

### Blueprints for Managers

Is a unique and comprehensive approach to help develop managers and supervisors. Providing the foundation, strategies, and tactics to better manage and lead their employees.

### Foundational Blueprints

In leadership, your belief system, attitudes, perceptions, and past experiences have a direct affect on how you lead others. Your Foundational Blueprints are areas to learn and grow, developing a strong leadership base or foundation to stand throughout your career.

### Strategic Blueprints

In management, strategy is the thinking process required to plan a change, or to organize something. What are the cause and effects of your management decisions? Strategic Blueprints are vital to the long term success of your organization and career.

### Tactical Blueprints

In management and leadership, Tactical Blueprints are the "who, when and where outlines" for obtaining your strategic goals. Managers need tactical plans to measure their successes.



# Blueprints

## FOR MANAGERS

## 1A - Creating Lifetime Customers



- Understand the lifetime value of your customers
- Exceeding customer expectations and designing a system to recover customer loyalty
- Implement the 5 foundation areas of lifetime customer service

### WHAT OTHERS HAVE TO SAY ABOUT CREATING LIFETIME CUSTOMERS

*"Do what you do so well that they will want to see it again and bring their friends."*

*Walt Disney*

*"The goal as a company is to have customer service that is not just the best, but legendary."*

*Sam Walton*

*"Sales without Customer Service is like stuffing money into a pocket full of holes."*

*David Tooman*





## Session Learning Goals

- 1) Understand the lifetime value of your customers
- 2) Exceeding customer expectations and designing a system to recover customer loyalty
- 3) Implement the 5 foundation areas of lifetime customer service

### Session Opener - Foundational Ideas:

- All companies know that customer service is important.
- A majority of companies make an attempt to create great customer service.
- Few companies execute great customer service on a regular basis.
- Even fewer companies develop and implement strategies that continuously focus on keeping a customer for life.

What is your average customer's lifetime value? \_\_\_\_\_



The Lifetime Value Calculator below is provided for you to use in calculating the Lifetime Value of your own customers. This can also be used for internal customers. Fill-out with your current figures to get an idea of how much your customers are worth to you.

The Lifetime Value Of Your Customers (rough estimate)

- A. Amount of average sale \$ \_\_\_\_\_
- B. Number of sales/year/customer \_\_\_\_\_
- C. Gross income per year per customer (A x B) \$ \_\_\_\_\_
- D. Number of years customer patronizes business \_\_\_\_\_
- E. Gross income over lifetime (C x D) \$ \_\_\_\_\_
- F. Number of referrals from customer over lifetime \_\_\_\_\_
- G. Percent of referrals who become a customers \_\_\_\_\_ %
- H. Referrals who become customers (F x G) \_\_\_\_\_
- I. Gross income from referrals (E x H) \$ \_\_\_\_\_
- J. Total value of a loyal customer (E + I) \$ \_\_\_\_\_



## CREATING LIFETIME CUSTOMERS

1. Forty-percent of customers leave a company because of \_\_\_\_\_ (a).
2. Of the people that leave as a result of poor service, 68 % say they experienced a feeling of \_\_\_\_\_ (b).
3. It costs 8 times more to attract a new customer than to keep established ones.
4. Retaining 5% more of your existing customers can increase your profits from \_\_\_\_\_ to \_\_\_\_\_ (c) %.
5. Sixty-eighty percent of customers said they were satisfied with their experience just prior to \_\_\_\_\_ (d).
6. Three levels of customer service: Rude, \_\_\_\_\_ (e) and Exceptional.
7. Five foundation areas of lifetime customer service:
  - 1) \_\_\_\_\_ (f) - Grandmother rule.
  - 2) Responsiveness - AKA \_\_\_\_\_ (g) - Create a culture of urgency.
  - 3) Value - Give attention and show appreciation.
  - 4) Empathy - Show understanding, display listening.
  - 5) Competency - Be knowledgeable, able to deal with one person.
8. Customer's perception is reality.
9. What are your company's \_\_\_\_\_ (h).
10. Each point of contact you have with a customer has a negative or positive (never neutral) impression with the customer. These impressions are called Moments of \_\_\_\_\_ (i).
11. Only four-percent of dissatisfied customers ever \_\_\_\_\_ (j) to you.
12. Satisfied customers tell 4-5 others, dissatisfied customers tell \_\_\_ to \_\_\_ (k).

### The Six Steps of Recovery include:

- A. Apologize sincerely.
  - B. Involve customers if possible.
  - C. Fix the \_\_\_\_\_ (l), not blame.
  - D. Do something \_\_\_\_\_ (m).
  - E. Follow through.
  - F. Ask for repeat business.
13. It is \_\_\_\_\_ (n) to copy your company's products and services.
  14. It is difficult to copy your \_\_\_\_\_ (o) and customer service practices.



### GROUP DISCUSSION OF KEY IDEAS FROM PRESENTATION



List what you think are the most important ideas from the presentation and how you can apply them to your role. Share your thoughts in small groups.

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How does your natural behavior play a role in your ability to implement your key ideas?

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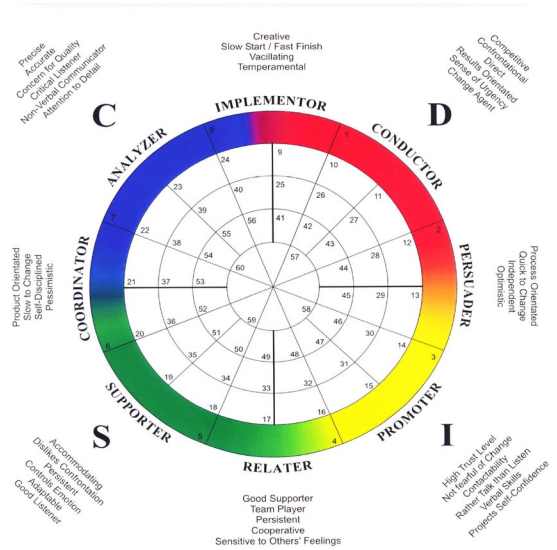
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|----|---------------|----|----------|
| a. | poor service  | i. | truth    |
| b. | indifference  | j. | complain |
| c. | 25 to 125%    | k. | 9 to 12  |
| d. | leaving       | l. | problem  |
| e. | indifference  | m. | extra    |
| f. | reliability   | n. | easy     |
| g. | speed         | o. | people   |
| h. | coffee stains |    |          |



## Blueprint #1 - Five Foundation Areas of Lifetime Customers

Rate your Company (C) & Team (T) on how well (on a regular basis) it follows and meets the Five Foundation Areas of Lifetime Customer Service. Rate on a scale from 1 to 7.

THE FIVE RULES OF GOLD STANDARD CUSTOMER SERVICE	NEVER FOLLOW	ALWAYS FOLLOW
<i><b>Be Reliable:</b></i> Be consistent and follow the “Grandmother Rule” (Do what you say you’re going to do; do it when you say you’ll do it; and do it right the first time).	①   ②   ③   ④   ⑤   ⑥   ⑦	
<i><b>Be Responsive:</b></i> Act fast and consider the human side.	①   ②   ③   ④   ⑤   ⑥   ⑦	
<i><b>Make Customers Feel Valued:</b></i> Make all customers think they are most important.	①   ②   ③   ④   ⑤   ⑥   ⑦	
<i><b>Be Empathetic:</b></i> Understand the customer’s situation and feelings.	①   ②   ③   ④   ⑤   ⑥   ⑦	
<i><b>Be Competent:</b></i> Have the first person contacted take ownership of the problem and be responsible for getting it solved.	①   ②   ③   ④   ⑤   ⑥   ⑦	

How would your customers rate your company or team on a typical day:  
Rude, Indifferent or Exceptional? \_\_\_\_\_

Based on your current assessment, which of the 5 areas needs the greatest improvement within your company or team? In small groups, give examples of what needs to be improved and gather tactical ideas from others.

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## Blueprint #2 - Developing a Customer Recovery System

What situations, problems or circumstances have, can or will occur that can jeopardize your customer's loyalty?

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List or describe your company, department or work group's customer recovery system.

What do customers usually want (request)?

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What can you give to compensate?

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Who must give permission?

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When, where and how often will customer recovery system training occur with your team members?

Date \_\_\_\_\_  
Location \_\_\_\_\_  
How often \_\_\_\_\_

What incentive/recognition can we give to our team members for recovering a customer when things go wrong? \_\_\_\_\_

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List or describe different recovery options.

INEXPENSIVE OPTIONS - What situations / customers would qualify?

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MODERATE COST OPTIONS - What situations / customers would qualify?

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EXPENSIVE OPTIONS - What situations / customers would qualify?

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### **Blueprint #3 - Implementing the Six Steps of Recovery**

Think of a customer who has had a negative experience with your company and share your example with your group. Select one of the examples shared. For the case you choose, what could have - or should have - been done to recover this customer's loyalty?

1. Apologize sincerely.

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2. Involve the customer in the solution.

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What can you say if the solution the customer suggests is not a viable option?  
This is what we can offer you... \_\_\_\_\_

3. Fix the problem, not the blame.

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4. Do something extra.

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5. Follow up.

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6. Ask for repeat business.

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Who, when and where will this Customer Recovery training take place?

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# My Personal Blueprint for Creating Lifetime Customers



Name: \_\_\_\_\_ Employer: \_\_\_\_\_

Date: \_\_\_\_\_ Manager's Name: \_\_\_\_\_

I plan to **implement (GOAL)**: \_\_\_\_\_

\_\_\_\_\_

The expected **END** results for our organization, workgroup and personally include:

\_\_\_\_\_

**Specifically**, I will \_\_\_\_\_

\_\_\_\_\_

**Measurements** for success include (e.g. lower costs/increase retention/revenue targets/quality)

\_\_\_\_\_

**Attainment** requires (e.g. staff/budget approvals) \_\_\_\_\_

\_\_\_\_\_

**Relevant** to Company Goals, \_\_\_\_\_

\_\_\_\_\_

**Time-based** plan is to be started by, evaluated by and accomplished by:

I will start this goal by: \_\_\_\_\_ I will evaluate this goal on: \_\_\_\_\_ I will complete this goal by: \_\_\_\_\_

**Action Steps** to be taken include:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

I/we need the following people/materials/resources to reach this goal: who, what, when & where:

\_\_\_\_\_

\_\_\_\_\_