



Bulletin

Listening to Our Customers

To succeed in this industry, we all require feedback from our customers in order to change and/or improve. The objective is to get those customers talking. We have outlined a diverse list that will give us that opportunity. When we ascertain what our customers expect, we can attempt to meet those expectations. COMMUNICATION plus ACTION equals SATISFACTION.

INTRODUCTION

This bulletin is the result of a "Customer Service Survey" sent to the MCAA membership by the 1999 Management Methods Committee. The reply received most frequently in the survey was that "meeting the customers expectations" was the most important factor in customer satisfaction. This reply was the "bridge" which led to the development of the "Listening To Our Customers" bulletin.

A successful mechanical contracting company constantly seeks ways to enhance business operations by encouraging honest feedback from customers. Whether it is with a follow-up survey, telephone call, personal visit or post-job review, the best way to increase efficiency and profitability, and to demonstrate added value, is by *"listening to our customers"*.

Customer expectations and satisfaction are important factors in the success, or failure, of any business. This bulletin will identify four different categories of customers -- Service, Design-Build, Industrial, and Bid/Plan & Spec -- and suggest ways to improve communications with each group. The bulletin identifies

the customer, addresses suggested approach strategies, specifies tools to increase marketability and offers ways to assess customer satisfaction after the project. An important reminder to all contractors is that they should not conduct a customer satisfaction survey unless they are prepared to take action on the results.

THE SERVICE CUSTOMER

The mechanical contractor that wants to expand into the service market must develop a service plan that suits not only their own needs, but also more importantly, one that satisfies the needs of their customers.

For the traditional "tools and materials" service work, the standard methods of marketing (i.e. Yellow Pages, is completed. newspapers, flyers, radio, etc.) can get one into the business. To retain customers and successfully enter into longer term service and preventative maintenance contracts, a personal relationship with your customers must be cultivated along with implementing methods of continuous communication and feedback (i.e., follow-up surveys, phone calls, personal visits, etc.).

To be a truly successful service contractor in the future you must become a valuable resource for your customer and meet their expectations...*expectations defined by them.*

Who is a Service Customer?

- Government agencies
- Industrial customers
- Health care providers
- Commercial customers
- Retail customers
- Consulting engineers and architects

Approach to Service Customers

- Provide a diversified group of technicians fully equipped to handle a wide variety of applications.
- Ability to provide service 24 hours a day, 7 days a week.
- Provide adequate support infrastructure including administrative, sales and engineering personnel.
- Computer systems for monitoring client systems and service management programs for dispatching, invoicing, preventative maintenance programs, etc.
- Obtain necessary licenses, bonding and insurance.

Tools for Marketability

- Timely response to service requests.
- Competent technicians.
- Diagnose and solve problems.
- A wide variety of services offered (Total Systems Responsibility)
- Design/build services.
- Flexibility in adapting to customer's business policies and procedures as they pertain to budgeting quoted projects, T & M work, etc.
- Solicitation of prospective customers through cold calling, employee and customer referrals, account development of existing construction customers.

- On new design build or plan/spec projects have service group handle the equipment start-up and/or building commissioning.
- Introduce your marketing group to the owners.

Suggested Questions to Get Your Customer Talking

- Was our dispatcher courteous and helpful?
- Was your billing accurate and timely?
- Was your problem(s) communicated properly to our technician?
- Was our Account Executive courteous and professional?
- Was the knowledge and skill of our salesperson up to your expectations?
- Did the sales staff offer professional advice?
- Were our quotes delivered in a timely fashion?
- Was the attitude/helpfulness of our salesperson professional?
- Was the skill level of our technicians professional and up to your expectations?
- Was the attitude of our technicians professional?
- Was the job conducted in a clean and efficient manner?
- Did the technician work in a safe manner in relation to himself and others?
- Was the communication of any findings and recommendations clearly explained?
- Did we respond to your needs in a timely fashion?
- Was the cost of service comparable to your perceived value?
- Did we meet your overall expectations?
- And, always be open to additional comments by the customer.

THE DESIGN-BUILD CUSTOMER

The mechanical contractor who is either trying to expand into the Design/Build market, or to strengthen his involvement in this market, will have the most success when he can develop a personal relationship with his customers. This requires personal contact, relationship building (and trust) and follow through after performance to be successful. The points and questions that follow are tools to utilize during this process. The more long term thinking that is applied to solving your customers' needs, the more successful you will be.

Who is a Design-Build Customer?

- Public or private owners
- General contractors
- Owners

Approach to Design-Build Customers

- When trying to learn more about a design-build customer, the best method is with a personal interview.
- The design-build approach to construction is best applied when a contractor can develop a relationship of trust between himself and the contractor.
- When a trusting relationship is developed, the design-build contractor can focus on the customer and his needs and not spend a great deal of time "selling" the process.

Tools for Marketability

- Ability to perform project mechanical design.
- Ability to responsibly subcontract a projects mechanical design.
- Ability to responsibly project budget and work with project mechanical consultant to assure design to assure design stays in budget (design/assist).

Suggested Questions to Get Your Customer Talking

- What was your assessment of the value received on the project?
- Did the project meet your expectations?
- Were you able to use the facility when we promised it would be ready?
- Did you receive a quality project?
- Are there any problems that have developed after you began using the facility?
- If another similar project were to come about would you use our company?
- Would you recommend us to another company starting this process?
- Do you feel that this process delivered the project earlier and at a reasonable cost as compared to the conventional design, bid and build process?
- And, always be open to additional comments by the customer.

THE INDUSTRIAL CUSTOMER

The mechanical contractor performing industrial work must be dedicated to the 24-hour needs of an industrial plant. The company needs to be capable of assisting the client in solving problems and flexible enough to work with several plant engineers at the same time. Being a "total system responsibility" contractor will be a great asset.

The greatest successes are achieved through the development of personal relationships. This requires personal contact, relationship-building (and trust) and follow-through after performance. The more long-term thinking that is applied to meeting the industrial customer needs, the more successful you will be. The following points and questions are tools to use in developing the industrial market.

Who is an Industrial Customer?

- Manufacturing firms
- Research laboratories
- Government agencies
- Water treatment plants
- Utilities
- Petrochemical plants

Approach to Industrial Customers

- Most industrial plants work 365 days a year. Contractors servicing these plants must be committed to their shifts and schedule.
- Must be available when the customer calls and have people that can respond nights, weekends and holidays.
- Have a list of suppliers where you parts can be found on an emergency basis.
- Must have adequate insurance coverage.
- Must be able to offer assistance in design and layout of piping and HVAC systems.
 - 1) Engineering
 - 2) CAD drawing
 - 3) Specifications
- Must be able to work effectively, efficiently and safely without impeding plant production.

Tools for Marketability

- Most industrial plants will not allow a company to work in the facility if the experience modification rate is over 1.0. Also, the total OSHA recordable frequency rate needs to be 7.0 or less.
- Customers look for safety programs that include:
 - 1) Weekly toolbox talks
 - 2) Investigation of all accidents
 - 3) An in-house drug testing program

Suggested Questions to Get Your Customer Talking

- Did we respond promptly to your needs?
- Was our safety program carried out to your satisfaction and did we follow all of your safety rules?
- Was the attitude of our employees professional?
- Did our employees communicate clearly?
- Can we negotiate your next project?
- And, always be open to additional comments by the customer.

THE BID / PLAN & SPEC CUSTOMER

The mechanical contractor who bids on plan and spec work is in a unique market. The owner/user may have little or no choice about from whom they procure their construction services. The most common exceptions are eliminating:

- 1) bidders who have failed to meet the qualifications of the bid applications; and,
- 2) contractors who have failed to perform for the specific owner on previous projects. The greatest success will be achieved through an in-house process that confirms that all the owner's prerequisites are met.

Who is a Bid/Plan & Spec Customer?

- Government agencies
- Engineering firms
- Architecture firms
- Private sector
- General contractor/construction manager

Approach to Bid/Plan & Spec Customers

- Usually the government agency must take the low bidder.

- Bids are due at a very specific date and time.
- Negotiations are rarely entered into.
- Projects out for bid are normally advertised.

Tools for Marketability

- Pre-qualification must be up to date with any public agency that has this requirement.
- Licenses must be current with any public agency that has this requirement.
- Review trade publications that identify jobs out for bid (i.e., F.W. Dodge Reports).
- Contact engineers about upcoming projects and be sure to be put on bidders list.
- Contact Owner / Architect / Engineer immediately upon knowledge that you are a low bidder. Provide decision-maker with documentation showing you are qualified.
- Meet any specific public agency requirements.
 - 1) Insurance modification rates
 - 2) Insurance limits and meeting specific government insurance specifications
 - 3) Bonding
 - 4) MBE/WBE participation
 - 5) Affirmative action

Suggested Questions to Get Your Customer Talking

- Were submittals timely and accurate?
- Did the construction schedule meet the contract requirements?
- Did our supervisory personnel perform adequately?
- Did we adequately supervise our subcontractors?
- Did we comply with your construction site safety regulations?
- Did we exhibit integrity and business ethics?
- Did we comply with all applicable labor relations' requirements?
- Was the attitude of our employees professional?
- Was the job conducted in a clean and efficient manner?
- Was our safety program carried out to your satisfaction and did we follow all of your safety rules?
- Was the communication of any findings and recommendations clearly explained?
- Did we respond to your needs in a timely fashion?
- How would you rate our overall performance?
- Can we negotiate your next job?
- And, always be open to additional comments by the customer.