

What Is Complaint Management and Why Do You Need It?

If you work with people, sell a product, or provide a service, you likely deal with complaints, and those complaints can take many forms. While most companies have to manage complaints of some kind, certain businesses—like healthcare institutions, municipalities, educational systems, financial services companies, restaurants, and retailers—also have to consider how failing to properly handle a complaint could potentially damage their reputation or even create liability due to compromised compliance.

The trick is to recognize the extent to which your business may have to deal with complaints on a regular basis and then implement complaint management early on. This is especially critical if you serve external customers and your reputation or compliance, in part, relies on making customers happy or keeping them safe.

6 examples of complaint management

When it comes to complaints, emotions can run rampant. Complaint handling requires respect, promptness, and objectiveness from acknowledgment all the way to resolution. Below, we talk about six segments where complaint management plays a major role in making sure customers are happy and businesses are in compliance:

1. Financial Services Complaints

Within the last few years, complaints in the financial realm escalated to the point that the government got involved. The Consumer Financial Protection Bureau (CFPB) exists for customers to file complaints against financial services companies unable or unwilling to resolve their complaints. According to the CFPB website, as of January 2016, the CFPB has handled over 800,000 complaints. Certainly, some of those complaints might have been unnecessary had the companies in question employed good mechanisms for managing consumer concerns.

2. Resolving Technology & Software Complaints

If you're a software company, it could be that your product isn't functioning as intended or users can't access the system when they need it. Documentation may not match up properly. Maybe a customer has had a disagreement with a staff member. These complaints aren't only valid, but also typical. And, if software users—whether internal or external customers—are frustrated with a product, this frustration can leave a lasting im-

pression, especially if they have a complaint that doesn't get addressed in a timely manner. This hurts business and customer relationships.

3. Tracking HR or Harassment Complaints

For most Human Resources departments, harassment reports are a common concern. Higher education and school systems provide good examples of organizations that must carefully handle harassment complaints, for example, against staff, faculty, and other students. Even bullying concerns could be considered behavioral complaints. Effectively managing such complaints starts with implementing a safe, protected, and private mechanism and process for victims to report harassment. These types of complaints, more than any other, require tact, empathy, and understanding in their resolution.

4. Handling Patient & Hospital Incident Management

In healthcare, patient complaint and incident management often involve fielding concerns from a patient's family member. It could be something as minor as a housekeeping need or something as severe as an error in medication. Internal staff may need to report errors and malfunctions with equipment. Incidents related to safety or hazardous conditions reflect another kind of concern typical of a healthcare environment. Between patients, their families, visitors, and staff, a complaint may come in from any source.

5. Managing Citizen Complaints

If you work for a local government or municipality, you are certainly acquainted with citizens reporting their concerns—potholes on the main roads, signal failures at major intersections, and incorrect tax assessments on personal property or real estate, just to name a few. Outside of citizen concerns, other sources of complaints could come from consumers, students, vendors, and employees. All require mechanisms for resolution. And, in some cases, neglecting to follow through on tracking and resolving a complaint not only results in unhappy "customers," but could also place an institution at risk for being out of compliance.

6. Addressing Restaurant Complaints

"Waiter, there's a fly in my soup." "My waiter was rude!" "My favorite entrée isn't available!" You're no doubt familiar with these types of complaints if you've ever waited tables or managed a restaurant. Restaurants frequently have comment cards or "how'd we do?" surveys that encourage both positive and negative feedback. I recently filled out one of these surveys after dining at a national chain restaurant where the service lacked its normal promptness and attentiveness. A few days later, after voicing my concerns, I received an apology letter and \$20 worth of coupons. Their response made me feel like my complaint had been heard and that the restaurant management valued me as a customer.

Why you need a solid process for handling complaints

With complaints coming in from all sources, you need a complaint management process that keeps the person making the complaint in the loop. Basic complaint management normally includes a timely acknowledgment, a process toward resolution, and a final outcome that benefits everyone.

The restaurant chain had a complaint management process in place. It involved being responsive to customer comments, then sending out coupons. And while coupons aren't the cure for everything, in a restaurant situation, it's an easy and often satisfying resolution.

Outside of the retail environment, the process may involve more than just resolving a single complaint. It may mean taking steps to ensure the same problem never happens again. Software companies patch bugs in their software. Manufacturing companies issue product recalls. And, in the case of harassment complaints, it may mean disciplinary action, termination of employment, or even potential legal ramifications.

All of these involve mechanisms for collecting and tracking complaints and informing customers of the progress toward resolution and preventing future complaints. Above all, communication with the person that made the complaint is critical.

How many times have you had a complaint that wasn't acknowledged?

In the eyes of the people making the complaints, their complaints are always valid. Sometimes, all that's needed is a general acknowledgment or an acknowledgment along with a final resolution. Other times, there may need to be multiple communication points along the way to resolution.

What's your complaint management process?

Some companies handle complaints through emails. Others take phone calls, use social media, or implement website pages as mechanisms to submit complaints. Other companies, however, have discovered that using a software application is the most surefire way of tracking complaints from submission to resolution. This also helps with identifying trends, preventing future complaints, and maintaining compliance.

Next post, we'll talk about the benefits of complaint management software.