

The Value of Complaints

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While no organization wants to hear, particularly from its customers, that its products or services aren't up-to-par, remember this going forward - a complaint isn't simply a negative event; it's an opportunity for an organization to identify and develop those areas of their business that need improvement. From this perspective, a complaint just may be one of the most valuable things that your customers can actually do for you.

It's not unusual for organizations to pay large sums of money to outside consultants, for advice and guidance in determining where their business is failing. While there are countless approaches, methodologies and programs designed to promote such improvement, most have a tendency to gravitate inwards, focusing on internal issues such as the processes involved and their level of efficiency, while underperforming in terms of positively affecting outcomes. Paradoxically, from a customer perspective, it's only the outcome that really matters. How the end result is achieved isn't a concern to them.

In contrast to the above, customer feedback, however negative it may be, is free of charge and relates directly to the primary concern of the customer – the outcome. It relates to their degree of customer satisfaction. I'll save my full commentary on this subject for a later article, but needless to say, a satisfied customer is a happy customer, a happy customer is a repeat customer, and a delighted customer is a rich vein for referrals to be mined in the acquisition of new business. While process efficiency is important, it won't be for long if you don't have any customers.

When a customer complains, what they're telling you is that there has been a departure from their requirements; they aren't happy with the products or services provided by your organization. The fact that your customer is communicating this to you, rather than seeking a new supplier, indicates that the customer is interested in continuing their relationship with you, pending resolution of the issues identified. This is surely better than the customer who quietly walks away and simply "spreads the word" that your products and/or services are substandard.

Best-in-class organizations have realized that complaints form an essential part of their relationship with their customers and understand the importance of this information in the improvement of their products and/or services. They understand that, for the complaint process to be effective there must be a "loop" – a process of communicating-receiving-action. If there is no action when a complaint is received, then the communication you share with your customer is ultimately ineffective. Many organizations have found that by successfully working through an issue with a customer, they can actually grow and nurture their relationship, as such collaboration and partnership leads to greater levels of shared trust and the fulfillment of mutual goals.

I've always been amazed at how lesser-performing organizations fail to realize the true importance of customer complaints. I've seen organizations refuse to respond to complaints, rather insisting that the customer has expectations that are out-of-line, unreasonable, and/or impractical. Even worse, I've seen complaints ignored because the size of the account doesn't justify the time or action required to address the issue. Sure, it's up to the discretion of the organization on how to deal with complaints, but remember it's also up to the customer to



determine who to do business with. Customers are looking for suppliers that are responsive to their unique needs and situation. If you're not actively working to address the needs and concerns of your customers, then you can be assured that your customer is actively looking for an alternative supplier.

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