

Cheap Costs

By T. Scott Gross

We discovered an amazing thing. Most employees believe that it is their job to protect the company from the customer. In customer-centered companies, things work the other way around and employees see their role as protecting customers from those little irritations that cause pain. Visit the courtesy desk of any big-box discounter, and chances are you'll be puzzled why the discounter elected to name it the 'courtesy' desk. Courtesy is often in extremely short supply. In many stores the courtesy desk would be more aptly named the "suspicion desk". "Why are you here? What are you trying to scam us for? Did you really buy that here? Are you sure it was broken when you opened the package or did you drop it...maybe even on purpose?"

Sure, there are customers who are rip-off artists but that's why God created hell! They'll get theirs in the process of trying to get yours. But why offend a hundred honest, well-intentioned customers in an attempt to protect yourself from the slime ball that is going to get to you anyway?

Losing a good customer to bad policy is not cost-effective. It's dumb. You need a better plan and here it is. I recommend that you go on a scavenger hunt of your operation and try to spot all the little things that really irritate customers. Little things, such as an employee-of-the-month parking space that sits empty while customers walk from the far stretches of the lot. Or maybe it's as simple as being left on hold too long. And doesn't it just gripe you to be told that something that should be really common is out of stock?

When things have gotten out of hand there are four simple points to remember:

1. Get angry — with the customer.
2. Ask the customer for a solution.
3. Take them to your leader.
4. Never pass the buck.

Get angry *with*, but never *at*, the customer. If you become angry about the same thing that makes the customer angry, it's almost impossible for the customer to be angry with you! You should get even angrier than the customer. This is so powerful that on many occasions I've had customers attempt to calm me down! Ask the customer what it will take to make things right. We've discovered that in most cases the customer will ask you for less than you would have settled for. Get it? The easiest, and usually the cheapest, solution comes from simply saying that you are sorry and asking the customer what it will take to set things right.

"I'm so sorry this happened. But now that things have gone wrong, what can we do right now to make things better?" Most of the time, customers are so happy to hear you quickly and freely admit that you goofed they don't ask for anything!

Thinking Point

Customers will ask for less than you would have settled for after negotiating with them. And customers who have never had a complaint are not as loyal as customers who have had a complaint that was successfully resolved!

Only the manager should have the authority to say no to a customer. Everyone else should

be responsible for finding ways to say yes. If the customer is asking for something you just can't approve, don't hassle; just take him or her to the boss. "I'm really not authorized to approve this. Would you mind if we talked to my boss?" Take the customer to the boss before the customer thinks of asking.

Whatever you do, *never pass the buck*. When a customer comes to you with a problem, you own it. Never say, "That's not my job." Never suggest that they ask someone else. And if you truly are unable to solve the problem, the problem still belongs to you until someone else takes ownership.

Angry customers aren't bad people. They just have a problem that, with a little understanding and sometimes a bit of creativity, you can solve...and turn difficult customers into friends! Some customers, as we've noted, will try to rip you off, but most only want to be treated fairly. When you discover you're being scammed, you're no longer dealing with a customer. Scammers are thieves. Invite them to go elsewhere.

While working with a major player in the home-center business I was shocked to observe what must be a typical transaction:

"I'd like to return this faucet. It doesn't fit my new sink. I bought them both here but the receipt was missing from the bag."

"I'm sorry, you'll have to find the receipt before we can give you credit."

"But I bought everything for the entire remodeling job right here in this store. I spent several thousand, and everything has

been fine except now the faucet won't fit!"

We asked permission of the clerk to try and resolve the problem. It turned out that the problem wasn't with the faucet; it was missing a set screw, a part that cost all of nothing. We walked the customer over to the hardware aisle, fished a replacement screw out of the bin, and sent him happily on his way.

What would it have cost to handle the customer according to policy? Apart from future lost sales that could have been considerable, had the customer gone home, rummaged through the trash, and found the receipt to qualify for an exchange, the store would have had to go through the expense of storing and returning the so-called damaged merchandise and then tracking the paperwork to ensure the store was properly credited! All this would be far costlier than simply saying, "We're sorry. What can we do to make this right?"

"Well, if you happen to have an extra set screw..."

Cheap costs!