

Financial training For non financial staff



The financial training specialists

Waste time, waste money (profit)

This story is about the same client I wrote about last week. He prides himself on his customer service. That's good – excellent customer service is vital if we are to succeed, but what exactly did he mean?

The problem is, his view of customer service is always saying yes.

Every day his production manager has the production schedule for the day planned, until a customer rings up. "It's a rush job, can you squeeze me in?"

"Yes," says the MD, and the production plan has gone out of the window.

Worse, the customer asks "Can I pick it up at midday?"

"Yes, we'll have it ready, send your lorry round."

This conversation is then repeated with the next customer who rings up, so by midday the factory floor is a disaster. Half-finished jobs are stacked everywhere, then have to be moved again to make space for something else.

The customer's lorry that arrives at midday is finally loaded in the middle of the afternoon, having sat around for a couple of hours. The company's own delivery van has spent all day sat outside doing nothing. Staff waste moving jobs from one place to another on the factory floor. The production manager wastes hours every day doing his job and having it turned upside down by the MD's decisions. Customers don't bother planning as they know they can ring up on the day...

The MD hasn't worked out the cost of all this wasted time, but I suspect it exceeds his profit!