

Building Customer Service Excellence: A CEOs High Payoff Activity

Written By Tom Northup, June 2007

Companies have only three ways to internally grow their business, all of which involve that one element no organization can live without: customers. They can:

1. Increase the number of customers
2. Increase the average value of a sale
3. Increase the purchase frequency

We often equate giving good service with creating customer satisfaction. However, excellence in customer service is about creating customer loyalty. Knowing the difference between satisfaction and loyalty is the first step in developing customer focused excellence in your organization.

Are you happy with the service you receive when you make a purchase? In the rush to outsource, companies often fail to give customers the service they want. This effort to cut costs contributes to the popular opinion that service is dramatically decreasing. What long term effect will that impression have on future business from those less than satisfied customers?

A Common Scenario

Many executives think that the sales department is responsible for taking care of customers. In reality all company departments interact with customers.

Many companies rely on low-paid employees who are often hired based on criteria that place little importance on relationship skills. For example:

1. Although the receptionist is the first contact and sets the tone for future discussion, many companies treat him or her as little more than a person who gets phone calls to the right department.
2. Although customer service coordinates quality, quantity, shipping and delivery issues, many companies are more concerned with getting customers off the phone quickly than with helping them.

Customer requests frequently require input from various departments. Employees with this responsibility may not be well equipped to handle these contacts. How often do we hear:

“I asked production for the information but they didn’t get it to me; what can I do?”

“I hate to hassle Joe. He is so busy and can be rude to me.”

One department works hard to make a sale and then in follow up communication employees in another department put their own agenda first and forget to make customers feel special. The result is missed, incomplete, rude and even inaccurate communication.

Customer Loyalty

Many companies say that it’s their people that set them apart. In reality it’s their “friendly” people that set them apart. People much prefer interacting with friends even when all else is not quite equal.

Customers contact a company because they need help. When the company doesn’t give customers the help they expect, the need still exists but the customer is now mad. Excellent customer service is about giving memorable service. Do we want customers’ memories to be positive or negative?

Memorable customer service is achieved through employees who are positive, smile sincerely, are friendly and build rapport. A company first achieves these attributes by hiring the right people. In many cases, even the right people need to learn the many skills necessary to create customer loyalty. We must be prepared to train people in the appropriate skills and develop their effectiveness.

Ideal Culture

Effective CEOs understand that their company culture, which is primarily created by leadership, is the key to developing memorable experiences and strong customer loyalty. Studies show that culture affects performance by as much as 30%.

These CEOs don't just focus on customer loyalty. They create a positive corporate culture by building a productive and enjoyable work environment in all aspects of the business. When employees understand the importance of their job and appreciate the responsibilities of other team members, their individual accomplishments transform into team accomplishments.

When employees are honest with each other they can have constructive conversations in a trusting atmosphere. They make significant improvements in their skill levels and become more effective.

Honest and open trusting communications are easy to define but hard to develop. Effective CEOs make building a positive culture a priority through these high payoff activities:

Share Power

The standard organization is constructed in a pyramid with management at the top. Requests and directives flow down. Employees carry them out.

Effective CEOs understand that this pyramid should be inverted because it is the employees who understand their jobs in detail. When management shares power, it supports employee requests that flow upward.

An effective CEO shares power and allows employees to participate in the development of their job parameters. Sharing power builds intellectual and emotional commitment. As people are part of the solution they become change initiators not change detractors.

Written Standards

Organizations must understand the key success factors in customer service and other areas of the business and make these core competencies throughout the organization. They must establish written standards addressing these core competencies.

Measurement

Have accountability. It is important to develop measurement criteria for these areas. Employees want to know how they are progressing. If the company can't measure performance it has no way to determine how well it is meeting the standard it wants to achieve.

Training

The company must recognize that many employees don't have appropriate customer service skills. They need training to become more effective. Provide training and then evaluate the results to measure effectiveness.

Supportive Environment

Don't make people wait until told before they act. Build a supportive atmosphere where people are encouraged to take risks and venture beyond the status quo. Don't consider discipline primarily punishment but as a means to teach when needed. When corrective action is needed, focus on behavior, not personality.

Role Model

Lastly effective CEOs understand that everything counts. They don't say "Do as I say, not as I do." They become positive role models.

Summary

Customers are the life blood of every organization. We often think of satisfaction when we use the term customer service. A satisfied customer can be neutral and still shop. Build loyalty in customers by providing excellence in service.

Our customer's perception is reality. When we talk about excellence we are using our word. Instead, we want to build a memorable customer experience.

Friendly employees are best able to build memorable perceptions and loyal customers. Everyone wants to feel appreciated. When we are a customer we appreciate timely and constructive answers to our questions. Being friendly facilitates memorable outcomes.

A CEO's high payoff activity is to build a company-wide core competency in service that generates loyal customers who have a memorable experience. He does this by supporting his team and sharing power with them. He establishes criteria and measurements for evaluation. He understands that training and development are both key to changing employee behaviors and attitudes. He looks at training and development as an investment, not a cost. He understands that it's his responsibility to create a positive ROI from this effort. He builds a supportive atmosphere where employees are encouraged to take initiative and not wait until told to act. He is a role model.

The bottom line: Companies that are customer friendly and build loyalty and memorable customer experiences have a competitive advantage in their market place.