

# THE CUSTOMER'S PERCEPTION IS YOUR REALITY

Arguably, service is not what a company does, it's about who they are. But when the customer experiences good service, does it automatically follow that the company which provided it is able to build a relationship with them?

As with the correlation between a business strategy and a business plan, customer relationship management should enable the company to achieve a return on the customer service it delivers.

Of course managing the relationship with the customer isn't a stand-alone. It unites the individual silos of product development, marketing, sales, and logistics, as well as ensuring that customer focus is 'rooted' in the organisation.

Because only when a company is as close as possible to the customer will it know what to sell, how to sell it, and be able to deliver appropriate and consistent service.

That's the theory. In this report, commissioned by CRM specialists QGate Software, we look at the practice.

## HOW TO COPE WITH MOMENT OF TRUTH

“Every time an organisation interacts with the customer it’s a moment of truth. It either delivers the ethos and brand values or it doesn’t,” suggests David Smith, chief executive of The Landscape Group, Hewlett Packard gold business partners for printers and also their sole provider for ‘factory outlet’ sales in Europe. “What does that interaction look like? It starts with punctuality if you are visiting the customer, and it isn’t just what you say but how you say it that matters.

“All we want our people to do is to be helpful, like they would be with a friend. Good natured people go out of their way to be helpful. When we interview, we’re looking for communication skills - how the candidate comes across really matters - because they will be the traits that a customer finds appealing. The element which the company contributes is training so that employees learn how to build relationships with the customer, how to take the sting out of a conversation if someone is curt with them, how to listen and qualify what actually matters to the customer so we can really help and advice them.

“If I have a tradesman round to the house who suggests different ideas, I feel they are genuinely interested in me and my requirements. A customer will phone us to ask for a specific printer, but rather than just take the order we’ll ask what they will be using it for, the volumes, and then maybe suggest an alternative model which has lower running costs. That way, the customer feels they are valued.

“What a company has to avoid is any change in service quality pre and post sale. What I’ve seen is that the promise can be dazzling and wonderful but the delivery and after-care falls short. It is very frustrating to see a competitor get a contract and you know that is going to happen because they have over-sold themselves.

“So we have a plain and simple proposition. We spell out specifically what the customer is going to get from us. Unfortunately that doesn’t always win the day because while we know what is going to happen if they go elsewhere, the customer sometimes has to experience it for themselves.”

Of course the customer wants to best deal, but how much are they prepared to sacrifice service? “Providing good service costs money,” says Smith, “because it means putting in place an infrastructure to deliver it. And the specifics need to be communicated if the customer is to appreciate the service proposition rather than it being an intangible.

“The differentiator is that if the price is competitive, the company which has the business model to provide a better service wrap, which will include accreditations, will be more attractive to the customer who can see both great pricing and tangible support.”

Although the internet has resulted in a lowest price denominator, it might also be providing service providers with a silver lining. “The market has moved from people relying on marketing material to them doing their own research,” suggests Smith. “Our challenge is getting our voice heard, so we need to have chapter-and-verse information they can access with videos and case studies which demonstrate specific points.

“Organisationally companies need to structure themselves in a way which makes it easier for the customer, so the person who takes the support call is sitting next to someone who can deal with any technical trouble-shooting. If an engineer is on location dealing with a problem for a contract customer, they’ll look to see what else need to done, so they can say while I’m here I’ll replace the rollers on the machine because they’re almost time expired. And HP will call our customers to see how they feel about the service we’ve given them, and that has a material effect on our remuneration.”

According to Smith, there will be a time when we won’t put up call centres putting us through a series of options before speaking to someone who transfers you to another department - only for the call to drop and you have to start all over again. “I can understand that because of a corporate’s sheer scale it might not be possible logistically for the customer to speak to the same person again, but there’s no excuse for passing the customer from pillar to post because the technology exists so that doesn’t have to happen. What the customer wants is someone who knows their stuff and is taking responsibility to deal with the issue.”

## WHY THERE CAN BE MORE THAN ONE KING

The customer is king, the saying goes, but defining who actually wears the crown isn’t always so straightforward. As Mike Gawthorne, chief executive of the £100million plus turnover recruitment, outsourcing and human resource development group Serocor explains. “Two years ago it was the client, but now arguably it’s the candidate because there is a real shortage of talented people. The truth is, clients and candidates are equally important - only one makes the payment, but both are customers.”

The new group structure was set up to allow various businesses to operate under a single, unified umbrella. The move involved stepping up customer service to recognise the fact that colleagues in different parts of the group were effectively each others’ customers, says Gawthorne. This led to the 3Cs concept of the customer: candidate, colleague, client.

# Looking after the customer with

The management teams have targets in terms of visits to clients and the outcomes of service level agreements, and clients are assigned a specific relationship manager.

This approach builds trust, says Gawthorne. "Management of expectations is critical and we adhere to the saying: 'what we say is what we do'. We aim to be clear in terms of the value add, what we offer service wise. Some clients see it as a master-servant relationship – they're procuring people from us. Their focus is the cost per hire rather than the cost per incorrect hire, which is a damn sight more expensive. But the changing dynamic is interesting. We're intrinsic to the success of the client's business as we find them the right people and most clients understand this - we're collaborating with one in particular who knows it's about getting the right outcomes for both parties. We agree in advance on shared goals, right down to what we do if something should go wrong."

Which brings him onto the changing needs of candidate customers. "Candidates are more demanding about the job being a good cultural match for them - it's more about the training, the environment, flexible working opportunities, the cultural values of the employer."

Another change has been the point at which the recruiter's work begins. "Everyone used to say that our job was to attract people when they started looking for work," says Gawthorne. "Now it's to identify them when they're thinking of looking for work."

Techniques used for this include monitoring sites like LinkedIn to connect with likely people and spot when they have made changes to their profiles - an updated profile is often done with a view to changing jobs, says Gawthorne.

"We have to be seen to be thought leaders," he explains. "So when people start thinking about moving they think of us, or are already connected to us."

Gawthorne says this means treating candidates as individual customers and not as part of a numbers-based target. "This industry can be KPI led, a numbers game based on CVs and interviews. There's a belief that if you throw enough CVs at the wall some will stick. A candidate is viewed as being just a CV. No, actually they're a person, and people are the life-blood of businesses."

He thinks there's been a step change in expectations of service generally. "I think we expect more and we notice bad service more. People's opinions are more visible – they are more likely to go on to Trip Advisor, for example. Someone will write something about your business somewhere. So if you don't ask the question 'are customers satisfied?' yourself you're likely to get people going on line answering it for you.

"As recruiters we don't have some shiny product which means we might get away with it if the customer service isn't good. Our product is intrinsically customer service and it's about hitting the right level of service

to engage with and look after customers appropriately and to achieve the desired outcomes."

He tells an anecdote about receiving bad service himself, which has influenced his approach in his business. "I always tell my staff about going to an car dealership and never going back because their first question to me was 'how can you afford this car?' They thought I just wanted to have a test drive because they made an assumption based on my age - it was a long time ago! I understand that they didn't want time wasters but that should be part of the qualification process, it shouldn't have been the first question they asked."

That story proves a point, says Gawthorne, that only the very bad or the very good experiences get remembered. "Engagement with the customer is the critical thing. On Saturday I went to a restaurant and the waiter talked passionately about the food and he was taking a real interest in us. When the bill came he was remembered for it."

Some of the best feedback for a service company, he says, comes via the net promoter score system. Feedback is incentivised. "We used to offer a bottle of wine but people couldn't be bothered with that so now we donate time to charity for every return, which works well," says Gawthorne.

As well as the 3Cs mentioned earlier, the company has 3Ps as its values: passion, professionalism and partnership. "Before we did the group restructure we got the cultural alignment wrong; what the business stood for in terms of the three Ps was not being represented by senior management so we had to re-embed the values back into the business," Gawthorne explains.

As part of this there was a 'selfie' competition where staff were encouraged to take pictures and videos to demonstrate the idea of the 3Ps. Most entries focused on the customer service journey. "We ended with three really stand-out images that we can use for marketing material," smiles Gawthorne. Staff are rewarded based on achieving those 3P values and on client retention rates, not purely on numbers of candidates placed.

Part of customer service, of course, is resolving problems. "We process more than 1300 transactions a week for contractors so issues can arise over time sheets or invoicing," says Gawthorne, who believes every problem is an opportunity to demonstrate how a Serocor company is willing to put things right.

"A lot of people will run away from conflict but it's a chance to fix things and to cement the relationship. Agencies can let things fester but usually it's a misunderstanding that can be dealt with quickly before it becomes an issue."

Hiring people who can fulfil the aim of providing great service to all the customer bases is challenging. "I think there's a growing void between good and bad," says Gawthorne of the issue of recruiting recruiters. "There are some great individuals who

have really applied themselves to making sure they can communicate clearly in a variety of styles. We have some people whose communication skills make you think 'wow!'.

But Gawthorne warns of a generation trait which could have a material impact on a company's ability to deliver the service levels it wants to: "One of the biggest challenges is with Generation x and y, who communicate predominantly by mobile and tablet, not face-to-face.

Gawthorne breaks off as he hears the sound of applause from the sales floor. "They're clapping because someone's made a placement," he smiles. "They genuinely celebrate each others' success."

## BETTER EXPERIENCE IS THE COMPETITIVE EDGE

How does an independent opticians established more than ninety years ago compete against the might of Specsavers, Boots, Vision Express and the other national players which marked out their territory on the high street as soon as the market was liberated?

Instead of following the commoditised production-line approach, provide a better customer experience says Ryan Leighton, grandson of the founder and managing director of Leightons Opticians with thirty-five outlets in the south.

If you've ever bought a pair of spectacles, you've probably received them in a plastic bag with the paperwork wrapped round, all secured with an elastic band. That was also the norm at Leightons until Ryan Leighton identified from customer feedback they fancied something a little more sophisticated.

"We had engaged a research firm to critically analyse each step of the customer journey, covering all the touch-points," he explains. Customers, he found, disliked the traditional presentation of glasses in a plastic bag in an elastic band. "We'd been doing it that way for so long that no-one had really given it a second thought," Leighton admits.

The decision was made to add some "theatre" to the process to create a "wow". Leighton likens buying spectacles to high-end cosmetics: "If you buy a moisturiser in Space NK, it's nicely wrapped and you think what a lovely presentation. So now our glasses are presented in tissue paper in a nice bag in our new corporate colour scheme. It makes customers feel as though they're receiving a gift."

The longevity of a family business creates a sense of quality and reliability. Not a bad thing, except that it can also engender a perception of being staid and that its products and services must be more expensive. "Being around for a long time and being a family business should mean people feel we know what we're doing, but that isn't necessarily the driver for the

average consumer," suggests Leighton.

So he's aiming to create an "innovative in-store experience" to connect with the younger audience which might not otherwise notice Leightons among the more overtly trendy retailers in the high street. "Our old store style didn't create a reason or an urge to go in," Leighton says. So he hired a retail designer to come up with a fresher, lighter, more airy look that still connects with the company's heritage by using the same font and the same fuchsia colour that the founder used. Two stores – Putney and Chandlers Ford – were chosen for a complete fit-out costing £150,000, with modern white interiors and exposed brickwork. "It has made us very different from other opticians and has been remarkably successful," says Leighton, saying that sales are up 30% at Putney and that the intake of new customers in the target age group has doubled.

The lower turnover stores are getting a more modest £25,000 update. The store refits are part of creating customer delight, says Leighton. That doesn't stop with the store environment, but pervades the whole customer "journey". For example, customers are greeted by the store manager, with a business card, and receive an eye test that takes up to forty minutes (rather longer than the norm at a national chain).

Some of the equipment used in the tests is also more high tech than is usual in mainstream opticians. "We've got some very expensive pieces of kit, such as 3D retinal cameras, that chains probably don't want to invest in," says Leighton. "We're constantly looking at what innovations there are in lenses, who's doing the latest thing; we want to be at the forefront."

All this serves a purpose. "I would hope that customers immediately feel we're investing in them," says Leighton. "What we're about is providing eyecare and hearing solutions to help customers live their lives more fully. That means we have to spend time delivering a higher level of customer experience. It's not a simple process of a quick fifteen-minute eye test, putting it on a computer and spitting out a result. What's important is interpreting what the results mean - there's so much you can see through the eye; we're always referring people for consultations for glaucoma and diabetes, for example.

"Then it's about pro-actively finding out about the customer and their requirements, what kind of holidays they take, what sports they do, and finding the right solution for their lifestyle." Leighton describes the process as an "empathetic journey". "It's about creating rapport, creating connections with the customer. That's not radical; customers want to be looked after by people who take an interest in them. It's not about a transaction for today, a commodity, it's a very different service offering. The aim is to make the customer's visit to the optician as personal as possible."

All this doesn't have to make Leightons more expensive. In fact he challenges the perception that

## Looking after the customer with



**Ryan Leighton, managing director, Leightons Opticians**

the chains are actually lower cost. “They’re very clever at getting you in then trading you up,” explains Leighton. “Their model is about getting volume and footfall based on low price and then up-selling. You think you’re going to buy two pairs of glasses for £79 and you end up spending £250. They don’t want to sell two pairs for £79 which is the offer that attracted you, but they’re trained to encourage you to go up to £250.” That’s in the ballpark of the average Leightons sale, he says, by way of context.

“We have had customers who left to go to the nationals because of the deals they saw but they tend to come back and say ‘it seemed such a good offer but the specs aren’t good quality’.

Leightons don’t use free eye tests or money-off referrals as promotions, believing they devalue and undermine the whole value proposition. But the free NHS provision of eyecare to children under sixteen does provide an opportunity. “It helps to position ourselves as the obvious place to go for quality clinical eyecare for those who want their family looked after,” says Leighton.

The challenge for Leightons is how to create awareness of a value, customer service-based proposition as against a price-led one. “I would love the opportunity to put ourselves in front of people who are new to glasses,” says Leighton, “to be able to explain why it’s important to invest in their eyes and to show them how we spend time on understanding eyecare and wear. The big chains spend a lot of money on marketing but our brand proposition has to be developed and communicated from the inside out, through providing an amazing in-store service experience. Getting that message across is slow as it can only really happen through the delivery of the customer experience but people will gradually get the message.” A continuous investment in training is hugely important to delivering consistent customer service, says Leighton. The company has received a total of £50,000 through the government-backed Growth Accelerator scheme to fund training and develop its own academy, with staff being trained in sales techniques and communication skills as well as the usual technical aspects.

The result has been “an amazing cultural change,” says Leighton. “You can really feel how much more committed the staff are; there’s a sense of ownership of the customer experience.”

Branches can have up to 25,000 names on their databases, and the customer relationship system has to generate and deliver targeted communication, in particular with eye test recalls, which used to be sent by post every two years – a costly process and one whose infrequency meant customers simply fell off the system if they had subsequently moved house.

Leighton is pragmatic about customer surveys. “Customer feedback has been almost too good,” he says. “You could say that those who completed the surveys did so because they wanted to say they liked us. So feedback now is based on a simple question: ‘how did we do?’ This will help us understand what’s not so good and celebrate the wows.”

## RIGHT AT THE TOP OF THE ORGANISATIONAL CHART

You might expect the person at the top of the organisation chart of a business to be the managing director. Not so at Morgan Contract Furniture: the organisation chart that hangs on the wall in the reception area puts managing director Rodney McMahon firmly in his place at the other end of the hierarchy. The name at the top of the tree, the person he and his team report to, is the customer.

McMahon explains why he redrew the chart that way and placed it in such a prominent position. “Those staff in customer-facing roles won’t need to be reminded how important the customer is but a business is like an iceberg – 85% of the staff are beavering away in the factory. I wanted to communicate the reality of the business to them, to personalise it for them, to show that the customer is the source of the revenue which pays their wages.”

Morgan designs and makes seating for all kind of corporate customers – cruise ships, hotels, hospitals and offices, for example - with the commissions often coming from interior designers and architects rather than the property owners.

So who is their customer? The hotel manager, the project specifier, the designer? The start point is establishing good relationships with the design practices. “We’re a design led, customer-facing business in a competitive sector, up against companies that have thirty times our turnover,” says McMahon. Indicating the wall opposite him he points out: “If you were to go into a good international design practice, two-thirds of that wall, floor-to-ceiling, would be taken up by furniture brochures.”

Customer service, in short, is absolutely crucial to getting the designers to select the Morgan brochure.

“Customers have so much to deal with – I want to them to think it would make their lives easier if they just buy from Morgan,” says McMahon. “It doesn’t matter if your product is coffee or furniture; everything becomes easier if seller and buyer understand each other; then there’s less cost, effort and friction in getting where you want to get to.”

Being a pleasure to deal with, making life easy for the customer, crucially encourages repeat business, points out McMahon. “Why find another customer, why have to keep explaining what’s different about the way we manufacture and design if we are able to go back to the same one for another order?”

McMahon also tries to establish relationships beyond the initial designer. “My role is to get to know the senior people. I want the practice manager to be leaning over the shoulder of a designer saying ‘have you considered Morgan’s furniture in that spec?’”

McMahon says an important part of being able to retain a customer is getting the brief right to avoid misunderstandings later. “Good customer service starts by asking all the questions at the outset,” he states. And it has to be delivered at the right tempo. “People want everything yesterday, instantly,” he explains. “Designers are put under ridiculous time pressure, like being asked to ‘just redesign this restaurant by next week’. So customer service of value means getting back to them as quickly as we can with a quote that’s as accurate and precise as possible. The fact that it’s accurate and precise is not just an objective measure of how efficient we are, but demonstrates that we actually understand what the customer wants.”

Indeed, one measure of service quality is how many quotes go out within twenty-four hours. That’s not an easy target, McMahon points out, given that most orders would involve bespoke manufacturing or customisation in some way. A small but important point of difference is that the quotes feature thumbnail photos of the items listed, to remind the client what is being specified. Competitors simply refer to the product reference number, which makes it harder for the customer to remember what item is being referred to.

Quotes are then followed up three days later - that being another measurable factor. A further measurable factor is on-time delivery. Afterwards, the customer will get a call ten days after invoice from the accounting team to ask if it has been passed for payment. Not only is this a useful credit control process but it’s a chance to check that the client is happy and identifies any issues of dissatisfaction. That’s much more effective, says McMahon, than email questionnaires, which tend to get ignored.

There is a formal complaints procedure and McMahon himself will personally deal with any within twenty-four hours. “You can’t have complaints floating about,” he says. And any outstanding complaints are

monitored until they are resolved. McMahon says the very existence of a complaints procedure can be a selling point when it comes to acquiring business. "It gives the customer a huge amount of confidence."

And he provide empirical evidence: "We were working on a fabulous project at a bar in Park Lane and there was a minor issue involving the fit of some of our cushions, and major problems with another supplier. The designer gave us a tremendous bollocking and I said 'that's rather unkind, we're already fixing what really isn't much of an issue'. She replied she was taking her frustration out on us because the other suppliers had a customer service department which wasn't picking up the phone so she couldn't tell them what she thought of their parentage! We're now refurbishing one of the smartest five-star hotels in London after the same designer told the owner she wouldn't work with anyone else."

But what happens when a complaint is completely unfounded? McMahon tells another story, about being asked by a designer to supply pure white sofas for a hotel in Liverpool. "We said 'are you sure you want white? They're for an foyer so they'll be heavily used'. Contract furniture has to put up with a lot of abuse, and is prone to having food and drink spilled on it. Anyway, we got a curt response. When the sofas arrived the hotel manager said 'we don't want these, they're white, take them back'. Then we got a call from the designer saying we would just have to re-upholster them in a different fabric and she added it would have to be at our expense. She'd made the error, didn't want anyone to know and put us under aggressive pressure as a result.

"Then you have to make a judgement call. That decision is influenced by the relationship. If the customer admits messing up and is asking us for help, that builds trust. But sometimes pragmatism means we've had to say we simply can't do it."

Training is important to inculcating staff with the right approach, says McMahon. There's a formal induction process with the aim of 'Morganising' people, so they are able to cope with the company's expectations of pace and quality. And he believes there has to be a procedural approach to deliver customer service consistency.

"We have written guidelines about how to answer the phone, even how to name computer files. When x happens you do y. No-one should have to reinvent the wheel and I don't want to have to tell people twenty times how to do things," he explains.

But achieving customer service consistency creates a challenge of its own - that customers take it all for granted. "It's harder to delight an existing customer who already has expectations based on what they have experienced from you," says McMahon.

## WHAT THE CUSTOMER REALLY THINKS OF YOU

"This is a business which has been around for about thirty years," says Rob Webb, managing director of Becktech, distributors of vending machine components and spares. "And with the exception of two people, myself included, everyone has been here at least a decade. What that means is a lot of our customer service ethos is long established in terms of practice rather than being formalised."

It doesn't follow that's he's simply ticked the box marked customer service and turned his attention to other things. Quite the contrary. "I don't see my role as fixing something which isn't broken," he explains, "but we did invest in a brand review to codify what we feel makes us successful, and what our customers and staff think of the business. The findings can be distilled to one word - dependability - which might not sound exciting as a differentiation, but the findings aren't as a consequence of us going out and claiming we are dependable. It has come about because people trust us, and dependability is clearly something they are measuring us by, even if it is sub-consciously.

"Ultimately when buyers purchase a particular product it's on price and availability. Only after that has been ascertained does the customer service proposition, our dependability, come to the fore.

"But what I think the review and distillation have done is to help our staff understand their particular roles and what they have to deliver, and made it clear that if we fail to be reliable, we're undermining ourselves.

"Empathy is the most important characteristic of effective customer service because it demonstrates we are looking at things from the customer's perspective. Which is why I believe in hiring for attitude and training for skills." He gives an example of attitude. "My own view is that we should provide a quotation straight away, with the detailed technical specification to follow, because that's the response I would be looking for if I was the customer." And to moan about increased expectation on the part of the customer is a bit King Canutish, says Webb. "If you don't make it easy for the customer, they'll go elsewhere, and why wouldn't they?"

"I don't think small businesses are particularly good at articulating service, and you could argue that many will believe they are actually delivering customer service simply because their company is small enough to care - rather than actually delivering it."

What customer relationship management should do is identify whether a company is focused on the right customer with the right offering in terms of profitability," he asserts. Which can result in some tough decision-making:

“We used to provide a particular requirement for our major customers, partly because we made some money out of it, but also because we were worried that if we didn’t do it, the door would open to the competition and we might subsequently lose out on the sale of new product. But when manufacturers began to sell direct, instead of trying to compete against them on price, which we couldn’t have done, we transferred that particular operation to another company. We said goodbye to about £1million of business but became more profitable as a result because our resources were better deployed.”

## SOLVING A PROBLEM COULD CREATE ONE

What can cause a problem, says Peter Ryder, is that engineers are hands-on people who are driven by the desire to solve the sometimes technically complex problems facing the customer. The MD of Taylor & Goodman, providers of specialist engineering services is quick to explain the paradox of that seemingly laudable motivation. “Bending the rules for clients who are in a compliance-driven industry isn’t an acceptable base from which to deliver customer satisfaction,” he suggests. “But engineers just want to get to the heart of a problem and do what needs to be done to sort things out,” says Ryder.

To explain his premise he quotes a customer who once told him: ‘I don’t mind if you can’t do the job but don’t break the rules. Don’t do something you shouldn’t do to get us out of trouble.’

Times have changed since Ryder was last putting in a shift on the shopfloor, when he wasn’t immune to taking direct action to sort things out himself. “I remember when I was young and under pressure not to let the customer down, and kicking a machine to get it going.”

Taylor & Goodman were founded in 1948 as an electrical repair business and evolved into providing engineering services across various industrial sectors, notably the water industry and building - two sectors driven by compliance, and by health and safety legislation in particular. “Customer satisfaction has to come from us providing an engineering edge without deviating from procedure and taking into account life cycle, not just the here-and-now,” Ryder explains.

“The standards are often imposed contractually, if we don’t quote on a job or arrive on site within specific time parameters, we won’t get the business, and in the latter example, we could be penalised financially.”

“Fundamentally,” muses Ryder, “if we follow the rules, that in itself gives the customer the confidence and good faith that contributes to establishing a sound relationship. All that remains is to show how we can go the extra mile – without breaking the rules, of course. As a service organisation we will jump through hoops,

but so will our competitors. What’s the differentiation? The people you put in front of the customers.

“How easy are they to get on with and how consistent is their work – we don’t want to give the customer any surprises. Customers aren’t expecting an engineer to be someone covered in grease and wandering about with a toolbox. Quite the reverse: they want to see the right gear, the right attitude, the right qualifications and a nice shiny van.”

Ryder, former national accounts director at engineering plc WYKO, bought Taylor & Goodman in 2002 and asked each member of staff to give a presentation so he would know what everyone did and to make sure they all understood each others’ jobs.

He then ran a competition among the staff to find a slogan for the business – the winning strap line being ‘powered by reputation’. Staff have also been involved in developing and improving the company’s website and social media activities.

Because staff are fundamental to achieving good customer relationships, it all starts with the hiring process, says Ryder.

“Not everyone in life is customer focused,” he avers, “so the company has to make it an important part of the interview process; first and foremost, has the candidate ‘got’ the culture?” He admits that’s not easy: “I still get interviews wrong. Everyone can be who they want to be for a few minutes.” With this in mind Ryder won’t let his own judgement rule. “When we interviewed for a works manager the candidates were seen by three of us. One of us will see if there’s anything not right about the candidate.”

Once the person is hired, training follows. “I’m a great believer in never putting the unknown into the unknown,” says Ryder. “So we don’t let staff loose in front of customers before we know them really well.”

Key to providing good service is giving staff the time and flexibility to understand what customers want, to plan and organise accordingly, and then allow your staff to have ownership, he maintains. “Keeping customers informed takes effort. As managing director I could easily get to 6pm every day and not have spent any time with customers - so the challenge for me is to create an environment where staff feel good about taking responsibility. I always say to them in meetings ‘what would you do; how would you go about this?’ I try to get people to use their time in the best way possible to communicate with and support the customer.” With this in mind office staff are invited to put on a hard hat and visit a site, so they get a feel for what the company delivers for the customer.

‘Delivers’ being the operative word in terms of customer service. “Some businesses put their best team on a bid but then can’t cope with the work that results,” Ryder points out. “You might turn prospects into customers but then what do you do with them? There’s no point winning business only to see accounts falling off afterwards. You can’t run



Peter Ryder, managing director, Taylor & Goodman

at 100mph and deliver on your promises to do things better, or differently, if you only have the infrastructure to go at 50mph.” The Taylor & Goodman infrastructure includes a work-in-progress system to keep track of projects, margins, and time spent; and weekly emails to customers to let them know the state of play on their projects.

Customers are able to give feedback through regular telemarketing and email surveys, but Ryder says he prefers a more personal approach. “You get a more straightforward answer by asking customers in person what they think, rather than by asking them to fill out a form,” he explains.

## DELIVERING AGAINST THE PROMISE MADE

“What does great client service look like?” asks Jeremy Carey, chairman of the £17million turnover independent insurance brokers Stackhouse Poland. His intonation suggests he can come up with an answer.

“We have a retention rate of more than 92.5% so that gives the result of it some shape and form,” he explains. “If we deliver advice which clearly some

thought has gone into, if we hold the client's hand through the process, helping them, in our case, to implement any risk management requirements, then it's a complete proposition we're providing, and as long as we are price approximate we should win the business. To retain the business means we have to deliver against any promise we make.

"A company is able to deliver great service when there is continuity between staff and the client, the development of a relationship. The client will be engaging with us as a company, but the individual makes the difference."

Which is why Stackhouse Poland have tight restrictive covenants in place so that if a member of staff should decide to leave, the company has time to address the relationship issues. Not that they've ever had to trouble lawyers. Out of the thirty-five strong team looking after private clients, just two have left in the last nine years - one to become a pilot, the other joined an insurance company.

"What it means is that we've always recruited because of growth, not to fill someone's shoes, and we are always half a person ahead of what we need in terms of resource so we never have to play catch up in terms of client service," says Carey.

"The other thing to understand is that just because we serve different markets, we're not trying to be all things to all people. Looking after wealthy private clients is something we do really well, while others will see that we're the largest brokers for recruitment companies. If you work in different niche markets you can - and have to - differentiate your proposition, with products which are specifically created for the particular market. The wrap-around is our whole service ethos.

"Who provides insurance to high-worth individuals? A lot of companies very badly, often on a white-label basis with the usual on-line proposition and call centres. We have fantastic relationships with professional advisers and if we should let a client down, chances are that it would choke off future referrals from whoever introduced them to us.

"We have lost clients who have decided to test out cheaper insurance, and it isn't uncommon for them to come back at the first renewal, because they could not believe how difficult it was to speak to someone who might be able to give them any advice. But that's because the consumer doesn't make enough of a distinction between a product which is commoditised and an advice-based purchase or sale.

"We don't simply send out the usual renewal notice; first we would have tested the market to see what else might be available and then give the client information about the options so they can make an informed decision. We talk about client intimacy, and our approach is to speak on the phone or meet the client face-to-face rather than hide behind emails.

"There will be a number of clients who buy our

service and there's no actual need for either of us to get in touch up until renewal. But rather than run the risk of falling below their radar, we will make a mid-term phone call just to check if they've made any other purchases or need to make any other adjustments to their policy."

Customer service is actually measured as a KPI by Stackhouse Poland in terms of how clients rate their performance if they have had reason to make a claim. Another KPI looks at new business conversion, which is 80% from quotation to conversion. "That is a real indicator of the value of our service-based offer and our ability to deliver it," avers Carey.

"If service provision is your differentiator, then likely appreciation of that proposition should be one of the criteria for identifying and qualifying potential clients."

## FRUSTRATING FOR BOTH SUPPLIER AND CUSTOMER

The biggest challenge to delighting the customer? Paul Hargreaves doesn't have to think about the answer: "Ensuring deliveries are made in full and on time" He's the MD of food wholesaler Cotswold Fayre, which supplies delis, farm shops, garden centres and other, mainly independent, retailers with the latest bijou nibbles and quirkiest food products.

"Food is generally fast moving and it's easy for retailers to under order and sell out, so their two big complaints are slow deliveries and incomplete deliveries. I'm by nature a perfectionist and it's a frustrating business to be in because sourcing speciality products can take six weeks, and as we are dispatching 600 to 700 orders a week to retailers, there are times when it is impossible to send out a complete order to a customer.

"We offer them really interesting products and if we're up-front about a problem and the customer can see we're trying our hardest to sort it out, they are forgiving. I think a company's customer service is partly judged by how well it responds to a problem.

"The key thing with independent retailers is communication. They can get quite emotional, which is understandable because it is their own business and livelihood. If they have Mrs Miggins coming in every Friday for a particular kind of flour and we can't get it, they can live with that if you tell them about it. In our last customer survey, not communicating out-of-stocks was considered worse than having out-of-stocks."

Sometimes an issue arises because of a supplier's inability to meet unexpected surges in demand. Hargreaves says that can come with the territory of being a smallish company dealing with a multitude of even smaller suppliers. "Range is king but if you have interesting and quirky products there are suppliers

# Looking after the customer with

that can't live up to the demand and that's the paradox and the challenge," he points out.

On the other hand, perhaps there's also an opportunity lurking here; Cotswold Fayre won't be the only company having to address supply chain issues. "There have been countless examples of retailers who have not had stock in their shops because they were let down by other suppliers," he points out. "We can do emergency fulfilment particularly quickly as we have three weeks of stock, so items can be dispatched quicker than if the retailer is having to order from the individual suppliers. We have turned orders round in less than three hours and the retailers have had them the next day."

There are about 2000 products at any one time in the Cotswold Fayre catalogue, an increasing number being exclusives. The vast majority of suppliers are small British and Irish producers, though some stock is imported. Product selection is focused on the kind of food a consumer might fancy while 'leisure shopping' at the weekend rather than list shopping in a hurry. "A notch up from Waitrose" is how Hargreaves positions his range.

Potential suppliers have to go through a seven-step process to get into the catalogue. "We have a due diligence thing where we bring them in and grill them with questions about lead times, customer service, and how much they will be spending on marketing," explains Hargreaves. "One question we ask ourselves is 'would we, if we had the money, invest in their business'? Sometimes that helps in deciding between two brands; it comes down to how hungry the owner is."

Hargreaves says he wouldn't rule out turning this from a hypothetical question to actually investing in a supplier. "It's a question I'm getting asked," he explains. "I've been too busy with other stuff but it's something we need to consider doing, if not with money, then with help. It fits the ethos of the company and would be taking partnership with suppliers to another level."

With so many suppliers, meanwhile, he faces the challenge of keeping the range manageable and relevant. "What we're good at, and shops need us to be," says Hargreaves, "is ruthlessly chopping off the end of our tail; axing the poor performers and worst-selling products. We can't just keep adding new products."

Hargreaves hopes to double turnover in the next three years and key to that growth will be a new IT system, which will see improvements in a number of areas, not least order fulfilment. It will avoid errors in pick-and-pack, reducing mistakes pre-delivery, and will make it easier to see exactly what's in stock and what's been allocated to which customers.

He thinks it will take a little time, though, to learn to trust the technology: "It's like when your new sat nav takes you round traffic jams – mine once told me to leave the motorway and I didn't know whether to trust

it, but it was right. The longer it's here the more we will trust the technology."

The new system will, though, bring the challenge of getting all the suppliers on board with new procedures. Hargreaves says, for example, that every product now has to be bar-coded on the outside of the packaging. "But there's still stuff coming in without a bar-code," he says disapprovingly. "If this goes on I will be charging them for the time it takes us to do it ourselves."

That sounds stern? "It's a friendly sector and possibly too friendly," replies Hargreaves. "We're having to tighten up and make suppliers do what we need them to do, which is what our customers need. What we should be looking for is customer delight. Delight is a good word as you imagine someone with a smile on their face."

## TREND WILL HAVE TO BE ADDRESSED

"The British have a tradition of being hesitant to stand up and complain but I'm noticing more and more are doing it," observes Michael Lehrter. As an American, maybe the chief executive of re:creation, the toy, children's lifestyle and outdoor sports product distributor is better placed to recognise such a trend.

Certainly it should lead to the obvious answer to the question of what a company should do if a product it's selling goes wrong. Take responsibility for fixing it – or communicate with customers so they know how to put it right themselves themselves. But either way, do it quickly, is Lehrter's fundamental ethos.

Even if, strictly speaking, they're not actually your customers. "For a distributor, achieving that can be as simple as putting your contact details on the packaging so that end users can get in touch with any queries or grouses," he maintains. "That's perhaps an unusual approach for the company which neither manufactures the product nor retails it, so normally you might not expect them to have, or want, direct end-user contact. But proactively communicating directly with the end user can get issues sorted quicker and enhances the satisfaction of both users and retail customers."

"We prefer that customers have delight, not problems," says Lehrter, who supplies most of the UK's major quality retail groups. "Looking after the customer is for everyone within a business to own," he maintains. For this reason, empathy for customers is one of the things he looks for when recruiting. "It's part of the selection process," he explains. "I look for people willing to go above and beyond, to do things that are not necessarily in their job description."

Interestingly, one reason for reported faults is that customers have not read the instructions, says Lehrter. "We can get hundreds of calls after Christmas saying the product isn't working, but it would turn out

## Looking after the customer with



**Michael Lehrter, chief executive, re:creation**

that 99% of the time it wasn't being used properly."

The company addressed this by putting a message on its phone system specifically to talk purchasers through how to operate the product. The company also made a series of 'how-to' videos for the internet, which have received thousands of hits. "We try to make it easy for people to find solutions," says Lehrter. "It's more efficient to deal with a problem before it really becomes a problem."

Lehrter, who was a long-time business angel before taking over the business from the founding MD four years ago, knows how quickly a reputation can be damaged. He cites a supplier of children's electrical products that failed to deal properly with complaints about its software. "Not only did they fail to address what was wrong," says Lehrter, "but they didn't get back to people – so they got negative press and feedback on Facebook."

Partly with this in mind he has a dedicated member of staff to handle social media, who is tasked with

keeping an eye open for any negative online comments and who will write responses and clarifications and contact anyone who's unhappy.

But not every distributor is so on the ball. "I have known suppliers who see customer service as a cost centre instead of something that will have a positive impact," he avers. "For a distributor, it's about managing the product's reputation." Lehrter says re:creation monitors the number of calls, complaints and returns, and keeps an eye out for any recurring problems so they can alert the manufacturers. For example, there were more than ten returns of a bow-and-arrow kit because a cord kept coming loose. It turned out a pin was missing from certain batches. There was a product recall and all the faulty kits were replaced.

Ultimately, for re:creation, distributing brands such as Razor scooters and carts, Moshi Monsters, and Air Storm, ensuring customer delight is simple. It's about enabling children to have fun.



Simon O'Hea, director, Colt Group

## WHY RESPONSE CAN BE A CULTURAL ISSUE

“Companies tend to be very good at educating their people on the hard facts, the technical aspects, but customer satisfaction isn't determined solely on whether a project has been delivered successfully in terms of meeting specification and cost,” says Simon O'Hea, director of training and information management at Colt Group. The family-owned business, founded in 1931, designs and supplies HVAC (heating, ventilating, and air conditioning), climate control, smoke control, natural ventilation, and solar shading products and systems.

“How we are able to respond to something going wrong is material, and systems should support that,” he says. “I'm not sure culturally how you instil throughout an organisation the need to respond quickly and appropriately. It requires an ability to understand the behavioural traits of the client as well as managing the technical issues.

“I can't imagine there is a company out there which doesn't believe that customer service is important, but what leverage do we have over the hearts and minds of our people to make sure it's delivered? The induction course and training can only touch upon it. It's all about how they behave and respond with the information they have in front of them. But the information itself isn't going to determine their response. That's a cultural issue, whether the company's approach is to prevaricate and be defensive or open about the problem and willing to do what is necessary to meet the customer's requirements.

“And in our case who we should think of as the customer isn't just the organisation whose name appears on the BACS transfer. Potentially we have to interface with the architect and the consulting engineer, then the contractor and finally the owner or operator of the building, and their facilities manager. Each of them have different requirements. For example, the specifier wants timely design information and technical support; the contractor requires the programme to be adhered to and the number of variations to the contract

## EASY OPTION OR VIRTUOUS CIRCLE

“If a company is really committed to building a relationship with the customer, it won’t take the easy option of simply accepting an order and just getting on with it,” suggests Simon Escott, managing director of Portsmouth Aviation, design and production engineers, with annual sales of some £25million. “You would want to apply your knowledge and experience to see if there might be a better alternative approach. That creates a virtuous circle because our engineers want to produce the best possible work, the

customer gains something which is better than was considered possible for the price, and we can make it knowing it will be right first time and at less cost.

“But that doesn’t just happen. The culture of the organisation takes its lead from the top. People need to have a passion for what they are doing if they are to put in that extra effort, if they are going to delight rather than simply meet the contractual requirements of the customer. There can also be a natural tendency for a supplier to say ‘yes, we can do it,’ but you have to be confident enough

to evaluate the risk in-house or better still mutually with the customer so realistic expectations are set which can be managed.”

“In reality, when you are bidding for work, the prospective client will look at the documents in front of them and say that’s the lowest price. Quality and service is what gets you to the table. Usually people find out the hard way that quality and service are the essential delivery mechanisms and that the price has to reflect their robustness.”

minimised. Once the building is completed, the occupier or owner wants a prompt, reliable response with regard to maintenance.

“But while the criteria is different, no matter how good we are in terms of engineering ability and product, service is absolutely a differentiator.”

Technology should enable a company to demonstrate the value of its service ethos to the customer. “For instance, we encourage specifiers to join our webinars; if they download a white paper from our website we’ll email them to say there’s another report they might find will be of interest,” explains O’Hea, “and we will give them a contact name at our company for more information. What is important is actively tracking them and managing the process, and to hold the information about the prospect or customer centrally rather than in departmental silos.”

## ACADEMY DRIVES UP SERVICE STANDARDS

Coach drivers have always known they needed to deliver good customer service. At the end of an excursion, tips were an essential adjunct to their wages. Pay and conditions have become more mainstream, but the driver’s role in determining whether the customer is delivered good service as well as safely to their destination hasn’t changed.

“Once the driver is behind the wheel, they are the company as far as the passenger is concerned,” says Steve Lockett, director Locketts Travel, the largest independent coach operator in the region.

Which inextricably ties customer service to the ability of the company to recruit the right people. When job ads for trained drivers proved disappointing in terms of useful responses, Locketts invested in setting up their own academy, which has become an accredited training centre. All new staff, not just drivers, also take psychometric tests, with scoring weighted according to the kind of attributes required for particular roles. The tests, says Lockett, are regarded as “a kind of sanity check”, and are used as a decider if two applicants appear otherwise equally well qualified for a single available position.

He explains: “Anyone can put on a show for an interview but we want to know what they’re really like, deep down. The tests help us get some idea of what the candidate has that you can’t always see at the interview, for example what their reading skills are like and whether they are introvert or extrovert. The tests also focus on the applicant’s social skills to assess whether they’re likely to be good at talking to passengers.” Once hired, the drivers go through training in practical driving, theory and the technical aspects of the job, with at least seven classroom hours required each year.

Customer service is about rather more than the customer-facing drivers of course. Which is why the company is developing, through the government-backed Growth Accelerator scheme, a system of internal service level agreements so the engineering, operations and sales teams all know what the others expect from them. There will also be a customer charter to help create more defined standards of customer service that the whole business will sign up to. Locketts also play an active role in two industry associations to further the standards of coach travel,

# Looking after the customer with

and have the quality accreditation as a CoachMarque operator. Customer feedback is obtained through questionnaires, which Lockett says are a “brilliant” way of identifying trends and of sourcing testimonials for marketing literature. And the company has implemented a new idea of collecting tour passengers in minibuses from their homes and bringing them all to the head office to join the coach, rather like the notion of a cruise-ship departure lounge. “It means passengers can meet each other and enjoy refreshments while their luggage is loaded,” says Lockett. “We had eighty people here the other day, and they all said it was a fantastic, relaxing start to their holiday.” The business has recently been rebranded to reflect the brand values of safety, family, comfort and reliability. It was the staff who came up with those values, Lockett says, based on how they believed customers perceived the company. “Getting staff involved in that process was important as they can’t deliver good customer service if they consider the brand values as wishy washy or namby pamby.”

With more than 110 vehicles, Locketts provide leisure, business and school transport travel on an individual or contract basis, as well as more than a hundred holiday tours a year in the UK and overseas. The company also operates the National Express routes from Brighton and Gatwick to London, and also Portsmouth to London.

“Coach companies have traditionally been family businesses metaphorically run from the kitchen table and doing the same work day in, day out, for the same customers,” explains Lockett.

He should know, as Locketts is a family business itself – founded in 1926 by his grandfather Harry Lockett as a haulage and storage company. Harry’s son, David, took over in 1966, and the company diversified into coach travel in 1976.

Steve Lockett says that traditional family values alone won’t ensure survival. When he and his brother Ian took over, the company began to modernise its systems and make acquisitions, notably Worthing Coaches in 2006 and Coliseum Coaches in 2012.

Now the company is addressing the perception of coach travel itself. “The last time a lot of people travelled on a coach was with their school to the local swimming baths,” says Lockett. “In steep contrast to those coaches of old, vehicles nowadays are £250,000 palaces – they have air suspension, satellite tracking, reclining seats, air conditioning, and engines that provide an effortless ride.”

## WHAT IS IT THAT MAKES GOOD SERVICE HAPPEN?

“Some are defensive and others are strikers,” says Lorna Hayes, using a footballing analogy to describe

staff. “The real sparks are those who do their job well and give extra, discretionary effort. The worst outcome is to employ a plodder who doesn’t ‘get’ the company’s values, who does only their job and is unwilling to go the extra mile. That attitude can spread so you have to question whether you can have people on board who will undermine others.”

Hayes is making the point that, however different their individual personalities might be, focused, willing, courteous, proactive staff are intrinsic to delivering good customer service. It’s not surprising that Hayes has thought it through because she has a dual role at Churches Fire Security: she’s both customer service director and HR director.

“People underestimate the role of HR in customer service. It’s intrinsically all about people,” she says. “I’ll say to staff: we’re not expecting you to know everything but we expect you to want to look for the answer for the customer.”

Churches provide fire prevention, detection, containment and evacuation products and services, and their staff are trained not just in product and safety knowledge but in using the company’s complex enterprise resource planning (ERP) system. “Our mantra is that every day’s a school day – you’re always learning. Half of our customer service team of eighteen are in training right now,” says Hayes. “But we need to recruit the right people in the first place, as no amount of training will determine whether someone is prepared to put in discretionary effort.”

Empowering staff to take decisions, giving them autonomy, is important in this respect, says Hayes. “It’s so disappointing if you have a bad experience in a restaurant only to realise that the waiter clearly hasn’t got the authority to even offer you a free drink to make up for it. We say to our engineers: there’s nothing worse than not making a decision. We can deal with a bad decision and say sorry to the customer but what you can’t do is not tell the customer anything. If that happens they’ll go elsewhere.”

Being independent gives the business a point of difference over larger, corporately-owned competitors she feels: “If you wanted them to check your alarm, needed to report a problem with a fire door, and get some advice about extinguishers, the chances are you’d need to contact several different departments.”

But at the same time, independence could have counted against Churches, because the urgent and safety-related nature of its work means it needs an infrastructure of a certain size. So the company has made several strategic acquisitions to create a national reach. It continues to look for suitable acquisitions and is now one of the fastest growing independents in its sector, with more than 130 staff.

“It’s easier to land customers than it is to keep them,” suggests Hayes, “and corporately-owned competitors have the model of stack them high and do it cheaply; stick enough new customers in at the top

# Looking after the customer with

and it doesn't matter if some fall out at the bottom."

That's not the approach at Churches, whose customers range from single outlet retailers to multi-site corporations and local authorities. Hayes says the small ones are just as important. "We don't want a situation where five customers make up 80% of the revenue," she explains. And there's another commercial imperative. "We develop our relationship with the customers regardless of their size, because otherwise we wouldn't know that what we might have considered to be a local hairdresser has got the funding to make four or five acquisitions."

Providing service is fundamentally about making the customer's life easier, says Hayes. And that can't happen unless a company is prepared to make an investment in IT.

The system at Churches gives customers a portal to access their own information, which is unusual in the industry. "Some companies don't like customers to know too much," says Hayes. "If a customer asks them when their sites are due for an inspection the supplier can be reluctant to tell them as they'll assume the customer is thinking of going elsewhere. They'll even go and do the inspection earlier than scheduled as a result."

All this means Churches is not the cheapest. "There are a lot of fire security businesses that are one guy working out of his garage, who will service the local takeaway shop for £45 and a kebab," says Hayes. Churches can't do much with that level of price-driven customers. "If they are already on the lowest tariff but still want to negotiate the price, we have to ask ourselves whether we can afford to keep the customer," she muses.

There was a hotel group that refused to replace its time-expired emergency lighting. "We had to say 'sorry, but we can't service you any longer'," recalls Hayes. "That's because the customer's behaviour could have had a detrimental impact on our reputation." Most companies actively want to be compliant, she says. Some go above and beyond what's legally required – she cites Dairy Crest and the Royal Mail, who have fire tests monthly instead of the obligatory three months.

Of course when it's put down in black and white, a well-trained engineer is more likely to meet or exceed a customer's expectations compared to what Hayes describes as a pole pusher - someone who tests a smoke alarm by prodding it with a long stick.

Customers get free online training and an allocated engineer, and as Hayes estimates that 90% of face-to-face communication with customers is done through the engineers, efforts are made to ensure that they themselves are allocated managers they can talk to about issues which concern them.

"One engineer was upset because his KPIs results while he was working on a job for a county council were out of whack with what he thought they should have been – he'd done everything right," says Hayes.

"The engineer's proactive partner got in touch with the customer and it turned out there was an anomaly in the way they calculated the figures. It got adjusted and that put our KPI result up into the nineties, and we were able to email the engineer to say 'well done'."

Crucially, the system in place means the engineer has a means of channelling any unhappiness appropriately. Hayes tells of a personal experience which convinced her of its importance. "I had cable installed at my house and I was really excited. The TV guys asked me what I did and when I said I was in HR they proceeded to dump huge amounts of displeasure about their employer on me while I was sitting on my sofa trying to watch Friends with a cup of tea. My experience was ruined by these guys who were unhappy in their job, because they had nowhere to channel their problems.

"If you can make staff feel they're being listened to they will project that behavioural trait when they are with the customer. If your staff get fantastic service from the company, your customers will too."

## PUTTING YOURSELF IN THEIR POSITION

"Our approach to service is to try to put ourselves in the customer's position rather than just deliver what the systems tells us we should do. The over-riding consideration should be - what do we have to do to make it easy for the customer to decide to place more business with us."

The view of Chris Garrett, managing director of the Selwood Group, whose business can be described as international pump sales (international), pump hire (national), plant hire (regional).

"Equally," he says, "companies can't just assume that their people understand why they need to deliver to customer expectations. Service is about honesty. If you have said a delivery will be made at ten o'clock and then something unforeseen comes up which causes a delay, then communicate with the customer straight away. But how many companies wait for the customer to get in touch with them to ask what has happened? The reason is that people don't like to deliver bad news, and there is a sense that if the customer hasn't phoned, maybe they haven't noticed yet. That's not a basis for building a relationship with the customer, because for a relationship to be of value, it has to be based on being up-front and honest.

"One of the things we don't play is the blame game. We want our people to have the confidence to put their hand up rather than ignore a problem in the hope that it will disappear. We want someone to be able to say they need help to sort something out because otherwise there is a risk that the consequence will be an unhappy customer and the destruction of our

# Looking after the customer with

relationship with them. It's also important not to assume that the customer will know that you're sorting out the problem - keep them in the loop! The customer can accept mechanical failure but they are less forgiving of a failure to react in a way which is helpful to them. A problem should give you the opportunity to turn an ouch into a wow."

"Of course people can be trained in customer service but it comes down to an inherent combination of aptitude and attitude," suggests Garrett. "I can't write a policy to say that if a client has this particular problem, this is how you should react. Every company tells a prospective client that they deliver on customer service, and we can colour the picture with accreditations, but in reality, what happens is that the prospect likes the Selwood person who has been talking to them and that gives us the chance to demonstrate how we make a difference."

A real challenge is communicating the service proposition to buying departments charged with the remit of reducing cost. "We encourage them to do an internal customer satisfaction review, so they can appreciate the importance of service levels from the users of our service," says Garrett. "With one particular water company, where we work on a dual supplier basis, we have been the more expensive in terms of price for 95% of the work we have won."

"Managing the customer relationship enables you to know what is going on their business, and just because you know a customer doesn't have any work to give you at the moment, that's not a reason for not making contact, to ask how things are going. You might be told about something in the pipeline. On a transactional level, it means the sales person asking the customer when they actually need the product rather than when do they want it delivered, otherwise the answer is going to be first thing, and if you take that across our thirty locations, logistically it would be impossible to meet."

## WHEN PATIENCE HAS TO BE A PRIORITY

Imagine an elderly couple sitting in a field outside a mobile home enjoying a nice cup of tea. Mike Crouch, managing director of Marquis Motorhomes doesn't have to, because that's a typical image used by the sector to market its products.

Some 80% of customers are aged fifty-plus; as many as 17% are over seventy. There's a simple enough explanation. Working-aged people just don't have the time to use motorhomes often enough to justify the expenditure on something that can cost as much as a higher end luxury car.

The age profile of Crouch's customers mean they

tend to have both the money to buy the product (only 20% of purchasers use loans) and the time to use it to the full. Motorhomes, he says, represent "a new lease of life" for retired people. "They enjoy the active social side of having a motorhome, and the chance to travel and fulfil a dream and have adventures."

Sales-related conversations, he says, are about the customer's hobbies, interests, where they've been and what they're doing as opposed to the piece of metal on the forecourt and how it works. "It's not about the vehicle, it's about what the customer will do with it," says Crouch. "It's about engaging with the customer. For a major purchase, they want to buy from someone they like; it's not like buying a kettle, where if the sales person is unfriendly it doesn't matter so much."

One characteristic – and challenge – of an industry selling to older people is that most of the staff also tend to be of a mature age. "It's not a business that attracts young people," explains Crouch. "I don't think anyone leaves school wanting to be a motorhome salesperson and we can struggle to find young people who are enthusiastic about it. But with youth comes energy and in a seven-day-a-week operation you need energy. It's a young person's game in that respect. If a twenty-five-year-old comes here for a job we will ask 'how do you get on with your grandparents?' because that's who they'll be dealing with."

All this presents some interesting challenges in terms of delivering customer service: not least the fact that this age-group is not the most technology-savvy.

"Patience is a byword for us," says Crouch. "These vehicles are technically complex and can have up to 3500 components: fridges, heaters, beds, toilets. Some customers like things to be more simple, with just one switch! I have sympathy with that; I know what I'm like when I'm buying a car – it all goes in one ear and out the other."

With a view to minimising any issues related to misunderstandings over this technical complexity, the sales process is second-faced, meaning a more senior sales person will reconfirm what has been agreed. "We want to make sure customers understand," says Crouch. "This avoids issues down the line."

And, knowing that many of the technical attributes of the vehicle will have gone over customers' heads, the company carries out a "robust" three-hour handover.

"No-one will have the patience to read a manual that's this thick," says Crouch, demonstrating the width of a telephone directory. "They just want someone to talk them through it."

What helps to avoid customer confusion or anxiety is that some 80% of new sales are bespoke, which eliminates confusing choice. "It's easier if the customer simply gets everything they want," he explains. One spec, one price."

Crouch says that sometimes the minor 'imperfections' of the handcrafted vehicles can be a positive. "The training DVDs for this brand make a

## Looking after the customer with



Mike Crouch, managing director, Marquis Motorhomes

point of saying that imperfections are unique; they add character and personalise the vehicle. We need to get that message across.”

Staff are also encouraged to use the vehicles themselves so they have a shared experience and an understanding of why the customers enjoy the motorhoming and caravanning lifestyle.

Established in 1973, Marquis act as the retail division of the Auto-Sleepers Group, working alongside a manufacturing division, Auto-Sleepers Ltd. The manufacturing side supplies both Marquis and an independent dealer network, which makes the business a supplier, customer or competitor to virtually everyone in the industry.

“I like to think we’re unique,” says Crouch. “We are the largest multi-site dealership in the UK, and the only retailer aligned with a manufacturer. It also means that we have to deliver service to other dealerships which are competing with us.”

The group has 20% of the UK market for new

vehicles. As Crouch puts it, that makes the business “a big fish in an extremely small pond” (only 8000 new motorhomes are registered each year, compared with hundreds of thousands of cars and 20,000 caravans.)

To generate interest in the lifestyle, the company regularly attends owners’ club rallies and events. “We organised one at Paultons Park [a theme park] and put the motorhomes in their natural habitat of a field,” says Crouch. “And we got 1000 visitors a day – we might get fifteen couples a day at the showroom. A lot of them weren’t in a position to fulfil the dream of owning a motorhome but they still wanted to look and touch.”

Those who have fulfilled the dream will on average replace their vehicle, often to upgrade, every three years, so there’s an imperative for Marquis to keep in touch with customers with regular promotions and newsletters. “People are not bombarded but they receive sufficient information,” says Crouch.

Customer satisfaction is monitored through post-

purchase questionnaires, which get a 60% response rate – perhaps another indication of the leisure time enjoyed by many customers. With the questionnaire is included a copy of the complaints procedure.

“Our policy is that all complaints are reasonable; if a customer raises an issue it’s because they feel it’s with just cause,” says Crouch. “Our responsibility is to react as quickly as possible to investigate and find the root problem. If a customer rings with an issue, everyone in the chain knows about it and can discuss what happened and what needs to be done to stop it happening again. Usually complaints are actually the result of a misunderstanding of how to operate their mobile home. That requires diplomatic skills, which might mean for example, that we repeat the handover procedure.”

But one of the challenges in delivering customer service is that in an industry which doesn’t produce in volume, sometimes it can be difficult to get hold of spare parts. “Parts supply can be a frustration,” says Crouch. “If a shower tray cracks, for example, it’s not a quick fix; it can take up to ten weeks to get a replacement from the manufacturer.”

Crouch likens delivering satisfaction to a circus act. “We have all these plates spinning and if one begins to wobble we have to get it spinning again before it topples over.”

## THE FIRST WORD THAT NEEDS TO BE SAID

To misquote a phrase from a popular song, sorry should never be the hardest word; in fact, believes Ben Phillips, it should be the first word to be uttered when a customer is unhappy – even if it could be that they actually caused or contributed to the problem.

“If you start a conversation with the word ‘sorry’ that’s very disarming,” says Phillips, managing director of independent cookshop chain Steamer Trading, which has some thirty-three branches around southern England. “If someone comes in with a product that’s faulty we don’t know if they’ve been using it correctly; maybe they’ve put it in the dishwasher when they weren’t supposed to, or even left it overheating on the hob – but we start from the point that we say ‘sorry that’s happened, let’s see what we can do about this’.”

He thinks an unhappy customer can actually be an opportunity, because their pleasure at having the problem resolved is almost greater than that of the customer who doesn’t have a problem in the first place. So the occasional complaint is a way of turning a situation to advantage.

“With the occasional exception of those people who are being utterly unreasonable - and that’s once in a blue moon - if the customer gets a negative experience and they’re willing to let us know about it,

that’s fabulous, as we will turn it round and make sure they are happy,” says Phillips. “You can sometimes convert someone who’s unhappy into being a stronger advocate for you than someone who’s never had a problem.”

Phillips’ favourite anecdote to illustrate this point is about a supermarket customer who ordered a turkey for a dinner party. The delivery didn’t turn up at the time expected so the customer complained to the supermarket, which responded by sending the store manager around to personally deliver the turkey, getting it there in the nick of time.

“The store had messed up horribly,” says Phillips, “but the conversation at that dinner party was about what wonderful service they had given. No-one would have given it a moment’s thought if the turkey had turned up on time but everyone at that dinner party told everyone else, and by the time I got to hear about it, I was probably fourteen or so down the line!”

He goes on: “I like to quote that example as it’s not about Steamer Trading so I’m not blowing my own trumpet, though that is the sort of thing we like to do. Our approach is to go above and beyond, to think ‘how can we sort this problem out, how can we do the right thing?’ We say to staff ‘what can you do to make someone’s day really special and make them feel great?’”

Phillips tells of a disabled customer who contacted the company to complain that felt unable to visit a particular store as wheelchair access was difficult in a listed building with changes of levels internally. “We asked him what it was he had wanted in the shop and he said it was a left-handed bread knife. They’re not easy to get hold of but we sourced one; the only one in the UK. My father, who founded the business with my mother, took it to the customer’s house and said ‘try it, and if you like it pay us for it, and if you don’t, just give it back’. The customer was flabbergasted.”

Sometimes, as in that example, giving good service can mean not making any money out of a particular transaction. But that’s not the point, says Phillips. “Customer service is absolutely core. It’s the single most important thing, ahead of staff, product, location, anything. So we will take any action to ensure loyalty. In the longer term the customer will reward us for it. Customer retention is critically important. We have over a million purchases a year and we want as many of them as possible to be happy so they will result in repeat customers. If you lose one customer because they aren’t happy you also lose every other person they tell about it. Treating customers right and having them become our best advocates is super-important once you have acquired them.”

Not that product is under-played in terms of importance. Recalls Phillips: “I was sitting in an office above one of our stores, working on a conference presentation, and I could hear this group of excited people talking outside and one of them was saying

# Looking after the customer with

'I love this shop; they sell things here that I didn't know I didn't have'. I think that summed us up rather well and was a step beyond the usual 'things I didn't know I needed'. We're about a voyage of discovery, excitement and inspiration.

"The worst thing a customer can say is that they've been ignored or that staff were not interested in them. Feedback like that will be front and centre of the trading meeting on Monday morning and demands will be made of that store as to how they will rectify it."

Phillips gives an example. "One of our non-executive directors went into a store and found the staff having a conversation with a former colleague who'd called in. During that time they were not greeting or talking to customers. Our director went over and introduced himself and he could see the absolute horror and embarrassment on their faces. We will never let that sort of thing pass; we later had a meeting to explain to the staff how upsetting that must have been to the customers." Phillips says such action usually resolves the issue, but adds: "In some cases we have parted company from a member of staff where that kind of attitude was not an exception."

Turning to social media as a means of customers expressing their opinions and businesses responding to them, Phillips says that online reviews are by far the most important. "People filter out a lot of what's said on Twitter as they know people tend to go on there and make comments in the heat of the moment. But it's a fact that if a product has only one star on a review site you won't touch it with a bargepole, so reviews are super-important." He's pleased with Steamer's average rating of 98% on brand review site Feefo, saying some well-known retailers get far less.

Comments left on review sites and other social media get an individual reply and anyone complaining is contacted to try and resolve their problem. Phillips recalls a "bizarre" incident on Facebook. "We were getting average scores on our page of 4.5 out of 5, then someone gave us just one star, after writing a really positive review, so we got in touch and said 'you gave us a glowing review, did you mean to give only one star?' She replied that everything was great, the staff had been fantastic, but the delivery had turned up a little late." For that reason, he says, customer feedback sometimes has to be taken in context.

Steamer Trading have marketing people whose job it is to monitor the internet but he'll sometimes have a browse himself to see if he can spot anything that's negative about the business. He recalls particular incident that convinced him of the importance of knowing what's being said online about the company.

"Years ago we stocked cream whippers and they proved difficult to sell, but the gas capsules that power them were doing very well," he recalls. "We naively thought we had tapped into a latent market of people who already owned whippers and just needed the capsules. But one day I looked online and

suddenly found this drug user forum recommending the capsules; I don't know where people had got the idea to put these capsules up their noses instead of in a cream whipper, but they were saying 'you can buy these from cookshops and they don't even check your age!' They were taken off sale immediately."

The business has always presented itself as a series of individual stores rather than as a chain. But Phillips thinks now is the time to emphasise its size a little more and has begun to develop the company's marketing. "As online becomes more important, customers need to know they're dealing with a company that has resources."

This will help in the challenge faced by all bricks-and-mortar retailers in competing with online retailers. Bricks and mortar does have an advantage, he says. "Ironically the great weakness of online is the sheer breadth of product available, which can make it harder for the customer to make a choice, and especially the right choice. The store edits the huge offering to an exciting range that will entice the customer in," he says of its role. To this end shop fronts are important, and Phillips whips out his tablet and scrolls through a variety of pictures of Steamer store-fronts and window displays. "Shops have to look compelling and engaging, because people are naturally drawn to attractive things whether that be clothes, shops, even other people," he says.

And the next step in the customer journey is the in-store experience. "We take it increasingly seriously," says Phillips. "First and foremost we're about food, that's ahead of the products we sell to prepare and make the meal. Our long-term survival depends on us being inspirational in the kitchen space. A lot of people are passionately interested in cooking and and we have in-store experts they can come to for advice."

Phillips is adamant that 'educated and engaged' staff are a key component in the delivery of customer service, and whether the customer feels compelled to return. He wants all staff to be trained to that 'expert' level and with this in mind has hired a head of product training tasked with training one in three branch managers to be area training managers.

"They spent the whole of last week learning about knives," says Phillips, "and next they're going to our Bluewater store to meet Heston Blumenthal and learn about his cooking; then they're off to the Waitrose cookery school. They will gain a real depth of knowledge which they will cascade down to their staff, who will then communicate it to their customers."

Phillips says this is vital in selling complex and varied products such as coffee machines. "If you walked into our Bluewater store we would show you twenty different ways of making coffee: do you want a way of making a quick coffee before you go to work; or to brew coffee for a dinner party; or a machine to use on a Saturday morning when you have a bit of time? You need someone to show you the options, show you

how to use the machine, ask you what kind of coffee you like.”

If someone were to buy a coffee machine online it's likely they would be disappointed with it, he posits. “You wouldn't have access to that knowledge,” he explains, “and the machine you chose might not do what you're hoping for; it would end up gathering dust in the corner. It's the same with knives. I challenge anyone to make the correct decision about a knife unless they have handled it, felt its weight, know it's comfortable in the hand and been shown how to sharpen it. You often see very cheap knife blocks for sale but they will give you no joy of ownership.”

All this goes hand in hand with in-store 'theatre' provided through product and cookery demonstrations – with coffee machine sales aided by the aroma of coffee brewing, for example. This kind of thing, says Phillips, gives the bricks and mortar stores an edge over online retailers with their lower overheads. “We have to give people a reason to come here,” he points out. Which is just as well - while Steamer's website is a growing part of the business, their shops themselves account for by far the most significant percentage of sales. For the moment. “We're good at collecting customers' details,” says Phillips, “traditionally through prize draws and now increasingly at the point of sale. We have 590,000 on our database and that's rapidly increasing.”

But he admits Steamer Trading under-utilises the information. “We under-utilise those details. What do we do with them? We communicate with the annual Christmas catalogue and emails about special events or new products, but there are plans to develop a much greater level of dialogue with customers including soliciting product reviews. But we're anxious to avoid bombarding customers with unwanted and uninteresting information.

“I suppose a retailer might think that constant communication equates to customer relationship management, but it must result in loads of 'unsubscribes'. You have to give the customer genuinely useful information.”

## HOW TO COPE NOW THAT WE ARE ALL BECOMING MUCH MORE DEMANDING

Whether as a consumer or as a business specifier, we're all becoming increasingly demanding,” says Rowland Dexter, managing director of QGate Software, the customer relationship management specialists. “We're more aware of what good service is – and what we can do about it if we don't get it.

“The internet has made it possible for disgruntled customers to make their feelings known to a wider

audience. They don't have to go to the trouble of writing a letter to the CEO any more - they can vent their spleen by dashing off a knee-jerk one-star product review or a quickly-written Tweet. ‘Word of mouth’ no longer means an individual grumbling to friends down the pub; it means communicating dissatisfaction to potentially hundreds or thousands of others.

“That's as true of B2B customers as of everyday members of the public. So anyone who has to deliver customer service should have a heightened awareness based on whether they're receiving good service in their own interactions as purchasers.

“But having said that, not all successful companies appear to focus on customer service. Some airlines and telecoms companies, notably, seem to do well despite a marked lack of emphasis on pleasing the customer. So businesses can prosper without having especially delighted the customer; however, they probably have a product that people want regardless, and their conversations with the customer will only ever be about price. Their customers will be fickle and will be off at the first sign of a unilateral price rise.

“Most of us actively want to retain as well as attract business, and we know that customer service is the differentiator that keeps the customer engaged after - or despite - the conversation about price.

“Some companies don't seem to support their customer service ethos through strategy or processes as much as you might expect. Their approach is in a sense instinctive rather than mandated; they rely on having individuals within the business who are proactive enough to define what customer service means, interpret what behaviour should stem from that definition, and implement it.

“There's no doubt that sometimes this rather piecemeal approach can work well: where intelligent and proactive staff are given free rein to pursue the vague but honourable ideal of great customer service it can indeed lead to good results, delivered with individualism. But arguably it's open to inconsistency; a lack of follow-up monitoring means there are imprecise checks and balances and the message that customer service is important might not be shared throughout the business at all levels.”

For Dexter, customer service isn't something that top management can delegate; it has to be a part of strategy and vision and actively demonstrated from the top down as an intrinsic element of the business's operations. Customer service is as important as anything else in the business plan; it has to be part of the core strategy, not an adjunct, he says.

“That's not to say the day-to-day implementation of the customer service function shouldn't be handed to a named individual to manage, provided they are given the time and authority to carry out the role effectively and given that they have customer service written into their job description and KPIs. But the board needs to be right behind that individual, supporting them and

# Looking after the customer with

spreading the customer service message throughout the organisation.

“There is an understanding that everyone has a part to play in ensuring customer satisfaction. But that means conveying the message to product designers, factory operatives and accounts staff as well as to those in directly customer-facing roles.

“A common thread is that successful businesses recruit with customer service in mind. We all know how hard it can be to get good people and it’s easy to feel grateful that you’ve managed to hire someone with the right technical skills and experience to do the job day-to-day. But not everyone has an attitude that’s aligned to a corporate focus on customer service.

“Some businesses would even prefer to hire someone relatively inexperienced but whose attitude aligns with the company’s culture – and train them in the practical elements of their day-to-day job – than someone who looks great on paper but who has the wrong attitude. Skills can be learned, but attitude, they argue, is ingrained.”

Interestingly, some companies seem to understate the level of customer service they offer, Dexter suggests. “Sometimes that’s because their customer satisfaction measurement tools are unsophisticated so they just don’t realise their service levels are exceptional; or typical British reserve makes them uncomfortable with what they perceive as boasting; other times it’s because great service is so embedded in the culture that they think it’s perfectly commonplace.

“Some, I’d suggest, need to blow their own trumpet a little more. Being recognised for delivering good customer service – not just talking about it - means that conversations with potential customers become less focused on price.

“Measurement is a key part of this whole process so that companies can track the level of service that’s being provided and get an accurate steer as to whether their customer service is good, bad or indifferent. Customer service-focused businesses never make the mistake of second-guessing what the customer wants or how they’re feeling. They find out the former – through market research and personal contact - and they ensure they get feedback on the latter – whether through simple phone calls, questionnaires or the net promoter score system.”

Dexter readily admits he’s not a wholly unbiased observer. “I’ve approached this report with the fundamental belief that customer relationship management systems are a desirable and valuable element of the whole customer service process,” he avers. “I believe that companies that don’t have some kind of CRM will be hampered in their ability to provide customer service of the level they should – and would like to – be giving.

“I’d estimate that around half of businesses have some form of customer contact database, but many of those are manually intensive and not efficiently

shared so they don’t create a collective benefit for the business as a whole. The really successful businesses are those where CRM is not viewed as the ‘property’ of marketing or sales but as a centralised communication tool that will be of key importance to the business as a whole if used properly.

“Crucially, of course, while CRM systems can enhance customer relationships and customer service they can never replace them. CRM is an enabling technology that provides the data and administrative discipline to offer improved customer service – the best companies continue to strive for the personal relationships that in a digital world can really set them apart from the pack.”

## Reference

QGate Software  
Specialist CRM and business intelligence consultancy.  
[www.qgate.co.uk](http://www.qgate.co.uk)

Becktech - [www.becktech.co.uk](http://www.becktech.co.uk)

Churches Fire Security  
[www.churchesfire.com](http://www.churchesfire.com)

Colt Group - [www.coltgroup.com](http://www.coltgroup.com)

Cotswold Fayre - [cotswold-fayre.co.uk](http://cotswold-fayre.co.uk)

Landscape Group - [www.laserjet.co.uk](http://www.laserjet.co.uk)

Leightons Opticians  
[www.leightonsopticians.com](http://www.leightonsopticians.com)

Lucketts Travel - [www.lucketts.co.uk](http://www.lucketts.co.uk)

Marquis Motorhomes & Caravans  
[www.marquisleisure.co.uk](http://www.marquisleisure.co.uk)

Morgan Contract Furniture  
[www.morganfurniture.co.uk](http://www.morganfurniture.co.uk)

Portsmouth Aviation - [www.portav.com](http://www.portav.com)

re:creation - [recreationltd.co.uk](http://recreationltd.co.uk)

Selwood Group - [www.selwood.co.uk](http://www.selwood.co.uk)

Serocor Holdings - [www.serocor.com](http://www.serocor.com)

Stackhouse Poland  
[www.stackhouse.co.uk](http://www.stackhouse.co.uk)

Steamer Trading - [www.steamer.co.uk](http://www.steamer.co.uk)

Taylor & Goodman Group  
[www.taylorgoodman.co.uk](http://www.taylorgoodman.co.uk)

# Looking after the customer with

QGate Software Ltd  
[www.qgate.co.uk](http://www.qgate.co.uk)  
[info@QGate.co.uk](mailto:info@QGate.co.uk)

UK Headquarters and Rest of World

D2 Fareham Heights  
Standard Way  
Fareham  
PO16 8XT  
Tel: +44 (0) 1329 222800

US Headquarters for the Americas

2843 E Grand River Ave #212  
East Lansing MI 48823-6722  
Tel:: +1 (517) 853-1214

Digital book written and published for  
QGate Software Ltd by  
DECISION magazine  
[www.decisionmagazine.co.uk](http://www.decisionmagazine.co.uk)