
CHAPTER 7 The Customer Service Management Process

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Overview

In the customer service management process, managers administer the product and service agreements (PSAs) developed by customer teams as part of the customer relationship management process.¹ The key difference between the traditional customer service activity and the customer service management process is that the process is primarily proactive. Successful implementation requires the development of triggers and signals to identify situations that may become problems and act before they affect the customer so that the promises made in the PSA can be achieved without interruption. Standardized response procedures are developed for recurring events and coordination mechanisms are put in place to deal with irregular events. Information systems are developed to provide visibility to the triggers and signals that identify events requiring a response. In this chapter, we describe the customer service management process in detail and show how it can be implemented and managed.

After reading this chapter you should be able to:

- Differentiate the customer service management process from logistics customer service.
- Understand the importance of being proactive in customer service management.
- Explain how the customer service management process supports the PSAs.
- Compare the role of a customer service manager within the customer service management process to the role of a traditional customer service manager.
- Describe the strategic customer service management process.
- Explain how customer segmentation influences the customer service management process.
- Describe why it is important for a firm to operationalize triggers and signals as part of the strategic customer service management process.
- Determine how the customer service management process affects Economic Value Added (EVA®).
- Describe the operational customer service management process.
- Identify ways management can use information provided by suppliers to become more proactive in terms of customer service.
- Understand why the customer service management process needs to be cross-functional, the functions involved, and the role of each function.

¹ This chapter is adapted from Yemisi A. Bolumole, A. Michael Knemeyer and Douglas M. Lambert, "The Customer Service Management Process," *The International Journal of Logistics Management*, Vol. 14, No. 2 (2003), pp. 15-31; and A. Michael Knemeyer, Douglas M. Lambert, and Sebastian Garcia-Dastugue, "The Customer Service Management Process," in Douglas M. Lambert (Ed.) *Supply Chain Management: Processes, Partnerships, Performance* (4th Ed.), Supply Chain Management Institute, Ponte Vedra Beach, FL (2014), pp. 71-88.