



# Customer Loyalty

## Competencies that can help you lead the charge

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**C**ustomer loyalty, the profitable allegiance we all seek, begins with leadership competence. How you lead the people in your dealership, from the receptionist to the service techs to the sales managers, directly impacts customer relationships. Managing external relationships requires successful management of internal relationships. Whatever you do (or fail to do) with (and for) your staff will be directly reflected in how they interact with customers.

Before we explore the leadership competencies, it is important to state the assumptions grounding this article. The first assumption is that every business owner wants loyal customers because it costs more to get new business than it does to keep existing clients. The second assumption is that every business owner knows that loyal customers rev up revenue with repeat orders, referrals and word-of-mouth advertising. The third and final assumption is that customer care is the top priority of your dealership.

Assuming that these three conditions are in place, you can begin refining your leadership skills. This means first examining how you lead. Next, you will examine the relationship between customer care and your business decisions. Refining your skills will also require you to scrutinize resource allocation. Do you devote enough resources to customer satisfaction?

### Customer Loyalty From Within

Before attending to external customer loyalty, it is important to begin by building employee loyalty. When you position yourself as the employer of choice you are then able to become the supplier of choice. Think about it. Do you want to do business with lackluster or disgruntled people? Of course not! So don't subject your customers to that either.

Loyal employees have several common traits. The first is that they enjoy their work. They genuinely find their work interesting and they like doing it. No one likes every aspect of their work, but overall these folks take pleasure in their chosen



professions. The next trait is that these employees respect their employers. They believe in the aims of the organization. They believe that their company is reputable, fair and ethical.

That respect transcends to their leadership as well. Employees respect their leaders because they know them to be honest, knowledgeable and equitable in their treatment of employees and customers alike. The third trait of loyal employees is that they are challenged by their work. These people are able to solve problems, investigate and suggest new approaches. They are not drones. Rather, they are full contributors to the company's success.

The results of employee loyalty are numerous. This loyalty can bring about innovation. Because people are free to express themselves and experiment, they are able to make the significant improvements that make life easier for the customer. This employee commitment reduces tension, friction and conflict. Because environments that breed loyalty are characterized by free-flowing communication, there is less likelihood of the angst that destroys morale in other workplaces.

Another obvious result of employee loyalty is lower turnover. The best and the brightest want to stay and contribute. There are also benefits when it is time to recruit. Because the environment is healthy and employees are loyal (as are customers), people want to get in on the action. Workplaces that have built loyalty have less trouble recruiting. Building a reputation as a desirable employer makes recruiting a lot easier. Once the conditions are in place for employee loyalty, you can begin addressing the required competencies that will point your dealership in a more profitable direction.

There are four competencies that enable you to lead the charge to customer loyalty: reflective ability, measurement aptitude, committed connectedness and strategic focus. Whether you are presently conscious of them or not, waking up and paying attention will make a positive difference in customer relations. Your development in these areas will also position you as a role model in your dealership.

### Reflective Ability

Reflective ability is exactly what it implies — the ability to look back and take inventory of successes and failures. This competence is particularly important to leaders who are concerned about their own professional development. Reflection enables honest assessment of where you have been, what you have done and what you would like to do to take you to your next goal, be it personal or professional. Looking back allows us to take stock of our style, skills and capabilities. That self-assessment yields important information about decision-making style, conflict management abilities and interpersonal relations. It also yields information about how we interact with customers. Reflection tells the tale of whether you, the dealer principal, really know your customers.

There are many ways to begin purposeful reflection. The operative word in that sentence is “purposeful.” Dwelling on past failures is pointless, as is ruminating over mistakes and missteps. These things are just as pointless as fixating on wrongs done to you.

Purposeful reflection allows you to look for moments, instances and actions that will lead to better decisions. Consider using these four questions daily to get in the habit of reflection: (1) Did I have any conflicts or conversations that made me uncomfortable today? (2) Why was I uncomfortable? (3) How did I respond, react or reply? (4) What would I have done differently?

These questions start the internal probative process. They provide a framework for examining the day’s difficult events.

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Some people choose to jot down their responses to these questions. Others, like myself, choose to think about responses and make mental notes of the lessons learned.

Purposeful reflection should also acknowledge successes. Be certain to make time to reflect on what went well on a given day. This is especially important after small and large successes. Revel in the good feeling. Make note of what you and your

team did to create that success. These are teachable moments that supply data for replicating success.

Reflective abilities do not begin and end in isolation. Certainly some of that reflection will result in consideration of what you could have done differently related to internal and external customers. (On the off chance that you are not familiar with the term ‘internal customers,’ it refers to your staff. They are your customers, the recipients of your leadership services.) By looking back and considering other approaches, you are able to begin considering other ways to enhance service. Some of those methods may revolve around better communication tools, others may revolve around a stronger complaint recovery system. Here are three questions to begin this type of reflection: (1) How did my decisions impact the customer? (2) How did my behavior impact the customer? (3) What would I do differently?

Get in the habit of regular reflection. It will bring you closer to the truth about how you lead, how that style affects internal and external customers and the relationship between your leadership and dealership success.

As you become more comfortable with reflection, work to get comfortable sharing the results of the reflection. This is not to say that you should spill your guts, fall prostrate before customers and line up for flogging by staff. Rather, this is an opportunity to share what you have learned so that others in your dealership can learn too. This may also be an opportunity for apology. Your esteem and respect will rise immeasurably when you learn how to admit mistakes and apologize. Humility is an important component of leadership, whether in a service environment or not.

In the May issue of *Office Technology*, I will discuss the last three competencies: measurement aptitude, committed connectedness and strategic focus. ■

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