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How To Build Profits? Let Service People Do What They Do Best

By David Rance, Round

In a former life, I was customer care director for a national cellular network. At the time, we were the No. 1 player in the market, having been the first to launch a proposition aimed at bringing consumers into the mobile arena. They were heady days. At the time, there were just 450 employees in the whole company plus another 500 employed by an outsourcer to support the fast growing consumer business.

So imagine the surprise of my fellow directors when I announced that within five years there would be more than 5,000 people employed in customer care. In fact I was wrong. It was 8,000.

My forecast led to a heated discussion about the role of customer care. For me, it was crystal clear: Customer service, rather than price and product, would be our long-term source of market differentiation. In 1996, this was a shock to the marketing and sales people. "The temerity of the chap" knew no bounds.

But I went further. Customer service would become the primary source of revenue because of the service and services we would provide. Mobile phones were about lifestyle management for people on the move. We had already launched a call connect service for directory assistance. We wanted to add Yellow Pages, so we could provide location-based services, even offering a concierge service for high-value customers. And for business customers, we would provide travel booking, driving directions, vehicle breakdown assistance, secretarial support and so on. Such plans we had. The customer care team felt valued and inspired.

Cost of customers

But the threat to the established order was too much. The message that came back was: "We don't want a relationship with customers. Customers are a pain in the rear; they just cost us money when they call us." My direction was "clarified": "Customer care is a cost center, and your job is to reduce the cost as much as possible." At that point, I knew I was in the wrong organization and soon left to pursue my current path of helping organizations who do "get" customers to become more customer-centric.

Over the intervening years, my former employer has gradually slipped from No. 1 to fourth out of four. As a young manager, I was told that no one is completely useless; the worst can always serve as a bad example!

Thankfully, such Neanderthal thinking rarely exists today, but nearly 10 years on, the debate about the role of customer care still rages. We are now attempting to turn the cost center into a profit center. As a result, recruitment policies are changing—as are the competency models used to assess potential employees. But I think we are missing the point. As a salesperson at IBM and Wang, I knew that if a customer had performance problems with a computer, I should send in an engineer to "help." The engineer would say, "You need more memory" or more disk space or more processing power. And the customer would simply buy whatever the engineer recommended.

But if I said the same thing, I was accused of overselling or under-configuring, and it would all end up in an expensive system performance review that would result in the customer reluctantly buying the memory but damaging the account relationship in the process. The fact is that customers instinctively trust service people; they do not trust salespeople. So why are we trying to turn our service ambassadors into sales people?

We are in the middle of a re-engineering of the supply chain to the consumer. Tom Peters would probably say we're still at the beginning. The Internet is but one enabling channel that is leading to consumers "supply-chaining"—creating their own propositions from products and service components available in all parts of the world. If companies insist on making us provide the integration between their product silos, why wouldn't we pick and mix?

Value proposition

All around us we are witnessing paradigm shifts: from managing people to leading people, from teaching to learning. In an increasingly customer-centric world, selling is fast becoming an outdated model, especially when our position is based on "We know best" or "This is what we need to sell to you to make our numbers." To sell is a transitive verb; it's something we do to customers, and customers know it. It is better to change the paradigm from selling to creating a buying environment so that the customer "locks on" to your proposition and your company rather than being "locked in." And when is the best time to engender this



buying process? When the customer asks for help.

I am all for making the contact center a revenue-earning operation but not at the expense of service quality; and that's what happens if you try to turn the contact center into a profit center. Great service people are not salespeople. They tell the customers what is what and, as a result, customers trust them. So using propensity analysis to prompt service people to sell product A or B just gets in the way of building that trust.

Another way of engendering customer trust is to enable the service teams to identify process and policies that don't work for customers or that just get in the way of customers buying more. Service teams will then engage the customer in the change process, which further cements the relationship. When was the last (or even the first) time you provided feedback that was acted upon, rather than just listened to? How did you feel? I suspect it was a combination of surprise, a warm sense of being valued and encouragement to provide more.

So rather than "sales through service," which tends to reinforce the wrong behavior and create barriers to customer value, we should be helping customers get more out of the products and services they bought from you in the first place, which in turn will lead to additions, enhancements and even replacements. Loyalty is like respect; it has to be earned, not demanded.

David Rance is managing director of Round, a U.K. consulting company dedicated to helping organizations across the world become more customer-centric. Round's telecom clients include T-Mobile Group, Virgin Mobile, BT, Turkcell and NTL. Rance is a member of the CRMGuru.com guru panel as well as an advisor for GCCRM. Why not try the customer centricity assessment at www.crmguru.com/cci? It takes about 10 minutes to complete, but it could save you years of going in the wrong direction.



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