

Operation Excellence

October 30, 2012



Fair warning ... I don't always write about Theory of Constraints, Lean and Six Sigma (TLS). My prior newsletters are now posted on www.jpcovington.com and they cover a wide variety of topics. This newsletter covers a topic that is not directly related to TLS, but I would still argue that it is related to improving organizations... obviously a stated goal of "Operation Excellence". As regular readers of this newsletter know, I frequently give credit and "pass on" to my readers ideas of others that I feel deserve merit. In the past I have summarized comments from Bill Waddell, Pat McDonnell, and others. Again, today's column is another example.

How well do you know your customers? The Mackay 66.

I started reading books written by Harvey Mackay back in the late 1980s. His first book "Swim with the Sharks without Being Eaten Alive", was on the New York Times best sellers list for over a year. Talk about a promoter! "Swim" has testimonials written in the first few pages by Ted Koppel, Gloria Steinem, President Gerald R. Ford, Coach Lou Holtz, Robert Redford, Donald Rumsfeld, Charles Schwab, and others! As I write this newsletter and glance over at my bookshelf, I see at least 2 titles written by him. In one of his early books ("Swim"), he stressed the point about "how well do you know your customer?" The thesis was that selling depended on trust and trust depended on relationship and you needed to develop a strong relationship with your customers to have a competitive edge. Sounds right!

Some would argue that is not as true as it might have been at one time ... you can buy and sell on-line and never know the person on the other end of the transaction... Ebay and Amazon like models are everywhere. I beg to differ. I believe that for selling and purchasing, both commodity and non-commodity items, that service and trust have never been more important. As an example, my wife specifically waits until we visit Florida to purchase items that are readily available closer to our home (Beloit, WI) or over the internet. She values the trust and the relationship that she has developed with a couple of outstanding sales associates at a couple of stores in Florida. Even if she hasn't seen them for a year or so, they immediately recognize her and greet her by name. They frequently communicate via email. That level of service and trust is pretty darn good.

Harvey's company manufactures envelopes. Talk about something hard to differentiate... it doesn't get any more "commodity" than that! Harvey has developed several "Checklists". One of my favorites is his "66-Question Customer Profile". For every client of his firm there is a file on each of the key decision makers. This

has 66 questions. You can see and print a copy off of his website www.harveymackay.com. It is listed under "Tools" and the button is "Mackay 66".

I have one client that has a very defined niche in a very specific service industry. The company is totally dependent upon the quality of service that their professionals provide to their clients. At the end of November, they are adding to their professional staff. Each member of the professional staff interfaces numerous times with 10 to 20 clients each month. In speaking with the President of this company about the new hire... I recalled "The Mackay 66". I won't duplicate it here as you can get it at their website, but I will summarize it:

The Mackay 66.

Questions 1 thru 6: Name, Address (both company and home), Birth date and place, hometown, height and estimated weight.

Not important you say? ... It is nice to receive a birthday card or even email... nicer to receive one at home. Ever give away a T-Shirt or jacket, or size dependent item to a very important customer? ... it helps if you can gage their size.

Questions 7 thru 12: Education, extracurricular college activities, military service.

Not important you say? ... For me, many folks know that I attended (and graduated from) Purdue... fellow Big Ten Alumni are always welcome to exchange jibes about that. I also am a proud Republican, but sensitive to others that may not be as informed (just joking). These items are important to either INCLUDE or EXCLUDE based on their sensitivity.

Questions 13 thru 19: Family, Spouse, Children, Children's interests and problems.

Not important you say? ...One of the best salesmen that I ever worked with told me a piece of advice that I've never forgotten. "Jim, if you really want to do something nice for a person... do something that benefits their child." He was so right.

Questions 20 thru 33: Business background.

Not important you say? ...This past week I discovered that one of the very wonderful members of a couple of LinkedIn groups that I belong to, worked a number of years ago for a company that, at that time, was one of my largest customers. That particular customer firm was really messed up... but my new contact and I had a very enlightening exchange about the problems that he was dealing with and how those problems ultimately caused him to leave the firm. If I didn't know how he felt, our private communications could have had some real "land mines".

Questions 34 thru 39: Special Interests.

Not important you say? ...As a pilot, I always like learning that an associate is a fellow pilot. We can exchange stories and build a trust that is unparalleled. Shared interests: education, politics, charitable organizations, religion, etc., are subjects that you can either build trust on or wisely avoid.

Questions 40 thru 57: Lifestyle.

Not important you say? ... Print out The Mackay 66... it is a real eye-opener.

Questions 58 thru 66: The Customer and You.

Not important you say? ...The most interesting question of this group is question 66: "Does your competitor have better answers to the above questions than you do?"

Now back in 1988, Harvey claimed that this tool enabled his sales force to earn more than 2x the average for his industry. Probably true.

I've used this tool. I've managed sales forces where I mandated that my sales people use this tool. It works. It may contain sensitive data and you do have a very important responsibility to safeguard it properly.

But the main point to me is that whatever we do, we deal with people. The above tool doesn't just apply to customers. You can't buy trust, but you can develop it. If you develop (and maintain) trust, it will serve you a lifetime with that other person.

I advised my client to print out the list and challenge her professional staff to develop this level of knowledge about their clients. BTW, in this instance, based on a long history, I have a pretty good level of knowledge about this client (as this client does me) – and we trust each other at a very high level. Can you say the same about your clients and the other key persons in your life?

If you are having concerns about your organization's current results, or your intuition is causing you to have thoughts about your organization's potential results, please give us a call. We can help you with the process.

"Profound knowledge must come from outside the system – and it must be invited in."

--W. Edwards Deming

All the best!

Jim Covington