

Developing Customer Relationship Management Skills of Employees of a Small Scale Business Enterprise

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Abstract

Rice Stores are outlets of rice millers where employees meet many consumers. This article presents one of the training sessions on customer relationship management, strategies to increase sales, and the use of 7 habits of highly effective people (Covey, S, 1990). The training modality used focused on group discussion. Majority of participants were high school graduates. Significant changes and improvements were evident based not only on sales increase but also on the level of the employees' happiness where transparency and willingness to perform daily tasks were enhanced. Rice store owners are challenged by low sales volume and unproductive employees. The employee does not understand how one should deal with the customers effectively. The training was conducted to improve sales performance. The store owner was hoping to see more sales. The series of training resulted to positive response from employees in terms of engagement and cooperation.

Key words: training, skills, customer relationship management, small business enterprise, sales performance, employee's happiness

Introduction

The nature of small scale businesses in the Philippines contribute to local Philippine economy and livelihood of people because majority are family business enterprise that starts from a small store and expand to a bigger scale by adding more small stores in different locations. Current situation of the rice store showed the owner dealing with management of different branches and our focus of study was a branch in Manila. This certain branch had problems that result in low sales growth. Therefore OD interventions and consultation took place to assist the owner in finding the root problem, helped the owner design and plan through training programs.

Background

The employees work in a small scale business enterprise and they usually have no training on basic skills. They only received on job training which is critical to increase sales. Based on this branch's daily operation and output, this training was designed to meet the need to develop the employees customer relationship management skills which

was one module in a series of trainings . Table 1 shows the current skills and behavior of the employees based on observation of the owner and managers.

Table 1.

The current situation of the employees before training

Employees Current Skills	Current Behavior	Proposed Topic
No knowledge nor training	Uncertain if employees can relate to customers effectively	Customer Relationship Management (CRM)
No training at all on how to speak and sales talk the customers	Employees who are talkative are brought upfront to sell rice	Communication
No encouragement or push factor to introduce products and rice variety to customers	employees answer questions only when they are asked by customers	Strategies for Tindakan to Increase Sales
No idea that they can self improve	Individual improvement is far from their personal goal. They only know how to sell rice and deliver once there is order.	7 Habits of Highly Effective People

The overall training program objective was to assist store owner to effectively deal with their people, customer, and operating system to increase in sales. The specific Objectives of the particular training on Customer Relationship Management included to create a culture of customer relations internally; gain a better understanding of customers; and to stand out in the market competition. The specific objectives of the training on Communications were: to improve communication skills with customers and among the employees. The Specific Objectives of the training on the Strategies to Increase Sales aimed to increase sales in size, volume, and keep existing customers to continue to buy from the store; develop employee’s personal growth that can help contribute to the store’s efficiency.

The content coverage included a presentation of an introduction on customer relationship management, an overview on verbal and non-verbal communication and how it affects us, discussions on strategies to increase sales, and introduction to 7 habits of highly effective people. The training series was conducted half-day basis as often as every other month for a year to enhance the skills of the employees. .

This is a qualitative study where initial diagnosis was based on conversation with the owner and observations on daily basis tasks at the store. The training program was designed with three activities using focus group discussion, interactive lectures, sharing of experiences, KASH – knowledge/attitudes/skills/ habits. There were 12 workers who

participated which included the store manager, sales lady, laborers, and drivers. This specific training had three parts, namely:

Part 1: Customer Relationship Management

Customer Relationship Management (CRM), also known as relationship marketing or customer management are methodologies and strategies used to help an enterprise organize and manage customer relationships. CRM help organizations to gain a better understanding each customer's value to the company while improving the efficiency and effectiveness of communication. It captures, analyzes, and distributes all relevant data from the customer and prospect interactions to everyone in the organization. This distribution of information helps an organization better meet customer, product, and service needs. CRM replaced traditional marketing techniques that focused on key marketing mix elements, such as product, price, promotion and place by being too functionally-based, traditional marketing techniques neglected the customer in the after-sales process and failed to meet customers' desires.

CRM emphasizes customer retention over customer acquisition and is recognized as one of the most viable tools used to further a company's success in a highly competitive business world. The three major areas that focus on customer satisfaction: sales, marketing, and service. The functionality of and between these three fields is essential to successfully connect the company's front and back offices to facilitate effective, enterprise-wide coordination. The professional sales force predicts and proposes the real-time analysis of information and distributes this information to the company and business partners. Marketing concentrates on personalizing customer preferences and offering them satisfying experiences. Service is associated with the companies' call centers and coordinates interaction between Web, e-mail, and other communication media. These fields are developed further with the help of CRM automation. (Chapman, 2017)

Working in harmony

The customer relationship has become a global strategy of the company. Business leaders are now working from the human factor, so cross between different services. Why such an awareness? For most businesses, a good customer relationship is primarily a way to stand out from the competition. In the longer term, they want to better identify the needs of their customers to provide them with relevant offers at the right time (Go, 2001).

How do they do it?

The optimization of new communication tools such as smart phones or chat rooms, and finally a simplification of process are ways that companies want to deploy. A handful of executives expect even larger staff dedicated to customer relations. There is a real change of mindset. For example, priority is given to improving the quality of reception, and this, regardless of company size (Go, 2001). Teams better managed and more motivated, better customer advisors together or coached to make a difference, companies are willing to develop skills internally.

Part 2: Communications

The session theme was: Verbal Communication – The way you talk, the way you deal with customers “*makipag-usap*” and Non Verbal Communication – the gestures “*kilos*”, behavior “*ugali*”. This session applied “Knowledge, Skills, Attitude, and Habit (KASH) Model” where the discussion was not only based on Knowledge and Skill and also considered the Attitudes and Habits because it affects the development of store performance as well as individual’s success.

- Knowledge: *How to do things* – Knowledge is what you know and is sum total of learning.
- Attitude: *How the employee comes across to others while carrying out his tasks* – Attitude isn’t about “good” or “bad,” but it describes your outlook and perspective on how you think. Thoughts drive actions. Actions drive results. While knowledge and skills are important, the ability to put them to use is defined by the attitude of the person. Attitude is the most critical ingredient of success to the KASH model. (Czarnecki, 2013)
- Skill: *How well to do things* – Skills such as technical skills, communication skills, analytical skills, and presentation skills are skills that help employees in their communication and delivery of performance.
- Habit: *What we repeatedly and consistently do without any effort* – Habits are those aspects of our behavior that reflect what we do repeatedly and believe deep within and is what truly defines our capability to perform. Success is a product of doing the right and desirable things repeatedly. This happens when the employees are habituated to work hard, work smart, work systematically and perform consistently. (Czarnecki, 2013)

Positive attitude and good habits of the employees are invariably the reasons behind the performance of great companies. Successful organizations realize that it is the negative attitudes and habits of the employees are mostly the reasons behind the failure and not lack of knowledge or skills. Training programs at successful organizations are focused on improving all the four aspects of the employees. Knowledge and Skills are all about learning – the acquisition of knowledge and are typically acquired through teaching. Attitudes and Habits are all about performing – the application of knowledge and these are learned through coaching. Habits are usually very difficult to break and a smart company’s leverage on the habits of effective people to make it an organization habit and later on, it becomes the culture. (Czarnecki, 2013)

Part 3: Strategies for Tindahan [small neighborhood store] to Increase Sales

The training presented the 7 Principles of Effective Sari-Sari Store/Tindahan Marketing (By Go, C. E. 2001) which emphasized and discussed the application of the following points.

- 1) Standout to be Different! –what to do to standout ... during the session we discussed positive relationship strategies and how to keep customers coming back to the rice store branch (repeat customers)
- 2) Grow without cannibalizing existing sales! –the rice store keeps growing and pay attention to customer's request. To be able to put the price low yet competitive in market, there were strategies in marketing implemented at the store to increase sales.
- 3) Increase Transaction Size –the sales lady encourages the customers to order more bulk orders to get special discount. There will be free delivery if customers order a certain quantity of rice
- 4) Add Service to Product –free delivery or given special terms of payment. The store can cater to clients using their own sack or help create personalized sacks that come in different sizes.
- 5) Convert from functional to emotional - the customers are assured of prompt and reliable rice deliver rice at all times, rain or shine. Donations to the need such as victims of calamities are also extended.
- 6) Have the discipline to expand –the rice store keeps growing and expands to more locations.
- 7) DREAM! –what the rice store has achieved now is still part of the dream of building the stores and make the legacy last. More rice stores mean more jobs for people, and will improve the standard of living.

Covey's (1990) 7 Habits of Highly Effective People was utilized to present and discuss the topic on Independence or Self-Mastery. The First Three Habits is the movement from dependence to independence (i.e. Self-Mastery). The next three habits have to do with Interdependence (i.e. working with others). The last habit relates to self-rejuvenation.

- Habit 1. Be Proactive: Take initiative in life by realizing that your decisions (and how they align with life's principles) are the primary determining factor for effectiveness in your life. Take responsibility for your choices and the subsequent consequences that follow.
- Habit 2. Begin with the End in Mind: Self-discover and clarify your deeply important character values and life goals. Envision the ideal characteristics for each of your various roles and relationships in life.
- Habit 3. Put First Things First: Plan, prioritize, and execute your week's tasks based on importance rather than urgency. Evaluate whether your efforts exemplify your desired character values, propel you toward goals, and enrich the roles and relationships that were elaborated in Habit 2.
- Habit 4. Think Win-Win: Genuinely strive for mutually beneficial solutions or agreements in your relationships. Value and respect people by understanding a "win" for all is ultimately a better long-term resolution than if only one person in the situation had gotten his way.

- Habit 5. Seek First to Understand, Then to be Understood: Use empathetic listening to be genuinely influenced by a person, which compels them to reciprocate the listening and take an open mind to being influenced by you. This creates an atmosphere of caring, respect, and positive problem solving.
- Habit 6. Synergize: Combine the strengths of people through positive teamwork, so as to achieve goals no one person could have done alone. Get the best performance out of a group of people through encouraging meaningful contribution, and modeling inspirational and supportive
- Habit 7. Sharpen the Saw: Balance and renew your resources, energy, and health to create a sustainable, long-term, effective lifestyle.

Table 2.

Training design

Topic	Activity	Objectives
Customer Relationship Management (CRM)	FGD, cite samples, youtube footage	Develop effective customer skills - customers effectively
Communication	KASH, cite samples, youtube footage	develop proper communication skills to retain customers
Strategies for Tindakan to Increase Sales	FGD, experience sharing, goal setting	employees align their goals
7 Habits of Highly Effective People	Focus on self improvement and initiative to work at rice store environment	Individual improvement plan and willingness to perform their task at their best

Results

The training created a sense of pride for oneself among the employees. The work environment has become a learning place for participative learning that provides them with skills and better work ethics and habits.

Table 3.

Results from post-training

Indicator of sales increase	After series of training, sales gradually increased which became more visible after 3 rd month after the series of training
Indicator of employee happiness	Employee's engagement was improved and less conflicts were observed
Indicator of transparency	Cash and financial reports in the store has been more clearly understood and easily checked;
Indicator employee's engagement	willingness to perform daily tasks; routine work was done without ordering each of them to do their job; working toward the same direction

There were significant changes and improvement seen after the series of training. It does not only reflect in sales increase employees' happiness. Employees improved their willingness to perform daily tasks. The rice store owners realized the effect of training and encouraged more professional trainings to be conducted with other branches. The developmental change brought about by basic training skills was a good start to train rice store personnel.

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