



In difficult times, customer satisfaction just isn't good enough

By Steve Brand.

In difficult times, customer satisfaction isn't enough to guarantee longevity, companies need customer loyalty. A common approach during a recession is to focus only on financial performance, which can leave a company badly positioned for the eventual recovery, so it is crucial that action is coordinated across all four pillars of the balanced scorecard: Customer Knowledge, Financial Performance, Internal Business Processes and Innovation and Learning.

For customer knowledge, we should be able to categorise our top tier accounts into four levels of loyalty and then execute programs to increase the loyalty of the accounts in the lower bands. For financial performance, it is essential for the technical support and service departments to be run as profit and loss organisations rather than cost centres. The Internal Business Processes pillar is aimed at ensuring quality of service, efficient and effective processes and motivated employees. This is where we need to find and implement industry best practices through programs such as the Service Capability & Performance (SCP)

Standard. This is not the time to engage in Business Process Reengineering but it is an excellent time for process housekeeping, especially if staff are not being fully utilised.

History has shown us that the survivors of an economic downturn will be those that can most quickly adapt to their new environment, so innovation is critical. Service managers must create an environment of teamwork, trust and empowerment if new ideas are to be generated. Employees are less likely to put forward their ideas when job security is low and they feel undervalued or de-motivated so this is particularly challenging when jobs are being

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lost. Service managers must also accept that change will inevitably result in mistakes being made; but how they react to failure will either encourage or suppress further innovation in the department.

Learning is the phenomenon where the more we do something, the better we get at doing it. Training gives service employees the knowledge and skills to be able to do the job that we are currently paying them to do, in contrast to development which prepares the employee for their next career move. Investing in training during an economic downturn may sound risky, but the true cost occurs when training is shelved. In a recent open letter to UK employers, the UK Commission for Employment and Skills confirmed that firms that don't train are 2.5 times more likely to fail than those that do. Employees will even accept training as a substitute for a pay increase or bonuses if they believe that the training will make them more successful in the end.

The return on investment for training is easy to calculate. If a manager can improve motivation and in doing so save four minutes per repair and twelve field service engineers perform ten repairs per day, then total productivity increases by eight hours per day. This saving is equivalent to one additional field service engineer's annual salary and at least ten times the cost of the manager's training. The same is true for our service employees. The cost of training these staff members is rapidly recovered through the capturing of new sales, successful resolution of customer complaints and the ability to solve complex problems more quickly.

The skills of our technical support and field service engineers are the best generator of customer loyalty that a business has. In difficult times we need to invest in this talent rather than cut back on their training. **SM**

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