

Creating Customer VALUE

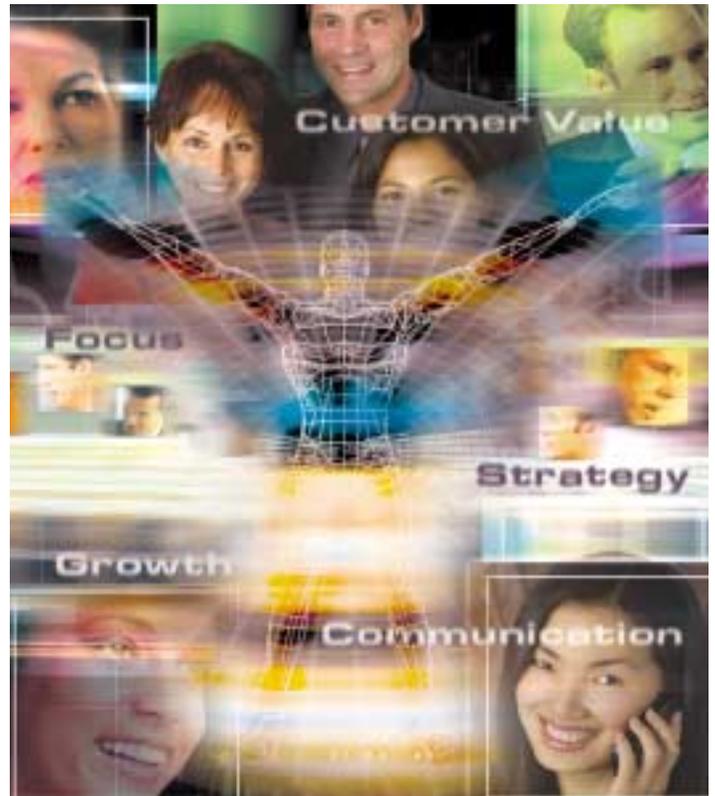
—•—•—•—•—•—•— In Your Dealership

The focus in many dealerships is revenue growth—churning out bigger orders to produce bigger bucks. Revenue growth is certainly essential to survival, but revenue growth without customer value is a recipe for disaster. When customer satisfaction isn't regularly factored into your business development equation, you are missing one of the most essential components for sustainable growth. This article addresses practical strategies that you can use to build customer value.

Revenue growth leads to shareholder value, which is the worth of the company (through its stock and other assets) to the owners of the stock. The value is most applicable to large dealerships because they are part of even larger companies. But, even in small, single owner dealerships, we think in terms of shareholder value, though we may not phrase it that way. When we actively engage in pursuits aimed at fattening our pockets, we are focusing on shareholder value.

Customer value is important because it determines the worth that the company, through its products and services, has to its customers. Because few of us offer any one-of-a-kind products, we have to

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differentiate ourselves from the competition with stellar service. Not just the service provided by our techs, but the service offered by each and every employee. This includes the reception they get on the telephone, the interactions they have with the sales team and, of course, how rapidly we recover from mistakes. These are the activities that differentiate us from the pack. These are the determinants of stellar service that creates customer value.

STRATEGY, COMMITMENT AND FOCUS

Building customer value requires a strategic approach, commitment and a clear focus on specific outcomes. Beginning with a strategic approach, it is essential that dealer principals devote time to creating a service philosophy and the supporting approach that will make that philosophy real in day-to-day operations. The service philosophy need not be eloquent prose, rather a succinct statement of your intent regarding customers. It does need to guide every process and system in the dealership. Think of your service philosophy as the biblical verse on which you base all operations.

Once the philosophy is in place, it is up to you, the leader, to build a high level of commitment to the enterprise, the customers, and the larger industry. Building commitment requires you to create the kind of company where people want to invest their talents. This means that you will have thought about factors that make a healthy, productive workplace. These factors include adequate pay, flexible hours, rewards, recognition, and sufficient incentives. Another crucial factor is training and ➔

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development. Create a learning environment where people are actively engaged in expanding their knowledge about products, technologies, customer service, and any other key principles that are important to your business. Smaller operations often rely on industry conventions for learning. Another option to keep the focus on

developing employees is to invest in video-based training tools or audio programs that address your staff's developmental needs.

Take that commitment to the highest level by focusing on specific outcomes. We generally think in terms of specific sales outcomes, with an emphasis on generating revenue. When creating customer value, it is necessary to consider outcomes that benefit the customer. This requires that you have made it a habit to measure customer perceptions of your company, its products and services. Whether you survey them or just regularly engage in conversation, gather their ideas, and create an outcome focus that reflects the customer's intelligence. Make sure you have department specific outcomes. For instance, an outcome for the sales department could be to concentrate on getting a certain number of repeat orders each month. This refocuses their attention from getting new customers to keeping existing ones. This is one of the by-products of building customer value. You are able to create an organization that is magnetic to customers. This magnetism generates not just more orders, but larger orders. It also generates referrals which are essential to growth.

COMMUNICATION CHANNELS

Being magnetic to external customers is critical. So is being magnetic to internal customers, your employees. In addition to the factors already mentioned for developing a healthy workplace, it is important to have sufficient communication channels to build bridges with both staff and customers. This means using every communication mechanism available.

First, hold regular staff meetings with all departments to have an understanding of their issues. Then, have forums for interdepartmental communication. The techs should know what the sales department is trying to accomplish and vice versa. Administrative staff are more effective when they have an understanding of the work of the entire dealership. Remember not to hold meetings just for the sake of holding meetings. They should all be directed towards specific outcomes, otherwise they become a waste of everyone's time. Keep in mind that staff meetings are not a one-way street with you spewing forth information. Instead, your intent is to build dialogue. It is the dialogue that helps you sustain relationships with employees and customer. ➡

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Beyond staff meetings, use internal employee newsletters to keep everyone abreast of happenings in the dealership. These can be paper or electronic. Once again, be sure that you're not just presenting drivel. Use these newsletters as a tool to maintain substantive communication inside your operation. Newsletters are also an important tool for maintaining contact with customers. They appreciate hearing from you when you have something worthwhile to say. Keep them informed of product developments, special offers, and news about your company. Again, either paper or electronic format will work fine.

Benefit the entire industry by deciding to have your best and brightest employees present sessions at industry events. This is a great opportunity to build exposure for your firm, communicate signifi-

cant developments that may help your peers grow their businesses and promote employee development. This large scale communication activity calls on you to think of yourself as an industry leader, a major player with something to contribute. This can only enhance your reputation with customers and competitors.

A word of caution: make sure that whoever represents you has done the work to become a skilled speaker. No need to put the audience into a PowerPoint coma. Use this form of communication as an extension of your marketing. As such, you should convey the right image. Make sure your front-man is poised, polished, well-spoken and prepared with lots of high quality handouts. This type of effort may help you build lucrative partnerships, recruit even more talented people and actually become an industry leader.

The process begins with the three activities outlined at the beginning. You have to have a dedicated strategy, commitment and focus. These three activities will take you beyond service rhetoric to the level of providing customer value. Once you have tackled these basics, support them with skillful communication that reaches both employees and customers. Presenting yourself as an industry leader also provides you with a platform for communicating with competitors. These combined activities will enable you to build a business that has lasting, tangible customer value. 

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