



Journal of Transformative
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A Transformational, Innovative Opportunity for Small Business: Customer Service

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Abstract

Small businesses are vital to the U.S. economy. Despite comparatively modest budgets, small businesses need not be intimidated by competing with deeply-pocketed rivals. Indeed, Davids (small businesses) may have plentiful, effective stones for their slings to bring down Goliaths (big competitors). Such stones need not be complex or costly. The stones come in the form of stylized and expeditiously resolute customer service. Good customer service is not only differentiable, but it may also be among the best mechanisms for achieving brand equity. This article provides exploitable examples and ideas for avoiding such pitfalls in pursuing all competitive Philistines.

Introduction

According to the U.S. Small Business Administration, there are 22.9 million small businesses. In aggregate, they comprise 99.7 percent of all employers, create 63 percent of new private sector jobs, constitute over 48.5 percent of private sector employment, cover 42 percent of private sector payrolls, produce 46 percent of private sector output, embody 37 percent of high-tech employment, yield 98 percent of exporting firms, and represent 33 percent of exporting value. However, small business chronically lacks the lobbying clout in Congress, a phenomenon contributing to the “crony capitalism” critique. Even so, small businesses continue to hold their own in the competitive arena. This alone is prima facie evidence of transformational innovation, yet one of the more rational explanations may be hiding in plain sight.

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In 1976, the movie *Network* earned four academy awards, including the best actor Oscar for Peter Finch. Finch portrayed an outraged anchor, Howard Beale, who produced one of the most iconic lines in the cinematic history: “I’m mad as hell and I am not going to take it anymore!” Beale’s line might be correlated with Dante’s *Inferno*. The recession and recovery sine wave of commercial activity is unfortunately punctuated with poor service or deficient product quality. Indeed, there are stages of customer service “hell” that degrades from the mildly frustrating to the ridiculously exasperating. Although customers may not be as expressive to their vendors as Finch’s character, Beale, they may at least think it. Discontented customers are highly likely to share their painful experiences within their intimate circles. If the story is juicy enough, the episodes may go viral.

Big business spends fortunes in brand development and advertising, only to sometimes adulterate their endeavors with execution “disservice” to their customers. When customers encounter these missteps, the vendor’s attitude occasionally comes across as a perversion of René Descartes’s syllogism: I am big; therefore I am entitled. (The original is “I think, therefore I am.”) Interestingly, customers expect hiccups, yet tend to be forgiving if their vendor embraces responsibility for the infraction and resolves the problem. Customers are even more forgiving when such “own it” resolution is expeditious. Instead, and seemingly particularly problematic for big businesses “infected” with the “indifference virus,” excuses and apathy are the norms. The great western philosopher (tongue in cheek), Forrest Gump, perhaps supplied the simple answer with his version of Occam’s razor: “Stupid is as stupid does.” Actually, there is a difference between stupidity and ignorance. Borrowing from Aristophanes, “. . . [I]gnorance can be educated, . . . but stupidity lasts forever.”

Observant and opportunistic entrepreneurs seize upon the ignorance (and perhaps stupidity) of behemoths to seize market-share with solutions. These need not be disruptive innovations. Alas, from the customers’ perspective, a solution may be innovative by the product reliably performing as advertised—and fixing the problem when it doesn’t. Such “stand behind the product” service fits Scott D. Anthony’s definition of innovation: “Something different that has impact.” The value-creating foundation for customer service will be laid with some war stories. We will be kind by changing the names to protect the guilty.

Symptoms of the Disease: Customer Disservice that Will Live in Infamy

Major airports sometimes include hotels as centerpieces for the traveler’s experience. For example, the Westin in the Detroit airport is an excellent facility that includes its own security portal for customer convenience. Westin is also involved in an expansion at the Denver airport for similar reasons. For serious travelers, such logistical conveniences can be a differentiable value.

At another major airport I frequent, a certain chain has two hotels in the airport complex. While a guest, I faced a deadline. I needed to print a contract, sign it, scan it, and then e-mail it. I approached the concierge for assistance. The first thing I noticed was abject indifference. In dismissive fashion, he directed me to their business center on another floor. It was unattended.

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The printing and scanning devices were separate and had credit card scanning for metered access. I had trouble with both, but managed to at least get the document printed. I returned to the concierge's floor and asked for assistance with the scanner. Reluctantly, he followed me down to the business center. In short order, it was obvious that he did not know anything about the equipment—and this atop the transparent fact that my request for help was a nuisance beneath his dignity. I dismissed him, knowing that I was on my own. He seemed irritated that a gratuity was not offered. However, none had been earned as my problem was not solved.

Upon remembering that this was but one of two hotels in the airport complex flying the same banner, I approached the bell captain and asked how I could get to the other facility without a cab (I had not rented a car). Luckily, a shuttle was available. Upon reaching the second facility, I encountered another indifferent concierge who pointed me toward their business center. The first thing I noticed was that it was outsourced to a vendor. Keep in mind that the same hotel had two distinctly different business center solutions. Process monkeys, like me, often find this kind of variation to be at least part of a problem's root cause. The second thing that got my attention was that the instructions on the center's computer did not pertain to the equipment in the center. Annoyed, I approached the front desk. To my delight, the (apparently) least senior (most junior) of the several staff attending the counter stations asked how she could help. I explained my predicament. Her response was to say, "I'll handle it." She then took my document behind the counter and scanned it with their equipment at no charge. The rhetorical question is: Why did not the first facility offer that option when it was obvious that their business center was malfunctioning?

Another example regards new products from established businesses. Some business models attempting organic growth attempt leveraging their existing customer platform for increased share of wallet. There is nothing wrong with this, per se. However, the new services may be entirely different (and unfamiliar) business models. For example, a cable company recently enticed one of my close personal acquaintances with a bundled package that included security services. During the first *weekend* of service, the alarm malfunctioned—at very high decibels to the annoyance of my acquaintance and probably her neighbors. There was no way to cut it off—and the battery was designed to last for eight hours! The company's website did not have a service number. The intrepid customer started dialing general numbers. A "service" representative offered to schedule a service call some *days* later. In short, there was no emergency or after hours service function to support a security anomaly.

The story gets worse in two other aspects. First, the cops *never* arrived. Inquisitive, the customer did not let that one slide. As it turns out, that aspect of the "service" was not scheduled for activation for *seven* days. There was nothing in the contract citing this and it was not mentioned in the sale. Apparently, the vendor had not thought about the liability associated with a break-in before the activation. Indeed, the customer was suffering theft by deception in that she was paying for a service not provided. The customer terminated the service and had the "security" equipment removed despite all manner of credits offered. Alas, the point of no return had been reached long before the offer because credibility had been irretrievably destroyed. A few days later, the cable company's customer service called my acquaintance to report an apparent service outage because they were not detecting a signal from the security apparatus.

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The customer enjoyed telling them that the reason that there was no signal detection might result from having the equipment removed.

Interestingly, I had earlier experienced the same cable company's disservice. A few months earlier, I decided to move to their telephone services in a bundled package. In vetting their capabilities, I told them that I would not consider them unless they could handle multiple lines. I needed three. They assured me that they could handle it. As it turns out, they could not. I had to uninstall and return to the previous provider. My phone service was a mess for days.

The cable company episode sounds eerily similar to an experience I had with a national accounting system vendor who started peddling payroll services. Since I was not that happy with my existing national payroll vendor because of a chronically high error-rate, I was receptive to the overture. The first thing I told them was that their system had to handle multiple states. They assured me that this was no problem. In point of fact, it was a problem. I was in the middle of conversion before I formulated the right question that they could not dodge. That's when I realized that I had to stop the conversion.

I have many more examples. I document them for articles like this. These are not statistical outliers. However, before addressing root cause, let's contrast this morass of disservice with a couple of pristine examples of "the right stuff."

Jeremy on Concourse B

Some of us make use of airport shoe shines as a cost-effective way of polishing our first impression. I was particularly impressed by a kiosk in Concourse B at the Denver airport. Jeremy had a name tag. He was neatly uniformed and groomed. Jeremy was polite. He asked how many minutes I had before my flight, and made a point of scanning the physical proximity of the gate to make sure he paced himself accordingly. He rolled up my pants legs, and inserted 360 degree cardboard sock protectors. Although my socks are typically as black as my shoes, I occasionally discover that shoe shines render ebony my otherwise alabaster ankles.

Jeremy was efficient. He used both hands. Additionally, he applied a unique amount of pressure that doubled as a foot massage. He removed his gloves so as to partially turn them inside out, leaving the fingers inverted. He trapped air in the palm of the gloves to leverage air pressure from squeezing to salvage them for reuse. This was an innovative way to eliminate waste.

The six chairs in the kiosk were busy. Even more impressive was a new employee being trained in quality and efficiency. Fellow customers were exchanging curious glances at each other confirming that we had never seen this before in any airport. The manager obviously wanted customers to know that they cared about their product.

Finally, no pricing sign was posted. I asked why. The kiosk deliberately does not post prices. I asked how I was supposed to know what I owed him. Jeremy said to pay him what I thought the job was worth. I asked what is normal. Jeremy said an average of \$8-10. This is no average; rather, it is a range. Cleverly, however, Jeremy established a psychological benchmark called

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“anchoring.” Jeremy had established value. Only an ingrate would pay less than \$8 for a good shine. Comparatively and for a comparable price point in Atlanta, crappy shoe shines are delivered by indifferent employees playing loud programs from poorly tuned radio stations. I paid Jeremy \$12 with a smile on my mug. Ladies and gentlemen, this is how customer service creates value and brand equity.

Anthony at Lenscrafters

It was Sunday morning in Denver. My routine includes cleaning my glasses after showering and shaving. My metal frames broke. Upon reaching for my spares in my computer back, I realized that the case in my bag held my shade flips—not my spare. My back-ups were 1400 miles away. My week promised to begin with a three day conference in Beaver Creek, followed by a dash to the airport to make it to Minneapolis, then on to Atlanta. Lots of driving. I am nearsighted. I wouldn't recognize my wife beyond 10 feet until she spoke. Panic!

Other than hospitals, few businesses do technical work on Sundays—and even fewer seem to enjoy it. After Googling options, Lenscrafters emerged as an oasis in the desert of despair. The experience began when Anthony answered the phone. He was supremely empathetic and soothingly assured prompt solutions. When I walked into their Cherry Creek Mall store, he recognized me amid a full store before I uttered a word. Anthony deftly used his disarming sense of humor to further put me at ease.

Anthony quickly surmised that my frames were not repairable, and objectively reviewed my options. He could have gouged—but he did not. He knew my objective was to survive the week and accomplish a longer term option when I was less time constrained. Anthony also solved a fit riddle that had evaded solution since I began wearing glasses in 1988. Anthony was the picture of exemplary professionalism and service. I told him so and asked for his boss's name and address so that I could communicate as much to Lenscrafters' leadership who should reward and nurture such behavior in their organization.

Before I finished the transaction, Anthony shared something personal with me. He showed me a note in his smart phone he has kept for years as an amulet that is his daily reveille: “Customer service is dying.” Not on Anthony's watch!

Root Causes and Cures

Jan Carlzon coined the term “moment of truth” describing what happens each time a customer encounters the product. McKinsey & Company provides another useful definition: “those few interactions . . . when customers invest a high amount of emotional energy in the outcome.” The late Steve Jobs was maniacal about the customer experience (also known as the moment of truth), and this was reflected in both Apple's results and eschewing the large company “indifference virus.” Surprisingly, employees may lack sufficient empathy for the moment of truth because they do not understand the products that fund their paychecks. This could be the first

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step in a downward spiral toward employee indifference and its byproduct: poor customer service. Are businesses covering this in onboarding, training, and job rotations? For example (and in contrast), when Robert Nardelli took the helm of Chrysler, he and his executives weekly drove and discussed different cars in the line to refine their customers' moment of truth perspective. Nardelli's process was corollary, yet admittedly less immune to bias, than the "secret shopper" technique.

Do employees feel accountable for the customer experience? No? Then how might such sobriety be culturally institutionalized? Performance management is a good start. Goals, rewards, and recognition should be tied to the customer experience. The anticipated retort is "But I'm not in sales." However, Daniel Pink counters that argument by pointing out that 40 percent of non-sales employee bandwidth is attributable to sales support activities. Hassel Franklin, founding CEO of a furniture manufacturer bearing his surname, deployed a novel technique to drive home the quality point to non-sales people. Franklin's quality control rejects were prominently displayed in the cafeteria, and notes were attached to the article to point out the specific defects. Peer pressure on the production line was the control mechanism, and this long before quality circles and self-directed teams were in vogue.

The single most intriguing thing about delivering good customer service is encapsulated in a line borrowed from the Jeremy Renner character in *The Bourne Legacy*: ". . . it's just not that complicated." The plan? It begins with a philosophy or attitude. Own it! All major religions provide guidance in the form of the Golden Rule. Tony Alessandra and Michael O'Connor take this to a new level, or the Platinum Rule: "Do unto others as they'd like done until them." By vectoring with the Golden and Platinum Rules, customer service practitioners approximate what Ira Chaleff described as "servant leadership." Indeed, we Americans reside in a country whose primary hallmark is capitalistic freedom. Accordingly, vendors have an obligation to perpetuate the model for posterity, i.e., "pay forward," by assuring that their customers actually receive the value that vendors purport for the price point they promote. Vendors eschew this axiom to their own peril.

One of my former clients, whose identity I will protect for obvious reasons, is a veteran executive in many venues who branded his own version of "own it." Let's call him Josh. Josh instructed his people to automatically transfer a customer complaint call to him at a certain threshold. With a wry smile, Josh imparted that his biggest challenge was getting the customer to believe that they were actually talking to the CEO. Josh's process was simple. First, he listened. After the customer completed their uninterrupted soliloquy, Josh asked what would make them happy. After a brief pause, Josh simply stated that it will be done as they desired. The customer was invariably disarmed by the absence of confrontation and satisfied with the solution. But here's the actual nugget: Josh shared that invariably the customer-authored solution was less costly than he was disposed to spend to fix the problem. The process did not end here, however. Josh took steps to educate his team and improve processes to decrease the likelihood of repetition.

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Summing It Up

Edwards Deming imparted that “profit in business comes from repeat customers; customers that boast about your product and service, and that bring friends with them.” Note that Deming conjoined product and service. Good customer service increases the likelihood of repeat business through requisite, earned trust. One of the first mistakes vendors make is injecting complexity into their customers’ experience, thus rendering earned trust problematic.

Prolific author Gary Hamel writes of an “elegant [product] design.” Why can’t vendors invest equal passion in “elegant customer service solutions” in symbiotic complement? One of the most elegant solutions is owning and quickly resolving customer complaints. How the vendor does this is an opportunity for stylized branding. Vendors have a vested interest in institutionalizing a healthy customer service mindset, replete with training and positive reinforcement. Before discounting this caveat as hubris, we should consider social media viral outbreaks. To wit, Angie’s List is a business model whose foundation rests upon these principles.

Back to my new friend Anthony at Lenscrafters. I wrote Anthony’s boss. His boss returned serve and imparted that Anthony would receive their President’s Pin. Moreover, they would punctuate the presentation by reading my note when the award was presented. Notice the connection between this example and the points made in this article.

Businesses drool over repeat business from loyal customers. Why, then, do so many pay such little attention to such a basic element as differentiable customer service? Small business people, take heed! This could be your David moment to slay Goliath.

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