

How companies can create a service culture

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No business can stay in business without customers. How customers are treated determines how long the doors stay open. Poor-quality service has probably doomed as many businesses as poor-quality products.

Enter the "guru of customer service," John Tschohl. He earned that moniker from USA Today, Time and

After 31 years focused solely on customer service, he is president of Service Quality Institute, which has representatives in 40 countries. He has written hundreds of articles and six bestselling books. And he is willing to share his wisdom with my readers.

I don't often devote so much of my column to one resource, but John is the best of the best.

I asked John how a company goes about creating a service culture. He broke it down into six steps:

- Understand you're in the service business.** Most companies think they're in manufacturing and retail. It's a paradigm switch. Southwest Airlines is successful because it understands it's a customer service company that just happens to be an airline.
- Look at all the policies, procedures and systems you have in place that make life miserable for customers.** You could have the nicest people in the world but also stupid hours, stupid rules or stupid procedures that irritate customers. And they won't come back.
- Have empowerment.** Every employee must be able to make fast and powerful decisions on the spot, and they'd better be in favor of the customer.
- Be more careful about whom you hire.** Service leaders hire one out of 50 applicants, sometimes one out of 100, and they're very careful. You have to look for the cream, the A players, instead of bringing on B and C players.
- Educate and train the whole staff on the art of customer service with something new and fresh every four to six months.** No matter if you have 100, 1,000 or 10,000 employees, you better have something new and fresh constantly in front of them, so when they go to work, they say, "Fantastic -- I'm taking care of customers."

•**Measure the results financially so you know the impact customer service is making on revenue, on profit and on market share.** You have to track the numbers so you understand that it's worth the time and effort.

John's methods shouldn't shock anyone -- and it's likely that most successful businesses are doing some of those things. But I think it's the commitment to following through on all six that establishes the service culture.

As I tell our staff at MackayMitchell Envelope Co., "We aren't selling envelopes. We're selling people."

But that's not the end of John's advice. I asked him to describe the five critical elements necessary for breakaway service. He didn't hesitate.

First, he said, you have to have speed. "How do you shrink the time by 90 percent? If it normally takes 10 days to do something for a customer, how do you do it in one day? That's speed. Speed is not going from 10 hours to nine hours. Speed allows you to differentiate in the marketplace." He cites Amazon's emphasis on speed as a great example.

Second, he reiterated the importance of employee empowerment. "They've got to do whatever they've got to do, on the spot, so the customer walks away off the Internet, out of the store, on the phone -- however they were interfacing -- and they think they have touched heaven." The most important person in every single company is the frontline employee.

Third, quality in whatever service or product you're selling is essential.

Fourth is service. "And if you took the two words, quality and service, they're highly intangible." So if you asked 100 customers to define "quality service," there would be 100 different answers.

Finally, John stresses the importance of using the customer's name, remembering the customer and making each customer feel special.

He described his experiences with an Apple retail store, which combines technology, speed, quality and service. They dominate the competition because they understand how the combination works.

After our conversation, I re-examined our company's procedures. And if you care about service quality, you'll do the same. Start 2012 with a new commitment to service!

Mackay's Moral: Improve your service to improve your business.