

THE CUSTOMER IS NOT ALWAYS RIGHT

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<http://customerservicezone.com/cgi-bin/links/jump.cgi?ID=763>

The person who says "The customer is always right" has never had to deal directly with customers (clients). Clients are not always right, but they are always our clients. Without clients, you can't have an appraisal business. To have a successful appraisal business, you must be able to successfully handle difficult clients and client complaints.

Why do you care about how you hand complaints and problems?

1. Researchers have found that it typically costs 5 times as much to get a new customer as it does to keep an existing customer.
2. Typically, 1 out of every 4 dissatisfied customers will stop doing business with you, and only 1 out of 25 of them will tell you why.
3. Dissatisfied clients tell other existing and potential clients not to do business with your company.

Handling Angry Callers

What do you do when a client calls and angrily says they never received an appraisal, or an underwriter screams that your appraisal is the worst they've ever seen and you're going to screw up the entire loan? The caller may or may not have a legitimate complaint. The key to handling angry or aggressive callers is to not let yourself become emotionally involved.

1. Defuse the situation. Let them vent their anger or frustration. Don't take it personally. Listen, but don't respond until they are through.
2. When they are through, indicate you heard them. You don't have to agree with the complaint, just summarize it. The caller may know that you probably can't do much about the problem, but at least someone listened to them.
3. Make sure you have identified the problem, are talking to the right person, and that the client is talking to the right person. It Doesn't do much good to talk to the loan officer's secretary, or to have your secretary try to handle a complicated appraisal issue. The client's information may not be correct, or the problem may not be correctly defined.
4. Don't become negative. Make yourself not think "What right does he have to say they didn't receive the appraisal. We sent it out last week!" Instead think and say, for example, "Let me check and see when the appraisal was sent out".
5. Empathize, don't sympathize. An empathetic response is "I can understand how that can make you angry". A sympathetic response is "I would really be angry too". Use an intellectual, not emotional, response. Empathizing allows the caller to feel important.
6. Call the caller by name. It personalizes the conversation and makes it harder for the caller to attack you.
7. When you hang up, remember "out of sight, out of mind". Don't let an angry caller ruin your day.
8. There are no dumb questions, only dumb answers. Don't be a "know it all", and make your client feel dumb. Don't launch into a complicated discussion of the cost approach when an underwriter really only wants to know about the ratio between land and improvements.

Handling "Clients from Hell"

You've finally gotten fed up-Sally Smith, the ignorant underwriter who can't read an appraisal and is always calling with very rude and insulting comments. So you decide to respond in the same way, being just as rude and insulting, saying "If you knew how to read, you'd see it in the report!" Or, "I don't care if your loan ever gets funded!" You feel great. Of course, Sally Smith proceeds to tell everyone in her company that you're a jerk, and they spread the tale to other companies. Who's the loser? Not Sally. It's you!

These clients try to get you to be just as rude and insulting as they are. They feed on nasty responses. Don't let them win. Remember, they are almost never mad at you personally. They are mad about a situation.

If you are offended by foul language, and it's a barrier to being able to solve the problem, say "Excuse me. I can't help you if you insist on using that type of language. If you continue, I will hang up." Often, when you hang up, the person calls back and apologizes. Or, if this happens to one of your employees, you can call the person and discuss the use of profanity with them. They almost always apologize.

Remember, it's the person, not their company, that's being rude and obnoxious. Don't lose a good client because of one of their rude employees.

Resolving the Problem

First, be sure you understand the problem. Remember, the client may not understand it, or may not be giving you all the information.

Don't leave the client hanging. Come to some sort of resolution before hanging up the phone. Some possibilities are:

1. Ask him or her what you can do to solve the problem. If they need one more copy of the appraisal report, ask them how soon they need it. They may not need it tomorrow.
2. Talk about future assignments. Say, for example, "On the next assignment, we'll be sure to include that extra copy of the appraisal."
3. If it's your fault, be sure to accept responsibility and not make excuses. Your client will appreciate your honesty.
4. Be sure to act promptly.
5. Re-state what you have promised to do, and take notes on it, so there is no misunderstanding.
6. Report back to the client, even if there's nothing to report. For example, calling in a few days to let them know the corrected report will go out next week on Tuesday.
7. If appropriate, diplomatically show your customers how to keep the problem from happening in the future. For example, a faxed appraisal order was not received. Suggest to your client that they call and leave a message that they are sending a fax, or tell them that you will send a faxed reply back.

What if you can't resolve the problem?

Problems exist because a client says she has one. You can't get rid of a problem because no reasonable person would see it as a problem, it's the client's fault, or it's not your fault. If you can't give the client what he or she wants, try to at least set a positive tone.

Look for a common ground you can agree on. Be willing to compromise, if possible, as rigidity tends to make clients more aggressive or feel helpless.

For example, a mortgage broker wants you to change your report so it is misleading or fraudulent, and you refuse. Obviously you've not solved his or her original complaint. But you could suggest alternatives, such as trying a different lender. Also mention that the new licensing law puts much greater controls on appraisers, and few are willing to risk losing their licenses. Don't get mad or threaten the broker. From his point of view, he's not subject to USPAP and he just wants to put a deal together and make some money.

Another common situation is changed turn around times. Your client requests a commercial narrative report, with a 6 week turn around. After 2 weeks, the client calls and says now they need it in 4 weeks. You are very busy, and no one has started on the appraisal. You can't complete it in the 2 remaining weeks unless you totally re-organize your other jobs. You try to work out a compromise of 5 weeks, or a substantial increase in the fee and offer an associate a big bonus for taking the rush job. You also suggest to the client that they let you know as soon as possible next time so it will be easier to rearrange schedules, if necessary.

How client complaints can help you. Often a client problem will pinpoint problems in your administrative systems. Complaints are an excellent source of quality control feedback. Don't forget to thank your client!

Courteous and professional complaint handling by your company is an example to your more difficult clients. Nobody wants to look like a jerk.

Where to get more information

There are many books, articles, audio tapes, and seminars on customer service. Unfortunately, most are oriented toward retail or manufacturing organizations. But the same techniques apply in all types of businesses.

Since most appraisal complaints are handled over the phone, your local telephone company may have classes or literature on handling problems.

You can also develop in-house materials, such as sample phrases to be used, and have practice sessions on dealing with "clients from hell".