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in this **ISSUE**

**Building Loyalty - 5 Steps
to Succeeding in These
Difficult Times**

People Power

**TOOLKIT:
Brand specificity: what is
unique about our brand?**

**How Are Your
Listening Habits?**

**TIPS
Anticipate Obstacles**

Building Loyalty - 5 Steps to Succeeding in These Difficult Times

Consistently deliver a truly awesome customer experience each and every day

Let's face it, more and more people are worried about the current economic conditions and how they will be impacted. Comments such as, "Our inquiries have really dropped off," "People are sure taking a long time to make buying decisions," "Our customers are demanding more from us or leaving," "Pricing pressures are becoming the norm," "Far more "shoppers" than buyers," "It costs a lot more to find new customers these days," "Customers are defecting at all time high rates," along with many other similar and related comments.

Now, more than ever, is your time to Be Disruptive, Build Loyalty and Change the Game so you not only survive, but thrive in the future! This is not the time to hunker down and hope the storm blows over quickly - it is here for the foreseeable future. What are you going to do to take advantage of it and come out stronger when the growth cycle kicks in again? What are you going to change from what you are doing today to give you different results? Most look for ways to cut the fat out of the organization and improve processes to squeeze every dime out of operations - certainly something to consider. However, while this cost-cutting effort is going on, what are you doing to focus on the group that actually pays you money - the customer? How are you capturing more revenue so you can increase profitability and dominate your competition?

There is no question we are experiencing some economic challenges today - most indicators are telling this story. And even though no one wants to talk about the "R" word, it may very well be here or looming in the near future. Many businesses are seeing decreases in sales and getting more pressure to cut their prices to compete for the same customers. How can you build loyalty during these times when

customers are looking for more services than they did before and at a lower price?"

Great question! The answer: Be Disruptive and Build Loyalty when everyone else is hunkering down. There are great opportunities in these times if you act "proactively" instead of "reactively."

Companies that have the best chance of surviving, and even flourishing during tougher economic times, are those who have more Loyal Customers than their competition. While this may seem intuitive, it is amazing how few have really actively focused on this effort. The best companies have invested the time and resources to build Trusted, Loyal Relationships with their customers. As the economy slows, customers gravitate to these companies because they know they will receive a consistent and repeatable experience. These companies don't sit back and relax, they continue to build from the powerful vantage point they already have over their competitors. They are in the enviable position of being on top and controlling the experience while their competitors spend extra dollars and resources to try and win these customers away.

There is no "magic pill," but what I can give you is a specific recipe of 5 proven steps you can take to build Loyalty quickly and rise to the top of the list with your customers. These Steps aren't difficult to grasp but will take some effort to execute so you can consistently deliver a Truly Awesome Customer Experience each and every day and create your own list of loyal customers.

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1. Start by truly understanding your client base. Get some analytics about your customer so you can truly understand the revenue and profitability of your customers. Analyze where the revenue is coming from, by segment and by category. See which customers, products and services drive the majority of sales. Find out who is most profitable for you today, even if it is only at the gross margin level. Truly “understand” where your revenue and profits are coming from in your customer base. This will help feed the other Steps going forward.

2. Now ask some tough questions. Are we in alignment between what we are doing operationally and how this supports our most profitable customers? Are we focused on different customer segments because of economics or some other reason? Are these the markets we should be in both short term and longer term? What do the competitors look like in each of these segments? Should we focus on a different segment due to lack of competition and opportunity? Ask tough questions of your management team, based on analytics, to truly understand where opportunities exist. This Step is all about understanding your customer and the competitive landscape. Time spent here will help you focus for Step 3.

3. Now find out what is going on externally with your customers - the

experience you deliver. Go out and get some good information directly from your customer so you know what experience would differentiate you from your competitors. This can't be wimpy information either. It has to be fresh, unfiltered and from their own voice to give you what you need. You can waste a lot of time and money on meaningless surveys and research. Resist doing what you have always done in the past and go get the “good stuff” directly from your customer. You are looking for what they believe are the “loyalty factors” and “promises” that will differentiate you. Use an outside firm since there isn't time to waste and the customer usually gives deeper information to someone not associated with your organization. This can happen quicker than you might think.

4. Now focus on implementation and retention. Since you now know which customers have the greatest profitability and what it would take to move them to becoming “Loyalists,” you are ready to build and implement the “truly awesome” customer experience. Identify changes you can, and need, to make in the processes of your organization to ensure the consistent and repetitive delivery of the experience - systematic and throughout the organization.

5. Start delivering the new experience, communicate it and then measure the results. Communicate to your customer

what you are doing. They will appreciate you focusing on them and Changing the Game in the experience. Build your messaging around the changes you are making and what you are delivering. Build your “Brand Promise” around the “loyalty factors” and “promises” your customer wants. Integrate this into everything you do and say and do it over and over and over again. This demonstrates consistency and avoids the impression of “flavour of the month.” This is who you are and what you stand for and believe in. Repeating the message and keeping your promises builds Trust, which leads to Loyalty and Retention.

Now you have a proven 5 Step recipe for taking your organization into a leading position. Even if you are, or have been, trending downward because of the economic times it is not too late to start. Focus on understanding and building the Promises and Loyalty Drivers into the customer experience immediately and you can turn things around faster than you might think.

Start today. Be Disruptive, Bold and take control and you will find yourself ahead of your competitors and beating them today and tomorrow.



People Power

Understanding People and Human Nature & Grow Your Customer Base

The 1st. step in increasing your customer service delivery skills in dealing with people (successful human relations) is to properly understand people and their nature.

When you have a proper understanding of human nature and people - when you know why people do the things that they do - when you know why and how people will react to a break down in your service delivery - then and only then can you become a skillful manager of people.

Understanding people and human nature simply involves recognizing people for what they are - not what you think they are nor what you want them to be.

What are they?

People (customers) are primarily interested in themselves, not in you!

Putting this same thought another way - the other person is ten thousand times more interested in themselves than in you. And vice versa! You are more interested in yourself than you are in any other person in the world.

Remember that man's actions are governed by self thought, self interest - this trait is so strong in man that the dominant thought in charity is the satisfaction or pleasure that the giver gets from giving, not the good that the gift will do. That comes second!

You don't have to apologize or become embarrassed in recognizing that man's nature is self interest - it has been that way from the beginning of time and will

be that way till the end of time, for man was put on earth with that nature. Also, we are all alike in this respect.

This knowledge, that customers are primarily interested in themselves, gives you the basis on which to work on your customer service delivery procedures.

It also gives you power and skill in your dealings with others. So actually it's a key of life for you to realize that your customers are primarily interested in themselves and not really in you.

So the question is: How can you adjust your customer service delivery policies and procedures to take advantage of man's basic nature and provide an exceptional, emotional customer service experience to your customers?

TOOLKIT: Brand specificity: what is unique about our brand?

Once your staff has a solid grasp of what a brand is, you can then use this base of knowledge to explore your own brand. The following exercises are concerned with your brand in specific.

WHO IS OUR BRAND?

Every time I see a group wrestle with the following brand exercise, I'm convinced of its value. This exercise enables your customer service reps to put a human face on your product or service brand.

Ask your service reps to identify your brand as a man or woman. Assign an age and give it a name. How educated is your brand?

Have your staff think of your brand as a fully developed person who can be described in great detail. Harley-Davidson, for example, is probably not an elderly person or a young child. And even though many middle-aged men and women

buy Harleys, the brand aspires to youth and freedom. When middle-aged people buy one of these powerful, rumbling motorcycles, they are buying a piece of youth and freedom.

Have magazines available so people can create a collage that represents your brand.

If your brand is going through a transformation, you can phrase the question, Who is our brand? In two ways: What is the brand right now as it appears to the public? And what do we want users of our brand to experience?

How Are Your Listening Habits?

According to Dr. Lyman K. Steil, President of Communication Development, in St. Paul, Minnesota, most people have poor listening habits. Some of the habits Dr. Steil has discovered are:

- **Criticizing the speaker and the delivery.** Focusing on not what the speaker is saying, but how he or she is saying it. Noticing a lisp, a stutter, an accent, a dialect, grammatical errors, "ums" and "ahs" -- rather than the speaker's thoughts and feelings.
- **Not taking notes -- or trying to write everything down.** Not taking notes can cause problems later, when you try to remember what was said. On the other hand, trying to take down everything the caller says will make you lose all eye contact or redirect your concentration from the phone. Better to take a few brief notes, highlight the important details, like dates, times, amounts, and account numbers.
- **Faking attention.** Customers can quickly discern if you are paying attention to them or not. If the

caller was mildly agitated before, your lack of attention can push him or her into real anger.

- **Tolerating or creating distractions.** Don't be distracted by other's conversations. Work at eliminating visual distractions by removing paper piles and pulling out a clean sheet of paper to take notes. Listen fully to the caller and eliminate whatever distractions you can.
- **Letting emotional words block the message.** The upset caller may call you names, curse, or say unpleasant things about you, your co-workers, and your organization. Avoid letting the caller "push your buttons" in this way, because when you're upset you've lost objectivity, and you need to be in control if you're to find a solution.
- **Interrupting or finishing the other person's sentences.** This is an irritating habit and will only induce more anger in an already upset person.
- **Biases and prejudices.** We all have biases and prejudices, whether we like to admit it or

not. You may not like the way someone dresses, her makeup, his hair style, or her stutter. It is hard to listen when you are distracted by these biases. Work on eliminating your prejudices so as to be a better listener.

- **Not checking that you've understood.** Repeat what you understand the person to be saying. Start your sentence with "Let's see if I understand " or "I think I understand ...(then paraphrase what was said)." Don't say, "What you're trying to say is ...," --- it implies the caller is an idiot and can't say what he means. Also avoid, "What I hear you saying is ...," --- it's overused and trite.



TIPS

Q & A

Have a Question?

e-mail me: ken@kenparson.ca



Tips:

Anticipate Obstacles

Author John Newborn said, "People can be divided into three groups: those who make things happen, those who watch things happen, and those who wonder what happened." This certainly applies to people in business, particularly on the subject of gaining and retaining customers. The secret to your success is to ask yourself which group you're in. An even better question is to ask to which group do you want to belong.

Prominent author and business leader Frank Basile says that when he teaches goal-setting, he teaches to be goal oriented people. An important ingredient of his goal-setting training is to anticipate that there will be obstacles ahead that will have to be handled to reach those goals. He says to take the word "try" out of your vocabulary, because it sets you up for failure and excuses. Would you want to fly with a pilot who is going to "try" to land safely? What you need to do when you set a goal is to say to yourself, "I'm going to make this happen," and then get it done.

Assignment: Become a goal-oriented customer service manager, especially when it comes to getting new customers.

Epilogue: One seasoned sales manager said he only has two kinds of people:

- (1) Those who make a quota, and
- (2) Those who make excuses.



Ken Parson
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