

[Casting doubt on a valuable pr principle to sell a revisionist theory is not helpful -- and this material seems to fit that description] (Greenwood Publishing Group, 1-800-225-5800; \$59.95; 280 pgs)

AFTER THE UNHELPFUL STUFF, BOOK OFFERS THIS PEARL:

"Retaining just 5% more customers will improve bottomline profits from 25-85%. For those who might be more apt to opt for reengineering, rightsizing, downsizing, or any of the other cost-cutting, staff-reducing techniques currently in vogue -- increasing customer retention by just 2% has the same effect as reducing costs by 10%."

REPORT SAYS COMMUNITY INVOLVEMENT IS GROWING, TELLS WHERE

Progress since the President's Summit for America's Future (April '97) is documented in *America's Promise: The One-Year Report To The Nation*. It details progress made by 350 commitments from communities, gov'ts, faith-based institutions, NPOs, corp'ns & individuals. Examples:

1. US West has tutored more than 59,000 children over the past year
2. 100 Black Men volunteers have mentored over 120,000 kids
3. Nike created structured after-school sporting activities for 27,000 kids
4. Eli Lilly provided free insulin shots to 18,000 summer campers
5. Wal-Mart awarded 2,200 scholarships for \$1,000 & 250 for \$20,000

Book lists names of participating ass'ns, foundations & corp'ns & a separate state-by-state section; explains their commitment & progress; offers a forecast & key highlights; identifies a contact person & phone. (\$11.50 from *America's Promise*, 60 North Ronks rd, Ronks, PA 17572)

APPLYING BIZ MANAGEMENT PRACTICES TO MANAGING PERSONAL LIFE

"The best companies use innovative techniques, such as sticking to core competencies, to boost productivity & performance. I saw that many of these practices could be modified & used by individuals to boost their own productivity & performance," says David Stauffer in *Workplace to Breathing Space*. One piece of advice he offers is *kick the urgency habit*:

"'Urgency can become an addiction,' finds leadership expert Roger Merrill. 'We get so used to the adrenaline rush of handling crises that we start to depend on that feeling for a sense of excitement & energy.' But because we've neglected -- perhaps not even determined -- what's personally important, success comes without happiness.

- The problem is that 'urgent things' have become 'first things.'
- "The solution: Put important things first.

"Merrill does not dispute the increasing pressure so many of us feel from too much to do in too little time. 'But we too easily blur what should be a critical distinction between what's urgent & what's important.' Urgent things can make us feel busy, he explains, but important things make us feel effective." (Common Ground Distributing, P.O. Box 1128, Red Lodge, MT 59068-1128; 888/446-2801; \$10.95; 75 pgs)

INTERPERSONAL COMMUNICATION MOST IMPORTANT MANAGEMENT SKILL

So say 78% of HR directors at Fortune 1000 companies, in a survey by O'Connor Kenny Partners (29% response rate with a cross section of all industries & regions). It's also the area where most time is spent training managers.

- "This research looks at how much org'ns are doing to ensure their mgrs have good com'n skills," Christine Luporter, com'ns dir, told [pr](mailto:pr@prpublishing.com).

Remaining top 10 com'n skills:

- | | |
|-------------------------------------|------------------------------|
| 2. Listening (74%) | 6. Advising (51%) |
| 3. Persuasion/Motivation (63%) | 7. Interviewing (48%) |
| 4. Presentation Skills (57%) | 8. Conflict Management (47%) |
| 5. Small Group Communications (52%) | 9. Writing (43%) |
| | 10. Reading (24%) |

PR'S TRAINING ROLE VITAL

To help managers understand their role as communicators, & pr professionals their role as trainers, Luporter offers these tips:

1. **Personalize the message.** Requires translating the message that comes from leadership to managers so managers can pass it on to the front line in a form they will understand -- ie, What does this have to do with me? How will it affect my job? How will I know if I'm doing a good job? How will I know if anyone cares about the job I'm doing? If you don't answer the "I" related questions, no one will listen to what the company or dep't is trying to achieve because they will be thinking about how it affects them personally.
 - Leadership (exec committee, core vision body of the org'n) frequently fails to translate the message -- which leaves mgrs paralyzed because they don't have enough info to do it themselves. A mgr who's not 100% sure of the message isn't going to communicate it because the last thing he/she wants is to be asked questions by the frontline that can't be answered.
 - Tho the mgmt paradigm of the 50s that says "info is power" is supposedly out the door, there are a lot of mgrs who differentiate themselves from the frontline in terms of what they know. They don't want to be threatened by being asked questions they can't answer. Ultimately, **translating the message & thus empowering mgrs is public relations' role.**
2. **Level with employees.** Often we forget that employees run households, make investments, take care of children, all kinds of things outside the



organization. The idea they come to work & suddenly can't understand is foolish. Tell them exactly what's happening, why decisions are being made. 9 out of 10 times employees already know what's happening, but they don't understand *why*. That's where mgrs must feel comfortable & have enough info to level with employees.

- A roadblock here is leadership & mgrs saying they don't have all the answers or haven't made all the decisions yet. But that time never will come. Better to explain why you're making your decisions as they're being made than to wait & then make an announcement...after the grapevine has been churning & you've totally lost credibility.

3. **Engage employees in 2-way communication.** Mgrs are sometimes afraid to engage the people they're in front of. This reinforces the importance of com'n training. But mgrs can become defensive when told they need to learn to communicate better -- after all, everyone knows how to talk & write & communicate. Instead, approach it in a way that's helpful to the mgrs -- "if you can engage your workforce more, your productivity will go up, retention will go up, etc, etc." **Tie com'n improvements to bottomline improvements.**

4. **Leaders/mgrs need to assess where they are.** Frequently mgrs will send out messages but won't take the time to see if they're received & understood. They need to be trained to do this. And trained to be comfortable with the fact that if the message isn't getting across, it isn't their fault. It just means they have to send it again.

- Michael Hammer, in his reengineering books, wrote that a message must be sent 7 times to be understood. When employees hear the message for the 2nd & 3rd time they think, "Oh, I get it. You're repeating it so it must be important." But leaders & mgrs get impatient. They say, "Well I told them that already." They tend to be drivers -- "Here's the point. Now let's get on with the next point." They don't want to spend 9 days on point a, they want to be on point e.

5. **Communicate seriously.** Employees' lives & livelihoods depend on understanding where they fit within the organization. Be serious (not somber) about what you're communicating. This ties directly back to leveling with employees.

6. **Begin with the end in mind.** It's like planning a vacation. You don't get everyone into the car & start driving. They would drive you crazy asking where are we going? You first tell them where you're going & what that means to them (what they'll be doing, what to pack, etc). And if you change plans along the way, you explain why & what's happening while it's happening. Similarly, if you're trying to drive down costs in the org'n, you help your employees understand why & how to plug into that.

(More from Luporter at O'Connor Kenny Partners, 2670 Union Extended, Memphis 38112; 800/339-0515)

AUTHOR CLAIMS CUSTOMER SATISFACTION DOESN'T BUILD SALES

Contrary to numerous studies, customer satisfaction does not translate into higher sales, says Michael Lowenstein in *The Customer Loyalty Pyramid*. Examination of his thesis shows he's really only **changed the semantics** (to sell books, maybe?). He cites the following research, all subjective:

- 20 Baldrige award winners for quality programs indicated that while customer satisfaction had increased, customer retention remained almost unchanged, some even declining. (from US General Accounting Office)
- Top mgrs from 200+ of America's largest companies report 90% have an ongoing process for measuring & improving customer satisfaction scores; but fewer than 30% felt confident economic value had been realized as a consequence of higher scores. Only 2% showed increases in sales or profits. (Juran Institute)
- Among customers who had defected, between 65-85% were "satisfied" or "very satisfied" with their previous suppliers. (Bain & Company)

"Customer satisfaction is at best only a backward look at the transaction between supplier & customer.... That is why many companies are choosing the strategy of developing a relationship with their customers, a relationship based on a mutual history & shared stake in continued success." [As *pr pros* define it, *customer satisfaction has always been about building relationships -- not just individual transactions*]

CUSTOMER LOYALTY PYRAMID

Lowenstein developed a hypothesis that there is a hierarchy, or pyramid, of customer loyalty. Its building blocks come from a) cultural character, b) quality delivery processes & c) customer information systems within the supplier company. It has 3 stages or levels:

1. **Satisfaction-based (The Herd)** have: a) passive relationships with customers emphasizing bringing in new ones &, once on board, dealing with them in a largely reactive manner; b) traditional bureaucratic mgmt hierarchy rarely interfaces with customers; c) ineffective customer processes. [How could this **possibly** lead to customer satisfaction?]
2. **Performance-based (The Advanced)** take a proactive approach to customers & internal processes. Mgmt is still hierarchical but has formal processes for measuring performance & collecting/acting on complaints.
3. **Commitment-based (The Leaders)** are entirely customer-driven, proactively approaching customers as partners; strategically directed toward keeping customers, with attaining commitment & loyalty (of both staff & customers), a paramount objective. Mgmt style is horizontal, company focus is on continuous improvement. [This is how most would define *customer satisfaction*]

This focus on customer loyalty requires an infrastructure that supports 1) strategic & tactical delivery of value [*whatever that is*], 2) meaningful contact with customers -- the two things customers desire most. Book uses examples to show the methods required to focus on customer retention.