

Would you do business with you?

If more company presidents and their senior managers asked themselves this question with the customers' view in mind, many would answer "probably not." The reason? Customer service.

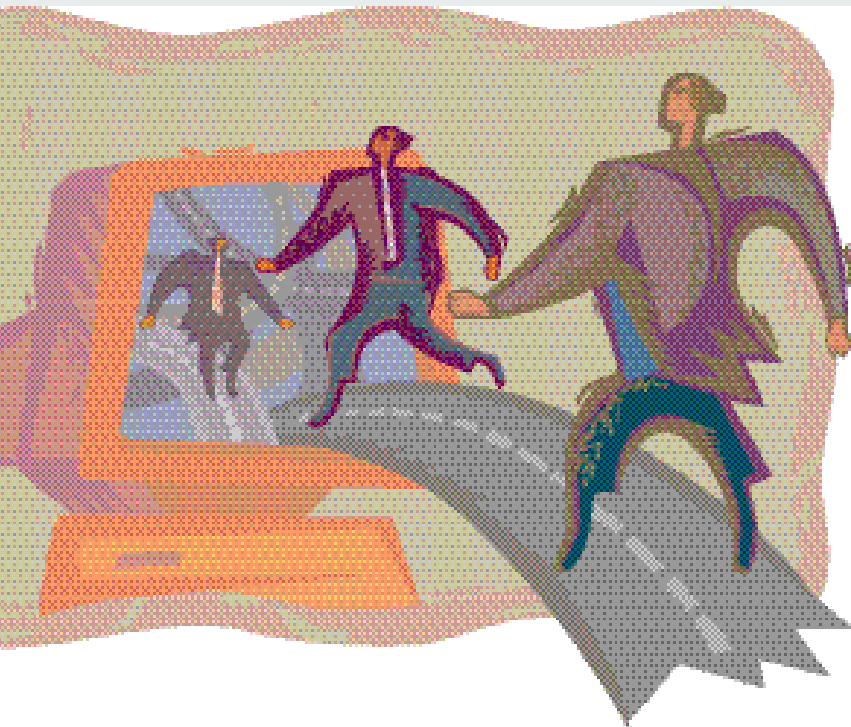
Much has been said, done and written about customer service during the last decade. Millions of dollars have been spent on programs, training and systems. However, the results have been disproportionate and often outright disappointing.

In a recent issue of *Fast Company*, the cover story declared "**Betrayed!** The biggest lie in business is 'the customer is in charge'... How could an idea so right go so wrong?" But surely, you may say, every company wants to delight its customers. That may be true, but while bold promises have been made, bad results have been the reality. The issue is not that service is poor, but that the promised and necessary great service is harder than ever to deliver!

Michael Hepworth, in a Canadian Marketing Association publication, provides some facts in support of the *Fast Company* report:

- The American Customer Satisfaction Index (University of Michigan Business School) stood at 74 in 1994, dipped to 71 in 1997 and has only slowly recovered to 73 in 2000.
- Only one in three customers who have a problem and contact the respective organization for help are satisfied with the response they get. Customers who contact an organization for help and are dissatisfied with the response are 30 to 40% more likely to take their business elsewhere.
- The average North American company has 11% of its revenue at risk as a result of customer problems and how they are handled.

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- \$1 spent on advertising yields less than \$5 in incremental revenue, but that same \$1 spent on improving customer service can yield more than \$60 in incremental revenue.

And the need for customer service in the new economy is as great as in the old:

- 75% of all e-shopping carts are abandoned before the purchase is actually completed. Nine out of 10 shoppers who abandoned their carts did so because of a lack of customer service.
- 72% of respondents said that customer service is critical in shopping satisfaction, yet less than 1% of all e-commerce Web sites offer live customer assistance.
- Up to 30% of Internet users require human intervention before purchasing on the Web.

So what are companies doing to resolve this issue? Today too many company leaders spend their time and resources looking for magical technology solutions. I call this “The Great System Seduction.” Since we live in an age of “real time” and “1-to-1 marketing,” the Customer Relationship Management (CRM) Systems business is burgeoning. However, a good system does not equal good service. The European Centre for Customer Strategy predicts that future CRM effectiveness will be assessed less through hard measures and more through the stories people tell about a company. This means companies must give the customer distinctive service experiences so they will become advocates, telling stories to their friends and colleagues. Only if your people are ‘turned on’ will you generate such legends!

The disappointing reality is that the human element is frequently overlooked at the expense of the systems challenges. Enduring and real customer service success requires a *passion for people*—both employees and customers. Author Jim Clemmer observes, “Too many managers treat ‘their people’ as assets with skin wrapped around them.” Debra Fields, president of the highly successful Mrs. Fields Cookies, expresses the flip side: “Customer service does not come from a manual or a system... It comes from the heart. When it comes to taking care of the customer you can never do too much and ... there is no wrong way if it comes from the heart!” In other words, we need a *balance* between *managing things* from the head and *leading people from the heart*. While rational strategy is essential, emotional intelligence accounts for as much as 70% of the personal and organizational success factor.

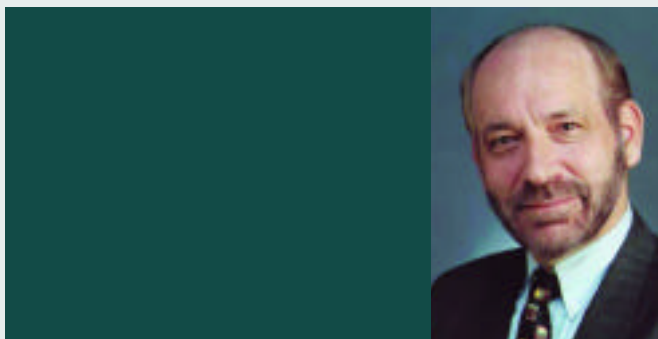
The fundamental problem is that most business leaders are not “pathological” about customer service and do not believe passionately in it as a key differentiator. One of my clients (a president who used the word “pathological” in his communications and speeches about customer service) was successful in making service excellence happen and royally reaped the commercial benefits. He did not just make the rational strategy case for it, but he lived it from his *heart*. Unfortunately there are too few leaders like that. For many, the distance between head and heart is far greater than the typical 16 inches... and therein lies the root cause of customers’ continuing disappointment with the service they receive.

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But if the customer is king, why are so many companies still behaving like republicans instead of royalists? There is often misalignment between the people and the systems in place to manage them. The challenge for today's business leaders is to put their people front and center; to pursue short-term results while continuously *aligning* technology, work processes and structure *around the people* to enable them to become customer-focused in all aspects of operation. After all, a sharper customer focus means a sharper competitive edge.

There are two lessons in this:

- 1) More organizations need to think longer and harder about the people factor in customer service, and
- 2) They must also pay fanatical attention to managing each customer touch-point. This is serious and hard work. Being "pathological" about customer service demands passion from leaders. They must be prepared to walk the talk, be patient, pay attention to customer detail, and constantly work on people-and customer-focussed alignments. Only then, when they have become "pathological" about customer service, will business leaders truly be able to say "Everyone wants to do business with me."



EricFRATERMAN ABOUT THE AUTHOR

"Eric Fraterman specializes in customer-focus consulting. He helps clients achieve increased customer-focus and operational effectiveness by ensuring that externally the voice of the customer is captured and is effectively deployed internally, so that business operations, people and supporting processes work together to deliver customer-value. The resultant improved customer service, strengthened customer loyalty, organizational alignment and increased employee commitment give clients a sharper competitive edge.

During his 15 years work in this field Eric has worked for a wide variety of clients in Canada, the U.S., Mexico, Korea and Holland."

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