulate a client experience strategy that is clearly linked to the vision and mission

Executive comments – main priorities and strategies for building a customer centric organisation:

- [Customer centricity is] central to the whole Strategic Plan for the organisation that contains specific strategies eg The _____Way, Person Centred Active Support, Zero Tolerance to Abuse, alignment with _____ University.
- Understand, define and execute a client experience strategy.
- People are at the core of our vision and mission. A commitment to a customer service approach.
- Being true to the organisation's mission of serving others.

Client centric organisations have a clearly defined client experience strategy. This might be articulated as a strategic priority within the organisation's overall strategy or it might be expressed in separate communications.

It will:

- Be closely linked to the organisation's mission and vision (these are central to an NFPs identity and operations, and must be the hub linking everything else).
- Describe exactly how the organisation engages with its clients, what promises are made, how clients are treated, how complaints are dealt with, what standards of behaviour are expected from employees, how employees should deal with disgruntled clients, and so on.
- Consider the client journey and identify the interactions that a client has with an organisation's brand, facilities, services, systems and employees. Each interaction needs to be defined from the client's point of view so that services will be delivered in a way that adds the most value for the client.
- Be communicated clearly and concisely throughout the organisation and be backed up by training and induction of new employees. Communication can be branded in many different ways – for example as a code of conduct, a client promise, or the <Organisation name> Way.
- Be consistently reinforced in an ongoing dialogue with employees that recognises the positive impact they are making to their clients' lives.

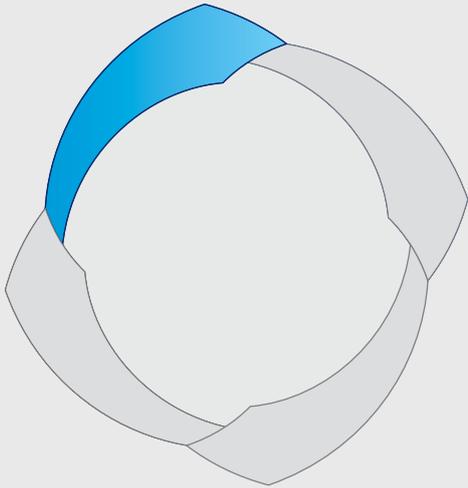
Embed a client centric ethos or culture throughout the organisation

Executive comments – main priorities and strategies for building a customer centric organisation:

- BUILDING A CULTURE OF CUSTOMER – Better understanding customer needs, reshaping our service to better meet needs, training and rewarding our staff, measuring results.
- Embed client centricity in organisational values and theory of change, staff performance reviews, tender and program design, feedback loops, reporting and monitoring.
- Engaging senior leaders and managers through workshops on client centricity and NDIS.
- Everything! Strategy, process reengineering, recruiting, training, job design, systems, marketing...

The executives' responses make it clear that a client-centric focus must be built into the organisation's DNA via the organisation's systems, processes and culture.

This includes incorporating a client focus into recruitment, induction, learning and development, reward and recognition, performance management and promotion processes. It also includes having clear client metrics and KPIs that are regularly reviewed by the Board. Performance should be measured regularly and communicated with staff members with the goal of making a strong link between daily activities and client service excellence.

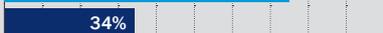


2

DRIVER #2

Co-create / adapt client proposition

Understand exactly what clients want and make it clear up front how your organisation can help them

| POLL RESULTS | RATING ¹ |
|--|---|
| Listening – systematically understanding client needs | High importance  82% |
| | High performance  40% |
| Proposition – clearly communicating how you will meet client needs | High importance  74% |
| | High performance  34% |

¹ % of respondents who indicated high importance or high performance by selecting a 6 or 7 on a 7 point scale where 1=not at all and 7=extremely important or extremely well

NFPs clearly realise the importance of incorporating their understanding of client needs, desires and expectations into the way services are delivered, as well as articulating their service proposition in a way that resonates with target clients. Deeply embedding the client's perspective in service design and delivery is vital for delivering programs successfully, achieving the targeted outcomes for clients and ensuring the organisation's sustainability.

Those who are successful in truly listening to their clients and embedding the voice of the client in the way they do things focus on:

- Using a variety of methods to understand client needs
- Formalising client needs in a clearly articulated client promise
- Incorporating client perspectives into how services are delivered

Use various methods to understand client needs

Executive comments – main priorities and strategies for building a customer centric organisation:

- Co-creation strategies. Our primary guiding principle is, “Nothing for me, without me”.
- Main priority is to become less transactional and more relational with our donors and deliver better value to them. Involve them in designing processes and projects and really listen to what they need from us rather than just broadcasting what we want from them.
- Client voices in the development of programs and monitoring & evaluation.
- Client journey mapping and product development based on customer feedback and engagement.

There are numerous consultation approaches available to assist NFPs in understanding their client base. Consultation may come in the form of a one-off initiative (that might be repeated in the future) or an ongoing client-listening initiative. Methods for gathering client feedback include:

- Client feedback surveys (online, telephone or paper)
- Interviews or focus groups (face to face or virtual)
- Co-creation forums – collaboration between clients and the provider to design the service experience. Co-creation allows the client to fully participate in co-constructing the service experience to suit their context
- Formation of client advisory groups – to advise the organisation regarding client needs and service delivery. Advisory groups can include clients, relatives, other people with lived experience, academics, business people, researchers, government representatives, people from think tanks and front-line employees
- Examining research done by others in the industry or related industries

Formalise client needs in a clearly articulated client promise

Executive comments – main priorities and strategies for building a customer centric organisation:

- Client journey mapping and product development based on customer feedback and engagement.
- Establishing a service delivery model that looks at the needs of our customers first, then ensuring particular govt compliance issues are addressed secondly, rather than the reverse. This can be difficult given the nature of our government contracts and penalties for non compliance. Needs constant reinforcement from leadership group and building it in to our service offering promise at the coal face. Needs to be a key part of the business Strategic Plan which is currently being refreshed.

A client promise or customer value proposition (CVP) is not just your organisation’s brand name, current service catalogue, website design or a simple marketing statement. It is your clients’ main perceptions of your organisation, based on a combination of everything you offer, how your clients experience this offering and how you differentiate this offering from competitors. It reflects the value your organisation can provide with its vision, values, history, culture, staff, products and services. Importantly, a CVP not only sets out what clients can expect your organisation to do, it also sets out what the organisation expects the client to do. A well crafted CVP can be a powerful tool that outlines responsibilities, sets expectations and holds both parties to account.

For further information, refer to Insync’s guide *Thriving in the Age of the Customer* on our website.

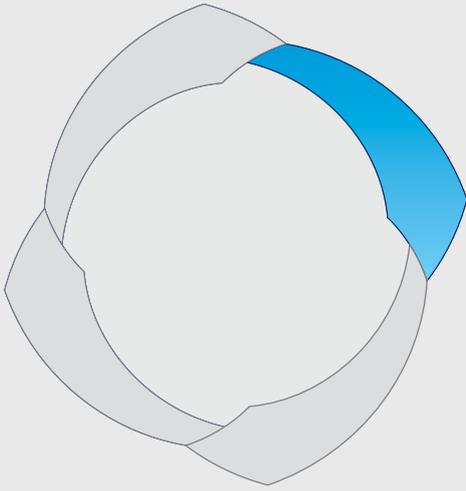
Integrate client perspectives into service delivery

Executive comments – main priorities and strategies for building a customer centric organisation:

- Focus on client experiences. Staff training. Service and business models placing the consumer at the centre.
- Lived experience... Employment target for employees with a lived experience of homelessness. Introduction of peer meet and greet workers at entry point services.
- Voice of Customer Program, use of customer segmentation, creation of the right data ecosystem to create a single customer view.
- Customer insights. Data analytics. Taking an agile approach to our marketing strategy.

It is not enough to simply articulate your client promise. It needs to be embedded into the organisation and the way services are delivered. This can be facilitated and reinforced through the two approaches outlined below.

- Lived experience – employing staff members and advisors who have personally lived with challenges such as disability, unemployment or homelessness and who can therefore fully empathise with clients and understand what it is like to “walk in their shoes”.
- Analytics and segmentation – research methods and techniques backed up by good software can be invaluable for extracting new insights and identifying different client segments. Client segmentation based on their differing needs might become more important as increasing competition and increasingly complex client needs (where multiple factors such as limited education, no employment, depression and homelessness all interact with each other) mean that NFPs might have to narrow their focus to specific client groups in order to fully meet their needs.



3

DRIVER #3

Align people and culture

Engage and equip employees to provide high levels of client centred care

| POLL RESULTS | RATING ¹ |
|---|----------------------|
| Employees – take care to understand and meet expectations of individual clients | High importance 87% |
| | High performance 45% |

¹ % of respondents who indicated high importance or high performance by selecting a 6 or 7 on a 7 point scale where 1=not at all and 7=extremely important or extremely well

Having employees who take care to understand and meet expectations of individual clients, and have the support required to do so, is vital to delivering person-centred care. Attracting and retaining sufficient numbers of employees with the right attitudes and capabilities to do this will only get harder as the NDIS rolls out.

NFPs' main priorities in relation to their people and culture include:

- Shifting the organisation to a client service model
- Attracting and retaining people with a client service mindset
- Empowering and enabling employees to deliver great service

Shift the organisation to a client service model

Executive comments – main priorities and strategies for building a customer centric organisation:

- Excellence in customer service – move from ‘health’ model to ‘customer service’ model, employee competency, smart systems, challenging industry accepted ‘norms’, risk management, research and tertiary partnerships, merit based recruitment and selection, certainty in what our business priorities and scope are.
- Human centred design project and Service Principles project.
- Main priorities are in residential care with a bespoke model of person centred care. The creation of a customer experience executive and the trialling of CDC approach in a residential care setting.

In an evolving industry where funding is increasingly being allocated to the consumers of services (rather than to the agencies providing the services) NFPs need to shift the organisational mindset from providing the best service they can to becoming the provider of choice in a competitive market. The challenges associated with this shift, and the implications for employees, cannot be under-estimated.

Attract and retain people with a client service mindset

Executive comments – main priorities and strategies for building a customer centric organisation:

- Developing end-game objectives for each business unit. Restructure of our key client facing area. Enhancing our staff engagement to enhance customer experience.

In order to attract and retain the right employees, it is important to articulate and embed an employee value proposition (EVP). An EVP is the balance of rewards and benefits that are received by employees in return for their performance in the workplace. Implementing a strong, unique EVP that appeals to the type of employee an organisation wants to attract and retain will not only drive employee commitment and advocacy, but it will also have a direct impact on the client experience.

For further information and guidance on the process for designing and implementing an employee value proposition, refer to Insync’s guide *How to Create a Compelling Employee Value Proposition* on our website.

Empower and enable employees to deliver great service

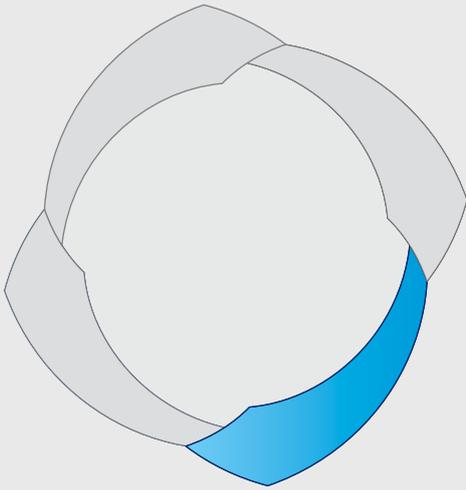
Executive comments – main priorities and strategies for building a customer centric organisation:

- Streamlining processes, effective training and clear communications.
- Adoption of client advisory groups. Development of ICT solutions to enable greater client control of services. Training for staff.
- Strengthening our helpline service through upskilling staff, new and better phone system and extended hours into the evening. Large scale member survey on needs – sent to 40,000 members, over 8,000 returns to date. Projects with hard to reach groups – Indigenous Australians, CALD and disability.

Once you have the right employees in the right place, it is important they feel empowered and enabled to deliver great services to clients. This needs to become a part of the culture and the way things are done. You can empower and enable your employees through:

- Leadership – senior and team leadership
- An inspiring purpose and vision
- Building autonomy and trust
- Reward and recognition practices
- Training and professional development opportunities
- Systems – see Driver #4 – align systems and processes

Many of these aspects may form part of your organisation’s EVP, and therefore will assist in the process or attracting desirable employees also. Having a strong client focus must be embedded into all the organisation’s HR systems including recruitment, induction, learning and development, reward and recognition, performance management and promotion. It also includes having clear client metrics to provide feedback and guidance for employees.

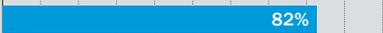


4

DRIVER #4

Align systems and processes

Streamline processes and systems to make it easier to serve clients

| POLL RESULTS | RATING ¹ |
|---|---|
| Systems – employees are supported by reliable and efficient processes and systems | High importance  82% |
| | High performance  23% |

¹ % of respondents who indicated high importance or high performance by selecting a 6 or 7 on a 7 point scale where 1=not at all and 7=extremely important or extremely well

Implementing and running efficient processes and systems is a huge challenge. Only 23% of respondents think their organisation is performing at a high level in this area. There is little doubt that many NFPs have under invested in their processes and systems due to both funding and cultural issues. Increasing client choice as well as increased compliance requirements have raised process and system improvements towards the top of many organisations' agendas.

Streamline processes and systems

Executive comments – main priorities and strategies for building a customer centric organisation:

- To develop and implement processes that enable the voice and choice of the client to be heard and actioned.
- Working on our system and processes to ensure they are streamlined so staff are freed up to spend more time with our customers.
- Strengthen supporter insights. Invest in technology to streamline/enhance supporter experience. Tell our impact story better.
- Ensuring a tight, consistent, repeatable and scaleable client journey.
- Adoption of client advisory groups. Development of ICT solutions to enable greater client control of services. Training for staff.

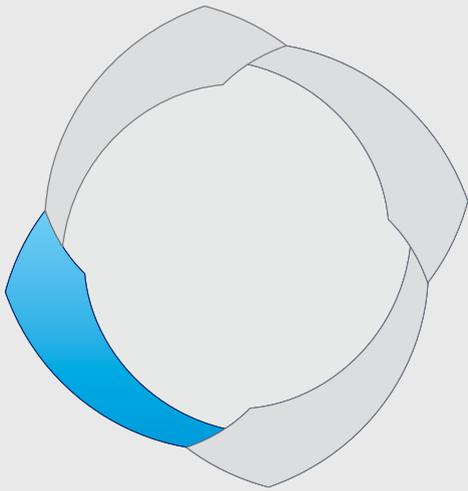
Streamlining processes and providing better technology support has to be a serious priority. Systems that underpin the client experience strategy will:

- Enable employees to quickly access accurate and up-to-date client information
- Be flexible enough to take individual customer needs into account
- Be integrated with enterprise wide or cloud based technology capabilities
- Reduce manual processes to free up time for assisting clients

In the 21st century it is becoming increasingly difficult to deliver a consistent and relevant client experience without the support of streamlined and reliable processes and systems. NFPs that can't find the funding and resourcing to streamline their systems and processes as needed might need to rethink their business model – finding new revenue sources to make the minimum investment required, outsourcing certain processes to others, sharing technology investments with others or looking at mergers and acquisitions to acquire the funding and scale required to support system development.

While system upgrades typically require fairly large amounts of money, process improvements can often be implemented at a relatively low cost.

Innovation and creativity must be encouraged and supported. For example, cross-team workshops can be used to brainstorm ideas and solutions for solving operational issues, developing better processes or streamlining particular tasks. There is a lot of scope for bringing together employees from across the organisation to ensure that different viewpoints and capabilities are utilised to remove bottlenecks and streamline processes.

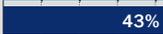


5

DRIVER #5

Systematically measure / improve

Systematically gather client feedback to ensure your organisation is helping clients achieve the desired outcomes and identify areas where you need to improve

| POLL RESULTS | RATING ¹ |
|---|---|
| Impact – systematically gathers client feedback to measure satisfaction and outcomes achieved | High importance  85% |
| | High performance  43% |

¹ % of respondents who indicated high importance or high performance by selecting a 6 or 7 on a 7 point scale where 1=not at all and 7=extremely important or extremely well

Much progress is being made in gathering client feedback to measure outcomes achieved and inform service improvements. However, there is still a long way to go to ensure this is done in an integrated and efficient manner. We don't see a lot of evidence that there is a well integrated and comprehensive process and reporting framework for measuring client outcomes across the NFP sector. For example, very few annual reports present client outcomes achieved in a clear and comprehensive way, and there is still a large reliance on anecdotal stories. Whilst these do play a valuable role in putting a human face on the services being delivered, overall impact is not generally well communicated.

The executive responses highlight four main methods for gathering client feedback (with many respondents using most or all of these methods):

- Client surveys
- Impact studies
- Analysing ad hoc feedback and complaints
- Business metrics

Client surveys

Executive comments – main methods for measuring satisfaction and outcomes achieved:

- Quarterly customer feedback surveys, and regular customer pulse checks to calculate a NPS.
- We conduct a Biannual Client Satisfaction Survey across all our services, in addition we have a client feedback program for compliments, complaints and suggestions. All feedback informs continuous improvement programs.
- Various surveys and wellbeing data, ideally taken at start and end of project.
- Any – our strategy is to make numerous methods available, including tablets, survey/questionnaire with stamped addressed envelopes, peer facilitated focus groups, email, spoken feedback. Our strategy is to offer maximum opportunities in the hope that clients will choose the one they are most comfortable with.
- Consumer consultation. Consumer surveys. Consumer reference committees at all major site service locations. Pre and post consumer service feedback. Validated tools to measure outcomes achieved. Results Based Accountability processes.

Client surveys can be conducted relatively quickly and cost effectively. If they are well constructed they can provide very significant insights. Well designed surveys will include at least the following three main dimensions:

- Experiences and perceptions – what is it like for clients to deal with your organisation?
- Outcomes and actions – how well are you meeting clients' needs and are they achieving their goals?
- Strengths and weaknesses – what are you doing well and where do you need to improve?

Measuring the outcomes achieved by clients is a very important part of this. For example:

- *As a result of this service, I feel more hopeful about the future*
- *As a result of this service, I have been able to manage my financial affairs more effectively*
- *This service provided me with good advice and assistance in finding a job*

While these outcomes are self reported and measure perceptions, they nonetheless give a very good indication of how the organisation is helping clients to achieve their goals. These surveys don't give an objective view of how clients' circumstances and behaviours have changed (see next section), but they do give very important insights into the client's state of mind and can cover a wide client base very cost effectively (often at one tenth of the cost of more detailed impact studies).

Changes to client perceptions and attitudes are one of the most important outcomes that can be achieved. For example, if they feel more hopeful about the future or if they feel that they have acquired the skills they need, then they are much more likely to take action to address their challenges and to achieve their goals.

Capturing various demographics such as service, location, client age, client gender, etc. means that the feedback can be sliced and diced across multiple dimensions to identify where improvement efforts should be focused.

Impact studies

Executive comments – main methods for measuring satisfaction and outcomes achieved:

- All services collect and analyse client outcome data – the methods vary depending on the service and the clients. We use an RBA framework to guide this work. Some services are also included as part of sector wide surveys undertaken by funders.
- Outcomes Star tool. Varying program specific client surveys.
- Client feedback survey, stakeholder feedback survey, behavioural change tracking analysis, wellbeing index surveys.
- Personal Outcome Measures (POMs), client surveys, focus groups.

While client surveys measure client perceptions and attitudes about outcomes achieved, impact studies aim to measure objective changes in client behaviours and circumstances. Impact studies are a very important part of measuring the outcomes achieved by NFPs but they are usually time consuming and expensive. Very few NFPs are able to cover all their services in this way because they are so resource intensive. However, they can be extremely useful for doing deep dive studies in high priority areas as appropriate. Two methods will be described briefly here – Outcomes Star and Results-Based Accountability™.

The Outcomes Star is an outcomes monitoring tool which can be used across a range of different client groups (for example for mental health clients, families and older people). The tool consists of a number of outcome scales arranged as a Star. Outcome scales are customised for different client groups and could include dimensions such as physical health, emotional wellbeing, social networks, education and learning, home and money and so on. The service user and staff member complete the Star together as an integral part of their keywork session. Together they look at the different scales and agree which score best describes where the client is at the moment. This score is then plotted on the Star. The points can be joined to

give an overview of where the person is at present – their own personal Star. The process is then repeated at a later date and the difference between the two readings shows the distance the person has travelled. As well as showing the outcomes for individuals, the data can be aggregated across all clients in a project to provide a picture of the outcomes achieved by that project.

Results-Based Accountability™ (RBA) is a disciplined way of thinking and taking action that communities can use to improve the lives of children, youth, families, adults and the community as a whole. RBA is also used by NFP organisations to improve the performance of their programs or services. RBA helps NFP organisations measure their community-wide impact by identifying specific customers who benefit from the services they provide. Performance measures focus on whether customers are better off as a result of the services. The performance measures also look at the quality and efficiency of the services provided. RBA asks three simple questions to arrive at the most important performance measures: 1. How much did we do? 2. How well did we do it? 3. Is anyone better off? Once organisations have identified the most powerful measures to improve, RBA provides a step-by-step process to get from ends to means. This process is called “Turn the Curve” thinking.

These and other methods help to focus the organisation’s thinking on exactly what it is trying to achieve, how it is making a difference in the lives of its clients and how it can measure the impact of its services.

Analysing ad hoc feedback and complaints

Executive comments – main methods for measuring satisfaction and outcomes achieved:

- Impact measurement surveys. Feedback boxes. Round tables.
- Surveys (delivered via accessible formats). Plan reviews. Publications of positive stories (print, media etc.).
- Resident/Families/Friends customer satisfaction survey. Compliments and complaints process. Staff feedback. Resident and Families meetings. Corporate Office feedback at resident and families meetings on survey outcomes and progress on projects.

Ad hoc feedback, typically in the form of complaints and compliments, is another very important method for tracking client satisfaction and outcomes achieved (or not achieved). These are received in a multitude of different ways, including via email, telephone, comments made to staff members face-to-face and via the formal complaints system. It is very important to consolidate all of these into

a single system to firstly ensure that the specific complaint is followed up and resolved and to secondly consolidate all complaints in one place to analyse trends and look for systematic issues.

Business metrics

Executive comments – main methods for measuring satisfaction and outcomes achieved:

- Growth in client numbers and revenue, retention/lapse, Net Promoter Score, brand tracking, customer Complaints.
- Surveys, KPI targets (occupancy, turnover, complaints, incidents etc), executive reviews, social media reviews.

In the *for-profit* sector, revenues are one of the most important proxy measures of customer satisfaction. Growing revenues often mean that the organisation is doing a good job of meeting customer needs. Having said that, customer focused organisations treat revenues as just one of many important indicators of customer satisfaction. There are multiple business metrics that jointly indicate how well an organisation is looking after its clients. For example, a NFP health fund could track:

- Total value of health insurance benefits paid (the total value of health services received by members and paid for by the fund)
- Average premium increases versus other organisations
- Introduction and uptake of new products and services
- Member retention rates (percentage of members renewing their insurance from one year to the next)
- Member acquisition rates (number of people joining the scheme and sources of new members – for example brokers, referrals, web searches, and walk-ins)
- Customer satisfaction metrics (such as overall satisfaction with the service, willingness to recommend the service to others, etc.)
- Percentage of member complaints versus total member base compared to similar organisations
- Percentage of member compliments versus total member base compared to similar organisations

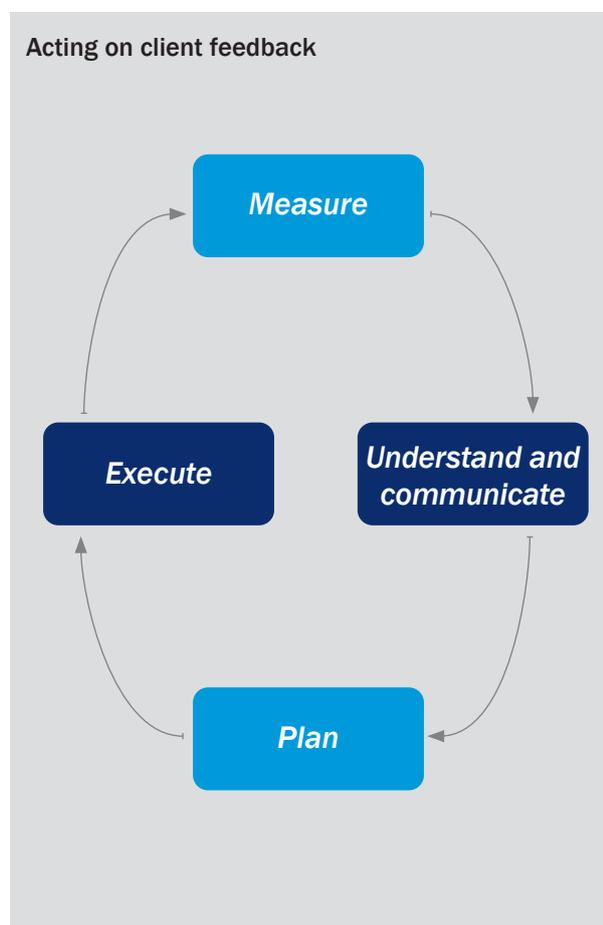
All of these metrics in combination give a good indication of how customer satisfaction is translating into customer benefits, take up of new products, customer acquisition and retention, and customer advocacy. As other parts of the NFP sector achieve increasing client choice and empowerment, similar metrics will be relevant – revenues, demand for specific services, client retention, new client acquisition and so on.

Communicating and acting on client feedback

ONCE A CUSTOMER FEEDBACK PROGRAM IS UNDERWAY, RESOURCES NEED TO BE INVESTED IN THE ANALYSIS AND REPORTING OF THE DATA TO ENSURE LEARNINGS ARE CAPTURED AND ACTED UPON.

By tracking variations in client satisfaction and investigating what causes clients to be promoters or detractors, action plans for those areas with low satisfaction scores can be implemented with managers held accountable for improvements. Front-line employees can also be involved in action planning to brainstorm improvement ideas which enables them to buy-in to the improvement initiatives and help drive change.

The figure below shows how NFPs need to ensure that they understand and act on the feedback from clients.



Building a client centred organisation requires “closing the loop” on the feedback received from clients:

- Measure – gather feedback from clients using the methods outlined above
- Understand and communicate – clarify what the feedback means if it is ambiguous via client or employee interviews, meetings or focus groups and communicate the results to employees and clients
- Plan – prioritise and communicate a manageable number of improvement initiatives at an organisation wide and a local level, assign owners and ensure accountability for execution
- Execute – apply project management disciplines to complete agreed actions, track progress and address issues at regular management meetings or project governance forums

Concluding comments

In conclusion, we would like to again express our deep gratitude to the executives who shared their experience and insights for this study. There is no doubt that, as for other sectors of the economy, the NFP sector will continue becoming more open and contestable. NFP clients will be offered ever increasing choice as to where they can source the services they need. This study shows that many NFP organisations are working hard to become more client centric and that many good practices have been, or are being, implemented.

Being client centric should probably be regarded more as a journey than a destination. It is hard to say that you have arrived, that you have reached your destination, as the environment keeps changing and there is always more to do. However, we hope that the good practices shared in this study will be useful in navigating on this journey and improving the services that are provided to some of the most disadvantaged people in our community.

How Insync helps not-for-profit organisations

INSYNC PARTNERS WITH OVER 50 COMMUNITY SERVICES ORGANISATIONS. WE HELP OUR CLIENTS ACHIEVE SUSTAINABLE HIGH PERFORMANCE BY MEASURING AND IMPROVING EMPLOYEE AND CLIENT ENGAGEMENT. OUR WORK FOCUSES ON FOUR KEY CHALLENGES.

1. Attracting and retaining employees

The ability to attract and retain employees with the required skills and attitudes is fundamental to helping disadvantaged people cope with challenging circumstances.

Insync's entry, exit and value proposition research will help you identify what is important to new employees, understand what causes people to leave your organisation, and determine what can be done to keep the right people for longer.

Our core research framework has five dimensions for attracting and retaining the right people:

- The job – ensuring that work is meaningful and fulfilling
- Structural – providing employees with the resources to do their jobs well and providing fair remuneration and reward
- Interpersonal – ensuring that employees and organisational values are aligned, and enhancing their connection with colleagues and managers
- Home life – providing flexibility to help employees balance home and work commitments as best as possible
- Environmental – having a competitive employee value proposition that limits the opportunity for other organisations to poach your best people

2. Engaging and aligning employees

While many community services organisations have engaged employees who identify strongly with the cause, there is often less clarity regarding the organisation's specific strategies and goals, and how employees contribute to achieving them. There can also be some uncertainty as to whether the organisation has the resources, processes and systems needed to execute the strategy effectively.

Insync's research framework investigates both organisational alignment (the execution of strategy) and employee engagement (commitment to the cause and willingness to apply discretionary effort). Our framework measures eight factors that impact organisational performance:

- Long term direction – having clear strategies and goals
- Senior leadership – inspiring and encouraging high performance
- Team leadership – setting the example and communicating well
- Team effectiveness – collaborating to meet goals
- Performance focus – striving to improve performance and serve customers better
- Investment in people – recruiting, developing and rewarding the right people
- Investment in systems – having the right processes and tools to get the job done
- Engagement – promoting and acting in the organisation's best interests

Insync's alignment and engagement framework gives you a thorough diagnosis of your organisation's potential for high performance. It highlights areas of strength and weakness versus similar organisations, and signposts a clear course of action for lifting your organisation's performance.

3. Understanding and meeting the needs of clients

Hearing the voice of clients has numerous benefits to community services organisations:

- Identify how programs can be improved to achieve better client outcomes
- Demonstrate to supporters and funding bodies the results that are being achieved
- Improve quality standards and supporting accreditation by identifying strengths and weaknesses
- Provide confidence to the board that the organisation is achieving its purpose and goals

Insync's research framework typically seeks client feedback on three key dimensions:

1. Experiences and perceptions – what is it like for clients to deal with your organisation?
2. Outcomes and actions – how well are you meeting clients' needs?
3. Strengths and weaknesses – what are you doing well and where do you need to improve?

Self directed care is giving clients and their carers greater say about the types of services they receive and how those services are delivered. Voice of the client research is critical for building and sustaining a culture that is both client centric and committed to continuous improvement. It is also invaluable for measuring the impact of programs and ensuring they are delivering the intended benefits for clients.

4. Ensuring sustainability through direction and leadership

There's nothing more important than having an effective and cohesive executive team that displays a real commitment to shaping and influencing the execution of the organisation's strategy. Insync assists with facilitation of vision and strategy workshops, reviews of leadership team effectiveness and 360 degree feedback.

Insync's leadership team effectiveness framework aims to improve the self-awareness of each executive regarding their own performance and the performance of the team as a whole. Our framework uses a special online data collection technology that allows all executives to self-assess their own effectiveness, and that of all others, in one survey that can be completed in 30 minutes. It can be tailored to your requirements and adjusted to take into account your competency framework and other objectives you are seeking to achieve.

In providing these services, our purpose is to help lift organisational capability, demonstrate the impact of programs, secure funding and ensure sustainability.

About Insync

We help our clients engage their stakeholders more effectively.

We're leaders in integrated experience management, research and consulting. Our purpose is to inspire success. And that's what we've done for over 100 leading organisations in the health, aged care, and community services sectors.

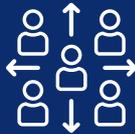
We provide evidence, expertise and actionable insights to shape the employee and consumer/patient/family experience, ensure good governance and help organisations manage the risks that matter most.

Clients such as St Vincent's Health, Epworth, YMCA, UnitingCare, Mater Health, Anglicare, Guide Dogs, CatholicCare, MS, the St Vincent de Paul Society and the Royal Flying Doctor Service trust us to deep dive into their culture, experiences and risk processes, and surface with actionable insights that drive real change.

We focus on four critical success factors to enhance your success.



Attract and retain the right people



Align and engage your employees



Understand and meet client needs



Build cohesive leadership teams

www.insync.com.au

Melbourne | Sydney | Gold Coast

Insync Surveys Pty Ltd ABN 58 108 768 958



Success. Mapped.