

# James Walker®

## Customer Satisfaction 2008 Feedback Report



High Performance Sealing Technology





In 2007, the James Walker Group of companies celebrated 125 years of trading. This achievement has been based on our heritage of high quality and technical excellence. People turn to James Walker Group companies for technically engineered solutions.

We operate in an increasingly competitive market place and recognise the need to provide 1st class customer service to meet your expectations.

In sharing the results of our latest survey with our customers, as well as our employees, I want to demonstrate the progress we have made and the commitment we have to meeting your needs for the future.

Peter Needham

Chairman & Chief Executive

## Background

In 2006, we asked The Leadership Factor, an independent research company, to conduct a Customer Satisfaction Survey on our behalf. We wanted full and frank feedback and we welcome the many comments made. This invaluable information enabled us to make informed strategic decisions based on *your* priorities and *our* performance. We have worked hard over the last year to improve our service levels, but realise that we still have some way to go. However, we hope that you are already seeing the benefit of our increased focus on customer service.

James Walker understands that improving satisfaction is a continual process. So, in 2007 we commissioned further survey work and extended its scope to recognise the global nature of our business and geographical location of our customers. We are grateful to those customers who gave their time and took part. Customers were selected to take part at random. If you were not approached to take part in the survey on this occasion, we trust that you will still be interested in the findings.

## The aim of the survey

The aim of the survey was to help us understand:

- *What is important to our customers*
- *How well we satisfy those needs*
- *Where we need to focus our attention to increase customer satisfaction*

In summary, we asked our customers to help us to identify how we can provide them with a better service.

## Who was surveyed?

The Leadership Factor conducted telephone interviews with over 1,000 of our customers around the world. Care was taken to ensure that the sample included customers of all types and that the sample size was large enough to provide statistically reliable results. In this survey, customers were asked to indicate the importance of a range of service criteria and then to score the performance of the James Walker company supplying them against these same criteria. As well as providing scores, customers were invited to make comments; we have a full transcript of these. We have

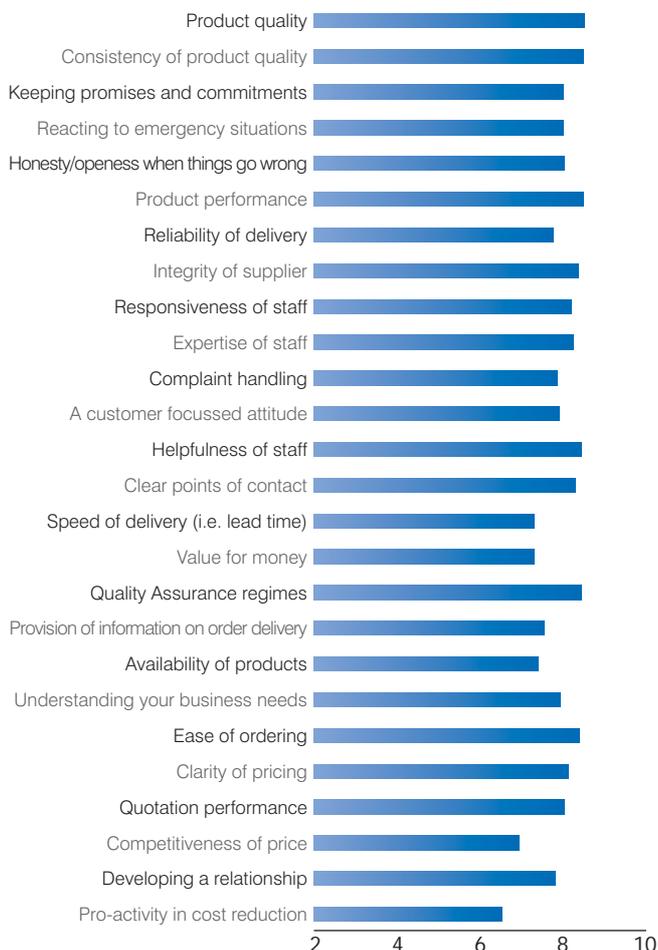


examined these comments and are already using them. Where customers gave our research company their permission to attribute them, we have sought to meet or discuss the comments made directly with the customer. The insight provided by these comments is of great value when considered alongside the numerical ratings our customers gave us.

Since this was our second Customer Satisfaction Survey we have also been able to compare our performance to 2006.

### Satisfaction scores

Looking at our results more closely, the chart below shows average satisfaction scores "out of ten" for each requirement. Ten means 'completely satisfied' and one means 'completely dissatisfied'.



We are pleased to report that in nearly all areas our performance has improved. Customers continue to be most satisfied with our products (the three highest scores relating to quality, consistency and performance) and the helpfulness of our staff. This is very encouraging as we take great pride in our capacity to develop, manufacture and supply products that meet the most demanding standards.

Many of our staff have direct contact with our customers in a variety of capacities e.g. commercial, technical, quality, and it is good to hear that our customers find us to be both knowledgeable and helpful.

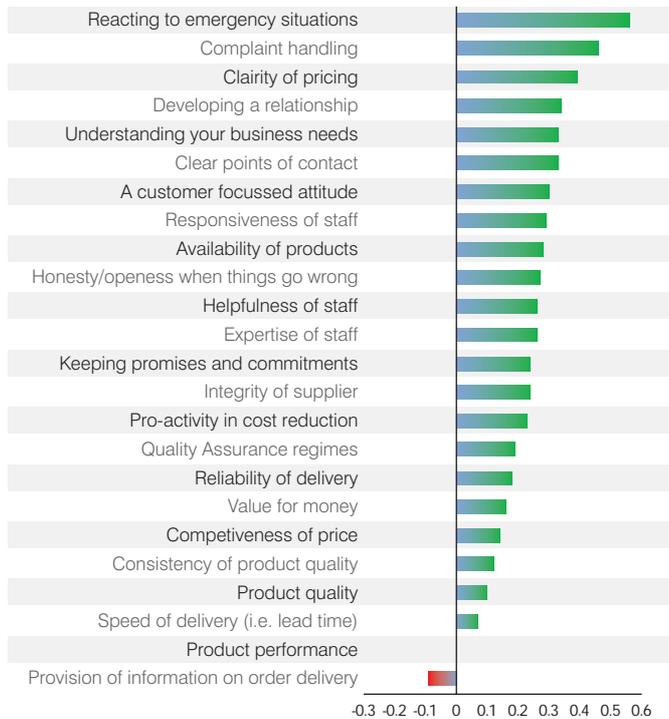
However, customers are least satisfied with our pro-activity in cost reduction and competitiveness of price. James Walker clearly operates in the same competitive markets as our customers and understands that our products and services must be commercially competitive and offer great *value in service*. The survey results tell us that we do not always "convince" our customers of the value and benefits of our products and perhaps that in certain markets we need to re-consider our approach.

We are improving the life of our products in service, extending maintenance intervals and reducing downtime for our customers. We believe that the "Life Time" cost of our products is often lower than that achieved by competitor products that may initially cost less to buy.





### Changes in Satisfaction since 2006



Based on the Satisfaction Index™ score (the recommended method of measuring total customer satisfaction) we were pleased to find that satisfaction levels have improved over the last year and much of our work is paying off.

After the 2006 survey, we committed ourselves to improving in a number of key areas and we are pleased to note that our performance in 'reacting to emergency situations' and 'complaint handling' has progressed since that time.

The chart (shown above) shows *change in satisfaction since 2006*.

### What we must do

By comparing importance and satisfaction scores, the areas in which James Walker is exceeding, meeting or failing to meet needs, can be identified and quantified.

Almost all gaps are smaller than in 2006, indicating that James Walker is moving closer to meeting our customers' needs. However, our aim is to close these gaps further and ultimately eliminate them.

### What are we going to do?

James Walker uses the feedback gathered to identify Priorities For Improvement (PFI) - areas where we need to make improvements to increase satisfaction. In order for us to do this, we take into account not just our performance, but how important each of the criteria is to our customers. Improving satisfaction is about '*doing best what matters most*', being great at the less important is not the way to deliver high levels of satisfaction.

After a thorough analysis, the results tell us that in order to build on the improvements we have made since the 2006 survey, we need to focus on:

- *Keeping promises and commitments*
- *Reacting to emergency situations*
- *Reliability of delivery*
- *Honesty and Openness when things go wrong*

### Service Gaps





# Committed to improvement

## How are we going to do this?

### *Keeping promises and commitments*

A review of the customer comments shows us that keeping our promises and commitments is key in two distinct areas.

Customers expect that our goods and services are delivered "On Time and In Full". We have invested heavily in new capital equipment; we are embracing "Lean" principles to streamline our administration/operational functions and are encouraged that the positive impact of these activities has been noted by our customers.

However, customers remind us that providing timely information, returning their calls when promised and generally keeping them informed is of similar importance. Each James Walker business is reviewing how effectively it fulfils this customer need and will put in place initiatives to ensure we meet our customers' expectations of us.

### *Reacting to emergency situations*

We are pleased that our customers have recognised an improvement in our capability to respond to their short notice or emergency needs, but they tell us we need to do more.

We have introduced a wide range of improvements since 2006 including:

- Providing out-of-hours contact numbers, training and guidelines for our staff to ensure that they capture, exactly, the details of any emergency requirement. This improved quality of information ensures that our operational teams have all the necessary information to explore how we can help the customer.
- Sharing stock holding information across national boundaries to allow us to quickly source parts from one James Walker business and have these shipped directly to the customer of another.
- Investing continuously in new business and IT systems to ensure that we can quickly and efficiently process short notice customer needs.
- "Reserving" elements of our capacity to allow us to fit in such unplanned work without damaging our ability to meet our existing commitments.

### *Reliability of delivery*

Our investment program has supported increases in operational efficiency and reliability as well as expanding our capacity to meet the significant sales growth we have experienced during this re-investment process. Yet the delivery performance of our manufacturing businesses has, in the past year, improved significantly.

James Walker is obviously very dependent on its suppliers to provide us with the materials and components we need to support our manufacturing and trading operations. We have been successful in agreeing new supply agreements with key partners and are now working more closely with them.

2008 will see us continuing to invest in our operational equipment, IT infrastructure and systems and supply chain management.

### *Honesty and Openness when things go wrong*

Our survey results tell us that our customers recognise that in the complex and busy environment we all work in, sometimes we are unable to meet commitments we have made or satisfy expectations we have raised. We seek to reduce these occasions to a minimum but realise that they will occur. Our customers tell us that when these situations do arise, they want to know immediately. They also want to know what we are doing to correct the issue and when they can have the quotation, goods or service that they were expecting.

In these situations we have sometimes been guilty of working hard to correct the situation but failed to keep our customer informed. Each James Walker business is reviewing their current performance in this important area of communication and will introduce programs to encourage this open dialogue with our customers.

We will also continue to monitor our 'speed and effective handling of problems/complaints' and identify opportunities to further improve our performance.

Furthermore, local businesses will be identifying priorities based on their own result to reflect their customer's specific needs.

## *Looking ahead...*

## 2008 survey

We plan to repeat the survey in the Autumn of 2008. Please do use the opportunity to let us know your views. The survey is conducted in accordance with the Market Research Society Code of Conduct and you can choose to remain anonymous. However, we have a genuine desire to learn how we are doing and how we can improve and would ask that if you are contacted that you consider adding your name to any comments so that we might be able to discuss these with you directly. In many cases, where we have been able to directly contact our customer to discuss concerns expressed in the survey, we have been already been able to resolve these.

## How can you help?

Whether or not you were invited to take part in the survey on this occasion, you can still make an important contribution to improving our company's customer satisfaction. We welcome any comments or feedback on our products and services and would appreciate hearing from you.

For more information on the survey or the improvements we are implementing, please contact: Kevin Ingram (Director responsible for customer satisfaction) on: 0044 7980 780 002 [customersatisfaction@jameswalker.biz](mailto:customersatisfaction@jameswalker.biz)

We believe that in 1882 when James Walker founded our business he applied his engineering skills, innovation and appreciation of the customers' needs to satisfy new and emerging markets.

These principles are as relevant today as they were 125 years ago and we are using our customer satisfaction improvement project to reinforce our approach.

As you will have read, we have made good progress. I can see this in our businesses and you tell us this in our survey. However, we do recognise that we must make further improvements to meet our customer's needs.

There is an ongoing commitment in our business to continue to improve customer satisfaction. Please do not wait until our next survey to tell us if we are meeting your needs or have perhaps delighted you with some aspect of our service. Whenever you have contact with a James Walker employee, please let us know how we are progressing in satisfying you, our customer.

Peter Needham



Chairman & Chief Executive



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