

HOUSTON BUSINESS JOURNAL

Strictly Houston. Strictly Business.

Week of March 28 - April 3, 2008

Build trust and loyalty in your customers by building confidence

In the service world, people often ask, “how do we build customer trust, while engendering loyalty?”

Consider any environment — such as the typical professional services environment, accounting, engineering, architecture, law, health care, consulting, investment banking, insurance — where people are the primary assets.



BUILDING BUSINESS

BILL
BOYAR

What can you proactively do to leverage these assets to create value for your clients and for your customers and build long-term customer loyalty? There is a logical path.

- **Intelligence:** The launch point for any organization is to hire intelligent and successful people. It seems simple, but the starting point for building customer loyalty is having a dedicated group of smart men and women on your team who have demonstrated success academically and in other life experiences, for example sports, previous jobs, community service. And, you want people who have a strong desire to learn, train, gain experience and build competence.

- **Training and development:** Mere intellect and previous success in life are not, in and of themselves, sufficient to ensure that your people will provide excellent service and build important long-standing relationships with your customers. Your people need training and development programs to help them grow and realize their potential. My article “Developing employees is the key to building a great company” in the January 4, 2008 issue of the *Houston Business Journal* discusses training and development in the four critical areas of profession-

al/technical skills, communication skills, social skills and leadership. Note that in the services spectrum, business development training is an additional critical area for focused training and development.

- **Experience:** Along with formal training and development programs in these critical four areas, people need real world experience. This includes interfacing with clients and customers on a regular basis and confronting complex situations that test people. Too often the experiential part of the development equation is left to chance. Experience training needs to be as focused and intentional as subject matter training. Give people the opportunity to interface, develop strategy and tactics, perform important services, make judgment calls and take risks. Let them make mistakes and learn from those mistakes, but provide the all important safety net. Don't stand by while mistakes affect the outcome for the customer. Let them experience success and enjoy the impact of that success. Be present for your people as they gain experience. Share the glory and manage the risks.

To help ensure continued success in training and development in your organization, include this important experience component, be sensitive to fear and insecurity in people. Fear and insecurity often arise from some combination of lack of subject matter expertise, lack of hands-on training or lack of experience. Have several checkpoints along the developmental path to assess growth and identify insecurity and/or fear.

- **Competence:** The valuable outcome of combining intellect, effective training and development and meaningful experience is the development of competence. Competence just happens to be the foundation for customer trust. It is the most essential characteristic of a trusting customer relationship. On the other hand, if the customer perceives a lack of compe-

tence, trust erodes. Mistrust sets in, and the customer relationship can be forever lost.

- **Confidence:** From this focused organizational attention on building competence, individuals and organizations build confidence. Individuals who flourish in this environment will enjoy success, get positive feedback internally and externally and build tremendous self-confidence. Customers will gain trust. This will lead to more personal growth and further development and maturity on the part of the individual. And, as the team members develop more individual confidence, the organization will collectively gain more confidence. This enhances service, attracts more customers and expands the organization's brand and influence.

- **Customer Trust:** This gets us to customer trust. The source of customer trust is individual and organizational competence breeding individual and organizational confidence. This confidence creates more customer trust which generates more confidence which generates more trust. It's a meaningful cycle of value creation for the organization; one based on trust.

- **Customer Loyalty:** The ultimate outcome of the path from intellect to competence and confidence to trust, is loyalty. Achieving customer loyalty requires trust that is rewarded by consistently superior performance. If your customer feels that he or she has the smartest people, with the best training, best experience and highest competence, who are confident in their abilities and worthy of their trust, the relationship should last a very long time. This can be a self-generating process that creates enormous value and drives growth. And it's all based on taking care of your people first.

BILL BOYAR is chairman of the law firm Boyar & Miller in Houston.