How to make your profits take off through caring customer contact…

Wouldn't it be great if you were able to generate greater sales and profits with the help of your customers? Even better if you increase profits without spending another penny on sales and marketing!

You intuitively know how dangerous it is to take your customers for granted. And yet how many businesses do you witness delivering average, or even miserable customer experiences?

Here's a bitesize business breakthrough to help you focus on delivering a magical customer experience. When you do, you improve profits because these same customers buy again, buy more, and buy more often. They also tend to recommend you to their friends and colleagues.

In a nutshell

Your customer care contact programme determines your customer experience. Your customer experience determines the success of your business.

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When Jan Carlzon took over Scandinavian Airlines (SAS) the business was making multi-million losses and in worrying decline.

In just 12 months he turned the business around. In one year earnings were up £60 million in a drastically slumping market where other international airlines collectively lost £1.5 billion.

One of the key elements of Carlzon's

Here's a proven solution for you…

Focus your energy, your people and your systems on delivering memorable customer experiences.

Create magical moments to help create loyal customers who end up buying more, buy more often, and recommend others to buy too.

turnaround was his unerring focus and commitment to customer care.

Carlzon did a brilliant job of sharing his very simple view of what makes SAS successful.

A simple, powerful view of business…

10 million customers a year typically come into contact with 5 SAS employees. And each contact lasts an average of 15 seconds. Here's Carlzon's view:

"SAS is 'created' 50 million times a year, 15 seconds at a time."

"These 50 million 'moments of truth' are the moments that ultimately determine whether SAS will succeed or fail as a company. They are the moments when we must prove to our customers that SAS is their best alternative."
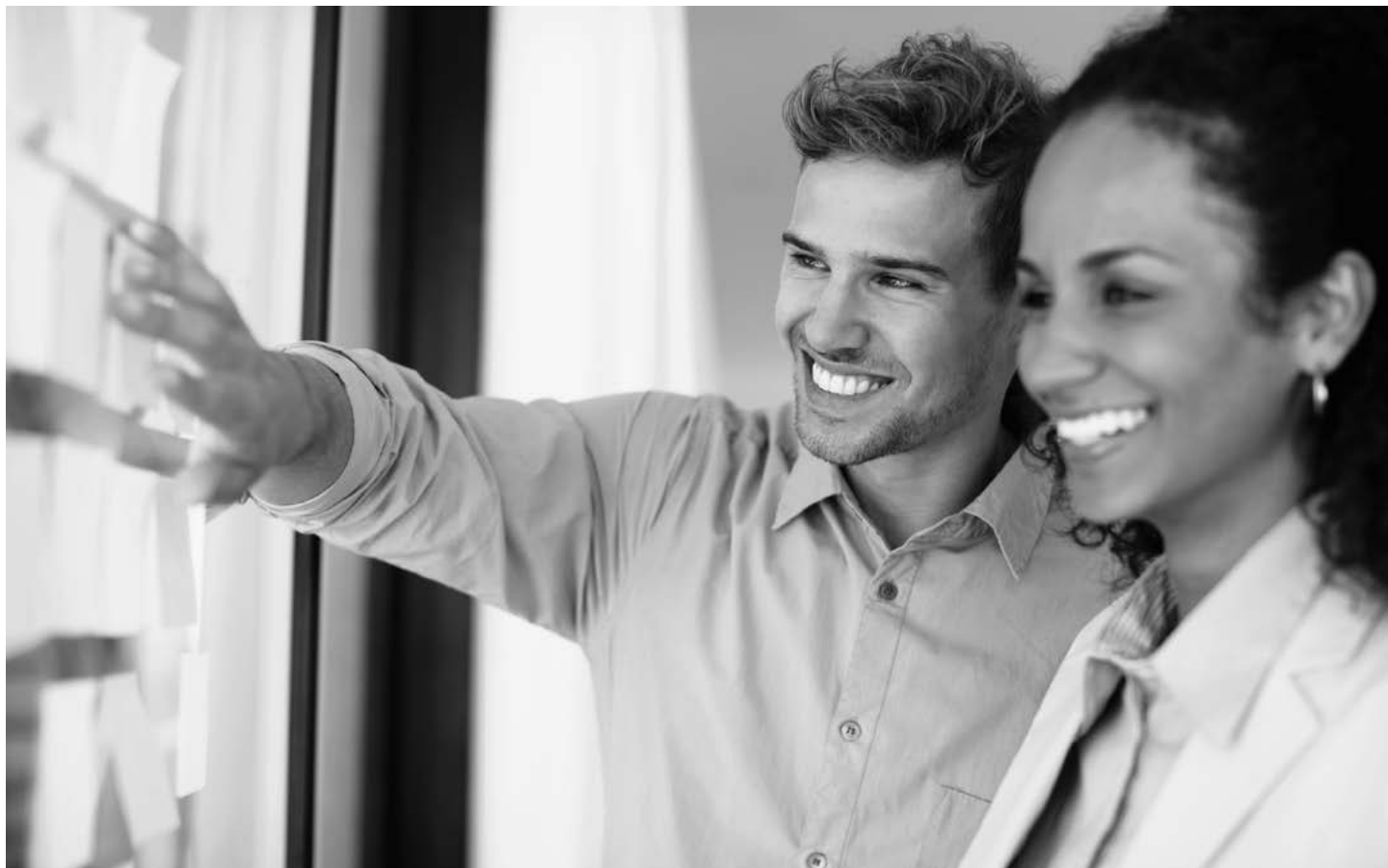
Time for a question

What happens to your business results when your customers think you do a magical job of looking after them?

You win.

Perhaps a better question is, what happens to your business when your customers think you do a miserable job of looking after them?

You lose.

Clearly, customer care deserves your and your team's best attentions. We suggest you start here...

Identify your customer moments of truth

SAS worked out they had 5 x 15 second moments of truth with every customer.

How many moments of truth do you have? How long are they?

Just 75 seconds per customer determines SAS's reputation, whether a customer comes back, and whether they recommend others to use SAS.

How long have you and your team got?

Because Carlzon and his 10,000 employees changed these 5 x 15 second interactions they turned multi-million losses into multi-million profits in just 12 months. Not bad.

How much of an impact do you think this customer-focused approach could have on your business bottom line? If you want help working this out, before you start, give us a call and we'll work it out with you.

You can't do it alone

The 5 x 15 second customer conversations at SAS were with front-line people. Not managers or directors.

As at SAS, your front-line people similarly have the knowledge, insights and experience to help you improve your moments of truth.

So get them involved from the start. Ignore your front-line people at your peril.

Only 30% succeed

It is suggested that upwards of 70% of change programmes in business fail. This is substantially because the front line people do not wholeheartedly buy into the change and therefore don't make it happen.

Share the reason why

When it's crystal clear to your people why you want to improve your moments of truth they might just support you. If they don't know why it's necessary, chances are, you will not get their buy-in.

Even though this is stating the blindingly obvious it's often ignored. Here's an example 'why':

"Customers either decide to buy, or decide not to buy. They decide to come back and buy again, or not buy again. They decide to recommend our business, or bad-mouth our business."

"The way we handle our customer moments of truth determines the success of the business, the survival of the business and everyone's job, salary and mortgage payments."

Seems like a powerful reason to improve your moments of truth don't you think?

Customer care pays off...

Does customer care really come with a financial payoff for your business?

Let's answer this question with a few more questions. If one of your customers has a magical customer experience...

- Are they more or less likely to buy additional products or services from you?
- Are they more or less likely to buy again?
- Are they more or less likely to pay more?
- Are they more or less likely to recommend you to other potential customers?

The answer is 'more likely'. Improving your customer care comes with a substantial commercial payoff.

A magical moment...

One of our colleagues is a big fan of Pret a Manger, the city-centre café chain. On a recent visit he was given an unsolicited free green tea. He wasn't expecting it. It was a magical moment. He goes back and buys more from them and he tells everyone about it! Pret a Manger invest in a paper cup, a tea bag and some hot water and get a raving fan who spends more and tells everyone! Magical moments need not be costly and this one certainly paid off for Pret a Manger!

Higher grade customer care also comes with hidden cost savings too. For example: fewer complaints means less expense; fewer returns means less expense; fewer issues frees up team time and improves team morale.

TIME TO DISAGREE:

"This isn't relevant to us. We're not an airline with thousands of people meeting thousands of customers. We're a small manufacturing business and sell most of our products from our website."

At SAS the moments of truth are face-to-face, 1-on-1 conversations between customers and SAS people. Your moments of truth might be on your web page, filling in order forms, or over the phone.

What's certain is you can improve your business's moments of truth whatever they look like.

One business we know of adds an ink stamp cartoon to all their monthly invoices. The cartoon is different every month. They are managing the moment of truth when a customer reviews their invoice.

It's not uncommon for the financial controller to share the cartoon with others in the office. And so the cartoon creates a favourable feeling towards the supplier - who knows, they may even get paid sooner too.

How can you apply this to your moments of truth and make them more magical?

"We don't have the money to invest in improved customer care."

It really pays to consider the time, money and lost profits associated with taking your customers for granted. In our experience as accountants it's rare to see business owners tracking these hidden costs.

Plus, improving your customer contact moments is rarely expensive. This means you can get a large business performance improvement from a very modest investment (just like Pret a Manger do).

"We're already better than our competitors at customer care so why bother with this."

Customer care is a moving target.

Also your customer care is not being compared with your competitors alone. You're compared with your customer's last great visit to a restaurant or hotel or the Amazon website or a visit to Disney.

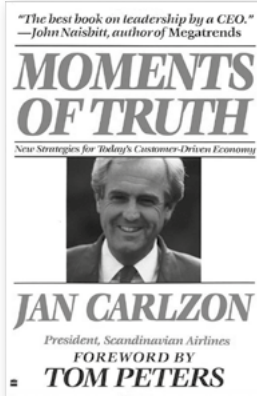Whether you deliver a magical, neutral or miserable moment of truth depends on two things:
1. What and how you handle each customer moment
2. The expectations your customers have of you

Be very careful and cautious of under-estimating your customers' expectations. Avoid being complacent and review your moments of truth regularly with your people.

Tell me more…

You'll find real value and insight by looking deeper into the way Jan Carlzon helped transform the performance of SAS.

It might be considered ancient history to look into a business transformation from the late 1980's however Carlzon's book 'Moments of Truth' is considered a business classic. It's as much a leadership book as it is a customer care book and well worth reading.

"The best book on leadership by a CEO."
—John Naisbitt, author of Megatrends

MOMENTS OF TRUTH
New Strategies for Today's Customer-Driven Economy

JAN CARLZON
President, Scandinavian Airlines
FOREWORD BY
TOM PETERS

4 helping hands for you…

Taking customers for granted is a recipe for commercial disaster. Put these 4 things to work for you and you improve your customer experiences and then profits too:

1. **Get your team involved**
2. **Identify each and every moment of truth you have with your customers**
3. **Decide whether you deliver miserable, neutral or magical moments**
4. **Decide what to do to make neutral moments magical, and miserable moments either neutral or magical**

ULTIMATE ARGUMENT:
"How do I know this will work for me and my business?"

Until you test it, and modify it to suit your business you won't know. What's clear is *you* feel better towards businesses that deliver you magical moments. Shouldn't your business do the same for your customers?

STOP: thinking your existing customer care contact programme is good enough. It suggests you're taking your customers for granted which is never a good thing.

START: improving your customers' moments of truth and you'll be building a more successful business.

Use the Business Bitesize Support Tools And Resources
to help you make the most of this edition of Business Bitesize – go here: www.businessbitesize.com/sherwoods to download these

Your feedback is important to us. We'd love to know what you think of this edition of Business Bitesize and how you use it or plan to use it. Also we'd welcome your suggestions for future editions of Business Bitesize. To give us your thoughts please use the simple feedback form here: www.businessbitesize.com/sherwoods

Here's how you create more magical moments of truth for your customers…

1. Post-it note moments of truth:

Together with your people, identify each and every moment of truth (point of contact) a customer has with your business. Write it on a post-it note.

Then create a post-it note timeline showing, step-by-step, each and every point of contact – on your office wall or flip chart. You can see a picture of this in the online support tools.

2. Colour-code your different types of contact:

Now it's time to colour-code your post-it notes. Using different coloured pens identify the different types of contact you have with your customers: face-to-face; by phone; by email; by post; by website page; by webinar.

3. Choose your priorities:

Identify the 3, 4 or 5 most important moments of truth from your post-it note analysis. Limit your focus so you can make progress fast.

4. Miserable, Neutral, Magical assessment:

With your team, assess your top 3, 4 or 5 moments of truth – are they miserable, neutral or magical, from your customers' point of view?

5. Possibility thinking and action planning:

Be open-minded and identify 'POSSIBLE' ways of improving each of your priority moments of truth. And with your team decide what to do to make any neutral moments magical ones. And any miserable moments either neutral or magical. And then make it happen.

Your next steps:

Here's your bitesize magical moments action plan. This checklist will help you improve your magical moment count with your customers.

Start by working with your people:

Your people are the ones who deliver the moments of truth to your customers. They must be involved in deciding what's to be done and how it must be done. By getting your people involved you are more likely to have them support your efforts and make it happen.

More tools and information for you:

As well as the checklist here, you can use the forms and checklists in the online supporting tools. Together they'll help you make more of this bitesize business breakthrough.

YOUR SUPPORT TOOLS ARE HERE: Go to the link below and you'll find a suite of support tools to help you create more magical moments of truth for your customers who'll then buy more from you, more often and recommend others to do the same.

Find the support tools to help you here - www.businessbitesize.com/sherwoods

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