

AWARENESS IS POWER®

Insights for Business

July 2008

Volume 8 Issue 28

BAYLEY & BENDER, INC
SUCCESS THROUGH INSIGHT!

Satisfied Customers or Loyal Customers!

Is there a question?

According to author, Jeffrey Gitomer... “*Customer Satisfaction is Worthless, Customer Loyalty is Priceless*” –

Apparently companies like Costco understand the difference...they have been recognized as the leader in customer loyalty among warehouse retailers, rocketing from start-up to Fortune 50 status in less than 20 years, while spending next to nothing on advertising and marketing *because of word of mouth referrals*. They know that companies with the highest customer Loyalty typically grow at more than twice the rate of their competition. And, by Raising Customer retention rates by 5% it is possible to increase the value of an average customer by 25% to 100% (*The Loyalty Effect, F. Reichheld*). Rather than spending time trying to remember if you’ve ever seen a Costco advertisement, lets talk behavior and why emotions matter in the customer experience.

Continued on page two – Customer Loyalty



Are You Building The Best Experience For Your New Employees?

Building the Best ‘Before-and-After’ Experience

In previous issues, we discussed the importance of helping your best employees grow mainly by giving them the proper amount of attention. This provides them with the experience they crave, thereby increasing your rate of retention. In this article, we’re going to take a small step backward for the purpose of going forward.

That small step involves what the candidate hears during the interview process vs. what they experience after accepting the offer and starting their employment. This “before-and-after” dynamic is crucial to the overall retention experience, and it’s all the more crucial because many employers don’t take the time to examine what type of experience they’re providing for their new employees. And then they wonder why they take another job after only three months.

It’s Human Nature

The “before-and-after” experience is a smaller component of the larger, more complex subject of on-boarding, which we’ll be discussing in future articles. However, it differs from on-boarding in the respect that it continues for a greater length of time after the candidate becomes an employee—for at least the three-month period mentioned above, and perhaps even longer.

What it comes down to is this: you have to pay as much attention to what you say and do both before the candidate is hired and after they’re hired as the candidate does. The fact of the matter is that the majority of company officials fail to do that.

Continued on page two – Building The Best

INSIDE THIS ISSUE

- 1. Satisfied Customers or Loyal Customers?*
- 1. Building the Best ‘Before and After’ Experience*
- 3. One Minute Ideas*
- 4. Positive Self-Direction – by Alison Sfredo*

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Continued from page one – **Customer Loyalty**

Regardless of how high a company's satisfaction levels may appear, satisfying Customers without creating an emotional connection with them has no real value. This should be a red flag issue, especially when you consider that it's reported that 90 to 96% of customers won't complain. They simply walk away. Emotions Matter...because customers and staff are always emotional, and in service industries because it is so personal and stressful, the emotions are more intense. A healthy way to view emotions is not as a problem **BUT** as the basis for forming relationships – This is how to develop *Loyalty!*



Start with a discussion about the vision of the company. If it's written, you can usually find a statement about customers under glass on a conference room wall. It often goes something like this... "***We believe Customer Satisfaction is our #1 Priority.***" But when you ask people inside the organization what that statement really means and how it's measured, the silence is often deafening. If the people in the organization don't have a clear definition of what you mean by customer satisfaction, then how do they convey it to your customers?

I have come to the realization that "Customer Loyalty is all that matters," especially when you define *loyal customers* as people who will do business with you again, tell others about you without hesitation, and refer people they care about to do business with you. Hugh McColl, referred to as the greatest banker of all time, founder of North Carolina National Bank, that ultimately became Bank of America had a simple philosophy: "I take care of my people, my people take care of my customers, my customers take care of my shareholders." He never said, "I want to be the number one bank on the planet." *Loyalty is earned...*it stems from actions that are taken and the words that are spoken by employees. It's not just *business as usual!*



Author: Norm Gauthier. Reprinted and adapted with permission for Sorrell Associates.

Continued from page one – **Building The Best**

The reason? They don't have the time to do it, or perhaps more accurately, they *think* they don't have the time. Sure, everybody's busy, but those people willing to apply energy to critical areas are the ones that will be more successful in the long run, and providing the best experience to candidates in this situation is most definitely critical.

You see, an employee is mentally comparing and contrasting what you say about the company and the position during the interview process with what they experience after they're hired. They do this either consciously or subconsciously. (It's human nature . . . there's no way around it.) And if the notes they compare don't match, then the experience you're providing is ultimately a negative one.

Consequently, your chances of retaining that employee decrease dramatically.



A Hierarchy of Needs

Okay, so what are some of the areas about which employees take (and compare) mental notes? There are a few, to be sure, but there's also a hierarchy of importance:

- **Job requirements** – This is the one that can cause you the most damage. Nothing will deflate a new employee more quickly than discovering that what they were told about their new position during the interview was nothing like it actually is once they started the job.
- **Company culture** – Telling a candidate during the interview stage that they won't be expected to work past 5 p.m. isn't wise if the company culture is one that dictates – in an unwritten fashion – that longer hours are not only encouraged, but expected.
- **Perks** – This could include the availability of a company car, the number of holidays the company observes each year, the amount of vacation time afforded new employees, or even the details of their health insurance plan.

Continued on page three – **Building The Best**

Continued from page two – *Building The Best*

- **Miscellaneous expectations** – If the new employee has been told that they'll meet with their immediate supervisor for an hour every week for the first four weeks of their employment, and that doesn't happen, then their expectations were not met. This category can include a host of other things, including what equipment you're providing the employee, the length of their lunch break, the company's policy regarding personal phone calls, etc.

There are **two measures** that you can undertake to ensure that you're providing the best “*before-and-after*” experience. The first is to meticulously write down what you tell candidates during the interview process and then consult the list in the weeks after the candidate begins employment. Keep an eye out for any discrepancies. The second measure is to conduct a “post-interview” with the employee and inquire as to whether or not their expectations are being met. This is probably the more difficult of the two measures, since there's a prevailing company mindset that stipulates new employees “must prove themselves.” (That's why companies have a probation period.)



What many company officials fail to realize, though, is that **they are** on probation, too, as is the company in general. Not only does the employee have something to prove, but in a way, you do, as well. By realizing this and addressing it in a proactive fashion, you can enhance the experience that new employees receive and dramatically improve both their satisfaction and your retention rates.

For additional information, please contact Bayley & Bender at 301-439-8317 or e-mail: aip@awarenessispower.com

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Opportunity... Often it comes disguised in the form of misfortune, or temporary defeat.
— Napoleon Hill

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12 Issues For Only \$97

Positive Self-Direction

By Alison Sfredo

There are a myriad of events and circumstances in our lives that can lead us down a path – usually of least resistance – that we would not (and sometimes should not) be on.

When I was experiencing my own challenging times, I can vividly recall a visit home and the encouraging words of my father. As we walked on an early April morning, he told me that spring was a time for new beginnings. I believed those words, and the hope that they brought, and within weeks I found a new job with greater financial and career possibilities.

There is a “*springtime*” for everyone. By taking a series of small but no less significant steps, we can change both the direction and meaning that we have always envisioned for ourselves and our lives.



Tips for success:

- ◆ **Reach out to family and friends.** Welcome the care and guidance from those around you. The love and friendship of those in your inner circle can help you maintain a sense of well being and support.
- ◆ **Find a place for inner peace.** Your spiritual well being is critical for both your self esteem and your sanity. Whether it be a place of worship or a special quiet place for meditation, achieving inner peace will bring balance and joy into your life.
- ◆ **Maintain your focus.** There are elements around us that may bring temporary comfort and distract us from the things most important to us. Take a moment to acknowledge those things, and make a conscious effort to push them aside and let them go.
- ◆ **Explore your options.** As oddly as it may seem, if you find yourself unsure of your future career path, take a moment to reflect on what you were doing and objectively assess if this is what you were destined to do. From there, explore the different paths available, weigh the pros and cons and determine the one that best fits with your values and goals.
- ◆ **Remember to breathe.** When it feels like things are moving a mile a minute, it’s easy to get carried away and lose track of your vision. Remember to slow down, smell the roses and breathe the fresh air. Be thankful there are a multitude of opportunities just waiting for you.
- ◆ **Envision and believe!** Begin each day “dreaming” about where you would like to be in your life and what you would like to have. Sooner than you think, these things will become yours.

Spring should be a time of renewal, hope and promise as my father told me, a time of new beginnings. Take a deep breath and enjoy your new journey!

“We cannot change the direction of the winds, but we can adjust our sails.”

— Anonymous

Suggested Reading for Leaders

The book ***Conversations on Leadership*** is a collection of conversations from some of America’s most dynamic leaders. Their insights, perspectives, and strategies are having a dramatic impact on people, organizations, and even countries, across America and around the world. You will learn from these leaders and find encouragement and inspiration to continue your own leadership journey. It is a journey well worth taking.

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