



## QUALITY SERVICE SETS YOU APART

By Andrew H. Szpekman

*Companies are rigorously managing the entire service environment to increase customer satisfaction.*

In an age of global competition—with countless “me too” companies vying for the same clientele—consumers face an array of hard-to-distinguish products that tout similar benefits. Recognizing this, more organizations are focusing on quality of service to set themselves apart.

Enhancing service quality is complicated because customers—with varying demands and expectations—participate in the process. Customers’ perceptions of service are highly subjective and hard to quantify. As a result, service quality is difficult to measure. Also, services are created and rendered simultaneously. Unlike widgets, they cannot be manufactured in a controlled setting, inspected and inventoried before reaching the consumer.

### **The service-driven environment**

Leading companies have increased customer satisfaction not by controlling actions of service representatives, but by rigorously managing the entire service environment. In these companies, everything from the technology employees use to the chairs they sit on is designed to help meet customers’ needs. Leaders in the service arena have developed and implemented the following practices to create, maintain and monitor the service environment.

- Empower employees. Instead of training customer service representatives (CSRs) to follow rigid rules, stick to a routine and treat every situation uniformly, empowering organizations encourage CSRs to bend the rules, take the initiative and improvise. People working in such a climate are likely to have more confidence and desire to excel. They may view difficult customers as a challenge, rather than a burden.
- Delegate authority to the lower ranks. Doing so sends a clear signal of management’s commitment to service excellence and willingness to back that commitment with action. At Montgomery Ward, sales clerks now approve checks and handle merchandise-return problems, functions once reserved for store managers. Marriott Corp. is training 70,000 hotel employees to think beyond their normal jobs to solve customers’ problems. These and other organizations recognize that requiring CSRs to go two levels up to get their decisions approved lowers both efficiency and morale.
- Provide appropriate technology. At Dow Chemical USA, every CSR has a personal computer that provides immediate access to such information as order shipping/delivery dates and product performance specifications. Service representatives also have access to complete customer profiles—including needs, preferences and cumulative histories with the company—enabling them to deliver integrated, client-specific information. This data is continually updated by

technical service and development, manufacturing, sales and other departments. As a result, Dow CSRs not only answer customer inquiries but also can generate leads, place orders, reconcile accounts, and handle credit and collection issues.

- Treat CSRs like important customers. Employees who are shown sensitivity and respect tend to treat customers the same way. Better treatment can involve developing and introducing cost-efficient “symbols” that make it easier for employees to work efficiently and that communicate such messages as “you’re important, we understand, we care.” These extra touches might include coffee in the morning or late at night, plush carpeting for employees who remain on their feet all day, amenities in the employee lounge, or a “perk of the month” such as discount tickets to special events. Walt Disney Co., a strong proponent of this practice, provides employees round-the-clock referrals for medical care and housing, discounts at restaurants and a video-rental service.
- Reward employee efforts. Federal Express recognizes outstanding service achievements with the Golden Falcon and Brave Zulu awards. Winners receive a gold pin, recognition in the company newsletter, a telephone call from the CEO and 10 shares of company stock.

### **How are we doing?**

Recognizing that it costs more to generate new customers than to keep existing ones, progressive service companies are looking at their customer retention rates. Staples, an office supply chain, encourages customers to become “members” at no cost (nonmembers pay more). Members are later targeted for special promotions to get them back into the store. If a member fails to respond to a number of such offers, the company tries to determine if he or she is dissatisfied. Every customer complaint is recorded and factored into company product and policy decisions.

L.A. Cellular, which receives between 2,500 and 3,000 calls a day, sends callers a form that asks them to rate the performance of the CSR with whom they spoke. The process measures performance in the areas of employee professionalism, courtesy, follow-through on commitments and promptness in resolving problems.

In any customer-opinion effort, conduct surveys frequently and communicate the results to employees immediately. Doing so provides CSRs a base to assess their performance and enables management to link incentives to customer satisfaction.

### **The right people**

Quality service hinges on selecting, developing and retaining the right people. Service leaders are targeting their CSR recruiting efforts at better educated, better skilled individuals than ever before. Candidates now need technical competencies, interpersonal skills and the intellectual capacity to assimilate complex product information. For this reason, selection systems are being revisited. Disney, a service-intensive company, interviews prospective employees in small groups to see how they interact. Do they demonstrate listening skills, for instance, by paying attention with others are speaking?

Once on the job, new hires entering a service-oriented company generally receive broad-based training on service systems and processes. Forma Scientific, in an effort to enhance cross-selling ability, trains its service employees in all phases of pricing, distribution, estimating, quoting and other sales-related functions. To increase CSRs’ knowledge of product specifications and features, the company provides in-depth exposure to quality-control procedures.

Ongoing performance management is critical. One way to pinpoint performance deficiencies is to monitor CSRs' behavior. Supervisors at the GE Answer Center, for example, listen in on representatives' calls. Motorola uses a "quality audit" through which managers, acting as customers, judge the quality of services and service employees.

Other companies administer formal tests to measure service employees' knowledge of policies and procedures. Federal Express employees must pass a job-knowledge test before they are eligible for senior service positions. Each of these companies addresses employees' performance deficiencies—once uncovered—with appropriate developmental actions.

Professional and career development not only increases CSRs' skills, it also helps reduce turnover. Dow Chemical USA offers its 270 service employees extensive promotional opportunities within the service function. The company has designed six customer-service career levels—each requiring expanded skills and responsibilities—below first-service management. Other service leaders find that providing rotational assignments in several departments can improve CSRs' performance and enrich their careers.

### **Managing the service experience**

The role of the customer service representative is evolving. No longer relegated to answering simple inquiries or appeasing irate customers, the CSR is now expected to be a logistician, technician and salesperson all rolled into one. In short, customer service representatives must single-handedly meet all of the customer's needs. The work environment must support employees who accept that challenge.

## SIDEBAR

### **Create a Service-driven Environment**

- Give service employees added authority to act on behalf of customers—at the time problems occur.
- Use sophisticated technology to enable one service representative to meet a wide range of customer needs.
- Treat employees like customers and provide comfortable, user-friendly work climates.
- Measure and communicate customer perceptions of service quality and link rewards to increases in customer satisfaction.
- Recruit, select and develop service employees to take on broad, meaningful responsibilities.

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