SOP Template: Compensation and Service Recovery Protocols

This SOP details the **compensation and service recovery protocols**, including procedures for identifying service failures, assessing customer impact, determining appropriate compensation, communicating effectively with affected customers, implementing corrective actions, and monitoring outcomes. The aim is to restore customer satisfaction, maintain trust, and enhance overall service quality through consistent and fair recovery measures.

1. Purpose

The purpose of this SOP is to establish clear and consistent protocols for providing compensation and service recovery following service failures. It aims to ensure all cases are handled efficiently, fairly, and in a manner that promotes customer loyalty and trust.

2. Scope

This SOP applies to all customer service teams and relevant personnel responsible for addressing service failures and compensation across all departments.

3. Definitions

Term	Definition
Service Failure	Any incident where the provided service does not meet expected standards or customer requirements.
Compensation	Monetary or non-monetary gestures offered to a customer as restitution for a service failure.
Service Recovery	Actions and measures taken to resolve a service failure and restore customer satisfaction.

4. Responsibilities

- **Customer Service Representatives:** Identify service failures, initiate recovery, and communicate with customers.
- **Supervisors/Managers:** Approve compensation, review cases, and support resolution.
- **Quality Assurance Team:** Monitor outcomes and ensure adherence to protocols.

5. Procedure

5.1 Identification of Service Failure

- Monitor feedback channels (calls, emails, surveys, social media).
- Log all complaints and incidents in the tracking system within 24 hours.

5.2 Assessment of Customer Impact

- Evaluate the severity, frequency, and cause of the service failure.
- Determine the impact on the customer (inconvenience, monetary loss, emotional distress).

5.3 Determination of Appropriate Compensation

- Refer to the compensation matrix (see section 6).
- Consider both company policy and specific circumstances of the case.
- Obtain managerial approval for exceptions or significant compensations.

5.4 Communication with Affected Customers

- Initiate contact via preferred customer channel within 48 hours of incident report.

- Apologize, explain the situation, and outline the recovery steps and compensation offered.
- Document all communications in the case file.

5.5 Implementation of Corrective Actions

- Deliver agreed compensation without unnecessary delay.
- Address root causes to prevent recurrence.

5.6 Monitoring and Follow-Up

- Check customer satisfaction post-recovery (follow-up call/email/survey within 5 business days).
- Update case status and close when resolution is confirmed.

6. Compensation Matrix (Example)

Level of Impact	Example Scenarios	Recommended Compensation
Low	Minor delay, minor inconvenience	Apology, small voucher, loyalty points
Medium	Missed appointment, moderate error	Larger voucher, service credit, partial refund
High	Significant loss, repeated failure	Full refund, free service, escalation to higher management

7. Documentation

- Record all incidents, communications, compensation, and follow-up actions in the CRM or designated tracking system.
- Retain records for a minimum of 2 years for audit and quality improvement purposes.

8. Review and Improvement

- This SOP will be reviewed annually, or as necessary following major incidents or policy changes.
- Gather feedback from staff and customers to refine processes.

9. References

- Customer Service Policy Manual
- Quality Assurance Guidelines
- Complaint Management Procedure

10. Version Control

Version	Date	Description	Author
1.0	2024-06-22	Initial template	Customer Experience Team