

I Need Some Business Help We Can't Deliver

07/07/08

We've just started with problems meeting our promises to clients. As a small business owner, it seems like it's not as simple as it used to be. Customers are complaining and my people are getting frustrated. Any suggestions?

Many small business owners tell me that as the business grows, it shifts – from a game of checkers to chess on a 5 layer board. Everything becomes more complex. People and processes start to get overwhelmed. Dropping balls, not keeping promises to clients, slipping profitability, frayed nerves and rising tension are all signs that it's time to fix things. This owner is smart to reach out for business help while things are manageable.

Let's focus on finding root causes. When it comes to diagnosing problems, customers can be a company's best friend. If they have any interest in what a vendor produces, customers are likely to voice their concerns when they're not happy. This reader is paying attention early enough to make corrections before losing valuable revenue and reputation.

What does your company's early warning system look like? Ask yourself the following questions.

- Do employees understand client complaints are an opportunity to improve?

- Do managers say thank you and follow up when customers notify them of problems?
- When a product is returned, does someone make contact to find out what happened and figure out how to best satisfy the customer?
- When customers call or email for advice, does anyone take notes, to see if customers repeatedly come up with the same questions?
- Does anyone go looking for root causes?

If you answered "yes" to all of these questions, then congratulate your employees and tell them to keep up the good work. If you answered "no" to any of the questions, you've got some work to do on your customer early warning system.

Let's assume you've identified a number of problems in your operation. Next question is, what are you going to do about it? As a small business owner, the temptation may be to rush in and try to fix it yourself. After all, your name is on the door, the buck stops on your desk, and your customer is unhappy.

Unfortunately, jumping in to fix an issue leads to other problems. If you, as owner, jump in, you weaken your employees. There's also only one of you and you can't be everywhere. Play the numbers game by getting employees involved. Challenge employees to get better by

demanding they figure out what's going on.

If people in your company are not aware there's a problem, bring it to their attention. Ask them to get back to you later in the day with their findings. Ask them to backtrack until they can pinpoint the exact source of, and solution to, the problem.

Here's a great example: there's oil on the floor.

- The first person comes by, throws sawdust on the oil to soak it up.
- The second person sweeps up the sawdust and washes the floor.
- The third person puts more oil into the machine to keep it from running dry.
- The fourth person to come by checks the machine, and finds a small hole in a hose, through which the oil was leaking out; they replace the hose.
- The fifth person checks machine performance, finds out it's running unevenly given the wear it endured while running low on oil, and orders the machine taken off line until it can be repaired.
- The sixth person to come by checks the maintenance log for the machine, changes the machine service schedule so that service happens more frequently, and adds checking hoses to the list of maintenance items.



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It's not until the fourth, fifth and sixth persons come by that anyone gets to root causes of down-line malfunctions. The first three were just putting band-aids on problems that were likely to keep happening.

Share this example with your employees. Talk about how easy it is in the rush of the day, to just put band-aids on problems. Unfortunately, band-aids don't hold very long, and the breaks often come at the most inconvenient of times, and then persist.

Ask people throughout the company - from sales and marketing to delivery and customer service follow up - to meet together regularly. Ask them to review how things are going - from a customer point of view and from an employee point of view. Where are the bumps showing up? Ask them to make a list and brainstorm solutions. Let them identify where they need to do more research. Have them plan to re-group, take action to correct root causes, and follow up until permanent solutions are found and implemented.

Looking for a good book? Try Gemba Kaizen, A Common Sense, Low Cost Approach to Management by Masaaki Imai.

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