

The Simple Truths *of Service*



By Ken Blanchard & Barbara Glanz

simple truths™

REINFORCING CORE VALUES

To my colleagues at RED,

The venues in which RED does business are becoming increasingly competitive. We cannot prevail over the competition by lowering our credit or underwriting standards. The result of doing so would be to increase both risk and credit losses. To the greatest extent possible we want to avoid competing on price. As Ken Blanchard points out in his Introduction to *The Simple Truths of Service*, "... *someone can always undercut your price.*" Moreover, price reductions lower RED's profitability, i.e., its NOI contribution to the shareholder and its risk adjusted returns, while reducing the incentive compensation we share. "The real competitive edge [we] have today is how [we] treat [our] customers. The one thing [our] competition can't take away from [us] is [our] relationship[s] with our customers." Like Blanchard's earlier book, this little book is about making customers "Raving Fans." The key to doing so, the key to building deep relationships, is how we treat our customers, i.e., how we make them feel. It is all about "emotional leverage"! For more background on "emotional leverage," take a look at my memorandums of August 24, 2005 "Emotional Leverage: The Importance and Power of Good Feelings" and of September 20, 2005 "Emotional Leverage (Part 2): Engaging Our Customers."

In *The Simple Truths of Service* Blanchard and Glanz identify ten such "simple truths." Of those ten, I will note those that resonated with me personally plus an additional, implied, simple truth (the first one I have listed) which was not identified as such by the authors.

• **"Great service requires that you "put your personal signature on the job."**

[What we each do individually, the initiative we take and the kindness we show our customers, is what makes the difference.]

• **"Great service inspires stories."**

[Emotionally satisfied customers, i.e., raving fans, are "... customers who are so excited about the way ... [they were treated] ... they want to tell stories about you; they become part of your sales force!"]

• **"Great service is a choice."**

• **"Great service starts with a clear vision."**

["Great service is not an accident. It starts with deciding ... that you will do everything you can, every day, to make certain that each customer has the best possible experience.]

• **"Great service begins with anyone [everyone]."**

And the final, and in my view
the most important simple truth:

The Final Truth



"Great service has to come from the inside out. [It] cannot [be mandated]. You can't threaten, reward or coerce people to care. You can only awaken the desire and then give them the permission and encouragement to make it come alive in their work."

"Great service comes from the heart."

That is [the RED view]

And remember, the heart is RED.

If you read no other part of this book (and I hope you read it all) please read the story of "Johnny the Bagger" (pages 12 through 39). It will take you all of 10 minutes and it illustrates the point of and the power in each of the "simple truths" of service noted above.

Great Service is about being engaged and committed. It's about treating each other as colleagues and partners. It's about making customers feel special. It's about personal commitment and finding a way to put your "personal signature" on what you do. And, it's about delivering service "from the heart." Johnny the Bagger did all of those things as you'll read.

By working together to deliver "great service" to our customers (internal as well as external) we will increase the levels of colleague and customer engagement, we will enhance our "emotional leverage" and we will continue to outperform our peers no matter how difficult the environment.

As Barbara Glanz puts it when discussing "The Final Truth,"

"How is what you do every day making someone's life better? That is your very important work!"

Once again, that is [the RED view]!

- W. Roberts -

