



The Four Cornerstones that “Create the Conditions” for a Service Advantage

You already know the research on the payoffs for investing in a clear service advantage such as the 40-100% increase in profitability (depending on your industry) that is available with just a 5% increase in customer retention. You are likely also familiar with the updated research on the number of people that communicate positive customer experiences and negative customer experiences to others. No doubt you have read how social media acts like a steroid in both directions spreading the good word AND the bad word instantly to anyone with a smart phone. You have also likely seen the research on “customers at risk” being any customer that does not have complete and total satisfaction with their experience, leading to them being “wooable”. (Meaning they are open to being taken by competitors.)

All of which leads to the obvious conclusion that your investment in increasing the probability of complete and total customer satisfaction is among the highest ROI strategies you can focus on. The question is how do you actually execute on this so it is both a sustainable and substantial advantage for your organization? Below are four cornerstones that support becoming a customer focused organization with the ability to tap into the payoffs above by more effectively managing the customer experience and creating a Service Advantage.

The approach begins with knowing that as a leadership team your job is to “*create the conditions*” for your people to consistently and effectively act in ways that lead to complete and total customer satisfaction. It is not enough to say it. Your people need to believe this goal is a real priority before they can live and breathe it. The steps below will contribute to “creating those conditions”.

“If It Was Easy Every Organization Would...”

- 1. Get the right dashboard in place.** Measure the “*differences that make the biggest difference*” and share them constantly so people can see the “scoreboard” and adjust accordingly.

Measurement is a critical part of the service advantage game. You have to track the KPIs so the right people understand what adjustments need to be made, what needs to be reinforced and what the priorities are for investments of time and resources to further the advantage or fix what is broken. The right metrics begin with accurate information about what your customer’s value and expect.

- Do you have current, accurate information about customer expectations? What specifically leads to loyalty and what impacts their dissatisfaction?
- As leaders, do you have an accurate view of the financial impact on revenue, costs and net profits linked to your customer defections?

It gets scary and expensive when organizations don’t know. Other common mistakes are using old information or worse, just making assumptions.

- 2. Over communicate what is important and why at every level.** Become mission driven about your service advantage. Historically, we recognize the power of President Kennedy making the declaration that “*we will send an American to the moon and bring him safely*

back to Earth by the end of the decade.” There was power in the communication of this clear mission. It compelled stakeholders to work harder, think **BOLDER** and achieve more. Think of the potential that might be unleashed if everyone in your organization understood and was positively challenged by a simple, clear and compelling mission to manage every customer experience by design. Ted Levitt wrote in *The Marketing Imagination* that, *the function of every business is to acquire and retain profitable customer relationships. When you are successful at fulfilling the function, the goal of profitability is a natural, predictable and highly rewarding consequence.* Stop and ask yourself - What percentage of your team consistently acts in alignment with that message? How frequently and effectively are your leaders communicating it?

Focus your people on the mission and specifically, what is in their control and influence to positively impact what they can. Do this with the deliberate intent of creating the **organizational identity** that you are a customer focused organization as opposed to a technology company, or distribution company, or travel company, or manufacturing company, or retail company, or healthcare company, or energy company, or communications company.

- Everyone in the organization needs to *believe* you are in the customer acquisition, retention and expansion business.
- Everyone needs to think and act in terms of creating value for their customers (internal or external). Foundational to that is the proactive management of customer expectations and perceptions.
- Take a moment to consider how well your team is currently doing on the above.

3. At every level *select, train and performance manage the best people you can attract* to contribute to your Service Advantage.

Be selective about who you hire especially at the points of customer contact AND the people who manage those customer contact employees. Selection is the first step. “Creating the conditions” to enable, inspire and retain those employees is the next step. Your focus and investment needs to be on developing their competence, confidence and COMMITMENT. That happens through high levels of employee engagement that comes from continuous communication, continuous instruction, continuous practice of key skills, and continuous positive coaching. Give your people a clear line of sight as to how their contributions impact the customer experience and the overall mission.

Training the front line on what is expected by your target market and what most drives customer satisfaction and retention seems so basic. You would be surprised how many organizations don’t do this well, or at all.

In addition, to capturing the “Holy Grail” of employee performance, discretionary effort and initiative, it is critical to **make heroes and legends out of those that earn it through appropriately delighting their customers.** Leaders and managers need to be frequent cheerleaders for the mission by recognizing and rewarding people doing the right thing. Recognition and rewards should always be appropriate and proportional. However, frequency and sincerity are critical to having a bigger impact. Cultures that recognize and appropriately reward their people for any and all moves in the right direction get better results than those that don’t.

- Recognize the baby steps and don’t wait for a giant leap or worse wait for perfection.

“Create the conditions” for your people to thrive! Meaning lead them, support them, develop them, encourage and incent them to use discretionary effort and take initiative to enhance customer loyalty.

4. Great people don't need the extra burden of designing "work-a-rounds" to delight customers. **Eliminate roadblocks that get in the way of your people delivering value to their customers.** Eliminate road blocks to meeting or exceeding customer expectations. Ask every level of employee, in every functional area, to identify the processes, policies, procedures, and systems that create a challenge (from speed bumps to road blocks) in the quest for customer delight. Then ask them to anticipate the consequences for making potential changes and/or recommend other options that lead to being *easy to do business with*. Asking them creates involvement and enhances ownership. When you ask, always close the loop and let them know what you heard and what will happen. If you don't close the loop, you will create a disincentive for them to share in the future.
- Many roadblocks don't just contribute to losing customers they contribute to frustrating your best, most committed people and jeopardize their retention as employees. That unintended consequence feeds your ineffectiveness to a Service Advantage down the road.

The above isn't the exhaustive list of prescriptions. They also aren't revelations for any successful leader. The biggest difference between organizations that merely recognize the power and profit of a service advantage and those that reap the benefits is leadership commitment. It takes a significant, authentic commitment to drive the continuous improvement and enhanced execution of all four cornerstones. It takes a significant, authentic commitment to build a customer focused culture and doing so will provide you with a disproportionate payoff.

If you found anything above particularly relevant or interesting we would like to hear from you. Contact us to explore your opportunities for creating a significant Service Advantage.

