



DATED

1 JUNE 2012

(1) the Scottish Ministers

- and -

(2) Serco Ltd

**VOLUME 2
CONTRACT SCHEDULES 2-17
relating to
NORTHERN ISLES FERRY SERVICE
PROVISION OF SERVICES**

**PART 4
SCH 10 - 12**

TS/FER/SER/2011/02



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These are Schedules referred to in the Foregoing Contract between The Scottish Ministers and Serco Ltd

SCHEDULE 10 - CUSTOMER COMPLAINT PROCESS

The Operator’s Customer Complaint Process must be developed in accordance with Clause 34.

The Operator must comply with the following Customer Complaint Process:

1.Summary of our Customer Care proposal

As a central component of the Orkney and Shetland Islands’ transport system, connecting customer for business, recreation and tourism, it is important that Serco NorthLink Ferries (SNF) ensures that every point of the customer journey is taken into consideration.

Our objective is to deliver an end-to-end customer experience defined by committed staff, innovation and customer satisfaction. We have researched and gained understanding of the existing operator’s customers, and have identified how we can make improvements at various points of the customer’s journey. SNF will engage with our customers at every opportunity and we welcome all forms of feedback to help us continuously improve service.

Customer Experience Solution

Our Customer Care Plan brings our solution to life. The purpose of our plan is to demonstrate our leading practice programmes, and their ability to deliver excellent customer experience outcomes. Customer-centric ferry transport is the objective of our solution. Defined as a transport experience that provides added customer value, improved outcomes and heightened customer experiences, SNF has designed an integrated customer experience solution through a series of customer improvement programmes. Key objectives and outcomes of our solution are outlined in the table below.

Customer Experience OBJECTIVES	Customer Experience OUTCOMES
<ul style="list-style-type: none"> • Build revenue growth • Recognise the composition of our customer market • Target underlying issues with customer dissatisfaction • Recognise untapped demand and design new solutions • Motivate and engage our workforce • Move good delivery of customer service to great delivery of customer service • Connect, engage and integrate with communities • Monitor and measure the customer experience program 	<ul style="list-style-type: none"> • Ferry transport is positioned as the public transport method of choice • Integrated whole of transport customer experience • Positive feedback from commuters and tourist passengers • Engaged and motivated staff working to deliver customer-led service • Increased sales in the catering and sleeping offer • Raised usage of the web site

Demonstrating our in-depth understanding of the needs of ferry customers, our solution provides practical initiatives to drive tangible improvements in both the early stages of the contract and throughout the contract. Designed in a forward thinking manner our programme is integrated, sustainable and displays our future-state ferry customer experience.

Customer Experience Value Chain

The Customer Experience comprises three customer experience influences across ferry operations. As evident in the illustration above, ferry customer emotional outcomes are derived as a result of the customer events that occur across each component of the value-chain. A synopsis of each of the three framework elements is shown below:

Customer Experience Value-Chain Summary

Value chain	Customer events	Emotional outcomes of customer interactions
Defined as all activities and services that bring the customer's experience of the ferry service from conception to end use The customer experience value chain provides a continuous framework for summarising the customer interface with SNF.	Defined as the series of customer events that bring the ferry experience to life, each customer event impacts the customer emotion through positive or negative experience.	Each customer event across the customer value chain results in an emotional outcome for the customer which may positively or negatively influence the customer's ferry experience, satisfaction, future usage and level of advocacy for ferry services.

Outcomes

An ability to understand and respond to each element of the customer experience value-chain will result in positive customer outcomes and increased satisfaction and advocacy for ferry services.

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3.Our Customer Care Proposal

Our customer experience strategy is founded on practical initiatives aligned to the end-to-end customer ferry experience. To us, improving the customer experience does not exist in isolation, and rather is a component of a continuous cycle of inter-related activities that impact the customer value chain, customer events and customer emotions. Our customer excellence model effectively connects with all areas of our customer solution. It is our view that in addition to exemplary frontline interactions, customer satisfaction and advocacy will not improve without an impeccable safety programme, efficient and customer driven operations, appropriately maintained vessels, innovative customer-centric programmes and a motivated and engaged workforce.

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Overview of our solution

SNF Customer Excellence Model	
1.Customer Experience	<ul style="list-style-type: none"> • New Customer Service Management Structure • Customer Service Standards (All Hands) • End to End Customer Experience
2.Customer Feedback	<ul style="list-style-type: none"> • Media Feedback • Customer Feedback Innovations • Customer Satisfaction Survey
3.Marketing Strategy	<ul style="list-style-type: none"> • Website • Flexible Fare Structure • Community Engagement Manager
4.Community Engagement	<ul style="list-style-type: none"> • School interaction • Events Planning • Ambassador Programme
5.On board Experience)	<ul style="list-style-type: none"> • Service Quality measures • New Refreshed Catering Services • Improved Sleeping Arrangement • Staff Engagement Training • Leadership Programme (focused management structure)
6.Accessibility ()	<ul style="list-style-type: none"> • YouTube Accessibility Campaign • Ferries for Everyone Campaign • Accessibility Days • Accessibility Brochure

1.Customer Experience is the first element of our Customer Excellence model. As satisfied customers result in improved patronage, brand recognition and growth, we recognise the importance of using our detailed customer insight and analysis to develop a customer centric solution based on customer needs, wants and expectations.

New Organisational Structure & Customer Service Director

SNF has designed a new organisational structure to lead the design and implementation of our customer experience programme. Our structure will not only increase the profile of customer service, but will enforce a company-wide focus and responsibility for all SNF employees. Transitioning a focus from operations to customer experience will be critical to the success of patronage growth, revenue development and sustainable change.

Organisational structure

Our new organisational structure is driven by our customer focus. Our research identified the need to create, build and develop the customer experience through effective staff management. To lead and inspire our customer facing staff, we have created the position of Customer Services Director, pivotal to the success of our customer experience strategy.

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Customer Experience Improvements

Whilst we believe that customer experience excellence is the responsibility of everyone, we equally understand that to have a truly entrepreneurial culture, we need to facilitate an environment that encourages new ideas and innovation. To facilitate this process, the Customer Services Director will participate in meetings across functional areas to identify wider opportunities for improvement. On a monthly basis, the Customer Services Director will attend meetings across the following areas

- Marketing
- Communications
- Operations

Results of these meetings will be researched for implementation into the Customer Experience Improvement Plan designed to continuously improve the customer experience.

Customer Service Standards

SNF will redefine customer service by introducing a single set of Customer Service Standards - All Hands programme. Our interactive customer service training for the SNF staff will be tailored to these standards. We will use best practice from Northern Rail, Merseyrail and Great Southern Railways each of which provide exemplary customer service in the transport sector. Best practice for Call Centre activities will also be incorporated from Intelenet and Serco Listening both of whom operate in Scotland.



All Hands – SNF Customer Service Initiative Programme

Instilling engagement of SNF staff is critical to achieving culture change and successfully delivering the world's best ferry service. Our customer service initiative programme 'All Hands' will be built in collaboration with our staff to instil employee ownership and pride across ferry operations. 'All Hands' will engage and motivate our staff as our staff helped create it. **"All hands... because everyone is responsible for great service."**

Design & Collaboration

The Customer Service Director will have overall responsibility for the implementation of the 'All Hands' initiative which will be developed by, and for, SNF staff. From contract commencement SNF will select 'All Hands' Ambassadors to develop the programme, share information and offer encouragement and support to colleagues. The 'All Hands' Programme will be implemented through a series of programmes and customer service orientated initiatives. As a team, SNF will develop the following deliverables:

- Your Customer booklets
- Your Port guides
- Your Ferry guides
- Your Journey
- Location Pocket Guide

- (i) **Proactive arrangements to provide a caring environment at the several stages of customer involvement including ticket sales, advice on sailing status, care of stranded passengers, journey experience, post journey incidents.**

End to End Customer Experience

The Customer Experience Value Chain explained earlier in this section will help us develop all areas of the SNF Customer Plan. It is SNF's commitment to provide a safe and high quality service our customers have the right to expect; it's our commitment to our customers. We will exceed customers' expectations, so they come back again and again.

Information

SNF will provide clear and accurate information at all times regarding each part of the customer's journey. Posters will be displayed at ports and on-board, displaying quality and performance (punctuality/reliability and quality) scores for the previous quarter.

Staff will be available at all times prior to and during the customers' journey providing information and assistance when required. On-board and port announcements will be scripted for our staff to ensure consistency. The existing electronic information display systems at ports and on the vessels will be reviewed by Serco's Transport Technology team to assess their fitness for purpose and adherence to standards with a view to making improvements.

Transport connections will be clearly signposted, including directions to other transport modes at the port entrance.

Lost property

If a customer leaves an item at a port or on-board, SNF will return this item at no additional cost, other than carriage/postage. All lost property (unless deemed dangerous or suspicious) will be stored at the port where the vessel next docks after the item was found. Customers will contact Customer Service by phone or via the dedicated email address, who will search the lost property database which will have been updated by the port Customer Service Assistants daily. All remaining lost items will be handed to a Lost Property auction company after three months, with the proceeds being donated to charity.

Left Luggage

SNF will provide a left luggage service on board for walk-on passengers, for which there will be no cost. Current left luggage facilities will remain in place.

During disruption

During delays on-board, SNF will ensure customers are fully aware of the current situation. Customers will be informed as and when information becomes available.

There will be times when we are unable to operate our advertised timetable, for example due to poor weather. We will ensure our website is updated regularly to assist customers to make the best decision about travelling. Staff will be available with up to date information at ports and on-board. SNF will ensure information posters are displayed explaining the alterations to sailings.

If a passenger becomes stranded as a result of a cancelled journey, SNF staff will assist customers to find accommodation and transport if required. Staff will also ensure the passenger is booked on the next available sailing.

Refunds

Customers will be entitled to apply for a full refund if their journey was cancelled as a result of SNF not sailing and they chose not to travel.

If a customer chose to cancel a booking, the following charges will apply:

- £10 administration fee per booking over two weeks prior to sailing
- 50% of total booking value up to two weeks prior to sailing, plus £10 administration fee
- 100% of total booking value upon failure to embark
- It will be the responsibility of the Contact Centre Manager to review any refund special cases, e.g. a bereavement in family.

Customers will be able to change the date of travel, subject to a £10 administration fee, paying the difference between the ticket purchased and remaining ticket quota availability.

Customers will be able to apply for a refund via our website, by logging in to a secured area and completing the customer refund form. We will also accept refund request forms by post or as an attachment to an email. Our preferred method is via our website, as this will be the quickest option for our customers to receive their refund.

2. Customer Feedback is the second element of our Customer Excellence model)

Customers can contact us by a number of methods including; post, telephone, email (through our 'Contact Us' section on our website), Customer Experience form or social media. All contact details will be clearly highlighted on our website.

All SNF staff will be trained to help our customers and we will empower our staff to deal with any arising issues on the spot where possible. If a member staff cannot resolve the problem they will involve their supervisor or manager. SNF want to resolve issues as they arise, so our customers can continue on their journey happy and content. Where appropriate, On-board management will have the authority to offer some form of compensation, for example complimentary refreshments, upgrading their cabin etc.

Customer Satisfaction Survey

48 hours after the customer has travelled, those having booked via the internet will receive an email asking them to complete a customer satisfaction survey. Results will be circulated internally as a tool for improvement. For our regular customers we will seek to build close working relationships with each customer to gain regular feedback on their experiences. This feedback will be incorporated into our Customer Satisfaction Survey and help us develop our improvement plans.

3. Marketing is the third element of our Customer Excellence model

Detailed information about all services offered will be available on our comprehensive website, including a Frequently Asked Questions (FAQ) section, this will have up to date relevant answers. Customers will be able to download printable timetables from our website along with a host of other travel items. Customers can also sign up to receive information

about their journey via SMS or email through our website.

Our website will have the relevant contact information for each department, whether that be telephone numbers, addresses or email addresses.

Ticket purchase

Customers will be able to purchase tickets by telephone, through our website, at port booking offices or via travel agents. Tickets can be purchased up to final check in, availability permitting. SNF will provide impartial advice and sell the customer the most appropriate ticket for their journey. Our opening hours for each of these functions will be clearly displayed on our website and at the port.

4. Community Engagement is the fourth element of our Customer Excellence model.

SNF recognise that the communities and tourism we serve are diverse and that we need to engage with those groups where there are barriers and misconceptions in regards to using certain transport services. For example, an older person or a disabled person who may feel intimidated by seemingly complex tasks, such as purchasing a ticket from the Web.

To ensure that SNF is accessible to all residents of the Orkney Islands and the Shetland Islands, we will introduce a Community Ambassador Programme with Ambassadors who will work with local groups to develop plans to improve their journey experience and closing down issues that arise in a timely manner

5. On-board is the fifth element of our Customer Excellence model

At ports and on-board our vessels, customers can expect a high quality service at all times. SNF will ensure all vessels are comfortable, well maintained and have the facilities available to ensure the customer has an enjoyable journey. .

6. Assistance for disabled or elderly is the sixth element of our Customer Excellence model)

All passenger vessels are accessible for disabled passengers. Customer Service staff will be available to assist elderly or disabled passengers when required. Passengers will be asked to make known their requirements at time of booking.

(ii) Staff and resources proposed to fully develop, implement and update the plan

Learning and Development

The outcomes of the SNF learning and development strategy will be to improve the customer experience. Operational and Call Centre staff will be more attuned to the needs and requirements of customers as a result of utilising direct customer feedback to develop our Skills audit programme. In order to establish an engaged workplace, SNF will identify learning and development pathways for our employees utilising Serco's seven step Skills Audit Programme. The Skills Audit Programme provides a method of identifying staff customer service skill gaps and individual development programmes to enhance the customer experience. Steps of the skills audit are as follows:

- **Step 1:** Consult with staff to identify current skills and assess training and development needs

- **Step 2:** Analyse results to determine where staff skill gaps lie
- **Step 3:** Create a training profile which involves identifying the types of courses and experiences requested
- **Step 4:** Develop the annual staff training plan including pre-service, induction, scheduled refresher and specialised training requirements
- **Step 5:** Publicise the annual Staff Training Plan to ensure all employees are advised of the available learning opportunities and to provide equal access to developmental opportunities
- **Step 6:** Implement the training
- **Step 7:** Evaluate the effectiveness of the training to ensure management and employees are satisfied with the outcomes.

Once mobilised, a Serco Call Centre expert will review all stages of interaction with the customer to improve the service we deliver from the Call Centre. At this point we will use best practice from other Serco transport operations and call centres to implement a robust process which delivers a quality service.

4.Outcomes and benefits

The Customer Experience Plan will be both monitored and measured to recognise performance and identify improvement activities.

Review and measurement mechanisms include:

- Raised patronage
- Internal SNF KPIs
- Customer Satisfaction survey scores
- Customer feedback
- Employee satisfaction survey results
- SNF leadership and assessment.
- Community engagement

The Customer Experience Plan will be formally approved and reviewed on an annual basis with the SNF Senior Management Team.

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SCHEDULE 11 - KEY PERSONNEL

Supplier's Representative, Senior Supplier's Representative, and Key Personnel

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SCHEDULE 12 - INITIAL BASE CASE

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