CSP to grow 10 percent this year, looks to explore other industries and products

by Michelle Leach

Despite hardship in the financial services industry, Customer ServiceProfiles is on track to increase its revenue by 10 percent.

"When times are tough and a company is in a commodity business where the differentiator is customer service, they need to focus on giving the best service possible and that's where CSP can really help them," said President Steve Kutlek, co-owner.

CSP helps banks, credit unions, financial companies and insurance companies by offering its Voice of the Customer model. This model is made up of three parts: transactional research, customer assessment of behaviors and attitudes beyond the transaction and customer service.

"We have a proven system in place to recruit, train and manage agents for our service representative employees," said Kutlek.

The customer relationship assessment goes beyond measuring an experience. This involves understanding customer loyalty, satisfaction and the likelihood that a customer will refer to others the "sell" the business to others.

"We interviewed 1,500 bank customers across the country so we would have solid national and regional benchmarking, comparative data," Kutlek said. "Financial institutions can see how their customers compare to the customers of their peers, so benchmarking data adds a tremendous amount of value to the customer relationship assessment.

The internal customer survey gathers data from the employees of departments that interact with customers. This data can include a better handle on areas that are roadblocks to good customer service, as well as areas that are bright spots.

He said the goal is to help financial institutions improve their service so they can retain more customers and, ultimately, increase their bottom line. CSP research also guides companies on how to best allocate their training budget dollars.

Rhode Island-based Washington Trust Co. has been working with CSP for four years.

"What they did was they took the results of our research and tied that into an incentive plan for their employees," Kutlek said.

Through CSP's research each employee's performance was rated. Washington Trust Co. said, "We're going to reward you with cash incentives for outstanding scores out of this process," he said.

"They have improved that incentive plan and have seen the feedback from their customers improve, their loyalty scores have improved and their retention has improved," Kutlek said.

Kutlek indicated CSP's differentiators, including an immediate, more friendly, Web-based reporting system, are fueling the 10 to 15 percent revenue growth expected in 2009. However, its growth is also due to CSP addressing volatility in the banking industry early on, and making appropriate adjustments to its own business in light of this.

"We would work very hard to build up a very large client who had a major impact on our revenue, only to have our client acquired by a larger financial institution," he said.

"Then overnight all that revenue goes away. That happened three or four times over the last eight years, so we have built a more stable base of small to mid-size customers.

CSP currently serves 50 clients of varying sizes, and no single client constitutes more than 10 percent of its overall revenue.

With the help of investment partner McCarthy Group, Kutlek said, CSP hopes to continue to build its value by retaining its products — and offer those products to an increasingly diverse base of clients.

"As we look into the future, we feel we will expand into other industries outside of financial services and continue to broaden our research offerings as we go into other industries," he said.

Kutlek worked for Call Interactive, a division of First Data, for 11 years before buying CSP.

He serves on the board of directors for many small companies.

"Our focus is to stick with the model even in this market to be a champion," he said. "It is hard to get this now but solid in the long run.

"Many small partnerships share the resources we have, so we can deliver what we need to deliver."