# The Customer by Any Other Name…is Still a Customer!

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**Resource Type:** Risk eNews

**Topic:** HR Risk and Employment Practices

During a recent trip I experienced an unfortunate series of unsatisfactory “customer service” events. In one instance the staff of a nonprofit told me that I did not need a nametag or other credentials to participate as a speaker at the organization’s conference. As I walked away I noticed a statement indicating that “nametags are required for admission to conference workshops” printed on my copy of the advance program materials. A few hours later I attempted to ask a question at the counter of a name-brand sandwich shop. The clerk interrupted me, waived his arm in the air and instructed me to walk down to the end of the counter in order to be served. He followed me down to the end of the counter. Once in the apparent designated spot for customer questions I indicated my desire to order a turkey sandwich. The clerk then told me to return to the place where I had originally sought his help in order to help myself to a sandwich in the warming oven. In both cases, my teenage daughter, intuitively sensing my frustration, advised me to “chill.”

These experiences contrast dramatically with conversations I’ve had with sales personnel who make cold calls to the Center. During recent months we’ve received a record number of calls from individuals eager to help the Center “save money” or “improve productivity.” None of these complete strangers seem in a rush to end our conversation and the calls always begin with a warm greeting and questions about my health and welfare.

In a recent edition of *The New Yorker*, writer James Surowieki explores what he terms the “roving eye” of companies that depend on their customers. In his article titled *Are You Being Served*, Surowieki observes that many companies spend more time and money *acquiring new customers* than *serving the ones they already have*. Surowieki, who is also the author of the fascinating book *“The Wisdom of Crowds,”* refers to the practice of emphasizing customer acquisition (at the expense of existing customers) as the “efficient relationship paradox.” He explains that “It’s only once you’ve actually become a customer that companies put efficiency ahead of attention, with the result that a company’s current customers are often the ones who experience its worst service. Economically, this makes little sense; it’s more expensive to acquire a new customer that to hold on to an old one, and, these days, annoyed customers are quick to take their business elsewhere.”

Our “roving eye” and the efficient relationship paradox also occur in the employment relationship. The cost of recruiting and training a new employee ranges from a few thousand dollars to tens of thousands. And what does it cost to keep a valued employee? Arguably less. Yet many leaders miss the low-cost ways to keep morale high,

provide the support employees seek, and reduce turnover and its associated price tag. And sadly, some employers who work hard to persuade prospective employees that the nonprofit is “making a difference” treat long-term staff as indentured servants.

I’ve been working with a new client this week on the design of a series of webinars on human resources risk. As I think about the series and what I view as some of the “absolutes” and “musts” in managing HR risk, I’ve been reflecting on several underlying principles that help an organization live up to the promises made during the hiring process. Consider the following tips.

- **Treat employees as you wish to be treated.** The “Golden Rule” is the essence of good human resources management, effective volunteer management, and sound customer service. Before responding in anger or frustration reflect on how you would feel in a similar circumstance.
- **Train your customer service and supervisory staff to focus on the customer or employee’s request** instead of offering a rapid-fire recitation of the organization’s “rules.” Reward staff who demonstrate effective listening and creative problem-solving skills versus those who have the rule book memorized and are happy to prove it.
- **Try to see every employee (or customer) as a potential source for the next “great idea.”** While it’s arguably impossible to predict exactly where the next great idea will come from, the diverse perspectives of your employees and customers are fertile ground for ideas to propel your mission forward.

Every nonprofit leader faces difficult choices when it comes to allocating financial resources. Investments in serving existing clients, consumers, customers, and supporting valued employees and volunteers represent a wise investment in the long-term health and reputation of your organization.

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