

BUSINESSES DON'T DIE, THEY COMMIT SUICIDE!
Building Your Customer Service Business
Gregory P. Smith

At the front entrance of Stu Leonard's Dairy Store stands a large boulder. Engraved in the boulder are these words:

"Our Policy

Rule 1: The customer is always right!

Rule 2: If the customer is ever wrong, re-read rule 1"

Businesses can no longer compete strictly on price of goods and services alone. The next several years will be a battleground with few winners. It will be a time of intense competition and the winners will be the ones who know exactly what they are doing.

DIGITAL CUSTOMER SERVICE

According to Jill Griffin, author of the business best seller, *CUSTOMER LOYALTY: How to Earn It, How to Keep It*, the Internet has changed the customer's perception of responsiveness. More and more, customers expect round-the-clock customer service. Moreover, customers now arrive at Web sites time-starved and eager to locate answers. Technology tools such as customer self-service, e-mail management, and live chat and Web callback are proving increasingly critical in addressing the demanding customer's responsiveness needs.

E-mail marketing. Just about everyone in the United States has an E-mail address. Provide a designated place in your business, on your forms, registers, and websites for people to give you their E-mail address. Make sure you have their permission to E-mail them information. Begin sending an E-mail notification, newsletter, or sales notice one or two times a month. Use an E-mail program like Eudora Pro to manage your E-mail lists. I emphasize, do not E-mail people without permission, and always give them the option to be removed from the list.

Put a shopping cart on your website. Online sales are growing at a dramatic pace. According to Jupiter Research's forecast, the U.S holiday season is expecting to see about \$13.2 billion in purchases online, a 17% growth rate over last year. This increase of sales is coming from people who want to save time, followed closely by avoiding the crowded stores, and the ability to shop outside of store hours. Make an audit of what services and products you can offer online. You can download a simple and effective shopping cart system for a 30-day free trial by going to <http://www.ChartCourse.com>

Pay-per-click advertising. As a business owner it is difficult to stand out from the crowd. One way to do this is a pay-per-click ad on major search engines. Advertisers bid on keywords. The more popular the keyword, the more expensive the advertising is. Prices vary between a few cents to many dollars. For example, you can pay ten cents a click for the keyword, "pool supply store". Using pay-per-click can insure you receive top visibility on websites driving more customers to your door. Many business owners are eliminating classified advertising in lieu of pay-per-click. Most of the major search engines are now offering this service. My favorite is found on Google.com.

Multi-channel value for customers. New research confirms that customers who engage with a firm through multiple channels (web, store, call center, etc.) exhibit deeper loyalty and (in turn,

spend more and buy more widely) than single channel customers. But take note: this finding assumes the customer gets the same consistent service whether coming into the store, logging onto the Website or calling the service center. Sadly, for most companies, the customer service experience varies greatly by channel.

BUSINESS FOCUS

Be different and stand out. Roberto Goizueta, former CEO of the Coca-Cola Company said, "It is very difficult to be the captain of your own destiny, when you are always a passenger in somebody else's ship." Many organizations suffer from what I call mental constipation or the "**We've never done it that way before**" syndrome. If you are a business owner, ask what makes you different from your competition. If you cannot answer that question, you are in trouble. One hotel tried a new marketing strategy by placing these words on their hotel marquee-- "*Have your next affair here.*"

Know what is important. Identify the most important tasks you have--the effort that generates business success. Ask yourself, "What has the greatest impact or value on my staff members or clients? What will increase sales?" Write it down, make it a performance standard, and let everyone know how he or she can help achieve it.

Conduct a vampire extermination expedition. The beginning of the year is the best time to analyze your organization's work processes. Determine what is wasteful and what is productive. Eliminate what are causing people not to perform at their best. Exterminate the "vampires" sucking money and resources from the bottom-line. You are better off bringing someone in from outside the organization to do this—an expert. Outsiders bring an unbiased approach and a different perspective to your business.

Control costs and eliminate waste. The beginning of the year is the best time to analyze your work processes. Determine what is wasteful. Eliminate the causes of poor performance. The Ritz-Carton hotels created a form called the "Internal Defect Form" (IDF). Any employee noticing a deficiency or defect during the workday completes an IDF. All forms are forwarded to a central office for action. This simple process contributed to a sales increase of \$75 million using 500,000 less man-hours.

Answer the phone! People in the U.S. have lowered their standards and accept lousy customer service as the norm. Many businesses have designed and blindly placed impenetrable voice mail and automated phone systems in the way of good customer service. The reason for all the "voice-mail hell" is that organizations ignorantly think it is less expensive than paying a person to answer the phone--they are wrong. What it does create is a huge demilitarized zone between the organization and their customers. Furthermore, it creates the appearance of a cold and indifferent organization alienating, frustrating and driving customers and their money in search of a more approachable source of satisfaction. Nothing beats a real, old-fashioned, friendly human being on the other end of a telephone.

BUILD CUSTOMER LOYALTY

Make them say, "Wow!" Most businesses lose 15-20% of their customers each year. Why? They never hear from you, they are bored! By applying a small amount of effort you can boost your profits by as much as 40%. Cutbacks and layoffs have created a new standard for poor customer service being the norm. The good news is it is easy to stand out by allowing a human being to answer your telephone. Remember the 80/20 rule. In most cases, twenty percent of

your customers generate 80% of your sales. Do you know who your top customers and clients are? Design a marketing plan to communicate with them at least once a month.

Mystery Shopper. Pretend you are the customer and evaluate your own business. Use a telephone and call your office up. How long does it take to get an answer? How are you handled? Do they use your first name? Did they make you feel welcome or were you treated like a nuisance?

Measure what's important to your customers. The customer, not management, decides what exceptional service is. Identify what they need and expect and develop a system to show how well you are doing in each area that is important to your customers.

Success means lots of little things. Don't accept average service. Go over and beyond the call of duty. Provide lots of extras, like smiles, using customers' first names, gift wrapping, birthday and anniversary cards. All these little things add up to big profits and loyal customers.

Provide a customer service guarantee that excites people. Customers are sick of loopholes and limited warranties. People are tired of hassles and long lines and forms to fill out. Sure, there will be people who will take advantage of you, but the trade-off is a lot more people who will buy, visit, tell their friends about and spend their money on you and not on your competitor.

Key Customer Representative. Use an employee to keep in touch with your current customers. They can let customers know of new services and products you provide. For example Ritz-Carlton Hotels has a special department that tracks and makes a database of customer likes and dislikes. They post this information on a bulletin board outside the employee cafeteria.

Handle all customer complaints with enthusiasm. For every one complaint there are at least 10 other customers that visited your business who have the same complaint. A portion of the 10 just took their business to your competitor. Make each encounter positive and look for the opportunity to improve.

Define value. Understanding how your customers define value is the critical first step to successfully driving loyalty. Most companies are completely in the dark about what drives loyalty for their customers. Artful Framer Gallery thought low price was its #1 driver until value research proved otherwise.

INTERNAL CUSTOMER SATISFACTION

Do not let your top performers abandon ship. Employee retention begins the first day on the job. Put extra effort in your employee orientation programs and let them know why your company is a good place to work. Managers should meet with new employees during the first week, and conduct a new hire survey approximately 30 days after they have been on board.

Energize and recognize your workforce. Many businesses are building a more positive work environment. We conducted a survey and asked people the following question. "What causes you the greatest dissatisfaction with work?" The answer with the most responses was "Lack of appreciation". Setting up a program to make a positive work environment is not difficult. A well-administered program builds camaraderie, values, and makes people feel good about themselves and their jobs.

Use bottom-up involvement for high performance. Studies show that having workers involved at all levels has a major impact on improving productivity, morale and motivation. A good example is Guardian Industries, an 800-employee glass plant in Indiana. They decided to start listening to their employees to find out their opinion on how to staff the plant's 24-hr work shifts. The employees decided instead of working rotating day and evening shifts, they would rather work permanent 12-hour shifts. The result--turnover fell by 50%.

Create an appreciation program. Reward and recognition programs are fine, but what people really want is *appreciation*. Another survey conducted for *Chart Your Course* showed that when employees were asked, "What causes you the greatest dissatisfaction at work?" the answer with the most responses was "Lack of appreciation." Setting up a program to make people feel appreciated is not difficult. A well-administered program builds camaraderie, values, and makes people feel good about themselves and their jobs.

Create a motivating work environment. A good organization is one that creates a motivating work environment. Be careful not to assume what motivates your people. In one organization, management was absolutely certain employees would select cash as its preferred form of recognition. Turned out, money didn't matter, but parking did. While executives and certain top employees could park in the lot next to the building, most employees had to park several blocks away. With this information in hand, *a very effective reward program was built which allowed select employees to use the executive parking lot.*

Take family issues seriously. Most organizations don't realize the impact of family-friendly benefits have on productivity and retention. First Tennessee National Corp. started taking family issues seriously and made them top priority. They reshaped the rules they had forced employees to live under, added many family-friendly new benefits, and sent managers through 3-1/2 days of training. The training included how to coach, communicate and counsel employees. Part of the training also included sensitizing them on the cost of turnover and what are the primary reasons people quit their jobs. Employees stayed twice as long—and the bank kept 7 percent more of its customers. Aetna Life & Casualty Co. reduced resignations of new mothers by 50 percent by extending its unpaid parental leave policy to six months, saving the company \$1 million a year in training, recruiting and hiring expenses.

Treat your employees the way you want your customers treated. The front-line person is the most important person in your organization. If they feel management cares about them, they will reflect the same respect to your customers. In fact, your employees are your internal customers. Listen to them; they probably have the answer to most of your customer service problems.

Use training as a retention tool. In a study of more than 3,100 U.S. workplaces, the National Center on the Educational Quality of the Workforce (EQW) found that on average, a 10 percent increase in workforce education level led to an 8.6 percent gain in total productivity. But a 10 percent increase in the value of equipment increased productivity just 3.4 percent. The ASTD study showed that "leading-edge" organizations trained 86 percent of employees while "average" organizations trained only 74 percent. Leading edge organizations also spent twice as much per employee. Organizations that invest the most in workplace learning, the study showed, yielded higher net sales per employee, higher gross profits per employee, and a higher ratio in market-to-book values.

Make heroes out of your customer service people. Catch them doing something right. Ask your customers to tell you who pleased them the most. Reward and recognize to no end.

LEADERSHIP

Learn to delegate. Many people have trouble delegating. If you do not learn to delegate, you will become like a matchstick...burn brightly for a moment then burn out like a puff of smoke. It is not necessary for a manager to personally handle every task. One very successful regional sales manager attributed his success to the fact he trusted his administrative assistant to handle routine items that did not require his personal decision. This left him free to concentrate on growing his outside sales force.

Don't work for a jerk. For those of you who watch the television show, *ER* saw Dr. Peter Benton quit his job. The reason he quit—his boss was a jerk. The fact is that good people will quit bad bosses. A survey recently conducted by Chart Your Course International showed 35% of the respondents had quit their last job because of their immediate supervisor. La Rosa's Pizza Company is a national chain of 53 outlets consisting of 3000 employees. At La Rosa's employees get to evaluate their bosses using a bottom-up Customer Satisfaction Index (CSI) twice a year. After the CSI is completed the CEO has the managers come to a meeting to discuss and resolve issues affecting employees.

HIRING GOOD EMPLOYEES

Hire good employees with good customer service attitudes. In today's job market you can afford to be choosier on who you hire. I worked with one small business that hired a customer representative that disliked customers and poisoned the attitudes of those she worked with. In the long run it is less expensive to wait and hire the right person than hiring the first person that hands you a job application. Use assessments to identify people with the right attitude and pleasant personalities. Unfriendly employees will cost you more money. Be willing to pay good people more money. Visit our website for more information on pre-employment and management development assessment. <http://www.behaviorprofile.com>

Build a good orientation program. High retention begins the first day on the job. Put extra effort in your employee orientation programs and build a bond with new hires. A major factor causing workers to stay beyond 90 days in good part depends on how they were treated the first two days on the job. Managers should meet with new workers during the first week and conduct a new hire survey approximately 30 days after they have been on board. The survey will help identify differences in what the employee was expecting versus what the actual job entails. Management should help resolve the differences and identify the disappointments that could stimulate a premature departure.

Free by fax or E-mail: If you would like a free subscription to our newsletter, please fax us your letterhead to 770-760-0581 or E-mail us the word "Navigator" to info@chartcourse.com.

Greg Smith is a nationally recognized speaker, author, and business performance consultant. He has written numerous books including his latest, ***Here Today, Here Tomorrow: Transforming Your Workforce from High Turnover to High Retention***. Greg has been featured on television programs such as Bloomberg News, PBS television, and in publications including *Business Week*, *USA Today*, *Kiplinger's*, *President and CEO*, and the *Christian Science Monitor*. He is the President and "Captain of the Ship" of a management-consulting firm, Chart Your Course International, located in Atlanta, Georgia. Phone him at 770-860-9464. More articles available: <http://www.chartcourse.com>