



FIVE WAYS SERVICES MUST TRUMP PRODUCTS

Three Women Address the Unique Challenges Inherent in Providing Services

By Jill Terry

Although certain aspects of business ownership are universally difficult, service businesses face challenges not every entrepreneur is prepared to handle.

A widget sits in a customer's home or office and gets called upon to function on specific occasions. It's then put away until it's needed again. With services, however, that need is not only a more amorphous, even indefinable one, it is frequently not satisfied with the quick, utilitarian fix.

Entrepreneurs who sell services play by a different set of rules than those who sell products. If you provide a service, you need to know those rules to make your business thrive.

NETWORKING

Widgets are functional. Services are relational.

Everybody knows that networking is crucial, but there's a difference between selling something on a "per incident" basis versus selling something to meet an ongoing need. The dress boutique owner lets people know that when there's a special event that requires a fabulous dress, that dress can probably be found at her store. Need identified, need met. What about the accountant who can save you money on taxes and operating costs? She must inspire trust, have an impressive list of satisfied clients, and be able to communicate how her service can meet a need that may not even have been identified by her potential clients yet.

Sharon Snyder, owner of Bumblebee Fitness in San Francisco, designs fitness programs for plus-size women. For her, networking naturally flows from her enthusiasm about what she does for a living. "I make a point of talking about my business but not in the goal-oriented way so many people associate with 'networking.' Because my business is relationship-based, I focus on the relationship – the business follows."

A job well done is the best networking method, according to Evie Leder, who builds Web sites for small businesses. "Most of my new customers are referrals from my existing customers," she says. And referrals are the most effective form of advertising.

ADVERTISING

Widgets can be objectified but service providers must boast about themselves.

Few of us are comfortable telling the world how great we are. Product sellers can put the product out front and extol its virtues but those who sell services struggle to balance the person behind the service and the service itself.

Leder believes the growth of her business is directly related to the development of products within her service. "My 'Starter Package' is my first widget, aimed at small businesses that need a Web presence much like they need a brochure. The Starter Package includes what I've observed certain businesses need most. I'm able to offer a fixed price to meet those needs, so we're not reinventing the wheel each time."

Sage Vivant agrees. She operates Custom Erotica Source, an Internet-based company that creates customized fiction for individual clients. "What I write and how I write it varies widely, but the end result is quantifiable. I think people understand what they're getting more easily when it can be molded into something that resembles a product." Vivant's stories come in 500, 1500, 3000 and 5000 word lengths. "I could charge people by the word or by my time, but then there'd probably be quibbling about how long the story was taking or protracted discussion about how long it needed to be."

Vivant says advertising the stories is easier than advertising the service because the stories can be more directly linked to a specific need. And they help deflect attention away from her and onto a product.

QUALITY

Widgets must perform as promised. Service providers must perform at the whim of the client.

A company that sells a product must ensure that the product is free from defects and accomplishes the task it was designed to do. The service provider must live up to her advertising as well as satisfy whatever additional needs become apparent as the relationship grows.

For Leder, preserving quality is another opportunity for standardization. "If I standardize the more technical issues, it allows me to focus on the more emotional aspects of creating a Web presence for the client: how is it going to look, what will it say, and what impression does it give?" By quantifying the basics, other needs that lurk under the surface can be isolated and attacked more readily.

But can all services be "packaged" to make performance and quality easier to identify? Maybe not. What, then, can a service-based business do to ensure consistent quality and the continued satisfaction of its customers? The answer may lie in clarifying expectations.

EXPECTATIONS

Defective widgets can be replaced, but service providers simply get fired.

A product's value is defined by clear, quantifiable qualities. It gets purchased because the customer expects it to solve a certain problem, add some convenience, or perform a specific function. When a customer hires a service provider, those expectations may not be as clear or worse, they're obscured by competing needs or desires.

"Sometimes a client doesn't know what she wants," Snyder explains. "I encounter clients who hire me because they have been bullied into fitness by their doctors or their families. Figuring out expectations under these circumstances is a monumental challenge."

Leder notes a similar trend in her business. "Very often people call me and ask me how much a Web site costs. That's like asking how much a 30-second commercial would cost. Are we talking about a multi-million dollar Pepsi commercial or a cable ad for a local restaurant? They know they want a Web site, but beyond that, they aren't sure, so my job is to steer them in the right direction based on my experience."

Vivant's order form at Custom Erotica Source seeks to elicit core as well as ancillary client needs. "I find you can just never ask enough questions and yet, after a point, the client finds the process of answering those questions tedious. As a service-based business, you have to know how to read unexpressed signals and yet not make assumptions about what you think somebody wants."

Bottom line: you can't meet needs you don't know about. Follow-up tactics are an excellent way to keep abreast of changing expectations.

FOLLOW-UP

A contented widget owner doesn't need to hear from the creator of the product. A contented client doesn't exist without follow-up from the service provider.

Because client expectations are in a constant state of flux in the service realm, follow-up is essential. It assures you, the service provider, that you met expectations and also can be a useful indicator of future needs. Asking a client how things went and whether she's happy opens a dialogue that might not otherwise happen.

Vivant follows every story order with a customer satisfaction survey that not only inquires about specific parts of the order process but gives clients a chance to tell her about anything else they want to share. As a result, about 50% of her clients are repeat customers.

Because her service has longer-term goals, Snyder periodically checks in with current and former clients. "I want my clients to know I care about them and their progress

toward the goals they've set. Follow up is crucial – it's easier to keep a current client than to find a new one."

Try experimenting with your current approach to address these important issues unique to service-based businesses. In time, you may discover that what makes you more efficient is what satisfies the client most.