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CUSTOMER SERVICE

THE WHOLE PACKAGE

To build a strong and favoured business, fulfilling every customer need – and more – must be the priority. Report: Leo D'Angelo Fisher

• Michael Paul still has the receipt for the first sale at his first Pack & Send store. That sale, in 1993 – \$2.90 for a cardboard box – was the catalyst for Paul to build his packaging, courier and freight business into a national retail network of 92 stores with an annual turnover of \$30 million. Underpinning that growth, Paul says, is a record of “continuously exceeding the expectations of our customers by delivering legendary levels of service”.

An entrepreneur's hyperbole aside, customer service is at the heart of Pack & Send's culture. “From the outset, I recognised that the business had to have a culture based on legendary customer

service,” Paul says. “We've maintained that culture to this day – everyone in the organisation understands what the brand stands for.”

Pack & Send stores are run by franchisees, with one in four of those run by multi-store franchisees. Paul is taking the business overseas, having signed master franchise agreements in New Zealand and the United Kingdom in July.

When Pack & Send was named PricewaterhouseCoopers franchisor of the year for 2007, the company published a book, *No limits: True stories about going the extra mile*, to highlight examples of “heroic customer service” by its franchisees and their 200 employees.

The book – available free from the company's website – has been a surprise hit. Since December, the company has mailed out 2500 copies.

“The book has been a valuable marketing tool, and also a very effective training tool because it reinforces with every person in the organisation what our culture is about. It's also been a powerful recruitment tool,” Paul says. However, even a self-published book has to stand on its merits.

“Publishing the book was never just about a clever marketing campaign. It's a demonstration of a culture which has taken time, passion and commitment to build. The book works for us because they're real stories.”

Professional services firm Ernst & Young pinpoints six essential elements of business success for emerging companies. Sitting on top of its “exceptional enterprise” model is customer service: “Exceptional enterprises know all about their customers – who they are and what they want – and know that building customer loyalty goes hand in hand with long-term sustainable growth.”

Successful companies typically experience three stages of growth – the emerging stage, rapid-growth stage and next-generation market leader – the managing partner of strategic growth markets at Ernst & Young, Jon Dobell, says. Customer service, or “customer

recruitment and management”, is the thread that runs through these stages. “Businesses that don't put customer needs and desires first don't get very far,” Dobell says, but quickly adds that customer service alone cannot sustain a business.

Along with customer service, the essential challenges for emerging companies identified by Ernst & Young are: managing finance, managing risk, operational effectiveness, recruitment and retention, and alliances and strategic acquisitions.

“Customer service is a very important element of success. However, if you don't have the other elements working in unison to support the business, you can have the best customer service in the world, but you're not going to grow as an organisation,” Dobell says.

Janina Gawler, founder and principal of Co-operative Change, a Melbourne consultancy specialising in corporate-community engagement and indigenous relations, says most of her firm's work is repeat business. Understanding her clients is fundamental to the success of her business and a blue-chip client list that includes the CSIRO, AGL, Argyle Diamonds and Rio Tinto.

“I have a core of [regular] clients with whom I have a strong relationship. Those relationships are based on understanding the fundamental business of our clients,” Gawler says.

Demonstrating understanding is not limited to existing clients. Pitching for new business has become so competitive, Gawler says, that clients want to be assured of the value proposition well before they become a client. That means providing a proposal that thoroughly demonstrates “how the capability of our firm fits with their needs and the needs of their stakeholders”.

A potential client is unlikely to view

a pro forma proposal as a harbinger of customer service excellence. “It's fundamental to be able to show relatively quickly [in the proposal stage] that you understand their business. They have to know that your company has the capacity to deliver for them and that their business interests will be taken care of,” she says.

Customer service excellence includes being prepared for customer service failures, says Janet McColl-Kennedy, professor of marketing at the University of Queensland Business School in Brisbane.

A common failure is that businesses compound the original service failure by not solving the problem as soon as it is brought to their attention.

“When the customer repeatedly experiences behaviour that violates his or her basic human needs [of self-esteem and fairness], rage is often the result,” she says.

Extreme examples of “customer rage” include damaging property and threatening or intimidating employees.

“Many customers who experience rage go on to entertain a long-term resentment towards the company,” McColl-Kennedy says. “At one end of the scale are the commercial implications – decreased brand loyalty, negative word of mouth and diminished return on investment. At the other is the possibility that an employee may be traumatised or perhaps even physically harmed by an enraged customer.”

McColl-Kennedy says businesses need to have systems in place to ensure that initial service failures don't escalate. “Effective service recovery is inextricably linked to customer loyalty and the lifetime value of a customer. This means dealing with the person's problem when they first bring it to your attention.” **BRW**

Three stages of exceptional customer service

Emerging enterprises build products and services around their customers, identifying market opportunities and establishing a customer base. Growth needs to be balanced with available resources: broken promises damage reputations.

Rapid-growth enterprises aspire to become suppliers of choice and win market share from their competitors. High-quality sales and marketing resources can enhance the brand and build revenue.

Next-generation market leaders have a solid customer base and look to broaden their offerings. They will further their growth by expanding internationally, perhaps considering new alliances or acquisitions to access new markets.

Source: Ernst & Young

MANAGEMENT

D'ANGELO FISHER



Contact Leo D'Angelo Fisher: ldangelofisher@brw.fairfax.com.au

Rise of the anti-manager

• Where have all the good managers gone? The Peter Principle has long been a fact of corporate life – the statistical inevitability that in any organisation there will always be a group of people who are promoted beyond their competence. But now the happenstance Peter Principle has become the Peter Prerequisite: somewhere along the line, incompetence has become a mandatory requirement for appointment to positions of responsibility, and that applies all the way up to mahogany row. It is difficult to fathom how this can be. Despite the fashion for psychometric testing, performance evaluations and myriad human resources systems, ill-advised appointments and poor management abound. Or should that be because of?

Anyone who has worked alongside a gifted, inspiring or just plain smart manager will know the unalloyed pleasure of being in the company of someone who “gets it”. Their presence is always felt – for all the right reasons. They create a buzz of achievement and expectation. They instil confidence in the people around them. They possess a certain charisma, they're comfortable with who they are and they carry their authority with ease. They're capable of communicating with staff without the aid of a whiteboard or PowerPoint presentation, they're interested in the opinions of others, and they listen. Yes, they're ultimately responsible to higher forces in the corporate hierarchy and their role in life is not to be everyone's best friend – but they engender trust and confidence.

Do these managers really exist? They do, but they are an endangered species. Their place has been taken by the anti-manager: men and women who have no business being in charge of paper clips, let alone people. They range from dull, inept toads incapable of an original thought or spontaneous action, to poisonous psychopaths who wreak havoc in their workplaces. The anti-manager – the antithesis of everything a leader should be – has become a hallmark of the modern organisation.

Too many organisations no longer place a priority on management excellence. They have lost the ability, and the will, to identify, nurture and reward rising talent. The presence of unqualified and egregious managers saps what enthusiasm remains in over-worked, under-resourced workplaces. A recent survey by exit-interview specialist Exit Info concluded that bad managers are responsible for one in five resignations in Australia.

As the slowdown continues to bite, we can expect organisations to resort to mass retrenchments. Rather than taking an axe to already decimated workplaces as the key to turning around organisational under-performance, perhaps organisations should pay greater attention to the performance of their managers.

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