



Henry listens to his favorite music...

The unusual promise to clients —

WE’LL DOUBLE OR TRIPLE YOUR COMPLAINTS!

New clients are often startled to hear the consultants of Shaw Resources make their first promise for results – “we will double or triple your complaints!”

“Obviously, we don’t recommend that companies deliberately lower their quality, but that they develop a system to vacuum up customer problems that already exist,” said Jim Shaw, president of Shaw Resources, a Silicon Valley consulting firm. “The fact is that only one customer out of every eight unhappy with a company will lodge a formal complaint.”

Shaw said many managers mistakenly believe that providing customers with a brief survey form means the company is doing a good job in monitoring how well the organization is meeting customer needs and expectations.

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“Those little cards inserted with bills or set on table tops are not designed to elicit an accurate measure of the customer’s experience with that company,” he said. “They’ll give some tepid information on the level of customer satisfaction, but they are not a useful complaint system.”

A true customer complaint system should meet these criteria:

- It has many access points. “Complaints from customers can surface in their interactions with many different departments — not just the Customer Service staff. Employees in order entry, shipping, billing, technical support, or any one else who has direct contact with customers should have a way to capture customer complaints at the time they are made,” he said.

- Employees are rewarded not penalized, for forwarding customer complaints. “In many organizations, passing along too many customer complaints becomes a black mark against the employee conveying the message,” Shaw said. One Shaw Resources client, a bank, held a monthly drawing for a \$100 prize. Contest entrants were those employees who had passed along a customer complaint in the past 30 days.

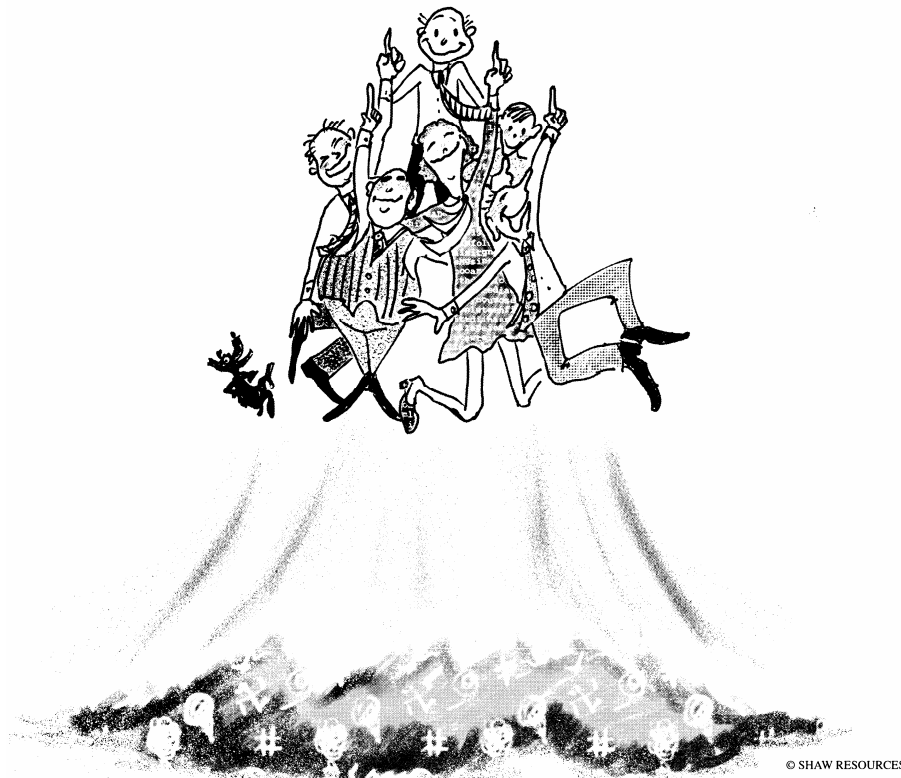
- Develop a system that makes real use of these informational “nuggets of gold” in improving the quality of the organization. “Management can use this data to see patterns and frequencies of complaints that will lead them to the root cause of customer dissatisfaction,” Shaw said. “If you only focus on handling individual complaints – making that one person happy – then you

miss the opportunity to identify the ‘big picture’ problems,” he added.

A manufacturing plant following the advice of Shaw Resources used complaints to reduce its accounts receivable balance by \$5 million. “Customers were unhappy and holding back on paying their bills. The sales rep would take the customer to lunch and smooth things over, so the company never heard about the specific problems that were causing customer dissatisfaction. The new complaint process gave them an entirely new picture of what was going on and they were able to correct and adjust internal procedures,” he said.

Shaw Resources helps organizations design continuous improvement programs. Jim Shaw served on the 1994 through 1997 Board of Examiners for the Malcolm Baldrige National Quality Award. He has also served as an alumni examiner.

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Henry and his customers harmonize their way to the top



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