
The Business of Calibration: The Role of Marketing & Customer Service

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The calibration laboratory is increasingly viewed as a business operation. In-house labs are called on to justify their expenses relative to the cost of a commercial lab. Commercial laboratories are under pressure to lower cost and improve service. Outsourcing, the process of acquiring a service from outside the organization that was formerly provided by in-house staff, is all the rage. Whether you work in a commercial lab or in a dedicated in-house facility your organization will be looked at more and more from a business point of view. One of the first items that have to be addressed is the role that Marketing and Customer Service play in the operation. This article explores the essential, and often overlooked, role that Marketing and Customer Service play for any lab. In addition we'll provide some tips on useful directions that your lab might consider.

The Role of Marketing

Most people think marketing is concerned exclusively with advertising and packaging products. This is actually a narrow segment of marketing work that becomes especially crucial in the marketing of consumer goods and brands. The prominence of consumer advertising in our everyday world leaves us with the impression that marketing is advertising and vice versa. The truth is that marketing is about the management of the relationship between an organization and the clients, or markets, it serves. It is concerned with the decision to be in or out of a market: to serve one set of clients but not another. It is concerned with how the organization will participate in the markets it chooses to serve. The goal of the marketer is to establish as large as possible a base of loyal customers. This is a much broader role than simply advertising. Marketing plays a critical role in the survival and development of any organization. This role begins with the development of the marketing strategy, a statement of which "target markets" the firm will focus on and how it will attract (and keep!) customers.

The marketing strategy is at the core of the marketing function. It represents the decision of the organization as to which "markets" it will participate in. Often as not this "marketing" decision is not made in a marketing department. When a lab purchases a piece of equipment to extend their capability they are making a de-facto decision about the market they will serve. Purchasing a gage block comparator is a commitment to be in the gage block market. Unfortunately, this decision may not take

into account the extent of competition in the new area or whether there is sufficient volume to justify purchase of the equipment. An important question that needs to be answered is how new clients will be made aware of the capability; how it will be promoted. Will they be new clients or are they currently clients of ours already? Lastly, and often critical to commercial labs: what is our competitive advantage in this market? When these issues are addressed in a well thought out marketing strategy then appropriate marketing programs can be created to take the capability to market.

Marketing Programs

Marketing programs are where the rubber meets the road in marketing. These are the actions organizations take to attract and keep clients. The most common and the most expensive type of program is "face-to-face selling" or outside sales as it is often called. Many organizations bypass marketing altogether and simply hire salespeople with instructions to find new customers. Usually this produces gets mixed results, especially when salespersons are left to their own devices with little support and direction.

Marketing programs are rich in variety. The marketer has many tools that can be used, especially in concert, to promote services and make them available for sale. Table 1 shows just a few of the tools that a calibration lab might consider. Using these tools wisely requires an integrated approach: they must work together in a marketing system. The tools must complement each other and deliver a

consistent message to clients and employees alike. Different tools are used for different customers at different times.

The Marketer's Toolbox

Outside Sales	Seminars
Inside Sales	Direct Mail
Advertising	Telemarketing
Internet programs	E-mail marketing
Agency programs	Executive contact
Newsletters	Discounts
Networking	Publicity
Trade Shows	Loyalty programs

Table 1

An easy place to begin in developing programs is to consider the customer at different stages in their evolution. A simple model of client behavior considers Prospects, Trial Buyers and Customers. *Prospects* have never tried the service and may not even be aware of it. *Trial buyers* are considering or have just made their first purchase. *Customers* have used the service repeatedly. What tools will you use to entice Prospects to become Trial Buyers? How will you convert Trial Buyers into Customers? Consider the sixteen tools in Table 1 and the role they might play in these different stages. An advertisement in a trade journal might be aimed at prospects to make them aware of the service. Even better though is if the advertisement is designed to turn them into Trial Buyers. It is left to the reader to consider what enticement might be offered in the ad to do this.

Before we move on to consider the role that Customer Service plays, we can get a bird's eye view of the role of Marketing in the Calibration Laboratory in Figure 1. The role of marketing is to manage and direct the overall relationship with clients. The goal of the marketer is to establish a large and growing base of loyal customers. A sound marketing strategy forms the basic thinking that allows for the creation of marketing programs. Marketing programs must work together to attract and retain customers. They must present a consistent image of the

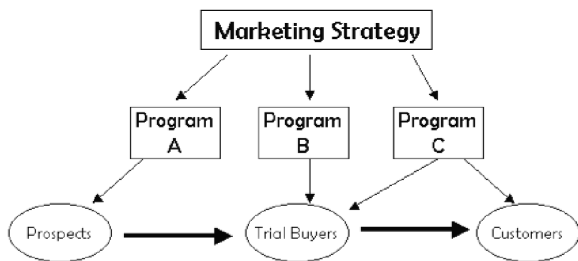


Figure 1. An overview of marketing.

lab. Use different programs for different types of customers.

The Role of Customer Service

Marketing will work to attract and retain customers as a whole, but it is the job of Customer Service to keep customers "one customer at a time." If we think of marketing as the escalator that takes customers from being Prospects to being Loyal Customers, it is the job of Customer Service to keep them from falling off on the way! Who's in the Customer Service Department? In a calibration lab it is everyone.

The calibration laboratory is not like a factory. It doesn't produce a product. It is more like a restaurant; it provides a service. And the calibration lab has many of the same issues that a restaurant has. Time is critical, and so is teamwork. The hallmark of a fine restaurant is a team of people working together seamlessly to provide an excellent dining experience. The same is true of a quality calibration lab. Everyone in the lab, from shipping to metrologists to service representatives must work together with one goal in mind: customer satisfaction. To most customers this means getting the service they expect when they expect it: Getting the equipment back on time with the right documentation, being kept informed if there are delays, or repairs are needed. The calibration lab must also strictly adhere to the quality and technical standards established for the laboratory while providing this high level of customer service. Balancing these needs is not always easy.

It may seem unusual, but one of the things that many calibration labs lack is measurement! Measurement of service calls, measurement of turnaround time and measurement of customer satisfaction. Measurement is key to a successful customer service operation. A good place to start is with routine customer satisfaction surveys that will provide meaningful data about clients' levels of satisfaction. This information takes on more meaning when the same study is repeated over time. Measurements can be compared to previous results, areas for improvement can be identified and goals can be established.

Improving customer service involves process engineering and teamwork. Expectations for levels of customer service (e.g. the way and speed with which telephone enquiries are handled) need to be clearly established. These policies and standards need to be documented and communicated to all employees. When everyone knows the ground rules and the goals then teamwork can happen. Teamwork needs to be fostered. It is possible to believe that "it's not my job" to such an extent that nothing gets done! Teamwork involves pitching in to help others out when your work is done. It is everyone working together to achieve a common

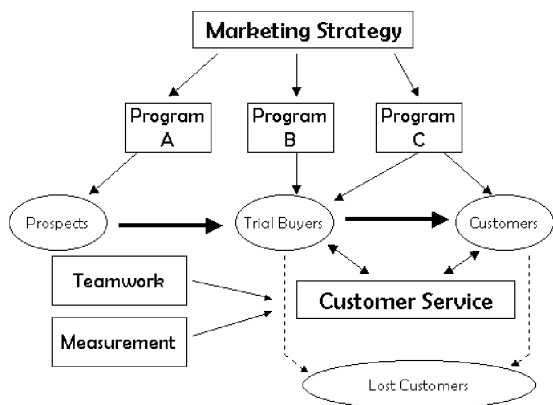


Figure 2. Marketing and customer service.

purpose: satisfied customers. Management can encourage this attitude through recognizing and rewarding it. Leading by example helps too.

The most important ingredient is attitude towards clients. With both an in-house facility and a commercial lab, the attitude must be that clients come first. It is very easy to put off returning calls because there are important technical issues to be dealt with. It is easy to say no to a client with a real need or urgent request because it will create extra work in the lab. Don't give in to this attitude. The organization that places a top priority on customer service will prevail in the long run.

In Figure 2 we can see how an effective Marketing function can work in concert with Customer Service to create an unbeatable system for getting and keeping satisfied clients. It begins with a strong marketing system designed to work continuously to attract and keep clients. It is backed up with customer service that is focused on satisfying customer needs, one at a time. This requires measurement of customer satisfaction indices and important performance metrics. Customer service must work together as a team and accept mutual responsibility for customer satisfaction. Every one in the organization must understand that satisfied clients are the reason that the organization exists.

Tips on Getting There

The above may seem simple enough but in practice it is much more difficult. Marketing programs can be ill conceived. The strategy can be sound but the implementation poor. Customer service issues may not be apparent. Any initiative has to be undertaken taking into account the culture, history and resources of the organization. Looking outside the organization, local

market conditions, opportunities and the competitive landscape need to be understood. One size doesn't fit all.

That said, the payback from investments in these areas is substantial. One organization increased revenues 400% over a two-year period. Your goals may be more modest. Substantial improvements in client satisfaction are possible in most laboratories, in many cases without increases in operating cost.

What follows are some tips we've learned that every calibration lab should consider:

1. Don't skip the marketing strategy. There is a natural tendency to focus on concrete action, to come up with a marketing program without any clear strategic direction. Often the objective is to "get new clients" or "bring more work into the lab." This is a mistake. Programs conceived in a vacuum are frequently a waste of money. Worse still, they discourage further efforts. They also tend to be "stand alone", the subject of the next tip.

2. Develop a systematic marketing approach. Marketing programs work best when they work as part of a system. There is no use in generating leads if you don't have the resources to follow up with them. Don't just place an ad. Ask the prospect to take some compelling action that will take them to the next step in your marketing system. Once they've tried your service, take systematic action to keep them as customers. Naturally, don't forget to follow up at every calibration interval.

3. Choose your ground; don't try to be all things to all clients. Unfortunately this problem is not limited to calibration laboratories. In the quest for growth it is possible to stretch into areas that are a poor fit with the organization's strengths and/or with market conditions. Choose the niche you want to occupy, both in terms of the product-market-segments you serve and (equally important) in terms of the image you will have in clients' minds.

4. Use the Internet wisely but don't rely on it solely. The power of customer interaction is in the marketing mix, the varieties of media you use to affect customer behaviour. Use the phone and direct mail in a fully integrated manner with an effective Internet program. Use e-mail. Use the Web wisely; your web page must be much more than a brochure.

5. Measure your marketing. Be sure to ask new customers where they heard about you. Keep ongoing statistics in this regard. The results might surprise you.

6. Communicate and reward existing clients. Don't lavish resources on new clients while taking existing clients for granted. At the risk of being trite, "A bird in the hand is worth two in the bush." Don't forget this simple truth. Communicate frequently with existing clients and not just at recall time. Use every opportunity to say, "We appreciate your business." Christmas is a good time.

7. Survey regularly but ask the right questions. Client surveys are prone to abuse and misinterpretation. Surveys are often directed to individuals who have nothing to do with receiving the service, e.g., the Purchasing Department. The questions on the survey need to reflect aspects of the service that are actionable by the laboratory. Ratings need to be scaled and measured identically over time so that meaningful comparisons can be made on a periodic basis. Vague questions create vague responses that succeed only in measuring overall client attitude, if anything. Don't carry out the survey with in-house staff.

8. Keep the whole team informed. Everyone in the organization must be involved in the development and implementation of marketing and customer service initiatives. Seek the input of everyone in the organization. Actively solicit their ideas and suggestions. Keep your whole team informed on your plans and progress. A successful calibration lab is a team effort.

The job of marketing is to choose which markets the lab will serve and then approach them with a system designed to develop loyal customers. Much of the work of marketing is developing and enhancing this marketing system. A marketing system is a series of programs that work together. It is a continuous process of trial and refinement. There is no use in bringing customers in the front door only to have them walk out the back door. An effective customer service program, that involves all employees, is necessary to ensure that marketing work is not in vain. Getting these two areas right will create a first class laboratory.

About the Author: Greg Powell is a Partner in The Signal Group, a consulting partnership dedicated to helping organizations make effective change. He is a recognized professional in the marketing and management of technology and services with over 18 years experience in executive management, marketing, sales and systems development. Mr. Powell works to help organizations improve the effectiveness of their marketing and customer service operations. Greg holds a Bachelor of Science degree in Chemistry and a Master's of Business Administration from the University of British Columbia. He is a graduate of the Harvard Business School program - Finance for Senior Executives and the Queen's School of Business Sales Management Program. This article arose out of work that Mr. Powell has done for several calibration laboratories. Greg can be reached at (604) 828-5706 or via email at gregpowell@zdnetwork.com.