Buisness operations

Dealing with banking problems is a hassle for any individual, especially for those who are involved with the business sector. Transactions come and go andmoneyis fast, banks cannot afford to fail. Banks are offering the services of Personal Banking Consultants, specially designed for individuals who do not wish to deal with meager problems such as invalid pin codes or name changes. Though these problems are not serious, they require time to sort out. The use of a PBC come with perks for business people and proves to be a worthy investment. The following case discusses a client's experience with a PBC.

There were inherent problems with the bank company that the PBC was able to assist the clients through. The clients went through numerous problems and delays in changing accounts. Wrong names, invalid pins, existing accounts, and long delays were said to be a common occurrence. The real issue did not come from the PBC, rather from the company itself. The banking company utilizes agency staff, or contracted workers for some of their operations. Though this is beneficial to the financial status of a company because of the easy access to labor and the affordable cost of hiring agency staff, it also has inherent risks and downsides.

What were the gaps between customers' expectations and perceptions in the process described? In the case, the clients were burdened by the changes with their previous bank in the south. Two accounts were being used, one for business and one for personal use, each with different offices and different numbers. The location of the bank was also a problem because of a change of residency of the clients. Due to these factors, the client chose to switch the northern bank. The presence of the Personal Banking Consultant at the northern bank helped persuade the client to switch banks.

It is important to note that the process of switching banks involved numerous intricacies, such as the change of cheque books, credit cards, standing orders, and debit instructions. The gap between customer specification and operation specification seems to be a match. The bank offers their services to the clients, along with the bonuses of the package which the client chose. These included preferential interest rates, free annual travel insurance, a reward scheme, a “ golden” credit card, and the services of the PBC. We can assume that the clients have fulfilled the requirements to apply for membership and enjoy the rewards.

The gap between quality specification and the actual quality of the service or product is one of the most important gaps in the case. This type of gap, as stated by Reuber and Fisher (2005), shows the marketed specifications of the good or service, what it should provide and the benefits of its use, and compares it to the actual specifications of the good. Cleary, there is a gap between these two in this case. Sue was clearly aware of the problems that plagued the company, yet presented these to the clients as simple “ computer problems”. This is the case of marketing the specifications of the service to be better than the original.

She did, however, admit that the problems were caused by the agency staff. The decision to cover the reality of the situation was a risky move by Sue. The clients did not withdraw from the offer and became members, a successful deal for the bank. However, the reputation of the bank has been severely tarnished. The clients were very dissatisfied with the process of transferring, and this has left an initial impression on their mind. Though there have been no problems beyond the transfer process, another mistake on the bank's part will remind them of the initial problems that they faced.

The gap between the actual quality and the communicated image of the service matched. This gap explains the difference between the qualities of service that the customers are expecting against the actual quality (Beckford, J. , 2002, pp. 145-150). The clients already had a bad experience with their previous bank and know that the transfer of accounts is a very tedious process. They acknowledged this difficulty in choosing to transfer, and the bank did not hide this fact from them. However, they were assured that the process would go smoothly, which we know was not the case.

How were the customers' expectations influenced from the outset? The idea of transferring accounts was not initially welcomed by the clients. They had a negative experience with their previous bank, with impersonal call handling because of outsourcing, the lack of access to their assistant bank manager, and the complication of having two accounts under different telephone numbers and offices. Under the circumstances that they face, any better alternative would have been welcome. The clients' previous experience has affected their perception of consumer expectation.

Consumers generally want to have faster service, convenience in both application and usage, flexibility in payment options and other packages, and helpful customer policies. This type of consumer expectation is formed thru the wants of the client. In reality, what consumers want does not necessarily equate to what they expect to receive. This is called the customer expectation paradox. Real consumer expectations are formed thru experience in the marketplace (Lucas, J. , 2006, pp. 137-144). A real life example of the paradox is a visit to a dentist.

Customers want to be served quickly and immediately, no waiting lines, timely appointments, and available dentists at hand. However, the expectation of the reality in the office is different. Customers know that they will have to wait in line, that they will not be served immediately, and that the availability of the dentist may be in question. The same can be said for the case, as the clients know from experience that the process of transfer is a very hassling endeavor. The clients want to have no problems regarding the transfer - that no errors are made, that everything is done quickly and in a timely fashion.

The experience of the clients tells them that this is not the reality, leading them to expect that their wants will not be fully satisfied. The clients did not have high expectations for the replacement bank; they were simply in search for a way to ease the burden of their previous bank. The package that was offered to them was a factor that influenced their decision. The assurance that the process will go smoothly also led to their expectations to be affected. When Sue informed the clients that everything will be handled by the company and that the clients will not experience any hassle, this significantly affected their expectations.

What aspects of the bank's service quality specification have been revealed to the customer? Are these reasonable for such an account? The prime concern of bank customers is to be served conveniently without any errors or problems. Such complications cause consumers to loseloyaltywith the bank and eventually lead to them leaving and searching for other service providers. In order to gain consumer trust, which is vital to service oriented businesses such as banks, firms show their focus on quality specification. In the case, the source of one of the problems of the bank is the outsourcing of several operations to agency staff.

This was revealed to the clients by their bank consultant at the end of their transfer process. The company alone cannot meet the demands of the customers, thus the use of agency staff to fill the gap. This is a good decision for the bank, as agency staffing provides the company with flexibility because of the ease of hiring new staff and the availability of a wide variant of employees. Agency staffing is also more cost-effective in terms of employment since these employees do not require extensive training and are not a liability to the hiring company (Huffman, L.

, 2008.). The use of agency staffing does have some drawbacks, such as the employees' lack of loyalty for the company. Since they are often not considered to be part of the main team, temporary employees have little incentive to be loyal. Lastly, cheap agency staffing may be less efficient compared to trained employees. Although errors cannot be avoided in operations, especially with agency staffing, it is not an appropriate reason for the clients to be burdened. Sue has pointed that this has been the reason for the errors in the clients' transfer process.

While the agency staffing may pose as a problem to the clients, it is significantly worsened by the practices of the bank consultants. Sue, as an example, continued to press clients to accept packages and offers even if she is aware of the problems that the staff is experiencing. This action allows the company to meet their quotas; however it has severe repercussions on the clients. It was been visible to the clients that such transactions happen even if the bank cannot sufficiently deliver some of the services involved. This suggests serious problems with the bank's coordination between departments, and among the clients.

It is also clear that the bank suffers from capacity management, that the agency staff are either underperforming or the bank is understaffed. Evaluate Sue's reaction to the problems at every stage. Was the bank's service recovery successful? Before the transfer process began, Sue faced the problem of the clients coming from a previous bank where they had a negative experience with. The clients were initially against transferring banks, mainly because of the hassle of having to change card info, cheque books, credit, and others included in their personal and business accounts.

Upon sharing this problem with their personal banking consultant, Sue assured the clients that all the details will be processed by the computer in a week. She also stated that with the level oftechnologythat the bank is using, the clients would simply have to fill out a few forms and wait for seven days. She was successful in dealing with the clients' concerns with the decision of the clients to utilize the bank's services. The first problem that the clients encountered was the late chequebook. They were told that all the required materials would be delivered in a week; however the last chequebook came in six days late.

Though Sue was not informed of this problem, the clients did receive a welcome package from Sue consisting of information regarding the services the bank offers, notification that the accounts are active. The messages were written in a personal manner to improve customer relationship. The welcoming package may possibly be the standard operating procedure of the company; however this act serves as a way to make the clients feel that they are part of the company. Upon receiving the chequebooks, there was an error with the names for both the business and current account cheques of the clients.

Sue apologized for the mishap, and informed the clients that new cards will be issued for them, and that PBC cards are given special priority. Sue had also given the clients an alternative, that the former cards could be used since they were linked to the existing accounts. The credit cards arrived a day after, with the names correctly spelled. Sue's reaction to the clients' problem was done well and provided in a speedy manner. The errors were fixed quickly and Sue suggested a temporary workaround to the problem.

Though the name mishap was solved swiftly, the clients experienced another problem with the personal identification numbers (PIN) of their cards. The said PINs did not arrive with the credit cards, making them inaccessible. When the clients informed Sue of this, Sue relayed that PINs arrive several days after the cards because of security reasons. She also assured the clients that the PINS will arrive along with the cheque guarantee cards. The PLC's reaction to the clients' concerns was a standard customer reply. The PLC simply informed the clients that there was no error, and that the process was going as planned.

After a week, the clients had received the guarantee cards. However, these had the names misspelled similar to the first batch of cards. The PINs for the other cards have also not yet arrived. Sue was informed of this and was surprised with the delay. According to her, the PINs were sent 5 days ago and suggested that it may have been lost in the post. She confirmed this after a while, informing the clients that the cards have to be reissued for security purposes, and that the new cards will have a new PIN code. Again, Sue suggested the temporary use of the old cards.

With the increasing occurrence of errors, Sue had been very apologetic regarding the problems that the clients were facing. The new PINs and cards had arrived 3 days after, the time limit that Sue had set for the revised cards. However, the clients faced another problem with the PINs because they were being rejected. The new PIN codes were for the old cards, and the new cards did not have their codes yet. The whole mess was sorted out after 4 days, and the card company sent a personal letter of apology regarding the problems that the clients faced. A bouquet of flowers had also arrived for the clients.

Their PLC, Sue, also called to ensure that there were no more problems. The clients were also given leather holders for their cards and chequebooks. These actions show that the company was trying to please the clients by offering gifts in order to ensure that client satisfaction. It is clear that Sue had done everything in her power to solve the problems of the clients. Sue herself did not suffer from any errors; rather the mistakes took place within the system itself. Sue was successful in appeasing the clients, and no problems occurred after the events, thus restoring customer satisfaction.

What costs have been created by these problems, and how do they compare with the underlying costs and root cause of the problem? The main costs that the problem has created have been those to the customer, to the bank, and to Sue. The costs that the clients had incurred came in the form of inconvenience and time. The original agreement was that the clients would have everything ready within a week, however after the delays and errors the clients had fully finished the transfer process after 25 days, 18 days after the original deadline. The psychic costs that the delays caused also affected the client.

In addition to that, the clients were embarrassed due to a mishap with their former credit cards and cheques, which would have not occurred if the process of transferring went smoothly. The bank had also suffered losses due to the errors. The cost of the reproduction and reissuing the cards and chequebooks and the cost of delivery of these products are taken by the company. The numerous errors have also caused customer satisfaction to decrease. This is a cost to the company because the clients' experiences with their bank show the quality of service that is provided.

If there are complaints that stem from errors and delays, the bank's reputation is negatively affected. The root cause of the problems comes from the system management of the bank's operations. The hiring of agency staff shows that the bank cannot support the services demanded by the operations alone. The performance errors of the agency staff suggest that the bank is understaffed, or the hired staff is underperforming. There is also a lack ofcommunicationbetween the departments within the company. Customer revisions are not communicated efficiently to the card issuing company, thus causing errors in PIN codes and credit cards.

Lastly, the company suffers from poor target setting. The bank aims to meet the demands of clients within a specified timeframe, yet their operating staff cannot meet these deadlines. CONCLUSION The bank suffers from multiple mistakes in their system organization and management. If left unsolved, they will be operating at a sub-optimal level and experience multiple losses. Clients will choose to use the services of other banks. The costs that the errors and delays bring upon the company hamper growth and decrease revenue.

The changes required to solve the management problems of the company are costly and hard to achieve. The short-term recovery procedures used are also costly and prove to be an inconvenience for both the clients and the bank. These can only alleviate the problems, but not completely solve them. The main issue that has to be settled is the long-term plans of the bank to solve their problems. In the end, we cannot always just call Sue.
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