

# BETTER CUSTOMER SERVICE CAN BRING BLACK INK

By Aldonna R. Ambler, CMC, CSP, The Growth Strategist™

One way to grow your business is through improved customer service. If your business is already customer-centered, this may be easier said than done. In fact, I have met skeptics who doubt any significant growth can be achieved by focusing on improved customer service. For these naysayers, I share this true story from a client.

Over the past 30 years, Garon Products has built a reputation as a manufacturer and direct marketer of building and grounds maintenance products. The company's sales growth had slowed in

recent years, but instead of accepting slower growth as a condition of a soft market, Garon's management

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put together an aggressive growth strategy centered around the customer-service department. Within two years, the company cut two days off the average order turnaround time, cut the average outstanding receivables collection time by 5 percent, and increased profitability by 220 percent. All of this was achieved by a company that began with a high level of customer satisfaction.

The heart of Garon's strategy was to position its customer-service department as the hub of its entire business process. When management diagrammed the flow of work from when catalogs were mailed to when customers' orders were shipped, they build several feedback loops to the customer-service department for quality control.

A first step was to get the customer-service and accounting departments to work together more closely. Customer-service employees learned the rules of thumb of credit approvals, so they could approve credit while they took

orders, instead of waiting for the controller to do it. Today, customer-service representatives also make collection calls, which they see as a service to their customers. By helping a customer catch up on a past-due bill, they reason, they allow the customer to order and receive merchandise when it is needed.

Garon's management also gave the customer-service representatives intense sales training, so they can hear sales cues while taking an order.

"This creates chances to cross-sell accessories or complementary products that go with the initial product the customer ordered," said Mike Crowley, national sales manager. "Because of the representatives' sales training, the customer doesn't perceive this as offensive or pushy salesmanship. On the contrary, it comes across as genuine helpfulness."

Automation has added to the customer-service department's power to help the customer.

"Instead of flipping through catalog pages for product information," said Bob Hornak, operations manager, "the customer-service representatives can quickly pull up cross-referenced information on their computers."

The department is the center of market research on customer needs and preferences, too.

It may sound like everybody at Garon answers to the customer-service department, but this is not true. With the exception of the accounting department, where cooperation is so close that departmental lines disappear sometimes, the various departmental lines remain clearly defined. It is also clear that no matter which department has the lead on a project, the customer-service department will get involved eventually.

Art Crowley, Jr. was the head of the customer-service department when this process began. "The past two years have been hard work," he said, "but that hard work was shared

by many people on our team, and the occasional glances at the progress we were making made the hard work worthwhile."

"It was and still is a time of planning and controlling objectives," Crowley said. "We realize that our growth – as individuals and as a company – is limited to our ability and willingness to acquire knowledge."

"Probably the trickiest, most difficult aspect of this turnaround was the role I had to play," said Art Crowley, Sr., president of Garon. "I had to resist the urge to jump in and tell everyone involved what to do and instead let each individual and department discover and work out the relationships that would be best for all of us."

He saw the need for improved communication early on and started a weekly newsletter. The "Presidential Thoughts" column was usually the most read and appreciated segment.

"Our employees were excited and could tell that things were turning around," he said. "But change is unsettling to anyone. Even our best performers needed to be reminded on a regular basis that they were doing well and that their efforts were appreciated."

Garon did let some employees go during that two-year period. They kept workers who believed in customer service and teamwork. The company had not felt over-staffed before the process but felt lean and efficient afterward.

Controller Vincent Assenza was a key player. While controlling finances, he taught non-accountants to perform credit checks and make collection calls.

Most important, these changes have not been brought about by great infusions of cash. Remember, Garon needed to improve sales and profitability when the process began.

"You have to be willing to look at change. Too often we do business the same way for so long that we see change as a threat, when many times it's key to survival," said Crowley, Sr.

*Known as **The Growth Strategist™**, Aldonna R. Ambler, CMC, CSP helps professional service firms, technology-driven businesses, and construction-related product/service for distribution companies reach their goal of **Achieving Accelerated Growth With Sustained Profitability®** through a combination of speaking, consulting, executive coaching, authorship, and growth financing. She has executed an ESOP, grown multiple international businesses, won just about every major award an entrepreneur can win, provided expert testimony on economic growth at over 30 legislative hearings, conferred with 4 different Presidents in the Oval Office, and published two books and over 100 articles. Aldonna was named the **national (USA) "Woman Business Owner of the Year" for 2000**. She currently hosts a weekly Internet radio show, **The Growth Strategist™** on VoiceAmerica Business ([www.business.voiceamerica.com](http://www.business.voiceamerica.com)) every Tuesday at 11 a.m. ET. Aldonna Ambler can be reached at [Aldonna@AMBLER.com](mailto:Aldonna@AMBLER.com), 1-888-ALDONNA (253-6662) or at [www.TheGrowthStrategist.com](http://www.TheGrowthStrategist.com).*

