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Special Briefing

13 Questions Every Service Provider Must Answer to Deliver Superior Service Mark Sanborn, CSP, CPAE

Introduction

It would be dangerous to believe that customer service is the primary key your company's success. Customer service is a piece in the business puzzle--albeit a very important piece--but the piece is not the puzzle. Corporate success requires doing lots of things right. Importantly, that means innovating and integrating your customer service strategy into the bigger scheme of things.

Beware the panacea of customer service--it can not and will not save or significantly improve a business if the other fundamentals are not in place. Actually, a lack of the fundamentals will prevent a truly effective service strategy from being implemented.

With that caveat in mind, how can you create or improve on a customer service strategy? Whether you realize it or not, your company already has a customer service strategy, either by design or default. Your current way of interacting with customers has evolved intentionally or accidentally. The way to make sure that future service efforts are effective is to keep asking the kinds of important questions that drive a customer service program by design.

It isn't enough to have the right answers; you've got to ask the right questions. The thirteen questions that follow will guide you in your efforts to design a superior customer service strategy.

The Questions

The first question and jumping off point for this exercise is this:

"Who is our customer?"

Who in the marketplace is choosing to do business with you? Customers are a moving target. Has your customer base changed over time? Have the type of customer you serve remained the same, but their wants, needs, tastes and preferences have changed? Service strategy must be dynamic. You must continually assess both who your customer *is*, and who they are *becoming*.



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There is a more powerful question than simply asking "Who is our customer?" To do business by design rather than default means asking,

Who do we want our customers to be?

This is a truly strategic question. "Who is our customer?" gives you information about the present; "Who do we want our customer to be?" provides information that will allow you to shape your future.

You may find that you have acquired some customers that you really don't want to be doing business with. Their needs distract you from your core competencies and the cost of providing them the kind of service they demand is excessive. Rather than reacting to those types of customers indefinitely, start to develop a service strategy that attract the kind of customer you hope to be serving in the future.

Your service strategy needs to address both of the previous questions. Deciding to do anything without taking into account the unique needs of customers is foolish, and yet many companies base their service strategy on what the company *does* (probably because they have always done it that way and/or do it quite well) rather than on what the customers want to *have done*.

Customer service isn't just an opportunity to give assistance; it's also a chance to gain immediate feedback and market intelligence. This regular contact allows service providers to answer the next question:

What are the important things we know about our customer?

Harvey Mackay isn't just a well-known author and business speaker. He runs a successful envelope company as well. The Mackay 66 questionnaire used by Mackay's salespeople is an excellent example of the lengths a customer-driven organization will go to to gather information about their customers. Each of the 66 carefully constructed questions is designed to give Mackay's company *the advantage of superior information*. The questionnaire is a simple approach to gathering and organizing important information about every customer the Mackay company does business with.

Essentially, the company with more and better information about their customers has a strategic advantage (this assumes, of course, that the information is *used*). (author's note: The



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Mackay 66 questionnaire can be found in the book "Swim with the Sharks Without Being Eaten Alive.")

Tom Peters has for years touted that sage advice that it isn't enough to be close to the customer; you've got to be *glued* to the customer. More and better information about each and every customer is the glue.

So where do you get this information? One of the best sources is your own people. Glean information from every customer interaction and from anyone who has contact with customers--sales, telemarketing, public relations, accounting and the service group. Everyone should be involved in gathering and updating customer information. The question:

How are we utilizing our cumulative expertise to better serve our customers?

Dell decided to pursue a price-driven buyer. This shaped their service strategy. It was a novel idea to provide an exceptional service level in an industry where--up to that time--buyers were accustomed to trading quality of service for low price. Suddenly, Dell was offering both. The key was to determine how to provide service levels that were perceived as higher than provided by alternative vendors and do so cost effectively.

Before you can design a strategy that will position you as the service provider of choice, you must find the answer to the following question:

What do our customers expect?

You must know day-to-day not only what your customers *expect*, but what they *want*. There is a substantive difference: expectations are based on past and current experience with other service providers and any perceptions about your organization created by sales, marketing or public relations. Wants are based on needs and desires. Just because a customer gets what he or she expects doesn't mean they are getting what they really want. Once you've determined what your customers expect, probe further to answer this question:

What do our customers want?

Exceptional service addresses both expectations and wants. After any interaction with your organization, your customer will feel one of three ways:

1. Cheated: there expectations were not fulfilled.
2. Satisfied: they got only what they expected and nothing more



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3. Delighted: they got what they expected and then some.

There are several important implications here. The first is this: how the customer feels depends not on how you treated them but on their experience *relative to what they expected*.

It is your job to find out *in advance* what your customers expect. Your service level relative to expectations is what determines which of the three emotional states will be achieved.

Is customer satisfaction a worthwhile goal? Frederick Reichheld, writing about customer loyalty in the March-April 1993 issue of Harvard Business Review, reported that 65-85% of the customers who defect said they were satisfied with their former suppliers. The danger is clear: if the best you can do in your service strategy is to satisfy customers, you've got little customer loyalty and even less strategic advantage. You need to ask the question:

Do we consistently meet and exceed expectations?

Legendary service is not created by simply satisfying customers. Service providers quickly give up hope of ever delighting every customer. It is an impossible goal. The good news is that you don't have to delight every customer, but you must delight some customers. Why not make it a goal and expectation of every employee who has customer contact to delight at least one customer each day?

You won't have to go far to find management gurus who taut the concepts of absolute quality or service: provide the best possible product or service anywhere. While this is inspirational advice, it is decidedly bad advice. Providing the best possible service anywhere is a costly indulgence, and you don't need to do it. There is a sane alternative: relative service. This is determined by asking:

What service levels will give us a relative edge over our competitors?

Your service doesn't have to be the best anywhere, but it does need to be perceivably better than your competitors. Relative service provides a cost-effective edge. The idea is to improve service without paying too much in the way of time and resources to do it. If and when your competitors begin to match the service level you've achieved, you bump efforts up to the next level, but not the highest level.



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Problem solving can be either reactive or proactive. Reactive is typical: a user experiences a problem and calls for help. Proactive is more powerful: the vendor searches for common and potential problems and attempts to address them in advance.

How good is your organization at finding and solving problems? Have you focused your service organization on answering the following question:

How well do we solve the problems that our customers experience?

Dell Computer became a legendary direct mail provider of computers by combining low cost with higher-than-expected levels of service. One key was their ability to communicate quickly and directly internally. For instance, this immediate feedback helped them quickly identify defective parts. Says one marketing manager, "I go about 130 feet to the people who design the thing. Within 5-6 hours, engineering has fixed the design, and within two or three days, the factory's got that change incorporated on the line." A key aspect to Dell's success is their ability to compete in time.

How and how quickly are we using customer information?

If there are limitations to the questions I've posed for far, it is that they are answered by those who provide service rather than those who are being served. Quality and service are what the customer says they are. To create an exceptional service strategy means we must go beyond talking to ourselves. We need to find out what our customers thinking.

How do we come to terms with our customer's expectations, experience and evaluation of our service? The obvious solution is to ask them.

Comment cards and toll-free numbers are a first-step, but nothing is more powerful than frequent direct contact with customers when you can ask them the following three questions:

What did you like most about doing business with us?

What did you like least about doing business with us?

What will you tell others about us?



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The answer to the first question will tell you what your customers appreciate. It will focus you and your team on those activities and benefits that should be continued and refined because they are valued.

The second question will direct you to those things you should stop doing or do differently. It points out weak spots in your service delivery and identifies mistakes that need to be prevented.

The third question will provide you with an idea about what your word of mouth advertising is doing to work for or against you in the marketplace. What your customers are telling colleagues and others in the marketplace can potentially overshadow your marketing efforts. It is amazing that so few companies make a legitimate attempt to find out what present and former customers are saying about them.

Conclusion

The design of your service strategy begins with asking the right questions. Don't be content with cursory or superficial answers, as many businesses are. By being willing to dig deeper and consider more carefully, you'll find the information you need to craft a successful strategy for the delivery superior service. And that's a critically important piece of the puzzle for long-term business success.

The Worksheet

How to use these questions: I recommend key service managers answer these first 10 questions independently before meeting as a group. The more and varied the sources of information tapped, the richer and more rewarding the outcome. Plan to meet as a group to discuss and challenge conclusions. Develop specific actions to take as a result.

To ask yourselves:

- 1. Who do we want our customers to be?*
- 2. Who is our customer?*
- 3. What are the most important things we know about our customer?*



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4. *Are we utilizing our cumulative expertise to get glued to customers?*
5. *What do our customers expect?*
6. *What do our customers want?*
7. *Do we consistently meet and exceed expectations?*
8. *What service levels will give us a relative edge over our competitors?*
9. *How well do we solve the problems that our customers experience?*
10. *How and how quickly are we using customer information?*

To ask your customers:

Each service manager should interview a minimum of 10 randomly selected customers and ask the following questions before convening as a group and comparing notes.

11. *What did you like least about doing business with us?*
- 12.. *What did you like most?*
13. *What will you tell others?*

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