

Welcome to the distance learning programme from Paul Bangs. I hope that you get as much out of the material as others who have attended one of my training courses or motivational talks. If you would like to know more about the programmes or would like to discuss your training or mentoring needs, please email or phone with your enquiry.

Customer Care/Service

“There is a new rage – not road rage but customer rage and customers are now standing up to bad service and voting with their feet by going elsewhere” News report by BBC 8/02/06

It costs a minimum of five times more to gain a new client/customer than it does to maintain and develop an existing customer. That is why retailers like Tesco give loyalty points; they want us to keep on going back. Giving good service and looking after customers is vital, so why do we get it so wrong so often?

This programme looks at the value of looking after customers properly and how we can ensure that we get it right first time and when we do make mistakes, how we can rectify them quickly and gain more loyalty

There was a large manufacturer in the USA whose sales had not progressed over the past few years; they were stagnant. They had a sales force that was paid a small salary and a bonus on sales. Sales people fall into two categories, farmers or hunters. Farmers are order takers and are quite happy to continue to service their customers and build long term customer relationships. Hunters are sales people who love the chase of a new customer, like to be paid well on a commission basis but are often unreliable when it comes to giving good long term customers service.

For a company to survive you need the farmer’s mentality; to grow, you need to be a hunter. Ideally you need service givers who also have the incentive to build new business. This particular company brought in a sales and business coach/adviser to look at what could be done to increase sales. He firstly looked at the value of a customer and then suggested that the company rewarded their sales force by giving them a bonus equivalent to all of the companies profit on the first order agreed with a new customer. The company were horrified until it was pointed out to them that when they open a new account, a customer spends on average \$1000 per order and orders 10 times per year for an average of 8 years; that is a total of \$80,000 of business. Based on those figures they could not afford not to reward their sales force well for opening new accounts. The following year the companies business grew 25% and their farmer type salespeople suddenly became hungry hunters as well as farmers.

Giving good service is vital to any businesses success but adding new customers, services and products is also an essential if you want your business to grow. We will look at growing a business in later programmes on sales and marketing; for now we will concentrate on looking after the business we have already gained and how we can keep our current customers.

Firstly all businesses need to understand that without customers you don’t have a business. Now that might seem so obvious that I shouldn’t have to point it out. But if it so obvious why do we get it so wrong so often? One of the reasons is because we do not have a system built into

our business to give good customer service and we don't have a system because we don't always appreciate the value of looking after our customers. What are those benefits?

Creating systems for "Good Customer Care" creates many benefits including:

- ❖ Protects business relationships
- ❖ Increases customer loyalty
- ❖ Protects against the competition
- ❖ Increases Business
- ❖ Adds to your profit margins
- ❖ Gains referred leads/recommendations
- ❖ Allows you to charge more
- ❖ Protects against bad press
- ❖ Builds employee job satisfaction

It is estimated that companies that give outstanding service can charge up to 9% more for their good or services

It cost up to five times more to gain a new customer than it does to maintain a current customer

If you give poor service, the customer will tell up to nine other people and a percentage of those will tell others. Bad news is big news but if you give good service, your customer will tell three or four others about it.

The key to good customer service is "**Get it right first time**" but if you do make mistakes, have a system to put them right immediately.

May I suggest that before we go any further, you do the following exercise and incidentally, do it on paper, once you see the results written down it will have more effect.

Over the past twelve months

- How many customers have you lost through poor service?
- How many complaints have you received due to poor service?
- How many compliments have you received?
- How many new customers/clients have you received via customer recommendation?
- How quickly do you respond to customer's queries or complaints?

- On average, how often does a customer buy from you or use your services?
- What is the value of each transaction in turnover and profit?
- On average, how long does a customer/client stay with you and therefore what is the total value to you of each customer?
- Compared to your competitors, how have you performed and be honest with yourself, no one else is going to see what you have written?
- What have you learnt from this exercise and what can you do to improve the service you give?

You might be a sole trader, perhaps in the building trade who normally deals with a customer and then never does any more work for them again, therefore what is the value of this exercise for you? Most trades-people have the opportunity to do a great deal more work for customers over many years and the very best businesses are those that keep on growing because of recommendations from one customer to the next. Why spend thousands of pounds per year advertising when your customers can be your best advert? Look at where your business is coming from and ask yourself, where am I not getting business from? If you are not gaining recommendations then the chances are you are not giving good service.

“There is more to fear from inside inefficiency than there ever is from outside competition.”

We started by looking at the value of giving good customer care, we will now look at how you manage good customer care/relationships.

Recently a friend of mine was in a local supermarket and he was asked if he would like his flowers gift wrapped? He went over to the customer's service desk where the assistant started to gift wrap the flowers when suddenly a supervisor pushed in front of him and asked the girl who was wrapping the flowers for her hours. The assistant left serving the customer, turned her back on him and started to call out the hours she had worked that week. This is a major retailing company that prides itself on giving good service and spends millions of pounds each year advertising to gain more customers and to be fair, they are very good at what they do, but at local level they are getting it so wrong. Why is that and how can they or any of us ensure that we give good service?

How do you manage customer relationships?

1. Have the right attitude towards giving good customer service. You can not change what you don't acknowledge. If you are not giving the best possible service then the change has to start with you; never ask others to perform to a standard unless you are willing to exceed that standard yourself
2. Train your staff properly in customer service. It cost money to train staff properly but ignorance is a great deal more costly. If you don't have a system or the skills to train your staff, then invest some money in someone who can train your staff for you; there are some very good training consultants in the market place

3. Reward your staff for giving good customer service. Every person in the company should be trained and rewarded for giving good service. Train them how to use the phone, greet people, answer queries quickly; do what they say they will do. You will then start to get customer feedback concerning members of your team, acknowledge that feedback, have a reward system, value good customer relationships.
4. Monitor customer service regularly, have good systems in place. Ask customers how you are doing, why do they like dealing with you, is there anything you could be doing better, are you failing them in any way, if so, and what you can do about it. If you are not monitoring your service how will you know if you are getting it right?
5. Keep good (accurate) records on customers. With to-days technology it is not difficult to keep good records. I used to work with an advisor who kept a paper file on every client and at the back of the file on one side he had a record of all the hard facts, name address, phone number etc and on the opposite side, a record of all the soft facts including notes from telephone conversations with the client on family matters, holidays, illnesses etc. Whenever the client phoned David, his secretary would put the file in front of David and immediately he was able to recall previous conversations and ask about family, how the last holiday went etc. As far as the client was concerned, David was the most caring person they dealt with because he showed how much he cared about them. By keeping good records we are able to recall information and when we get it wrong, we can track back and find out where the fault lies
6. Ensure that you know your customer, what they want/need. People buy from us not just because they want our products or services but because they know when they come to us, we are more concerned about their needs than we are about our own
7. Inform customers regularly of changes/offers that are relevant to them. All too often the complaint is “why didn’t you tell me or I didn’t know” have a system where you are constantly keeping your customers informed of anything that effects them.
8. Respond quickly to customer needs/queries. The greatest complaint of all is that businesses don’t get back and respond quickly. “I’ll phone you back or I’ll get my colleague to phone you, or I’ll be there on Friday at 8.30pm” If only! Why are we so bad at doing what we say we will do? It not only shows we can not be trusted but it also shows we are indifferent to our customer which is just plain ignorant.
9. Ensure that every department of your business has the right attitude. This goes back to point 2. Train your staff and insist on every person giving good service. Start in the company itself; as well as external customers, you have internal customers. If you do not give good service internally then it is likely that you will give poor service externally.
10. Keep your promises – don’t lie – don’t cheat. What we sow is what we will reap
11. Ensure your suppliers give you good service so that you can give good service to your customer. Where possible, have compatible systems. If your suppliers let you down then you will have to let your customers down; do all you can, by monitoring

and if things aren't right, by negotiating until they get it right and if they don't, change supplier. Be very clear with your suppliers what you expect of them

12. Ask customers how you are doing, do customer surveys, this is a great way of ensuring you learn quickly if things are going wrong. Be careful how you word the survey, it is very easy to get back good surveys and learn nothing. If necessary, get an outside company to do the survey for you.

Now is the time to go back through the points above and ask yourself how you are doing, what changes do you need to make and how can you ensure you become the best in your market when it comes to customer service?

You might want to take time out with others in your business and "Brain Storm" or if you are a sole trader, do your own "Brain Storm" If necessary, bring in an outside advisor who can help and advise and if necessary train staff to become the best that they can become in giving outstanding customer service. I repeat an earlier statement:-

"There is more to fear from inside inefficiency than there ever is from outside competition."

There are many ways in which we can improve the service we give customers and show that we care about them. The following list is not exhaustive but provides some key points.

How do you improve?

The process starts with involving both staff and customers, ask staff and customers what they think. Encourage honesty. Questions might include:-

- ❖ Where do we want to improve?
- ❖ Where do we need to improve?
- ❖ What extra services could we/should we offer?
- ❖ Where are we falling behind at the moment?
- ❖ Do we have systems in place to monitor customer service, if not, what systems could we put in place?
- ❖ Is each department/system providing good service?
- ❖ Are our suppliers letting us down affecting our service to our customers?
- ❖ Do we follow up customers complaints quickly and effectively?
- ❖ Are we getting repeat business from customers?
- ❖ Are we getting referred leads from customers?

- ❖ Are we easy to do business with?
- ❖ Are we getting bad press?
- ❖ Is our objective to give the highest standard of customer service, do we have a “customer service” culture throughout our business.
- ❖ Are we training our staff in the skills of customer service?
- ❖ Do we treat our internal customers as valued customers?
- ❖ Do we have a customer care charter? If yes, do we stick to it?

“What you sow is what you reap” if you sow bad service you will reap bad service and the results of bad service.

We are in a competitive world; the most successful companies will be those that understand customers needs, provide the solutions to those needs and give outstanding service. The purpose of any business is to **attract, retain** and **develop** profitable business in a cost effective manner.

Customer service and marketing go hand in hand together. In marketing we find out about the needs of our customers, their purchasing habits, opinions and preferences. We look for ways to attract more customers and then customer service helps maintain and develop those customers.

First impressions count.

In everything we do we either make a good, poor or indifferent impression. In business, we need to make a good first impression. This includes our premises, the way we answer the phones, our correspondence, the way we treat our customers and staff, the way we promote ourselves, display our products, dress etc. What sort of first impression are you personally and your company making? Are you leading by example?

People don't buy products; they buy what those products will do for them.

This includes speed of service, after sales service, personal treatment, keeping promises, turning up on time, the way we are greeted, how we are spoken to and any number of other caring attitudes.

“Customers don't want to know what we know; they want to know that we care”

Companies that care for their customers and their staff will build stronger businesses.

If you treat your staff right they will treat you customers' right.

Once again, I suggest that you go through the questions above and ask where can you make improvements? If you are too close to the problem, then call in someone else who can help you achieve the highest possible standard. Never compromise on service and never undervalue the cost of getting it right. Let me state once again:-

“There is more to fear from inside inefficiency than there ever is from outside competition.”

One of the services I offer companies is a personalised “Strategic Planning” programme where I work with management and key people to create the right strategy and to help make it happen. Part of this service is helping both individuals and the company to look at their business, how they are perceived by customers and staff and the level of service offered. The service also includes training management and staff on customer service and how to build more business without increasing costs of marketing. If you feel that you might benefit from this service, phone or email me and we can arrange an initial meeting to discuss your needs.

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