Improving customer service in practice

CUSTOMER service gets a lot of talk these days – everyone knows they should be trying to deliver great customer service, so why aren’t we always delivering what our clients are expecting?

A recent study suggests that while 80% of companies believe they are giving great customer service, only 8% of their customers agree! This statistic alone should be enough for anyone running a business to look again at how they can improve their customers’ experiences.

In the pet industry we are linked to our clients not only by the things they buy but also by emotions when treating and taking care of their family members. This means we have a much greater chance of being able to positively affect our clients’ lives through delivery of a great customer experience.

At SureFlap, customer service has been a focus from day one. We knew that creating a great product means nothing unless you back it up with great customer service. Our approach to customer service has contributed to our global growth, new products, and an increase in revenue of over 40 times since the business started.

We also have one of the happiest sets of customers around: customer recommendation and our customer service reputation are our major factors when our customers are choosing to purchase our products and work with us.

Good customer service is the lifeblood of any business and providing an experience that encourages happy clients and positive feedback to others will ensure both repeat custom and new clients.

Focusing on a great customer service experience isn’t just the right thing to do, it makes financial sense for your business.

People who have one great customer service experience are likely to continue to do business with you for two years. Conversely, 95% of people who have a bad customer service experience will share it with others, and 54% of them will share it with more than five people. Plus, 91% of unhappy customers will not willingly do business with your organisation again.¹

In the days of online communities, Facebook, Twitter and YouTube, one unhappy customer story going viral can easily reach millions of people.

Creating a happy workplace

Let your staff do their jobs: it’s very easy to step in and change things as the boss or manager because you believe your way is the best way.

We are lucky that in the veterinary sector most people are working in jobs they love, and so are more likely to be happy in their line of work to start with. Empowering your staff to make or suggest changes and letting them do their jobs means they feel trusted and supported.

If they are trusted and supported they will have confidence to come up with innovative solutions, and will always work in the best interest of your practice. Your reception staff should be paid well, they are the touchpoint for each of your clients every time they come in, and one unhappy receptionist can cause a lot of problems in your practice.

You can train skills into people, but it’s very hard to change a personality to fit with what you want from your practice. Hiring staff for culture fit within your practice means you will always have someone who knows the way your practice should run. Enabling your team to work at their best and making them feel good at work means a happier practice, and happier clients.

Having great staff and allowing them to suggest and implement changes with the focus of improving your clients’ experience will only benefit your practice. Your happy clients will tell their family, friends and their communities (online and personal).

Studies show that happy employees work harder, longer and are more profitable for your business. The costs of happy staff cannot be underestimated. On average, recruiting a new member of staff costs twice as much as keeping your current employees happy.

In addition, companies that have engaged employees experience a growth rate that is 2.6% higher than those with disengaged employees.

Listen to your clients

Given the opportunity, your clients will tell you exactly what they want and expect from your veterinary practice. Ensuring that you have the mechanism to listen, whether that is in person, by questionnaire, e-mail, online or elsewhere, means that they can tell you when you are or aren’t doing a great job.

By default, a practice is a place where people have to go to care for their animals. You can delight your clients by giving them some added benefits to visit you. This could be a place to get a cup of coffee and talk about pet behaviours, or an interactive display of the newest helpful/innovative pet products.

Every added incentive for your clients to come into your practice and for you to know their needs and strengths will build a deeper connection between you, your staff and your customers.

Products and displays can be a great way to start conversations between clients and staff, and you may discover things which indicate a health issue, improving your chances of diagnosing or preventing issues before they start.

Encouraging and engaging with your clients in conversations means you may be able to pre-emptively solve problems they didn’t know their pets had.

It is important to put a process in place to review the feedback from your clients, and then make the changes you can see they want. This will ensure your clients are happy; and if they aren’t you will be the first person to know.

When you get negative feedback from your clients, make sure you use this to improve your practice. A client’s complaint is your way of being able to respond and fix their problem. When you have fixed their problem they are more likely to tell people about their positive experience than clients who never had a problem in the first place.

Using technology

My vet practice has a wonderful system of e-mailing and texting me to help remind me of routine vaccinations, check-ups and worm and flea treatments!

However, their systems don’t match up, meaning I get the initial reminder, and then after I’ve seen the vet for the check-up I still get reminders to book the appointment. So what is a great system then becomes an annoyance.

It is important to utilise the digital world to implement new technologies for clients. However, if you are going to use these systems it is advisable to make sure that they work properly and provide a benefit to your clients.

The biggest cause of unhappy clients is when the expectation of what you are delivering and what they are receiving are different. Make time to explain exactly what they will receive, but don’t over-promise something just to keep them happy.

Ensuring your clients know what services you are offering and then going above and beyond will ensure that they are delighted. This will leave them, and their pets, feeling well looked after every time they visit your practice.

Deliver great service

The new RCVS trial of a dispute resolution service has highlighted that not all clients are happy with the service they are receiving and they feel their views are not being heard in practices.

Providing outstanding customer service means you will be less likely to have clients requiring this service, and your ability to admit and deal with issues in-house will improve the reputation of your practice.

These types of issues, and interventions from the DRS, can harm the veterinary profession as a whole.

Avoiding the DRS means less negative publicity for the veterinary industry and less time and money spent by the practice.

Sarah Metcalfe is the customer service manager at SureFlap Ltd, leading a multi-lingual team dealing with customers in the UK, European, American and Australasian markets. She has been with the company for four-and-a-half years, helping SureFlap to achieve its 96% Net Promoter Score. She is an avid follower of the Zappos ethos and attitude to customer service, happy workplaces and the Happy Manifesto.

“Your most unhappy customers are your greatest source of learning” – Bill Gates

“Give the customer what they want, and they’ll come back. Give them what they need, and they’ll come back forever.” – Bill Gates

“Deliver great service” – Business and Finance Review

“Valued customer service” – Customer Care Institute

“Best way to treat your employees is the way they will treat your customers” – Sir Richard Branson

“SARAH METCALFE of SureFlap describes how her company operates and believes the value of having great customer service at the heart of everything that’s done by a business cannot be underestimated”

[SARAH METCALFE]
INVESTING for income rather than capital growth is often an issue faced by individuals moving into retirement. They have worked hard building up cash, pension funds and investments during their working lives and, now employment income has ceased, wish to use these pension and investment resources to supplement their retirement income.

This is an important area and one that is often overlooked so, in this article, I am attempting to provide some further insight into this particular subject.

One should be aware that taking an income from an investment means investing in a different way to being invested for all-out capital growth. To start, I think it’s important to look at the key things you need to know first if you’re thinking of investing this way.

1. Income is derived in three main ways
Income is a rather generic term. However, when it comes to investing, income is generated in three main ways:

- **Interest.** When you deposit money with a bank or building society, they get to use your money for their own ends: lending out to borrowers and investing in their own projects, etc. The bank pays you for the privilege and this payment is called interest. Also, if you hold gilt or corporate bonds, the income from these is interest. Gilt and corporate bonds can be bought directly or, more commonly, via a collective investment fund.

- **Dividends.** When you own a share in a company, and the company makes a profit, part of that profit is often distributed to the shareholders. That payment is called a dividend. It is not just shares that pay dividends, but also collective investment funds, which will own shares within the fund that create dividends.

- **Rental income.** When you own a property which is rented out, the money your tenants pay you is called rental income.

It is worth recognising that each of these types of income is different, particularly from the point of view of the tax man.

Each of the methods shown above has its uses, advantages and disadvantages, but the end result is the same – money is generated by the asset you hold, be it a cash deposit, a holding of bonds, shares or a bricks-and-mortar property, and that money ends up in your bank account to be spent as per your requirements.

2. Natural income and total return
Many people think that when investing, the only way to think about income is what financial advisers would call “natural income”. Income from a bank deposit is produced by the deposit and can either be added to the deposit holding, or paid out to your bank account.

Likewise, a dividend can be used to buy more shares or units, or can be paid into your account.

The natural income is the income produced by the asset. Often, but not always, the natural income will fluctuate. For many people who are depending on that income to live, and the income fluctuates or goes down, then there is a potential problem as it is difficult to budget around a fluctuating income.

However, my preference is to educate investors to think about income as total return. Put simply, I would urge you to think of total return as the combination of both natural income, and the increase in value of the asset itself.

Now I should point out that this does not apply to bank accounts. The reason is that if you skim off the interest from a bank deposit at the end of the year, you will have exactly the same amount at the end of the year as you did at the start. The cash in the bank can’t grow in addition to the interest paid on it.

I should add that the interest can be added to the balance, meaning that in year two you get interest on interest, but each pound is only ever worth a pound.

Money in the bank cannot provide capital growth in addition to the payment of interest. However, shares and property can grow in value, quite apart from the fact that they also throw off dividend and rental income. So using these asset classes, you have two strings to your bow.

A share with a value of £1,000 might throw off a dividend of £20 over a year. It might also increase in value from £1,000 to £1,030 over the same year. My total return then, ignoring inflation and tax, is £50, or the sum of my growth and my dividend.

Thinking in terms of total return has far-reaching implications for those investing for income.

If you can harness both growth and natural income to fund your lifestyle, it gives you dual benefits with which to work.

3. Safe withdrawal rate
This term refers to the rate at which you can draw money from an investment portfolio, and never have the portfolio itself run out. Thinking back to the share mentioned previously that provided a dividend and grew in value, you know that you could withdraw £50 from that portfolio in that year, and you would still have the same amount of money in the pot that you had when you started. All you have done is siphon off the profit and the dividend.

But what if you needed £50 to live on next year, but in year 2 the value of the £1,000 dropped to £950 and the dividend was only £10?

In this example you have actually lost £40 on your capital and you have also withdrawn £50, so your pot of money is well down.

Shares and similar investments do not perform in straight lines: they go up and they go down.

If you withdraw money when your shares are suffering, you damage your wealth more than if you take money out of profit. This is a kind of reverse pound cost averaging.

The safe withdrawal rate then is a guide to how much you can withdraw from a portfolio and, assuming normal levels of investment volatility, you should never run out of money.

The safe withdrawal rate depends very much on the state of markets when you begin taking that income.

4. Income is a compounding agent
When income is added to income, and you also throw asset price growth into the mix, you have a great recipe for compounding – this is the snowballing of money so that it gets bigger, faster.

However, this can never happen if you spend all the income produced by an investment.

All you have left is the asset value which can go down and up, but which can never be added to by buying more of the asset.

It is important then to consider using compounding to your advantage and not to get hung up on income in the simplistic form of the word.

Taking natural income is fine, particularly if you can cope with a fluctuating income and if you have sufficient assets at your disposal, although most of us will need to find a method of working what we have as hard as possible. Using income as a compounding agent is a key way to do that.

Investing for income is essentially about having a desired level of income being generated by a portfolio, and making sure that income can be sustained for the rest of your life. There are many variables, as we’ve discussed, and there will inevitably be some compromise on your part as things won’t always run smoothly.

That being said, with careful planning and managed expectations, it is entirely possible to invest in such a way that provides a sustainable, predictable level of income or withdrawals into your bank account in order for you to get on with living your life, which is the whole point of financial planning in the first place.

As ever, I will counsel you to seek advice from an independent financial planner who can help you set realistic expectations and make a detailed financial plan on how best to achieve your desired objectives.