

Customer-Obsession

Service recovery is smart strategy.



by Lina Henricksen

CUSTOMER-OBSESSION takes customer service beyond lip service by making it a vital element of the culture, mission, values, and strategy. The purpose is to provide customers with the most memorable service experience and achieve a powerful differentiation from competitors.

Customer-obsession is not a program. If you treat it as a program, you will only pay it “lip service” or provide another *flavor of the month*. Customer obsession is a value and ethic in the sense that you think of it as “doing the right thing for the right reasons.” It is the way you choose to do business.

If you hope to create a customer-obsessed culture, you need to be serious about service recovery. When something goes wrong in a customer encounter, the moment of truth has arrived. Whether the problem is big or small, your response to a service failure can make the difference between losing a customer and gaining an enthusiastic



supporter. It's not about whether the customer is right or wrong—it is how you react to and handle the person and problem that matters.

Service recovery is the process of making things right after something has gone wrong. It's what happens after the “oops,” and it's what makes all the difference between angry, disappointed customers and radically loyal ones. Service recovery is a powerful tool that brings customer obsession to life. Who needs it? Any business that ever disappoints a customer. In other words, every business.

You bring customer obsession to life

by creating and using your own service recovery system (SRS) for responding to service failures. Your SRS should improve customer and employee satisfaction and enhance financial outcomes by exceeding customer expectations, empowering employees, and reducing complaints, grievances, and lawsuits. Before your front-line staff can execute the SRS, they must see that service recovery is a priority for senior leaders. When front-end service employees feel that “senior managers do not understand this” or “they tell us what to do, but they never walk the talk,” they won't feel supported in their service recovery efforts. To gain their commitment to customer obsession, leaders must empower them, model service recovery behaviors, and reward behaviors to exceed the customer's expectations.

Before you can put your service recovery tools to work, you must locate and identify your customers' concerns. Few unhappy customers ever take the time to voice a complaint. Most simply take their business elsewhere, creating negative publicity for you. To avoid this, you must create a culture that welcomes—even invites—complaints and views them as gifts. Customers are more likely to share their concerns when you establish multiple channels for reporting a complaint.

- Any staff member who spends time near customers—in rooms, hallways, elevators, dining areas, or wherever your customers are—should be trained to listen for complaints and respond appropriately. These employees can make a powerful impression by showing concern for all of your customers.

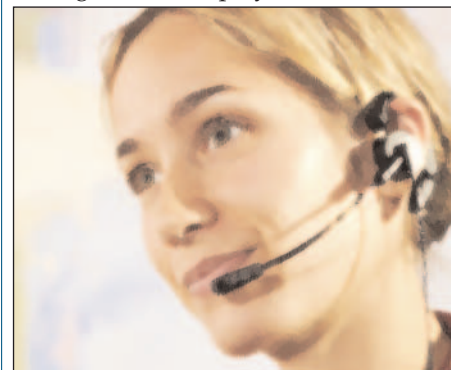
- Provide a non-confrontational option. For those who are more comfortable sharing a complaint over the phone than in person, offer a customer-complaint hotline. For even greater impact, have the CEO or administrator write a letter giving his home phone number for a dissatisfied customer to call.

- Let customers know that you have a system for receiving and handling complaints so that they don't feel that they are wasting time reporting a problem.

Your SRS should empower employees to make things right for the customer. I recommend creating a cross-functional

recovery team and tasking them with making recommendations for the service recovery philosophy and policy, including what people need to recover a service failure, the level of authority, and how to track and trend concerns raised by customers to prevent the same service failure from happening again.

At Baptist Health Care, every employee is allowed to spend up to \$250 for service recovery per incident. Managers trust employees to make the



best decision in the eyes of the customer. Employees feel ownership of the customer's satisfaction because managers recognize that no one knows better how to respond to a service failure than the people handling those situations. I recommend that you create an acronym for your SRS that makes it easy for people to remember what to do. The cross-functional employee team at Baptist Health Care developed the ACT acronym: *Apologize, Correct, and Trend*.

In a customer-obsessed organization, service recovery intervention creates a radically loyal customer base. Customer complaints turn into opportunities—employees can't wait to use their creative talents to recover, wow and create customers for life.

Effective service recovery empowers employees to take quick and decisive action when something goes wrong; creates a base of radically loyal customers who provide valuable word-of-mouth advertising; prevents the negative word-of-mouth advertising that inevitably comes from dissatisfied customers; and shows you are serious about offering superior service.

You are only as strong as your weakest links, and how you deal with service failures shows who you are and what you stand for. For an organization obsessed with its customers, every service failure provides a wonderful opportunity to live up to its values and truly be of service.

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ACTION: *Become customer-obsessed.*