



# ONLINE COACHING 2014

## Session 10 – After Sales Follow-up

*A time-stamped transcript*



M O V I N G   Y O U R   B U S I N E S S   F O R W A R D

## Speakers

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TIM FORD

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ATHOL QUINSEY

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LOGAN CURRIE

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**GUEST SPEAKER:**

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BILL CARROLL

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## Transcript

A time-stamped transcript to assist you when searching for a particular part of the presentation

[00:00:00.00] [MUSIC PLAYING]

[00:00:17.21] TIM FORD: Thank you for joining us today for Process 10 of the Money Making Machine, After Sales Follow-up. My name is Tim Ford. I'm with the In-house Coaching Programme from the States. And I have joining me today on a panel, two individuals that some of you may know, Athol Quinsey and Logan Currie.

[00:00:35.96] And I'm going to ask each one of them to give you a brief overview of themselves and their company, and why they're here for this session. Athol? Give us a little bit about yourself.

[00:00:43.96] ATHOL QUINSEY: Thanks, Tim. Athol Quinsey from Wollongong. I'm involved with a company called Moduplay Commercial Systems. We manufacture commercial play equipment for schools and councils, property developers, that type of client. After sales service is very important in our industry, particularly due to the nature of the product.

[00:01:03.41] With children playing on it, it's very important that the product's well cared for and the customer has what they need when they need it. So I'm very glad to be here and to speak with you today.

[00:01:13.75] TIM FORD: And how about you? Can you give us a little insight into your business today, too?

[00:01:17.07] LOGAN CURRIE: Sure, Tim, I can do that. My name's Logan Currie from Tauranga. The company I'm involved with is in the health care industry. We supply equipment to the aged care market, which involves nursing homes, and also home-care market, which is for the aged and disabled.

[00:01:31.89] So in our industry, obviously, every piece of equipment we supply is used by an individual. Which helps their life, might be helping to get out of bed in the morning, might be their mobility, could be their freedom. So after sales service is absolutely vital, we can't drop the ball in that area, so it's something I'm very enthusiastic about. So, great to be here today.

[00:01:50.71] TIM FORD: Great, thank you. We also have joining us remotely, Bill Carroll, another one of the In-house Coaching members, who's going to give us insight from companies that he's been dealing with, and some of the key areas that he's found and is focusing on in the coaching process. Why is this important? We believe that this segment is the key to you getting the next order, the one that you haven't got yet, and what will continue to help your company grow and go forward.

[00:02:19.26] So let's talk with Bill first, and get his insights. Bill, can you give us some updates and some information on what you're finding as critical issues in the companies you're dealing with?

[00:02:31.23] BILL CARROLL: We have four touch-points that we have with our customers, And by that, I mean the times we interact with them at key junctures in the relationship. The first one is the marketing messages that we send to them, for prospects who don't know us yet, that's the first indication they have of who we are, and who we might be of value to them.

[00:02:48.94] Secondly, if we have a telemarketing function, the phone call, that interaction is the second time we touch the prospect. Thirdly, when our sales person interacts with them and hopefully closes the business, that person-to-person relationship is the third, and a critical step in the times that we touch the customer and hopefully influence them to purchase from us.

[00:03:09.35] Lastly, the fourth is the customer service after the sale has been closed, where the customer now has an interaction with the product, not just with us. And that's a fourth critical touch-point that we have with the customer, and that's where I'd like to focus in on the three major hurdles, which I believe confront most of our businesses today with providing a more valuable, sustainable customer service function.

[00:03:34.54] The three hurdles, typically, are that businesses may not be sufficiently recognising the importance of the customer service function after the sale is closed I see evidence that they're not adequately staffing the function for the fullest responsibility that it bears, and then lastly I might suggest that ownership itself is not fully engaged in this dimension of their businesses.

[00:03:57.32] TIM FORD: Thank you, Bill, for that intro, but really can we drill down into some of these issues that you're finding? And the first one is what you're calling the critical issues that you're seeing in these companies?

[00:04:09.62] BILL CARROLL: Well, the lack of recognition as to the importance of this dimension of the business is – kind of first began back in 1994. There was a Harvard Business Review article the really spawned the whole CRM industry that we know it today. And it's a huge industry today. And what they reported back then was that a 5% increase in customer loyalty could generate anywhere from 25 to 85% improvement in profits as a consequence of that.

[00:04:39.92] And as you can tell, the power of that customer loyalty, the customer service relationship that spawns that loyalty, is a direct relationship to profit. And that really created this whole spectre of tracking, segmenting and understanding our customers at a level of detail that previously we had not done. Additionally, I've always operated by the rule that if you aren't getting 65% of your business from repeat customers, you are running uphill.

[00:05:08.20] That in order to continue to sustain your business to grow it, you really needed to have that amount of your business as repeat. And the only way to do that is to attend to customer loyalty through the window of after service sale. One last point about that is that in

2012, there's a global American Express survey, a barometer, if you will, that they issue on a regular basis.

[00:05:31.01] And there were some fairly alarming statistics that were reported in 2012. One of which was, that we all need to bear close attention to, is that 55% of the customers surveyed reported that a bad experience with the product or service induced them to walk away entirely from the relationship.

[00:05:50.66] And I think that when we recognise that we're all human, we're all going to fail from time to time, but our relationships – our customer relationships, look to us to see how we deal with the instance of failure. And how we look after them when we have failed, or when the product has let them down. It's perhaps the most important indicator of the power of this part of our business.

[00:06:11.79] TIM FORD: And so Bill, let's go into this staffing thing that you're talking about as a critical issue. Tell us what really you're seeing, what you think is important, so that we understand what staffing issues are in the companies.

[00:06:23.78] BILL CARROLL: Well, it seems to me, from my experience, that the after sales customer service part of the business is often staffed with people who didn't necessarily fit into another part of the business. I think that that needs to be turned upside down. I think we have to seek out and find people who fit into this function as opposed to selecting people who didn't necessarily work out somewhere else.

[00:06:49.86] I think we need to look for people who have a disposition of calmness, of empathy, because they're going to hear trouble. The reason, typically, for the customer to be calling in is that their interaction with the product or service has let them down. And they're calling with a sense of disappointment, agitation. And so people who receive that incoming call need to understand that's what's coming, why it's coming, and to be able to personally deal with that.

[00:07:20.79] We also need to train people better for this responsibility, once we've selected the right folks for it. Keep in mind that what the customer has now interacted with is the product. And so product knowledge is a central component of being able to staff this and respond to the customer adequately.

[00:07:41.34] And also remember that there's a problem that has occurred, so problem-solving skills is another central characteristic. So the ability to know the product, how the customer is interacting with the product, what it's intended to do for them and why it hasn't, and how to make that right is the skill-set that needs to correspond with the type of person who can perform this well for us in our businesses.

[00:08:08.36] TIM FORD: Thank you Bill, for that. And finally, could you give us a little more insight into this ownership, and not being fully engaged, and why that's important?

[00:08:17.15] BILL CARROLL: Well, when you consider as we've said that oftentimes this function

has been staffed with people who may not have necessarily fit into another place exactly right, it's no wonder that ownership is, in many instances, not paying the proper amount of attention to this task within the company. And what I recommend to them is to actually get personally engaged.

[00:08:40.00] To spend an hour or two on the phone, sitting in place of the people who perform that work. Not necessarily revealing who they are, but just simply experiencing a) what the customer experience is and hearing it first hand, and b) learning what it takes in your company to be able to field those calls and deal with those problems effectively.

[00:09:02.02] So there's two sides to that coin. That the ownership needs to become closer, familiar with - and by so doing, it can engender the right level of staffing, and it can also bring about the kind of trust index. In many instances, in family-owned businesses, it's difficult to trust. And oftentimes, it's because we don't know well enough what to trust.

[00:09:27.84] So if we engage ourselves fully into the task, and experience it as others do, we can learn the components of trust that will allow us to staff it adequately and drive it with the level of importance than it really represents for our business, and the kinds of returns it can provide us over an extended period of time.

[00:09:46.35] TIM FORD: Thank you Bill, for the insight. And so, now we want to move into, what are some of the things we're going to cover today? Bill's given us great information on different surveys and different numbers that show there's absolutely a big importance and a big reason that you as an owner, and as workers in the company need to understand customer service's role.

[00:10:08.35] So today, there's four key areas. First one is know your customer. We're going to delve into, what's that really mean, when we say know your customer? Bill talked about - this is an era where knowing customers and understanding them is at an all-time high, and an all-time importance. Then we're going to go into establishing a process.

[00:10:28.50] It's one thing to talk about customer service. We're going to outline a process, maybe a starting point, maybe a more detailed one, but what we think process means in customer service. Then, Bill once again brought up training. Do we have the right people? And do they really know what they're doing? And have we really made it where they can be successful? And is the company building on successful long-term customer service, and a customer loyalty program?

[00:10:58.69] Then what we're going to go to next is what I call managing variance. What does managing variance mean? What I believe is, we should be not striving for the 90%, and the 4% failures, but we should be at 100% of what we're attempting to reach. And anything below that is a variance off of the target of our company.

[00:11:20.47] I just finished up with a company last week where they were giving me great stats they thought of. We're at about 90% success rate and shipping complete, and we really only have

about a 3 or 4% defective rate. And when I asked them if the sales guys would be willing to make those statements in their presentation – if we sell to you, you can expect a 90% level of service and shipping, and probably the products you receive will only have about a 4% defective rate?

[00:11:47.68] The guys said, well why would we ever say that? Nobody would buy from us. That's my point. Those people that you don't get at 100%, have 100% failure rate. And what we need to be able to handle is, what happens when we aren't at 100%, and how do we respond to those areas and those issues?

[00:12:05.53] So the final, then, is follow through. We can have great programs, great process, we can have great trained people, but if we don't follow through and make it part of the culture of our business, all of the other pieces of customer service that we're outlining has little or no value. And really, now we want to take some of what we've heard in the first part of this introduction, and let's put it into action.

[00:12:32.79] First of all, know your customer. Why is that important? Why does customer service have anything about the customer? I thought they were only handling problems. We want to get to the point of knowing our customer, and how our customer does business, and why that's important, and how we can react to any of the concerns that they may have.

[00:12:51.90] May not just be a product failure. It may be other areas that we've let them down in their expectations. Do we really know how their receiving departments work? Maybe we get a call because our pallets didn't come in correctly. Or we delivered to a wrong location, or invoices were wrong. There's a whole host of customer service issues that we need to be able to address that are related to really understanding our customer.

[00:13:17.68] Their expectations are higher than they've ever been. And we've, in our discussions, have really come up with, I think, a great overview of what that means of knowing your customer, and the importance of knowing your customer quickly. Athol, we've talked about this, and you put together a great sheet here and some great information just on the changes you've seen in the marketplace, even in the last few years. Can you share that with us a little bit?

[00:13:43.74] ATHOL QUINSEY: Yes, Tim. Don't you think, in the last few years, the whole sales process has changed? So we've got this massive shift, from before the sale to after the sale, as being the point of focus now. The internet has changed everything. People can educate themselves, about our products, about our company. How many times have you been talking to somebody on the phone, and you've looked them up on the internet while you're talking to them? I mean, it changes the dynamics of the whole sales process.

[00:14:09.68] So now, by the time the customer comes to you, they know more about you than they had ever done before, they know more about the product, often more about the product than the salesperson might even know, because of their research. They're coming to you late in the game. So what it means is, the shift in emphasis goes from presale to after sale like never before. Does that make sense?

[00:14:32.46] LOGAN CURRIE: Absolutely. You had some stats, didn't you Athol, about cars, new cars being bought now, and the way they're researched so much beforehand. Can you just share that with us?

[00:14:40.83] ATHOL QUINSEY: Well that's the thing. These days, when you go into a car yard to buy a new car, it's quite often the case that the buyer of the car knows almost more about the car than the guy selling it. Because of the amount of information that's available to the consumer, presale, it's just changed the whole scenario.

[00:14:57.95] So the salesman nowadays is really interacting with the client at a much later stage. I'm sure we've all found that in our businesses at this point.

[00:15:06.15] LOGAN CURRIE: Do you think also that a lot of that research would involve referrals and testimonials? And referrals and testimonials come from the after sales service, not the before sales service. That highlights importance, doesn't it, of the after sales service?

[00:15:17.89] ATHOL QUINSEY: Absolutely. And what we're finding too, is that – I'm sure all other business owners are finding this, the last five to six years have seen a lot of the dead wood cut away. So poorly performing companies have dropped out, and what's left tends to be fairly good competition. Healthy competition, they know their stuff, and once again, that shifts the focus to after sales service.

[00:15:40.20] TIM FORD: Don't you think it's also there's less customers? And so the competition within the customer base – not just the guys selling, but the guys that are buying, all levels, all have the same access to information. So you can't just hide anymore and hope things are going to work out. Somebody wants your business. So once again, let's talk knowing your customer, and why that's important.

[00:16:02.11] If you don't really know your customer, and you don't know what he needs, how do you see that fitting in, to kind of your whole diagram, and what you're talking about? Can you walk us through that diagram a little bit more?

[00:16:14.20] ATHOL QUINSEY: Thanks Tim. So the diagram we've come up with demonstrates the pre-internet sales process, and the after internet sales process. Or shall we say, the post-internet sales process. So, pre-internet, we had a long engagement period before the sale was made. And during that period of time was when you could traditionally make a big impression with the client.

[00:16:35.15] Be it time that you got back to them with your quote, your interaction with them, the way you handled them during that phase was very important. Now, after the internet, or during the internet era, shall we say, we've shortened that process right up. And this means there's much less scope for interacting with the client prior to the sale.

[00:16:56.07] In my book, that means that the focus has now shifted to this area, we can see, as after sale is being more important than ever. So often, Tim, the greatest opportunity we have



now to impress that client is after the sale is made. Bringing us back to this whole session on after sales service.

[00:17:13.26] TIM FORD: Yeah, and that takes us to really understanding why they bought to begin with. If they did all the research, there's some really important information that we need to understand that got them to the decision point. Because as you said, we've lost some of that feedback that we would have normally got in that whole selling cycle.

[00:17:30.55] And salesmen don't have as much time to really build this out, so customer feedback and knowing our customers plays a big role. Maybe not for the sale that they made, but really for the next sale, and helping tune our stories to where we can really know the customer's needs.

[00:17:47.30] So Logan, how do you find new customers in the industry? And how would you know where they're at? If the customers are researching us, what are we doing to research the customers and know them better?

[00:17:59.67] LOGAN CURRIE: I think that's a great point, Tim. I mean, very critical that you know your customer. And within – everyone can think, well if you think of your own industry - or you think the industry you're in – we think all the different customer types you have in that industry, you might have a corporate customer, you might have a little independent boutique customer.

[00:18:17.09] Maybe wholesale markets, maybe reseller markets. But you've got to know your customer to be able to offer professional after sales service. Because they do things different. I mean, it could be your invoicing systems, it could be their procurement systems, it could be a whole host of different things. But you have to understand your customer, you've got to know them, so you can provide that level of after sales service that makes that customer become a customer for life. Because that's what it's all about.

[00:18:40.39] TIM FORD: Exactly. Bill was talking about the importance of retaining customers, and how that should be at least 65% of our business. And we're going to talk about that some more as we go through this session. So let's go to step two, establish the process. And why is that important?

[00:18:57.80] It's easy to talk about, and we have meetings, and it's, yeah, our process is something. But if it's not clearly defined, and everybody hasn't really been bought in, or brought in, or trained, we really don't have a process. So customer service, as critical as it is, needs to be a process that is part of the culture of the company. And it really is from top to bottom. So we want to clearly define what that means when we create process.

[00:19:25.79] And where does everybody fit in the process? What's their role and their responsibility? Then, going back to what Bill said, we can begin to train, and we can assign who is the critical person. So let's take this, Logan, visibility, the core customers, and just some of these parts that we were talking about, a process, give me a little of your thoughts on that.

[00:19:47.95] LOGAN CURRIE: It's good, Tim. You asked me a question, didn't you? You said, what

keeps me awake at night? And I find that very searching. And I had a bit to think about it. And I was thinking, well, what about the unknown? What about the 96% of complaints you don't hear about? What about those? And what about the 4% you do hear about? What are we doing with them?

[00:20:06.34] I was just thinking, well you know, you've got your customer service team there, the handling it might be coming through various areas, but are they – is there a forum where they can elevate these to the key account managers? Maybe the salesmen? I mean, you think maybe the principal of no surprises, a key account manager goes to see a critical customer, and they get riled about an issue they had, and he may not know about it.

[00:20:28.41] And it's just their process, now thinking, would be a good challenge – do we have a hole in the system where we're not feeding that information from the correct parties right through the chain, so everyone is aware of it that needs to know about it? And I think that was very enlightening, really, when you start, really – that thought process of what keeps you awake at night.

[00:20:49.24] TIM FORD: And that's, I think, what we need to think is, it's about the customer. And that takes on a lot of different faces within your business, and within your entire group, of, it's the customer were concerned about. It's customer service, it's not our business, and how do we protect our business.

[00:21:07.55] It's like having a problem product. Do we do we address the product, or do we hide from the product? And that means, do you have the right people, or the best people in place to make these programs work? And so Athol, tell us a little bit about how you see the right people, right positions, the importance of that in your company.

[00:21:26.06] ATHOL QUINSEY: Well, it's just what Bill was speaking about before, in the earlier session. It's all about not leaving customer service to just anybody in the team. We need to be focused on having the right people in that role. So we want to be very careful. We're not just putting people there that may not fit in any other role. They need proper training, as we've said, and they need product knowledge.

[00:21:49.11] So what's a customer need when they ring up? They need answers. And they need them fast. And they need to be speaking to somebody that is empowered to act, that's my point. They need to be empowered to act. So we need – even getting back to a process, a workflow process.

[00:22:05.72] When a service enquiry comes in, how does the receptionist handle it? How can she get that to the right person as quickly as possible? And that person's empowered to act, and has the knowledge that's needed to answer the questions and put things into place so that problem is resolved quickly.

[00:22:20.97] TIM FORD: That's great. What you just said leads us right into our next section, which is training and coaching. And we really need to think through the training and coaching, of, do we have the right people first? Which is what you're talking about. Do we have the best

people? But once we get them there, can we train them and make them successful in what they do?

[00:22:38.27] And that's really a cultural issue as much as anything. Do we really want people to be successful, and do we want to empower them to be successful for the company's sake? And I think I think that's really a question we have to ask each other. And as leaders, we have to make sure that this is a priority. Bill once again brought up that in the companies he's working with, the priority of customer service sometimes isn't started at the top.

[00:23:02.55] And so, to get going and get out there, and get people trained and really ready to do customer service, first we need to get a culture inside the company. But I also like to find out where we're at by getting out of it – basically, the trench we're in and going.

[00:23:19.63] We've talked about, have you ever ridden out lately on a delivery? And have you done deliveries with people? And have you been out on the playground? So give us a little thought on just what it means to get out of the trenches.

[00:23:30.35] LOGAN CURRIE: What I think is it should be goal for everyone on the management team, senior management team, to get out there and get into the trenches. Might head out on a sales delivery, you might go out on an install job, could get one of your key salesman. Could be anything, you could be out packing a parcel out the back.

[00:23:45.28] But I think what you said about finding internally what's going on. I mean, there's one half - find out about our customers, what about actually internally how we're managing the process, isn't it? And that's where the training comes in. And if you're not out there, and finding out, as a senior manager, you're not going to know, are you?

[00:24:01.28] TIM FORD: Exactly. Same for you, out on the playground, and your customers...

[00:24:03.96] ATHOL QUINSEY: Well that's the thing. I mean, if you're not moving in the actual field that you're operating in, you'll never pick up what the clients really want. And what's really going wrong, firsthand. We make a habit of getting around to our projects after completion and checking things have been done correctly. Obviously getting photographic records, for our brochures, et cetera.

[00:24:24.55] But it's a good opportunity to get out there. Find out what's gone right, what's gone wrong, what things might need addressing by the service team, and then tracing that back through the system, to make sure that things are put in place to correct them before they happen.

[00:24:38.05] TIM FORD: Exactly. And that's a key part of making customers really know that you're in touch. And if you're finding a problem before you even knew there was a problem, or before the customer knew there was a problem, and fixed it then – now you're getting proactive.

[00:24:54.18] And that's what you want. All of employees to take that same role, of how do we be proactive? It also brings us to the question, if we empower employees, and we challenge

them to do things right, and if they were to corner management on an issue that they saw was a problem, would management really want to take care of the problem?

[00:25:12.28] And I think those are the things that we have to be ready for in this whole change of culture. If we start a cultural change – and we'll come up with what culture really means, and you have some thoughts on that – but if we come up with a cultural change, means that the management has to adopt it, and has to live it every day.

[00:25:30.65] If we don't, we'll never get a cultural change. Because you were talking about, what's that really mean? What's cultural change, and how do you make a cultural change in a company?

[00:25:39.42] LOGAN CURRIE: Absolutely. I mean, it's very interesting, the word culture. We can use it quite lightly, can't we? Culture change, and changing cultures. It's very easy to say, but research has been done on what actually is culture. Culture is when you get a group of – maybe group of people, in an organisation. Or maybe the leader of the organisation, but they come along and identify that things happening, and the way we're doing things aren't right, say you should come to a clear judgment of that.

[00:26:06.56] And as a team, they need to work on ways and values to how they're going to fix it. So really it's a case of really getting the full buy-in of the team, and then from the top so the bottom, living it. And it's really – we'll use the word DNA, get into the DNA of the company. It's not something that's just going to put on a piece of paper, put up on the wall, this is our new culture as of this morning.

[00:26:28.94] You know, we've actually got to live it. You've got to turn up at work - is the boss, is the CEO, is the management team, when they're walking around in the business place, do the staff see them having after sale service culture? Do they they see them living it, breathing it, eating it. But you have a great story, Tim, of telling us how not to build a culture.

[00:26:46.90] TIM FORD: Yeah, I was saying, we talk about the phones, and Bill brought up about the person answering the phone, but it's kind of like, the person that calls and has got a problem, and the girl answers the phone, or the guy answers the phone and takes a name, and asks some questions and obviously doesn't really know what to do on fixing it.

[00:27:08.00] So she says to the person, let me get somebody that can take care of it, dials somebody and passes the call to that person. And it's unfortunately the wrong person, who then asks the same question of the name, and the company, and the problem. And then decides well, I'm not the guy, but I think I know who is supposed to take care of it. Passes the call along, and it goes to voicemail.

[00:27:30.12] At that point, based on Bill's numbers, you just lost that. 55% of your customers just went away because you didn't train, and you had the wrong people, not able to take care of problems. So let's play it back the way might work better.

[00:27:43.96] Which is, the call comes in, a person's been trained to take the call. Ask the name,

ask the company, ask the problem. Attempts to take care of it, with the knowledge they've been given, and the ability they've been given. But if not, knows who to take that person to, who can take care of the problem. And so dials that person, person answers the phone from the secretary, or from whoever's passing the call and is given the name of the person, the company and the problem.

[00:28:13.06] And then answers the phone with the customer, saying hi, this is John and I understand your name is this, and you're with this company, and here's your problem. And I want to tell you, here's the solution that I can take care of, and things that I'll put in process right now.

[00:28:28.54] Does that really take care what you're calling us for today? And is there anything else? And how can I help you even better? And maybe even, if it's one of your buyers, hey, by the way we have something new. Or we have other opportunities we'd like to share with you, and try and promote the next piece of business that you haven't gotten.

[00:28:48.31] So it's more about, how do we get everybody in that same mode, from the front to the back? And how do we empower them here to make this change? But culture doesn't come easy.

[00:28:58.37] LOGAN CURRIE: It's interesting, what you said earlier, about culture. I mean, I think we're going to discuss, Athol, in our own businesses, we've had painful experiences of changing culture so to speak. Whereas, you might think culture is that, we're going to have a management meeting sometime this afternoon, tomorrow morning, and we're going to outline our new culture. And as a team, we're going to decide that new culture.

[00:29:16.95] We're going to do up some nice, pretty posters. We're going to do up some plaques, we're going to – maybe unveil at the next staff meeting, roll it out, this is the new thing, loud music, whatever. And this is our new culture, guys, we're pumping. And it just doesn't work.

[00:29:31.08] It just does not work. You've actually got to live it, you've got to breathe it, you've got to embed it in the DNA. And it's got to evolve, doesn't it?

[00:29:36.89] TIM FORD: Exactly. And we've all – the companies I've dealt with, they've gone to great seminars, or they've done big things, but I survey pretty much all the employees before I start. And what I find is, in fact, what they said about me is, well, if you're only coming one time, we'll listen to you, it's going to be great, but within two weeks it doesn't matter anyway.

[00:29:58.96] So when we start these programs and we really want to make a change, as we said, in the DNA, and we want customer service and after service sale to become a priority, the guys at the top have to really live it every day. And as that becomes more and more noticeable, that's what affects cultural change inside the company consistency.

[00:30:20.45] And I also think, tracking. I think this whole process that we put in place, and then tracking it and reviewing it, and understanding what's really happening in the business. So that the same problem doesn't happen thirty times and never get fixed. Once again, if that's the culture of, yeah well, it never gets done, it always...

[00:30:38.60] ATHOL QUINSEY: I think a cultural change really comes about when you empower people. And as opposed to what Logan's saying, just pretty pictures and slogans and things that mean nothing. When the management actually goes to the guys at the coal-face and says, you're now empowered to take care of clients properly and you won't be thrown over the coals as a result of it.

[00:31:00.75] This is how you do it, this is the budget you can operate within, this is your parameters. And this is – and we trust you, alright. I think Bill spoke about trust, knowing who to trust. And trust is an integral part of culture. If there's no trust, there's no culture. There's a culture of mistrust. But introduce trust by empowering people, give the customer service team business cards with their names on them, and their roles, so they know who they are and what they do.

[00:31:26.86] Tell them you've got faith in them to make good judgment calls on what's needed, and let them get to it. That will bring about a real change which will feed through the whole company. I've heard of situations, actually, where businesses have started that have got problems right through the business.

[00:31:42.91] Start by fixing customer service, and work backwards. By the time you get to the front end of the business, there's actually very little need for marketing and advertising, because it's gone full cycle. The good customer care has come back and is paying dividends.

[00:31:57.48] TIM FORD: And you were you're talking about customer loyalty, and you had a – it's a small market out there, and we were talking about that. If you really take care of someone, what that could lead to in business.

[00:32:08.73] ATHOL QUINSEY: Exactly. You want to become that supplier that's rusted on to a client, so to speak. You know how hard it is sometimes, you're trying to crack a customer, and that customer is literally welded, or rusted onto a supplier that you would love to knock off and take the place of. And you just can't do it. All right?

[00:32:28.30] That's where you want to get to, that position. I guess we've had good experiences in that regard, and it's amazing how customers will take you with them, if you look after them properly.

[00:32:41.84] TIM FORD: Next up, we go to the next section. That is what I call managing variance. And like I said earlier, managing variance is when you're not at 100%, how do you take care of that process? And that's the critical time of, the sooner you take care of it, the better the customer loyalty. And you had some stats on that you were talking about.

[00:33:03.11] ATHOL QUINSEY: Yes. Somebody had an online survey, rather a survey of online companies, and found that the clients of those companies, how long would they leave it – how soon would they expect a response to a complaint or an email about an issue before they started to consider leaving that company?

[00:33:24.82] Now, 50% of them said within 24 hours they expected a response. So essentially, that means if we leave it longer than a day, we're running the risk of losing up to half our customers. Now, closer to 100% expected a response within one week. So we've got a very short time frame there to act.

[00:33:45.04] If we can get our response time down to less than 24 hours, we may not be able to fix the problem, but we can at least respond, acknowledge the issue, and advise the client as to what will be done to address it for them. We're way ahead of our competition, right from there out.

[00:34:03.69] TIM FORD: And you were saying, the first call in, the customer may not really be upset.

[00:34:08.73] ATHOL QUINSEY: Well this is the thing. A customer that has an issue, and makes a complaint inquiry, is not automatically upset. They're not upset when they ring us, necessarily. They get upset if we don't handle it correctly. So there's a big difference there.

[00:34:25.38] And this is where it comes back to that training you were saying before. Having someone on the phone that's got the right character, is cool in nature, they can handle enquiries, handle questions that may put other people off.

[00:34:39.30] They need to have that characteristic that can take it and deal with it, and get the client into the right mindset, so they feel comfortable that things are being looked after. And turn that around – in fact, this same survey stated that 70% of people that have an issue, if they're handled correctly, will ultimately spend more with that supplier than they would have otherwise, even if they didn't have an issue. If that makes sense.

[00:35:06.11] TIM FORD: It's amazing, when you really start digging into numbers. And I think that's part of the problem. We don't dig in, and we don't really understand what customer service brings to a company. And it's too easy to say, gee, I don't want a problem call. I was in another company, and the guy said, well, we don't call our customers, because we might find a problem.

[00:35:25.70] And I thought, how sad that comment was. That he could say, we have no problems, because nobody's called us. And in fact, out there, there could be a half dozen other customers who are costing them a ton of business, because nobody's called them. So this managing the variance really becomes a big issue.

[00:35:44.55] It's an investment. And it takes you aggressively looking for where those problems are, not trying to hide from the problems. Customer recalls, or a product recall is a difficult one. And you were talking about where you guys had an instance where a product didn't perform, maybe 100%, and you had to step in and make some choices.

[00:36:05.86] LOGAN CURRIE: That's true. I'm a firm believer of making negative experiences and actually turning them into an opportunity. We don't have to make a negative experience stay negative. That's the idea, isn't it? We want to turn them into opportunities, and get that 70% of complaints buying more off us.

[00:36:19.90] We had an instance recently. We had a product that we had some issues with, wasn't a full-blown, 100% failure rate, but there was just intermittent faults. And it does bring out the whole issue on a recall, do we go public, and tell our customers, hey, we've got a problem, we want to solve it? Or do we just sort of wait for them to ring, and sort of fix it as it comes? And hopefully some don't pick up the problem, and we get away with it, it's out of warranty.

[00:36:45.53] But it's quite agonizing, isn't it? It's a bit of a thing. But I think if you go back to your culture, and you go back to your values, and if your values and your culture are clear, these decisions are very simple, they're very straightforward. And you need to basically get that negative – and in this case, we went out to a customer, and said, look, we've got a problem, it's not all the products, but it's a bunch of them.

[00:37:03.01] And we're not too sure which ones, but we'd like to go through and audit those products within your facilities to start to identify the problem ones. And so they said OK, well that's great. That was being – we were proactive, we were transparent, which is another big thing, and also we were forthcoming with the problem.

[00:37:20.06] So we went out there, and of course we replaced any that were faulty, and also it was an opportunity to get inside their premises, and see what else they're buying. So we're turning a negative into an opportunity, an opportunity for more sales. So I think it's all about the mindset, isn't it?

[00:37:35.53] TIM FORD: Yeah, it is. And that's once again, really understanding customer needs. If you know the customer doesn't – they just don't need that problem, and it's a hassle for the buyer, and they want service. I mean, that's part of this whole cultural thing we're talking about. And getting everybody involved. It's not hiding, and it's not trying to get away with, and it's not how do we make this just not be an issue.

[00:37:58.52] ATHOL QUINSEY: How often is it that we drag things out that could be condensed right down to a quick fix, quick turn around time, where we're back on the road again, the customer's happy and on the go.

[00:38:08.88] TIM FORD: It is, and I think that takes us, really, to our final – the fifth part here, which is follow through. And we've touched on parts of it, but we're going to go just a little deeper into it so that we really think follow through. And this is that we've established the plan – once again, we just want to reiterate this as the final big point.

[00:38:28.00] Establish a plan, creating culture, but the follow through. Too often, we lose momentum because the follow through begins to drop off, and we don't really monitor it. So part of what follow through is, is how we're going to make sure we're really staying on top of it. And we've put together kind of a customer service overview document that we really want you to take and start with now, for at least two weeks.

[00:38:55.63] In the first two weeks, we want you to list everything that's coming in that would be considered a customer service issue. And everybody in the company, not just the person on the phone. But we really want everybody in the company to start to list, for two weeks, everything that is a customer service issue.



[00:39:16.45] And then, we want to take the top ones, and say, how long – just like Sears, how long does it take us to start to fix those issues? And that creates follow through. We know about it, but are we fixing the issues? And this, we hope, will become in your companies, an everyday occurrence that you are always looking to find out, or you're always trying to find how to improve your customer's experience, and where there's a potential problem.

[00:39:46.13] And then action plan it, and how to fix it. So, we've given you a couple things here. One is, we want to survey inside. Now we're talking about creating some ways to begin to track this. And don't you think, in your company even, would help of starting this process?

[00:40:01.73] ATHOL QUINSEY: Definitely. We're looking forward to putting it into practice very quickly.

[00:40:05.46] LOGAN CURRIE: It's really like a postmortem, isn't it? For want of a better word. Really trawling through, and going through each issue and saying, why did this take so long to happen? Why did it take so long to resolve? Why did it even happen first place? And I think if you did that, it'd be very, very, very powerful, to actually know your own company.

[00:40:22.81] And then you'll be able to know your customer, won't you?

[00:40:24.90] TIM FORD: Exactly. If we don't know ourselves, it's pretty hard to know our customers. So this really, the drive for this, is to get customer retention and customers for life. I think that's the big thing we've talked about over and over and over. It's customers for life.

[00:40:40.04] ATHOL QUINSEY: What about referrals?

[00:40:41.43] TIM FORD: Referrals too. A customer for life is somebody that talks about others. You were talking - the guy that went to another country and got business. If he knew somebody in another country, would he refer you? Absolutely.

[00:40:53.01] Let's talk about the action points. One is, let's get documentation going for two weeks. We're going to walk through and show you that document, and give you a little bit in that. Then, inside that document is – make sure that you don't do it for no reason. Once again, anything we do here culturally is, if the leadership starts something, we want to take and make it actually mean something.

[00:41:14.19] So we want to take and tab – put in here, how long did it take to fix it? And then everybody needs to see. This is what we're trying to get, is a transparent program throughout your company. So everybody gets pulled into it, everybody starts to see the results, and everybody has input on the results. That's really the key part here today.

[00:41:34.25] And then, we want to make sure the survey that's given isn't just to key staff, that it's a company-wide survey. What's the guy that's out on the dock packing a box really think the company is concerned about in customer service? If we can empower that guy, and he feels like there's some importance, and he feels like somebody's looking at what he does, it may really help him feel like he should, first of all, do better.

[00:42:01.04] And second of all, want to do better. And so this – the whole action points is just the first starting point. Then you were also saying one of the other things you felt was important to take away from this is, it's a starting point of some kind of a process.

[00:42:14.71] LOGAN CURRIE: Absolutely And I think that's what's so critical. That you capture, really, maybe a month, whatever, but you need to capture what is going on there. And then really trawl through and get to the bottom of the whole thing. Why are these things happening? And why are they taking so long to fix? Even if you could reduce your response times from three days down to one day.

[00:42:35.20] Going off the stats, you've gone from, customer retention's gone from 70% loss to 50% gain. It's instant, like that. That's what you could do. Just by trimming a couple of days off. And I love that the way what you say it's going, survey to all members. So that's your philosophy of top to bottom, isn't it? Right through the company.

[00:42:53.20] TIM FORD: And that that's why we want it starting today, anybody that's watching this today, we really want you to start formulating, discussing this, and get action soon. Because every day goes by, it's easy to have great excitement. But it starts to stop. So now it's time for action points. The first thing is, a new UBT form, the Customer Issue Tracker.

[00:43:17.19] We're going to go over that, and show you how that works, and what the advantages and what the key points are on that. Logan's going to show you this new tool, and go over how it should be used inside your company.

[00:43:28.15] LOGAN CURRIE: Well everybody, as Tim discussed earlier, I'm just here to demonstrate the Customer Issue Tracker. So this here is a very simple tool. It's a simple, very visual tool that goes up on the wall. So as you can see here, today we've got the tool here, got the date along the top. So you put your days along there. Down the side are the issues.

[00:43:45.59] And then we've got a very simple column here, which has days to fix. So we've got our target days, and our actual days. So all this information that comes in, this will be collated on a daily basis, by someone on your team, to get a snapshot of all the issues that are coming in on a daily basis. So as you can see here, we got a very simple one here, we've got Auckland Hospital, incorrect goods charged for.

[00:44:08.62] So as you can see, we've given a target of one day, and it took one day, so we've got a tick on that, there's no crosses, it's within the time frame, so that's a success. So as a manager, I'm looking down this here, and I'm looking, seeing a bit of a trend here. What happened on this day three here?

[00:44:24.56] And look down, lo and behold, incorrect goods delivered four instances the same day. So that's really highlighted to me, as a manager, it's given me an instant snapshot that something has gone amiss somewhere in our system. And it looks like there, that we've got a dispatch issue there. And also of concern to me is, why two of them took three days, and two of them were in the target day of one day.

[00:44:47.67] So there's two issues I need to look at here. Why they went out wrong, why there's so many of that day, and why some took longer than others to respond to. So briefly we can run down here, and as you can see, we've got a couple of blowouts here, See, product failure – this one we gave a target of four, and it took twelve days.

[00:45:06.65] So that there – that's unacceptable, that's a very visual cue to show that it's completely unacceptable. And when I drill into that, that there was because our customer service said it was product failure. We'll get our rep to go and fix it next time they're there. Well our rep wasn't there for twelve days.

[00:45:22.07] That tells me we need to look at our system. We need to revisit the system. Is there some other way we can get that resolved quicker? And lastly, one of great concern to me here, unresolved. This one here, incorrect goods delivered, six days and still unresolved. So that there is cause for alarm. So if we're watching on a daily basis, I should have been onto it back here. I should have been into it here.

[00:45:45.05] So now I've got the snapshot, I can manage it, and take our business forward. The great thing about this tool , it's on the wall, so everyone in your team can see it.

[00:45:53.82] TIM FORD: Thank you, Logan, for going over that form with us. Now the second one is, the Internal Employee Customer Service Review form. This needs to be filled out by everybody in your company, to give you a starting point of your customer service. However, before you do either one of these, I really want the people in charge to go for a long walk, and make sure they're ready to embark on this change.

[00:46:20.15] What we don't want, is the same old thing of, we're excited about it, we print it, we put it on the wall, people fill it out and nothing happens. This is really a beginning point to change how you do internal work and external work in customer service. So we look forward to hearing great stories, we look forward to hearing how it's helped your company.

[00:46:42.32] And we believe that this will be a big change, and a big help for your companies. Thank you again for taking the time to spend with us today. We hope we've given you some great insight and have provided you with a great opportunity to extend your company for the future.

[00:45:08.00] [MUSIC PLAYING]

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