

# PAYING ATTENTION TO SERVICE PAYS OFF

The *Quality Assurance Report* newsletter recently stated that companies can only truthfully claim to excel in providing excellent customer service when they (1) know exactly what kind of service the customers expect, and (2) deliver on those expectations 100 percent of the time, at a price that the customers are willing to pay, while earning an acceptable return.

Northwest Delta Dental brilliantly fulfills these two criteria. They excel in customer experience and enjoy an impressive annual profit as a result. How so? Because they've known for years that *customer service doesn't cost...it pays!*

I interview Northeast Delta Dental every year. They're the Northeast region's most trusted name in dental insurance for companies of all sizes, as well as individuals and families in ME, NH and VT. They administer dental benefits for more than 920,000 people and are led by President & CEO Tom Raffio who has pursued the customer service strategy for 26 years.

Most firms become bored with customer service after a few years and move on to other strategies, and thus unwisely give up the market share and market dominance they'd achieved.

To avoid this error, Northeast Delta Dental has embedded a set of practices that help them manage the customer experiences in a proactive and disciplined way. First, they got rid of stupid rules and practices. This helps keep bad experiences from getting out the door, and it helps the employees assist in creating innovative approaches that will have a profound impact on the customer experience.

My research has shown that firms that build their brand around customer experience will increase their value by over 100%. When you lose focus or just get tired of focusing – you'll lose value. Most top executives have no idea of the financial value of driving a service culture.

There are a number of service culture principles and practices I believe in and preach:

## PRINCIPLES

- **You are in the customer service business.** This is a mindset and a paradigm switch. Very few firms every truly realize that they are in the service business.
- **Use technology to increase speed and keep prices very low.**
- **Value your employees.** This is rare in most firms, but the service leaders consider it a must.
- **Use price to drive business,** but grow your business around service.
- **Be a great place to work.**
- **Attract high-performance employees who represent the cream of the market.** Don't settle for adequate – look for the one employee in 50 or 100 who will excel.

- **Recognition, not money, drives employee performance.**
- **The marketplace values a service leader.**

## PRACTICES

- **Know your customer.** Knowing the customer's purchase and support history can help you solve problems and identify opportunities. Technology has given companies the ability to sell products and services to millions worldwide, but it's still the human touch that improves the customer experience. And it's the customer experience that will build loyalty and drive your business.
- **Speed.** Taking too much time to help your customers can lead to, you guessed it, frustrated customers. The shorter the time to "purchase and satisfaction," the happier the customer.
- **Personalize the experience.** Customers love convenient, personalized responses to their problems and questions. If you're just giving them generic information, they'll more likely become frustrated ex-customers. It takes just seconds for a customer to know if you care. Frankly, it takes no additional time to be nice. Everyone has a right to expect courtesy from you. On-the-job practices of courtesy are an important part of everyone's role in signaling respect for the customer. The more you give, the more you care.
- **If you say you'll do it – do it!** Not delivering on what you said can cost your organization long-term business. Customers have the right to demand performance. They aren't interested in our problems and excuses. We need to ask ourselves constantly, "Is our performance resulting in satisfied customers?" A good guideline is: "Don't promise what you can't deliver, and deliver what you promise."

If you want to succeed, roll up your sleeves and do the work of building your customer experience. Don't become irrelevant to your customers. I suspect that for companies with comprehensive, highly professional service strategies, service adds more to their bottom-line results than any other factor, including research and development, capital improvements and more.

Again...customer service doesn't cost, it pays!

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