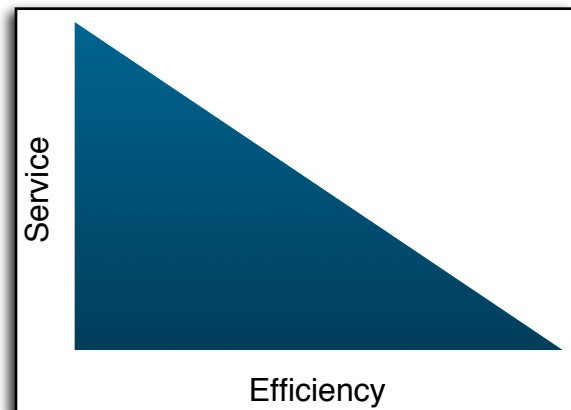


Developing Customer Loyalty Through Operational Excellence



Efficiency and profitability are crucial to any organization's long term success. Countless hours are dedicated to studying, revising and improving efficiency in order to expand ever narrowing profit margins. Competition demands that more and more customers are processed in a shorter period of time to maximize revenue from perishable products and services such as airline seats and hospital beds.

Service and efficiency must be interwoven, not mutually exclusive. However, the problem seems to be that great customer service and "speed and efficiency" are diametrically opposed. The nurse who used to take time to sit and hold the hand of a distraught patient, now has pressures to see more patients with less team support and loads of paperwork to complete. This nurse is caught in a dilemma between doing the right thing and doing the essential things efficiently.



When the process itself becomes the focus, the experience can become dehumanized. The challenge is achieving efficiency without jeopardizing the customer's ideal experience. To prevent backfire, working faster requires a proactive effort to be nicer in the process. When customers are made to feel like numbers, or worse, like inconveniences, they take their business straight to the competition and never look back. A too-narrow spotlight on the profit margin fails to reveal that the front line really is the bottom line.

"Efficiency and Service must be weighed equally, otherwise service will always take a back seat to efficiency", says Robert Harris, Senior Vice President and Chief Operating Officer, University of Colorado Healthcare System.

There is a point when being too efficient becomes inefficient. The stage is set for failure when key factors are overlooked which will support not only that bottom line, but also the quest for efficiency. Frontline employees are trained to complete the specific tasks associated with their job, and, as if it's an afterthought, to try not to be rude to the customer. Unless heavy equipment is involved, little attention is paid to safety issues.

Since we live in an assembly-line culture, consider what happens to efficiency when anything out of the ordinary happens. Frontline employees are not truly empowered to make decisions. Out of the box thinking is discouraged. Those who do take a chance at doing "the right thing" are quickly chastised, sometimes publicly, ensuring it will not be repeated. If there is not a pre-printed button for it, everything stops – not only for the customer in question, but for all the customers waiting behind him. Everyone waits while a supervisor is called and the situation is explained again. All efforts and programs aimed at efficiency are rendered impotent.

It's a busy weekday at the local fast food restaurant. The motto pledges to cater to the customers' wishes. Special value deal #3 is \$4.99, and includes a drink. The customer already has a bottle of water. Not wishing to risk a spill in the car, he asks the clerk to omit the drink. Immediate confusion erupts.

"You want just the burger and fries?"

"Yes, but the special value price is better."

"Well, that comes with a drink, sir, what kind of drink do you want?"

"I don't want the drink, and I don't want to have to throw it away, so could you please just not give it to me?"

"Sir, deal #3 comes with a drink, so if you don't want the drink, I have to ring your burger and fries up separately, that will be \$6.89."

In the drive-thru line, cars are waiting behind him. The customer can: A) attempt to discuss it for the third time (Is this brain surgery?); B) pay the extra money and move on (I feel taken advantage of!); C) order a drink and hope it doesn't spill before he can dispose of it (what an inconvenient waste!). None of these options inspire repeat business.

Short of covering every possible "what if..." with a specific procedure, well-communicated service priorities will eliminate delays and keep things running efficiently for both staff and customers. Whereas a lack of clear priorities will result in confusion, at best, and possibly chaos, lost business, and even lawsuits.

If efficiency is the goal, then those factors which come before efficiency must be prioritized in order to achieve it. For example, efficiency requires competency. If the front line employee is not able to complete the tasks associated with the job, then efficiency is a lost cause.

No matter how competent on the job and how efficient an employee is, overlooking customer courtesy will produce negative results. Outstanding customer service is not simply saying "thank you," but it is simple: focus on the customer, listen to the customer, and consider that customer's perspective. This does not detract from efficiency. It enhances it by reducing the time spent repeating things which should have been heard the first time.

One final item overrides all others. More important than courtesy, competency and efficiency is safety. No customer feels comfortable in a poorly maintained environment. Neither do customers appreciate companies cutting corners to expedite a product's delivery. Safety should never be compromised for any reason.

These factors, safety, courtesy, competency, and efficiency, are all vital to an organization's bottom line. Unless they are prioritized and clearly communicated to all levels in the organization, each will overshadow the others and create a growing snowball of confusion. Clear priorities ensure consistency in decision making and continuity of service between departments and employees. From the CEO to the front line, consistency goes a long way toward customer satisfaction.

Looking again at the fast food scenario, that front line employee could have made a decision based on: 1. Does it compromise safety? No. 2. Is it courteous to the customer? Yes. 3. Is it possible? Yes. 4. Is it efficient? Not perfectly efficient, but by allowing the first three factors to override efficiency, the customer is happy, and less time is spent on the exception than would be

spent discussing it. Ultimately, the satisfied customer is out the door faster, and those waiting in line are served more efficiently. Clear priorities enable wise decisions, which in turn support the bottom line.

It is not just the typical front line employees who will benefit from this strategy. The nursing supervisor at a busy hospital is well educated and accustomed to making important decisions every day. While managing the nurse's station, he or she faces two patients waiting in line for assistance, a fairly new physician needs a prescription faxed to a pharmacy, while another more senior doctor is requesting information from a patient's file. Everyone needs help now! The stage is set for failure.

A common reaction is to help the most senior doctor first, then the next doctor, while the patients wait. And wait. The fact that the patients are the hospital's raison d'être is completely lost. Once the patients finally get attention, the nurse has developed an edgy demeanor, along with a tone of voice which discourages them from asking questions. Keeping their concerns to themselves, the patients' apprehensions are magnified.

The corporate vision or mission statement that is introduced on every employee's first day is usually forgotten by the second. A well-intentioned CEO offering guidance to a busy staff member suggested that she first be nice to the patients, and then be efficient. Her all-too-efficient reply: "I'm here to save their butts, not kiss 'em!" Dr. Brian Wong, president of Integrated Health Care Systems, Inc. summarized it by stating that "We've corrupted our core values in pursuit of reimbursement."

A clear set of service priorities outlined by the hospital will alleviate the pressures created by multi-tasking in a high stress environment. For example, the Marine Corps' credo involves basing decisions on serving first God, then country, then division, and finally self. If that busy nurse can assist each customer based on an undisputed set of priorities (first patient, then company, then department, then self) everyone will benefit. Putting the patients first eliminates the distress created by deciding whom to help first. Once the two patients are taken care of, the doctors' requests can be addressed based on their patients' needs and not on seniority or politics. Without effort, efficiency is increased, as well as satisfaction levels for both internal and external customers.

This simple formula of prioritizing and then effectively communicating and supporting those priorities can serve as a catalyst for outstanding and efficient customer service.

Want to know more about how to develop customer loyalty through operational excellence? Call 407-859-2826 or email us at Info@WeCreateLoyalty.com.

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