

# Focus on what you do right

Here's how to audit your customer service...



To flourish in the current economic climate, small business owners will have to make quicker decisions and be flexible going forward. Their teams will also have to think and act differently to help the business survive, let alone grow. If this behaviour is encouraged, it should produce empowered team members, new ways of thinking and creative ways of doing business.

One way of ensuring that this happens is to carry out what I call a RSQP Formula Audit. This involves pinpointing how you win business. This would normally come as a result of one or more of the following factors:

**R** = Relationships; **S** = Service;  
**Q** = Quality and **P** = Price.

To audit what it is that you are doing right answer the questions below. Moreover, once you understand these success factors, make sure that everyone in your organisation understands them and can implement them.

## 1. Relationships

The answers to these questions will help you discover how to ensure ongoing business from existing clients and customers:

- How are you retaining customers?
- Why are you retaining them?
- What is the value of relationships in rand sales and gross profit?
- What information do you have on file that will help you build better relationships with these customers?

From these answers, establish whether you have identified the right type of customers for your business. Many small business

owners will do business with any client, but this may not be the best route. Ask yourself how you gained new customers:

- Was it through your network?
- Through a great presentation (how you sold yourself)?
- Because of your pricing?
- Due to timing because the client or customer needed a change?

When new clients are signed up, ask:

- What must we do to make them comfortable with us?
- How can we maintain consistent service and pricing levels for the course of the relationship?

Not all business is done on price, even in bad times. If this were the case, your margins would drop dramatically. Analyse your relationships with your clients and be aware that you may believe that they are better than they actually are.

## 2. Service

Business owners frequently say their customer service is what makes them stand out from their competitors. And, it would seem like common sense to treat customers in the way you would like to be treated. This sounds simple, but it can be difficult to put into practice and many business owners don't use their common sense when dealing with customers.

What does excellent service actually involve? This may differ depending on your line of business, so it is important that you define customer service in your operation. Everyone in the business should buy into

this customer service model. Here are some key characteristics of good service:

**Reliability** - Perform the promised service accurately and dependably.

**Competence** - You should have the required skills and knowledge to perform the service.

**Responsiveness** - Help customers and provide quick service.

**Communication** - Keep customers informed in a business language they can understand. Remember that they aren't good listeners.

**Understanding customer needs** - Don't look at customer wants, instead analyse their needs.

**Access** - Your team should be approachable.

**Credibility** - Be trustworthy and honest.

## 3. Quality

Quality is remembered long after price is forgotten. But, how can you be sure that your quality levels are right? Quality also means different things to different people, so give it a lot of thought:

- Do you know how your clients view the quality of your products?
- How is quality defined in your business?
- How do you sell this to your clients?

## 4. Pricing

You are in business to find and retain customers who are good payers and who are profitable. To assess this, consider:

- Are the majority of customer gross profit percentages over or under your gross profit percentage benchmark? For example, if your target is 32% and Customer A is at 31.5%, Customer B at 33%, Customer C at 27% and Customer D at 41%; you could look at ways of increasing the margins of Customer C without losing business. Also, consider if Customer D's business could be lost because your price is too high.

Taking the time to look at your pricing and other tactics is critical during these turbulent times. Use the audit process to discover what you are doing right, what you are doing wrong and to identify new opportunities. **YB**

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