

Harvard professors link profit to customer *and* employee satisfaction

by **Connie Brubaker**

For 20 years I operated a KFC franchise. I went in with no prior restaurant experience, much less experience in management, payroll, inventory control, training or taxes.



Connie's Comments

Over time, I mastered the ins and outs of the restaurant business. We expanded to three stores and 50 employees, and increased sales to \$2 million a year.

Other chicken restaurants—Grandy's, Church's, Sunday's, L&L Fried Chicken, Golden Fried Chicken—all went toe-to-toe with our KFC franchises and lost. Most of them closed in less than a year.

So how did we stay kings of the fast food hill year after year? One important lesson was the value of customer service as a profit generator.

One day a customer brought back a cup of coffee. She told the young man at the counter that she'd found a fly in it. He peered long and hard at it, then said, "Well, it wasn't in there when I gave it to you."

His response missed the point—and made it pretty clear that he didn't understand what his job was truly about. Oh, he knew how to take an order, how to use the cash register, how to deliver the goods and keep the restaurant clean. But

he didn't understand that his *real* job was making our customers happy.

How do we teach our employees about great customer service? A team of Harvard Business School professors studied great companies like Banc One, British Airways, Taco Bell, Ritz Carlton and American Express to demonstrate how service companies succeed by effectively managing what they termed "the service profit chain." They found outstanding companies were able to

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significantly grow their market share and increase profits by linking customer loyalty and satisfaction to *employee* loyalty, satisfaction and productivity. The more motivated, trained and knowledgeable your staff, the harder they'll work—and the happier your customers will be as a result. Follow this "profit chain" and profits will increase.

Processes and organizational strategies don't produce—people do. But they only do it in the right environment, with positive leadership. Employees need to feel valued, to know that you don't just see them simply as social security numbers. Invest in them and they'll repay you many times over.

Something worth considering.

Four traits all successful salespeople share . . .

- **Goal Clarity** is having clear specific, measurable goals or objectives about what we want to sell, earn, accomplish, gain or possess.

- **Achievement Drive** is the desire or drive a person has for reaching those goals. It is energy. And it is realized from within when we have clear goals that excite us and that we believe are attainable.

- **Emotional Intelligence** is our ability to understand our emotions and their impact on our behaviors. It's emotional stability, steadfastness, and the ability to keep going when the going gets tough.

- **Social Skills** give people the ability to move in and out of social situations with grace and ease. They enable us to ask the right questions and to listen to people. They help us establish empathy and rapport, and to sense how others think, make decisions and see the world.



"I knew there was a catch to Crawford's new open-door policy."

In this ISSUE OF SOLUTIONS:

- The Power of the "Profit Chain."
- Traits of successful salespeople.
- Business Spotlight: Guadalupe Valley Telephone Cooperative

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Building People, Productivity and Profits through Integrity

Business Spotlight: Guadalupe Valley Telephone Cooperative

Robert Hunt is President of the Guadalupe Valley Telephone Cooperative, which provides its south-central Texas customers with a variety of communication and information services, including local and long distance phone service, Internet, DSL, Cable TV, Cable Modem and Security Systems.

Solutions: What sets GVTC apart?

Robert: GVTC is owned by our customers. Throughout our almost 50 year history, there has been a consistent focus on our customers' needs and a sincere desire to exceed their expectations. Our employees care about every customer and treat each of them individually and respectfully. Our values are: exceptional customer service, employee development, safety, integrity, teamwork, innovation, fiscal responsibility, and community involvement.

S: What is GVTC's strategy for providing a high standard of customer service?

R: Our strategy is based on remembering our company heritage, stressing the importance of customer service throughout the organization, developing and training our employees (like **The Customer** program we just went through with Integrity Training Solutions) and improving our internal processes so that they are not a barrier to excellent customer service.

S: What do your customers expect from you? How do you address those needs?

R: Our customers expect exceptional customer service in every contact with us, integrity in our relationship with them and innovation in the products and services we provide. Teamwork within our organization allows us to meet those expectations. Each department understands their importance in fulfilling our mission.

For more information on GVTC, call (800)367-4882 or visit www.gvtc.com.



Recent graduates of **The Customer** training program. Integrity Training Solutions' Connie Brubaker took these Guadalupe Valley Telephone Cooperative employees through nine sessions focused on delivering exceptional customer service.