

THE COMPETITIVE EDGE

Superior Customer Service Means Exceeding Expectations



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Superior service to your customer is one edge — yet only one edge of many to sharpen in this very competitive environment. Management Tools has implemented service improvement projects throughout the US, Canada and Australia centering on four primary beliefs:

1. Service Is A Philosophy, Not A Department, Program Or Policy.

The only way for service to endure is to have the top managers take a customer-oriented stand in the company. Ask yourself:

- Do people know where I stand regarding the customer?
- Have I made a drastic decision in favor of the customer in the last six months?
- Are our employees allowed to make “exceptions” for the customer without management approval?

2. Service Excellence Starts Internally.

Any person who receives information or materials from another is a customer; everybody has both internal and external partners. The key is to determine your internal partners, confirm their level of expectations, and then focus on those internal needs first.

3. Outstanding Service Is Planned; It’s Not Natural, Automatic Nor Coincidental.

Think of the most service-oriented company you know. Do they have structured systems to best operate? Do employees know their jobs extremely well? Do they continually “tweak” their procedures, which might appear casual but work like clockwork? The great service companies *plan* on being outstanding. They analyze each area of contact with the customers — from phones, to the appearance of facilities and vehicles, to “will-call” pick areas — looking to create a friendly, no-hassle experience for the customer.

4. Service Superiority Means Exceeding Customer Expectations.

People contend that service in America has declined. We disagree. Customers’ expectations have continued to rise faster than our ability to enhance our performance, and this is perceived as a decline in service. The best way to stay ahead of this power curve is to strategize ways to emphasize things you do that your competition does not. Can your order processing time be the fastest? Is your face-to-face contact more frequent? Do you have sophisticated inventory control systems, which could be used by your customers?

*How to Implement A
Service Enhancement
Program: Some Hints
and Guidelines*

There are hundreds of ways to enhance service to your customers. The key is to consider this process **a long-term, never-ending effort** rather than a short-term “fix”. Expect measurable results no sooner than six to eight months after beginning your initial implementation.

We have developed a non-theoretical, systematic approach to improving customer service both internally and externally. Our approach is called Service PRIDE®.

P – Pinpoint and Publish Your Philosophy

Make a statement to your people about the importance of attracting and retaining customers. Explain that the customer should be seen as an integral part of the business; he certainly is not one to argue with. Publish your customer beliefs. Write articles in your newsletters. Discuss your philosophies

about service at lunches, staff meetings, and during casual conversations. Require that “service” is an agenda item for every meeting — from your board meetings to the accounting department’s staff meetings.

Pinpoint Your Customers: Every company has at least one customer who shouldn’t be one. Analyze which of your customers contribute most to your sales and profits. Make a profile of those customers you serve best. Make another list of those potential customers you don’t want. Finally, determine your “VIP” customers: those few customers for whom you’ll make the exception, go far out of your way, and whose name you want all your people to know.

Pinpoint your guidelines: Once you have established your service philosophy and identified your most ideal customers, you will want to establish some simple, straightforward guidelines for customer interactions. For example:

- Phone guidelines
- Personal appearance
- Correspondence quality
- Facilities & vehicle upkeep
- Face-to-face guidelines
- Complaint response

These guidelines should be developed and presented as *“This is what you can do if you have no better ideas. However, improvements to these guidelines are always welcome!”*

R – Record Key Service Indicators

Start developing some easily understood scoreboards to share with all employees. Track indicators such as on-time deliveries, complete orders (fill rate), average turnaround times, consecutive number of accurate orders, and customer returns. Next, develop an index of customer perceptions. Survey your customers on an ongoing basis, asking 8-10 “yes/no” or “agree/disagree” questions which state the desired condition, For example:

- “Our orders are received on time.”
- “When I call the company, they are courteous and efficient.”
- “My sales person contacts me often enough to use your services on an ongoing basis.”
- “Compared to your competitors, your service is better...same...worse.”

These customer surveys can be sent with each order, completed through random phone calls, or sent to each customer on a semi-annual basis. In any case, divide your customers into groups and gather data each month from one of the customer segments.

I – Involve Both Customers and Employees

The best ideas come from customers and front-line employees. Continually solicit input from your customers on ways to enhance the business. In addition to the periodic surveys, include customer input cards with each invoice. Respond to every customer contact — both positive and negative. Teach your employees about your customers. Continually show them your own performance data. Hold quarterly meetings to discuss customer expectations and “going beyond” ideas. Set up service teams to work on specific ways to improve your service: shipping ideas, technology enhancements, image task force, telephone skills crews, etc.

A customer who complains is trying to tell you he wants to keep doing business with you.

D – Develop Recognition Programs

There are only two types of people who like recognition: those who admit it and those who don’t. Look for ways to recognize both customers and employees. For example:

- Customer loyalty plaques
- Employee “going beyond” pins
- Customer idea awards
- Employees who serve on task forces
- Customer’s company featured in the newspaper
- Employee “picking up the pieces” trophy

Money spent on recognition does not equal value received. The best rewards are symbolic versus monetary. Encourage recognition such as notes, trophies, plaques, dinners, pins, jackets, etc. — all given for a specific accomplishment.

E – Enhance, Enhance, Enhance!

Your job is never done when serving a customer. When you exceed his expectations over a period of time, that level of performance soon becomes the expectation. Some ideas for enhancing your customers' perceptions of your company include:

1. Turn complaints into opportunities

- Always thank the customer for telling you about his complaint; only 1 in 10 tells you.
- Express empathy
- Apologize
- Offer a solution or ask the customer what he/she would like you to do
- Never argue — you never win an argument with a customer
- It pays to pay when in doubt. If your philosophy is customer-oriented, you will give the person the benefit of the doubt
- If your company was clearly in error, over-respond, showing the customer that you want to retain his patronage

Remember: a customer who complains is trying to tell you that he wants to keep doing business with you!

2. Look for model companies both inside and outside your industry.

Rather than criticize, spend time searching for positive examples. Translate others' ideas into programs which could work for you.

3. Ask one more question.

Never be satisfied with general comments from customers, competitors, employees, or friends. Once you are sure you understand, ask one more question.

4. Keep getting better! If you're not getting better, you're getting worse.

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