

PAYING ATTENTION TO SERVICE PAYS OFF

The newsletter Quality Assurance Report states that companies can only claim to excel in customer service when they know exactly what kind of service their customers expect, and they deliver on those expectations 100 percent of the time, at a price customers are willing to pay, while still getting an acceptable return.

Northwest Delta Dental excels in the Customer Experience and enjoys an impressive annual profit as a result. They've known for years that customer service doesn't cost...it pays!

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

Most firms become bored with customer service after a few years and move on to another strategy, in the process giving up the market share and dominance they had achieved.

Northwest Delta Dental has a set of practices in place that help them manage customer experiences in a deliberately proactive and disciplined way. First, they got rid of stupid rules and practices, which helps keep bad experiences from getting out the door and frees the employees to assist in creating innovative approaches that will have a profound impact on the customer experience.

All of my research shows that a firm that builds a brand around the customer experience will increase its value by over 100%. When you lose your focus (maybe you just got tired of focusing), you'll lose your value just as fast. Most top executives have no idea of the financial power of driving a service culture.

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

PRINCIPLES

- **You are in the customer service business.** This is a mindset and paradigm switch. Very few firms realize they are in the service business.
- **Use technology** to increase speed and keep prices very low.
- **Value your employees.** This is rare for most firms, but a must for service leaders.
- **Use price to drive business, but build it around service.**
- **Be a great place to work.**
- **Attract high-performance employees** – the cream of the market. Don't settle for adequate. Look for that one in 50 or 100 who'll excel.
- **Recognition**, not money, drives performance.
- **The marketplace values a service leader.**

PRACTICES

- **Know your customer.** Knowing your customer's purchase and support history can help you solve problems and identify opportunities. Technology has provided companies with the ability to sell their products and services to millions of people throughout the world. But it's still the human touch that improves the customer experience. And it's that experience that will build loyalty and drive your business.
- **Speed.** Taking too much time to assist customers can lead to...frustrated customers. The shorter the time to purchase and satisfaction, the happier the customer.
- **Personalize the experience.** Customers love convenient and personalized responses to their problems and questions. If they are getting generic information, they are more likely to become frustrated ex-customers. It takes seconds for a customer to tell if you care. Frankly, it does not take additional time to be nice. Too many firms believe this is customer service. Everyone has the right to expect courtesy from you. On-the-job practices of courtesy are an important part of everyone's role in signaling respect. The more you give, the more you care.
- **If you say you'll do it – Do it!** Not delivering what you said you would, at the time you said you could, can cost your organization long-term business. Customers have a right to demand performance. They aren't interested in our problems and excuses. We constantly need to ask ourselves, "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 in companies with comprehensive, highly professional service strategies, service adds more to their bottom-line results than research and development, capital improvements, or any other strategy. Again...customer service doesn't cost, it pays. **RO**

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