

SOUTHSIDE RENTAL, INC. and CUSTOMHIRE, INC. CASE STUDY ANSWER KEY

Some potential solutions to the problem include:

A visit from a senior Southside manager including the engineer or service manager.

Immediate replacement of the machine with one that has been completely checked for quality.

Financial compensation (discount, rebate, better terms, etc.).

Free servicing for a specified time.

A letter from the managing director apologizing and detailing the steps Southside is taking.

Thanks to Custom Rental for keeping the faith and not moving their business.

Review of the procedures that led to this situation.

Market research to more effectively discover what different customer types actually require.

Development of a better “feedback” system to monitor customers’ views and reactions to the company’s product/service/actions.

Development of standards for product development including product quality controls.

Improvement in the problem-solving techniques in both the engineering department and the customer service department through improved training and better motivated employees.

Implementation of a quality control process.

Improved customer relations by attempting to stay “close to” customers rather than assuming that the relationship will automatically continue.

Improved record-keeping on products and customers.

Better communication between departments.

Better problem resolution and problem resolution reporting processes.

Hiring of individual account managers for large clients to create a “champion” for the customer’s point of view. The role of a service “champion” is to look at internal processes from the client’s perspective, instead of from the company’s perspective.

Establish a goal of zero-defect output.

SOUTHSIDE EQUIPMENT, INC.

WHAT HAPPENED

- The good news was that Southside was able to develop a true solution to the problem fairly quickly.
- They also worked to maintain a close customer relationship and placed greater emphasis on improving parts and service support.
- Greater support was received from the head office, and customers perceived better after-sales services in a number of areas – parts, service and warranty. In general, there was a perception of an improved attitude on the part of Southside, from management through to the people answering the telephone. The managing director and the sales director both visited Custom Hire's managing director to reinforce the message that Custom Rental was important. At trade shows, Southside representatives deliberately targeted Custom Rental representatives to discuss their needs and show how effective Southside was at meeting them.
- The result was a customer perception that while they may have taken too much time to solve the problem, they were a solid company whose employees cared about Custom Rental. Custom Rental had confidence that Southside would not run away from its problems.
- Another effect of the Southside crisis was that it made Southside evaluate its quality of after-sales support at a time when customers themselves were trying to get longer life out of their equipment, and the support operation began to improve its customer service.