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The Keys to Delivering Exceptional Customer Service

With more and more companies struggling to achieve plan, investor's targets, Wall Street expectations, etc, it appears as though companies are cutting costs (many times, focusing much attention on the "small stuff" such as \$100 expense reports etc), asking employees to work longer hours and putting together other triage plans which typically aren't delivering the results. I've found that reversing this trend can be much simpler than endlessly putting together all these complicated and stressful plans - focusing on the customer.

Delivering exceptional customer service can boost the revenue line, which will make a far more significant affect than cutting \$1000 in expenses or diverting management's attention to useless plans instead of focusing on customers. In the companies I've worked with, a few common themes have emerged for delivering exceptional customer service.

First, what does the customer value? Many times, companies focus all sorts of attention on what management thinks the customer wants (many times, it is whatever is considered the most interesting to the management team). Although this is admirable in that there is an effort to focus attention on the customer, it doesn't address the true customer needs. The first key to success is to ask your customers. However, do not fall into the easy trap of accepting all feedback as gospel. Dig deep for what the customer values - and is willing to pay for. Of course, most customers would provide a long list of desired features, services etc.; however, the price they are willing to pay for them might differ significantly. Prioritize.

Second, focus all efforts on execution. Execution (delivering customer needs) is typically not seen as exciting and so many times, it doesn't receive as much attention and follow-up as it requires. Using a daily shopping trip as an example, if the store has researched market trends and has designed the perfect pair of jeans for your needs yet doesn't have them in stock due to poor execution - will you think you've received exceptional customer service? There are two important factors in execution - prioritizing the work (making sure the critical tasks associated with delivering the customer needs are prioritized on the top of the list regardless of how mundane they might seem) and focusing on consistency (I've found that most customers would prefer consistent delivery rather than promises of exceptional value accompanied with inconsistent service).

Third, continually incorporate feedback. The customer relationship is paramount. Continually ask customers for feedback, ideas, and suggestions - probe for detail, appreciate all feedback and make sure they know they have been heard. This key is important to keeping up with the market changes and staying ahead of the curve with your customers.

These techniques epitomize "profit through people" - through your customer relationships. It seems as though it is too easy to actually work, but it does. Just imagine if you could focus resources on increasing revenue by \$1 million or on decreasing costs by \$100,000 - which would you choose?

Lisa's Tips: Tips for decreasing inventory levels without affecting your customers!

1. Put the "right" people in the "right" jobs - it is amazing how much this one point contributes to success. Managing inventory levels requires a unique skillset - analysis, seeing the bigger picture and being able to optimize within conflicting goals (Finance typically wants lower inventories for cash flow; Sales typically wants higher inventories so whatever they want will be on hand whenever they want to sell it; Operations and Purchasing typically want higher inventories so they can make longer runs and larger buys; the Warehouse might want less inventory so the warehouse is easier to manage with less movements).
2. Process: When managing among several moving variables and conflicting priorities, following a process is critical.
3. Tools: Tools that provide efficiency are useful. These can be as simple as a checklist or more complex like a computer program. It is far more important that the tools support the people and the process than it is for the tools to be fancy. Keep it simple.
4. Ask questions: It is critical to understand the data, the integrity of the data and the trends, especially when considering the multiple priorities and conflicts. The shortest path to success is to analyze the data and ask questions. The most successful planners are successful because they ask questions, push back and rely upon a solid foundation.
5. Enjoy the game; don't worry about being liked by everyone: A successful planner optimizes among the priorities to the best answer for the company. By definition, one function or another (or many) will be unhappy with the results. Don't worry about it; focus on the end result - lowering inventory without affecting your customers (optimize for your internal customers and provide consistent service to your external customers).

Recommended Reading

"Alpha Dogs: How Your Small Business Can Become a Leader of the Pack" by Donna Fenn- it is an interesting book on how seemingly ordinary businesses go to the head of the pack and become a dominant Alpha Dog. After reviewing several businesses, the author has discovered some common themes for rising to Alpha Dog status. The book discusses the themes and provides examples/ case studies.

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