

When Good Service Representatives Do Bad Things

Prepared by:
Drew Stevens
Stevens Consulting Group



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When Good Service Representatives Do Bad Things

Written by Drew Stevens Ph.D.

Interesting when the economy does well how customers can be taken for granted with so many customers to choose from, organizations quickly forget those that placed them in their current state- customers. Ironically, the cost of acquisition to keep a client is less costly than trying to find a new one. Recent research stipulates that advertising expenses, web development, television production and other media means are simply too costly to the bottom line. Yet rather than focus on the core, organizations incessantly seek new clients for business.

Recently, a client recommended a certain vendor to David. In trying to secure a large print order David immediately called the vendor, not once but five times. The call was never returned, and the vendor lost a significant six-figure order. The question for you, "Are you losing business before your eyes"? Delivering an experience that is satisfying to customers and differentiated from competitors drives both repeat visits and improved profitability. However, poor experiences such as that above enable clients such as David to test competitors and move freely to others. Further, in today's competitive and quick paced world, it is not difficult for someone like David to take the

remote control and switch quickly to the competition. And if that does not work, they will switch again as loyalty in today's market runs thin.

Family and Friends Plan

The cost of conducting business is very expensive. Everything from gasoline to telecommunications is on the rise. Ironically, maintaining clients costs less than one third the cost of new client acquisition. Organizations today fail to adopt the "Family and Friends Plan". One negative interaction between client and vendor will be shared amongst family, friends and neighbors. Recently a real estate professionally securing a million-dollar sales agreement was asked by the same client to find a new home. Being distant with the client by focusing on new client acquisition, she not only lost the million-dollar sale but a 1.2-million-dollar purchase by the same client! Friends and neighbors discovered the issue and now the agent's sales are down 37%.

It's the little things

I do an extensive amount of work with a print and shipping operation not far from my home office. Many vendors have opted for my services, but I prefer to go to Frank and Carol. They have a mutual passion for serving the client. My visits are not about business but rather interested friends exchanging pleasantries and getting better acquainted each time. The pair knows the names of my

children their respective birthdays and even my wife's! That is not just interest, not about friendship- it is service differentiation. Further, one Sunday evening I received a telephone call at 9:30 from Frank indicating the completion of a job. He apologized for a two-day delay and wanted me to know that the job was not only ready but was on his tab. That is service with a smile and service that continues to enable me to return time and time again.

Consistency

Effective operations and service experiences yield to the bottom line. Consistent execution leads to repeat business via customer loyalty and lower cost of operation.

Interestingly, and based on doctoral research prior to this study happy clients, lead to happy employees and happy employees lead to less attrition on both sides of the operation.

Three businesses exemplify consistency; 1) Starbucks always hires excited and passionate baristas. Their energy and consistency help retain customer loyalty. It is no wonder that consumers do not mind paying a premium for coffee. Whether you are in Boise or Baton Rouge, you the consumer will always be served in a similar fashion. 2) Southwest Airlines decreases the fear of flying by offering a uniform fee with a passionate and energized staff. Infrequently does one find a poor experience traveling on this air carrier, that continues through the years to continually post a significant profit. 3) McDonald's offers

fast, reliable and efficient service in any city. Employees are constantly willing and ready for your order. And, while dietary issues have changed during recent times, this fast-food icon continually posts profitable results.

Albeit each maintains a different demographic and product/service focus, the differentiation between each and its competitors is consistency in operation and operational design. Customers repeatedly experience consistency each and every time enabling a low cost, high return customer loyalty program.

Standards for Excellence

A program or rather culture to achieve consistent experience is difficult and arduous work. The first phase is to assess critically where you are and where you want to be. It is imperative to take pen to paper and ask both customers and employees about their experience with the organization. Seek trends and spikes in the data. Do not ask for the why, but what and the how. There exist other helpful ideas:

1. Make unannounced site visits if multiple locations or simply watch operations. Use a critical eye here to denote spikes in mission, vision and values of your organization.
2. Do not look for the obvious. Seek the rationale for the little items. Ensure calls are answered in two to three rings. Return calls within an allotted time from, for

example I return all client calls within reason within 90 minutes of receipt. Use thank you cards and remember client's names.

3. Teach and Coach. Your clients as well as your customers need the correct operational tools. If you seek improvements they must be taught, as years of habit do not immediately change.
4. Standards. Simply put, when change is needed set standards and stick to them. These include appearance, dress code, hiring, and client interaction. If the culture does not exemplify the standards how might clients remain loyal?

Clearly, globalization, the proliferation of the Internet and the ease of entrepreneurialism have created a highly competitive environment. Differentiation, loyalty, consistency and execution are paramount for the client experience. It is not conscious effort but the unconscious subtleties that will help separate your organization, make you different, maintain client loyalty and keep your profits.

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Drew Stevens is CEO of the highly successful Stevens Consulting Group a strategic operations and business turnaround partner to small business with specific emphasis in sales and marketing. His accomplishments include being acclaimed international keynote speaker, bestselling author of 14 books, and a regular media correspondent.

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