

Main Process Complaint Management

Legal Scope:

Global

Business Scope:

Cross Business

Process Scope:

6.6 Complaint Management

1. Process Overview



2. Process Objectives

- Increase customer satisfaction and customer retention by quickly and securely handling of customer complaints
- Optimized setup of an holistic complaint management
- Ensure the systematic detecting, categorizing and resolving of complaints to reduce administrative costs and to receive payments faster (reduction of open items)
- Ensure traceability of any complaint on local, regional and global level by the same systematic approach, using the same tools/instruments
- Ensure compliance/conformity to requirements, e.g. accreditation standards by release of a global process to manage complaints

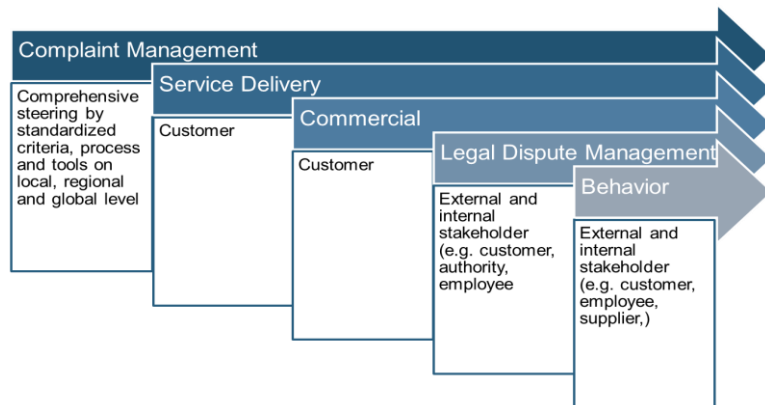
3. Principles, Terms and Abbreviations

Terms/Abbreviations	Description
CAPA	Corrective and Preventive Actions
CFT	Cross Functional Team
CMR	Complaint Manager
CMC	Complaint Management Centre
FLE	First Level Employee
PSS	Problem Solving Sheet
PSR	Problem Solving Responsible
SD	Service Delivery
CQC	Competence Quality Center
TCC	Technical Competence Centre
TR AG	TÜV Rheinland AG
LL	Lessons Learned

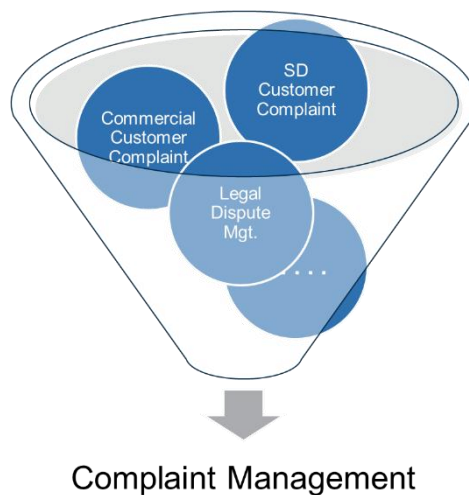
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3.1 Holistic approach

Complaint Management, in general, deals with the systematic detecting, recording, categorizing and resolving of dissatisfaction expressions (complaints) by any person or organization both from external and internal stakeholders of TR AG, where a response is expected. To that effect complaint management covers a lot of different issues, e.g.:



A systematically steered information funnel is essential to enable target-oriented detecting and categorizing of an holistic complaint management approach:



This SOP covers the management of external customer complaints and internal complaints related to the service delivery along the performance processes.

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Other complaint classes such as Mark Surveillance (e.g. Appeals), Legal Disputes, are or will be linked in a later stage to this SOP.

In order to cover the needs and preferences of all kind of external customer or other stakeholders, a wide range of input channels should be available. All input channels are converged in a central tool to simplify the work for “first-level employees” as much as possible.

Besides applied techniques for the coordination and the methodical support for the appropriate initiation of corrective action in due time, our holistic complaint management is based on an open-minded failure culture. The depersonalization is a main key factor for success and improvement.

For ensuring professional management of customer complaints (implementation, organization, assigning roles/responsibilities and chronological course), the respective persons/management roles on local level are responsible in the first stage level of complaint management. Corresponding regulations are created also for higher-level management roles on regional and global level, depending on severity and occurrence of complaints.

Due to the different types of complaints, they are processual steered differently after categorizing, but can be interacting with relevant sub processes. Complaints e.g. caused by behavior and service are not commercial complaints, but can later trigger commercial activities (credit memos, cancellation, etc.) when complaints are handled. Along the complaint management system, it must be ensured that no Personal Identifiable Information, such as Names or Employee numbers from employees are recorded, circulated or evaluated. Data security requirements (laws, rules & regulations) have to be considered (document and records security classifications).

3.2 Customer Complaint Process along the Performance processes

Definition: A Service Delivery complaint is the claim from a customer about a contractually agreed part of a contracted service which was not fulfilled. Due to the requirements of applied accreditation & certification standards in our business streams the customer complaint process in Service Delivery covers the following activities:

- The complaint process contains the following sequences: receive, validate, investigate/analyze the root cause, decide on CAPA, track and close-out
- The complaint communication, review and approval must be done by an independent function.

The role which reviews, approves and communicates the complaint is independent to the specific complaint context. The GO Quality owns the internal communication of the complaint resolution. Sales owns the communication to the complainant (customer). Depending on the complaint level and customer, this duty can be delegated e.g. to a Key Account Management or others.)

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- A generic complaint handling process must be made accessible for interested parties or complainant, for example by a website . The way how to initiate a complaint and whom to contact is communicated to the relevant interested parties.
- The complaint progress / end is communicated to complainant (on request)
- The complaint traceability within TR AG is mandatory.

Each complaint is linked to parameters due to its context. Within a Business Stream, the following key parameters / data are generally linked to complaints:

- Business Stream / Business Field
- Customer
- Reason for the complaint / Failure code
- Complaint receiving date
- Complaint closing date
- Complaint resolution responsible
- Complaint criticality

The accountability for the complaints is with the Business Streams according to the depicted escalation and information concept. Based on the criticality rating, the approval level may vary to ensure regional and business specific involvement. With regard to the defined key factors:

- Occurrence
- Customer type
- Risk

The identified and assigned complaints are passing through a criticality rating (green → yellow → red) as defined in the Criticality Rating Matrix (see therefore the related documents in Chapter 12).

This criticality rating facilitates to identify directly the responsible functions and is able to process individual cases as well as clustered (and weighted) cases (e.g. by Customer, Business Field, Problem Solving progress status, Failure code, Quality costs [€], etc....).

Communication:

- A notification of receipt of a complaint shall be given to the complainant
- A (preliminary) answer shall be given to the complainant, as soon as sufficient information are available.
- A (final) answer shall be given to the complainant after the complaint is resolved.

The organization, to which the complaint is allocated to, is responsible to ensure evidencing and traceability for the above described communication requirements. For further Details please see as well MS-00034714 “Roles and Responsibilities – Complaint Management”.

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Those communication principles are complementing and supporting the requirements coming from accreditation. It might be possible, that for some accreditation standards, such communication principles are a “must” (not a “shall”). In such case, the stronger requirement from accreditation, has to be taken into consideration.

3.3 Other complaint classes

Besides Service Delivery several other complaint classifications are resulting from sources for complaints, e.g. caused by behavior of personnel during service delivery or resulting from mark surveillance activities or they are focusing strictly commercial aspects. These complaints have to be dealt with in an appropriate manner and according to the defined general principles as well as to specific requirements. The processing is carried out in other tools/databases like e.g. ZCOMPLAINT for commercial topics.

3.4 Legal Dispute Management

Whether a complaint can be a legal dispute or not right in the beginning, has to be challenged during identification and classification. The “complaint owner” has to consider in his evaluation the specifications defined by the GO Legal. If one (or more) specification seems to be true for the complaint, the GO Legal has to be informed about this complaint. The GO Legal will conduct a legal assessment as a final check/proof. As a consequence the GO Legal will be directly involved in the further management of a complaint once confirmed that the complaint is a legal dispute.

The GO Legal needs to be consulted in case of:

- If legal proceedings are already ongoing, i.e. a claim has already been filed, and the sum in dispute exceeds 25,000 €
- If there is a court order to pay and the sum in dispute exceeds 25,000 €
- If a lawyer’s letter regarding allegations of TÜV Rheinland’s liability or regarding imminent legal dispute exists except for undisputed commercial claims)
- If there is a threat of legal proceedings
- If there is an estimation of damages above 25,000 €
- If a liability/ breach of duty by TÜV Rheinland is alleged
- If there is a third-party notice concerning TÜV Rheinland.

3.5 Dealing with complaints by applying a systematic Problem Solving Process

The QM sub-process “Problem Solving Process” delivers methods and instruments to perform an appropriate root-cause analysis without or with involvement of the customer. Furthermore, the definition and follow-up of corrective and preventive actions take place. The execution of this sub-process including its documentation is mandatory for all complaint levels.

Complaints rated with Level 2 or Level 3 must be documented by the Problems Solving Sheet (see related documents). If the PSR decides to use other standards, which exceed the prescribed scope from PSS, as for example the 11S method or 8D, this is accepted, as long as the steps from PSS can be matched.

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4. Scope of Application

The current scope of application is for the following complaint types:

- Customer Complaint
- Internal Complaints

Definition of “Customer Complaint” – ZRM1 (SAP Complaint Type)

- Breach of Duty regarding a commitment
- Breach of Duty regarding contractual agreements
- Breach of Duty regarding a service provided for:
 - Testing
 - Inspection
 - Certification
 - Auditing
 - Training
 - Other services

This complaint type is supposed to handle complaints for external relationships.
E.g. TÜV Legal Entity vs. Customer / Complainant

Definition of “Internal Complaints” – ZRMI (SAP Complaint Type)

- Breach of Duty regarding a commitment
- Breach of Duty regarding contractual agreements
- Breach of Duty regarding a service provided for:
 - Testing
 - Inspection
 - Certification
 - Auditing
 - Training
 - Other services

This complaint type is supposed to be used to handle complaints for internal relationships along and in context to the service delivery processes.

Examples:

- Complaint from a Business Function on a Support Function - running project data lost in server
- Complaint from sales on an operating function - details not given on time to sales to prepare and send a quote for training to customer
- Complaint from one TÜV Rheinland entity on another TÜV Rheinland entity within the same region, or different regions - Delayed response)

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5. Process Flow

Process Flow Chart	Description of Process Steps	Responsible*
	<p>5.1 A complaint is internally or externally notified</p> <p>5.2 The complaint is identified and registered in the complaint database by the first level support</p> <p>5.3 The complaint is sorted out according to its complaint class. If a SD complaint is triggered by the FLE to the CMR, the complaint management process in SD starts.</p> <p>5.4 First activity by the CMR is the allocation to the business stream to document the complaint ownership</p> <p>5.5 First evaluation of the input / gathered information</p> <p>5.6/5.7 If criteria for a potential legal dispute are given/fulfilled, the CMR has to inform legal department and to coordinate / align further activities with the GO Legal or delegated person from legal department.</p> <p>5.8 If the evaluation of the complaint shows evidence that the complaint comes from an failure, this results to internal and external activities: 5.8.1 internal: The CMR assesses all checked information / input and decides in alignment with the assigned PSR, if a failure has lead to the complaint. If not, the complaint procedure has to be further operated by After Sales. 5.8.2 external: Latest with this process step, the customer gets a notification. For example: within max. 3 days: "You will get a</p>	<p>5.1 Notifier of the complaint</p> <p>5.2 FLE</p> <p>5.3 FLE</p> <p>5.4 CMR</p> <p>5.5 CMR</p> <p>5.6/5.7 CMR</p> <p>5.8.1 CMR</p> <p>5.8.2 GFM/GFC</p>

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Process Flow Chart	Description of Process Steps	Responsible*
	<p>qualified answer within a fortnight.”</p> <p>5.9 A classification and rating of the complaint/failure according to the criticality rating matrix is done by the CMR in alignment with the CMC as well as the BO QM for identified level 3 complaints.</p> <p>5.10/5.11 If necessary, e.g. crisis situations (**), emergency response actions have to be taken before the problem solving process starts.</p> <p>5.12 The Problem Solving Process has to be initiated for identifying the root cause for the failure/complaint and further definition of CAPA. The processing of problem solving will be tracked by the PSR in alignment with the CMR/CMC where needed. If necessary, specific experts will be involved by the PSR</p> <p>5.13 The results of the Problem Solving Process have to be checked /reviewed and improved by independent roles</p> <p>5.14/5.15 The involvement of the customer regarding communication of the results including the negotiations on agreement have to be coordinated by the complaint owner</p> <p>5.16 To ensure essential input to the customer satisfaction database and to start lessons learned the PSR initiates the after Sales process. The definition and discussion on LL are initiated by After Sales by involving the CMC</p> <p>5.17: The complaint case is finished with approval of the independent reviewer</p>	<p>5.9 CMR</p> <p>5.10/5.11 CMR</p> <p>5.12 PSR</p> <p>5.13 Level 1: CMR Level 2: CMR Level 3: BO QM</p> <p>5.14 /5.15 See therefore MS-0034714</p> <p>5.16 PSR</p> <p>5.17: Level 1: CMR Level 2: CMR Level 3: BO QM</p>

*Responsible for the process step

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(*) Complaint Database:

The Global Office QM determines the IT-Tool for the Complaint Database. At present, this is SAP CRM. The usage of other systems for complaint management is not allowed. If needed, the Global Office QM can determine new or other IT Tools for the Complaint Management Handling.

(**) Potential Crisis:

As soon as the complaint context indicates a severe business risk with high occurrence probability, actions such as the initiation of a crisis team shall be considered. As indication by when the potential crisis should be initiated, following reference values can be used:

- Financial disaster (Estimated loss in sales/profit and costs from € 5 Mio)
- Product recall (Estimated loss in sales/profit and costs from € 5 Mio)
- Safety concerns
- others

Other criteria not described above may exist and can be taken into consideration to initiate a potential crisis.

6. Process Performance Indicators (Definition & Calculation of KPIs or PPIs)

6.1 Definition of indicators

Indicators for complaint management in Service Delivery

PPI Lead time ratio (LTR):

(a) Target time for problem solving (per problem)
Average time of problem solving (per problem)

PPI Closed Complaints Ratio (CCR):

(b) Closed problems per period per org unit
Total problems per period per org unit

6.2 Calculation of indicators

KPI - Problem Solving Performance [PSP]:

PSP is the sum of:

50 % Lead Time Ratio (LTR)
+ 50 % Closed Complaint Ratio (CCR)

➔ **[PSP] = 0,5 x (a) + 0,5 x (b)**

All customer related KPI data resulting from different complaint classes as mentioned in chapter 3 are input for the Main Process "After Sales" → Customer Satisfaction.

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7. Process Risks & Opportunities

7.1 Risks

- Loss of customers: To avoid this a professional complaint process with clear responsibilities, professional complaint managers, clear procedure for different cases and time lines and management involvement is established.
- Loss of reputation: see above
- Increasing costs: see above; additionally the improvement process is connected to problem solving activities and complaint management

7.2 Opportunities

- Less effort and expenses
- Reduction of commercial risks
- Improved customer loyalty

8. Process Roles & Responsibilities

Complaint Notifier

Employee from TR AG, which has been notified about a complaint.

First Level Employees

Contact person/point for customer making complaint (by telephone, writing, email, fax, etc.), who delivers complaint data within a defined classification route to the relevant complaint manager.

Complaint Manager CMR

The person handling the complaint is the "main guard", who makes note of what has been done to handle the complaint and notifies all parties involved when the complaint is dealt with. The CMR allocates the complaints to the right business fields, is responsible for classification and criticality rating of the complaint on levels 1-3. He/she is automatically informed if there is a delay in processing the complaint and is responsible for supporting the review and approval of the methodical complaint resolution including random check of appropriate cause analysis, defined measures, and correctives implementation.

GO QM

Is process owner and accountable for standard setting and implementation of appropriate organization.

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Problem Solving Responsible (PSR) He or she facilitates and coordinates the complaint resolution. Involves additional persons, if necessary. Consults with commercial managers if needed; is responsible for processing the complaint resolution according the problem solving process in due time. Is responsible for initiating the approval of the complaint resolution. Acts as delegate for the legal entity to which the complaint is addressed to, respectively which is accountable for the contracted service.

Experts Other employees participating in problem solving process. These can be experts from cross the business as needed.

B-EVP They are “owner” of the complaints in their area of responsibility and accountable for initiating promptly problem solving as well as coordinating the communication to the complainant (customer) for level 3 (red) complaints.

**GFM/GFC
RFM/RFC
LFM/LSC** They are “owner” of the complaints in their area of responsibility and accountable for initiating promptly problem solving as well as coordinating the communication to the complainant.

CMC (CQC) Is responsible for standard process setting in alignment with the global office QM. Coordinates the comprehensive steering of complaint management in Service Delivery including monitoring and reporting in alignment with the BO QM, supports the organization with training, and if necessary by taking over responsibility in problem solving.

BO QM Responsible for creation, maintenance and governance of the complaint management system in his/her Business Stream on global level. Responsible for the review and approval of the complaint resolution for level 3 complaints.

9. Interested Parties

Customer or Complainant

The customer or complainant making a complaint (complaint issuer) expects that his complaint will be accepted in a service-oriented manner, and that the required care will be taken in processing his complaint in a careful and appropriate amount of time (preferably quickly).

Executive Board and B-EVP

Requires an appropriate Complaint Management System to improve services and foster customer loyalty

GO QM

Process Owner requires the compliant implementation of the defined framework he is accountable for.

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10. Records Management

N/A

11. Specifications

N/A

12. Attachments

KPI Sheet Complaint Management.docx

13. Related Documents

MS-0031010 - Main Process Quality Management

MS-0030851 - Main Process After Sales

MS-0000210 - Processing of commercial complaints

MS-0034350 - Problem Solving Sheet

MS-0034615 - Criticality Rating Matrix - Complaint Management

MS-0034714 - Roles and Responsibilities – Complaint Management

MS-0034066 - Problem Solving

MS-0001741 - Customer Voice Including Complaints and Appeals

MS-0037238 - AIA for inspection services in South Africa

MS-0008791 - Handling events of damage

MS-0022254 - Product-related notifications, Incidents and Appeals

14. External Reference Documents

N/A