

The Laws of Service Businesses

By D. Daryl Wyckoff and David H. Maister

Professor Daryl Wyckoff was one of my mentors at the Harvard Business School, and we coauthored three books together. Before his untimely passing in 1985, he and I planned to write a book called "The Laws of Service."

Together, we compiled the following epigrams. Not all of them were original to us, since many were derived from case studies in the School's Service Management course, which we taught along with (at various times) Professors W. Earl Sasser (who originated the course), James L. Heskett and Robert H. Hayes.

I recently rediscovered our preliminary listing, and wanted to post it here in memory of Daryl, a wonderful teacher and a profoundly good person.

1. Products are consumed: services are experienced.
2. It ain't what you do, it's the way that you do it: that's what gets results.
3. If it's done in the back room, it's a product: If it's done in the front room it's a service.
4. People don't care how much you know until they know how much you care.
5. Satisfaction = perception minus expectation.
6. Every customer interaction is a mini-play, with roles and a script:

Some improvisation and ad-libs are allowed, but only the best actors can pull them off.

7. When there's a problem, separate the complainer from the complaint: They both need handling.
8. Service the client/customer as well as the assignment.
9. Pick one or two dimensions of service and do those better than anyone else and you'll have a natural market of those who agree that the dimensions you chose are the most important ones.
10. Your best efforts to raise service level should be at the beginning of the service encounter: Create a halo effect. "Start as you mean to continue." First impressions count.
11. Anything can be standardized, and there's usually a big market for it. McDonald's makes more money than the finest restaurant.
12. In the backroom you measure: In the front room you judge (and you have to be there to do it).
13. There is a triangle formed between the firm, the service provider on the front line, and the customer. The bond between the customer and the service

- provider is the strongest: the other two links need constant management attention.
14. Quality (and "good service") is in the eye of the beholder: Not everybody defines it the same way.
 15. The most difficult part of management is getting the relevant information: Processing it to arrive at a good decision is relatively trivial.
 16. Talk in the customer's language, not yours. Both the engineer and the gentleman want to know what the garage did, but they speak different languages.
 17. Never underestimate the symbolic significance of anything. When the customers can see the hamburgers being cooked, it says more about quality than anything you can say.
 18. In a service, the front-line personnel are simultaneously salespeople, production workers, management decision makers and part of the product.
 19. Familiarity breeds boredom.
 20. What do customers want? Don't guess: Ask them. The act of asking is part of the service ("we care").
 21. There are two ways to satisfy customers: Give them what they want or make them want what you give.
 22. The customer has a role in the service "Mini-Play": Does s/he know her/his lines?
 23. Fill in the idle time (Keep the customer occupied).
 24. In services, quality control = personnel selection, motivation.
 25. Make the intangible tangible (the strip across the toilet bowl).
 26. he server can be "paid" (in part) in psychic rewards by the customer.
 27. Memories of poor service last longer than memories of good service: Only the exceptions are remembered.
 28. Service managers must be player/coaches, not policemen.
 29. Service ethics: Do you market the objective benefits or the psychological?
 30. Most services, one way or another, are "hassle-absorbers". Absorb hassle for the customers and they'll pay through the nose.
 31. Front-room workers tend to be higher status than backroom workers. This has got to be managed against. Everyone's important: Or at least they must believe it.
 32. The best way to monitor service performance is to be a customer.
 33. In the best services, the providers are indistinguishable from the customers: The same beliefs, tastes, attitudes. Empathy is all.
 34. What you see is what you get. Individual service providers are integral parts of the total service experience. Thus, the service is judged not only by the competence of the service employee but also by his/her physical attributes.

- Careful personnel selection can be used to help differentiate the service, reassure the customer, or demonstrate the results of the process.
35. In the mood. The reason for the purchase of a given service must be considered in designing an optimal operating system because the emotional aspects of the service delivery system must fit with the emotional orientation of the customer. For example, travel agents must respond to the enthusiasm and trepidation of the vacation traveler, while bank tellers must project efficiency.
 36. Accidents will happen. Since it is often either impossible or prohibitively expensive to eliminate errors, the service firm must be able to deftly handle the impact of the infrequent mistake.
 37. A smile is cheap to provide. (Impact on service perceptions is great: Manage for service personnel morale.)
 38. In a service, there's nothing more important than time.
 39. In any service, there are four groups: the sick (who really need you but can be hard to help), the early sick (who you can usually help), the worried well, (who don't really need you but want to hire you) and the well (who don't need you).
 40. The minute you think you know how it works, you're dead.
 41. Remember: The lowest person in the firm is the often the one talking to the customer.
 42. In multi-site businesses, you must ask not only how headquarters controls branches, but also how headquarters adds value to branches. What's the benefit of belonging to the network?
 43. A critical service firm risk factor: Burnout of front-line people: monitor it, and allow for it.
 44. How our people deal with customers will be influenced greatly by how we deal with them.
 45. Don't underestimate the value (in the minds of employees or customers) of a nicely turned phase: Make it memorable!
 46. What counts with regard to customization is not what customer sees, but what we have to go through. There are lots of ways to produce a customized service with routine activities. The way to make money is to get the customer to pay a customized price for standardized activities.
 47. The essence of the good service manager: Find romance and excitement in the ordinary.
 48. Service manager as producer, director of the "Mini-Play": You can design the set, rehearse the actors, rewrite the script: But your employees will give the performance.
 49. Senior management fosters a commitment to service by exemplary personal behavior, and engaging in dramatic service gestures.
 50. The need for skill building and team building is continuous.

51. An eternal task: internal marketing of the firm to its employees.
52. Measure frequently - judge infrequently.
53. In customized, front room work, manage the objectives, not the procedures.
54. Managing the culture is the main operating lever in services management.
55. When you're the boss, it's hard to get employees to give you the truth.
56. The best philosophy to communicate: "No-one will be punished for making a mistake. No-one will be forgiven for failing to learn from their mistakes".
57. The urgent drives out the important (if you let it).
58. "A person doesn't build a business. A person builds an organization which builds a business."
59. If the employees don't believe it, neither will the customers.
60. The customer is not always right, but you have to act that way.



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Prior to launching his (solo but global) consulting practice in 1985, he served as a professor at the Harvard Business School.

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