



Distinguishing Your Business Through Excellent Customer Service

**A guide to help your business
survive and thrive a tight economy**

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In today's business environment, more than ever, you are required to focus on your SINGLE source of revenue: the customer. The challenges that most business leader's face include:

- Achieving revenue goals when new customers are not buying
- Achieving customer satisfaction goals while reducing the cost of operating the business
- Distinguishing the company from the competition
- Bottom-line, making the numbers

How do you respond to these challenges? Provide excellent customer service.

Too often customer service is relegated to the customer contact center buried deep in an organization with minimal visibility to, and attention from, senior management. However, ask yourself: "what is my single source of revenue?" Your answer ought to be "my customer". If this is not your answer, you can stop reading now – you will be out of business soon.

Even if your answer is "my customer," you may not realize the impact your organization has on customer satisfaction and retention.

It is hard enough to acquire a customer; you cannot afford to lose customers – especially profitable ones. Studies show that a long-term customer relationship can be more profitable than a transient customer. For example, it has been found that for many businesses the first year of a customer relationship will actually come at a cost. The second year of the relationship is typically when profit from the customer begins to materialize. Then, incrementally (year after year) profits from the relationship increase. This results from you and the customer knowing one-another and have increasingly efficient business interactions, saving you time and money. You begin to acquire an increasing wallet-share of the customer's spend in the area of your product and service offerings. The customer increasingly refers you to others. And, finally, you are able to incorporate a price-premium because of the value-add you bring to the relationship. That is, you have become a true partner to the customer.

So, what is customer service? Customer service includes every interaction a company has with its customer. This is not to say that every person in your organization ought to be on the phone with the customer. What it does mean is that in one way or another every person in your organization is directly, or indirectly, serving the customer and needs to behave this way. They need to understand how their actions can affect the customer's perception of the service they receive from the company. This includes Marketing, Sales and all aspects of Service.

What does excellent customer service entail? You must ensure that your entire organization is poised to respond to the ever-changing needs of your customer in ways that build upon a mutually profitable relationship.

To provide excellent customer service, you need to do the following:

- Define your customer relationship strategy
- Balance your resources
- Treat your customer as a person not a number
- Ask for and respond to customer input
- Perform as a single company
- Adhere to customer service principles

Define Your Customer Relationship Strategy:





Your corporate strategy, relative to how you manage your customer relationships, is absolutely essential to the long-term success of your company. There are three strategies that you need to consider:

1. Product Leadership - First to market with leading-edge products and services
2. Operational Excellence – Being the low-cost provider of products and services
3. Customer Intimacy – Being poised to respond to the ever-changing needs of the customer, while building mutually profitable relationships



To be truly successful, your firm needs to be a tri-athlete by determining which strategy you will lead with, and at which you will be competent. Many companies, however, attempt to “be all things” to all customers – trying to provide product leadership, while also trying to minimize support costs. In addition, some companies change strategy over time without consciously thinking about the organizational ramifications in terms of how the customer is served.

For example, a company may go through the start-up phase focusing on product leadership. Upon achieving success, they may strive for operational excellence to scale the business for growth. To truly succeed, the entire organization needs to be aligned to the new strategy. If engineering, product management and marketing are still striving for product leadership while the support organizations are being pushed for operational excellence you will have a disconnect. Make no mistake: your customers, employees and the market-place will feel it.

Balance Your Resources:



Frequently, companies look for a silver-bullet to align their resources to the customer by implementing customer relationship management (CRM) systems. While a CRM system is important, it must take its proper place. Aligning your entire organization to respond to the needs of the customer requires a balance.

- **People** – Ensuring you have a team of people with the right attitude and skills to serve the customer, the incentives to excel and the empowerment to do so.
- **Process** – Defining clear roles and responsibilities of your people, the methods, techniques and overall process flow to serve the customer in consistent, efficient and effective ways.
- **Systems** – Implementing tools to automate the appropriate elements of your business processes.



Too often companies assume that systems are the answer to a business problem without properly addressing the people and process aspects of delivering excellent customer service. The result is that significant time and money is spent without an effective return-on-investment (ROI). When the people and process elements are addressed the technology becomes the easy part, and allows you to achieve an attractive ROI.

Treat The Customer as a Person Not a Number:

When dealing with the customer you need to consider the value of the entire relationship (with the person or company), and not the value of an individual transaction (the order or invoice). How many customers have you lost because your organization didn't satisfactorily resolve a customer dispute worth only hundreds of dollars associated with an individual transaction when the entire relationship “was” worth tens of thousands, or even millions of dollars on an annualized basis?



Additionally, it is critical for you to anticipate the customer's needs. This includes taking measures to proactively detect issues that your customer may face with your products and services. And, offer a solution before the customer realizes they have a problem. For example, if your company is a managed services provider you need to let the customer know, in advance, of their reaching performance issues. Your organization is responsible for the break-fix aspects of the service by



default. You also have the opportunity, if not responsibility, to proactively let the customer know when performance is approaching thresholds that will eventually lead to a break situation. This is not only helping the customer avoid a problem (improves customer satisfaction), it is a revenue opportunity as you up-sell the customer to an expanded solution.



Unfortunately, customer service personnel are commonly managed as a production shop. That is, they are responsible for meeting a single, specific service level: to minimize queue time for the customer. While this is important, when you have a customer on the phone, NEVER rush them to complete a transaction. This is not only rude, but you will miss opportunities to increase customer satisfaction and revenue. A simple way to address this is to have each of your customer-facing personnel ask the customer “What else can I do for you?” at the close of each call. This open-ended question not only allows you to make sure that you’ve covered everything the customer originally called for, but they may take the opportunity to share additional information on their experience with your firm.

Ask For and Respond to Customer Input:

Asking for and effectively responding to your customer’s input provides a tremendous opportunity to increase revenue and customer satisfaction. It also provides critical input for the development of your products and services. There are several ways to go about this:

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- Input from customer-facing personnel
 - Customer Satisfaction Surveys
 - User Groups
 - Board of Advisors

Each of these methods will provide an understanding of what your customers are “really” saying about their experience with your company allowing you to become cognizant of their ever-changing expectations.



A very simple way to obtain input on what your customer’s are saying is by asking your customer-facing personnel. This could be approached as a general discussion, on a recurring basis. Additionally, you can ensure that your customer-facing personnel have the ability to respond to the customer’s feedback, or at least have the mechanisms to initiate a response from your company. Your customer-facing personnel will have a great sense of empowerment if they know there are channels to provide feedback to your organization relative to what they are hearing from the customer. A truly eye-opening experience is that of having your senior executives spend at least an hour in customer-facing situations each month. For example, have the VP of product management put a head-set on and sit with a person in the customer contact center. They will truly be amazed by the value of this exercise.

One of the most common methods of obtaining customer feedback is through a customer satisfaction survey. However, companies often use this as a high-level understanding of “where we were last month”, and don’t leverage the customer input as a catalyst to improve customer satisfaction and revenue. Truly proactive companies implement a customer survey remediation program designed as a closed-loop process for responding to customer feedback, and promoting management attention and employee awareness of what the customer is saying. Your employees often know that customer surveys are taking place. And, they want to know what they can do to improve customer satisfaction. If you tell them what the customers are saying in the surveys they have the information necessary to respond.



Another method of obtaining customer input is establishing a user group. This is a group of interested customers (users) of your product or service. They will interactively share what their experiences “have been” and where they would like to see your products and services go in the future.



The fourth way you can solicit input is establishing a customer board of advisors. This is typically a group of senior managers, from your customer's organization, that are not only interested in your products and services, but also have a vested interest in the success of your company. These sessions generally address higher-level topics such as your company's strategy, future plans and financial stability.

Finally, to close the loop on each of these approaches to obtaining and responding to customer input, be sure to tell your customers what you heard and what you've done about it.

By implementing each of these approaches you will:

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- Receive feedback from the customer regarding their recent experience
 - Have an opportunity for interactive dialog with your users on their collective experience with your company
 - Ensure that you maintain strategic relationships between the senior executives of your firm, and those of your customer.

It is important to note that you need to have thick skin to perform these activities. You should be prepared for candid feedback, which is EXACTLY what you need to succeed.

Perform as a Single Company:



One concept that has taken hold in the marketplace is one-stop shopping. We all look for ways to maximize the results received from our time and deal with as few providers as possible for the products and services we desire. In that spirit, you need to make sure your customer doesn't feel like each time they contact your firm they are dealing with a different company.

To address this you need to present a single-face to the customer across all your customer contact points. This requires the sharing of information:

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- Marketing messages being communicated to the customer-base
 - Expectations set by Sales during the order process
 - Status of customer transactions (orders, billing, problem reports, service requests)
 - Customer profile (annualized revenue, contacts and their organizational level, products and services they have purchased, etc.)

This is the area most dependent on the implementation of a CRM system. By consistently sharing information you ensure your entire company has access to a customer's complete profile and can respond as a single company.



Another area of critical importance is ensuring your account-team presents a single-face to the customer. A common mistake companies make is assuming that only the Sales and Account Management personnel make up the account team. In reality, every person that touches the customer is part of the extended account-team. The most important step account-teams can take is performing a rehearsal, or dry-run, before scheduled customer meetings. The dry-run should include; a review of discussion topics, who will cover each item, the intended outcome and ultimately ensure that the account-team is fully prepared for the meeting. You will come across items requiring hours (or days) to address to ensure a positive outcome with the customer.

Adhere to Customer Service Principles:

Adhering to the following principles and tips will help you provide excellent customer service:

- Maintain mutual respect. Excellent customer service does not mean you need to be a doormat for your customer. It requires that you build upon a mutually profitable relationship.

- Perception IS reality. Fully manage the customer's experience and constantly set expectation. Don't make the customer manage you based on outdated or incorrect expectations.
- Sit up and Smile. When on the phone with the customer sit up straight and smile: the customer will feel it.
- Confirm what you hear. Repeat back to the customer what you heard, to confirm understanding.
- Presentation is everything. It is not what you say but how you say it.
- Keep your customer updated. Status updates to the customer are actually more important than the work you are doing to fulfill the customer's need.
- Know your audience. Adapt and gauge your communications accordingly.
- Keep it together. Be professional and courteous no matter what the customer says.
- Bad news does not get better with age. This speaks for itself.

Your customer can be your best source of referrals, or bad publicity -- *which would you prefer?*

In Summary:

With the current economic conditions, it is more important than ever to focus on servicing your customers well. It helps you distinguish your company from the competition. Excellent customer service helps achieve your revenue goals when new customers are not buying. It can improve customer satisfaction levels, demonstrating the value you bring to the customer in ways they never considered, while reducing the cost of operating the business. In short, excellent customer service will help you meet your numbers. On the other hand, if you don't want to service your customers well, there are other companies that would be happy to do it for you – your competition.

More About Customer Centricity, Inc.

Customer Centricity, Inc., is a business consulting firm that works with companies to align their resources to exceed customer expectations in the most efficient and effective manner possible. We leverage our real-world experience to help our clients continuously improve their service delivery and management capabilities to:

- Increase profitability
- Improve customer satisfaction and retention
- Increase operational efficiencies
- Improve employee satisfaction

Customer Centricity optimizes the interaction between people, process and technology in several ways:

- Comprehensive assessment methodology to identify the actions that will yield our client's the greatest return
- Skills Training to enable customer-facing personnel to deliver exceptional levels of customer service
- Design and Implementation of business processes to serve the customer and manage corporate resources in efficient, effective and consistent manners
- Identification of the appropriate business processes to automate, enabling companies to get the most from their investments in technology

Customer Centricity's approach is to work closely with our clients to help them understand what they are doing right, and their opportunities for improvement. We provide pragmatic recommendations that provide immediate benefits, and we drive continuous improvement programs help our clients



realize significant return on investment in a very short period of time (measured in weeks, not months or years).

To learn more about Customer Centricity, call 603/491-7948 or visit our web-site, www.customercentricity.biz

