

## Upgrading Your Customer Service Experience

Lee Milteer Interviews Keith Lee

Transcript

### Lee Milteer

Hi everybody. It is Lee Milteer here and welcome to Millionaire Smarts. I am so delighted we have a very, very important guest for you today, Keith Lee, and I'm gonna tell you all about him. But the name of our program today, I'll give you a little bit of a hint, it's called Upgrading Your Customer Service Experience because things have gone crazy.

So, we have the wonderful Keith Lee, who has written two books, which you can find on Amazon—I looked at them this morning. One of them is called **Out Nordstrom Nordstroms: Creating the World's Best Customer Service**. And the other book you really need is **The Happy Customer Handbook: 59 Secrets to Creating Happy Customers Who Come Back Time and Time Again and Enthusiastically Tell Others About You**.

Now, if you don't know about Keith, Keith is really sort of a legend in our world. I've actually spoken at some of Keith's events and he's a phenomenal guy, just loaded with information. But he has used these secrets personally. He didn't just write about them. He actually is a living proof that they work. He grew his original business, which was called American Retail Supply, to sales of over 15 million.

Now, he recently sold that business for millions and millions of dollars. He's smiling at that. He also used these ideas to start and grow four other successful businesses that he owns today. So, Keith, I want to welcome you to Millionaire Smarts.

### Keith Lee

My pleasure. Good to see you, Lee.

### Lee Milteer

Great to see you, always. You and I talked just a hair before we started this live recording, but what I said to you was that I have really wanted to talk to you because, literally almost every day, friends, colleagues, business associates are always telling me how bad customer service is. Used to be bad. But now it's just unbelievably bad.

You know, since the COVID 19 thing and the shutdowns, people have just let this slip. And what I want us to do today is put a little fire under business owners that they need to really pay attention to customer service. My first question, of course, is, “What is your view of what has happened to customer service in the last few years?”

**Keith Lee**

Well, because I’m a customer service guru, if you will, I’ve been talking about it for decades now. I always thought it was pretty terrible anyhow, because they had pretty high expectations, but I couldn’t agree with you more. It’s since COVID and whatever, I have no idea whether it’s the people that were in business then and were able to stay in business, started taking people for granted or what the case may be.

I think all across the country you can’t find people that are willing to work for what you want to pay them. And so for whatever reason, I couldn’t agree with you more. Customer service is worse than ever.

**Lee Milteer**

Well, it’s almost like, Keith, that people have learned about auto responders. And yeah, you can’t even complain without having to first go to their website. There’s no 800 number or any kind of number to call. You have to go to the website. You have to fight your way through that. Then you have to send them an email explaining everything.

And maybe within 48 hours some auto responder will call you back and will get back to you. But the whole personal “we care about you” has just dropped through the bottom.

**Keith Lee**

Yeah, which is why the whole personal “we care about you” is so much more—what’s the right word—it works so much better now because, I mean, I’ll just give you an example. I had a reservation for a hotel. My granddaughter made it to state in gymnastics, so we’re going to watch her perform. And I had a reservation and I reserved two rooms.

And the reservation didn’t say two rooms. It just said a reservation. So I called them up and I wanted to confirm that it was for two rooms. I gave them my name and went on from there. And I was so pleasantly surprised because, ‘cuz number one, I got a real person at the hotel I was staying at.

So that’s number one. I was like, Oh my gosh. And then I gave them my name and gave them and then went on to explain what happened, gave them my reservation number, but I could tell that he actually listened well enough to get my name when I first gave it to him, put it in the

computer and by the time I was done asking my question, he had the answer without wasting one second and it blew me away.

I even wrote about it in my—I do weekly customer service videos for my members—and I even talked about it in there. Because you just don't get that anymore, which is why that's so much more impactful—that's the word I was looking for—than what it was even before.

**Lee Milteer**

Well, yes. If we don't stand out as somebody exceptional in our business, they'll just go somewhere else. And I think people's expectations are pretty low these days. Wouldn't you say?

**Keith Lee**

I think they're low, which is why that leads to another thing that might have been a question down the road, but I'm going to just do it right now. The expectations are so low right now that if you hire somebody and you tell them to use the golden rule in getting great customer service, they have no idea what that is.

They're not getting great customer service anywhere, especially if they're younger people they're not ever getting great customer service. So if you tell them, "Hey, treat people how you want to be treated when it comes to customer service," they have no idea what that means.

So they're just that means, "Oh, I'm expecting indifferent customer service, so that's what I'll do. I'll give them indifferent customer service," you know, that kind of customer service that says, "Well, I'm waiting on you, what more do you want? I don't I don't need to smile. I don't need to do anything else. I'm just getting you your product and getting that done."

One of the worst possible things you can do is just bring people in and that's the extent of customer service training in a lot of businesses. That's all they get is "Treat people how you want to be treated. Smile, say thank you," and that's it. And that's not only now, but that's always been the reason that most customer service is poor, because they're just not getting any details on what it means to give great customer service.

**Lee Milteer**

The other thing that's happening, and I'm sure you want to touch on this also is if you did have someone who you were working with, and two weeks go by, that person's gone. I think there must be this mass turnover that this is actual work that people have to do.

What do you think?

**Keith Lee**

Yeah, I couldn't agree more. There's a lot of jobs out there and not a lot of people right now. So, you know, "I don't like it here, I'll go somewhere else." Which gets into one of the basics of how basic it is to have a company culture that really gets people involved, that really gets them to connect with the job and connect with you and know that they're important. Now, that's part of customer service. How that connection happens and how they really feel a culture of being listened to, being appreciated, and having input and then giving that great customer service to the person that's in front of them.

In my businesses, all of them have three visions. And that's take care of the people in the company, take care of our customers, and be an honorable member of society. That's our three vision items. You're not going to find that very many mission statements, that they put "take care of the people *in the company*" before "take care of our customers." But the reason we want to take care of the people in the company—our team members—is that if we take care of them, they will almost automatically take care of our customers.

That is going to flow right through to the customer at the end.

**Lee Milteer**

I could not agree more.

**Keith Lee**

I thought so. I mean, how long have we been friends? Forever and same wavelength there.

**Lee Milteer**

And when I hire people, I always explain to them that, "I may look like your boss because I'm signing your check. But here's the truth. Our bosses are the people who buy our books and our courses and our coaching and everything. They are really our boss. And that, if you want to keep this job and really thrive in this job, you've got to absolutely love, love, love every person who calls." And I always say this, and you and I have discussed this before: Any time someone complains, I always say to my staff, "That is a gift to us to fix something we might not have known about. And so, let's thank them profusely." And after we talk to them on the phone and get them what they need, then we follow up and we follow up.

And often, sometimes it's like, if it's a missing book or something, we actually send them another free book of another kind because they had the inconvenience.

**Keith Lee**

And it's what I recommend is, is you thank complainers, and you reward them. The reward most often is simply fixing it, what happened, right away.

We had a customer, this is many years ago, like in the mid-nineties, we were just starting to sell point of sale computer systems for retailers. We supplied them with their bags or gift wrap, their boxes, their bows, their store fixtures, all of that kind of stuff.

But we were starting to do point of sale computer systems. So, they didn't look at us as tech people. So, we had this kind of, "Woo, do I really want to buy a computer system from people that aren't tech people?" So, what did we do? We gave them the best guarantee on the market by far: Use our system for a complete year, if you're not totally happy, we'll take it back. Now that took computer systems, software, hardware, everything. And no one would do that. I mean, no one on earth would do that. So, we sold a \$30,000 computer system, which was a ton of money for us back then—and to a customer up in Alaska—and after about a year, he says, "I want to return this.

It's really not doing everything we want it to do." Talked to the sales rep who dealt with him, and he says, "Gosh, I haven't even heard anything from him." And so long story short, I gave him his \$30,000 back. When I sold that business in 2015, that customer alone had bought over \$1,000,000 from us. We took care of him; we wowed him with that.

He bought over \$1,000,000 from us alone, Timberwolf Ventures in Juneau, Alaska. He had bought over \$1,000,000 alone. And then because the Southeast Alaska is so close knit with all of the retailers, he told everybody around how wonderful we were. Didn't necessarily tell 'em to buy a computer system from us, be he told them how wonderful we were. So, I mean, it comes back when you take care of people—gives you the opportunity to wow them so that they become even better clients and become, really, advocates of your business.

### **Lee Milteer**

And that is a fabulous story. I have a story. Everybody knows my husband, Clifton, and so Clifton is a big athlete and he bought Chuck Norris's Total Gym. And one of the advertisement's was, "If you wear it out, they'll give you a new one." Well, Cliff wore it out. I mean, he completely wore this thing out.

They sent him the whole shebang, all brand new. He wore the second one out.

### **Keith Lee**

Oh, my gosh.

### **Lee Milteer**

Like four or five years later. And they sent a second one. And then after that, they said, "We think we've really honored..."

**Keith Lee**

Yeah, yeah.

**Lee Milteer**

“... our responsibility. We hope you really loved this.” And I honest, I was so impressed that someone would do something like that. And of course, Cliff has lots of buddies. And what does he talk about? Total Gym. Yeah, he talks about it all the time. And so, when we wow people, people want to come back. So, I did have a question, why customer service is so important, and you have some stats that were from the Harvard Business Review that I thought were really good. So, if you want to share some of those, that would be great.

**Keith Lee**

Yeah. Bottom line, U.S. News and World Report did a survey and asked people why they leave one business and go to another and what they found out was that, overall, 82% of people leave one place and go to another place because of some customer service problem. It's not price or anything like that. A lot of them leave because there's an actual dispute that wasn't resolved. But a lot of them just leave because they're not tied to them. It's poor or indifferent customer service.

So, 82% leave because of poor customer service. Now, from the Harvard Business Review, I don't have the name of the professor there, but they did a study and they said because of the gross margin and net profit and that type of thing, if you can just keep 5% of your customers from leaving, you can increase your bottom line profits by 25 to 95%.

Okay? So, what are you going to do in order to make more money? Are you going to just advertise, bring more people in, put them out the back door, and lose your 15% every year? But if you have great customer service, you're not going to lose hardly anybody because of that. So now all of a sudden, it's easy for you to get a 5% retention versus losing 15%.

So, your profits will automatically go up from 25 to 95%. The other way to look at that is let's say that you want to have a 10% growth rate this year. Well, if you lose 15% of your customers and most of them are leaving because of customer service issues, now you have to have a 25% growth rate to get that 10% that you want.

So, if you can just keep your customers happy, now it's time to grow the business and add incrementally to that.

**Lee Milteer**

You know, Dan Kennedy is always talking to us about, how much it costs to get a new customer. So, talk about that.

**Keith Lee**

Yeah. Well, in most businesses, it's huge. I mean, we would in American Retail Supply when I was doing Google AdWords and that type of thing, we were we were willing to spend 3 to \$400 per customer to get them to buy something from us, to buy a \$20 item from us, that's all.

We wanted them in the door because we knew that once we got them in the door, our customer service was going to keep them. So now all of a sudden, as Dan says, if you can increase the lifetime value of your customer because you're not losing them, now, you can spend more on the front end getting them, which is why I crushed the competition back then, when it came to getting new customers, because we were willing to spend more because they stayed longer and spent—there were I mean, I bought 11 competitors out over the years that I had that business and none of them figured that out. And then so we would buy them out, get their customer list. Sometimes I bought them out because I wanted better buying power for the product that they sold more of than we did so I wanted the buying power, not just customers and whatever. But the bottom line is that we knew that we could keep more customers than they used to keep, and we could offer them new products that they didn't have before. And it made it easy for us to go in and take a look at this business—I think we went to one of them to see if they wanted to buy us. Other than that, ten of them came to us.

**Lee Milteer**

That's a great position to be in when people come to you and want to sell versus you having to go out and seek them because the price always goes up if you go out and do that.

**Keith Lee**

Yeah, even the one—he knew that if he ever got ready to sell to give me a call. And so that was the one that I won't say came to me, did finally come to me and say, "Hey, I'm ready to sell."

**Lee Milteer**

I would say the average business that is here with Millionaire Smarts is, there's a lot of us single entrepreneurs, obviously. And they probably are the customer service person. And speaking of that, I often—if there is a customer service problem, and my staff has dealt with it—that I will actually follow up.

And tell us how important you think that is, that the leader of the pack takes the time to either—and by the way, emails are great, and mail is great, but you know what I found is really great, that people are shocked about, is I call them.

**Keith Lee**

Yep, yep. Nothing more impactful than that. That follow up, that phone call that nobody gets anymore I think is huge. I do need to tell you that I wasn't great at that at the end of American Retail Supply but that would happen often.

And it would also happen often that they got a little treat from me and a personal letter from me that I did sign personally. Now, was it saved in the computer so I could then just adjust it a little bit for each mistake? Yeah, it was. But I think that's critically important. And if you can, move them up the ladder, if you're a bigger company moving up the ladder, maybe a middle manager person calls them and tells them thank you, or whatever the case may be.

### **Lee Milteer**

Yes. And that whole "Thank you." I mean, again, we are getting bombarded with crappy service every day that somebody who actually wants to listen and thanks us is really the secret. Yes?

### **Keith Lee**

Well, and it's huge. And we teach the LEAR Principle (Listen, Empathize, Ask, Resolve) on taking care of upset customers. LEAR means listen, and really listen to them. Don't interrupt them. Everybody who's upset practices what they're going to say. And nobody practices it from the middle. So, if you interrupt them, they're going to start all over. It's just rude to interrupt them. So let them let them get it off. A lot of times, if you really listen and show you're listening with your eye contact and your verbals and your nonverbals, rather, and even your verbals? Yeah. "Oh, gosh, tell me about that." By the time they're done, they defuse and then you empathize. "Gosh, I'm glad you told me that so I can take care of it." If they get a "I'm glad you told me it" then L-E A is ask, "What can I do to make you happy?" Most of the time you don't have to actually ask, but you're asking in your mind if nothing else, what can I do to make this person happy? And then R is Resolve. And our guideline—what is literally our written guideline at American Retail Supply was—unless it's nuts, do it. Unless it's nuts, do it! Resolve it!

And you know we had a Make-You-Happy Guarantee. When I left the guarantee was, "If we ever let you down, let us know. Call us right away at this number. If you're still not happy, call me directly at my direct number."

And then the rest of the guarantee was really not even a guarantee. All it said was, "In 42 years, we've never refused the customer's request to make it right." Okay? So, in 42 years, we would not have an unhappy customer. Did that mean we did some crazy things? You know, a lot of people would have called giving somebody a \$30,000 computer system back after using it for a year, yeah, but that wasn't even our written guarantee, so that wasn't crazy. But yeah, we just took care of them. Are there some unscrupulous people out there? Yes. Okay, in the



38 years that I ran the business or so, we ran into two or three of them that we, we took care of them.

We did what they wanted us to do to make it right. We thought it was unreasonable, so we would write in the notes on their account “customer took advantage of make you happy guarantee.” And then if they did that again a second time and really took advantage of us to the point that we thought it was absurd, then after that second time, we fixed it again, we took care of them and then they got a letter from me that said, “I’m sorry, you don’t think we’re going to be able to help you any longer. Here’s some places where you can get your product.” We serviced well over 100,000 retailers in the time I was there.

And we did that with two, two or three might have been three. Now is it a little harder to do that in business to consumer? Maybe. But I can tell you, the people that have done that in business to consumer that I’ve dealt with have kept that guarantee and they just keep doing it. Now, they don’t necessarily publish it for everybody to see that you can take advantage of this any way you want, but within the team, the team knows if they come in, make ‘em happy.

Now all of a sudden, I as an owner, I as a sales manager, I’ve got whatever going on. I’ve got all these things that I want to do. Now, taking care of an upset customer is an important thing, don’t get me wrong. But I don’t have to take care of that anymore.

I can continue to work on the things that I’m working on. So if I get involved with every one of those things, you know, it just it wastes everybody’s time and everything else. Now, again, if you have a great business, you shouldn’t have that many issues.

### **Lee Milteer**

Absolutely. And we also keep track of problems, like if someone keeps saying over and over and over, “I didn’t get the book,” but then we’re tracking the book, they signed for the book. We know they got the book. We actually just take them off our email list and any kind of promotions that we’re doing. And we’ve never actually written to someone and said, “We’re not going to work with you anymore,” but we internally know that.

So, let’s talk about how do you keep that person who is on the phone—that customer service person? Because they’re listening to complaints or problems all day. What do you do special for them to keep them in a good frame of mind—that other people could start doing who might not be doing some of those things for their customer service people?

### **Keith Lee**

Myself, I don't get into the big motivational stuff all the time and this kind of thing. I do think it's important. Our model for great customer service was for decades it was Disney and then Stew Leonard's Dairy up in Connecticut.

That was our model. So, we had all kinds of motivational things around the office and that type of thing. But one of the things we had is in eight different places throughout the distribution center we had in big eight inch letters, "Do what you do so well that people can't help telling others about you."

So, we surrounded themselves with that stuff all the time. But the most important thing we did is we continually reminded them how important the customer was. My clients now buy this system, they do the training. But the problem is if you do that customer service would improve for a few weeks and then it went back down to the same old thing again.

What they need is like Zig Ziglar talked about. There was a reporter that said, "Hey, if somebody comes to this talk today, are they going to be set when it comes to motivation for their entire life?" And Zig's response was, "Well, no. This is just like bathing. You should probably bathe every day and you should probably get some motivation every day." And what happens is, is customer service becomes something that just never gets talked about. What I do, for instance, for my clients is every Monday morning they get an email from me that says, "Here's the 90-second email I'm going to share with your team tomorrow," something about customer service, and then the manager's tip is underneath that. And then Tuesday morning they get a tip that goes out to their entire team every Tuesday morning, it's only about 90 seconds long. The last thing we want to do is give them a bunch of reading to get done while they're in the middle of trying to get their job done. So, we give them a 90-second reminder about customer service. And then on Wednesday morning, they get another email from me with a link to a video. That's another just 90-second reminder of what customer service looks like. So, give you an example. I think two weeks ago I gave an example of somebody listening poorly.

There's this epidemic of people not listening to you when you talk. And you tell them what your problem is, and then they're trying to repeat the problem and they repeat it totally wrong. I mean, it's like, "Are you kidding me? Did you listen to me at all?" So, we have this epidemic, so I ranted and raved about that for about 90 seconds two weeks ago.

The video they got this last week was the one about the guy at the motel who really listened and answered my question. So, they're just little reminders. For instance, in the book, the Happy Customer handbook, it's the reminders of the 59 things they should be doing, but also in what I try to do a lot, what I try to do most of the time in this is use my own examples of

being out, out and about and great customer service, great customer service examples or poor customer service examples.

But again, they're just 90 seconds long, so they're getting little reminders every week about what great customer service looks like.

### **Lee Milteer**

I am so impressed because, yes, I think that the world now is not really into long reading. I think that the whole cell phone addiction thing that pretty much everybody is dealing with, is that they've shortened their attention span. And it is true, people are not listening. They seem to blank out.

I'm curious about this: do you ever have one back to you about customer service issues they've encountered that were terrible? Do you get them to share those back to you—your own employees?

### **Keith Lee**

I'm going to change your question a little bit because one of the things we do is we don't allow team members to bitch about customers. So they know that we don't bitch about customers, we take care of them. So we don't get a lot of those.

We didn't get in a lot of those at all. But what's amazing is that once you put what we do together and put it within your team, you know you've really made it when your team starts coming back to you and saying, "You can't believe that poor customer service I got at dah dah dah dah dah, and you can't believe this dah dah dah dah dah."

And then I run into people that—I just ran into one at a wedding not too long ago—the guy was a team member of ours and he was a friend of the guy that was getting married. And he says, "Gosh, Keith, thanks for all of that stuff that I learned when I was with you."

I've used that customer service stuff everywhere I go, and it's worked for me in my other jobs that I've had." And so, once they get this, again, I do say that Grumpy—okay, because I use a lot of Disney stuff—Grumpy must be a customer service fanatic because he goes around, and he gets poor customer service all the time.

And that's why he's grumpy. And because once you do get your customer service up to this level, I will tell you, you will be disappointed a little bit more when you go out and get customer service.

### **Lee Milteer**

Okay. So, let's talk about when people have their office meetings where they're in person or virtual or however they have their office meetings. I'm a big believer that you constantly remind your staff every single week, just like you do in your Monday and Wednesday emails, about, "Hey team, remember, our bosses are the people are buying from us.

And the more they buy from us, you know, the more we prosper, and everybody prospers." So, I'm finding that a lot of business owners, Keith, aren't actually having business meetings with their staff.

### **Keith Lee**

Yeah, Yeah. And, and that's sad. One of our solutions is we implemented personal development interviews so that they take the place of performance reviews.

Performance reviews is, you know, you're reviewing somebody's performance in hindsight. It's like trying to drive your car forward while looking in the rearview mirror. And they're often, well, nobody likes them. Nobody likes them at all. I don't care if you're the manager. I don't care if you're the person getting them. But we implement personal development interviews, and I have a book on that, too.

And what that is, is we develop people, and we meet with them as often as they need to be met with in order to get them to reach their goals. If it's somebody that has a lot of things going on or they have a lot of issues themselves, maybe they have some problems. You meet with them more often.

If they're in a position that is very much rote and same thing over and over again. And as long as they're not going off the deep end on that one—because those can get to be somewhat boring—you meet with them a lot less often. So, for instance, our accounts receivable person, the supervisor there would meet with them only about once a month because after so many years our accounts receivable were in such good shape on making sure we did everything we needed to do every day that it never got out of line.

So, there wasn't that much to do. But for instance, if you have somebody and it's really important and you're meeting with them weekly and maybe even more than weekly, very seldom more than weekly.

### **Lee Milteer**

Could you go a little bit more in detail about this thing that you're doing versus the reviews? And what is the name of that book?

### **Keith Lee**

It's Performance Reviews Suck. And by the way, my link on that doesn't work right now. So, if anybody wants it just have them email me Keith@keithlee.com, and it's \$2.97—it's a free book—\$2.97 to cover shipping and handling. And frankly, if I was younger, I would be out there pitching that like crazy because it can make a world of difference for all of us.

Nobody likes performance reviews. If you started performance reviews in your business, you've likely stopped them. We're developing people. We're not reviewing them—180 degree flip. We're developing them, we're working with them to reach their goal, which is obviously congruent with the company.

### **Lee Milteer**

Why I think that's so brilliant, Keith, is because so many people feel like they're not important. They don't count. What they do in life isn't significant. And, they're not getting positive feedback pretty much, let's be honest, from their family, their neighbors, their friends. And they're certainly not getting any great feedback from social media and most of the world.

So having the company that you work for actually care about you and they're developing you is I think, a very big thing. And I'll just briefly tell you why. I had a lady working for me one time and she got offered this really big job—she had a very comfortable lifestyle—and she said to me, she told me the truth, she said, "I've gotten this big job offer" and I'm thinking instantly, I'm not sure I can manifest the money this woman is going to be asking for. And she said, "But I'm not going to take the offer because I love working for you and your company so much because of what you do in the world and how you help other people. And I'm part of that."

And it was, I mean, I was completely touched. She was like one of the best people who would ever work for me. She was completely 100% in, and, in my business, all of my books, they get they get access to all my books, all my training. They actually get little perks for reading the books and things like that.

Remember how people bribed their teenagers to read certain books, so I didn't really bribe them, but I just said, "Hey, if you read this book, there'll be, you know, these little rewards." And they weren't big rewards, you know, maybe a couple of movie tickets or something, which are a little bit more expensive these days.

I'm just finding that when I care about people, they tend to care back.

### **Keith Lee**

You know, when you care and they listen and you listen and you show them they're important, it makes a difference. We were named not one of the best, we were named *the* best

business—small business—to work for in Washington state by Washington CEO magazine. And that was based on team member interviews, not on some form that I filled out or whatever.

You had to fill out the form and you needed to get by. And then they came out and they interviewed team members. And actually, I think they did it over the phone because I never did see them do that. So, they asked me, they said, “Hey, give us three team members that we can interview.”

Somebody nominated us for this. I have no idea who nominated us. And I didn’t want to do it to win I wanted to do it because they said they would give us an idea of how we ranked and how we did. And so, they said, “Give us three team members.”

I thought, that’s stupid. I didn’t want to find out from team members that I selected. So I gave them my whole list of employees and I said, “You pick three and call them.” And the result was, I still have this proudly up there—you can see at the top—that one there in the middle is our little plaque that says we were the best company to work for in Washington State.

And that came from listening and showing them they’re important and all of those type of things, helping them grow in what they did. One of the ideas about the personal development interviews is they should leave pumped up, ready to go and take on the world. So are you pumped up, ready to go and take on the world when you have a performance review? Geeze Louise. “I did everything right and they found this one thing that I didn’t do…” by the way, they have to find at least one thing, or your raise is going to be too high. Well, and then the other thing is they didn’t find anything that was wrong and look at the chintzy little raise I got. Whatever way it happens, nobody’s happy with them. By the way, in tying in your personal development interview in with pay is absurd. You’re talking about two different things. You talk about pay, you talk about personal development interviews. “We’re developing you right now. Yes, if you do this well, it will have a result in a pay down the road.”

But the pay discussion is totally different than the personal development interview discussion. But the bottom line is they leave pumped up, ready to go and take on the world unless you’re ready to fire them. Did I get to that point with a couple of people once in a while, yeah. It was like, “This needs to be done. I got to get this done.” And I don’t know that I ever told anybody, “You got to get this done or you’re going to be fired.” Well, I did do that early on. And I would do it again because this one had to do with getting to work on time and getting the number of calls done.

I called him and I said, “So you’re late again today.” And he said, “Yeah.” And I said, “So what’s going to happen?” “You said, I guess I’m fired, right?” And I said, “Yeah.” He got his warnings along the way, but the bottom line is, your job as a manager is to pump people up,

especially in their personal development interview. After they leave that they should be pumped up, ready to go, and take on the world. As you've talked about, you've talked about maybe 3 to 4 different things that they are responsible for doing.

And they're telling you the progress they made on that. So, you're going to find some things to pump them up on. So, what we do in personal development interviews, if they didn't make progress on a particular objective, it's like, "Okay, you didn't make any progress on that.

Are you going to be able to make progress on that before we meet again in two weeks?" "Yeah, I think I can." "Well, what do you think you can get done before then?" Two weeks comes by. You talk about that again. If nothing gets done over time, it's like, "Well, is this really important to either?" I mean, sometimes you use that. It wasn't important for anybody, so let's get rid of this. Bottom line is, listen, you know, listen.

**Lee Milteer**

What do you think of mystery shopping?

**Keith Lee**

I think it's great. I think it's fabulous. You need to tell people that it's happening. They can't be they can't be blindsided by it. And most of it doesn't get done enough, frankly, to be of any really real value. I love it for evaluating the individual that was mystery shopped.

I don't necessarily love it for seeing whether we're good as a whole or not unless it's done often enough to see if we're good as a whole or not. But I love it. I think it's fabulous. Yep. Absolutely.

**Lee Milteer**

Well, I just think every once in a while, I really do think owners should really pay attention, you know, that they're having someone either go into their store or business or on their website or something and looking at it with fresh eyes and seeing what results they get. I just think that sometimes that owners get very lax about looking at their own stuff.

I sometimes ask myself when I'm dealing with a difficult company, "Has anybody at the top...

**Keith Lee**

Have they ever tried this?

**Lee Milteer**

Have they actually gone through the process that they ask the customers to go through? Because it's arduous.

## **Keith Lee**

It's absurd, especially some of the like some of these telephone things that you get in and it's like you're in this never ending loop. You have no idea where to go. And now you're trying to push, you're trying to hit O for operator, you're trying "operator assistance" ah ya ya, whatever and there's enough nowhere to go. I will say though, some of the businesses are getting better. And the sad thing is, is that some of the businesses that I see getting better are the bigger businesses. The reason that's sad for me is all of my clients are not big business. I'm not big business. I love small business. I will spend more money at the hardware store. If I go to a hardware store, that can give me some better service.

And I can tell you that one of the hardware stores that was my favorite for 40 years got bought out by somebody else. Their customer service went down. And right now, I'm, I get every bit as good a customer service at Home Depot which is closer. I used to drive by that Home Depot to go to the other store and now it's like eh, sometimes I will, but not very often, but one thing I did find is another hardware store that was the opposite direction of these that has that old time customer service that I like.

Believe me, I can find plenty of bad customer service videos to do on Home Depot. Some of my clients right now would be saying "He's saying something positive about Home Depot?" It's like, "Yeah." And the other one that was like I always wrote in my stuff for as long as long as there's banks and airlines and I'm talking about customer service and I need to find some poor examples of customer service,

I've got examples forever and ever and ever till until death do us part. I just called my bank the other day and I was absolutely wowed by the customer service. That scares me a bit because I don't see that in the small guys. Us small guys got to up our game, we got to up our game.

## **Lee Milteer**

Well, we went out last weekend and looked for certain kind of grill and because, you know, it's going to be grilling season soon and I could have ordered this grill on Amazon actually for a couple of dollars less but that I, like you, I really am focused very much now—particularly since the last insanity where, you know, so many small businesses were shut down and only the big box stores were open, which was not fair at all to them—so now I'm actually going to them and saying, this is the order, this is the this is the grill I want. You don't have it in stock, order it and I'll come get it. And I'm going out of my way because they are small. They got great customer service, they're family owned, they've been family owned for many years.

They always are helpful to me. They call me back if I have asked a question and they can't answer it. So, I'm always going to give them my business over Amazon.



**Keith Lee**

Right. Did they get it for you?

**Lee Milteer**

Yes, they did. They got it. And actually, what they said was, we're going to match the Amazon price, even though you didn't ask us to do that. Which, you know, really made me happy. So let's do any other little tips that you want to give. And then we want to talk about how people find you.

And if you have copies of those books in front of you, you could show those because I want everybody to invest in the books. And I certainly will put it in the reports.

**Keith Lee**

Your best sources of finding out how to wow your customers will come from outside of your industry.

One of the things I learned in reading one of the old Disney books was that Disney looked at the competition as anyone who deals with their guest in any way. So, for instance, the competition wasn't Universal Studios. If someone was coming to a restaurant, it was a high end restaurant; somebody was coming to a medium priced restaurant, it was the best medium priced restaurant in the industry, not in another park. So, for instance—I used this in American Retail Supply. This goes back many, many, many, many years now—back then, everybody did the same thing. All of our competitors did the same thing. You get an order today, and even if it was in stock, it'd be 2 to 3 days before it shipped.

I called up Cabela's to get some fly fishing equipment and the gal says, "Oh, that'll ship today." And it was, "Woah, that'll ship today?"

I got off the phone and by the next day that became one of our goals: if we get an order today, it ships today.

None of our competition was doing that. We would ship to Breckenridge, Colorado, and I got a note from the owner there who says, "I get my stuff from you faster in Seattle than I do from the suppliers in Denver."

And we wowed the heck out of people for years before the competition caught up to that. What do you see? Who deals with your client, your customer, your patient, your member—who deals with them in any way that's similar that you have to deal with them, too, and now find out who's the best at that and emulate that.

**Lee Milteer**

And if I could sum this up, I think really what you're talking about, Keith, but we actually haven't articulated, is we're creating a relationship that people can trust.

**Keith Lee**

Yeah, yeah. And at American Retail Supply, we were not anywhere near the low cost supplier, not anywhere near, but yet we were buying up competitors that had way better pricing than us. Why? Because we didn't have stupid pricing for one—a whole different story there—but we kept our customers, we kept them happy, and we always have. We assigned every client a specific sales rep.

Here's a great one. I had ABC stores. Have you been to Hawaii?

**Lee Milteer**

19 times for speaking.

**Keith Lee**

Okay so ABC stores there, if you're especially if you're in Waikiki, they're on every corner. In fact, some blocks have four or five of them in a single block.

And we've been selling them some things—and not very much—but the person that was selling them most of their supplies and fixtures for their stores was a business in Portland. We're in Seattle at the time. And the buyer, he calls me up and he says, "Keith, can I—this is so-and-so at ABC." I said, "Yeah, hey, what can I do for you?" And he says, "If I bring all of my business with you, can I have one person to talk to?"

I'm like, "We can do that, that's what we do all the time." The other company, you had to talk to whoever answered the phone. This is big for us. Even when we were \$15 million, this was still big. He bought well over \$100,000 a year from us.

And all we needed to do was give him somebody to talk to. Because it's Hawaii and things are expensive there, if he couldn't find something, he would just call us up and say, "Hey, would you go find this for me? Mark it up, and send it to me?" So, we got in the anti-fatigue mat business.

When you're working at a counter and you got these soft mats under your feet so that you don't get so fatigued, we would've never got in that business except for he wanted us to have them for him. So, we got them for him and stocked them for other customers.

And we were in the anti-fatigue mat business.

**Lee Milteer**

That is a fabulous story, Keith, because a lot of my products have come because people have said, “I love your stuff, but do you have anything on like, I don’t know, coping with change or dealing with difficult people or something?” And so suddenly, that goes on the schedule of “let’s create that” because if this person wanted it—of course we do a little test—but if enough people want it, we should do it. But I’m going to wind this up and say that really what you specialize in is making people feel special by giving them VIP treatment.

**Keith Lee**

I like that. I might take it.

**Lee Milteer**

Well, it’s yours, baby. It’s yours. So, I just wrote that down. Seriously, I want to sum up, you know, make people feel special with a VIP treatment. And I think if everybody listening today, if you can share with your people that if you can get your customers to feel like they really are VIPs and that they’re important, because to most of the world, we’re not important.

So, everybody, please write this down. I want you to buy two books: Out Nordstrom Nordstroms....

**Keith Lee**

That book, no longer in print.

**Lee Milteer**

Oh, it’s still on Amazon.

**Keith Lee**

Yeah, I know, but I don’t know. Don’t buy—don’t get any of these on Amazon. By the way, they’re way more expensive.

Real quickly, Out Nordstrom Nordstroms—because I sold to retailers, that was written to retailers. When I updated it, I took everything out of it, and I made it applicable to everyone. And that’s The Happy Customer Handbook. And I no longer print Out Nordstrom, Nordstroms. So, it’s just TheHappyCustomerHandbook.com. So, it’s free. \$2.97 covers the shipping and handling.

**Lee Milteer**

Okay folks, you don’t even have to buy it. You’re going to get it free for shipping and handling. Excellent. All right. Well, Keith, any final statements before we call it a wrap?

**Keith Lee**

No, thank you very much. I don't think I have anything final other than to say, "Go out there and do what you do so well that people can't help telling others about you. Bye for now." That's how I end all my weekly 90-second videos.

**Lee Milteer**

And that's how you end your emails.

**Keith Lee**

I do.

**Lee Milteer**

You do. All right, folks, thank you so much for being with us. Keith has been so gracious. He's given us four reports that will be on the Millionaire Smarts membership site. There will be a transcript of this. There'll be an MP3 that you can download and please think about taking your major staff, your management staff, and listening to this interview, because if you get everybody on the same page, I think your business will run a lot easier.

So, thank you very much. Appreciate it very, very much, Keith. And we'll do this again soon. Okay?

**Keith Lee**

Good. Thanks Lee. Good talking to you.

**Lee Milteer**

Good talking to you, dear.