# Cheatography

# Bad Customer Service & Inactivity Costs Cheat Sheet by [deleted] via cheatography.com/2754/cs/9163/

## Introduction

Each employee who witnesses an incident of bad customer service and does not speak up about it costs a company an average of \$54,511 per year, according to a report from VitalSmarts, a corporate training and leadership development company.

A typical employee witnesses 19 poor customer service incidents per year. Those incidents together result in a 17 percent drop in revenue annually per customer, the research found.

The study by Joseph Grenny, cofounder and cochairman at VitalSmarts, and David Maxfield, vice president of research at VitalSmarts, found that only 7 percent of employees can be relied on to speak up about poor customer service, despite the fact that 66 percent felt they could have solved the customer's problem.

So why aren't people more vocal? At most companies, the environment is one where employees simply don't feel comfortable discussing anything negative, according to the study, for which VitalSmarts compiled data from 991 front-line customer service representatives.

http://www.destinationcrm.com/Articles/Columns-Departments/Insight/With-Bad-Customer-Service-Inactivity-Costs-108308.aspx

### Recommendations

Grenny and Maxfield then suggested that managers appeal to their employees on a personal, social, and structural level to open the flow of dialogue. On a personal level, leaders need to ensure that employees are properly motivated. On a social level, they should maintain an open-door policy. And on a structural level, they should give employees the time and tools to voice concerns.

"Most employees already have quite a bit of will and motive to provide the best customer service that they can, [but] they often feel like their hands are tied," Maxfield says.

"You need to make sure that accountability is rewarding, not punishing," he adds.

Rewards can be built into performance reviews and promotions, Maxfield suggests, but in the end what's most important, for the organization as a whole, is that there's an open dialogue about improving customer service.

That dialogue can yield some very telling information: "A lot of the customer service failures are the result of decisions that leaders make two or three levels above these people that have direct customer contact," Maxfield explains.

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#### Tips to Help Employees Speak Up

Using that data, Grenny and Maxfield, who together wrote the book Crucial Accountability, came up with six tips to help employees speak up:

1. Confront colleagues face-to-face. "We all know that if you send a text message, or if you rat somebody out to their boss, the odds of defensiveness are about 100.2 percent," Grenny says. "Approaching them personally is the most compassionate and respectful way to begin."

2. Assume the best when approaching a colleague. "We have a natural human bias towards assuming the worst. It's the defensive bias," Grenny elaborates. "The problem is when it comes to interpersonal situations, and living in a social system, that doesn't serve us particularly well."

3. Talk tentatively. "Too many of us provoke defensiveness because we come and say, 'Boy, you really blew that back there," Grenny explains. "Be tentative about it, which signals that you're open to additional information."

4. Start with the facts. "We tend to start with our judgments, our accusations," Grenny notes. Instead, he suggests saying something like "I noticed that last customer was on hold for about 17 minutes." It's a fact that can be verified, so it's less likely to lead to defensive-ness, he says.

5. Be open to the colleague's point of view. "Share your view about what happened but be just as curious and open about theirs," Grenny advises. "The magnitude of your curiosity is the best predictor of whether or not there will be defensiveness."

6. Treat everyone equally, regardless of a person's position. "Make sure that you're fair, that you're equal in your treatment about these types of incidents," Grenny emphasizes.