

START-UP BRIEFING



Highlands & Islands
ENTERPRISE

Customer care

● Caring about your customers — and showing it through your service — gives you a high return on the time, effort and money you invest. Loyal customers are well worth nurturing. They buy more, more regularly. And the cost of selling to them is almost nil, whereas finding new customers is an expensive business.

Satisfied customers will recommend your product to others. Dissatisfied customers will complain about you to an average of ten other customers and potential customers, multiplying the damage to your reputation.

This briefing explains:

- ◆ How to communicate with customers.
- ◆ How to deliver consistent service.
- ◆ How to handle complaints.
- ◆ How to involve your whole team in customer care.

1 Customer contact

A Every **communication** with the customer is a chance to impress or to disappoint.

As a start-up business, you will need to make the most of every one of these opportunities.

- ◆ Answer the phone promptly. If it rings more than five times, apologise for the delay.
Make sure outgoing messages on answering machines are upbeat and up to date.
- ◆ Reply quickly to letters, faxes, emails and out-of-hours answering-machine messages.
- ◆ Provide information immediately, or let

customers know when they can expect it.

- ◆ Stick to what you have promised.
If you say you will call back, do.
If you say you will send a quote by Friday, keep to that deadline.
- B Concentrate your efforts on the **needs** of the customer — not on what it would suit you to sell.
- C Use your **person-to-person skills**.
 - ◆ Greet your customers as if you are pleased to see them. Learn their names, and start using them, as soon as possible.
 - ◆ Be polite, friendly and positive.
Smile, make eye contact and look and sound enthusiastic. Speak clearly.
 - ◆ Use physical contact. Shake hands. Do not

FURTHER HELP

There are other Start-up Briefing titles that can help you. These briefings are referred to in the text by name and by the code given to each briefing. For example, SuB 11.

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be held back by British reserve.

- ◆ Show a personal interest. There is almost always time to discuss non-business matters. Be a good listener.
- ◆ Make sure your appearance — and the look of your premises — will convey the right image.

Keeping your promises is most important of all. Promise only what you know you can achieve. When you do better, your customers will notice and be impressed.

2 Care where it shows

Be flexible. Make it obvious to your customers that your operation is run to suit them, and not to suit your own convenience.

- A** Provide the most **convenient** service you can.
 - ◆ Organise delivery schedules that take account of the customer's needs.
 - ◆ Offer the longest and most convenient hours of opening you can afford.
- B** Set low **minimum order** levels, especially for regular customers.
- C** Minimise the amount of **paperwork** your customers have to do.
- D** If things go wrong, **inform customers** as soon as possible, in order to minimise disruption at the receiving end.

Systematic quotes

A builder who is asked to quote on several pieces of work needs to decide how to prioritise the process of producing quotes.

- ◆ *Quotes to existing customers are top priority — they are most likely to buy.*
- ◆ *All households should receive a quote within a week of the builder's visit — whereas competitors often reply two weeks later.*
- ◆ *The big contracts need specially prepared proposals in bound documents — to show the builder is serious about winning the business.*
- ◆ *Mrs Atkinson, who owns several properties in the area, will get a longer letter, sooner — she might need more work done in future.*
- ◆ *Mr Owens — who thinks about an extension every year, and always wants an immediate quote — gets the last quote of all.*

- ◆ If a delivery in a month's time is likely to be delayed, let the customer know today.

- E** Sell your customers only the products that suit **their needs**, not the products that will make you the most profit in the short term.
 - ◆ Give unbiased, realistic advice even if it means no immediate sale for you. Nothing builds trust more effectively.

3 Good care needs systems

Do everything you can behind the scenes to save your customers time, money and aggravation.

- A** Choose reliable **suppliers** who will not hold up your own production and deliveries.
- B** Keep adequate **stock** levels.
- C** Check your **production** procedures.
 - ◆ Cut out any bottlenecks that could cause unnecessary delays.
- D** Set up a production process that ensures **no defects**, rather than relying on inspection of the finished product.
- E** Establish systems and cross-checks to ensure that every **order** is correctly executed (the right amount of product to the right address on the right date).
- F** Set up a simple **returns procedure** for any rejected goods.

4 Follow up the sale

What you do after making a sale can make all the difference between turning your new customer into a loyal repeat buyer or letting the opportunity slip. It is bad business to take your eye off the ball at this stage.

- A** Offering excellent **after-sales service** is often an inexpensive way of edging your business ahead of the competition.
 - ◆ Explain what level of service is provided — and any cost — at the time of the sale.
 - ◆ Following the sale, make a courtesy call to check that everything is all right. If you have numerous customers, give them feedback cards (with pre-paid postage) which they can fill in.
- B** Consider how you will **stay in touch**.
 - ◆ Plan to make visits to your customers — or invite them to your premises — to discuss their needs. It may be helpful for your customers'

"Use your imagination to think up new ways of getting feedback from your customers — and not just when it's all over. Try to discover how customers are feeling at each stage of their contact with you."

*Julian Richer,
Richer Sounds*

"If you do not genuinely think your product is right for the customer, do not try to sell it."

*Anita Lear,
Anita Marquetry*

technical or accounts staff to meet their opposite numbers in your business.

- ◆ Make full use of your database of customer information.

For example, sending information on new products and special offers in an occasional newsletter.

- ◆ Use advertising as part of the process of keeping the contact going.

It is often read by existing customers and can help to make them feel comfortable about your business and its products.

- ◆ Give customers the names and numbers of people to contact in case of need.

Key customers can be given home or mobile numbers for out-of-hours emergencies, where appropriate.

5 Value those complaints

Unless you listen out for complaints and grumbles, you may be genuinely unaware of what you need to improve.

Only one in ten of all dissatisfied customers ever bothers to complain.

A Encourage complaints and deal with them effectively. Some successful retailers have pre-printed feedback forms on the back of every receipt.

- ◆ Show sympathy — apologise for the fact that the customer is upset ('I'm sorry to

hear that you are disappointed.').

- ◆ Listen to what the customer has to say.
- ◆ Establish the facts.
- ◆ Agree what you will do.
- ◆ Give your name, so customers know who is taking responsibility for the problem.
- ◆ Keep the customer informed as you promptly and politely sort out the difficulty.

Most complainers just want to make a point.

B If you just **listen**, and sympathise, you are immediately well on the way to turning the complainer into a committed customer.

- ◆ If you do not listen — or are defensive — the complaint will escalate.

The customer will not buy from you again and may also try to put other people off buying.

C Give your frontline employees the **authority** to deal quickly with complaints themselves.

- ◆ Well-handled complaints are a great way of creating loyal customers.

6 Check what's going on

Choose the customer-care strategies (listed in **1–4**) that are appropriate to your situation.

Then establish systems to make it all happen, and monitor your actual performance.

A Prioritise your resources.

- ◆ Work out which customers are the most profitable, taking into account the cost of providing them with the service they require.
- ◆ Bend over backwards to please your best customers. The extra service has already paid for itself.
- ◆ For your average customers, offer extra service only if you expect to get a fair return on the expense involved.

B Set your **standards**.

- ◆ The service offered by your direct competitors provides a basic standard below which you cannot afford to fall.

C Try to pinpoint where **good service** or presentation would impress customers.

- ◆ The owner of a small business selling pet food door-to-door discovered that donning a clean white coat (like a vet) improved his sales.

Suddenly, customers regarded him as a

"So much of customer care costs you nothing. If everyone in your business comes across as helpful, energetic and enthusiastic, you are already halfway to having the loyal customers you need."

Anita Lear,
Anita Marquetry

"Customer care is a vital part of marketing for start-ups, which need to make the most of every suitable customer they can contact."

R Martin Seddon,
Graphics Supply
Network

What the customer wants

A classic customer care success story from the 1980s was the turnaround of the Swedish airline, SAS.

Following a disastrous year when SAS made a loss of \$8 million, the company promoted a young marketing executive, Jan Carlzon, to the position of president. Just 18 months later, the airline achieved a gross profit of \$71 million.

While competitors had concentrated on cutting costs in an effort to reduce their losses, Carlzon had focused on customer care.

He started by identifying the airline's most important customers — business flyers. He then asked them what would make them want to fly with SAS, rather than a competitor. The answer was loud and clear. They wanted punctual flights.

Carlzon put a monitor on his desk, showing the take-off and landing of every SAS flight, around the world. He personally phoned pilots to find the reasons for any delays. Suddenly, SAS flights became extremely punctual and new customers started queuing up.

pet expert, not a salesman.

- ◆ A plumber made a point of turning up exactly on time and cleaning up when the work was done.

Customers were quick to recommend him to friends — though his plumbing was not necessarily anything special.

Think about where poor service would discourage customers and lose you business.

D Keep track of whether you meet the standards you have set.

- ◆ Ask customers whether they are getting the service they expect.
Try telephoning your own company to place an order and see what happens.
- ◆ When incidents occur and you fall below your usual standards, recognise what has happened, apologise to the customer and find out the root cause of the failure.
- ◆ A logbook of customer feedback will help you identify problem areas.
- ◆ Periodically ask all your customers this question:

'If you ran this company, and wanted to increase the number of customers and the level of sales, what would you change?'

E If, like many start-ups, you depend on a few customers who give you **repeat business**, customer care takes on even greater importance.

- ◆ Keep a file on each customer company and on each key individual in the company. This way you will be able to keep track of the information.
For example, your file may record that one company prefers deliveries on Monday mornings, your last delivery was two weeks ago and the managing director likes gardening. Your customers will be impressed by evidence that shows you treat them as individuals.

A chance to shine

Nick Chapman's start-up company sold bananas to a leading supermarket chain.

The unexpected breakthrough came when his customer complained angrily that some of Nick's bananas were over-ripe.

Nick replaced the fruit immediately, free of charge, and used the opportunity to get to know the supermarket's new fruit buyer. They discussed how they could help each other. The buyer was impressed and Nick struck lucky.

A week later he was asked to quote for six other types of fruit.

7 Care starts with employees

Whether there are two of you or 20, everyone in your business has a role to play in customer care. It is not just the people in obvious frontline roles who need to be involved.

Your reputation can be seriously harmed by someone who is curt or offhand on the phone.

But real damage can also be done by the person who sends out the wrong invoice or who holds up completion of an order.

A Lead by example and care for your employees.

If you do not, you cannot expect them to care for your customers.

- ◆ Reward excellent customer service.

B Let your employees see how **directly** their efforts can affect the final product or service you provide.

C Train your employees in the right technical and personal skills.

This need not take long.

- ◆ A common weak point is answering the telephone.

Whoever usually answers the phone should be trained thoroughly, to a high level of professionalism.

At the same time, everyone in the company should be taught how to handle calls and take basic enquiries.

D When one person has made a mistake, whoever is talking to the customer must **take responsibility** by apologising.

- ◆ Make it an iron rule that employees never blame others in the company.

'Sorry, we have made a mistake' sounds a hundred times better than 'It's not my fault, it's our sales people.'

E Encourage **employee suggestions** and give generous rewards for good ones.

F Sit down together and decide **realistic standards** to aim for.

- ◆ Avoid meaningless or unattainable targets.

If your people get satisfaction from their work, good customer care comes naturally.

EXPERT CONTRIBUTORS

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SuB 11