

Setting Expectations

Coaching Questions

“What expectations are you setting?”

Topic Introduction

Expectations are the main cause of satisfaction or dissatisfaction. There are a lot of people that have expectations about you and your business.

Discussion Questions

- How quickly do people expect you to return emails?
- How quickly to people expect you to return phone calls?
- How quickly do people expect you to complete a job?
- How quickly do people expect you to follow up?
- How quickly do suppliers expect you to pay their bills? What else do they expect from you?
- What do your employees expect from you?

Key Learning

You need to control the expectations that you are creating for people to avoid disappointment.

“Is this sustainable as you grow?”

Topic Introduction

A business that is starting up is able to deliver an extremely high level of service as it is the owners of the business that are doing the work. Not only are they extremely proficient, but they are more motivated than employees to maintain high services.

Discussion Questions

- Are you training to these expectations?
- Are you communicating these expectations?
- Are these expectations part of your brand?
- How important is it to you to maintain this level of service?

Key Learning

As you hire people and grow, you need to be concerned about the expectations that you set versus the quality of service that is maintainable.

“What is reasonable in the long term?”

Topic Introduction

The expectations that you should set at the beginning should be what you think you can deliver consistently.

Discussion Questions

- What are large enterprises in the industry doing?
- What are medium-sized businesses doing?
- Is your pricing structure supportive of your current delivery mechanism?
- Is your pricing structure supportive of your current service level?

Key Learning

It is difficult to lower expectations once they have been set, without losing the customer.

Examples

Real Life Example: What expectations are you setting?

When you first start up a business it is easy to control your customers' expectations versus the level of service that they are receiving, as it is probably a single person that is responsible for both – yourself!

A nail salon started up with the owner of the business and a single employee that both did manicures and pedicures. They were very specific in how much time they took with each client, they remembered names, and went the extra mile when give hand and foot massages.

As the popularity of the salon grew, the owner began hiring new employees to keep up with the demand. The problem was that the new employees rarely remembered a customer's name and worked quickly spending less time on the foot and hand massage as they were compensated by the number of clients they served. As the business grew, it became more and more difficult to control service quality and customers began to leave dissatisfied.

Real Life Example: Is this sustainable as you grow?

A business plan writing company wanted to help start-ups write a quality business plan that would help their business fly and also help them potentially get funding. It started with a couple of talented writers with a business background, but as demand increased they had to continue to hire new writers.

As small business owners are cash tight, the challenge was that there was a cap on how much they could charge for a business plan which impacted what they could pay their writers. This resulted in high turnover with writers going elsewhere when they found something better.

To overcome this ongoing cycle they created business plan templates that would help the writers become faster, requiring fewer and being able to pay more competitive wages. The financials were handled by a single more senior individual, which reduced how much business experience the writers needed decreasing their wage expectations.

Although capacity was managed and turnover was reduced, the challenge always remains for a business to keep the quality of service that they start with.

Real Life Example: What is reasonable in the long term?

A virtual assistant was just starting up with their first client. Since it was their first client and they didn't have employees, the virtual assistant felt as though she should be going above and beyond for this client.

At first she was only being asked for a few tasks outside of what she perceived her role was, including going back and forth with clients to book appointments to sending out some thank you cards. Then her client started asking for more support including finding someone to do some landscaping at the office and then even finding a birthday present for their wife. Since it was their first client, they were willing to do this.

As the virtual assistant started to grow with the number of clients, she realized that it would be impossible to continue to provide the level of service that she was providing for everyone. Especially as she looked at hiring, she knew that all of these side jobs would be time consuming and would take a lot of training.

How could she handle this without losing her clientele?

- She ended up creating new pricing strategies to highlight the basic and premium pricing packages which would allow her to train and recruit for both service levels
- She hired a virtual assistant to handle the basic service level packages which required less training
- As the virtual assistant's tenure increased, she graduated to the higher service level package with a raise to help with retention. A junior virtual assistant was then hired below her.
- To move her existing clientele to the new pricing program, she ended up adding in that they'd include all of the gift baskets and holiday cards so that enough value justified the price change.