

Empowered Employees Create Happy Customers



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Small business owners often view training as the process of getting their employees to follow procedure -- to make decisions strictly based on stated policy rather than on their own initiative.

That's exactly the wrong approach, according to customer service strategist John Tschohl, author of the upcoming book *Empowerment: A Way of Life*. "You want the employee to make a very fast decision, on the spot, in favor of the customer," Tschohl said. "You do all your marketing to hundreds or thousands of potential customers. But now you have an actual live customer on the phone or in e-mail. You want your employee to use good judgment to make that customer over-happy."

And for that to happen, you need to empower your employees to make decisions and support them when they do -- even when they make the wrong decision, as they sometimes will.

"Most companies don't realize that whatever their business is, first and foremost they're in customer service," Tschohl stated. "But just good customer service doesn't get you in the game. If you want a gold medal, you'd better provide incredible customer service, with every transaction."

That process creates "over-happy customers," as Tschohl calls them, and over-happy customers produce good word of mouth.

"A happy customer is nice, but not that powerful," Tschohl explained. "You want an over-happy customer -- that's where the loyalty comes in. Conversely, if you have an unhappy customer, they don't just tell 10 to 20 people any more; with social media, they might tell a thousand other people."

A big part of customer service, in any company, is resolving customers' problems or complaints promptly. "In every company, every day, there are screwups," Tschohl continued. "But rarely will you ever hear someone say, 'This is our fault. Obviously we made a mistake, and I'll take care of it right now.'"

Why? Because lower-level employees, the ones actually interfacing with the customers, are scared.

"There are three reasons an employee will not make an empowered decision," Tschohl said. "Ninety-eight percent of it is that they're sure they'll get fired. Second, they're worried that they'll have to pay out of their own pocket for anything they give a customer. And third, they don't want to get yelled at."

But putting off customers is a false economy. "Most people aren't assertive," he stated, "but they walk, and they use social media to tell other people. More importantly, they use their purse or

their wallet, and you lose them as a customer."

And unhappy customers who are assertive cost you even more money.

"If someone says, 'I want to talk to your manager,' your costs have dramatically increased," Tschohl asserted. "Business owners don't realize that the cost at the very bottom is peanuts compared to the costs as it escalates. Every time you get another person handling it, your costs triple or quadruple."

Tschohl himself provided an example of how such an encounter plays out. During our conversation, I could hear him attempting to return carpeting to a major home improvement store. The store had sent an installer to his house to measure how much carpet he'd need, but he ended up with a lot left over -- which, of course, the store had billed him for. By the time we spoke, he'd been bounced around to several employees and had escalated the issue to the store manager.

He knew he'd get his money back eventually. But think how much the store would have saved if the first person he spoke to had felt empowered to make that decision?

So, how do you create empowered employees? "You have to educate and train the entire staff on the art of customer service every four months, in my opinion," advised Tschohl. "Most companies do something to train their people -- once every five to ten years.

"But you have to train the managers, too, to support their employees in making decisions. Last year a Subway manager fired an employee for giving away her free sandwich to a couple of people whose apartment had burned down next door. The out-of-pocket cost there was probably a dollar, but the real cost is that nobody at Subway is ever again going to make an empowered decision.

"When an employee makes a decision, their manager has to say, 'Susie, you did a great job handling that guy.' And then when Susie doesn't make an empowered decision, the manager has to say, 'You needed to make a decision in favor of the customer today, and you didn't. How can we avoid that happening again?'

"Every single CEO I've ever talked to buys into this message," Tschohl continued. "But small business owners are paranoid because they're trying to hang onto every dollar.

"The worst offenders in customer service are small-business owners. They should run circles around the bigger companies, but they don't. As a small business owner, you have to push your employees to make an empowered decision. And when you make one, teach your employees what you did. If you have empowered employees, you don't need as many managers.

"Yes, employees are going to make some rotten decisions," Tschohl acknowledged. "So what? It's insignificant. So they gave away an extra \$25 worth of something. Who cares? Now you have an over-happy customer."

Tschohl recommended establishing a dollar amount that employees can spend on their own

initiative to resolve customer issues. "The Ritz-Carlton, for example, has a \$2,000 ceiling that an employee can spend on the spot," he explained. "Getting an employee to make a \$25-\$50 decision in favor of the customer should be a no-brainer."