THE MYRDDIN GROUP

Getting Superb Customer Service During "Moments of Truth"

Every day, in any number of ways, we are customers. There is a customer relations case study to be seen in everything we buy, from groceries, to lunch, to our clothes, or our car. Whenever we engage in a transaction with someone providing a product or a service, we are interacting with a customer relations management system. It may not be formal in terms of structure or policy, but it is still there. Customer relations are everything involved in how a business connects with customers in terms of its relationships.

In many of our jobs, we see the other side of this exchange, as we are generally producing goods and/or services for our company, which in turn exchanges those goods or services with customers for money. A customer is any person or organization with whom we exchange value. In addition to this, at work, we may have internal customers to whom we provide services. As an example, accounting provides regular balance sheets, income statements, and other financial reports to the company's executive team who could be seen as the accounting group's customers.

Customer service is a key component of customer relations and it comes in many different shapes and forms. Sometimes it's excellent and sometimes it's just horrible. We often see and hear about a company's commitment to customer service. The reality though is quite different.

There is a simple truth about business and that is it is much more expensive to get a new customer than it is to keep an existing customer. Looking at the costs associated with finding new customers, combined with the costs of lost customers, we can see why companies are focusing on customer relations and customer service issues.

So what happens when the customer is actually engaged and the service actually delivered? We often see a breakdown between the claims of customer service put forth by management and the reality in the moments of truth that occur when customers deal with the people in the company. Not surprisingly this breakdown comes from failures by both the business and the customer where the actual exchange of value takes place.

When a company fails to make the connection between the hype of their customer service philosophy and actionable steps to put that policy in place, a breakdown occurs. For example: The President says, "The customer is our Number 1 Priority. That is our company policy and our very reason for being." What specifically is going to be done to make this initiative come to fruition? Will customer hold times be reduced from ten minutes to less than one? How many additional people, phones and computers will that take? How much training will be done to improve the product and process knowledge of those on the phone? How well connected are those on the phone with the rest of the company? What will be the implementation date for all this so that we can deliver on what we promised? The point is customer relations plans without specific, actionable customer relations actions can risk even greater problems down the road. The most powerful ways to communicate these to the customer is through action.

Now lets look at the customer side of these transaction breakdowns. The customer is always right, right? Wrong. Sometimes the customer is trying to get more than what is reasonable, and sometimes the customer is just completely unreasonable. An exchange of value is at the heart of good business. A fair exchange is mutually beneficial as defined by the participants in the exchange. It is not one sided (as when the customer was always right). Customers occasionally make demands that are not reasonable, and sometimes the answer has to be NO. The customer is a partner, and sometimes, in the interest of the partnership or the very operations of the business, the answer is NO. It's said nicely, but firmly.

This is a key point: One of the most important aspects of managing a customer relationship is to manage the customer’s expectations in advance of any potential problems. We have to be able to set the stage for what the customer can reasonably expect and what the customer cannot reasonably expect or demand, and then exceed those negotiated expectations to deliver a satisfied customer. Operating without expectations leaves us weak and vulnerable when called upon to defend our side of the business transaction.

So how do we tie these the business and customer parties together? It is a serious and ongoing challenge for any business. While managing customer’s expectations, a company must create an environment where employees believe in the customer service message they are delivering. This means they have the ability to act on the customer service promise in specific, actionable ways. In the short run it may appear expensive to operate this way but in the longer term it means the retention of satisfied customers. I have seen cases, some as recently as this year, where the ability to “make it right” was taken away from the customer service group and sales began an immediate decline from that point forward.

Summary

- No company can succeed without creating customer satisfaction.
- Customers may be called by many names, but all are engaged in an exchange of value.
- Good customer relations are about relationships. Moving customers toward deeper relationships with you requires service skills.
- Advertising is generally less cost-effective in getting new customers than word-of-mouth recommendations from an existing customer.
- The cost of lost customers can be many times the simple reduction of their sales. Ripple effects expand the loss dramatically.
- While all companies say the customer's satisfaction is paramount, few successfully translate good intentions into a workable strategy or specific behavior.