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## PROFILES PARTNER ADVANTAGE NEWSLETTER

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### **FROM BUD HANEY'S DESK**

#### **The Road to Customer Loyalty: Paved with World Class Service**

*He profits most who serves best.*  
-Arthur F. Sheldon

As many of you will recall, we recently sent out a customer loyalty survey. Our aim was straightforward: We wanted to learn why some customers are loyal and others aren't. What makes some keep coming back to your business week after week, year after year? And what can be done to encourage that kind of behavior?

Thankfully, a lot of you took the time to respond. It was a substantial questionnaire and we appreciate your time and attention. Right now our team of analysts is compiling and reviewing your responses. Pretty soon we'll share our findings and our insights on customer loyalty.

Based on previous surveys, we're confident that what we hear from you about loyalty will help us understand more about what it takes to retain valued employees – to keep them loyal, engaged and motivated in the workplace. As we all know, when you can get an employee to give what's known as their "discretionary effort" – that little bit that goes above and beyond – not only can a business do

more with less in tough times, but customers see that extra effort, they appreciate it, and it encourages them to come back.

### **Customer loyalty pitfalls**

While the survey results are being compiled, I want to take a few minutes to outline a few things we already know will kill customer loyalty. Based on our research and our work with many of America's Most Productive Companies, here are five sure-fire ways to stifle customer loyalty:

#### **1. Don't Listen to a Word They Say**

Customers complain because they want to be heard. So when they talk, if you really want them to know you don't care, go ahead and check your Blackberry instead of giving the customer 100% of your attention. If there are a lot of details, don't take notes or the customer may think you're listening. And above all, when they finish vocalizing their complaints, do not repeat anything back to them. Otherwise they'll think you understand their issue and plan to do something about it.

#### **2. Never Apologize**

Ever listen to a typical politician apologize? "I'm sorry that happened," they'll say. Or "Mistakes were made." Or "I'm so sorry you feel that way." Everyone knows those are piecrust apologies that crumble at the first touch. An actual apology takes responsibility – if not for what went wrong, then at least for making it right. When a customer complains, the best thing to do after listening sincerely is apologize sincerely. "I'm sorry if you feel that way" isn't an apology and it might make a customer with a legitimate gripe even angrier. Instead be genuine. "I'm sorry this happened and I understand how you feel. Please know that I take responsibility for making things right."

#### **3. Thank Yourself, Not the Complainer**

Do you really want to wipe out customer loyalty? If so, when a customer has a complaint, if you don't listen and you don't apologize, that's just a start. Many complaints contain valuable information from a customer's perspective. What better way to learn how to improve your business? So, be sure to

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congratulate yourself on obtaining helpful new information. But never let the customer catch you appreciating their time or their insights. After all, that person's just a complainer!

#### **4. Offer Only a Generic Consolation**

Want to make an angry customer even angrier? When offering a consolation, be as nonspecific as possible. Whatever the complaint was, take 10% of the bill. Or offer a free meal. Or a 10% discount next time the customer comes in. But whatever you do, don't ask any specifics and don't make the consolation fit the complaint. If you dig down and find out what the problem is, then you address it in a meaningful way, the customer will tend to appreciate your service and give you their repeat business – if that's what you really want.

#### **5. Follow-up is for the birds**

After you fix the problem, if you are able to reach out to the customer or customers who complained, don't! Not if you want to keep them away. If you tell them how much you appreciate their help you will be gaining a lot of credibility and demonstrating how excellent customer service can happen even after "mistakes were made." Gaining customer loyalty isn't

always a matter of doing everything right. Sometimes it's about how you handle things when they go wrong. Follow-ups show you care.

Of course, if it's customer loyalty you're after, make sure you do the opposite of steps one through five. Every customer complaint is an opportunity to improve your business – but only if you see it that way! Even when a customer is angry, he or she is still being generous with their time. Right? So be sure to listen. Let them know you appreciate their feedback, even if it's hard to face. When you say you're sorry, don't equivocate. Mean it! Try to make the consolation fit the grievance. And when you're done, take a little time to follow-up.

There are no big secrets to building customer loyalty. It's a pretty old-fashioned, low-tech operation. Customer complaints need not ruin your day or even hurt your business. In fact, when handled right, customer complaints can drive loyalty and repeat business!

*Bud Haney, President  
Profiles International*



### **DID YOU KNOW?**

According to McKinsey, a good customer service strategy should balance costs, quality, and revenues. Companies that restructure call centers in this way can often cut their costs by up to 25% and boost the revenue they generate by as much as 35%, thereby transforming them into strategic assets providing a competitive advantage.

According to authors and customer service gurus Colin Shaw and John Ivens, 71% of business leaders

believe that customer experience is the next corporate battleground.

According to Gartner, 92% of all customer interactions happen via the phone, and 85% of consumers are dissatisfied with their phone experience.

### **HR MARKETER NEWS: Hiring on the Rise**

Despite the fact that the effects of the economic downturn have just recently tricked down into statutory levels, companies may be looking to hire again in the near future. Reports have surfaced that the insurance and medical industries plan on hiring thousands of employees throughout the remaining quarters of the year.

Reports from TalentQuest note that there has been an increase in the number of senior-level hires businesses are making and an increased interest in investing in employee performance management and development for the first time since the economy began to falter in 2008.

"The last couple of years presented new, unprecedented challenges with regard to shifting

talent management needs," said TalentQuest CEO, Frank Merritt. "While it is premature to say that difficult times are behind us, we are encouraged by the first positive signs we have seen in many months."

Several other industries have posted optimistic press releases via HR Marketer. According to Orlandojobs.com, "only 9.1% of surveyed companies plan on not hiring at all. Projected Central Florida job openings include: medical jobs and healthcare jobs, hospitality jobs, banking jobs, finance jobs, insurance jobs, education jobs, telecommunications jobs, real estate jobs, technology jobs and government jobs."

Although the outlook is encouraging, Orlandojobs.com also warns companies of the

of the challenges they will face from the effects of the economy. "Too many unqualified candidates apply for every open job, turnover for hourly jobs is high, budgeting for the HR department has fallen, retention is difficult when the recession forces additional work onto current employees and relocation is next to impossible because of the still stagnant housing market."

Frank Merritt of TalentQuest poses an interesting assessment of the current conditions. "The failures of prominent, well-respected businesses have created

arguably the largest pool of high-quality, available candidates in recent history," Merritt said. In order to encourage the growth of the job market, assessment and human capital companies must shift their focus from helping clients maximize their productivity to helping clients identify and retain the best candidates. Available positions will continue to increase as the economy heals, but as of now the job market needs help developing, and companies need reassurance that they are hiring the most qualified employees.

## CASE STUDY: The ProfileXT® Spells Luxury for Rosewood



Established in 1979, Rosewood Hotels and Resorts is a privately held, ultra-luxury hotel management company based in Dallas, Texas. With more than 20 properties around the world, including the U.S., England, Mexico, Saudi Arabia, Dubai and the Caribbean, Rosewood is a recognized leader in the resort industry. It has received more than 200 awards and honors from the likes of *Travel + Leisure*, *Conde Nast* and *Forbes Traveler* magazines.

In 2004, Rosewood began to look for a partner to help reduce turnover and increase productivity. The company ultimately selected Profiles International because of its variety of reports, language capabilities

and customer service. Rosewood uses two products – ProfileXT and Customer Service Profile™ (hospitality version). The core objectives have stayed in place over the years, including lowering recruiting costs and increasing employee engagement. Today, however, Rosewood's relationship with Profiles has evolved, as has the application of these two tools. As described by the corporate human resources manager,

"We have evolved to a point where we can take what we have and leverage it in ways we couldn't have imagined in the beginning."

## MANAGING MANKIND: A Toxic Problem Without A Plan



Do you think the Gulf of Mexico would appreciate a contingency plan? One of the greatest environmental disasters of all time struck the Gulf Coast on April 20. An oil rig, located off of the coast of Louisiana, exploded causing three leaks in pipes that are now emitting an estimated 200,000 gallons of crude oil into the ocean every day.

BP is responsible for the oil, but denies responsibility for the actual leak. They place the

blame on Transocean Ltd., the operator of the demolished rig, for the catastrophe. Regardless of

which company will take the fall for this devastation, the obvious pitfall is that neither company had a contingency plan for an incident of this magnitude. Many are wondering, how can something like this happen today, and why hasn't anyone stopped it yet?

There were warning signs that a leak could occur, but no preventative measures were established; Machines are faulty, and people make mistakes. Had the corporations involved with these machines created plans for emergency situations, this crisis might not even exist.

Companies should always have contingency plans for potential circumstances. Proactively planning for the worst ensures that companies are accountable for their actions. Managers should understand plans made by the company, and also work with employees

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to create new plans in case of emergency situations. Contingency plans can be made for everything from employee conflict, to a physical attack on company property, to a company-wide issue with widespread effects. An oil spill is a prime example of what

happens with poor planning. Had these companies ensured that each rig met production and safety standards, and that if they didn't there was a way to correct them, the Gulf Coast would not be suffering as it is now.

## FEATURE ARTICLE: Retaining Customer Loyalty

*By: Megan Bullard*

Customer service is one of the most crucial departments in any business. Customer-facing employees portray the image of the company in the eyes of the consumer, and one encounter with an employee can make or break a sale.

Imagine this scenario: an excited customer requests online for a service. Because of modern technology, the customer assumes that the service will be performed within a few days of registration. Almost a week later the company calls to set up an appointment time for installation. Annoyed at the amount of time it has already taken to schedule the appointment, the customer grudgingly agrees to the first available time.

The day of the appointment, the technician responsible for installing the service calls to say he is on his way, but the technician does not show up until three hours later. In order for the technician to install the service, the customer needed to be present. The customer's entire afternoon was interrupted by the late technician.

The customer needed the service, and because of the time he had invested he decided to stick with service, but he never recommended the company to anyone because of his experience. Companies with poor customer service or inadequate customer-facing employees risk losing potential clients, and often lose business rather than retain it.

Customers have specific expectations when dealing with businesses, and when those expectations are not met or exceeded, companies risk establishing a negative reputation. Word of mouth is one of the most powerful tools in gaining and retaining customers, without recommendations companies cannot expect to expand. A negative story about a bad experience with customer service is more impactful than no recommendation to the company.

How can businesses identify people with high-potential for being effective customer-facing employees?

Customer service assessments can measure how well a person fits specific customer service jobs within an organization. These assessments evaluate each individual's behaviors, attitudes and skills to determine who is most capable of holding a customer

-facing position. Placing a person with poor communication skills or a melancholy attitude in a customer-facing position can result in losing customers rather than gaining them.

Customer service assessments can also evaluate what current and future employees believe is a high level of customer service, while simultaneously showing whether or not they align with the company's perspective. Businesses should strive to solidify the expectations they hold for those involved in customer service, and to communicate those expectations thoroughly. Once a standard has been set it is easier to assess who fits the standard and who does not.

How can companies know if their customers are satisfied with their customer service departments? Customer loyalty surveying tools are available to gather ongoing, critical account intelligence that helps to assess the relationship between the business and the consumer. Insight into the customer's perception of the existing business relationship allows businesses to create a targeted strategy for customer-facing teams in order to continually improve the consumer's relationship with the company.

A company interested in serving customers on every level possible should invest in customer service assessments. These tools are designed to give companies the necessary insight to excel in customer service. One bad experience can ruin a string of potential customer's perception of a company. Having the right people in the right place will enable businesses to exceed customer's expectations and generate more business through their stellar reputation.

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