



**LIONHOUSE**

# **RTO BENCHMARKING REPORT**

**CUSTOMER SATISFACTION SURVEYS**

RESEARCHED AND PUBLISHED JANUARY 2018

# Executive Summary

Leading companies all over the world are trying to get ahead of what their customers are saying about them. Previous customers opinion is now the strongest influencer of customers decisions in most industries.

Organisations getting the best results are diverting significant portions of their marketing budgets into learning more about their customers' experience to make certain they continue to meet their expectations.

Customer satisfaction is also becoming an important part of the culture for many organisations. Carrying out surveys provides a deeper understanding of the customers' experience with the services, and provides a better understanding of customer expectations. This feedback then allows companies to gain insight into the extent to which they are satisfying the needs and wants of their customers. For RTOs, student satisfaction is an indicator of the quality of courses, and is necessary to evaluate the effectiveness of the organisation.

## Customer satisfaction surveys provide a number of benefits:

- ◆ They tell us the difference RTO's courses are making in the community
- ◆ They serve as a mechanism to show our supporters and critics that our customers have a high level of satisfaction
- ◆ They help identify our strengths and weaknesses so that continuous improvements can be made
- ◆ They help with employee engagement and purposeful cultural development by celebrating success or correcting poor performance

The Vocational Education and Training (VET) sector in Australia has had the practice of surveying students mandated for many years now. However, the activity is undervalued by the industry and generally seen as a cost impost. This report has been prepared to support RTOs in understanding more about interpreting and using the data they capture. Adding to this inadequacy in most RTOs is the new expectation that the primary governing body, ASQA, are auditing according to feedback they receive from the students. The subject of understanding what students are thinking and saying has become a threat to their licence to operate.

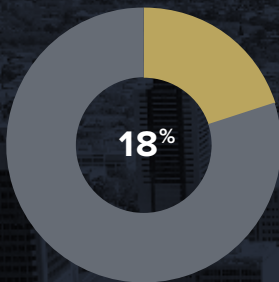




# HIGH PERFORMING RTO'S

This report details actionable best practices, key lessons learned, process maps, documented strategies and tactics employed by top-performing companies. The report divides the research data into two statistical groups; High Performing RTO's (HPRs) which is defined by having growth greater than 25% against the prior year and Low Performing RTO's (LPRs) which are defined by no growth or negative growth.

Significant data differentials between the two groups include:



0%

RTOs utilise an online surveying platform, like Survey Monkey: **18% of LPRs v's 0% of HPRs**

Receiving feedback is not purely statistical. Organisations who commit resources to learning about their customers' experience are more likely to experience growth.

RTOs who survey students in-person: **36% of LPRs v's 81% of HPRs**

People engage in training for highly emotive reasons, and the more an RTO can dive into this on a personal level throughout the course, the more likely a student is to respond to surveying. Furthermore, they are more likely to give constructive feedback and discuss frustrations they may have experienced. This gives RTOs the opportunity to resolve issues, and turn a dissatisfied customer into a repeat customer, and potentially recommend the RTO to others.

36%

81%

RTOs who conduct ad hoc surveying: **37% of LPRs v's 20% of HPRs**

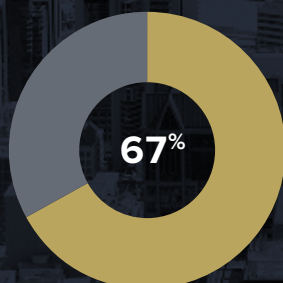
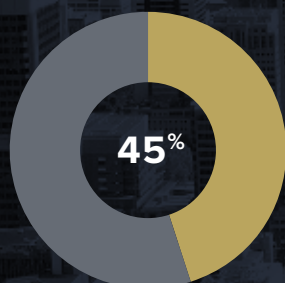
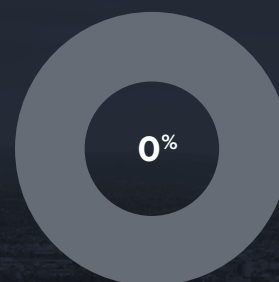
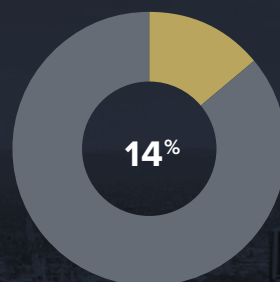
Culture can simply be defined as 'the standard way of doing things'. High performing organisations have internal disciplines which are the building blocks to success. The activity of learning about customers' experiences and integrating the feedback should be consistent and standardised with dedicated resources to own the activity.





RTOs that did not know what percent of students they successfully surveyed: **14% of LPRs v's 0% of HPRs**

In order to successfully implement feedback, an RTO must have measures in place to define whether they have successfully surveyed students. By implementing methods to define a successful survey, RTOs can confidently implement changes.

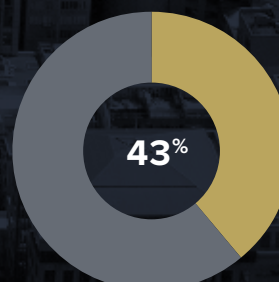
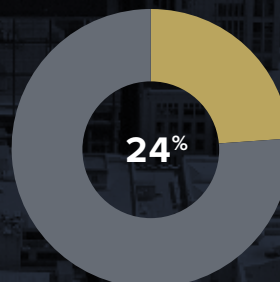
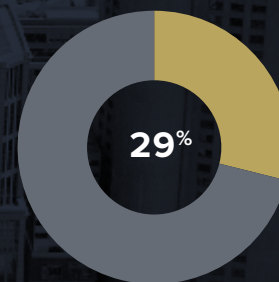
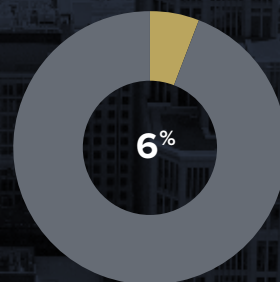


RTOs who surveyed more than 70% of their students: **45% of LPRs v's 67% of HPRs**

The first measure of how effective an RTOs customer feedback process is to question what percentage of students are surveyed. It is recommended to continuously review organisational processes to improve this measure.

RTOs who have been audited by ASQA in the prior 6 months: **6% of LPRs v's 29% of HPRs**, RTOs who have implemented changes in response to ASQA's new student centric audit model: **24% of LPRs v's 43% of HPRs**

This reflects the impact of ASQA's new auditing focus, and the changes RTOs are making to this area of their organisation post ASQA audit. Prepared RTOs should take advantage of this report and implement change prior to audit. RTOs who have already implemented this as a focus should also take advantage of this report and continue to improve in this area, as this has a significant impact on commercial business performance.





# Customer Feedback

Customer feedback has two parts. The first is the method of obtaining the feedback or data capture, while the second involves the application of the data through analysis and improvement. We have established the Process Benchmark as meeting the following criteria:



## WHY

Defined purpose and outcomes with an organisational commitment to improve



## WHO

All students, completed, withdrawn, inactive.



## WHAT

Audit indicators, compliance requirements, marketing objectives, organisational specific KPI's



## WHEN

Continuously analysed and reviewed monthly, applied monthly or quarterly both operationally and strategically



## HOW

Personal phone call with standardised questions from someone they had not had contact with through their experience, forced answer questions with an opportunity for open comments at the end of the customer contact.

A key principle in capturing data is to ensure the feedback data has integrity by being free from any bias or influence. A second is that the method ensures a balanced capture and doesn't represent one type of customer or one category of satisfaction. This problem was consistent in both the LPRs and HPRs because the dominant method of capture was from the trainer who is in a position to influence the honesty of the feedback. Few RTO's showed disciplined and formally integrated processes for Application; either by analysing and objectively adjusting their business on a regular basis or integrating into their strategy.

This report is another way LionHouse are helping to support and grow an ethical VET sector.



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# Implementation Strategy

## Best Practice

LionHouse recommends an RTO adopts the student surveying practice as detailed in the infographic 1.2. Splitting the process of student surveying into four stages helps create clear intentions and specific objectives. It also provides the context for measuring the whole activity within the organisation.

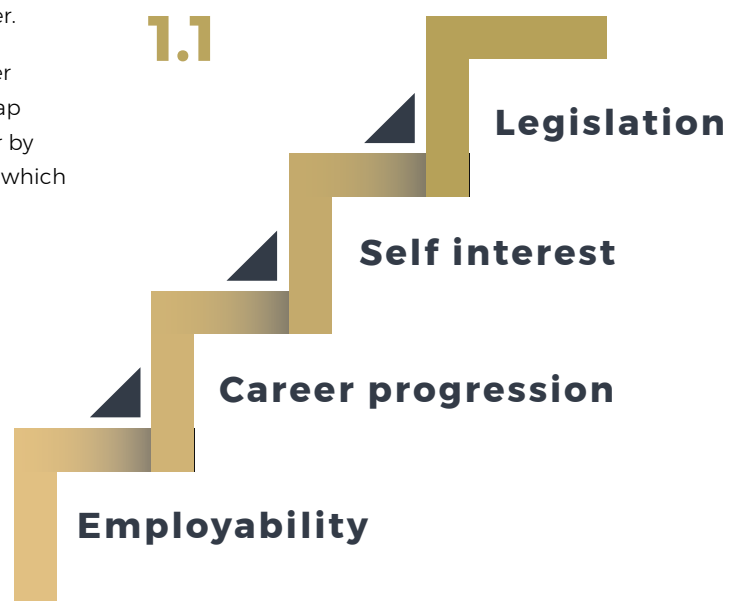
By first surveying a student quite early in their experience you can capture an understanding of how effective the marketing, recruitment and enrolment process was. This even allows for surveying prospective students who did not proceed, and can measure marketing compliance. Feedback and data should be used frequently to inform the sales and marketing information and strategy.

Early Satisfaction Surveying has been identified as an opportunity to address problems inhibiting student progression during the education process. This data should be reviewed at both a macro level and on a case by case basis, so that completion rates can be proactively improved. Often there is a gap between the customers expectation of the learning experience, and what the RTO intends to deliver.

This tension can result in a dissatisfied customer who is less likely to complete the survey. This gap can also be caused by underperforming staff or by misleading marketing representations, both of which are valuable for management to address.

At the third stage of the Holistic Experience, it is often too late to change the surveyed student's perspective, and the information gathered is only useful for compliance measurement, reporting, informing business review and strategy planning. However, this step is still a valuable opportunity to recognise the students achievement, and maximise the opportunity to connect with them via social media.

The final contact with the customer closes the full cycle of the student experience. The Holistic Experience stage is normally too early to measure if the students fundamental reason for undergoing training has been met. There are four primary reasons people engage in training; Employability, Career Progression, Self Interest and Legislation. Some government funding contracts require a measurement of the impact of learning three months after the learner completes the training. This is a sensible timeframe to measure changes such as employment outcomes or career progression.



# 1.2

## 1. Marketing Effectiveness



- ◆ Obtain feedback on the effectiveness and compliance of marketing as soon as possible
- ◆ Adjustments should be made quickly from these learnings to maximise marketing investment

## 2. Early Satisfaction Intervention



- ◆ This area impacts student retention and the potential speed of completions which may have a significant impact on the operational cost and cashflow of an RTO
- ◆ Trainer relationships are formed here and it is a good point to start to engage social media support

## 3. Holistic Experience



- ◆ Most changes are made here
- ◆ Aim to recognise achievements and connect with the student on a personal level, as this will likely improve survey engagement

## 4. Impact



- ◆ People undergo training as an investment into themselves or their workplaces. Measurement of the goal and if it is valuable in improving content and marketing strategy
- ◆ Some funding contracts require this information as a matter of compliance



# Actionable Best Practices

Integrate into Strategy	Standardise the Process	Intentional Culture
Define what your students might be able to add that will assist in measuring your organisation's standards and objectives	Commit/implement standardised resourcing	Inform the whole of the organisation of the focus and new systems of measurements
Establish the industry benchmarks around those standards	Set a calendar of surveying	Communicate the results throughout the organisation regularly and predictably, finding one or two focal points to encourage conversation around
Decide on surveying questions and measurement calculations that will effectively indicate the performance of your organisation's strategy	Define the points in the customer/student experience they are to be surveyed on	Include student feedback results as a standard agenda item in all meetings, much like safety
Measure your current standards	Ensure the process of data capture and analysis is consistent, done independently and captured with data integrity. This will ensure RTOs are gaining insights without bias or influence	Facilitate and encourage problem solving conversations about the current obstacles faced from the reporting
Link results to performance management measures and job roles (KPI's etc)		

Improving upon compliance measures without combining the customer requests is not best practice. It is commonplace for a compliance manager to enforce a change of process or service standard with little consideration of how that will affect the current students experience or sales model. Developing a customer focused culture does not mean there should be any compromise on compliance. Instead a shift is needed in the approach taken by many to be student-centred in understanding and applying compliance standards.

The regular review of student feedback must be integrated into regular management and staff meetings, with discussion time given for creative problem solving. This will reinforce a culture of student-centeredness and allow for constructive solutions. Management should foster this culture intentionally and with strong internal business disciplines.

The activity of student feedback and the data capture needs be planned and completed on a regular basis, and this requires resources. Also, the quality of the data must not have been influenced by those the data reports against. Any company committed to understanding their customers will separate the process of feedback from operational staff involved in the student experience. Feedback derived directly from the trainer is in most cases unreliable. The best practice is to outsource student surveying, with results reported directly to senior management.

It is recommended to use standardised measurements within a report, as the calculations for measurement

should be standardised and transparent to the whole organisation. Seemingly small variations in the calculations can significantly vary the interpretation of results and misinform decision makers.

Standardised questions are key to measuring and plotting progress, however, they should be aligned to a particular element of the company strategy. For example, if part of the organisations strategy is for students to receive their certificates within 5 business days of completion, they should be asked a series of questions to follow up. These would include the following: at what point was it determined that they had completed the course; how long did it take to assess their final assignment; what timeframe did they receive their certificate in, and to what scale were they satisfied with the process and timeframe.

Compliance is important. Though it is also important to note that the Student Surveying process must be approached with the right strategic intention and process, as this will have an impact on your bottom line. If RTOs do not keep their brand promises or give customers the care they expect, customers won't return, but will turn to social media to express their opinion. Even if RTOs interpret their student satisfaction results as great, they can't be sure if their competitors are doing a better job. Research proves that three out of four customers say they're very or extremely likely to buy from a company if they have a reputation for great customer service, and that 97% of people are likely to tell their friends, family, or co-workers about their customer experience.





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## **A final note from the LionHouse team**

Thank you for taking the time to read this report. By reading this report you are proving your commitment to improving practices and the student experience, which really is the most important factor of an RTOs work. For members of management who have read this report and are now seeking improvements and opportunities, please do not hesitate to contact the LionHouse team, as we would be happy to review your processes and provide assistance and advice where required.

This report has been researched and prepared by LionHouse as part of our commitment to support and help grow an ethical and sustainable VET sector.

For any questions, please feel free to contact us.

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