

## DRIVE YOUR BUSINESS BY EMPOWERING YOUR EMPLOYEES

Empowerment is a potent tool that will drive your business. It's also the single most complicated skill to get your employees to adopt. When your employees are empowered, they have the authority to make decisions on the spot, even if it means bending and breaking the rules to take care of a customer.

Most executives and managers are afraid to empower their employees, because they don't trust their employees or their customers. They expect that the employees will "give away the store" and that the customers will take advantage of employees who are empowered to bend over backward to help them.

Most employees, too, are afraid of empowerment. They believe that if they make an empowered decision that makes the customer happy, they'll be reprimanded and they might even lose their job. They prefer the safety of operating under the company's rigid rules, policies and procedures.

Every customer will have a different set of needs and expectations when they experience problems with your products or service, so it's critical to build flexibility into the way your employees can help them. Of course, you can't let the employees run wild and give away large sums of money to satisfy an unhappy customer. The answer is to set a clear monetary limit, say \$50. The Ritz-Carlton hotels, by the way, have a limit of \$2,000, but that's because they operate luxury hotels in exotic locations.

You're probably thinking, "If I empower my employees, it's going to cost me money that I don't want to spend." But I urge you to look at that money as a marketing expenditure. If you spend a little money to retain your current customers now, you won't have to spend at least as much later to attract new customers to replace the ones you've lost.

Here's an example of how a company lost me and my money as a customer. Eighteen months ago, I purchased an orchid plant for my wife from Trader Joe's. When the plant quickly died, I went to return it. The employee I spoke with told me there was nothing he could do. I then spoke to the manager who told me he could not give me a refund because I didn't have a receipt, and in any case I hadn't purchased the plant there, because they didn't sell orchids. I put the dead plant on the counter, said some nasty words, and told him I

would never be back. For the \$20 the manager wouldn't refund me, he has lost my business forever.

The supermarket industry is the most customer-service-oriented industry in the U.S. If I buy tomatoes and they go bad within a few days, 99 percent of supermarkets will gladly give me a refund, and most won't require a receipt. They wouldn't think of denying me a refund and losing me as a customer for something that costs less than \$10.

Don't be over-focused on the short-term impact of poor customer service – you must look at your customers' lifetime value. Supermarket customers spend, on average, \$7,169.58 a year. The lifetime value of that customer is \$437,344.46. Are you willing, as Trader Joe's apparently was, to lose a share of that amount of money because you won't give a customer a \$20 refund? The answer should be clear.

Amazon understands the importance of empowering its employees. Returns are super-fast and easy, and the company maintains records of each customer's purchases so there's no need for a receipt. It's so easy to do business with Amazon that its 2021 sales increased 22 percent over the previous year, to a whopping \$83.7 billion.

It's impossible to be a customer service leader without empowering your employees. When your employees make empowered decisions, you should support them, recognize them, and celebrate them. It will send a clear message to all of your employees that you're ready to support their efforts to make sure your customers are happy. The result will be an increase in your customer base, which will translate to an increase in sales.

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*John Tschohl is a professional speaker, trainer, and consultant. He is the president and founder of Service Quality Institute – the global leader in customer service – with operations in over 40 countries. John speaks more than 50 times each year and is considered one of the foremost authorities on service strategy, success, empowerment and customer service. John's monthly strategic newsletter is available online at no charge. Contact John on Facebook, LinkedIn and Twitter.*

