



Enterprising Rural Families™

This newsletter is an instrument of the *Enterprising Rural Families: Making It Work* program of the University of Wyoming Cooperative Extension Service. For further information concerning the Enterprising Rural Families program or on-line course contact information@eRuralFamilies.org or go to <http://eRuralFamilies.org/>.

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A Dozen Best Practices for Excellent Customer Service

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Today, providing excellent customer service is the best strategy for any company. In the current economic environment, hundreds of businesses are failing, downsizing or restructuring every day. Granted, businesses fail for a variety of reasons, but those companies that do not provide excellent customer service are among the first to go. Small businesses, in

particular, should focus on excellent customer service during these tough economic times.

TIPS OF THE MONTH:

- The *Enterprising Rural Families: Resource Inventory* course (see website above) will enable you to understand:
 - ⇒ The value and purpose of a resource inventory
 - ⇒ The individual inventory process and ERF individual assessment tools
 - ⇒ The family inventory process and ERF family assessment tools
 - ⇒ The business inventory process and ERF business assessment tools
 - ⇒ The influence community capitals have on the family business
- Before you light the fuse to launch your new product, have you considered...?
 - ⇒ Production plans
 - ⇒ Growth/expansion
 - ⇒ Risk/liability issues
 - ⇒ Exit strategyThink in the long term.

A Dozen Best Practices:

1. Drive everything in your business with a customer focus. If all decisions, all services and all products were based upon a customer focus, customer service would be excellent. In a customer-driven business, management and employees remain committed to satisfying the needs and expectations of the customer. In these companies, rewards, recognition and training are all strategies for ensuring excellent customer service. In successful companies, the customer is the job or business and whatever the customer wants, needs or does provides the energy for everything else.

2. Ask the right questions. This best practice requires that owners and employees constantly ask questions, collect, analyze and use data. Feedback from the customer is a source of constant business renewal and adjustment. The critical question is, "What do my customers need, and how can I best provide it?" There are many ways to collect data, and every customer should be considered a source of data.

Everyday conversations with customers provide a continuous flow of useful information. Employees should learn the art of asking open-ended questions in order to give the customer opportunities to express perceptions, attitudes and both positive and negative feelings about the business and its quality of service.



3. Exceed customer needs and expectations. In a highly competitive service environment, meeting customer expectations may not be enough. Successful companies strive to not just meet, but to exceed, customer needs and expectations. Nothing impresses a customer more than an employee who goes, "above and beyond the call of duty" to ensure total customer satisfaction. Today, customers expect something more than this traditional customer service. They not only expect, they demand, exceptional customer service. They are particularly pleased when businesses exceed their expectations, show that they care about them personally, and work swiftly and effectively on their behalf. Sam Walton, founder of Wal-Mart, is often quoted as saying, "There is only one boss - the customer. Customers can fire everybody in the company from the chairman on down simply by spending their money somewhere else." Exceeding customer needs and expectations can keep employees and the chair persons employed and keep a business profitable and growing.

4. Maintain happy employees. Happy employees mean happy customers. In most businesses, especially service-oriented businesses, the employees' attitudes and behaviors determine the quality of customer service. Herb Kelleher, former Chief Executive Officer of Southwest Airlines, argues, "Put employees first and customers second." At first this may seem contrary to the notion of having a company that is customer focused. But, if we adhere to the notion of "A happy employee makes a happy customer," then this makes sense. Southwest Airlines has been successful in a very competitive business. Southwest has instilled a spirit of entrepreneurship in all its employees.

5. Create and use service standards. Successful companies that provide excellent customer service clearly define the service standards that are essential for business success. Service standards serve two purposes. First, they are a powerful force for shaping the image that your customers have of you. Secondly, they are a great tool for measuring how well each employee in your business meets the levels of service that are essential for your business success. Service standards should be measurable because you can manage and train for things that you can measure. Many would argue that it is difficult to measure service qualities for excellence. For example, people say, "You can't measure friendly." This is true. You can't measure friendly, but you can measure smiles. In addition, you can measure customer greetings such as "good morning" or "good afternoon." You can measure sending customers on their way with "have a nice day." You can measure the number of times that employees use a customer's name. For example, it's recommended that employees use a customer's name at least twice during a conversation. By taking time to observe these measurable items, you can essentially measure friendly.



6. Have a written plan for ensuring excellence in customer service. A written plan helps to ensure a total organizational culture of excellence in customer service. Especially critical is developing a mission and visionary plan that stresses the importance of customer service. The mission statement for the customer-oriented company clearly puts the customer in the spotlight. If a company cannot clearly identify the customer within its mission, the mission statement does not contribute toward the goal of customer service. The visionary plan should be developed among all employees with leadership from the owner or chief executive officer (CEO). Customer service may be incorporated into one of the major goals or it may be inherent but clearly recognizable in all the goals. Having a plan in writing and frequently making reference to the plan is a way to put customer service in the forefront of a company's business plan.

7. Deal effectively with the difficult customer. I recently heard a local entrepreneur state that he considered the difficult customer a positive resource for his company. Dissatisfied customers, "tell it like it is." Employees should be trained and experienced in handling difficult customers. Handling the

difficult customer is everybody's job, not just managers or customer service departments. Common sense approaches like showing empathy, looking directly at the customer and using the mirror technique are strategies that work for many. The mirror technique involves reflecting or stating back to the customer what he or she is saying to you. Do this in a way that the customer knows that you are listening and feels that you care. A difficult customer can be an asset when reaching for excellence.

8. Use follow-up communications as a way to keep in touch with the customer. A telephone call or a letter written in a timely fashion after a service has been performed shows a customer that the business cares about his or her satisfaction. A friendly voice on the telephone or a well-written letter is an excellent tool for maintaining good public relations with your customers. Follow-up telephone calls or even personal visits can also be a source of information and feedback about how the business is perceived and how well the service is valued. Research shows that follow-up is one of the most effective ways for developing customer loyalty. Through customer loyalty, a business can emphasize in its service menu things that are most important and most critical to the customer. The business can invest time and other resources in important things that matter, and it can de-emphasize the unimportant.

9. Learn from your competitors and use their successes in your business. The successful customer-service-oriented business is a business that studies the competition. Ask, observe, analyze and study information about the success of other companies that are your strongest competitors. Ask the question, "What are these companies doing that makes them successful?" Identify those practices that seem to pay off and give them a try in your company. Start with the most successful business competitors in your area and learn everything you can about those businesses. Consider your competition a valuable resource.

10. Smash the barriers to excellence. It seems to be the natural tendency for organizations and businesses to develop a bureaucracy over time. The longer a business has been in existence, the more rules, policies and regulations it seems to have in the rulebook. Frequently, these rules, regulations and policies are barriers to customer service excellence, and may need to be revised, brought up to date, or removed.

11. Offer your customers options. If you can't satisfy your customers' needs and expectations, the next best thing is to offer options for other sources of service, even if it is a competitor. This shows the customer that you truly care about them and not just in selling your service. In addition to offering options, you will need to give them the information that they need to make the best decision for their situation. Most customers like just two or three options. Too many options cause confusion and only make the customer more frustrated. Offering options puts the service provider in the role of consultant and this is a role that customers value highly.

12. Walk the talk at the top. It is critical that the owner or CEO of the business demonstrates a genuine concern and desire to provide excellent customer service. The CEO who is "out and about" helping customers, finding and filling customer needs, is the CEO who operates a company with excellent customer service. Former Southwest Airlines CEO Herb Kellehar said, "Treat employees with care and concern if that is the way you want them to treat each other and your customers." He went on to say that part of the success of Southwest Airlines was his personal philosophy, "Make sure that good enough is never good enough." The effective CEO who walks the talk is a life-long learner. Training and development are constantly a part of the CEO's mode of operations. The effective CEO develops a learning culture in the business that brings employees and customers together frequently to solve problems and to develop strategies for continuous improvement in customer service.

The twelve practices discussed above are found in companies that exemplify excellent customer service. These practices are not just something the company does; these practices are the company. Hiring people with the right attitudes and keeping them constantly trained, rewarded and recognized for demonstrating the best of these twelve practices is the way companies achieve success. It is essential that



the top person in the organization, CEO, or owner also demonstrates these practices, not just among external customers, but also among those internal customers, especially employees. Remembering that happy employees make happy customers is a critical bit of advice for every employer.

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EXCELLENT CUSTOMER SERVICE WILL AVOID UNHAPPY CUSTOMERS AND SITUATIONS SUCH AS THIS:



"Someone calling themselves a customer says they want something called service."



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