

# *Excellent Customer Service: A Dozen Best Practices*

*“The only right way to run a company – and the most profitable way – is to saturate your company with the voice of the customer.”*

*Richard C. Whiteley, The Forum Corporation, 1991*

## *Introduction*

In his popular book, *“The Customer Driven Company,”* Richard Whiteley (1991) emphasizes the theme “saturation with the voice of the customer” as the key to ensuring excellent customer service and consequently a successful and profitable business. Failure to listen and respond to the voice of the customer causes stress, anger and frustration for millions of customers and the ultimate failure of those businesses that are not happily and intimately connected with their customers. 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.

This paper examines business practices that focus on meeting and exceeding the needs and expectations of the customer. The author presents twelve proven strategies and techniques for delivering and maintaining excellent customer service. A business that implements these best practices will enjoy significant customer service improvement over time and will develop a business culture in which employees continue to learn and use superior customer service skills.

## *A Dozen Best Practices*

1. *Drive everything in your business with a customer focus.* If we were to operate with only one best practice, this would be it. 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 these 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. As the business environment changes and as customer needs shift, continuous feedback allows a business to adjust and change accordingly. 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. Another way to collect data is the use of focus groups; these are small groups of three to seven individuals who focus on a specific issue or topic that is of interest to the business. Focus groups may also be used to propose solutions to problems and to resolve critical issues. Written questionnaires and surveys are other techniques for collecting information. Care must be taken to ensure that questionnaires are as short as possible in order not to waste valuable customer time. Telephone surveys are another useful tool in the collection of information about customer service and products. Many companies have found the use of advisory committees as another helpful tool for data gathering. The formation of a formal advisory board not only offers customers an avenue for expressing feelings, attitudes, and sharing information, it helps to create ownership for the company among the advisory board members. It

cannot be overly emphasized that the collection of data is not enough. These data must be thoroughly analyzed and used in order to improve customer service. Furthermore, customer feedback information needs to be thoroughly shared throughout the company so that all can benefit from a constant linkage with the customer.

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. According to Lisa Ford, (1997), customer service has changed during the last decade. Before this change, if customers needed service, they may have the option of going to the customer service department or demanding to see someone in management. The unspoken message to the customer was, “customer service is an extra. If you want it, you’ll have to go to extra trouble.” The philosophy of these customer service units was to explain to the customer why customer needs, wants, and expectations could not be met. The goal was to do this as quickly as possible and to get the customers on their way. 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 employees 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 chairmen employed in their jobs and can 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. The philosophy is that Southwest Airlines is in the people business and it just happens to run an airline. Companies that consider they are in the people business are companies that provide excellent customer service. Tom Peters, (1999), says that we should make work fun. In a company that makes work fun, employees look forward to their job where they are valued and appreciated. If employees are treated as customers, the employee wins, the customer wins and the business wins. *Everybody wins!*
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, which 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. There are seven criteria for developing standards according to Leland & Bailey, (1995). According to these experts, standards should be specific, concise, measurable, based on customer requirements, written into job descriptions and performance reviews, jointly created with employees, and fairly enforced throughout the organization. The Malcolm Baldrige National Quality Award, created by an act of congress in 1987, was designed to promote the following: (1) awareness of quality as an increasing important element in competitiveness; (2) understanding the requirements for quality excellence; (3) sharing of information

on successful quality strategies. The Baldrige award is based on seven categories of criteria or standards. Among these standards, customer satisfaction is the leader. Developing service standards requires defining the specific service sequences, mapping out the steps that lead to service, determining which customer experiences enhance service, and converting the experience enhancers into measurable standards. Examples of standards for hotel services might be: (1) promptness; (2) friendliness; (3) recognition and attentiveness; (4) initiative and (5) ensuring quality of the guest's positive experience.

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). It should have a limited number of goals that powerfully speak to the direction of the business and its emphasis on customer service. It's recommended that not more than five to seven goals be developed. 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. This written plan should be based on customer input. The customer should be involved in the development of the plan, and it should be continuously updated and adjusted, as customer needs and expectations change in the changing environment.
7. *Deal effectively with the difficult customer.* Recently the author heard a local entrepreneur state that he considered the difficult customer a positive resource for his company. Dissatisfied customers, "tell it like it is." Information is likely to come forth in the heat of the moment that otherwise might be kept private. 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. Employees who treat dissatisfied customers as a positive resource embrace the concerns of a customer and deal with those concerns one at a time. Customer complaints are addressed with empathy and honesty. Difficult customers can be an asset 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 the customer that the business cares about their satisfaction. A friendly voice on the telephone or a well-written letter are excellent tools 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, the business can emphasize in its service menu those things that are most important and most critical to the customer. The business can invest time and other resources in the important things that matter, and it can de-emphasize the unimportant. This is where customer centered-strategy has the biggest payoff.
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, which seem to pay off and give them a try in your company. Study the organization, the service and the products that seem to be most successful. Learn from the competition, emulate their successes and avoid their mistakes. Start with the most successful business competitors in your area and learn everything you can about those businesses. Consider your competition a valuable business 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. In the book describing the Nordstrom culture, the author encourages business owners to remove barriers and restrictions that will set employees free to provide excellent customer service. The author argues that employees must be freed of the shackles of too many rules, too many regulations, too much paperwork, and overly restricted communication channels. Only then, will employees be free to truly focus on the customer and provide excellent customer service. The employees themselves are the best data source for identifying and eliminating these barriers, but the customers too can be an excellent source of this critical information.
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. According to the literature, 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 chief executive officer 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 says, "Treat employees with care and concern if that is the way you want them to treat each other and your customers." He goes to say that part of success of Southwest Airlines is his personal philosophy, "Make sure that good enough is never good enough." The effective Chief Executive Officer (CEO) who walks the talk is a lifelong 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.

## Summary

The twelve best 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. Every employee in the company must understand and carry out these practices on a daily basis. 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 that companies achieve success. It is essential that the top person in the organization, CEO or owner also demonstrate these practices; not just among external customers, but among those internal customers, especially employees. Remembering that happy employees make happy customers is a critical bit of advice for every chief executive. The former CEO of Neiman Marcus has been quoted as saying, "There are two things important in every business, the customer and the product. If you produce excellence in customer service, they come back, if you produce excellence in the product, they don't come back."

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