

Develop Shock and Awe through Service Recovery

Don't blow your biggest chance to quickly create customer loyalty!

By James A. Alexander, Ed.D.

One of the most powerful relationship-building tools available to services organizations comes from a situation most of us dread — screw ups — the installation that never worked or the problem fix that never stuck. These very things that result in a hassle for you and a headache for the customer are marvelous opportunities to turn lemons into lemonade.

Yet, even services execs with a lifetime of dealing with (and solving) tough customer problems often blow their chance. They (like all of us) are subconsciously attracted to adopting problem-avoidance tactics aimed at “minimizing damage” instead of embracing the relationship-building opportunities to “maximize value” that problems create.

See if these three problem-avoidance approaches sound familiar:

1. Reject: “It doesn't sound like a big deal to me. You can't expect something to work 100 percent all the time, can you?”

Or ...

2. Ignore: “Maybe if we don't do anything, the problem will go away. Let's allow this to sit a while and see what happens.”

Or ...

3. Disagree: “No, it is not our fault. Those darn customers are always trying to blame us when they must have done something wrong.”

These attitudes drive behaviors that have a very similar impact on customers. Whenever customers face screw-ups (during a software installation or systems integration, for example), they feel two things: a sense of loss and a sense of dread. Loss in that they did not get what they paid for (expectations not met) and dread at the thought of having to go through the hassle of attempting to get the supplier to “do what is right.” Past experience has taught them that service problems of any kind are often a major pain to resolve.

Think about your personal history with service problems. Remember how you felt (after leaving three voice mails) trying to get the contractor who “fixed your roof” to come out and fix the roof when it still leaked? How confident were you of getting a timely resolution? Or, recall how you felt on the third visit to the dealership when the car mechanic smugly said, “I don't hear any clunking noise at 50 miles an hour — you are just hearing the clock.”

How did you feel when your viewpoint was dismissed, and it was inferred that you were an imbecile? I'm sure you can come up with many more examples, but the feelings are the same — a sense of loss and a sense of dread as our patterns of experiences prepare us for agony and toil. These are not pleasant feelings!

Your customers feel exactly the same way when facing problems caused by or related to your services.

As we all know, customer loyalty is the number-one driver of profitable growth.* And doing an outstanding job of service recovery is the fastest way to make loyal customers.** (See "Extreme Service Recovery" for an example.) However, every time you follow the all-too-common path of rejecting, ignoring or disagreeing, you lose an enormous opportunity to create a loyal customer.

People are so used to being rejected out of hand, ignored when they complain and disagreed with when they offer ideas — that they are absolutely amazed when they are met with understanding, accountability and action. Furthermore, if your empowered team handles a problem with a service recovery approach, the clients will be impressed and delighted with not only your actions, but with you and your services organization as well. They will become loyal. They will tell others. They will become very valuable assets. So pay attention, as this can directly impact your success. Here is what you need to do.

Develop a Service Recovery Approach

Rethink your whole approach toward dealing with customer problems. Don't hide behind old rules — throw them out and start over.

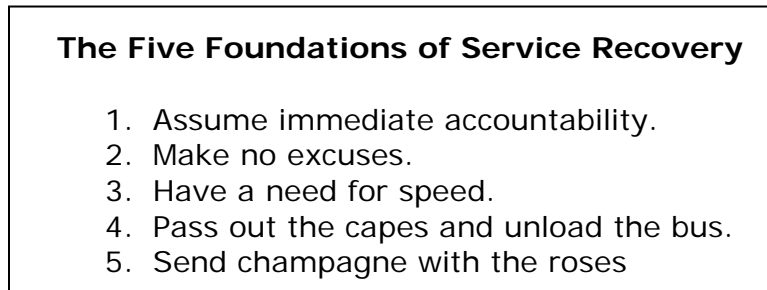
1. Change your mindset from "Oh, cripes, another problem to deal with," to "Sorry it happened, but what a great opportunity!"
2. Change your problem resolution strategy from "What is the minimum we can do to get by?" to a service recovery strategy of "What is the best way to fix the problem so it stays fixed and creates a loyal customer?"
3. Change your traditional metrics from ones such as "mean time to resolution" to "number of Champions (very loyal customers) created."

Like most important things, you'll improve both quality and buy-in if you involve your team in crafting your service recovery approach.

Create a Service Recovery Process

Figure 1 shows the five foundations of powerful service recovery. Read on and you'll see that they are not only a process to be followed, but a philosophy to be lived.

Figure 1



1. Assume immediate accountability.

This is all about the person on the spot, whatever his or her rank, assuming full and immediate accountability for full problem resolution. This means: No arguing about who is to blame. No "I have to check with my supervisor." No "Our escalation policy is ..."

The person is empowered to start turning the wheel of service recovery immediately. No permission is needed. (You have a service recovery strategy remember?) Fixing the problem with a solution that will last is job number one. Communicate that your only concern is fixing the problem. You can worry about all the other stuff later. This is the "shock" part. Expect open mouths and other signs of disbelief from your customer's staff.

2. Make no excuses.

If you screwed up, eat some humble pie and apologize. (Forget about what your legal department may say about never admitting failure in order to avoid liability. That is sheer stupidity.) You are dealing with people who deserve honesty and respect. If the customer knows you screwed up, and you know you screwed up, and the customer knows you know you screwed up, then 'fess up. It is an insult to the customer's staff members if you don't apologize when they deserve an apology.

If you are not sure if you screwed up (or are sure you didn't), then empathize. Let everyone know you understand their problem and its implications. Yes, there are facts to be dealt with, but deal with the feelings first. This personal listening/understanding/connecting goes a long way in cooling down a hot situation.

3. Have a need for speed.

You are now being watched closely to see if your words are for real or just B.S. People at the customer's organization want to believe you, but past experience makes them skeptical. So have a need for speed. Quit burning daylight. Damn the torpedoes! Full speed ahead! Just do it.

Light a fire under whomever you need to get action started. Send the customer a daily report (more or less often depending on the situation) outlining what your organization has done today to address the problem, the results so far and what next steps are planned. This report could go to one or more people. Then, phone a representative for the customer to explain and respond to the problem (apologize and empathize again as required).

4. Pass out the capes and unload the bus.

Remember that this is your chance to turn chicken feathers into chicken soup. Bring in your big hitters, whether Geeks or Suits (doughnuts and pizza also help). When you ring the bell of service recovery, the best and the brightest should now be available. (Remember you have a service recovery strategy.) This is the role service people love to play, so hype up the situation and give them the opportunity to shine like the stars they are.

5. Send champagne with the roses.

Here is the "awe" your customer will experience. You resolved the problem to meet original expectations and fixed the root cause, so the hydra of hassle won't raise its ugly head(s) again. On top of doing it fast and with style, one more thing you need to do is to delight, to blow their socks off, to awe them.

Here is a personal life example many readers may relate to. If you make a personal blunder (like being out of town on work at the time of an anniversary), a loved one of yours may "expect" (along with a "Geez, I'm sorry") a small token such as flowers or candy — so sending a dozen or two long-stemmed, yellow roses may exceed those expectations. Sounds like a smart move! Can you anticipate the reaction?

What about reaction received by a very small few (the brilliant) among us who also send two bottles of champagne with a note saying something like, "Please ice this down and we can share it together tomorrow night"? This kind of behavior is totally unexpected ... something to be remembered ... something that makes you unique in an important person's eyes.

That is what we are talking about. It is not asking "What can we do to make this right?" It is just doing it — discovering something else of value that you can provide and making it so. What anticipation do you expect now? Going a little further, doing a little more forms a story that will not be forgotten. Plus, it is satisfying and fun. Remember: It only costs a little more to go first class, and important people, like your customers (and loved ones), deserve it.

Excite and Empower Your Team

Explain your service recovery strategy to everyone who touches the customer. Communicate that it is everyone's responsibility to launch service recovery. Train them on the skills, coach them on the process and explain the value. Provide real-world examples of customer problems, ranging from customer irritants to full-blown train wrecks, in order to link concepts to reality. Have people play themselves in role-plays of how they would handle service recovery. Have managers coach them to think "extreme" in considering how to turn a hassle into an awesome customer experience. Your team will love it.

If you can discipline yourself and your organization to get past old thinking and procedures regarding customer problems, you can use service recovery to gain a unique position in your marketplace, create customer loyalty and have a bunch of fun doing it. Why not start today?

* The State of Professional Services II: An Industry Comes of Age, by James A. Alexander, Ed.D. 2004. Creating Advocacy: Clients to Champions.

** November 3, 2005, presentation, "Exclusive Review of the National 2005 Customer Rage Study," by Mary Jo Bitner and Scott Broetzmann. Center for Services Leadership Symposium. Phoenix, Arizona.

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