

Small Business Owners Use Quality Customer Service To Compete

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Friendly, unique and flexible customer service is one of the most powerful competitive advantages small companies have over larger companies.

Small business owners are already in an excellent position to listen to and learn from their customers, which means they can adapt to customer needs more quickly and creatively than their larger competitors. This is essential to running a successful business because it's increasingly difficult to differentiate a business simply on the basis of quality, technology and price. Competing on the basis of price alone offers the customer no other way to compare businesses.

For an entrepreneur to understand his or her customers, they must know how their customers use their product or service and why they choose theirs over the competition. Successful businesspeople can provide a highly accurate profile of their customers, and they know when the profile changes.

The first task for entrepreneurs in creating value for their customers is to make sure their businesses have the needed tools to deliver innovative, reliable service. The way a business treats its employees mirrors the way it treats its customers. Whether a business has three employees or three hundred, the business must be a place where quality people want to work, and where quality service is delivered. To achieve this, entrepreneurs should:

- Lay out goals for the organization clearly and often.

- Establish employee training as an ongoing process by offering opportunities to learn about other functions in the business. Create mixed teams to tackle specific problems and brainstorm solutions.

- Ask employees how they contribute to customer value and how they could do more by holding meetings or establishing a suggestion box.

- Create a system of measurement, recognition and rewards for excellent customer service.

Businesses need to have clear strategies to guide their efforts and provide good customer service. An important business strategy is to keep the customers you get. Experts estimate it costs more to find a new customer than to keep an old one. Repeat customers represent an ongoing revenue stream that's essential to businesses. Earn customers' loyalty by being loyal to them. The secret to having long-term relationships with customers lies in

businesses demonstrating their ability to predict customer needs, and to meet them in creative ways.

When the customer's priorities shift, the best businesses see it coming. Be sure to communicate with customers. Critical feedback from customers can direct attention to things that need improvement. Gathering bad news often is more valuable than collecting pats on the back. Use every contact with customers to learn to serve them better.

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SOURCE: Marilyn Schlake, program coordinator, Center For Applied Rural Innovation, Nebraska EDGE program, NU/IANR; NX Level Guide, 2000