

# THE CUSTOMER COMES SECOND!



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## THE CUSTOMER COMES SECOND!

**To most of us, this statement seems so alien when, for the duration of our careers, we have had it drummed into us (as we have drummed it into others), that the customer always comes first. Frazer Rendell, an expert on employee engagement, argues that the customer should actually come second and instead, the number one priority should be the people that deliver services to customers – our team members.**

The term ‘employee engagement’ is often misunderstood and also seems to be a bit of a buzzword in management speak. Engagement is not something that can be turned on with short-term actions or financial incentives. It is an outcome of creating a long-term culture within an organisation that is employee and consumer centric. The current reality is that not many companies ‘get’ the true meaning of employee engagement and the reason for doing it, and therefore they miss out on the opportunities that a fully engaged workforce can bring.

*“The term ‘employee engagement’ is often misunderstood”*

Employee engagement will move from being a competitive advantage for a niche group of companies to becoming an essential part of a company’s toolkit for keeping pace in an ever more competitive world. The term ‘employee engagement’ may well change but what will remain constant is the belief that

organisations that develop cultures where employees are seen as players and not just pawns, will reap success in their growth, reputation and profitability. More organisations will see the benefits of moving from essentially autocratic or command and control management styles to ones where an employee has clarity of purpose, a say in what happens, their input is respected and communication is clear.

In the past few years, particularly as companies have struggled to make ends meet and achieve budgets, decisions have often been made at the top and imposed on the workforce without any buy in from the people who are expected to implement these decisions. The result is often a disengaged workforce that probably doesn’t fully understand the reasons behind the decisions made, but which has to deal with the fall out from those decisions.

## COMPELLING REASONS

The Engage for Success Task Force research findings showed that 64% of employees feel they have more to give at work but are never asked. Most organisations today are looking to do more for less so unlocking this discretionary effort and motivation could help enormously as organisations introduce more remote working, widely spread teams, flatter management structures, outsourcing of specialist roles, and merge with and acquire other organisations. In order to deal with these situations, teams will need to be flexible and ready to embrace change.

Other research in Forbes showed that to many customers, the ‘Rank and File’ employee is more respected than the executives or managers as the brand and face of an organisation.



It is great to know that employees can have this impact, but this has positive and negative implications for companies.

The highly respected Disney Institute found that 66% of the reason why people stop buying products or services from a business is down to the attitude of the people they came into contact with. Only 14% of the reasons were down to the product itself, or 8% because of a competitor. Companies invest heavily in product development and marketing to prevent losing customers to the latter two reasons, but often the investment in people is not as significant. However, if you have not ignited the intrinsic motivation in team members, they will not achieve what is expected, and neither will the business gain the benefits.

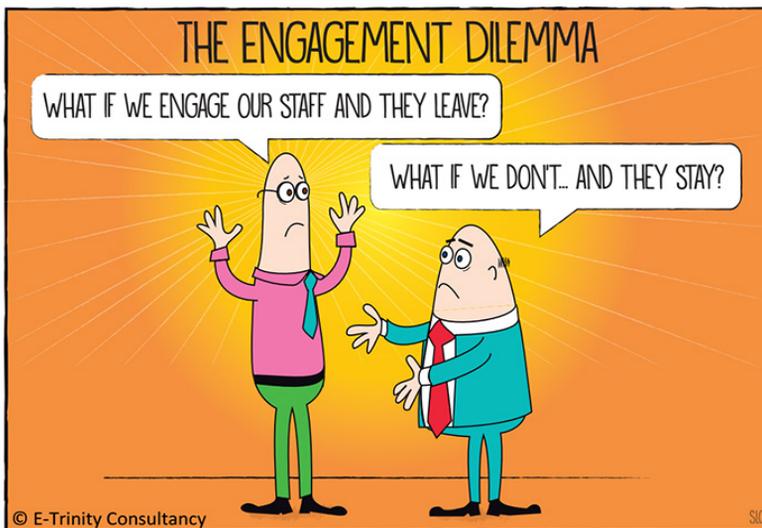
The last time that you received bad service from an employee of a business, what thoughts went through your mind? Is it likely you would have thought that the individual was rude/arrogant/uncaring? However, the vast majority of people do not come to work with the

**(Engaging culture + employees)**

=

**improved service  
+ increased revenue**

intention of doing a bad job. The lack of skill and experience you see with bad customer service is often impacted through the employee not being engaged by their managers or the wider company.



People choose to work with organisations as their moral compass identifies them as great businesses to be part of. Once they are employed, how they see the business from their first day of employment and how they are engaged can change this.

## SO HOW DOES ENGAGING EMPLOYEES IMPROVE CUSTOMER SERVICES?

Employees who are engaged with the business will understand the greater purpose of what they are doing, understand that their job is important and that they have an input, and contribute to the greater success of the business.

Because of this, they not only provide better levels of customer service; they help identify ways to improve the service they offer too. The upshot of this is that customers come back more often, and through building relationships are confident to increase their spend. They then tell their friends who also come along and spend more money and so the revenue for the business takes off.



The level of customer service that engaged employees provide through intrinsic motivation goes beyond what they will learn through simply attending customer service training. It comes with a natural passion and honesty to do it right. So before you think about sending staff on customer service training, ask yourself, are they engaged first? If not, you might not be getting the best out of that training.

The well-known and popular ‘FISH’ training video from Seattle’s Pike Place Market demonstrates great service from employees who are truly engaged in providing a service. Those employees are providing a service focused on entertainment and a shopping experience - they just happen to sell fish but the principles can be adopted for any product or service. In the case of Pike Place, it is more than likely that it’s primarily the service that brings back the customers, not just the quality or price of their fish. Swop these staff for disengaged employees selling the same fish and prepare to watch sales fall. The challenge for organisations in is that to achieve this requires the creation of an environment and a culture where employees truly are seen as being key to the success of an organisation. This is not a one-off training activity looking for gimmicks; this is a journey with on going support and direction.

## A REAL FINANCIAL BENEFIT

Various surveys have shown that companies that have high levels of employee engagement will have a net operating profit 2 to 3 times higher than those businesses with low engagement levels. A staggering figure that indicates that at a time when we are all trying to do more with less, having a workforce of engaged employees is going to be key; it will cost the same as having a disengaged team providing poor service, but the impact of an engaged team will have a far more positive impact on the business and its profitability. This will be achieved through improving a broad range of commercial metrics across the business.

*“High levels of employee engagement will have a net operating profit 2 to 3 times higher than those businesses with low engagement levels”*

## SO, SHOULD CUSTOMERS COME SECOND?

The heading of this article is deliberately controversial and thought provoking. I sought some feedback on it in advance of writing this article from groups on Twitter and LinkedIn. Most people understood the concept, but some strongly believe that the customer must come as a priority above all.

I do believe the customer is still king - their role decides if a business is a success or failure by the amount of their money spent there. However, according to the evidence, this will depend to a large extent on the quality of service that they receive, and how engaged the employees are in the first place to deliver this great service. It’s almost a case of the chicken and the egg. Who do you think is the most important?

Frazer Rendell is the Director of E-Trinity Consulting



## EMPLOYEE ENGAGEMENT PIP

### 1. Purpose - Create a sense of Purpose

Ensure that employees see how their role connects with the broader purpose of the company. In the same way that the cleaner at NASA said his job was getting a man on the moon, what is the greater purpose that creates a passion in your employees?

### 2. Insights – learn from employee insights as you would from customer insights.

66% of employees say they have got more to give but nobody asks. Ensuring that everyone has an input and they can make a difference will provide innovation to operate more efficiently.



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### 3. Praise

This helps people see that their job is worthwhile. Both this, and providing a voice will help employees feel attachment to their role, which creates pride, and unleashes the intrinsic motivation.

**...and be genuine and deliver it with integrity. Your staff will see if this is genuine or not.**



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