

# AAHA Annual Conference

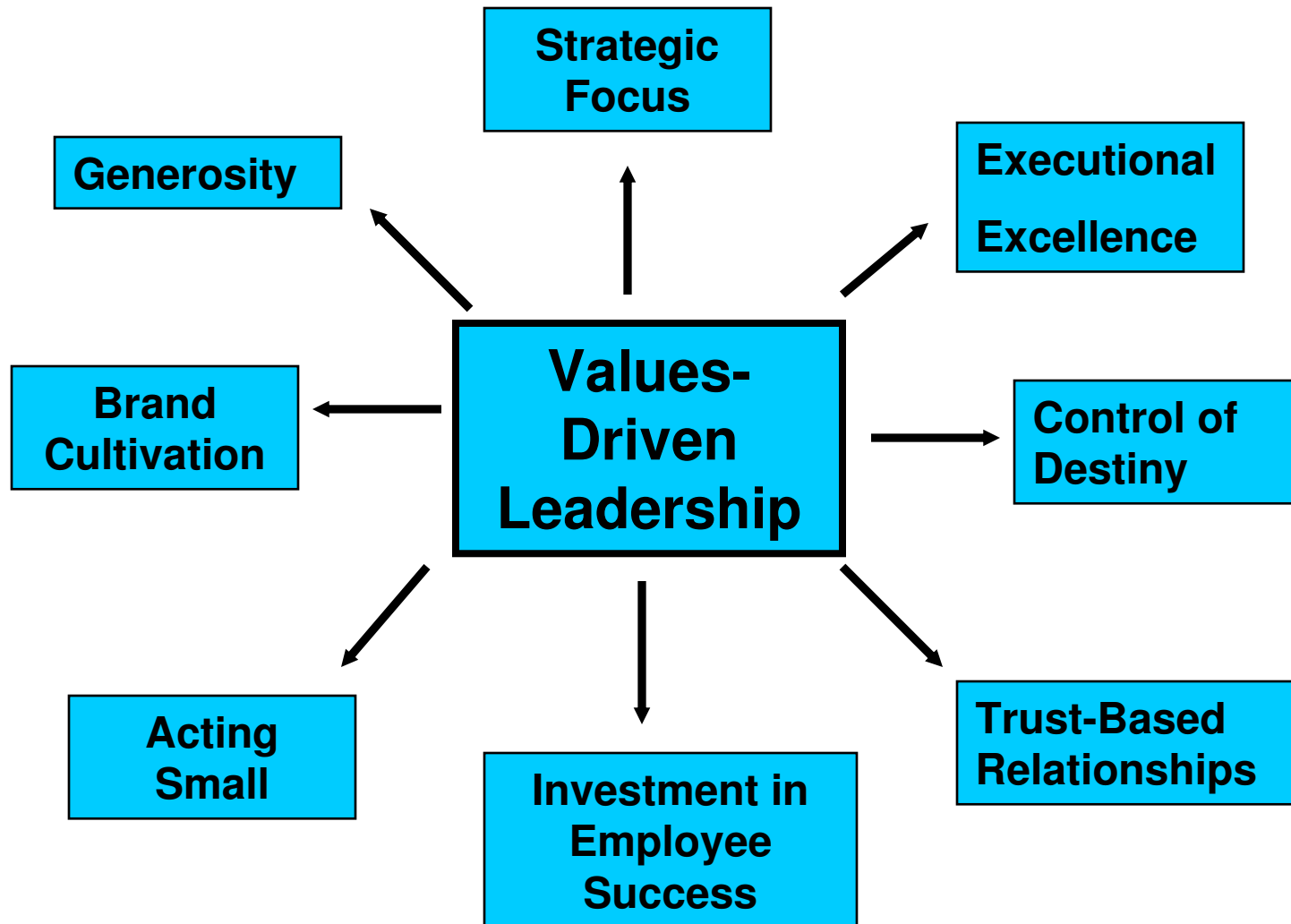
## Developing a Gold-Standard Service Organization

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# Drivers of Success in Service Businesses



# Trust-Based Relationships



# Establishing trust

- Research has shown for services, having a *perceived competence* can earn customers' confidence for dependable, accurate service
- *“Doing what you said you were going to do, consistently, over time”*
- Remember the RATER criteria

# Need to establish trust with:

- **Employees**
  - Creating a 'family' atmosphere
  - Empowerment
- **Clients**
- **Business partners**



# **Clients want a veterinarian who:**

- **Is kind and gentle;**
- **Is respectful and informative;**
- **Has a reputation for high-quality care**
- **Has given clients good experiences in the past**
- **Offers a broad range of services;**
- **Is in a good location;**
- **Has convenient hours**
- **Was recommended by a friend or neighbor**

# Question

- What are the veterinarian's primary job functions *in order of importance?*
  - Educator;
  - Caregiver;
  - Salesperson



# Building Trust

- **Service-oriented businesses have an “Emotional Bank Account” with their clients**
- **Like a bank account, you make ‘deposits’ and ‘withdrawals’**



# Making “Deposits”

- **Seeking to understand your clients**
- **Attending to the little things**
- **Keeping commitments**
- **Clarifying expectations**
- **Showing personal integrity**
- **Apologizing sincerely when you make a withdrawal**

# And ....

**It takes about four deposits to  
make up for one withdrawal**



# Investment in Employee Success



# **Investing in Employee success**

- **Many service-based companies have high turnover**
  - **Are reluctant to invest in employees**
- **The excellent service companies invest in the following:**
  - **Strong beginnings**
  - **Continuous learning**
  - **Ownership attitudes**

# Strong beginnings

- **New employees are usually eager to learn – take advantage of this!**
- **Need a structured orientation**
  - **The what's, where's, and how's**
- **Designed around introduction to and observation of core values**

# Continuous learning

- **A strong orientation learning commences an ongoing educational journey**
- **Four reasons for continuous learning:**
  - Reinforces firm's core values
  - Motivates employees
  - Recognizes the infinite nature of personal development
  - Brings more professionalism to their roles

# Ownership Attitudes

- **Employees who feel like part-owners will do more to implement the core values**
- **Is really a state of mind – emotional attachment, personal responsibility, and pride**
- **Creating a sense of inclusion is important**
  - **Disney World’s “Role In The Show”**

# Creating ownership attitudes

- **Low-secret companies**
- **Wide solution spaces**
  - Radisson's 100-euro rule
- **Sharing the wealth**
  - Profit-sharing
  - “Shopping Days”



# Acting Small



# What does it mean to “act small”?

- **Acting like a start-up, entrepreneurial venture all the time**
- **Acting fast, seamlessly, flexibly, responsively, and personally**
- **Knowing the customer and custom-fitting the service**
- **It means caring & commitment**
  - i.e., Enterprise Rent-A-Car

# How do you build this mindset?

- **A confederation of entrepreneurs**
  - i.e., Enterprise's employees
  - Have them “do it all”
  - Devoted to decentralization
  - Supported by strong core values

# Building mindset, cont.

- **Companies within the company**
  - **What's the best way to serve the customer?**
  - **Build an organization that lets you do that**
    - **i.e., Custom Research has cross-functional teams that serve their clients**
  - **Small through segmentation**
    - **Schwab and trading activity**

# Brand Cultivation



# The Traditional View of Branding

- Branding was often limited to simply creating an awareness for the product
- Company created the name, broadcast it to relevant customer segments, and applied the name to its corporate identity
- Research has found that the root cause of the demise of many brands is because the organization does not develop a distinct brand identity for their products

# Branding a Business

- A “brand” represents a *promise of “value”*
- Therefore the practice has to deliver this value in a form that their customers understand, desire, and are willing to pay for



# Developing this “Promise of Value” for a practice

- Research has shown that a “brand” for a business consists of four components:
  - The product/service component;
  - The logistical component;
  - The customer service component;
  - The company image component

*all bundled together in one “brand” as a “promise-centric” approach*



# The Product/Service Component

- Means focusing on delivering the desired services of a practice
- “Doing what you’re supposed to do”
- Ensuring that you are delivering what is expected

# The Logistical Component

- **How “easy” is it to have these services delivered?**
- **Includes all the elements of your process**
  - **Calling for an appointment**
  - **Getting to and into the clinic**
  - **Getting the animal treated**
  - **Picking up and follow up**

# The Customer Service Component

- **How helpful and friendly is your staff?**
- **How knowledgeable are they?**
- **Do I feel as though I have been treated fairly and with empathy?**

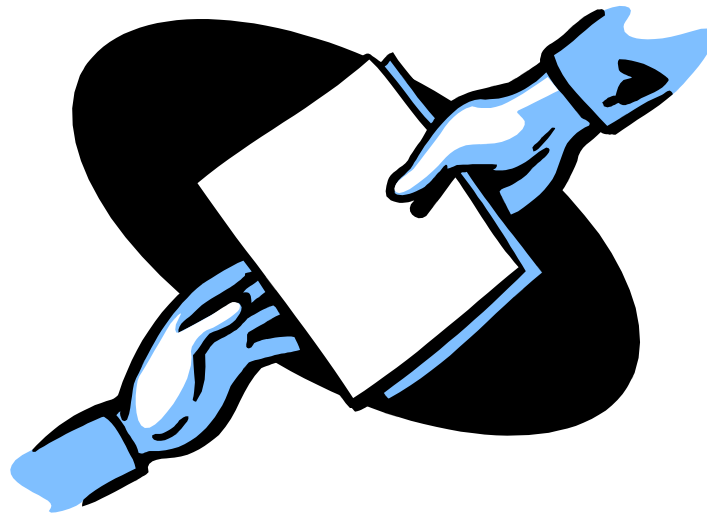
# Corporate Image Solution

- **What is our reputation in the community?**
- **Does all of our physical evidence (building, promotional materials, etc.) reinforce the reputation we wish to have?**

# And a point to remember ...

- **If you don't work actively to create a "brand image" for your clinic, your clients will create it for you!**

# Generosity



# Why generosity?

- **Research has shown that a strong social performance enhances financial performance**
- **In labor-intensive service industries, generosity wins hearts**
- **Winning hearts makes an essential difference where people create value for other people**

# And what else?

- **Humane values power great service companies**
- **Generosity continuously reinforces and enriches these humane values**
- **When your ‘product’ is performance, winning the hearts of the performers helps companies win the hearts of their customers**



# **Generosity brings together many of the values already discussed**

- **Generosity reaches customers not only through motivated service performance but also by implying fairness of its policies**
- **Inspires employees**
- **Earns trust of customers**
- **Great service companies compete most effectively for customers with their character!**

# **However, generosity must be 'strategic'**

- **Must know your limits – cannot donate to every worthy cause!**
- **The most effective generosity must be purposeful and integrated into a company's culture and strategy**
- **It should also be results-oriented**

# How can your company be 'strategic' in its generosity?

- **Be 'effectively generous'**
- **Invest with a plan in mind, with a long-term goal**
- **They concentrate their resources to have a powerful impact and make a meaningful difference**
- **They invest in concert with the with businesses overall purpose and strategy**
- **Benefits both society and the company by doing so**

# Examples of ‘strategic generosity’

- **USAA pays for employees to attend college**
- **Chick-fil-A awards scholarships to students who work in their restaurants**

## **Question**

**How might a vet clinic be ‘strategically generous’?**

# Other examples, cont.

- **Strengthening the Organizational Community**
  - **Selfish companies cannot serve!**
  - **They say thank you to the people who do the hard work**
  - **Dana Commercial Credit stock award**
  - **Midwest Express IPO**
  - **Custom Research's trip to England**

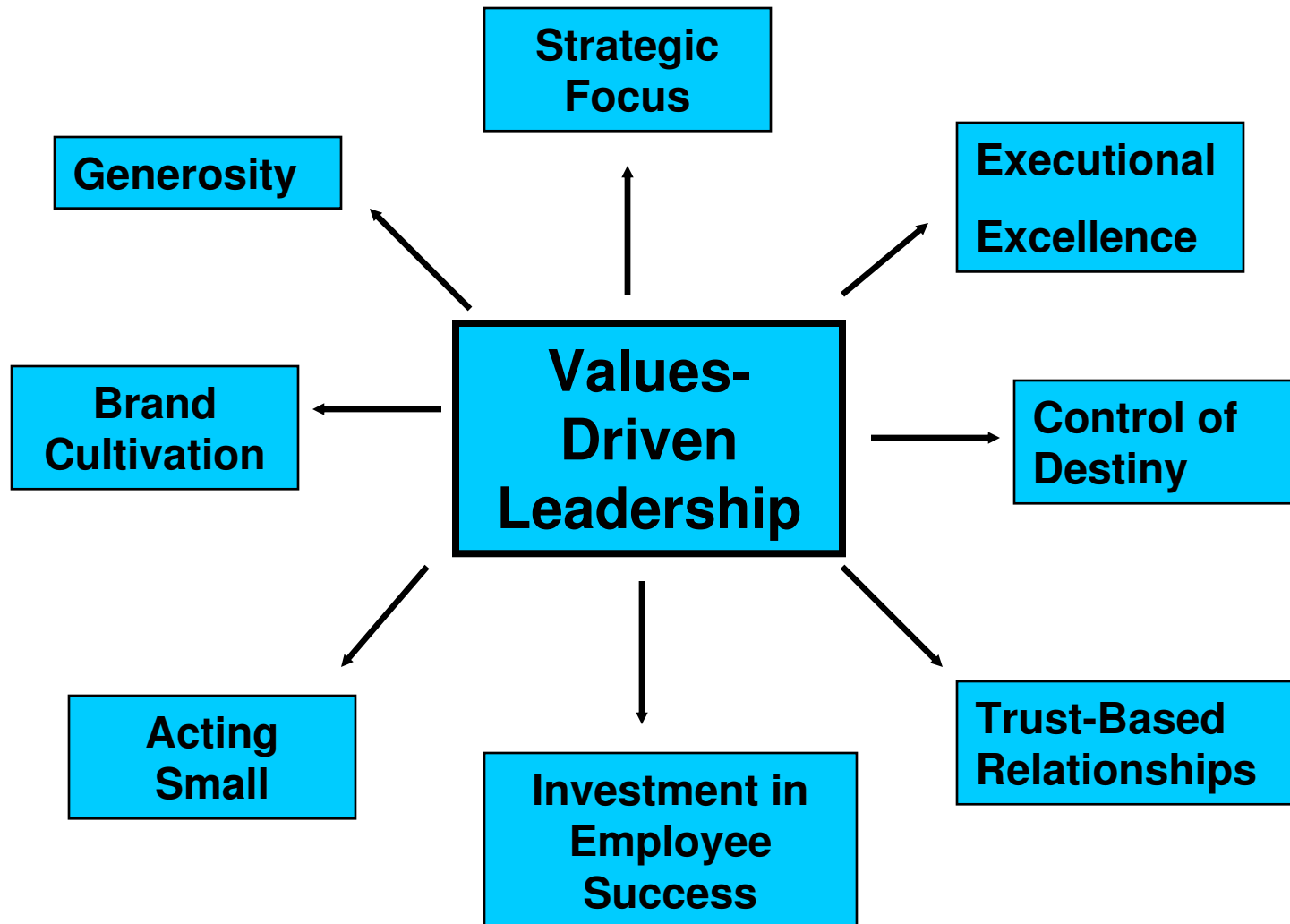
# **The Goal: Creating Social Profit**

- Social profit represents the net benefits to society from a company's actions beyond the goods and services it produces and employment it provides**
- True service companies seek the opportunity to positively influence the broader community**

# **Social Profit, cont.**

- **By generously sharing with society their talents, their leadership and their money, excellent companies make a bigger, more meaningful difference in the quality of life, and they;**
  - **Win the hearts of their employees;**
  - **Their customers;**
  - **Their stakeholders****And become even more excellent companies!**<sup>62</sup>

# Drivers of Sustainable Success in Service Businesses





# Summary

- **The goal of service companies is to build a *humane* community (the organization and its partners) that *humanely* serves customers and the broader communities in which they live”**