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6 Tips for Great Customer Service

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Introduction

Marketing was doing a good job of bringing traffic into this chain of women's apparel stores, but the percentage of people buying (called "conversions") was disappointingly low. Better customer service was seen as the best way to grow conversions.

The five global customer service call centers in this high technology manufacturer had been mainly order takers. However, changes to the market meant that the customer service representatives had to develop the skills and knowledge to effectively collaborate with their customers on forecasting and order management.

This quick service food chain had demonstrated a direct linkage between great guest service and sales. The best way for these restaurants to provide great guest service was to ensure the district and restaurant managers treated the staff as customers.

Everyone in the organization needed to provide someone with great customer service.

The market for this manufacturer had changed from one requiring high volume production of a single product to lower volumes of multiple products. This change was to be led by a corporate systems technology group that needed to provide extraordinary customer service and leadership to manufacturing or the company would fail.

Each of these situations involves a form of customer service. In some cases, the service is directly to external customers (e.g., call centers and onsite service technicians), in other cases the service is part of another role (e.g., service provided as part of a sales process) while in still other situations the service is to internal customers. In all of the examples, and in almost every industry right now, providing great customer service is essential for growth and, sometimes, for simple survival. Customers have many

alternatives and are becoming increasingly demanding that their needs be anticipated and their expectations exceeded. Poor customer service just isn't acceptable any more in many markets.

Many companies recognize the importance of creating a culture of great customer service and are committed to getting better. However, they have found that improving customer service is, at the core, a challenging cultural change that requires the adoption and sustained use of significant new attitudes, skills, business processes and supporting information systems. To make this transformation more complex, in almost all cases, it has to occur while maintaining the previous high levels of daily, transactional performance. The improved customer service must be created without degrading the current customer service.

Not surprisingly, this can be a difficult task for any leadership team. As anyone who has tried to implement a customer service improvement program knows the conventional wisdoms and approaches for improving customer service don't work very well, particularly in large, complex environments.
Training classes, binders, e-learning and videos are difficult to implement, sustain and scale, and customer service databases are difficult to design, develop and deploy. Effective customer service improvement initiatives can be quite challenging to leadership teams.

In this guide, we will discuss six tips for guiding an organization to develop and sustain a great customer service culture. These tips come from experiences helping many different companies in diverse industries make this transformation. The six tips are:

- Be a transformational (not transactional) culture
- Define and own a compelling "purpose"
- Leverage your top performers
- Practice, practice, practice
- Empower local leaders
- Align all of the systems

Tip 1: Be a Transformational (Not Transactional) Culture

The single most important tip for achieving great customer service is to build a culture in which everyone in the organization – direct service providers, sales people, team leaders, and executives
– think and act as transformational leaders, and not just focus on transactional excellence.

Understanding the differences between transactional and transformational perspectives is one of the keys to providing great customer service.

In transactional organizations, leadership believes that the best customer service is provided by development of, and strict adherence to, a well-defined set of operational guidelines. Service providers are tightly controlled and are expected to comply with these guidelines in all circumstances. Compliance is continuously measured with metrics such as:

- Time spent resolving an issue (typical for call centers)
- Number of calls/resolutions per day (for call centers and other services)
- Speed of service (for quick service food chains)
- Number of sales tickets and average sales volumes (for things like retail sales)

Such tight measurement is thought to provide maximum management control because it removes the ambiguity of evaluating service performance and reporting effectiveness to senior management. The tight measurement also suggests that transactional environments don't trust service providers to make the right decision. The service providers must be controlled or service will be less than desired.

Unfortunately, most organizations have a transactional view of customer service.

Transformational environments are quite different. In transformational service environments, the organization believes that the best customer service is about establishing a strong emotional, caring bond with a customer. This bond occurs because the service provider is trusted to use their judgment to find solutions for customers that effectively balance meeting the customer's needs with the organization's requirements. Transformational service is about holistic, integrated customer service experiences delivered by highly trusted personnel.

Which produces better customer service results and scores, transactional or transformational approaches to customer service? To many people's surprise, the research has shown that increasing the focus on being a transformational organization actually improves transactional performance. In contrast, focusing too intensely on just being transactional, over time, both increases employee turnover and reduces performance. This result is due, in part, to the fact that transformational approaches always include an emphasis on transactional excellence. In order to be successful, operational excellence is required.

The opposite, however, is not true. Transactional approaches actually exclude transformational thinking,   making them narrower and less robust. For most organizations, focusing on transactional excellence actually narrows the basis for great service and, over time, reduces its quality.

Customers want to be cared about and for with seamless, integrated fast responses, which is the heart and soul (the "purpose") of transformational customer service.

Tip 2: Define and Own a Compelling Purpose

A strong sense of "purpose" is the primary motivator for great, transformational customer service.

This is not at all surprising since recent research has shown that "purpose" is a critical motivator for all people involved in activities requiring thinking (Pink, 2009). For customer service, "purpose" is the linking of the service providers' attitude, skills and behaviors to providing customers, the team, the organization and/or society with a significant social benefit or "good." The great service providers' purpose is the desire to make the world a better place to work and live.

More specifically, the best customer service providers' purpose is to ensure that the customer (internal or external) has a great experience by:

- Understanding the customer's true emotional drivers for their situation
- Clearly communicating that the customer is being cared for
- Working with their team to develop good solutions for the customer
- Actually providing them with a solution that directly meets a profound need and exceeds their expectations
- Providing this service within the context of the strategic direction and financial performance of the organization

For example, the sales people in the women's apparel chain thought of themselves as service providers who helped their clients be the best person possible, and show it to others through great clothes.

Similarly, the quick service food chain saw speed of service as giving hourly workers with limited time for lunch a little extra time to enjoy a high quality meal. And, the corporate system group thought of themselves as providing the leadership that would help the company prosper in the new market. In each of these and many other service environments, purpose is about creating some life benefit for customers**,** team, the organization and others. Purpose is always the foundation for customer service providers' motivation.

Fortunately, it is relatively easy to construct powerful customer service purpose statements for everyone in an organization – just ask the top performers (see next section). In the Wisdom Discovery process described below, the top performers will typically define a greater purpose for their customers, themselves, their team, their organization and, in many cases, society at large.

Tip 3: Leverage Your "Top Performers"

Your organization already has all of the expertise it needs to become great at customer service. While many organizations think they need outside experts to tell them how to do great customer service, all organizations already have the people in their sales and service functions who can tell everyone else how to do it right. These people are your top performers because they always deviate to the positive end of a performance curve, even when they operate under the same conditions as others. As such, top performers have a huge proportion of the tribal wisdom of the organization and are likely to already be providing great service. They know what needs to be done, how to do it, and they are willing to share their wisdom with others to create a better place to work.

More specifically, top performers organize their attitudes, thinking and actual behaviors around two key areas (Figure 1).

Figure 1: The Structure of Top Performer Wisdom
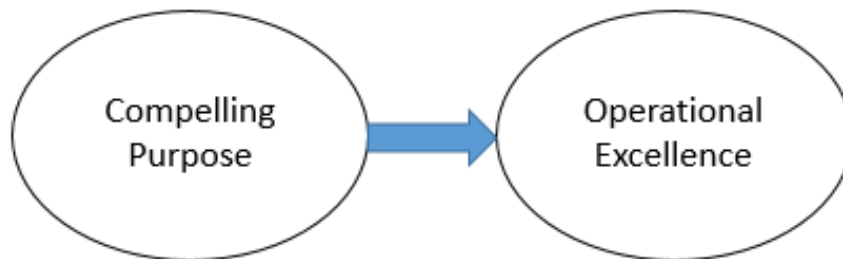
The first and most important of these is their passion for creating a social good for the customer. This is the same idea as we discussed in the previous section. In fact, the examples of purpose provided in that section all came from the top performers in their respective organizations. The top performers usually have the best understanding of anyone in the organization of the purpose of great service.

The top performers also supply the key steps to the operational excellence needed for great customer service (similar to Pink's notion of "mastery" -- Pink, 2009). These include:

- A well-defined and structured path to mastery
- The real-world tips they give to others when they are acting as mentors, which define mastery
- A very specific set of actions to take to learn about and apply transformational leadership, which builds mastery

A very simple, fast way to gather this information, called a Wisdom Discovery, has been developed that enables an organization to discover its top performer wisdom in as little as three hours. That means that at an organization can have a set of best practices for great customer service defined by its own thought leaders and ready to implement in almost real-time and with minimal labor and expense.

The patterns of top performer knowledge are so consistent, and the output from the Wisdom Discovery is so comprehensive that it can be used to define the prototype in any service function including:

- The services customers will require to be successful with the company's offerings
- The structure and pricing of these service offerings (if they are sold)
- The attitude, knowledge and skill requirements for providing the service
- The features and functions of the IT business management systems required to support the great service (which is almost always considerably less than is envisioned by IT or supporting IT vendors)

As such, by utilizing its top performers, an organization can quickly define a complete end-state for a great service environment. The only thing that most organizations seem to need in terms of outside expertise is someone to guide the leadership development process itself. Time and again, we see management teams that are great at managing "Business as Usual" and who have an exciting vision of the future business stumble their way through their own development. Management teams that are great at managing transactional environments usually need outside expertise to help them develop their own purpose and learn and apply operational excellence.

Tip 4: Practice, Practice, Practice

While many people would like a Twitter version of creating great customer service, it does not yet exist, but it is now closer to being possible than ever before. By leveraging the top performers' expert knowledge and using methodologies based on the newest neuroscience of learning, most people can development the attitudes and behaviors of transformational leaders in just 8-20 hours of practice.

This speed is possible because recent advances in the neuroscience of learning have shown that all learning is the wiring of neurons together into new patterns and that the best way to cause neurons to wire together permanently (i.e., to become great service providers) is through frequent small highly personal, applied exercises. These highly specialized mental repetitions cause people to learn new attitudes, thought patterns and functions faster than was previously thought possible.

Where can you find these specialized practice exercises? The top performer experiences are the foundation for this learning. Just ask the top performers how they learned their tribal knowledge and you will have a list of learning tasks that are the foundation for teaching others. The top performers will say things like:
"I had this really difficult situation with a client" "I had this great mentor"
"I attended this wonderful class" "I read this incredible article"

After obtaining the details of these experiences, it is easy to convert them into small frequent repetitions. For example, here is a short series of exercises designed to increase motivation for providing great customer service:

- **Write one to two sentences about what it means to be the "customer champion" and present to your team.**

- **Review the Customer Advocate presentation and compare it to the article on customer service. How is an advocate different from a service provider? List 3**

reasons to be an advocate. Create a slide that outlines these differences and present them to your team.

- **Participate in a group interview of a customer service rep who is consistently positive and confident about your company's service to learn at least three things that drive his/her attitude. Practice at least one of the three things every day for one week with clients and notice the changes in your interactions with people. Write an email to a colleague explaining your findings.**

- **Identify and share a short inspirational story to inspire your peers to have a great attitude (Example: positive customer feedback, chicken soup for the soul story about gaining confidence, overcoming a struggle etc.) Repeat this task at least once a week for the next five weeks. (Hint: Put this task into your calendar for the next five weeks.)**

- **Create a short presentation on the importance of collaboration with other company functions and discuss why collaboration is important for great customer advocacy. Identify two things you can do to improve collaboration.**

While none of this requires much time or effort, each drives multiple mental repetitions of the key ideas of passion and commitment to great customer service. Usually, these experiences are discussed in a weekly meeting where all participants share the results of these practice exercises, identify additional best practices, formally record their learnings and prepare for the next week's practice exercises. With this type of practice, over several months, virtually anyone can learn to be great at customer service.

Organizational leadership plays a critical role by allocating time for the practice and ensuring that the practice actually occurs.

If management is focused too much on maintaining transactional numbers and does not actively support the transformation to a great service environment, the transition will not occur. Leaders must transform their own attitudes and behaviors in order to lead their organizations into the new era by insisting on transformation, purpose and practice instead of just transactional metrics.

Tip 5: Promote Local Adaptation

Have you ever heard someone in a local service center or sales office say some variation of: "We're different! You don't know my (insert: customers, market, region…)"? Almost anyone attempting to create an effective customer service environment has encountered this response. It seems to be a typical human response to any type of significant change, particularly ones driven by headquarters. Unfortunately, this is an indication of strong resistance to positive adopting of transformative customer service.

How can you achieve great customer service in spite of this resistance? There are three factors that overcome local resistance to change. Two we have already discussed – thinking transformationally and having a compelling purpose – both of which tend to lower resistance to becoming great at customer service by making it more meaningful for both customer and provider. There is a third factor based on the science of mass customization that leverages these previous tips.

Mass customization is a technique that enables an organization to mass produce a capability such as great customer service in a way that is perceived as completely unique to each service provider and customer.

More specifically, in effective customer service, the organization focuses intensely on creating alignment and acceptance of the purpose and the transformational environment so everyone actively embraces them. Next, it overtly encourages each local operating entity and service provider to"sensibly" adapt the service to fit their local conditions. "Sensibly" means that the adaptation is within the intent of the transformation, top performer wisdom and purpose, but with broad acceptance of local variation.

Naturally, this requires trust. Because of the profound alignment on transformation, purpose, top performer wisdom, and intense practice, an organization can trust that the local service provider is doing the right thing for customer and company and can be confident that the local operator is good at what they are doing. It is easy to trust when all service providers are simply very good at their jobs.

So the best response to the comment: "You don't know my (customers, market, region…" is: "That's right. You know your (customer, market, region…) better than us. As long as you stay within the structure of the transformational environment and really focus on the purpose, we *want* you to adapt it to provide great service." There is usually a moment's hesitation when the local service people hear the request, that you explicitly *want* them to adapt something. This is so different from the usual transactional message of extreme conformity that they aren't used to being trusted and, as may be apparent, great customer service requires the organization to trust its people. Somewhat to executives' surprise, we have only rarely had people abuse this trust. Quite to the contrary, when people feel trusted about making good decisions, they invariably provide great, appropriate customer service.

Providing solutions for a wide array of companies and sectors

Tip 6: Align the Business Systems

Misaligned business systems, particularly customer relationship and order management systems, are one of the biggest problems for customer service. For example, we were working with a client that had done all of the tips above, but had so many inconsistent and incomplete customer systems that they had to create a system to guide the use of the systems. It sounds a little crazy, doesn't it? But the harsh reality is that the service people spent a lot of time and effort trying to determine basic information about each client, which distracted them from focusing on the customer. Systems that do not directly and effectively support great customer service can be disastrous for achieving the desired results.

The problem here is that business and IT systems are in general much less flexible than human behaviors. It simply takes a long time to define and implement new functionality. In addition, many of the people developing and supporting these systems are mostly technical in their perspective and enjoy creating sophisticated, complex systems. Typically, these systems are overly complex, becoming very difficult to develop, test and use.

Is there a way to avoid these issues? Fortunately, there is, but it takes discipline from the organization. First, it is critical that the correct question be asked during the system design process. The correct question is: "What is the minimum system functionality required to support great customer service?" This is not asking what people would like to have, what the designers think might be good for the customer, service person or management team, or what the vendors would like to supply, but truly the *minimum* required for success. The minimum functionality will be hard enough to do without adding any bells and whistles to the design.

The best way to find this minimum design criterion is to start again with the top performers. They can state quite explicitly what is needed from a supporting system to be great at customer service. One of the benefits of leveraging the top performers this way is that generally, the requirements are much less than expected so the system is easier to design and implement. Even more important, the system that is designed this way ultimately is much better aligned to support the organization to provide great service.

False Paths to Customer Service

While these tips will bring you considerable success in customer service, there are a few approaches to developing this capability that organizations often believe will result in great customer service but actually block or undermine the initiative. These three are:

- **Unrealistic expectation for a Customer Relationship Management (CRM) system**
- **Excessive reliance on financial incentives**
- **Reliance on standard PowerPoint training classes**

Each of these presents different pitfalls for trying to create great customer service.

While CRM systems are often touted as enabling customer service, the reality is that they are mainly a control mechanism for management. As such, they don't really have a compelling social "purpose," rarely align effectively with the service requirements, and increase the administrative burden for sales and service providers. For supporting truly great customer service, the two things CRM systems are good for are:

- **"Look-ups" -- the capability in the system for a service person to quickly research the customer, thereby ensuring that they are knowledgeable during the interaction**

- **Sales-service integration – the critical information from the sales function can be seamlessly passed to the service provider**

While both of these are valuable, they are almost always secondary objectives of using a CRM system and significantly increase the complexity of design and implementation. While CRM systems can help support customer service, they cannot be the driving force in the transformation.

Relying on financial incentives for the service provider is also a common practice that organizations believe will drive good service but can be quite disruptive (Pink, 2009). As one call center executive put it; "Whenever we introduce a financial incentive program, we get a short burst of activity around the incentive. But this always distracts us from the attitudes and responses that really matter to our customers. We stop doing the right things,

and the incentives lose their effectiveness fairly quickly anyway. We know that doing great things for our customers is the best possible motivation. Financial incentives just get in the way.”

Instead, we have found that focusing even more intently on achieving the purpose is the key. Purpose trumps financial incentives every time.

Finally, many organizations have developed “Customer Service” training classes that they think will have an impact. While the best of these include simulations, all fall short of being a driving force for driving great customer service. They are typically light on purpose (usually just a short statement in the beginning), are often created by training professionals that know little about customer service, don’t emphasize local adaptation, and incorporate only minimal applied practice. Few standard service training programs have been able to demonstrate much impact on creating great customer service.

Instead, new learning technologies have been developed based on the science of positive deviance, the neuroscience of learning and using “persuasive technologies” that emphasize the leveraging of top performer best practices, a strong sense of purpose and applied practice, including practice in making local adaptations. These learning methodologies are far more effective and faster than traditional training of any sort, and are particularly well suited to developing excellent customer service.

Create a Culture of Great Customer Service

Do these tips work? Is there a connection between service and performance? For many executives, the benefit of investment in customer service excellence, while theoretically sensible, hasn’t been consistently demonstrated. But careful study of many types of customer service in different situations strongly indicates that customer service pays for itself quite quickly.

Programs based on these tips have been used in organizations as diverse as advertising companies, pharmacy chains, healthcare providers, manufacturing companies and insurance agents. In every environment they have had a huge impact on financial performance. Here

are some specific examples:

- Recall the women's apparel chain that was focusing on improving service as a means of increasing "conversions." In just six weeks, stores following these tips showed a 6% increase in conversion compared to similar stores. This is meaningful because a 1% increase in conversions generates a 6% increase in overall sales. The test stores showed a 36% increase in sales.

- Recall the manufacturing company that focused on improved collaboration between the customer service group and their customers. In four months, the groups following these six tips doubled their forecast accuracy compared to groups continuing their previous practices. This is meaningful since each percentage point increase in forecast accuracy equated to a $50M gain in corporate profits because of smaller, yet more effective inventories.

- Recall the quick service food chain that focused on creating a culture of service throughout the entire operations group. Restaurants following the six tips saw an immediate increase in sales and a decrease in employee turnover from over 250% per year to less than a 100% turnover per year. This was meaningful because it meant that the payback period for investing in great customer service was only four weeks. The investment paid for itself almost immediately.

- Recall the corporate systems group that had to lead the transformation from single product at high volume to multiple products at high volume. While there weren't any numerical results to report at the time of these writing, executives reported that people "looked and acted like leaders, which the organization desperately needs." By following the six tips, even technical people can be great service providers.

Companies that follow these tips develop a customer-centric culture of great service in which everyone in the company is aligned on the transformational thinking and purpose and consistently acts in accord with that direction. When people are living and breathing a culture of great customer service, morale, productivity and actual performance soar. As one senior service executive put it, "Our numbers have soared. We are processing more customer claims than ever before, which should have hurt morale, but our morale has soared too. We're amazed. We can have the best of both a strong purpose and operational excellence."

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