

## Is your business ready to listen?

MAKING THE MOST OF CUSTOMER AND EMPLOYEE OPINIONS.

TIM SWEET

### A Missed Opportunity

*I am walking through the grocery store with my wife; we have completed our shopping and are heading for the till. My wife points to a produce counter where apples are displayed. On top of these apples is a large prime rib roast, abandoned for some unknown reason by another customer. My wife looks annoyed that someone would ditch this expensive piece of meat, which by now is bleeding all over the apples. She goes up and touches the roast, "It's still cold, let's put it back." Seeing a young produce clerk a few feet away, I take the roast and say to my wife, "I'll give it to him. I approach the young clerk and hand him the roast. "Someone left this over there... it's still cold," I say, "you'll want to put that back before it spoils." The clerk looks stunned, then annoyed. He turns from me, throws the roast in an empty fruit-box full of garbage on his cart, grunts, and continues what he was doing. My wife and I look at each other and shrug. We don't owe this store anything; we just don't like seeing food go to waste. We turn and head for the till.*

You see it all the time. A customer goes up to an employee at the grocery store, bank, airline ticket counter, or doctor's office with a comment or complaint. Can you visualize how the employee responds? The person will offer a concerned expression and an apology. More often, the employee will explain that someone else is at fault, usually the management, or worse... the customer.

Commonly employees will seek to demonstrate, passively or assertively that he/she has no power to rectify a problem. Sometimes they will 'bribe' the customer, with a discount or free service to diffuse the situation. Either way, no solution is sought and the issue is not resolved. Eventually there will be other complaints or cost incurred for the same reason. Customers will usually say nothing— which is exactly why when customers choose speak, employees must be ready to listen.

Customers and employees are sources of valuable information; they are direct sources. They offer their views of real happenings, not hypothetical situations that managers try to anticipate or discover. They provide this feedback for free, and it is *real-time* feedback. When they do choose to speak, they will often not only point out the problem, but also suggest a solution. En-masse they have a creativity that cannot be reproduced by an individual person, department of experts, or battery of focus groups.

The only caveat is this: the company, and all of its parts, must be ready to actively listen. Everyone must be encouraged to

listen intently, to demonstrate to the customer that they understand their concern, and to seek a solution. In this way, the customer will leave satisfied. Further, if the customer leaves believing that they have left their mark on the business, they will be more likely to return if they feel that the business is meeting their needs – especially their need to be understood.



In the service industry, the negative consequences of the above example are obvious, but the scope of this problem extends farther than you might think. Not listening to internal and external customers breeds inefficiency and waste in manufacturing, high-tech and energy industries, as well as many others, in similar ways. The same problem can hamper the development of schools, church groups, scout troops, clubs and families. It is the ability to capitalize on the information available that allows an organization to

improve. This ability affects the quality of our professional and private lives.

So what is the problem? If customer comments are such a wealth of information, why isn't every business taking advantage of them? Occasionally the problem is the employee, and an irreparably poor attitude. But more often, the problem is caused by the organization's inherent culture, policies, or structure.

### Problem 1: Culture

As a customer, think of a time when you have been motivated to speak. Did you wonder whether your comments were being taken seriously? More often, we may be resigned to the fact that speaking up is an exercise in futility. We may get a chance to vent our frustrations, but chances are we will have to deal with the same issue again in the future so we chose to say nothing. Indeed, this seems to be the case most of the time.

As an employee, have you ever received a comment and not acted on it? What would be your reason for not taking action? Could it be that you had raised concerns before with your supervisors and seen no results? Did you receive enough praise for bringing up a customer's concerns in the past? Was their nothing in it for you other than more work? Were you not given the time and/or training to deal with this situation?

The fact that customer service is in such a dismal state today means one basic thing: despite assertions to the contrary, the customer is not number one. This hasn't been the case for a long time, if ever, in the majority of companies in business today. In

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order for the customer to be the most important person to an organization, the customer has to be listened to *and understood*. The culture must always seek to empathize with the customer. Such an ideal has to be ingrained in the very culture of the organization.

## Problem 2: Policy

Some companies actually end the conversation before it begins. In certain organizations, the company will force a customer to deal with management at an insulated level. The company will explain to the customer that they have empowered frontline managers to address their complaints. However, in a company that is not ready to listen, this usually means that senior management is trying to insulate itself from the rants of dissatisfied clients. They will justify this behaviour by stating that they don't have time to be distracted while addressing the so-called "important issues".

Is customer satisfaction and process improvement not worth management's attention? Of course it is not practical to have senior management address every issue, but policies should not seek to insulate higher managerial levels from complaints and comments, as well as the tough decisions that may follow. A company that is ready to listen will seek to amplify the message and ensure that any potential opportunities for improvement are not squandered.

## Problem 3: Structure

Like ineffective policy, improper structure can send valuable information to the wrong person. Who is it that handles customer concerns, and how is this decided? Is a comment routed to the appropriate person – one who can act on the suggestion? If all the comments go to a customer service department, and stay there, the company is choosing to manage its complaints, not its business. If on the other hand, the problem goes to the appropriate department, which is able to effect change, then improvement can happen.

Each department has to see itself as able to improve the business. It has to envision the effect its systems and decisions have on the customer. Structures must be in place to get the message to the person most able to conceive of a solution (the thinkers). The structure has to allow that solution to be

realized by the front-line people in the organization (the doers).

## Who is the customer?

Some argue that not every department directly interacts with the customer. So here I will broaden the definition of "customer".

For our purposes, the "customer" is the person who has identified a problem. But the notion of customer is not limited to a "paying customer". In any group, there are internal customers who rely on the goods and services of others within the company. In this context, customer relationships can exist between an employee and a supervisor, a child and a parent, a pupil and a teacher, and so on. Such relationships are not static - the roles of customer and supplier can switch depending on the commodity, be it material, labour or information.

To demonstrate the duality of internal customer roles, consider the following: in a factory, the employee 'supplies' himself or herself as a resource, and in this capacity, is the supplier to the company. At the same time an employee is the customer of the supervisor, because that supervisor must supply an opportunity to work, an environment to work in, and direction for how to do the work. Depending on the commodity, the company or the employee may have to actively listen if they are going to seize an opportunity to improve.

## An Opportunity Network

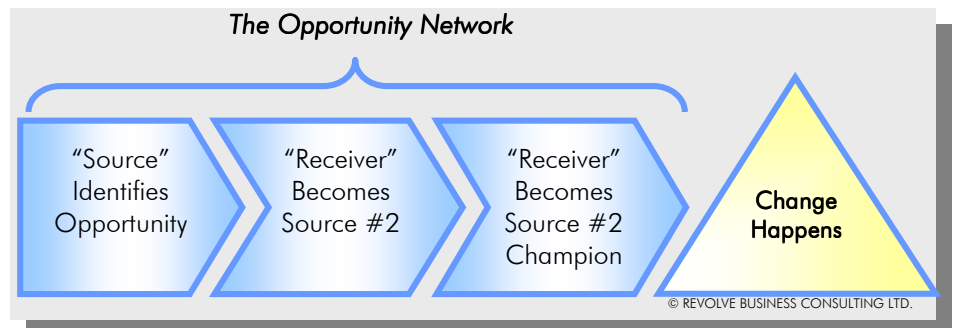
To clarify further, I am going to introduce a few words that I use. I choose to call a person making any suggestion a "Source". Opposite the Source, is the person who can use or transmit this information; I call this person a "Receiver". These relationships are not dictated by seniority or station. Instead such relationships are defined by

identifying who can, and who cannot, create change. The Source will always be the one that can identify opportunities for change; they will be seeking to communicate this to a Receiver who has the influence to effect change.

Steven Covey, author of [The 7 Habits of Highly Effective People](#), uses the term "Circle of Influence" to describe where we can and cannot impact our environment. In my vernacular, being "change-ready" describes a business that supports the person or team who tries to bridge the gap between what they can and cannot improve in isolation. Change-ready organizations are able to expand and capitalize on what their people identify as opportunities by never limiting the employees' or customers' influence.

The Source offers opportunities. The Receiver can act on an opportunity directly, or if it is outside their circle of influence, they can become a secondary source and pass that opportunity towards someone who does have the ability to effect change. This cycle has to continue, within an "Opportunity Network", until it finds a "Champion" who is able to act. An organization can capitalize on the information offered by increasing the influence of the customer and all of its internal resources. Employees who care enough to listen and act on customers' concerns are integral parts of an opportunity network and must be supported as such. Likewise it is imperative that management are given the time to listen and the authority to react.

Each link in that opportunity chain – each customer, employee, and decision maker – must be ready to work together, providing and receiving information. Most importantly, the company must support and promote this end.



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## **When Things Are Done Right**

*I recently had the pleasure of filling out a comment card with SmartDraw.com, a software developer who creates a robust yet affordable flowcharting product. On the form, where you fill out your shipping information, there was a space to include general comments. I took a few minutes to point out that I found part of their website unhelpful in making my decision to purchase their product - to the point that it made me consider other options. I hit the send button and thought that was the end of it.*

*Within half an hour I received an e-mail from SmartDraw's head copywriter wanting to know more. Fifteen minutes later I received a phone call from the CFO, who wanted to know more about my experience. Our conversation lasted over three quarters of an hour, until he was satisfied that he understood my concern, and that I understood Smartdraw's motivation for constructing the website the way they had. My comments were directed not only to the appropriate persons involved, but also upward, to a senior decision maker who undoubtedly had the ability to assess whether change was needed.*

*SmartDraw.com, obviously has the policies and structure to foster a listening culture. The result was that I left the conversation feeling understood, and that I have a new partner in business, not just a software supplier. They had taken my comments seriously, and had taken the time to act on them. They capitalized on the opportunity a customer presented to create loyalty and to develop a positive reputation. Now that I am telling you this, they begin to reap the rewards of word-of-mouth promotion.*

## **Being change ready is self-promoting**

Once an organization is ready to listen to the needs of its customers, and begins to act on those needs, improvement measures will provide a momentum of their own. To maintain and direct this momentum, it is important to monitor and measure the impact that changes have. Knowing whether a change has had the desired effect, can be as simple as monitoring the frequency of comments coming in. If the problem has been fixed, then the incidence of complaints should not recur (or should at least reduce). If complaints do recur, then either the fix was insufficient, or the problem was misdiagnosed. To ensure that changes are not counterproductive, more specific measures may be needed, and response plans may have to be created.

## **Not all changes make sense**

Practically, you can't be everything to everybody. And not all changes will make sense. There will be a time when a suggestion is made that is just impractical, or is contrary to the company's mission. When this is the case, those making the suggestion should be given an explanation as to why a resolution was not effected and reassured that their concern was considered carefully. Opening up the decision for debate may seem cumbersome, but this ensures quality decision-making. If objections come pouring in, and reasonable




explanations cannot be offered, then perhaps the decision not to implement a change was arrived at in haste. Transparency and explanation will educate those offering impractical suggestions while keeping decision makers on their toes. The process will require them to carefully consider what is possible and what is not, and what is in the best interests of the customers, employees, and shareholders.

## **Why every opportunity to improve is important**

It is the sheer volume of opinions that provide value to a company that is really ready to listen. These opinions are not formulated in a lab; they are spontaneous and first-hand reactions to what is happening. They are a sample of the actual population. Employing an opportunity network to deal with comments ensures that the entire company is involved, which is beneficial if you believe, as I do, that ownership of improvement is fostered through involvement in its creation.

Any company can put out a suggestion box, but it is what you do with it that counts. Does your system classify and quantify suggestions for deeper understanding? Do you use those measures to increase the viability and success of each improvement you make?

Companies who choose to listen actively and capitalize on an opportunity network are capable of dramatic improvements that move the whole organization forward with loyal customers, empowered staff, and driven managers. 

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