

The First Step to Success: Managing Expectations

Jack Burke

Success begins with the basics of managing customer expectations

I have a new standard for personalized customer service. Orville, my trash collector, has set it!

I was checking on a friend's house while he was out of town for several months. Upon entering his garage, it became apparent that he had forgot to put the trash out before he left. About a week later I ran into Orville who asked when my friend would be back so that he would know to start pickups again. I explained that his return was still about two months away, but that Orville would have a real "ripe" surprise awaiting him. Orville quickly asked if I could set it out for his next pickup, which I did. Later Orville came by to say that he had made the pickup. He then added that due to the condition of the trash can, he took it with him to wash it out and he would return it the following week.

Orville doesn't have a modern trash truck. He uses a pickup and a trailer to gather the trash. Orville is not automated. In fact, he doesn't even send invoices. He simply relies on people to proactively pay him on a timely basis. Orville is not expensive. He charges \$10 per month for his services. But Orville cares about his customers and has set an extremely high benchmark for service in the Branson area.

Your competition in insurance is not the other independent agents, the direct writers or the captives. Your real competition today, as an independent insurance agent, is Orville and other businesses like his!

For years we've heard about "going the extra mile" and that there isn't much traffic on that section of the road. We've also heard Jim Collins tells us that good is the enemy of great. If I judged trash collectors on their ability to pick up the trash, most of them are pretty good. Very few, except for Orville, can be described as "great". Since most of us are good at what we do, it is particularly disconcerting to realize that those who are great (in any industry) diminish the value of being good.

Fair or unfair, I judge other service providers against the standards set by Orville. Most of them come up short. I wish my doctor had Orville's compassion. I wish my banker had Orville's trust. I wish my gas station would pump the gas for me. I wish store cashiers had Orville's smile. I wish, I wish, I wish!

Over the years I have heard agency personnel (and owners) blame the unrealistically high expectations of their clients on the producers. (This is the same story in most other industries too.) When a disgruntled client calls, they assume that the producer "told him or her anything they wanted to hear in order to make the sale". Thus the client expected a

level of service beyond what the agency could do. I used to buy into that concept, but I don't any longer. Most producers do not lead the clients astray with promises that can't be kept. Most producers are highly ethical and are truly acting in the best interests of both the client and the agency.

The problem lies in our failure as owners, managers, producers, CSRs and support staff to effectively manage the expectations of our clients. We still tell people "we give good service" without ever defining what that means. As a result, our clients are managing their expectations! That is the dilemma. If our clients manage their own expectations of us, we will be benchmarked and judged against the best service experiences they have ever had – and when that happens, we usually fall short.

The first thing an agency must do is define what good service means. Depending on the agency and the locale, it could include how quickly phones are answered, the time allowed for calling back on messages, the type of assistance that is provided in filing, processing and following up on claims. It could mean annual stewardship reports or the number of touches every client will receive during the course of the year. It could mean the time required to process applications and quotations. I think you have the idea.

Then move on to what would define "great" service. Here we usually get into the additional resources that are made available to the client. What do you do or provide to help your clients become more successful? Do you offer resources for human resource issues, OSHA, managing Workers' Comp risks, premium financing, real time interaction, web-based activities, etc.?

Once you've defined exactly what your agency is willing to provide in the way of service and resources, you reach the critical step – communicating that information to your clients and prospects. And don't think that communicating it once will get the job done. This is the essence of your agency – the one unique factor that differentiates you from your competition. This needs to be told in a constant, cohesive and repetitive manner.

Aside from all the normal methods of communications (mail, phone, e-mail, brochures, personal visits), I like the concept of a Client's Bill of Rights. This is usually a simple, one-page document that lists all the things a client can expect of you. And since one of the items should be "expert risk management guidance", you can immediately follow that sheet with another sheet where the customer acknowledges those coverages that they have declined.

Such sheets that affirm declination of coverages are usually discussed under E&O, policies and procedures. However I believe they should fall under the management of expectations as well. When a claim arises, it is amazing how a client's expectations of coverages will automatically increase with the size of the problem. It is very difficult to defend against statements like: "Well I was told", "That was covered under the policy from my last agent and I told you to duplicate that coverage", etc.

Expectation management involves everyone that has contact with your clients. If a CSR needs to research something for a client, that CSR needs to manage the moment by saying something like, "I will get back to you with the information by 5 PM tonight, or at least bring you up to date on the status of my research." Expectations are in constant flux and need to be managed from moment-to-moment. If any contact requires action on the part of the agency, that action should be defined and time-lined for the client. If not, the client will set his or her own definitions and time-lines, which may or may not be realistic for you to meet.

Meeting expectations is only the first step in building client loyalty and ambassadorship. It is the price of entry for an agency to become successful and profitable through satisfied customers with high levels of retention and frequent referrals. For many agencies, that will be enough and they will go no further. They are, as Jim Collins says, "good agencies".

Great agencies, on the other hand, move on to the higher level of constantly exceeding customer expectations. That's where the real gold mine is located. But you first have to manage and meet expectations before you can exceed them.

I've told this story hundreds of times, but it best illustrates the concept of exceeding expectations. After 14 years we had to put our pet dog down. We took him to the same veterinarian that had treated him from a pup. The emotional visit was delicately handled with care and compassion. The vet and his staff met all our expectations. Several days later he exceeded our expectations when we received a two page, hand written letter from the vet. His compassion and efforts to assist us with our grief were exceptional. That would have been enough because he had exceeded our expectations and assured our loyalty to him in the future. He had gone from "good" to "great" in our eyes. However, a month later he moved beyond "great" to "exceptional" when we received a thank you from the Vet School at the University of California in Davis for the generous donation made on behalf of our pet dog. As it was later revealed, this particular vet would donate all money received for putting pets down to the school. To us, he had definitely reached that rarified plateau of "exceptional".

What are you willing to settle for: good, great or exceptional? Whatever your choice, it all begins with the management of client and prospect expectations. I wish you every success in your journey.

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