

**FIRST+**

Financial Institution Resilience & **ST**rengthening

# Customer Service in Microfinance Institutions

**Presenter name: Terry Lennon**



**CapPlus**  
CapitalPlus Exchange



Young  
Africa  
Works



# Webinar Objectives

1. To understand why **Customer Service Matters**.
2. Why it is so important to **differentiate** the institution in the eyes of the customer by means of **superior customer service**.
3. An understanding of what good customer service is from the **perspective** of the customer and what exactly the customer **wants**.
4. The **7 Essentials** of Excellent Customer Service.
5. Why **leadership** is so important in developing a culture of service excellence and an understanding of the concept of the “**Servant Leader**”



# Customer Service Strategy

- Why **focus** on customer service strategy:
  - It builds more **market share**
  - To increase **deposits**
  - To increase **loans**
  - To increase your **assets**
  - To eliminate / reduce **customer complaints**
- The challenge is to become a **service leader**
- '**Crush**' your competition with the **level of your service**
- Learn how to **differentiate** yourself
- Develop a **customer experience** that customers have **never seen** in any other financial institution



# Creating Magical Customer Experiences

- **Expand** the **product** to include the **entire experience** – that's the **differentiator**
- As well as the products there are also the **processes** that the customers have to go through in order to get that product, e.g. waiting in line, making an appointment, etc.
- Organisations are selling the **entire experience** – not just the product or service



# Creating Magical Customer Experiences

- We need to move from a **'task mentality'** to **'an experience mentality'**
- Usually this involves a genuine **smile**, a **kind word** or a demonstration of **care**
- It's very easy to fall into a **task mentality**



# Creating Magical Customer Experiences

- **Little things** can create a **positive experience**
- As you deal with customers, ask yourself, are you doing this with a task mentality or as an opportunity to build a **positive experience**
- Just by asking yourself that question you cannot but help move in the **right direction**



# What is Customer Service?

- What is **good Customer Service** and what does it look like?
  - **Smiley** face
  - Say '**hello**' to the customer
  - Recognise them – say their **name**
  - Good product **knowledge**
  - Good / positive **attitude**



# What is Customer Service?

- What is **good Customer Service** and what does it look like?
  - Being able to **help** customers achieve their objectives
  - **Resolve** their issues
  - Be **proactive**
  - Be **professional**





# What is Customer Service?

- What is **Relationship Management**?
  - Customer Relationship Management – CRM
  - Identifying your **strategically** important customers
  - Getting even **closer** to your customers
  - Know them **personally**



# What is Customer Service?

- What is **Relationship Management**?
  - Understanding their business
  - Understanding their sector / locally / nationally / globally
  - Understanding their competitors
  - Helping them to achieve their full potential – identify opportunities



# THE CUSTOMER RULES



C. Britt Beemer & Robert L. Shook

# 1. Everyone's Job

- **Everyone** in the organisation has the same job – serving the customer
- This must be made **explicit** to all employees
- Everybody must have a **desire** to serve others
- At it's most basic it means extending a **warm greeting** to customers
- it's about treating people with **dignity** and **respect**



## 2. Attitude First

- In our own role as customers, we are treated with disdain so often that we have become **oblivious** to it
- **Apathy** drives away customers in large numbers
- It is important to make the working environment a place where employees **want** to come to work



## 2. Attitude First

- Howard Schultz, CEO of Starbucks says *“We’re not in the coffee business serving people, we’re in the **people business** serving coffee”*
- A **happy employee** makes a **happy customer**
- Ask customers what we are doing **right** - this reinforces to staff that they are appreciated



# 3. Company Culture

- **A customer service culture** is preoccupied with a desire to provide a **value** or **service** to customers
- However, you cannot mandate a culture, you have to **create** it, let it evolve and believe in it
- Management and staff need to **'walk the talk'**



## 4. Being Big, Thinking Small

- Big companies need to retain their **small company roots**, i.e. in having a personal relationship with their customers
- **One customer at a time** – there are no shortcuts for developing relationships with customers
- Great companies never forget that **customer loyalty** is **earned** one customer at a time





# 5. The Total Customer Experience

- The total customer experience occurs **before, during** and **after** the customer interaction
- Can you deliver a **'wow'** experience for the customer – what does 'wow' from a customer perspective look like?
- The product or service is much more than just the product or service – it is about the **whole customer experience**
- **Add value** – plus, plus, plus....
- **Follow-up** service and contact .....after the sale



## 6. The Personal Touch

- The **sweetest** sound in any language is our **own name**
- Make it **routine** to **address** customers by their name
- **Warmly** greet them with a **smile**
- Try to understand the **likes** and **dislikes** of customers
- **Thank** customers and show **appreciation** for their business



# 7. It's About Time

- Customers place a **high value** on their time so it is imperative to respect his or her time
- Try to avoid **long queues** or **waiting times** for your customers
- When dealing with them at the counter make sure to have the **knowledge**, **attitude** and **appropriate material** to hand in order to avoid long delays



# 8. Selling a Service v Selling a Product

- In selling a service, **YOU** are the part of the product
- You can be the **USP** (Unique Selling Product)
- **How** you sell is just as important as **what** you sell
- You can make the **difference**



# 9. When Price Rules

- If your customers' number one reason for doing business with you is **based** on **price**, don't expect their **loyalty** to last long
- If your only **differentiation** is price, then you are in **trouble**
- When price rules, it is important that a point of **differentiation** is determined that draws the customer **away** from price



# 10. Multiple Tiers of Customers

- Financial Institutions with **multiple** tiers (segments) of customers must be cautious to avoid conflicts by serving **one segment** to the **detriment** of another
- However, **most valued** customers ( or potential to be of a high value) always receive **preferential** treatment
- **Not** all customers are created **equally**
- Every customer deserves **courtesy** and **respect**, however the **most profitable** ones should be **prioritized** and receive a higher level of service



# Differentiation in Customer Services

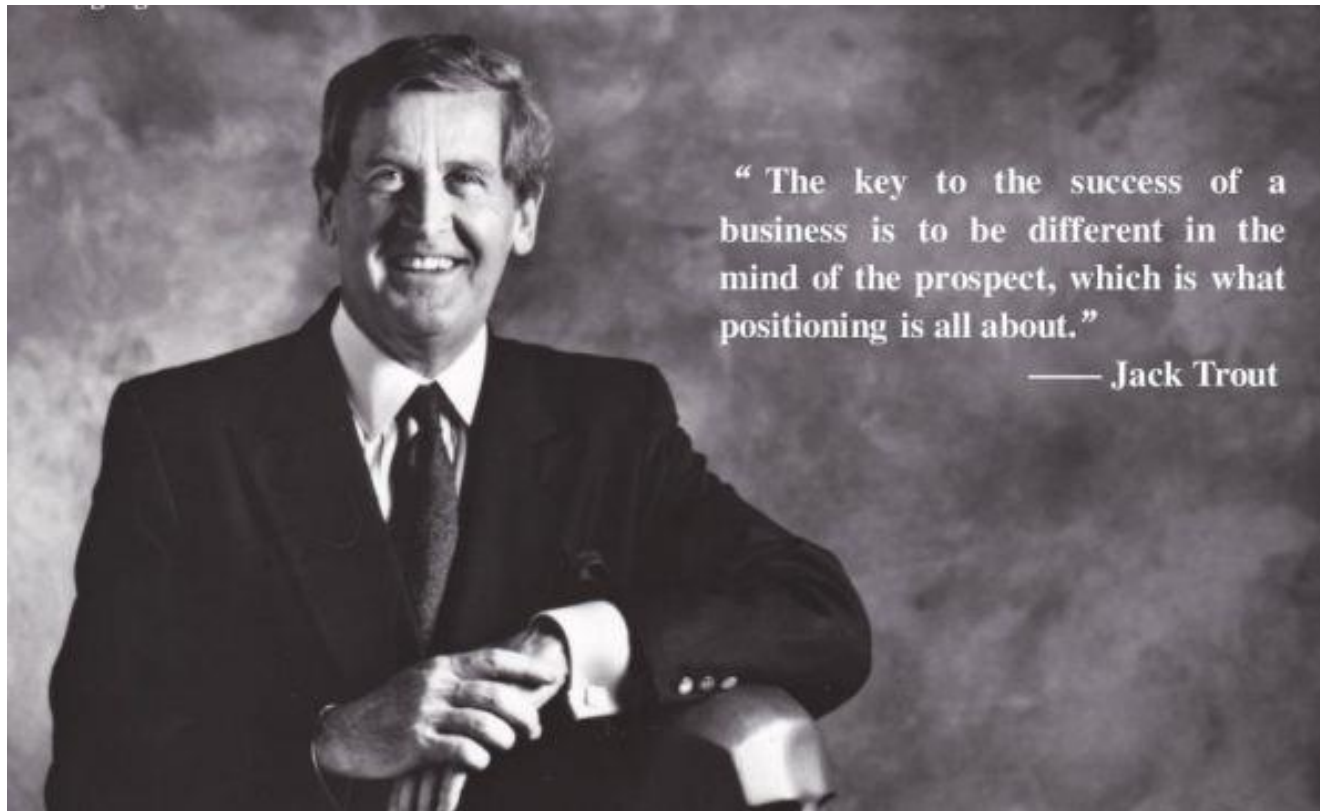
## Positioning

What Sets You Apart from your Competitors



# Positioning

- *“A **product** or **service** that tries to appeal to **everyone** winds up appealing to **no one**.”*





# Strategic Positioning

- *“Operational effectiveness means you’re running the **same race faster**”*
- *“Strategic positioning is choosing to run a **different race** because it’s the one you’ve set yourself up to **win**”*



Michael Porter

# Strategic Positioning

- Michael Porter distinguishes between **operational** effectiveness and **strategic** positioning:
  - **Operational** effectiveness means performing **better** the **same activities** your competitors perform
  - This can be a source of **short-run** competitive advantage
  - In the long-run however it **not sufficient** to keep a sustainable competitive advantage



# Differentiation

*“In a world of **too many** options and too little time, our obvious choice is to just **ignore** the **ordinary** stuff.”*

*Seth Godin*



# Play it Safe – at your peril!

- The worst thing to do is to **play it safe**
- Safe is **risky**
- The safe thing to do is to be at the fringes – be **remarkable**

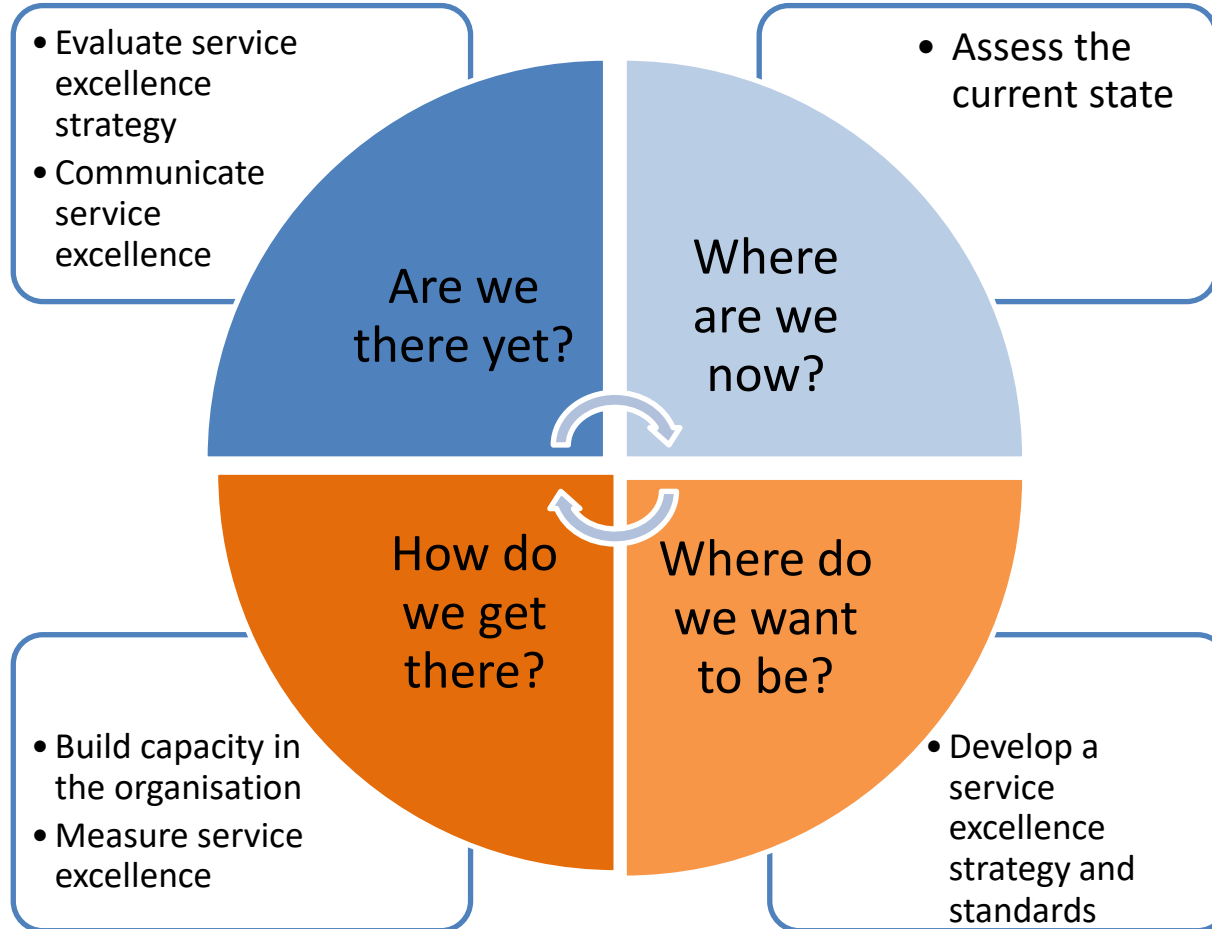


# Lee Cockerell – Creating Magic



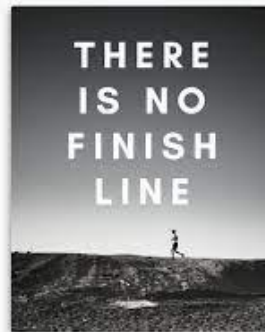
- *“It’s not the **magic** that makes it work – it’s the **way we work** that makes it magic”*

# Service Excellence Model



# Service Excellence Model

- “*Service excellence is a race **without a finishing line.***” (Dick Schaff)
- The challenge for financial institutions is to keep service at the **top of mind – all of the time**
- In reality, most managers get ‘**bored**’ with it
- Winning institutions are **relentless** in their pursuit of good service quality



# Service Excellence Model

- *“Customers don’t expect you to be perfect. They do expect you to **fix things** when they go wrong.”* (Donald Porter)
- **Really** listening to customers and showing **empathy** is essential





# The Importance of Customer Service - Richard Branson

- Be **visible**! A good leader doesn't get stuck behind a desk
- Express a **passionate** commitment to serving the customer – a **superior customer experience** is the key ingredient to success in the competitive global economy
- It's the quality of the **interaction** that **customers** have with **staff** that encourages them to return
- The customer experience is **everything** – and it **begins** with **you**!
- Have **fun** – don't take yourself too seriously!



# The 7 Essentials of Excellent Customer Service

David Brownlee

1. Be aware of the 3 things that every **customer wants**:
  1. To be **heard**
  2. To be **understood**
  3. To be **cared for**
2. S.E.C.
  - **Smile**
  - **Eye Contact**
  - **Comment / engage in small talk**
3. **Listen** to the customer
4. **Empathise** with your customer



# The 7 Essentials of Excellent Customer Service

David Brownlee

5. Create **solutions** for your customers
6. **Clarify** the situation with the client
7. **Follow-up** with your customers :
  - Phone
  - E-mail
  - WhattsApp
  - In-person



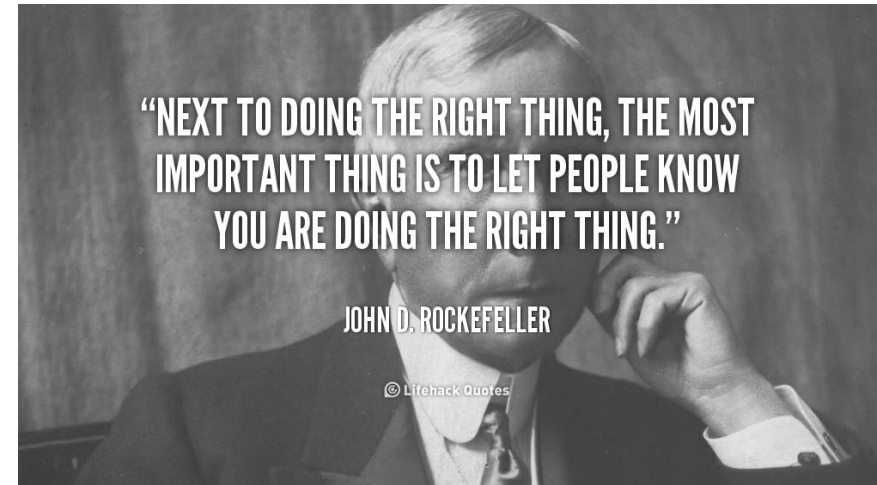
# Service Excellence from Customer's Perspective

- The customer wants you to:
  - **Know** what you are doing
  - Be **efficient**
  - Be **nice** to them



# Know What You Are Doing

- The customer expects you to do the job **right**
- If you get it wrong – the customer expects you to **fix** it with little or no **inconvenience** to him/her
- Expects that that you have the proper **training**
- You can **accurately** answer questions or find someone who can
- Expects you to **do what you said** you were going to do



# Be Efficient

- Your customer's time is **valuable**
- They should not have to put up with processes that are designed for your convenience at the expense of **their time**
- They don't want to **wait** on the phone or **queue** for a long time on the phone
- They want you to show up **on time** for your appointment
- They want you so show them that you are **concerned** with their convenience



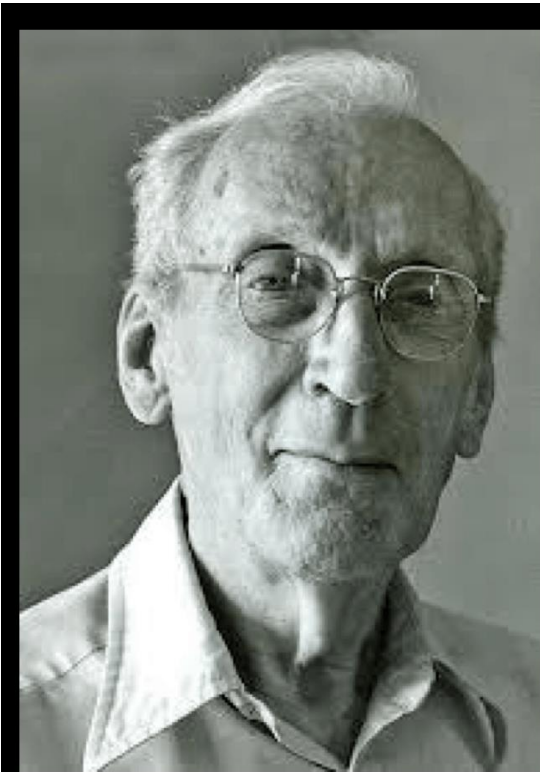
# Be Nice

- The customer is already giving you their **hard earned** money
- Please act like you **appreciate** it
- It just takes a **smile** or a sincere **tone of voice** to show that you care
- They feel much better when they deal with an employee who clearly **enjoys** their job and seems **happy** that the customer is there



# Servant Leadership

- Robert Greenleaf came up with the original idea of Servant Leadership:



**“Good leaders must first  
become good servants.”**  
Robert K. Greenleaf



# Servant Leadership

- **Servant Leadership** replaces **'self interest'** with service to **'others'**
- It's about:
  - **Influence** rather than **power** and **control**
  - Focussing on others **strengths** rather than their **weaknesses**
  - **Listening** rather than **giving orders**
  - **Long range benefits** rather than **short term profits**



# Servant Leadership

- Servant Leadership is about **transformation** and **future focus**
- Leaders need to **change** in order to continue to **maximise delivery** and **customer value**
- Leaders need to display an **ability to adapt**
- The top 3 leadership requirements are:
  - Ability to **motivate**
  - Ability to **work well** across **cultures** and **geographical boundaries**
  - Ability to **facilitate change**



# Upcoming Events

- 24 Sep, 11:00      **Sales and Marketing Webinar #2: Becoming a Sales Champion (Techniques and Skills)**
- 10 Oct, 11:00      **Sales and Marketing Webinar #3: Handling Customer Complaints**
- 25 Oct, 11:00      **Sales and Marketing Webinar #4: Developing an MSME focused marketing and sales plan to improve sales performance**



**CapPlus**  
CapitalPlus Exchange



Young  
Africa  
Works

