

The Most Important People

BY OREN HARARI

As the holiday season approaches, I raise a toast to the most important people in your organization: those who answer the telephone. Their job titles are varied—receptionist, secretary, administrative assistant, customer service representative, reservation clerk, sales support person and so on. But no matter what they are called, what they do is vital to your bottom line.

If you think about it, these people are the initial—and often ongoing—link between a business and the outside world: customers, potential customers, vendors, distributors, suppliers, job applicants, inspectors and anyone else who can make a positive—or negative—impact on the organization. That's why I call them "links," and often find myself chastising managers for not recognizing their importance.

Will a new customer be added? Will an existing customer be delighted with the service he or she receives? Will a vendor with an excellent product be connected immediately to the right person? Will someone from a regulatory agency regard your company kindly? Frequently, the answers to these questions are determined by the kind of reception these outside people receive on the phone. Like individuals, organizations get only one chance to make a good first impression.

I sometimes challenge managers to call their own companies and pretend to be customers with complaints or problems. Many are shocked at the incompetency ("I'm sorry, I don't know anything about that problem, sir") and the hassles (the phone rings endlessly, they're put on hold endlessly, they simply can't understand the person on the other end, or they're transferred to the wrong people). They are simi-

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larly appalled at the defensiveness and discourtesy they encounter as they try to resolve a simple problem.

This is not the link's problem. This is a management problem. People in link positions usually have low status and crummy pay. They are overworked and undertrained. They are treated as unimportant and expendable. From a hard-nosed, dollars-and-cents perspective, this is a stupid way to run a business.

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How stupid? One study found that of the 8 percent to 15 percent of a firm's client base lost each year, 68 percent is due to indifferent or negative phone treatment. Another study, conducted with manufacturing firms, found that negative phone treatment accounted for more market damage than machine downtime. I haven't seen research that specifically quantifies how much business and goodwill we *gain* from links who are knowledgeable, articulate, enthusiastic, efficient and diplomatic (ideally speaking in the caller's primary language), but I'll bet it's a pretty significant gain.

It's a safe bet. Successful companies as diverse as Federal Express, Dell Computers, L.L. Bean and Fidelity Investments view their links not as a source of cheap labor, but as a source of competitive advantage. In these companies, links are trained in phone skills and courtesy. They are trained in handling angry customers. They are given ongoing training on the products and services the company offers, and the way the company works. They are provided with technology that gives them instantaneous information an outsider might require. They are treated with dignity and respect. They are recognized (not just during National Secretary Week). Their pay is good (it ought to be better). Their thoughts about the business are solicited because they are in constant contact with the real world.

Small firms often understand this better than large ones, and those that don't should. Executives at Crent Company, a Northern California warehouse distributor of industrial packaging, see telephone work as "difficult work" that is instrumental to the company's steady growth rate. Receptionists and customer service reps are very carefully selected. Their training includes detailed presentations by vendors and by the firm's own accountants and controllers. Their pay includes generous commission bonus packages on sales to which they contribute. They regularly participate in management meetings with ideas on how to improve the business.

Ah, such a rare philosophy!

In one small and struggling Silicon Valley firm, managers chuckled over the "outlandish" notion that customer service reps are crucial to their business; in fact, they confided that it "doesn't take much" to be a customer service rep. All this in an industry where the customer service is becoming more important than the actual hardware.

At a large insurance company that was losing market share, receptionists told me: "We often don't understand the customers' questions because they're technical. Sometimes we *randomly* transfer customers to departments because we don't understand the policies or which departments handle what, and besides, nobody tells us about the changes that are always being made."

Why don't we get it? A department manager at AT&T told me she finally figured out that to a customer calling AT&T, the employee who picks up the phone *is* AT&T. Perhaps that is the most compelling reason why links are arguably the most important people in any organization. Speaking as a customer, I wish more firms understood that. Don't you?

(P.S. Are you willing to give your most important people a copy of this article as a holiday gift?)