



# Exceptional Service, Exceptional Profit

The Secrets of Building a Five-Star Customer Service Organization

by Leonardo Inghilleri and Micah Solomon

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170 pages

## Focus

Leadership & Management  
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 Economics & Politics  
 Industries  
 Global Business  
 Concepts & Trends

## Take-Aways

- Loyal customers don't worry about price and are largely immune to your competitors' enticements.
- Sustain customer loyalty by delivering outstanding products on time, providing excellent service and quickly resolving any problems.
- Put your money into quality, service, training and problem solving.
- The Ritz-Carlton Hotel Co., known for great service, empowers every employee, at any level, to spend up to \$2,000 on the spot to solve a client concern.
- Train your staffers to care; make sure everyone commits to exceptional service.
- Teach them to use warm, friendly, customer-oriented terminology.
- To establish customer loyalty, learn everything you can about your clients.
- Track information about their likes and dislikes.
- Provide "anticipatory service" by solving problems before they happen. When problems do erupt, apologize first and ask questions later.
- The benefits of exceptional service far outweigh the costs.

## Rating (10 is best)

| Overall | Applicability | Innovation | Style |
|---------|---------------|------------|-------|
| 9       | 10            | 7          | 9     |

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## Relevance

### What You Will Learn

In this Abstract, you will learn: 1) Why quality service is crucial, 2) How to achieve it, 3) What benefits will accrue to your organization when you do and 4) What the Ritz-Carlton Hotel Co. does for its clients that you don't do for yours.

### Recommendation

What Apple is to innovation and Rolex is to quality Ritz-Carlton is to service. Consider the luxury hotel chain's famous \$2,000 customer-satisfaction pledge. This remarkable program, now in place for decades, allows any Ritz-Carlton employee, regardless of rank, to decide alone to spend up to \$2,000 to resolve any customer problem. To date, no Ritz-Carlton employee has felt it necessary to spend the full amount on behalf of a customer, but many take creative action to address problems promptly. This policy sends a powerful signal to Ritz-Carlton clients and employees about how much the company values quality and service. In their book, service experts Micah Solomon and Leonardo Inghilleri teach you how to plan and implement an exceptional service program. *getAbstract* cheers this nicely written book. It is a pleasure to read and it explains exceptional service clearly.

## Abstract

### Service that Anticipates Customers' Needs

Picture this situation: A hotel's maintenance engineer perches on a ladder in the lobby, changing a lightbulb. He notices a guest coming in from the adjacent pool area. She is wet, wrapped in towels and carrying numerous beach bags. With her hands full, she has trouble opening the door to the lobby. When he sees her "fumbling" with the latch, he climbs down from the ladder to help her. "Welcome back to the hotel, ma'am," he says. "Let me help you with your bags. How was the pool?" He then carries her bags to the elevator and punches the button to her floor. Admirable service? Yes, but what if the engineer had climbed down to assist the guest immediately, when he first saw her coming and realized her plight? Then, instead of providing "reactive service," which involves spotting a negative customer experience and fixing it, he would have provided "anticipatory service," which prevents the negative experience from happening in the first place. You want your employees to anticipate what your customers need. Providing this level of "customer satisfaction" has four pivotal aspects:

1. **"Perfect product"** – Unless your product or service is as flawless as possible, customers will always feel the need to keep seeking an alternative.
2. **"Caring delivery"** – If your employees don't interact with your customers in a caring manner, their bad attitudes will color your clients' feelings about your products or services, no matter how ideal they may be.
3. **"Timeliness"** – If you don't deliver on time, you're already in the wrong.
4. **"Effective problem resolution"** – Problems sometimes occur in even the most polished organization. How your company handles them makes all the difference.

To build loyalty among your customers, deliver top quality service all the time to cultivate truly devoted clients who stop looking for alternatives to your firm. Even though customer loyalty is that pivotal, many managers don't know how to foster

*"The single best thing you can do for your business is to build true customer loyalty, one customer at a time."*

*"Loyalty makes customers less price sensitive, more willing to spend money with you, more willing to take a chance on extensions to your product line...and much more immune to competitive entreaties."*

*“Humans appear to be wired to respond appreciatively to anticipatory service.”*

*“The primary threat to a business today is the perception by customers that all you offer is a replaceable, interchangeable commodity.”*

*“Pricing is a major issue because pricing, like service, is one of the elements of value...Pricing must be presented appropriately, with sensitive language, without surprises, in a way that engenders trust.”*

*“Never attack employees for the problems that your continuous improvement system reveals. You need employees... who are open about revealing defects.”*

dedicated followers. To begin, learn what makes your customers tick, and use that knowledge to build sustaining relationships. Without that connection, clients may view your goods or services as easily replaceable commodities.

### “Language Engineering”

To engender customer loyalty, teach your employees what type of terminology to use. The kind of language they employ is far more important than the words in your marketing materials – and think how carefully your promotional professionals select those terms. Your employees’ conversations with clients have tremendous power to make your customers’ experiences rewarding, reinforcing and positive.

The right words can make service breakdowns bearable, just as the wrong words can quickly dismay even the most satisfied customers. Establish a preferred speech style within your firm. Train employees to use the right words at the right time, a practice that works well for Ritz-Carlton. To illustrate, consider these examples: Telling a customer “you owe...” is bad usage, but saying “Our records show a balance of...” is better. Saying “you need to” is abrupt; to be more courteous, say instead: “We find it usually works best when...” Saying, “please hold” is curt, but saying, “May I briefly place you on hold?” is gracious. Of course, words will only take you so far. Your actions must be equally solicitous. For example:

- **Don’t screen calls** – This practice alienates current and potential customers.
- **Answer the phone quickly** – Unanswered rings create anxiety, then anger.
- **Make sure customers can reach you easily** – Putting “please do not reply to this message” at the bottom of a mass email is not the way to win friends.
- **Back up your website with personable people** – Having your telephone staffer initiate a call by saying, “Hi! This is Jane at Company X” is impersonal. Personalize your interactions with clients by using full names. “Hi, this is Jane Chang-Katzenberg.”
- **Include salutations in all emails** – You would not send out a standard letter without a “Dear” or a “Hi.” Be as polite in your emails as you would be in a letter.

### “Service Recoveries”

Ensure that everyone in your organization feels responsible for helping consumers resolve problems or complaints. Follow four steps to get things back in shape for your customers:

1. **“Apologize and ask for forgiveness”** – Make your regret personal, believable and sincere. Acknowledge the customer’s grievance. Be careful with your phrasing. For example, the client will hear “If what you say is correct, I certainly apologize,” as “You’re lying.” Don’t rush your apology. Stretch it out so it registers with the customer.
2. **“Review the complaint with your customer”** – To find out exactly what happened, you will need to ask some pertinent, basic questions, along the lines of “Did you plug it in?” That’s called a “DYPII” question, and it will help you discover if the client took the necessary, first steps to make a product function. Before asking DYPII queries, be sure people have already accepted your apology. Otherwise, asking will just irritate them.
3. **“Fix the problem and then follow up”** – Use this opportunity to establish a tighter bond by offering the client something additional, for example, a free upgrade. This will restore a feeling of justice to the customer, who currently feels wronged. Once you have resolved the problem, follow up to show your concern.
4. **“Document the problem”** – This is the way to learn from any mistakes and to track the causes of a problem.

*“No matter what lengths you go to for your customers, if you don’t use the right words with them, they’ll never appreciate how good they have it.”*

*“Choose language to put customers at ease, not to dominate them.”*

*“A Ritz-style vocabulary now pervades the hospitality industry.”*

*“Well-trained, well-equipped and well-treated personnel have longer company tenures, lower accident rates and fewer behavior problems.”*

To keep on top of the details about your customers, develop a tracking system listing their main preferences and traits. Update it after each interaction. Some “noting and sharing” principles:

- **“Keep your systems simple”** – Don’t track everything. Focus on major attributes.
- **“If it’s important to your customer, it belongs in your system”** – Record “service preferences” and personal data. Include pertinent information on any previous missteps on your company’s part concerning this customer.
- **“The information you gather needs to be available in real time”** – Make sure all front-line employees have immediate access to the tracking system.
- **“Preferences change; assumptions are tricky”** – Just because a customer once ordered tea before dinner does not mean that he or she will always want tea before dinner.
- **“Moods change”** – So, “track them.” Servers at The Inn at Little Washington score the mood of their customers before they eat, using a one-to-ten scale. The Inn’s goal is to elevate the “mood of customers to at least nine” before they leave the restaurant.
- **“Don’t blow it with a wooden delivery”** – Use the person’s name on a liberal basis, always with a sincere, engaged manner.
- **“Using technology to ask for information? It’s a fine line between clever and creepy”** – Employ your database information discreetly. Don’t sound like Big Brother. You don’t want customers to think you spy on them.

To provide exceptional service, employees must “think like” your buyers. Have your staffers shop at your store or eat in your restaurant. Heed their feedback on what it is like to be your customer. Typical feedback, say, for a restaurant, might include observing that patrons who eat alone like to have something to read, so you might provide magazines for solitary diners. This is a perfect example of the kind of anticipatory service that turns ordinary customers into loyal fans.

### The Ritz-Carlton’s “Mr. BIV”

Mr. BIV, the name a group of Ritz-Carlton employees gave to their quality-control program, stands for: “breakdowns, inefficiencies [and] variation in work processes” – recurring problems, like unattended repairs, that you want to avoid. Employees who find a Mr. BIV issue immediately inform the person who can solve it. To learn why such missteps happen, keep asking “why” until you find the core problem. Then solve that issue. For example, when a customer complains that room service was late, ask the waiter why. Well, his waiter’s elevator was delayed. Why? Housekeeping held it while seeking more linens. Why? The hotel doesn’t have enough linens. Solution? Buy more linens. Mr. BIV wants to know why all the time; it is the pivotal question in your drive for continuous improvement. To gather more customer input use occasional “in-depth surveys” and more frequent “in-house ‘quizzes’” or mini, three-to-seven-question surveys. Secret shoppers also can garner valuable information. However, the best way to ensure quality service is to hire the right people. Look for these traits:

- **“Genuine personal warmth”** – Everyone wants to deal with welcoming, kind people.
- **“Empathetic skill”** – Employees who can relate to people will deliver better service.
- **“An optimistic, upbeat attitude”** – No one wants to be around a pessimist.
- **“A team orientation”** – People should have a positive impact on their work groups.
- **“Conscientiousness”** – Seek employees who are proud of their work, strive to do it well and follow through on all tasks. Staffers who are not conscientious will cause trouble.

*“Never ever say,  
And the purpose of  
this call is?” “Who  
are you?” “Will she  
know what you’re  
calling about?”  
or other insulting  
questions...  
Instead, say, ‘You  
bet – may I get  
your name so I  
can pass it on to  
him?’”*

*“We aren’t just  
selling a product.  
We are paying  
attention to  
our clients.”*

*“Go the extra  
mile, for free and  
with a smile.”*

Exceptional service also demands capable leadership. Seek top executives who have:

- **“Vision”** – “Great service leaders” ponder what the future should hold for their firms.
- **“Alignment”** – These leaders encourage their workforce to understand and support their vision.
- **“Standard setting”** – Good bosses set high standards and hold employees to them.
- **“Support”** – Thoughtful leadership includes making sure people have the resources they need to reach their organizational goals.
- **“Motivation, recognition and reward”** – To spur performance, make it worthwhile.

Even some managers who support high-quality service still object to its cost. This is shortsighted. Building in exceptional service may increase your operational expenses, but you can’t put a price tag on the value of superbly satisfied customers who speak glowingly about your firm. Additionally, the best staffers prefer to work for companies with positive consumer relationships based on quality products and exceptional service. Companies with elevated “loyalty-building standards” have lower turnover of both employees and customers. They may qualify for better insurance rates and can worry less about negligence lawsuits than other firms.

### **Online Considerations**

The internet is a magical medium. However, its great power and amazing capabilities can push you toward behavior that is antithetical to consumers. Do not fall prey to the web’s “dark side.” The web may sway you to commoditize your online customers. For example, providing answers to frequently asked questions (FAQs) on your website is fine, but don’t assume that listing the replies to a series of stock questions completes your online customer service. Some visitors to your website may not find the answers they need in your FAQs, so post additional information in two formats: short – for customers with brief attention spans – and long – for people who want all the details. Let your consumers choose what type of data they want. Always treat your customers – including online clients – as individuals, not as commodities.

### **Hello and Goodbye**

How you greet your customers and send them off is extremely important. A nice hello automatically puts someone in a good mood. A fond farewell makes people think positively about their experience with you. And since hellos and goodbyes initiate and end interactions, they are highly memorable. Consider assigning your most outgoing, cheery, friendly employee to be your firm’s receptionist; the person in this job is your “first and last impression creator.” Be just as solicitous on the phone as in the reception area. Take the time to communicate warm hellos and caring goodbyes on the telephone.

Be extra considerate toward people with any form of physical challenge. For example, people who have difficulty seeing and who want to use your website may not be able to decipher the distorted code words some sites use to ward off hackers. Be customer-friendly in all you do.

## **About the Authors**

**Leonardo Inghilleri** is managing partner and executive vice president at West Paces Consulting in Atlanta. **Micah Solomon** runs Oasis Disk Manufacturing in Manhattan and Washington, D.C.