

Flying Blind

Achieve great service.



by Josh Stern

MANAGERS RARELY RECEIVE an unfiltered, accurate perspective on the service provided to their customers. Feedback is passed through layers of management and scrubbed to such a degree that *the information has a rosy tint to it by the time it reaches the top*. When managers make strategic decisions based on skewed information, they are *flying blind*. What they need is a closed-loop feedback system that provides them with reliable data and enables them to create an action plan for success.

Take Off the Blinders

Eliciting quality, unbiased information about the experience provided to customers is a first step in understanding how to raise the service standards. Senior managers often receive five-star service in their own lives and business dealings and enjoy such treatment when making visits to the company's sites. However, the use of their perceptions and first-hand experiences as their frame of reference hinders development of strategic initiatives and the implementation plans for the field.

The value of data is commensurate with the quality of the collection and interpretation protocols. This is why the purchase of *cheap intelligence* is a poor foundation on which to make decisions for success. A better option is to rely on skilled evaluators who use rigorous and objective methods.

When valid data is put through an analysis process that leads to action, the blinders come off. Knowledge is horsepower in the engine of success; it is only valuable when the engine of action is ignited. Well-planned action steps put the knowledge to work through a well-designed, closed-loop feedback system. When harnessed by a methodical process, the information becomes an incomparable tool for implementing, training and assessing the success of strategic efforts.

Eyes on the Prize

The formula for achieving sustained success is a dynamic equation with multiple variables. Innovation, compe-

tion, trends and social/economic forces exert pressure on businesses, requiring them to remain malleable and avoid *complacency*. Organizations must stay in tune with marketplace changes to ensure staying power.

Without a clear understanding of the needs, wants and desires of customers, companies risk failure due to a lack of providing the right product and the right level of service. Accurate knowledge is needed to make the correct strategic and positive adjustments; training to that knowledge is imperative. Simply continuing to do what has been fruitful in the past, assuming it will be sufficient for continued success, results in being left behind competitors who understand the customers' current needs and deliver their services accordingly.

Since competition is fierce because of product similarity and pricing wars, *service is the differentiating key to building customer loyalty and longevity*. "Being on par in terms of price and quality only gets you into the game. Service wins the game," says service expert Tony Alessandra. To raise the service standard, managers need to identify gaps between company expectations of the experience and what customers are actually experiencing. A training program can then be designed, developed and implemented to close the gaps. *This investment delivers measurable returns annually*. The biggest ROI is through *customer retention and repeat business*, which has the compounded fiscal benefit of decreasing the cost of winning new customers (six times the cost of keeping an existing one).

Prescription for Success

Knowing the key performance indicators (KPIs) that drive revenue helps managers make optimal strategic decisions. But KPIs aren't enough to move the needle. Behaviors behind the key performance indicators—*key performance drivers* (KPDs)—are the tactical actions that drive results. These performance drivers are repeatable and trainable, translating into greater profit margins through *reduced shrink, higher ticket prices and customer retention*. To illustrate, the KPI of increased average ticket price in quick-service restaurants is driven by the KPD of offering samples of a featured item. Assuming the item adds no more than

20 percent to the total cost of the bill, this effort is successful 30 percent of the time. Training customer-facing employees to offer product samples has a big impact on average ticket price, making it worth the investments in training.

The biggest obstacle to improving customer service is the lack of effective training delivery methods. Just as unreliable data impairs the quality of strategic decision making, a training program that isn't properly delivered won't result in improved experiences for customers. *A training program is only as good as its delivery.* Individual store managers often lack the skills and experience to effectively and consistently train customer-facing employees. If



they do possess such skills, they often are quickly promoted to the next level of management, leaving a training void in their wake. So, you need to equip and enable front-line managers with a custom program with which to implement training. Provision of messaging and material will ensure consistent delivery across the enterprise, improving the customer

experience uniformly and aggregately. In turn, the *corporate image* becomes synonymous with excellent customer service at all locations.

Vision Checks

On-going evaluation is required with training modified and adapted to accommodate necessary course-corrections. With regularly scheduled training, desired skills become ingrained into customer-facing employees' behavior patterns, resulting in a positive impact on the company's bottom line.

Strategic decisions are only as good as the data upon which they're made. This is why reliable and insightful information is a precious resource. Accurate feedback is key to discerning what action steps can be taken to improve the customer experience. Eliminating the tunnel-vision that obscures service mistakes ensures the errors won't be repeated and can be replaced with behaviors that win repeat business. Timely, accurate data is the tool that enables managers to determine and implement the *best measures* for corporate success. **SSE**

Josh Stern is COO of Reality Based Group, consulting firm that installs continuous business improvement processes to increase revenue and improve service. Call 877 990-3456 or visit www.realitybasedgroup.com.

ACTION: Take off your blinders.