

BEYOND SATISFACTION
The Goal for Organisations

by

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INCREASED COMPETITION

Few in the business world have not felt the impact of growing competition. Competition grows daily - no business will be spared the threat of competitors.

In Government, regulated industries and the private sector, the expectations of your customers are highly influenced by what they experience or know is possible in the total service environment. So you are competing with what's possible everywhere.

It would seem, then, that all of us feel the impact of growing competition. Even beyond local, state and regional or national-type competition, we are now experiencing the rise of global competition. Competition at all levels will motivate new achievements in service quality, like it or not.

These and other trends will change how and what we manage. And they will change the very nature of our organisations!

HOW OUR ORGANISATIONS WILL CHANGE IN THE 21st CENTURY

You will see organisations, perhaps your own, changing in these ways:

FROM

Stability
In Focused
Boss Focused
Many Levels
Top Plan / Bottom Plan
Employees / Workers
Centralised
Minimum Standards

TO

Agility
Out Focused
Customer Focused
Fewer Levels
Involvement Everywhere
People / Teams
Decentralised
Continuous Improvement

So what do you need to make the transition and how do sustain that momentum beyond the initial 'that's a good idea programme'?

ELEMENTS REQUIRED TO MAKE THE TRANSITION

Core Service

Core service is the basic service your organisation offers, as distinguished from customer service, which includes the people who deliver the service and the policies, practices and procedures that surround and amplify or detract from your core service. Others call core service "reliability."

Customers will never be satisfied with your organisation until your core service meets their expectations. So you must deliver electricity or a dial tone or bank statements that are accurate and timely, or driver licenses that are correct.

Customer Service

Customer service is the way your organisation "communicates how it feels" about your customers to your customers ... if your people are friendly and, most important, caring ... if they problem solve on behalf of the customer ... if they demonstrate flexibility ... if they "recover" when mistakes occur ... if your policies, practices and procedures are "customer friendly" ... if your written communications present your organisation as more "human and caring" than "organisational and uncaring" ... then you will be able to move beyond customer satisfaction because you observably demonstrate your commitment to your customers.

Societal Responsibility

Customers have certain expectations regarding your organisation's responsibility to society. Issues such as your impact on the environment, fairness in recruitment and contributions to your community are examples of societal service. Whether or not you agree with their expectations, if you want to achieve extraordinary customer relations you had best find out what customer expectations are and, at the very least, meet them.

Employees Who Are Positive, Enthusiastic & Committed

Customers make judgements about your organisation all the time during their relationships with you. Part of their judgement is based on what they experience by being in contact with your employees.

Customers watch and listen to see if employees are "positive" about working there. They want to know if your employees are generally "enthusiastic" and, specifically, if they are "enthusiastic" about your products and services.

Customers also assess your organisation's commitment to customer satisfaction by how "committed" your employees are to their satisfaction.

So achieving extraordinary customer relations requires positive, enthusiastic and committed employees.

An Organisational Structure That Supports These Requirements

If your organisation is "bureaucratic," at least two less than positive things will happen as you strive to be really good with your customers. First, customers will "see" and "feel" your bureaucracy and will be less positive about your organisation because of it. Second, the bureaucracy will create barriers for your employees as they try to deliver service quality, and it will affect their commitment to do so.

THE GOAL

I think it's pretty clear why **competitive** organisations are eager to build customer loyalty. **Loyalty** creates ...

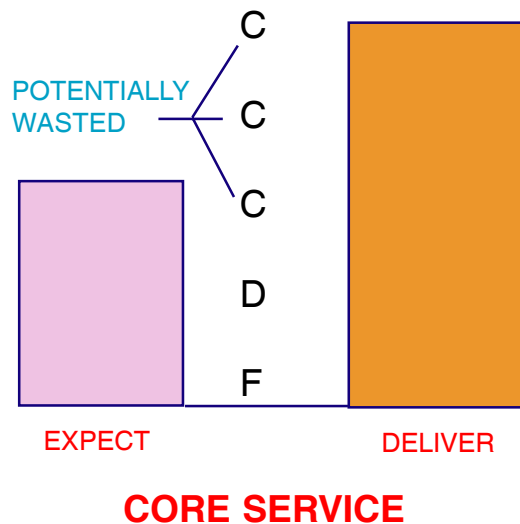
- * customers who give **referrals**
- * customers who will **expand their business**
- * generally **increased market share** and **decreased price sensitivity**
- * **lower cost per sale**, given that it is less expensive to sell to people who already are customers

Core Service

Customers expect the "product" or core service they come to you for to be done satisfactorily.

Customers expect your product or core service to be satisfactory, yet they don't give you much credit for providing it to them. You get a "C" for satisfactory when you provide electricity or a dial tone or put complete newspapers in the right place or get the bank statements correct. If you do less than they expect, they will give you a "D" for dismal and will look for

other suppliers - if you aren't a monopoly and if the price of switching is not too high.



What do you get if you deliver more in your core service than they expect? It depends on whether your core service is one that has an important qualitative component.

Banks, telephone companies, electric companies, gas companies and Governmental agencies mostly have what I call "binary" core services. By binary, I mean that the core service is either right or it's not. The electricity is on or it's off. The dial tone is there or it isn't. The bank statement is accurate or it isn't. Even if you think there is a qualitative difference, if customers can't tell, it doesn't matter. For example, within certain parameters customers usually can't tell the difference if their electricity has tiny voltage fluctuations.

If your organisation offers "binary" services, then you might be surprised to learn that your customers don't give you any credit for exceeding their expectations. For example, if your bank lifts its error rate from one wrong statement in every 10,000 statements to one wrong statement in every 50,000 statements, your customers will still give you a "C" for satisfactory. If your electricity improves from 1.5 unscheduled outages per year to one unscheduled outage per year, your customers will not notice, and you will still get a "C" for satisfactory.

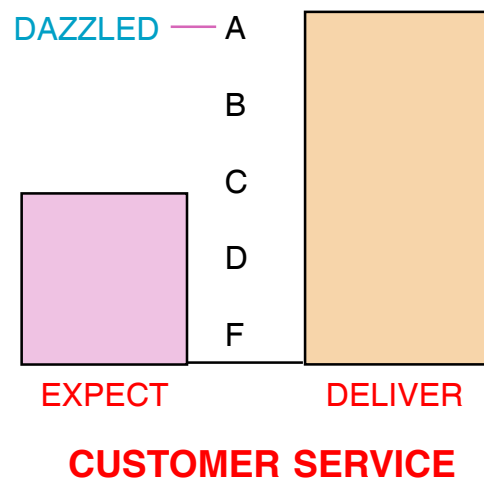
The valuable lesson here is to notice that if your goal is customer loyalty, there is little loyalty or customer happiness to be gained from spending a lot of money on raising the quality of your core service, beyond satisfying customers' expectations.

If your product or service has a perceptible quality component; that is, a marketable "differentiator," then it might be possible to get somewhat higher than a "C" or "satisfactory" on your core service. You know, the better mousetrap idea!

Customer Service

Customer service is the "wrapping" you put around your product or core service. It is your people in contact with customers. It is your policies, practices and procedures. It is your accessibility when they want to access you and in the way they want to access you.

If your policies, practices and procedures are understandable, friendly and reasonable, and your people are warm and friendly, and you are accessible when and in the way that your customers want, you earn a "C" for satisfactory.



However, if you go the extra mile and raise your performance in the area of customer service, your customers will be "happy," you'll earn a "B" for your customer service, and they will begin being loyal to you.

Given that your core service is satisfactory, if your customer service "dazzles" a customer - either through extraordinary people interactions or by demonstrating "trust" or "caring" or "appreciation," etc. - you can earn an "A" (for extraordinary, or dazzled), and you will build loyalty.

Now, before you think core service isn't important, let me be clear: Core service is the single most important thing customers want, up to the level at which they are satisfied.

If, however, your core service is at a satisfactory level, you'll achieve very little in terms of upwardly impacting customer satisfaction and loyalty by pouring more into core service.

GOING THE EXTRA MILE

The odds are that most of us have at least one story where an organisation, or more likely an individual or group of individuals representing an organisation, went the "extra mile." In most, if not all, cases those stories end with the story teller expressing how strongly they continue to feel even today about that organisation.

RECOVERY

Another loyalty factor is "recovering" when the customer isn't satisfied. Actions like that demonstrate to your customers that you care about them and that you care about doing the job right. Many of the stories people tell us when we ask them to relate a positive memorable customer experience revolve around recovery. It's powerful stuff.

APPRECIATE THE CUSTOMER

The point is, appreciating your customers should be made obvious and tangible, rather than hoping they know! You need to tell them that they are appreciated and valued - don't let them come to that conclusion - this is one of the few occasions when you really let them know.

TAKING INITIATIVE

Another powerful way to build loyalty is to take initiative to help the customer, especially when it takes your time and energy, and you begin the process from a pro-active point of view. The customer will recognise that you are making the effort, that leads to a favourable relationship and will ensure a greater chance of future and sustained business and stronger relationships

IN SUMMARY

Customer satisfaction is only as hard as you make it. If the organisation naturally develops its values and operations to genuinely wanting to satisfy and serve your customers then the opportunities for sustainable business will be greatly enhanced