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Top Ten 2020 Skills Project

SKILL 8 – SERVICE ORIENTATION
EXCELLENCE IN SERVICE ORIENTATION



8. Service Orientation

SKILL 8 – Service orientation

Excellence in service orientation

- Aim – Excellence as a management style
- Objectives:
 - ✓ The importance of focusing our strategy on a service that generates demand for "satisfaction" and "fidelity"
 - ✓ To learn that excellent service orientation can be a differentiation strategy
 - ✓ To learn that excellence in service orientation means continuous improvement.



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SKILL 8 – Service orientation

Excellence in service orientation

- Content
 - Why is excellence needed?
 - Who are the clients?
 - Different level of the quality service
 - Continuous improvement
 - To create value



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SKILL 8 – Service orientation

It's the philosophy of being at the customer's service. This implies to assume this personal and professional competence as a necessary habit.

Entrepreneurs who have internalized the value of service orientation are professionals who understand the needs of customers and seek to offer the best service to meet customer expectations. This implies making self-criticism to be in a process of constant improvement.



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To achieve this goal, entrepreneurs take into account the point of view of clients as one of the most important elements.

This client orientation involves keeping track of consumer demands in order to respond as quickly as possible.



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Why is excellence needed in the service?

- 96% of dissatisfied customers never complain. They just go and never come back.
- Dissatisfied customers, convey their dissatisfaction to 9 or more people, because always a bad experience. It will be a good reason for conversation.
- Very satisfied customers, transmit their satisfaction 3 or less people.

It costs up to 5 times more to get a new client. To sell a unknown I have to do publicity, promotion, discounts, gifts, etc.



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The customer has a lifetime value, which is all that the customer can consume, from what we sell, during all his life. Losing a sale is insignificant compared to losing a client.

Research has shown the causes of customer losses are:

Cause	%
Death / Bankruptcy / Closing	1.00
It was related to competitor	3.00
Transfer to another area	5.00
Dissatisfied with the product	9.00
He got the competition	14.00
Indifference in attention	68.00



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81% of customers would return to buy, although in their last experience, the product was a disaster, because they trust you.

almost 70% flee in terror before an indifferent service.

Indifferent service, is where the client after having made contact with a company, still thinking about spending their money, but has not yet defined where it will spend.

Excellent service, is where the client does not know if they are going to buy what they had in mind, but if they know we're going to sell it to them

We can focus our strategy on a service that generates demand for "satisfaction" and "fidelity".



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What is excellence in the service?

Mr. Karl Albrecht said:

“Excellence consists of knowing, satisfying and surprising customers.”

Excellence in service is only possible when the satisfaction of the client's expectations has been overcome.

The expectations of the client are the indispensable fuel of an organization that aspires to an excellent service.



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Where are the clients?

On the other side of the counter.

On the other side of the phone.

In your business waiting for our visit.

At home using one of our products

[These are external to the
company]



A company that aspires to survive must be oriented towards the creation of value for all its clients and not only external ones, there are other clients within the company, which we call internal clients.

Our collaborators, colleagues and managers need to be applied the same treatment as the external client, in the analysis and satisfaction of their expectations.



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Who are the clients?

When we talk about client, we usually focus only on the external client, but there is another type of client within the company, internal clients. Our collaborators, colleagues and managers need to be applied the same treatment as the external client, in the analysis and satisfaction of their expectations. It is important that each company pay attention to this point, it is essential within the service orientation also take into account the internal customer. There is a sentence that summarizes the importance of this aspect and is the following:

"The way in which employees feel will ultimately be the way their customers will feel"



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A clear example is: Would you feel comfortable visiting a family where members don't get on well with each other? A company or organization is the same as a family. This attitude will harm the relationship with the external client and it will tire the staff by making them unable to make the most of themselves.



Companies are living organisms and their operation is similar to that of the human body. What would happen if the needs of one organ were indifferent to those of the others, or blocked the performance of the other organs? These types of situations are known as illness and its severity affects life. The same would happen in a company. That is why it is so important to consider the internal client. *The internal health of the company is essential in the service orientation.*



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Clients must perceive a climate of "total absence of internal conflicts", "good sincere work climate", "organizational health", for a company to be credible. Service orientation can not be successful if the internal client is not taken into account.



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The different levels of the Quality of service:

Quality: It is the measure of the dimension in which a thing or experience satisfies a need, solves a problem or adds value for someone.

Quality = Results - Expectations



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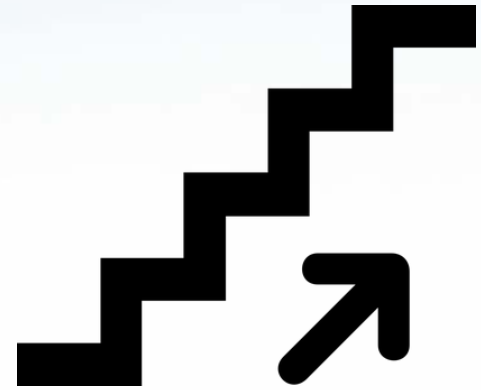


The different levels of the Quality of service:

"What can be measured, can be improved."

There are five levels of quality in the service:

- Out of Competition
- Mediocrity
- Presence and Responsibility. This level is where companies start investing their money to give a better service
- Serious Commitments
- Excellence.



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Out of Competition:

A clear example is the case of a neighbourhood store that was present for 20 years giving attention to its customers, until suddenly a competitor installed. The shop-keeper begins to see that his customers leave with the new provider and finally his business goes bankrupt. We can see that his 20 years of trajectory did not serve him, his lower costs of learning and his knowledge of the market.

We can conclude that the only thing that made the creation of a new store in the neighbourhood was to manifest its hidden incompetence.



Mediocrity

This level is the maximum that can be aspired if the expectations of the clients are not taken into account.

Presence and Responsibility

This level is where companies start investing their money to give a better service. But in most cases their lack of research shows that they invest in things that do not improve the quality perceived by the client.



Serious Commitments

At this level, companies manifest their vocation to know what customers want and commit to give it to them. True loyalty begins to be achieved at this level.

Excellence

It is the highest level, where the client's expectations are exceeded, this is where the competitive advantages are.

It is important a great capacity for self-criticism and receptivity, to know the client well. At this level, the aim is to surprise the client, with an organization that focuses on the client their strategy, systems and staff.



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The need for continuous improvement

Excellent service creates habit, but can become mediocre, if you do not understand that the client continuously increases their demands for value, forming a virtuous circle.

The risk of losing the level of excellence is permanent, so the satisfaction of clients demands and continuous improvement are the pillars to maintain that level of excellence.

The service is excellent only when it grows the expectations of the client, so that to be able to surprise them, it has to overcome itself continually.

J. W. Marriott said:
**"Success
it is never definitive "**



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Value

It is the client's perception of what has been received, what makes him or her feel satisfied. Detecting what has value for the client, becomes a search for competitive opportunities.

Knowing the clients is the way to start any process that aims to satisfy them.



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Four levels that represent the effect perceived by the client:

Basic: They are the minimum attributes, without them it does not make any sense to enter into competition.

Expected: What the client is sure to receive.

Desired: what the client does not necessarily expect but knows and appreciates.

Unforeseen: They are the exceptional attributes that add surprise value to the client, once the client knows them, they will become desired. It is at this level where excellence begins.



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Steps to create value:

The vocation to exceed customer expectations is the engine of continuous improvement.

Four steps for the creation of value:

1. Investigate the attributes valued by the client
2. Determine the importance that the client gives to these attributes
3. Compare our position with that of our competitors in those attributes
4. Propose our own model to overcome the value proposition of the competition.



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Conclusions

- ✓ Excellence as a management style has become an essential tool for companies
- ✓ Companies must deliver excellent service anywhere on the globe and to achieve this they must understand the expectations of the new global citizen
- ✓ The customer has a lifetime value, which is all that the customer can consume, from what we sell, throughout his life. Losing a sale is insignificant compared to losing a customer
- ✓ Excellence in service is only possible when the satisfaction of the client's expectations has been exceeded.





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