

How to Increase Your Revenue With Proven Lean Actions

Podcast #22 Transcript

By Phyllis Mikolaitis

Hi, it's Phyllis Mikolaitis continuing my discussion on Lean. In this podcast, I want to discuss how you can increase your revenue with some different but verified continuous improvement actions.

When most people think of Lean, Six Sigma and Continuous Improvement, they think of manufacturing, engineers, scientists, and software developers using the tools and processes to improve workflow and cut costs. However, today many customer service departments, sales and marketing, technical support, and many other office areas, are also using the tools and processes. These organizations realize that not only your product but also your customer's experience determines their relationship and loyalty with your company. Today customers provide feedback and expect your organization to listen and take action to improve your relationship with them. Demonstrating that you care and working to improve your relationship with your customers will grow your revenue and your bottom line.

In this podcast, I want to explore two similar areas: customer service and tech support. And, I'll explain how the Lean tools and processes applied to these areas can help you improve your customer relationship and increase revenues. I'll discuss sales and marketing in a later podcast.

Today's discussion is different as I am not looking at cost cuts to improve the bottom line but rather eliminating wasted steps and developing processes to add more money to the top line.

Let's take a look at customer service first. Customer service interacts with your customers every day. Their experience with your staff impacts their view of your company and their willingness to continue business with your organization. A poor experience can cause lost sales from this customer, but also, this customer will tell other customers and prospects about their experience. The social media ability to post online comments makes negative comments even more damaging. In avoid negative

impacts in customer relationships, many companies started Lean projects. However, a Gartner Group reports that many of the projects failed. The common causes of failures were: poor direction, lack of senior management commitment, failure to fix business processes that damage experience, lack of a customer-centric approach, and poor collaboration and coordination across the organization. However, applying Lean tools and methods and making a commitment to their implementation will significantly improve your customer's experience. Besides, you will cut costs by removing wasteful steps and "do-overs".

So, what action do you take? Your first step is to ensure you have a commitment from the entire management staff. That requires an understanding of Lean and the Customer Experience. It also means management must remain committed, and actively use the Lean processes and tools. Next, do a self-assessment to determine where you are so you can create your customized plan to get to your goal. Since we are focusing on customer service, the first place to start is with the customer. Today's customer is empowered, and they will give you feedback. However, I suggest you don't follow the footsteps of one of my customers who wanted to send out an 8-page evaluation. Even a chance to win a Visa gift card will not inspire them to complete a survey that long. Be concise and allow them to provide both quantity and quality measurements.

Then you or your Lean team member should spend time observing and getting feedback from employees in the customer service department. You will see their challenges and the waste of time and effort. The observer should take notes for a brainstorm meeting with representatives of each area involved in the value stream to get to clearly define the problem or problems and get to the root cause. Ask about process problems, pain points, and unnecessary or redundant activities. Ask them to share from their experiences. What ideas might they have to shorten calls or problem resolutions? Is their workload balanced or are they stressed by unrealistic targets? Work to find common ground in your conversations.

It is crucial in these meetings to map the value stream or all of the touch points in resolving the customer issue or responding to their question. I recommend mapping the current process and identifying steps that are not of value to the customer and areas



than can be improved. Then map a value stream process for customer interactions without the waste and items that frustrate or irritate the customer. For example, experienced customers hate mandatory scripting including long openings, paraphrasing, and “fake” empathy statements. They want to provide necessary account information and then cut to the chase and work on the issue. Another irritant is being transferred and having to repeat the information all over again. This happens because there is no transfer of notes between employees. If a computer program with notes allowed the information to be transferred, the customer would be much happier, and it would allow the reps to service more customers and service them more quickly. Just add the minutes saved and multiply by the number of calls transferred and the number of days in a month to see how much more you can do and how quickly you can satisfy a customer.

When creating your new value stream, don't focus on just what is a waste and removing irritants. Also, look at ways you can make the interaction more personal and relevant. Customers want to feel recognized, remembered, and valued. If a customer profile is available once they provide the account number or name, then the customer service rep should leverage that information to recommend the correct solution or product and to offer it with the right approach. Imagine a call where the rep knows how the customer wants to be addressed, what products or services they currently have, the customer's experience level, and any previous issues. The call could then be processed more quickly and personalized, again resulting in customers willing to continue and expand business with you.

I want to make two other points on this part of the topic. Many companies focus on what is termed AHT or Average Handling Time. It is the time talking to the customer plus the hold time, plus the paperwork or internal call time after customer call ends divided by the number of calls.

Too much focus on one metric doesn't allow the team to solve the real problem. Several other issues need to be considered. For instance, is the call created by a problem in some other area such as poor documentation, defective products shipped, numerous billing errors or a website that is difficult to navigate? The issue could also be too much

focus on the call time itself. Some companies tie the compensation and reviews to average call time. Therefore, employees pass over details and rush through explanations to reduce their call time. They may also put incomplete information on their paperwork. Yet this action results in repeated calls and frustrated customers.

I can definitely vouch for longer calls when necessary to get a better outcome. One sales manager I had only looked at the number of calls completed in a day. Yet, I preferred the longer calls with my corporate customer with complex situations. They always resulted in higher dollar sales and loyal customers. I also solved complex problems with fewer calls and often with fewer people involved as I obtained the full details before closing the customer call.

Management must partner in the process to ensure the evaluation measurement is aligned with the true customer satisfaction result. They have to remember that an extra minute to be friendly also adds to the feeling of connectivity and brings repeat business. I don't mean have a long chat as you do with your friends, but I do advocate a few unscripted words to make the customer feel valued. If the customer responds positively and appreciates the employee's tone and outcome, the employee will feel valued, and he or she will work to continuously improve their service. So, it is a win-win.

Create a strategy and an implementation plan for your new value stream. It's like the GPS for guiding you to your targeted outcome. You should be focusing on designing a better customer experience. Read more about Lean in this area and benchmark any implementation plan. It should include an action plan, a list of required resources, a risk assessment, and a budget that provides for training, staff, and materials. It should also include funds for a quality control procedure to ensure the new process is being followed.

Make sure your employees are involved. They want to be valued, challenged, rewarded, feel secure, and have an opportunity for growth. The reward to you and your company for their involvement and recognition is loyalty and both customer and employee satisfaction.



Honor the privacy of the customer and include them by making them aware of the changes and asking for their feedback. It will gain their respect and loyalty.

Remember that Lean is a journey, not a plugin solution. It requires more than one Plan Do Check and Act (PDCA) cycle. It is a journey that does not come instantly or easily, but the rewards for you and your company are well worth the effort. It is a proven process that has worked for other organizations, and it can bring you success and sustainability.

Well, that wraps up our podcast for today. Thanks to my producer and audio engineer John Switzer, for his great work with me on today's podcast. Join me next week when I'll share more hints and tips. I appreciate your feedback so please send your questions, comments or topic suggestions to me at Phyllis@salestrainingolutions.com.

Don't forget to visit our website to get your free resources @ www.salestrainingolutions.com; under freebies. You can also join our bimonthly newsletter and get our Free eBook on Storytelling: the Secret to Sales Success. The link is on our website next to the podcasts and blog posts.

Watch for our FREE mini-course on Lean in this first quarter of 2018. It is absolutely free and filled with tools, tips, and resources to help you achieve success.

Well, bye, bye for now.