



# ***THE CUSTOMER IS KING***

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**RULE 1: THE CUSTOMER IS ALWAYS RIGHT**

**RULE 2: WHEN THE CUSTOMER IS WRONG,  
REREAD RULE 1**

*—Stew Leonard's Grocery, Darien, Ct  
Sells More Product Per Square Foot  
Than Any Retail Store In America*

***THE PRIVILEGE OF SERVICE:  
THE CUSTOMER IS KING***

# Gotta Serve Somebody

You may be an ambassador to England or France,  
You may like to gamble, you might like to dance,  
You may be the heavyweight champion of the world,  
You may be a socialite with a long string of pearls

But you're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody,  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

You might be a rock 'n' roll addict prancing on the stage,  
You might have drugs at your command, women in a cage,  
You may be a business man or some high degree thief,  
They may call you Doctor or they may call you Chief

But you're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody,  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

You may be a state trooper, you might be a young Turk,  
You may be the head of some big TV network,  
You may be rich or poor, you may be blind or lame,  
You may be living in another country under another name

But you're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody,  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

You may be a construction worker working on a home,  
You may be living in a mansion or you might live in a dome,  
You might own guns and you might even own tanks,  
You might be somebody's landlord, you might even own banks

But you're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody,  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

You may be a preacher with your spiritual pride,  
You may be a city councilman taking bribes on the side,  
You may be workin' in a barbershop, you may know how to cut hair,  
You may be somebody's mistress, may be somebody's heir

But you're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody,  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

Might like to wear cotton, might like to wear silk,  
Might like to drink whiskey, might like to drink milk,  
You might like to eat caviar, you might like to eat bread,  
You may be sleeping on the floor, sleeping in a king-sized bed

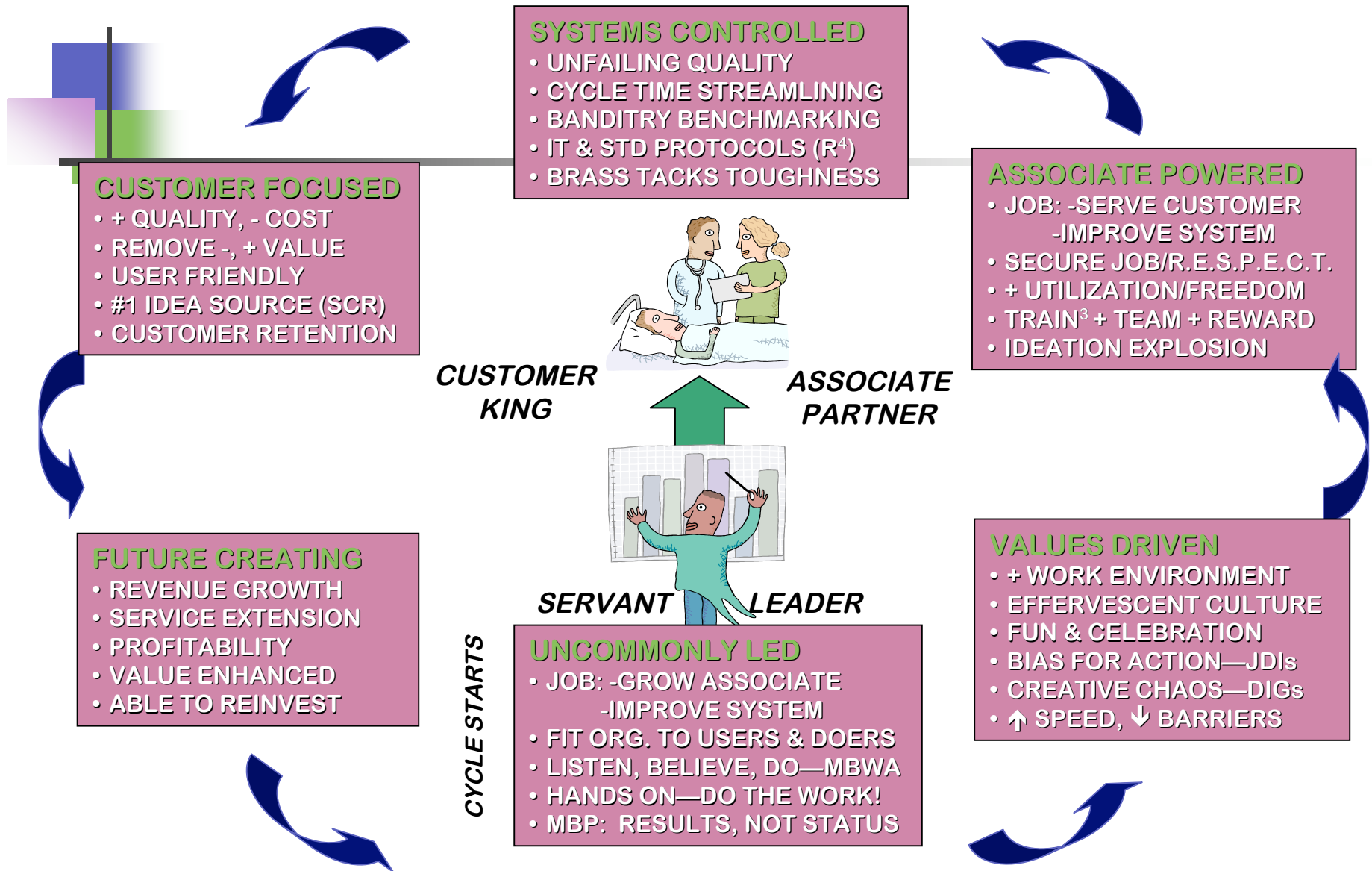
But you're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody,  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

You may call me Terry, you may call me Timmy,  
You may call me Bobby, you may call me Zimmy,  
You may call me R.J., you may call me Ray,  
You may call me anything but no matter what you say

You're gonna have to serve somebody, yes indeed  
You're gonna have to serve somebody.  
Well, it may be the devil or it may be the Lord  
But you're gonna have to serve somebody.

—Bob Dylan

# THE NEW AMERICAN HOSPITAL





***“PROVIDE HEALTHCARE AS WE  
EXPECT FOR OUR OWN FAMILY”***

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**WHY ARE WE HERE?**

**SAFETY**

**EXCELLENCE**

**WHAT ARE WE ALL ABOUT?**

**RESPECT**

**VALUE**

**ENTHUSIASM**

**WHAT DO WE STAND FOR?**

# WHAT IS A CUSTOMER?

## **CUSTOMER:** n, mef, A COLLECTOR OF CUSTOMS & DUTIES

1. ONE WHO PURCHASES GOODS FROM ANOTHER, A BUYER, A PATRON
2. A PERSON ONE HAS TO DEAL WITH: A TOUGH OR COOL CUSTOMER
3. A HABITUAL PATRON OF A PARTICULAR SHOP
4. SOMETHING "CUSTOM MADE" FOR INDIVIDUAL CUSTOMERS

## **PATRON:** n, rom, A PROTECTOR OF A DEPENDENT

1. A PERSON WHO IS A CUSTOMER, CLIENT OR PAYING GUEST
2. A PERSON WHO SUPPORTS WITH MONEY....AN INSTITUTION

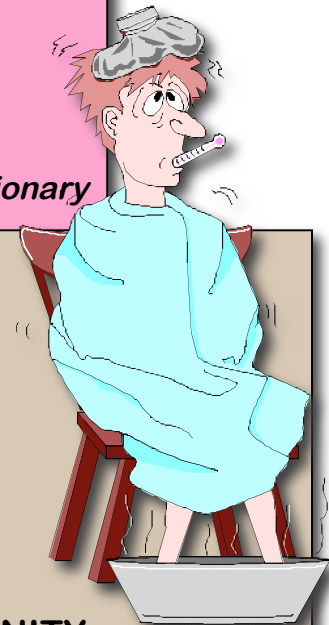
—The Random House Unabridged Dictionary

## **IN MANAGEMENT, A CUSTOMER IS:**

1. A PERSON OF POWER & THE DEFINER OF SUCCESS
2. THE PRIMARY FOCUS & PURPOSE OF THE ENTERPRISE
3. A PARTICIPANT IN & BENEFICIARY OF WHAT WE DO
4. A GIVER OF MEANING TO OUR LIVES

## **A CUSTOMER IS NOT:**

1. A PIECE OF MEAT ON A GURNEY OR A DIAGNOSTIC LABEL
2. A PERSON DESERVING ANYTHING LESS THAN RESPECT OR DIGNITY





## *WHAT TERM IS BEST FOR THOSE WE SERVE?*

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- “CABBAGE”
- GERIATRIC
- PATIENT
- CLIENT
- CONSUMER
- PATRON
- CUSTOMER
- GUEST
- HONORED GUEST

WHAT TERM FITS BEST  
WITH OUR VALUES?

*“When you’re here  
you’re Family.”  
—Olive Garden*



**START WITH INTERNAL CUSTOMERS**

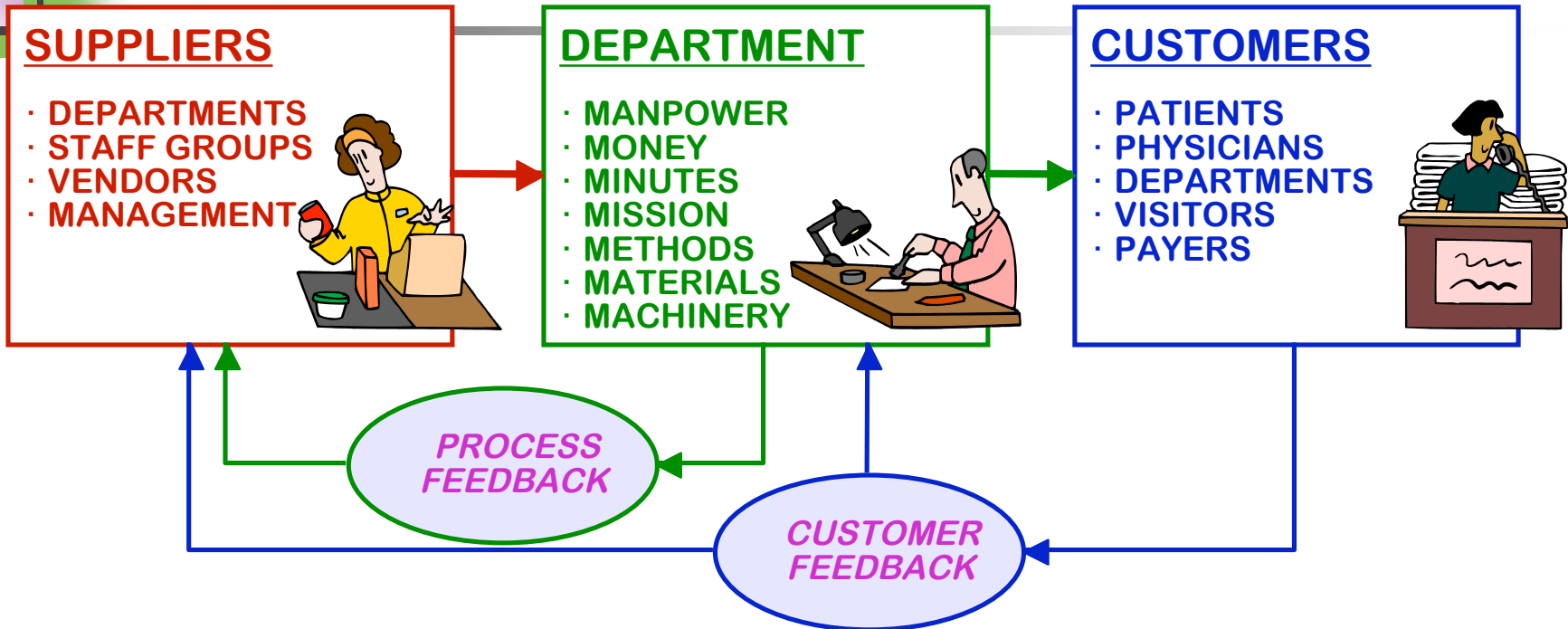
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# FEEDBACK CHANGES THE SYSTEM

**INPUT**

**PROCESS**

**OUTPUT**



## PROCESS & CUSTOMER FEEDBACK

- ADD CUSTOMER VALUE, CUT IRRITATIONS
- ZAP VALUES VIOLATIONS, TRIVIAL WORK
- STOP REDO, REWORK & PATCH
- WORK FOR CYCLE TIME REDUCTIONS



# **HOW CUSTOMER SERVICE IMPACTS OUR FINANCIAL HEALTH**

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## ***COST OF LOSING A CUSTOMER***

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### **1. IF LOSE PATIENT**

- 3 ADJUSTED ADMITS OVER LIFE **-\$38,400**

### **2. IF LOSE PAYOR**

- 200 EMPLOYEE
- 2.5 DEPENDENTS (500 TOTAL)
- 1 ADJUSTED ADMIT OVER CONTRACT **-\$6,164,500**

### **3. IF LOSE PHYSICIAN**

- 3 ADJUSTED ADMITS/WEEK
- 45 WEEKS PER YEAR
- 30 YEARS IN PRACTICE **-\$51,840,000**

*—Redmond Regional Medical Center*



## Parking ticket spat costs bank a million

SPOKANE, Wash. (AP) — A man upset when his bank wouldn't validate his 50-cent parking ticket took his business — at least \$1 million worth — to the competitor, officials at both banks said.

The manager of the main Seafirst Bank instructed tellers to be kind to their new customer, John Barrier, in an account that appeared recently in the bank's newsletter.

Barrier took \$1 million out of Spokane's Old National Bank, now U.S. Bank, in October when a teller and the manager refused to validate his parking tab after he cashed a check.

Barrier, 59, then deposited the funds at Seafirst.

"The first check he brought me was for a million dollars," said Dennis Veter, vice president of Seafirst's main Spokane branch.

"The first check he brought me was for a million dollars."

— Dennis Veter

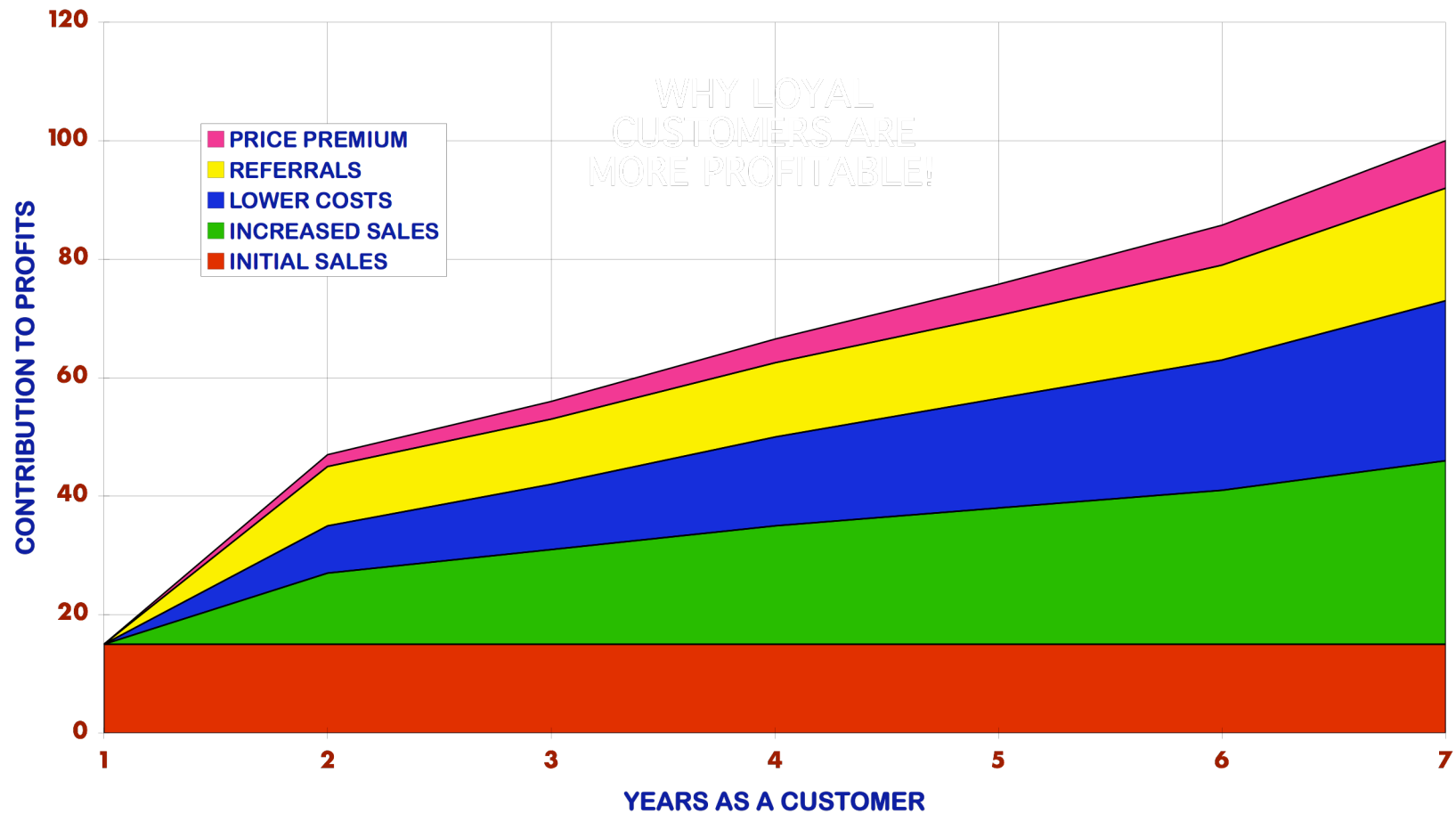
David Samson, Seafirst's vice president for corporate affairs in Seattle, said the story illustrated the importance of every customer.

The Eastern Washington area manager for U.S. Bank, Phyllis Campbell, confirmed Barrier's story and said it has prompted the bank to review the way it does business.

"Every customer should be treated as a guest," she said.

Barrier said a teller and a bank manager told him that cashing a check wasn't a transaction that qualified a customer for free parking.

# LOYAL CUSTOMERS GENERATE MORE PROFIT OVER TIME





# Robinson steps down at AmEx

By James Kim  
USA TODAY

Succumbing to criticism from stockholders, James D. Robinson III has resigned as chairman of American Express, effective Feb. 22.

He submitted his letter of resignation Friday, and the company announced his move over the weekend. The AmEx board will meet today to discuss a replacement.

Some observers think board member Richard Furlaud, former chairman of Bristol-Myers Squibb, will be named temporary chairman while the board searches for a new chairman.

Robinson joins a lengthening list of top executives pressured to quit by shareholders and directors upset about poor corporate performance. Last week, the embattled chairmen of IBM and Westinghouse announced they were stepping down.

Late last year, some AmEx board members waged a campaign to oust Robinson, blaming him for the company's financial woes and the 42% decline in its stock price since late 1987. In December, AmEx announced that Robinson would indeed be resigning soon. But the board couldn't find a suitable successor, and at a board meeting last week, Robinson was re-elected chairman and Harvey Golub, his



By Robert Deutsch, USA TODAY  
**ROBINSON:** Last day Feb. 22.

protege, was elected CEO — a stunning victory for Robinson.

But in the days after the counter-coup, investors knocked AmEx's stock about 10%. Thursday, several major Wall Street investors reportedly met with Golub and voiced anger that Robinson was staying. "The shareholders wanted blood," says Thomas Horton, author of *The CEO Paradox*.

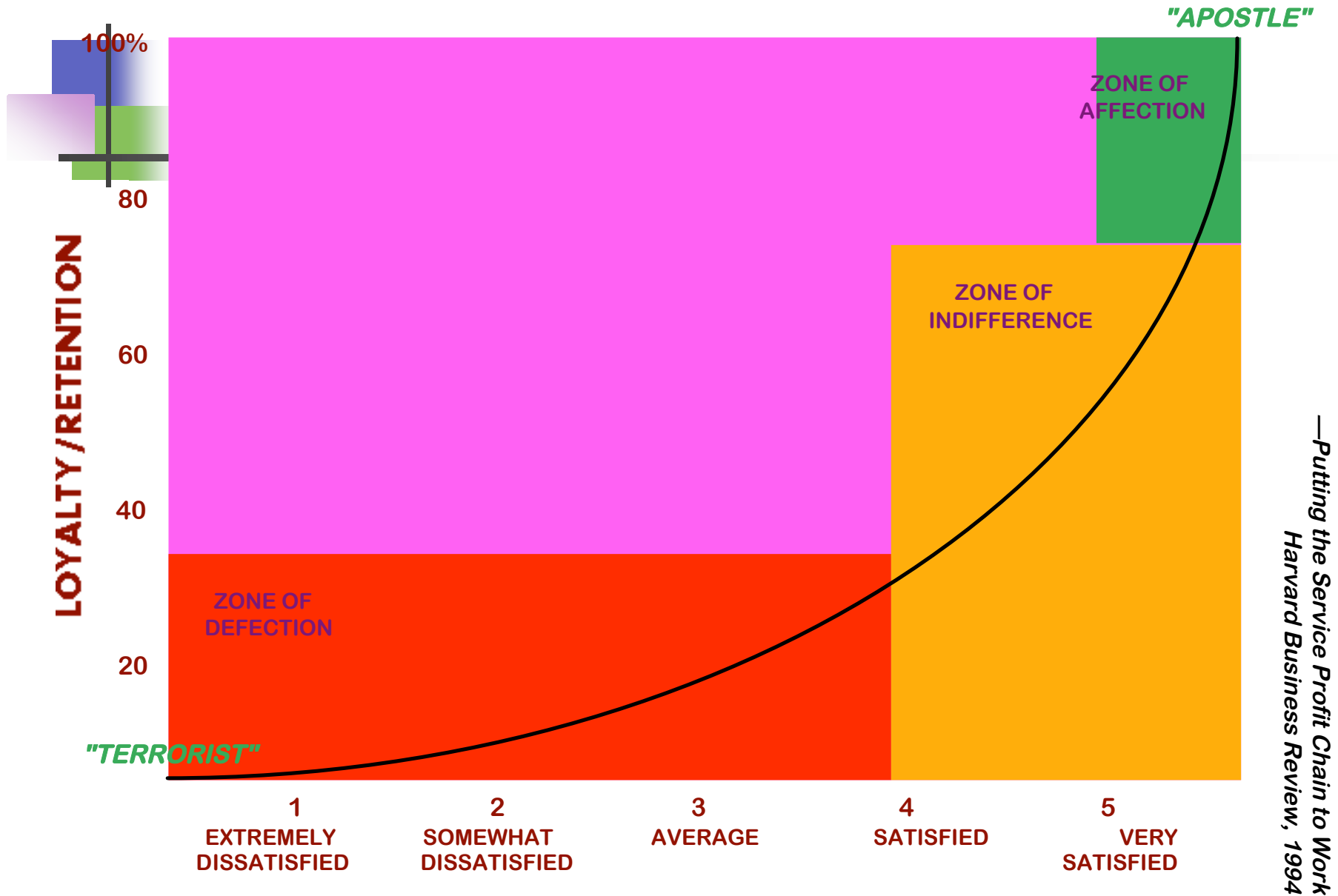
In the end, they got it. "Concerns have risen as to whether, by continuing as chairman, I would impinge on Harvey's ability to act fully on his own as CEO," Robinson said in a statement. "It is clear ... that misperception could have an adverse impact on American Express. ... My decision is intended to eliminate any such confusion and to make Harvey's role crystal clear."



# HOW CUSTOMER RATINGS PREDICT OUR FUTURE

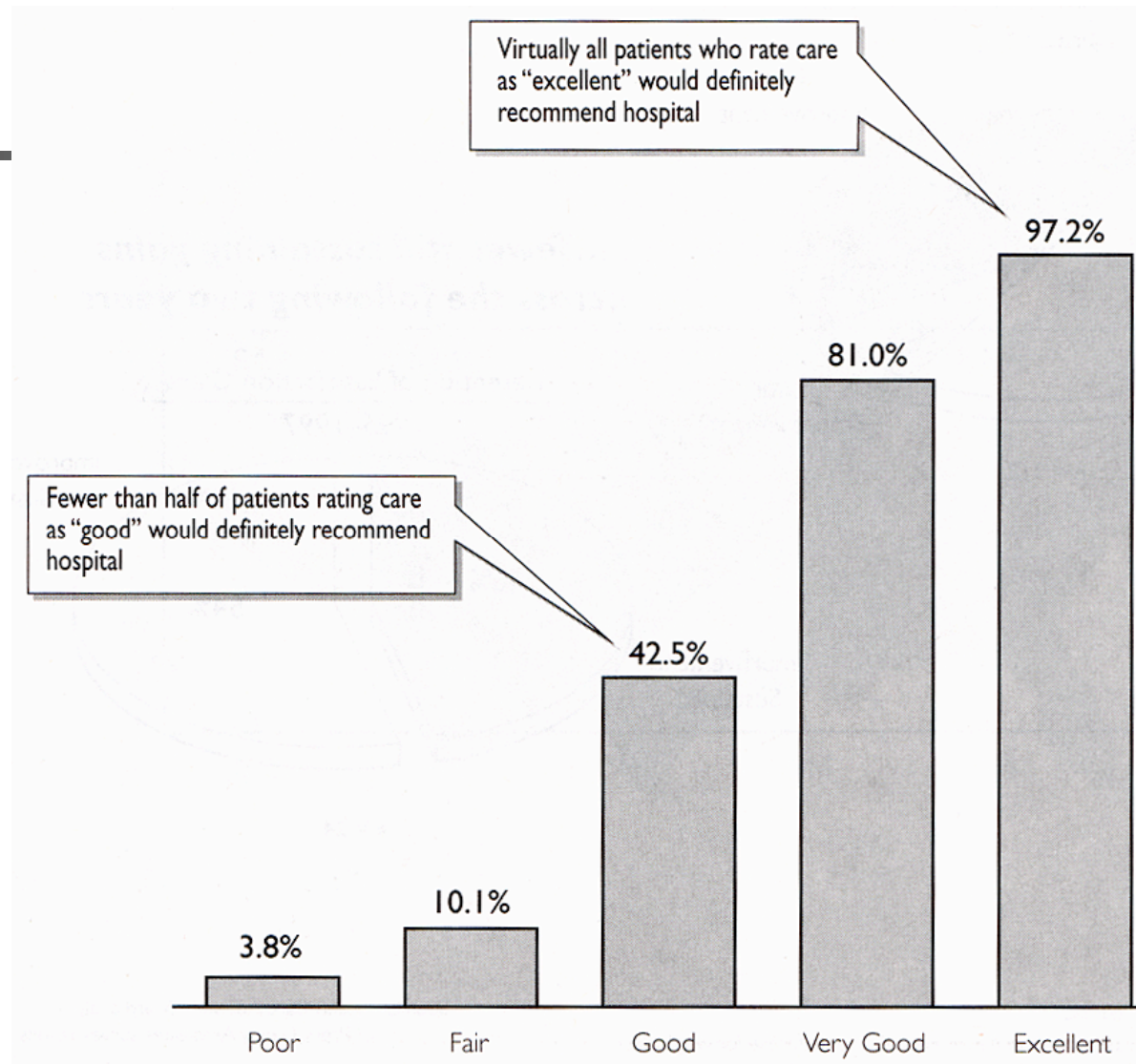
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# ***SATISFIED CUSTOMERS ARE LOYAL***



# ***WANT ME TO RECOMMEND YOU?***

## ***DUH! FIRST DO A GOOD JOB!***



# LEGENDS



Cadillac



**HUMMER** LIKE NOTHING ELSE™



To My Valued Customer,

I always strive to have my customers leave our dealership **"Completely Satisfied"** with my service and I sincerely hope that your visit today has left you **"Completely Satisfied."** You will receive a few surveys to evaluate how satisfactory my service was. Please keep in mind these surveys **DIRECTLY AFFECT ME!** I hope that you will be able to return these surveys appropriately filled out. Below is a sample of how I am graded!

**PASS**

**FAIL**

Completely Satisfied

Very Satisfied

Satisfied

Somewhat Satisfied

Not Satisfied

10. Overall, how satisfied were you with your Service Consultant?


☐
☐
☐
☐

16. Based on this service visit, overall, how satisfied are you with Legends Cadillac-Hummer- Saab?


☐
☐
☐
☐

If there is any reason that you cannot answer **"Completely Satisfied"** to any of the questions on your survey PLEASE contact me or our Service Director, Mark Thomas.

Thank you for visiting us here at LEGENDS!

Your Service Advisor

*J.D. Sherbuck*  
J.D. Sherbuck

(480) 368-6823

Receive in one week

Receive in 4 weeks

# CUSTOMER RATINGS AT NMH TO BE CHANGED



- CURRENT METHODOLOGY JUDGED TOO SLOW, INACCURATE
- NEW RATING SERVICE TO BE INSTALLED
- TOUGHER, MORE TIMELY MEASURES
- HIGHER SERVICE STANDARDS ACROSS HOUSE
- PERFORMANCE UNDER MEASUREMENT SCRUTINY



IDEAL TIME TO  
MAKE CHANGE!



3R's TO  
FOLLOW!



BASED ON DATA, RETROFIT, REBUILD  
EVERYTHING TO CUSTOMER STANDARDS





**DISSATISFIED CUSTOMERS  
CAN TEACH US OUR BUSINESS**

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# WHAT CUSTOMERS LIKE

THEY'RE HAPPIER WITH MANUFACTURERS THAN WITH SERVICES

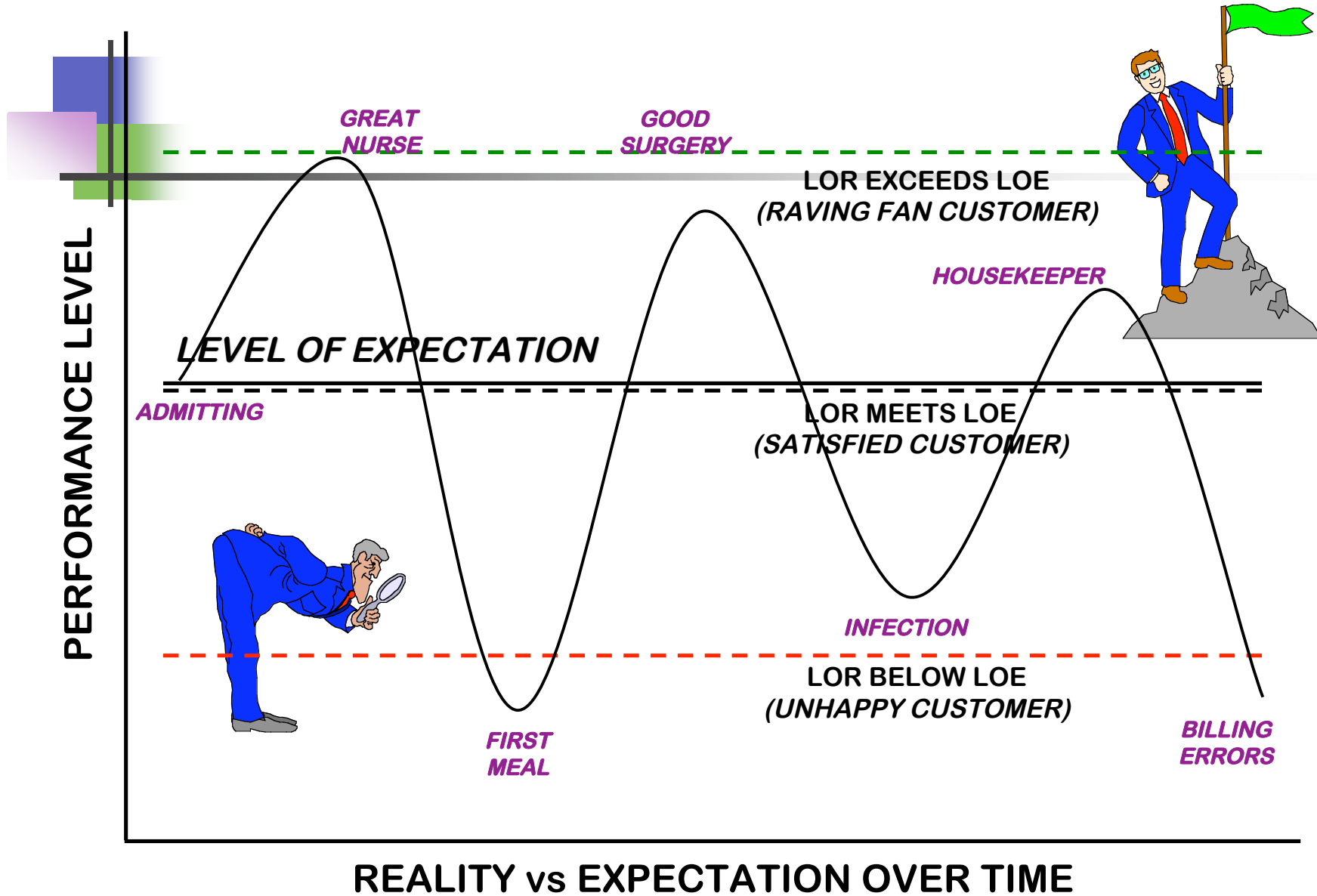
<u>Industry</u>	<u>Customer satisfaction score</u>	<u>Change from 1996</u>	<u>Industry</u>	<u>Customer satisfaction score</u>	<u>Change from 1996</u>
Beverages soft drinks	83	-3.5%	Department & discount stores	74	-1.3%
Pet foods	83	N.A.	Supermarkets	74	-1.3%
Personal-care, cleaning products	82	2.5%	Electric service	73	-2.7%
Food processing	81	-2.4%	Solid waste disposal	73	-3.9%
Beverages beer	81	2.5%	Commercial banks	72	-2.7%
Parcel delivery, express mail	80	-5.9%	Hotels	71	-1.4%
Household appliances	80	-2.4%	Motion pictures	71	-4.1%
Consumer electronics	80	-1.2%	Personal computers	70	-4.1%
Automobiles, vans, light trucks	79	N.C.	Publishing newspapers	69	N.C.
Gasoline	78	1.3%	U.S. Postal Service	69	-6.8%
Tobacco cigarettes	77	N.C.	Airlines scheduled	67	-2.9%
Apparel sportswear	77	-1.3%	<u>Hospitals</u>	<u>67</u>	<u>-5.6%</u>
Insurance casualty, property	77	2.7%	Local police suburbs	67	6.3%
Solid-waste disposal suburbs	77	1.3%	Restaurants fast food, pizza	66	-5.7%
Phone—local & long distance	75	N.A.	Local police central cities	63	6.8%
Insurance life	75	1.4%	Broadcasting national news	62	-11.4%
Apparel athletic shoes	74	-3.9%	Internal Revenue Service	54	8.0%

N.A. Not available. N.C. No change.

COMPARE TO OTHER HOSPITALS?

A BETTER TEST: PEAK PERFORMANCE  
ORGS IN OTHER INDUSTRIES

# MEETING CUSTOMER STANDARDS





# ***A VISIT TO NORTHWORST MEMORIAL***

## **THE FIRST 15 MINUTES OF PATIENT M.O.T. INTERFACE**

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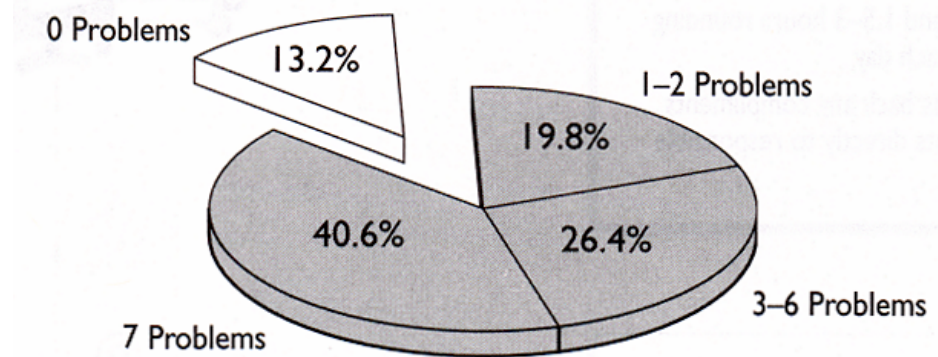
1. **SIGNAGE: EXTERNAL OUTPATIENT UNCLEAR, INTERNAL—"OUTPATIENT CASHIER" OR "X-RAY REGISTRATION"**
2. **GREETING: "NOT HERE, OVER THERE." NAME SCRAWLED ON WRINKLED LIST, INSURANCE CARD 4TH TIME. ANSWERING MACHINE—"WHY DON'T YOU PEOPLE ANSWER?"—LAUGHTER.**
3. **ENDOSCOPY: KID—"NEVER DONE THIS BEFORE." PATIENT HISTORY 3RD TIME, BUT NO WAITING.**
4. **PATIENT DRESSING ROOM: ALL LOCKERS BUT ONE USED BY STAFF & SUPPLIES—"HERE'S A GROCERY BAG." DOUBLE GOWNS. NO WASTE CAN FOR SLIPPER WRAPPER. DOOR OPENS ONTO WAITING AREA OF DRESSED PEOPLE.**
5. **STAFF: GOOD NEWS—NURSE SITS SIDE BY SIDE & EXPLAINS THINGS. BAD NEWS—CAN'T HIT VEIN IN 3 STICK ATTEMPTS, MUTTERS, "I'M NEW HERE." SURVEY—"ON A SCALE OF 0-10, HOW ANXIOUS ARE YOU ABOUT THIS EXPERIENCE?"**
6. **DR. MARY ARRIVES, ADMINISTERS MEDICATION, LIGHTS OUT.**



## ***SUFFERING IN SILENCE***

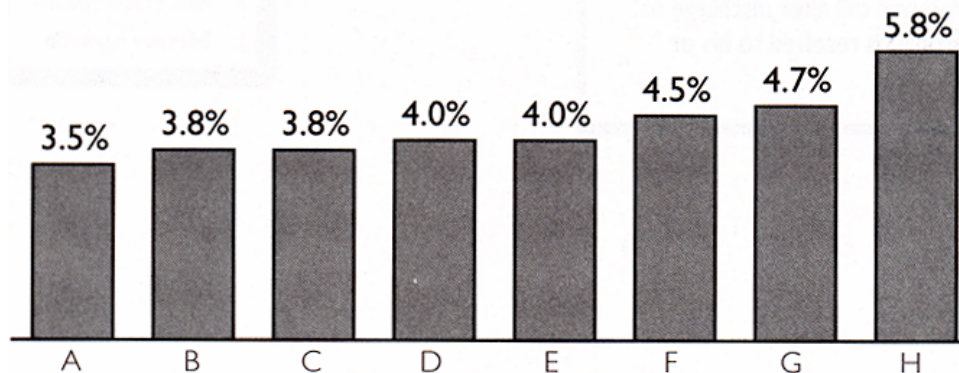
***Nearly 90% of patients experience at least one problem during their hospital stay...***

***(Number of Service Problems Experienced by Inpatients)***



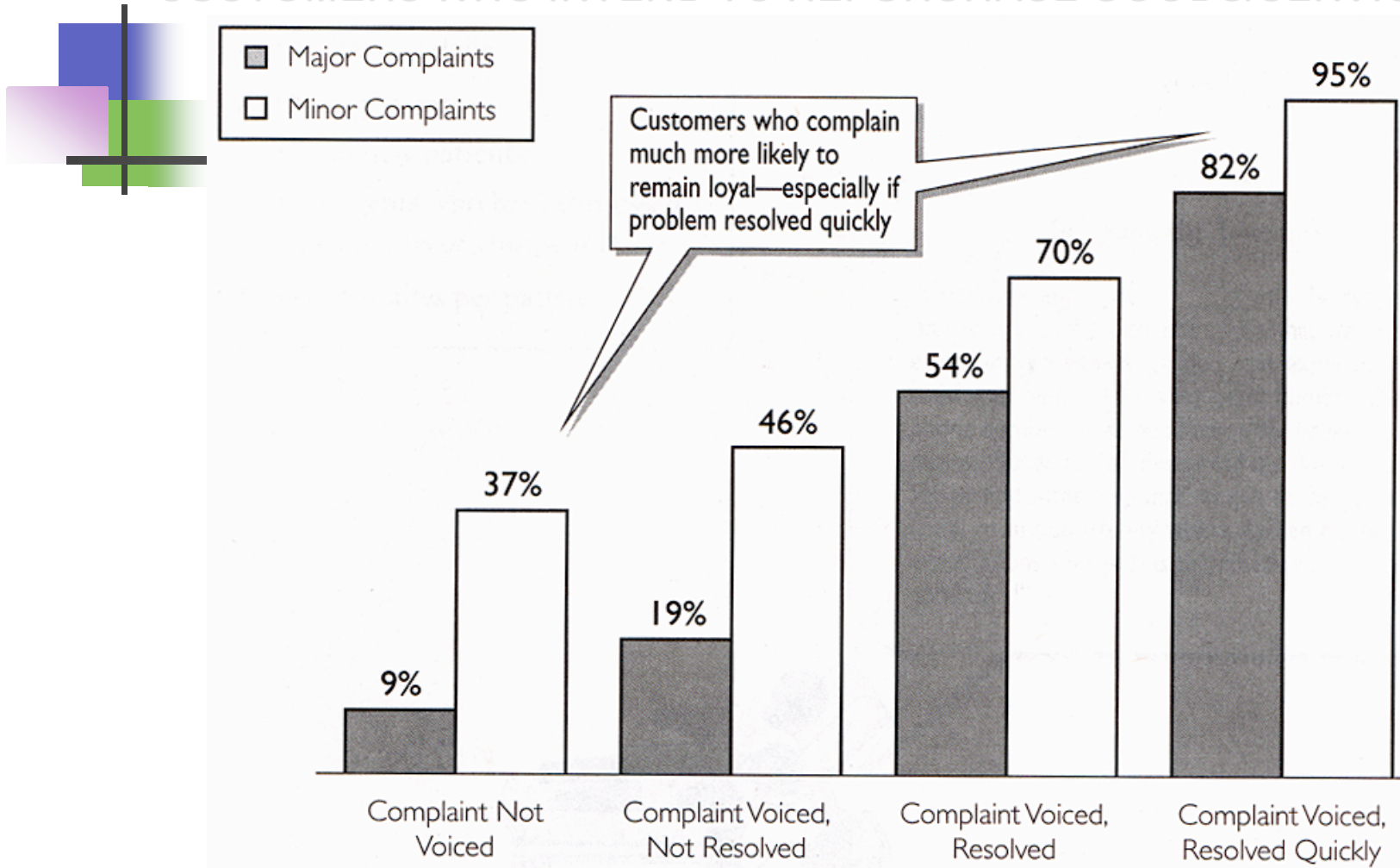
***...but few complain***

***(Patient Complaint Rates at Selected Hospitals)***



# ***BETTER TO HEAR THE BAD NEWS***

## **CUSTOMERS WHO INTEND TO REPURCHASE GOODS/SERVICES**



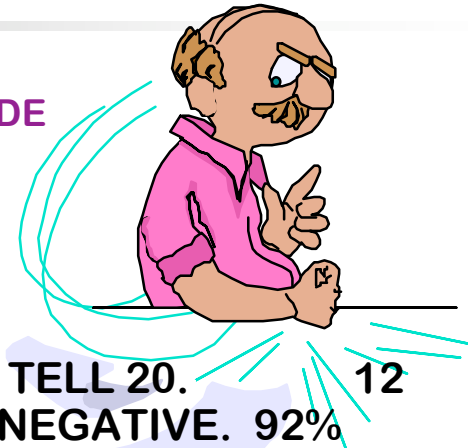
***CUSTOMER PROBLEM STATUS***

# DISSATISFIED CUSTOMERS

1. 4% TELL MGMT, 96% GO AWAY, 91% NEVER COME BACK

2. CUSTOMER QUILTS:

- 68% INDIFFERENT STAFF/MANAGER ATTITUDE
- 14% PRODUCT DISSATISFACTION
- 9% COMPETITIVE REASONS
- 5% DEVELOP OTHER RELATIONSHIPS
- 3% MOVE AWAY



3. UNHAPPY CUSTOMERS TELL 8+ PEOPLE, 1 IN 5 TELL 20. 12  
POSITIVE SERVICE INCIDENTS TO EQUALIZE 1 NEGATIVE. 92%  
SATISFACTION RATING REQUIRED TO STAY EVEN!

4. 70% WILL DO BUSINESS WITH YOU AGAIN IF RESOLVE  
COMPLAINT IN THEIR FAVOR; 95% IF RESOLVED ON THE SPOT.

5. AVERAGE BUSINESS SPENDS 6 TIMES MORE TO ATTRACT NEW  
CUSTOMERS THAN TO KEEP OLD ONES.

6. SERVICE QUALITY LEVEL: LO LOSE 2% SHARE/YEAR. HI GAIN 6%  
SHARE/YEAR & CHARGE SIGNIFICANTLY HIGHER PRICES!



# SMOOTH TALKIN'

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***A SOFT ANSWER TURNETH ASIDE WRATH.***

*—Proverbs*

# ***CUSTOMER PRIORITIES***

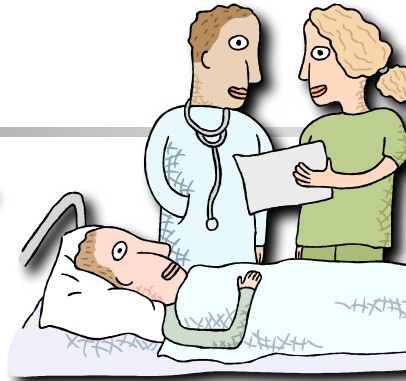
## ***1. INTERACTIONS***

### ***INTERPERSONAL***

- COURTESY
- CONCERN
- CHEERFULNESS
- ATTITUDE
- RESPONSIVENESS
- HELPFULNESS

### ***INFORMATION***

- DELAYS
- TREATMENT
- CHOICES
- PROBLEM SOLVE



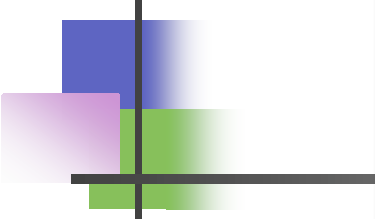
PERCEPTION OF  
CAREGIVER'S  
***TECHNICAL  
SKILLS***

## ***2. WORK SYSTEMS***

- REGISTRATION
- WAIT TIMES
  - LAB
  - X-RAY
  - EKG
- DISCHARGE

## ***3. FACILITY***

- CLEANLINESS
- FOOD
- EQUIPMENT
- PARKING



# Doctors', nurses' small talk can be bad medicine

By Ron Kotulak  
and Jon Van

TRIBUNE STAFF WRITERS

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## Discoveries

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**W**ould you have trust in a doctor if you overheard him say: "I have to learn to use the stupid thing, so it might as well be tonight." Or, "I worked 16 hours yesterday, went home, had some beer, and before I knew it, I was back here. I don't think I can make it all night." Or, "He must have been on drugs last night; he couldn't even read a chart."

Probably not. But such comments by doctors and nurses are common in hospital elevators, said Dr. Peter Ubel of the Center for Bioethics at the University of Pennsylvania.

Ubel overheard such disturbing remarks by medical personnel in 14 percent of the 259 elevator rides he took in five Pennsylvania hospitals.

Hospital workers should be aware that their comments may

not only violate patient confidentiality but may also treat patients disparagingly, reflect poorly on their profession, or cause other passengers to worry about the hospital's clinical competency, Ubel reported in the American Journal of Medicine.

# SCRIPT EVERY ENCOUNTER...

"We will be asking you throughout your stay how we can do things better...and let me remind you that we do have valet parking for you and your visitors' convenience."



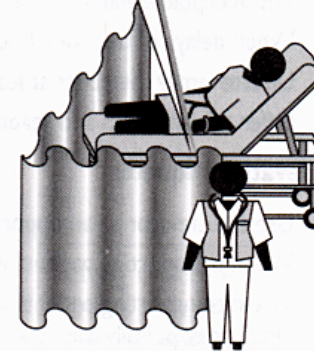
**Admitting**



**Changing Shifts**



"I am pulling this curtain because I am concerned about your privacy."

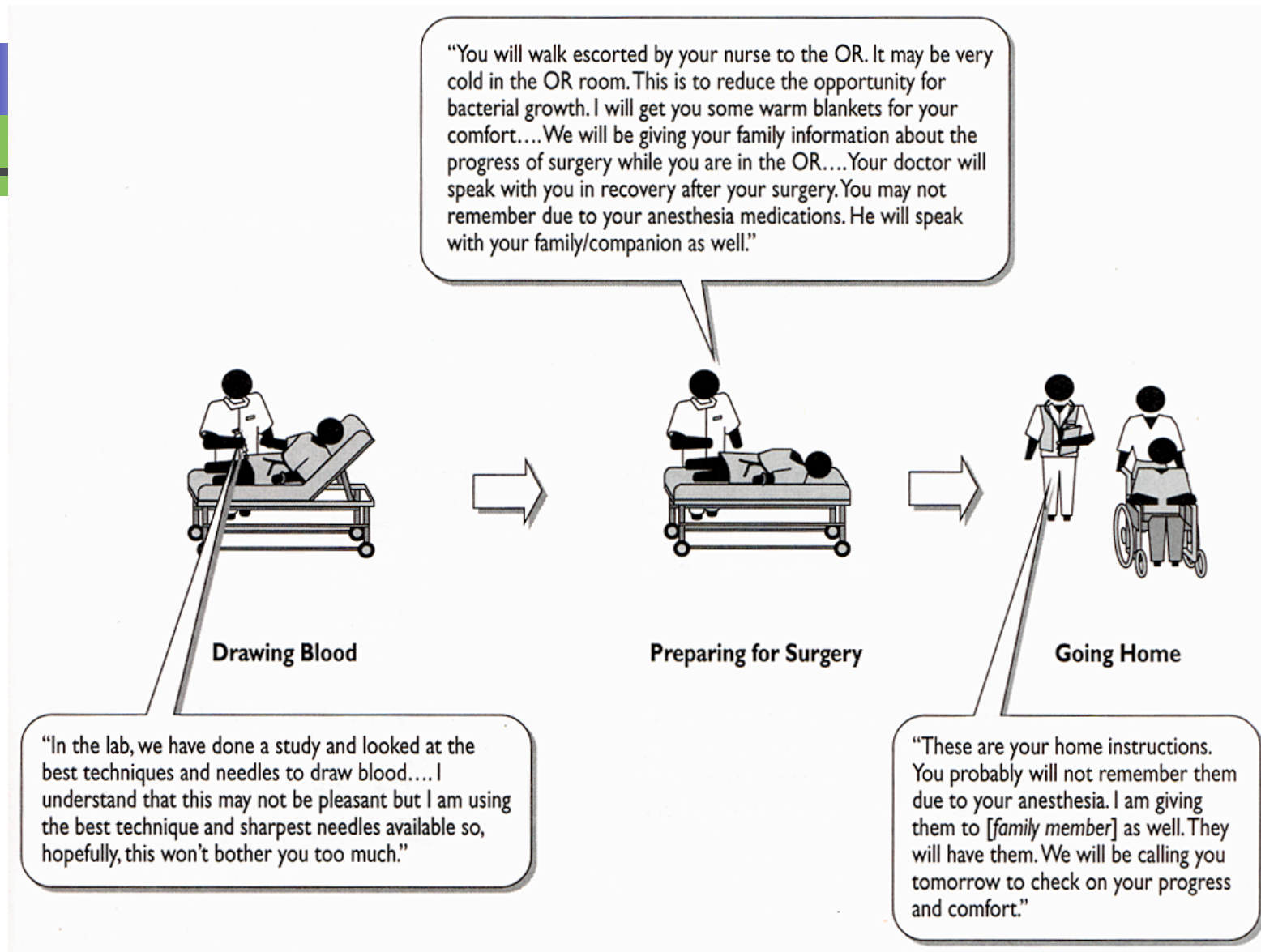


**Maintaining Privacy**



"I am Nancy...I will be your nurse until [time]. Please let me know the moment we can do something for you or do something better. My goal is to exceed your expectations and provide you with very good care....You will receive a survey when you arrive home and we want to be able to mark us 'Very Good.'"

## ...FROM START TO FINISH



### HMC VALUES

We fulfill our mission as we demonstrate these guiding values:

- ❖ **COMPASSION** - We respect and affirm the dignity of each individual as we demonstrate genuine care, kindness and empathy.
- ❖ **COMPETENCY** - We demonstrate professionalism through accountability, continuous learning, leadership and responsiveness.
- ❖ **INNOVATION** - We anticipate change through continual growth in knowledge and leadership.
- ❖ **INTEGRITY** - We build each relationship on honesty and trust.
- ❖ **QUALITY** - We commit to meet and/or exceed the expectations of our customers.
- ❖ **TEAMWORK** - We accept responsibility in partnership as we nurture communication, cooperation and the unique contributions of each person.
- ❖ **WISDOM** - We share and apply knowledge and insight, building on experience, exhibiting good judgment and making prudent decisions.

### CUSTOMER SERVICE

Associates of Hays Medical Center will consistently place Customer Service at the forefront of all job duties.

The needs and expectations of Hays Medical Center customers are placed above all other specific job functions. All associates are empowered to make exception to Medical Center policies and procedures if doing so is beneficial to the customer and will not jeopardize medical care safety. Every associate should always seek to fulfill every customer request. It is never acceptable to refuse any reasonable request, rather the associate should always seek to accommodate the request.

Customers are defined for this policy as patients, family members, visitors, staff physicians, referral physicians, and other healthcare providers.

Consistent with this policy, Department Heads are given authority to immediately resolve issues of customer service including but not limited to: reimbursement for lost or damaged personal effects, financially writing-off the patient's portion of the hospital bill, or offering a similar appointment or service free of charge.

### The Hays Medical Center MISSION

Our mission is to serve the High Plains by providing health care, education and research with Christian compassion. We are committed to pursue excellence, to build community, and to work cooperatively with others.



### HAYS MEDICAL CENTER Basic Behaviors

1. Never Say No.
  2. Do unto others as you would have them do unto you.
  3. The mission is to be known, owned and energized by all Hays Medical Center associates.
  4. Practice teamwork and "lateral service" among and between departments to create a positive work environment.
- The three steps of service shall be practiced by all associates with all customer contact:
- a. A warm and sincere greeting. Use the Name of the person when possible.
  - b. Anticipation and compliance with others' needs.
  - c. A warm good-bye, using the person's name.
6. All associates will attend an Inservice and continually be reminded of the Mission and Values to ensure they understand how to perform to HMC standards in their position.
  7. All associates will understand their work area and goals as established in their department strategic plan.

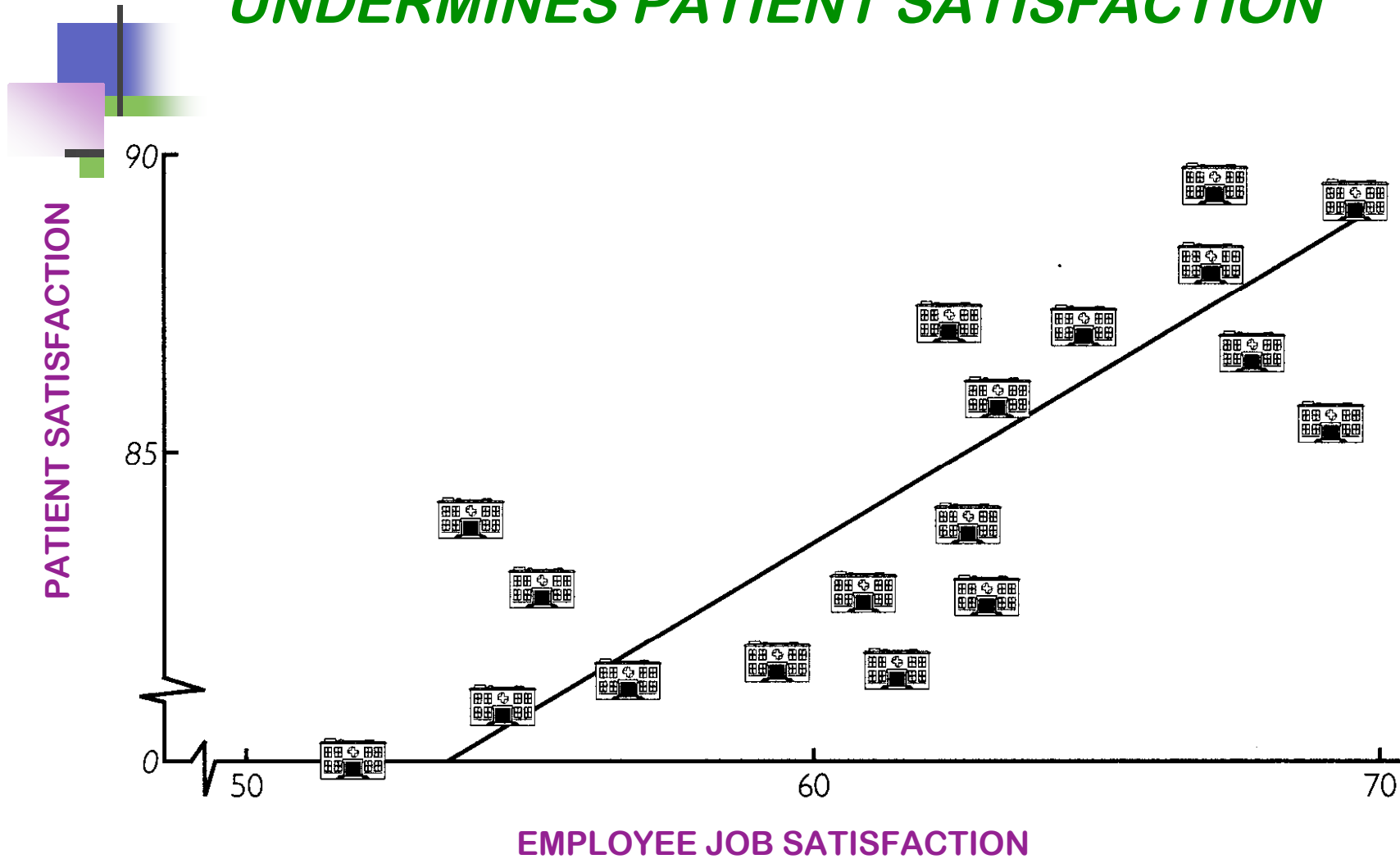
8. All associates will know the needs of their internal and external customers so that we may deliver the products and services they expect. Document specific needs.
9. Each associate will continuously identify areas for improvement throughout HMC.
10. Any associate who receives a customer complaint "owns" the complaint.
11. Instant guest pacification will be ensured by all. React quickly to correct the problem immediately. Follow-up with a telephone call within twenty minutes to verify the problem been resolved to the customer's satisfaction. Do everything you possibly can to never lose a customer.
12. Every associate is empowered to resolve a problem and to prevent a repeat occurrence.
13. "Smile-We are on stage." Always maintain positive eye contact. Use the proper vocabulary. (Use words like-"Good Morning," "Certainly," "I'll be happy to,")
14. Be an ambassador of HMC in and outside of the work place. Always talk positively. No negative comments.
15. Escort guests rather than pointing out directions to another area.
16. Be knowledgeable of information about HMC (visiting hours, hours cafeteria is open) to answer guest inquiries.
17. Use proper telephone etiquette. Answer within four rings and with a "smile." When necessary, ask the caller, "May I place you on hold?" Do not screen calls. Eliminate call transfers when possible. If a call must be transferred, be sure it is to the proper location.
18. Dress appropriate and immaculate. Wear proper and safe footwear (clean and polished), and your name tag. Take pride in your personal appearance.
19. Notify your supervisor immediately of hazards, injuries, equipment or assistance that you need. Practice energy conservation and proper maintenance and repair of property and equipment.
20. Protecting the assets of HMC is the responsibility of every associate.
21. Uncompromising levels of cleanliness are the responsibility of every associate.
22. Ensure all associates know their roles during emergency situations and are aware of the fire and life safety response processes.



# **HOW MORALE & TEAM SATISFACTION IMPACTS CUSTOMER SATISFACTION**

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# ***POOR STAFF MORALE UNDERMINES PATIENT SATISFACTION***



# THE WORKLIFE-SERVICE VALUE-PROFIT CHAIN

**INTERNAL WORKLIFE QUALITY**  
LEADERS ESTABLISH:

- CULTURE FOR RESULTS
- SELECTION & DEVELOPMENT
- JOB DESIGN & UTILIZATION
- REWARDS & RECOGNITION
- BOUNDARYLESSNESS
- CUSTOMER SERVING TOOLS
- WORKPLACE DESIGN

**ASSOCIATE SATISFACTION**

**ASSOCIATE RETENTION**

**ASSOCIATE PRODUCTIVITY**

**EXTERNAL SERVICE VALUE**  
SERVICE CONCEPT:  
· RESULTS FOR CUSTOMERS

↑ 5%, NEXT 1/4

↑ 2%, NEXT 1/4

↑ 0.5%

*"It's not guesswork or theory anymore. We have built an empirical model that says unless you have a trained, literate, motivated, competent work force, and give them decision-making authority, you don't get satisfied customers no matter how good the merchandise is. The right work force creates customer satisfaction, and that produces superior financial performance."*

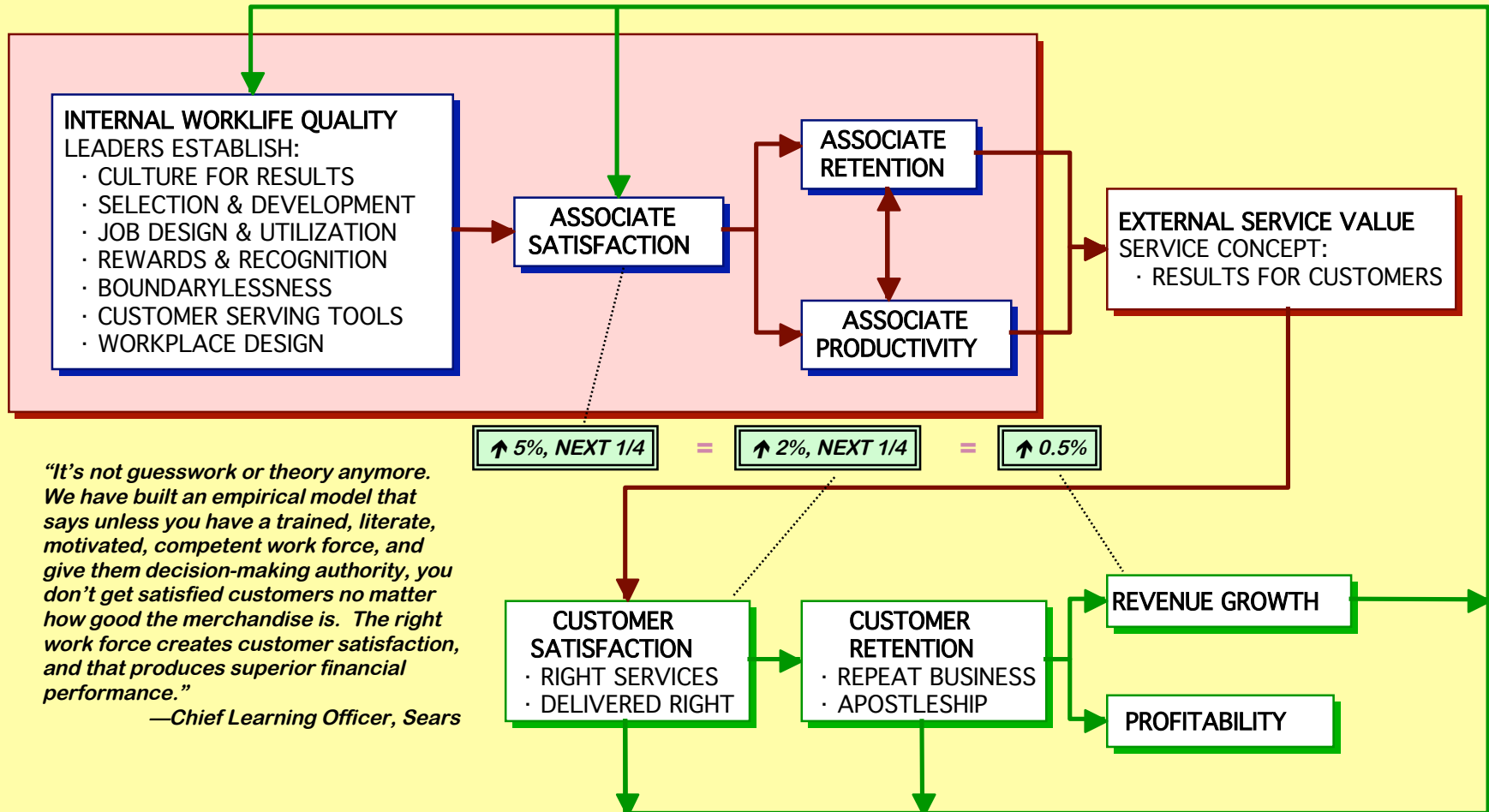
—Chief Learning Officer, Sears

**CUSTOMER SATISFACTION**  
· RIGHT SERVICES  
· DELIVERED RIGHT

**CUSTOMER RETENTION**  
· REPEAT BUSINESS  
· APOSTLESHIP

**REVENUE GROWTH**

**PROFITABILITY**





# **BENCHMARK PRACTICES TO INCREASE CUSTOMER SATISFACTION**

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# SERVE THE KING

## 1. HARKEN and OBEY

- NAIVE LISTENING; BE OWN CUSTOMER; CALL YOURSELF UP
- PUBLICIZE COMPLAINT, SWARM SOLVERS, RESPOND IN 24 HRS
- TALK WITH CUSTOMERS 1/2 DAY/WEEK, EVERY WEEK



CHILDREN OF THE BOARD: Peter Shackelford brainstorms with Wally Jones, president.

### Kids go from bored to board

When executives at Dixie House restaurants want to know what children think, they ask experts — a children's board of directors. The 15-member board, aged 7 to 12, meets quarterly at the Dallas headquarters of Prufrock Restaurants Inc., parent of the Dixie House and Black-eyed Pea restaurants.

Some can barely see over the conference table. But they've got big ideas. Such as:

► Games and puzzles. They're too easy, the kids said. More difficult ones were added.

► Menu tips. Add chocolate pudding and hamburgers, the kids said. It was done.

On the agenda at a recent meeting: How to attract more young people. "Maybe we could make some posters," said Erin Ratliff, 12.

Paying attention to the whims of children

isn't just good PR these days. The National Restaurant Association found that the number of children visiting restaurants doubled between 1982 and 1986, based on a sample of restaurant goers.

"You have to be in touch with your young consumers," says Jordan Rohde, vice president of Prufrock. Co-founder Phil Cobb formed the children's board two years ago after he received note cards with suggestions from the son of a family friend. Prufrock had 1987 sales of \$56 million.

Britt McEachern, 8, said her friends think being on the board is "pretty neat." Fame isn't the only reward. After the quarterly meetings, the board adjourns — to lunch at the Dixie House across the street.

### Listen, doctors

Doctors could avoid malpractice suits if they would listen more carefully to patients and take their complaints seriously, a study by the Physicians Insurers Association of America suggests. The study, which focused on malpractice suits concerning breast cancer treatment, found that nearly 70 percent of those cases stemmed from delayed diagnoses of the cancer. They were mostly cases in which the woman herself found a lump in her breast, went to the doctor, and the doctor at first didn't consider the lump to be a problem. The study may result in doctors ordering more biopsies to sample tissue from lumps found in patients' breasts and more breast X-rays, according to a report in the American Medical News.

#### 4. ADD VALUE: MAKE PRODUCT UNIQUE TO CUSTOMER

- CAN'T AFFORD COMMODITY THINKING: WINNERS DISCRIMINATED BY

- **You can tell a lot about an airline by the way they design t**

A napkin may b  
Lufthansa. Our  
hole to help kee  
Because, aft  
spoil an otherw  
Now, if an air  
a napkin, imagi  
everything else

**People ex**

## INSIDERS

BEHIND THE SCENES IN THE WORLD OF BUSINESS

### Buying all the time: Fans hound bank for Elvis card

Long-distance information? Give me Memphis.

That's what hundreds of people have been saying since a Memphis bank Thursday introduced a new MasterCard dedicated to **Elvis Presley**.

Phone lines have been clogged at **Leader Federal Savings and Loan**; on Friday and Saturday, 1,112 people called for applications. "People are asking for extra applications," says **Bruce Champlin**, senior vice president. "They say they're calling for a group and want 10."

Newspapers as far away as **Hong Kong** have written about the card. And fans — with the exception of those in Memphis who

appear **Elvis**-ed-out — have responded enthusiastically, he says.

Please, Elvis fans, give the Leader's operators a break and call the special toll-free Elvis line: 1-800-562-7111.

Leader mailed applications last week to 200,000 people. The response: three times what a regular credit card solicitation would have drawn this soon, Champlin says. If that keeps up, Leader will mail 1.5 million more applications at the beginning of next year.

"It sounds like a hit," says **Robert McKinley**, publisher of **RAM Bankcard Update**. Maybe next: The **Elvis Gold (Record) Card**.

— **Dennis Cauchon**

IT?

AKDOWNS



CELLENT

#### 5. SM

#### 6. MA

*"Treat employees the way you want them to treat your customers."*

—L.L. Bean's Golden Rule

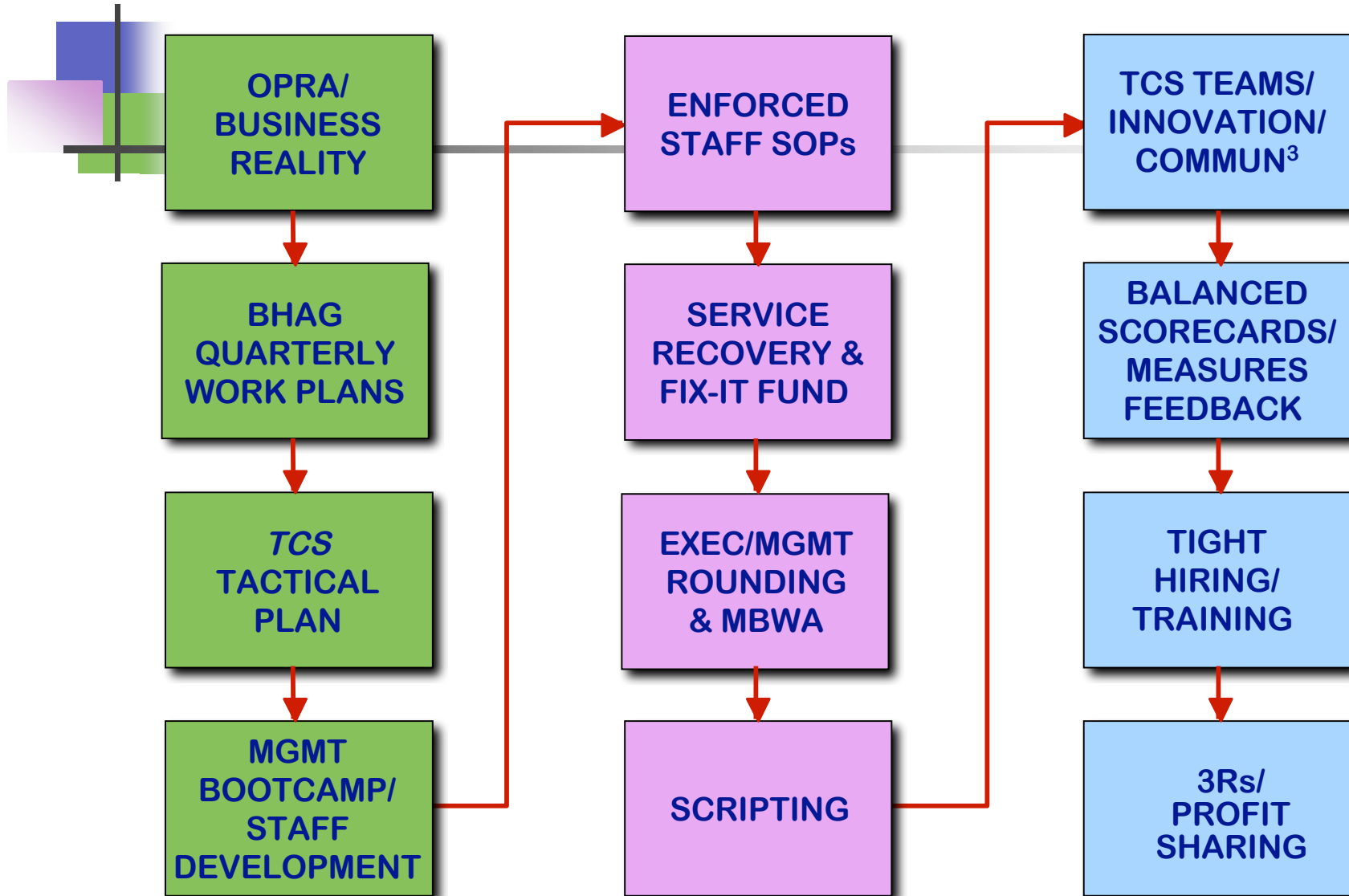


# HOW NMH IS ORGANIZING AROUND BENCHMARK PRACTICES FOR CUSTOMER SATISFACTION

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*BHAG: 95TH PERCENTILE*

# STEPS TO CUSTOMER SERVICE EXCELLENCE



# ***TOTAL CUSTOMER SATISFACTION***



## **3.2 CUSTOMER COMMUNICATION & ORIENTATION FOR RESULTS**

- SOLVE NAVIGATION PROBLEMS
- RESOLVE & MANAGE COMPLAINTS
- CUSTOMER FOR A DAY

## **3.3 IDENTIFYING & TARGETING CUSTOMERS**

- IDENTIFY WHO THE CUSTOMER IS
- MANAGE PHYSICIAN ACCOUNTS
- CONTRACT REVIEWS
- BUILD PHYSICIAN BASE

## **3.4 MAKING SERVICE WORK—REMOVING IRRITATIONS**

## **3.5 MAKING SERVICE WORK—ADDING VALUE**

- ADD VALUE TO EXISTING SERVICES
- CUSTOMER SATISFACTION GUARANTEE
- ADD NEW VALUE ADDED SERVICES

## **3.6 MEETING & EXCEEDING CUSTOMER EXPECTATIONS**

- SET HOUSEWIDE SOPs
- GRAPH SATISFACTION RATINGS

## **3.7 LINKING HUMAN PERFORMANCE TO CUSTOMER NEED**

- REWARD PERFORMERS—AGGRESSIVELY MANAGE SERVICE
- ORGANIZE & DEPLOY ASSOCIATES TO SERVE CUSTOMERS

## **3.8 LET THE CUSTOMER TEACH YOU THE BUSINESS**

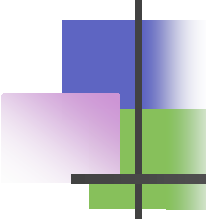
- MEASURE: HOW ARE WE DOING?
- MAXIMIZE CUSTOMER INPUT & IMPACT

## **3.9 COORDINATE CUSTOMER STRATEGY**

- DESIGN CUSTOMER STRATEGY & PUBLISH TACTICAL PLAN
- RESOURCING TO SERVE CUSTOMER, REINFORCE SERVICE BEHAVIORS
- WIDER MARKETING CONSIDERATIONS

# ***THE CUSTOMER IS KING***

## ***DISCUSSION TOPICS***

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1. DEFINE ASTONISHING, WOW SERVICE: BEST CUSTOMER SERVICE EXPERIENCE EVER HAD... “WELCOME TO A DIFFERENT WORLD”
  2. WHAT LONGSTANDING PROBLEMS HAVE CUSTOMERS HAD TO ENDURE? WHAT IRRITATIONS & ANNOYANCES NEED REMOVAL?
  3. WHAT COULD WE DO TO ADD VALUE THAT CUSTOMER IS WILLING TO PAY FOR? WHAT WOULD MAKE OUR SERVICE EASIER, FASTER, NICER, BETTER?
  4. ORGANIZATION NON RESPONSIVENESS: WHAT’S NEEDED TO DRIVE CHANGE! SHOULD WE GUARANTEE A LIST OF BEHAVIORS, PERFORMANCES? HOW CAN VIOLATIONS BE USED TO CHANGE THE SYSTEM?
  5. SHOULD MANAGER’S PAY/BONUS BE AT LEAST PARTIALLY TIED TO CUSTOMER SATISFACTION RATINGS?
  6. WHY DO CUSTOMERS INSTANTLY SEE PROBLEMS THAT BUSINESSES MISS ABOUT THEIR OWN SHOP? HOW CAN WE AVOID THIS & LET OUR CUSTOMERS TEACH US OUR BUSINESS? DEVISE A METHOD ALL CAN FOLLOW.
  7. EVALUATE THE “COMMANDMENTS OF SERVICE.” DO WE NEED SOMETHING LIKE THIS? WHAT MECHANISMS, RELATIONSHIPS, ATTITUDES NEED FIXING?
  8. WHAT ASPECTS OF QUALITY SERVICE NEED IMPROVEMENT? SEE HBR ARTICLE ON “EIGHT DIMENSIONS OF QUALITY”



# **SOUTHWEST CASE**

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# ***FLYING LESSONS AT SOUTHWEST***

## ***STRICT DISCIPLINE + GOOFY ANTICS = \$ BILLIONS***

1. CORPORATE CULTURE—DEFINE COMPANY'S PERSONALITY, THEN ENFORCE IT

2. HIRE FOR ATTITUDE, TRAIN FOR SKILLS

3. TRAINING—GET EVERYONE THINKING LIKE THEY OWN THE PLACE

4. EMPLOYEE MORALE—CELEBRATE EVERYTHING, EMBRACE MISTAKES

5. LEADERSHIP—NEVER STOP THINKING LIKE AN ENTREPRENEUR

6. STRATEGIC PLANNING—TO HELL WITH MARKET SHARE, GROW WITH DISCIPLINE TO ACHIEVE PROFIT

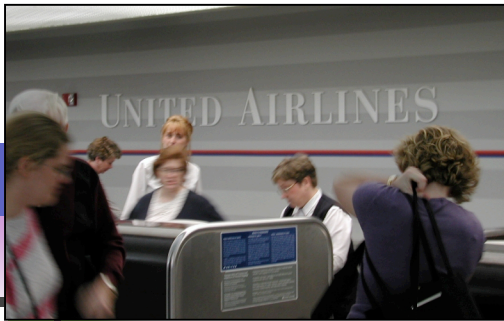
7. MARKETING—SET YOURSELF APART: BREAK THE RULES & SELL YOUR SOUL

8. CUSTOMER SERVICE—THE CUSTOMER COMES SECOND

9. QUALITY CONTROL—DO ONE THING BETTER THAN ANYONE ELSE

10. COST CONTROL—LOWER COSTS = LOWER PRICES

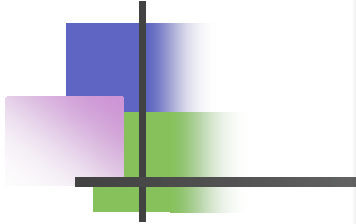




*WHY DON'T THEY GET IT?*



# ***SOUTHWEST ACTS LIKE REAL PEOPLE***



# ***SOUTHWEST COMPARED TO COMPETITORS***

