

A Pearson Consulting Memo

To: Dr. Dan Gardner
CC: Roundtable Members
From: Jill Pearson
Date: 3/29/2004
Re: Situation Analysis of Swim Zone Aquatics

This is to request course developments for Swim Zone Aquatics (SZA). The project will be to design a customer service training program for this local and successful mail order catalog business. This memo will provide background information and a situation analysis of the issues that need to be addressed.

Background

Swim Zone Aquatics is a business that "Pearson Consulting" is providing marketing consulting services for. This local business is a vibrant, growing mail order company that has set even more aggressive growth goals for the next 5 years. It is a 25 year old major distributor of apparel, equipment and products for "water enthusiasts." These include competitive swimmers, master's swimmers, fitness/water aerobics swimmers, water polo players and triathletes. The current owner, Mike Landry, is the son of the founder. The business achieved \$3,000,000 in sales in 1997.

The company was selected for this project because although it is successful and growing, recent data and analysis show that there are significant opportunities in the area of telephone customer service skills. Specifically, improvement needs to be made in "soft skills" relating to customer interaction, and also in product knowledge.

Goals and Mission

When Mike retained "Pearson Consulting" in 1997, the stated goals were to: "Take our business from \$3MM at 5% profit to \$6MM at 10% profit by 2000/2001." To reach this goal, revenues will have to grow +20%/year, versus its steady 10% growth over the next few years.

The process began to analyze the business and figure out how to grow it. A new catalog with a new line of products is being test marketed in the spring. New list rental/advertising efforts are being evaluated as ways to bring in new customers. In addition, the process to better understand the current customer base has begun. With almost 100,000 names in the database, SZA could see a substantial amount of sales increase by eliminating problems and issues with current customers and increasing their annual sales.

A customer survey was sent to representative samples of current customers to begin to provide feedback on SZA's strengths and weaknesses as the customers see fit. Results showed that while overall satisfaction as high, significant improvement could be made in the two areas of customer service addressed (See Attachment 3):

	Average Score (rated 1-5)	Goal for Score (rated 1-5)
Exceptional Customer Service?	2.5	4.5
Reps as knowledgeable?	2.0	4.0
Reps as polite and friendly?	2.6	4.7

CUSTOMER SERVICE TRAINING

Customer Service improvement is one of the key measures necessary to grow the business in the next few years. As new products/businesses are added, product knowledge and technical skills will be necessary to support the business. Growing the sales of current customers is essential, and loyalty through excellent service is the goal. Currently, there is no formal customer service training at the company. It is on the job only, and is often based on previous experience in customer service. The Vice President has a lot of experience in Customer Service, however she handles so many other items her time is limited to train the reps. Also, most of the reps do not swim, so they have little practical or technical knowledge of the