

# The RAAS Report

April  
2005

**You may recall that you received the February edition of the RAAS Report in your letterbox as a special delivery envelope, rather than as an insert in the magazine.**

Thereby hangs an instructive tale.

Management Rights people are in the hospitality business, and as professionals in that business we all understand the importance of customer service. The real measure of our understanding of this nebulous thing called "customer service" comes, not in the many day to day transactions and interactions when everything works like clockwork --- it comes when the inevitable stuff-up occurs and we are confronted by an angry and sometimes irrational customer.

The real test for your business (indeed all businesses) is how you handle this potential disaster!

We all like to think we run great businesses. We all like to think we have foolproof systems in place. Notwithstanding all this, the words of that great Irish philosopher Murphy (of Murphy's Law fame) still ring true --- "If it can go wrong, it will go wrong!"

To cut to the chase, the reason you received the February **RAAS Report** by special delivery rather than as an insert in the magazine was good old Murphy! Somehow in the great and mysterious chain of events that culminate in the publication of a quality magazine like Resort News, the December edition of the **RAAS Report** was re-inserted in the February edition of the magazine.

Now, you may remember about four paragraphs back I used the words "angry and sometimes irrational customer". Upon receipt of this startling news about December re-appearing in February, the above description fitted the writer of the **RAAS Report** exactly!

The lesson to be absorbed from this story is not anything to do with Murphy; it is about what happened next --- and what happened next is a textbook case of how your business,

and any business, can turn adversity into triumph, and repeat business.

First came the admission of guilt. Yes, we did it; it's our fault; we are not sure yet how that could have happened, but we are taking steps to find out so we can be sure it can never happen again.

## **LESSON 1. WHEN THE BOO-BOO IS YOUR BOO-BOO, OWN UP!**

Nothing infuriates an already angry customer more than being told that black is white, when patently it is black. Nothing placates an angry customer quicker than your admission of guilt, because it is a rare and refreshing thing for a business proprietor to actually own up to a mistake rather than hide behind "weasel words".

Secondly came the question "What can we do for you to fix what has happened?"

## **LESSON 2. YOU BROKE IT, YOU HAVE TO FIX IT!**

There is sometimes a tendency for us to say to ourselves "Why should I have to go out of my way to fix this customer's problem? He is not anybody important! I'll probably never see him again."

Many years ago, one of my favourite books was **How To Sell Anything To Anybody** by Joe Girard, at that time the most successful car salesman the world had ever seen. You don't get to be the world's greatest salesman without being a conversationalist. As a result of his conversations with thousands of clients (including ministers of religion and funeral directors) Joe discovered that, coincidentally, the average number of people who attended any wedding was around 250, and the average number who attended any funeral was also around 250.

From this curious fact Joe formulated "**Girard's Law of 250**" --- **Everybody in the whole world knows at least 250 people well enough that those 250 people would attend his/her wedding and his/her funeral!**

What has Joe Girard's Law of 250 got to do with us?

Well, every time you do something good and positive for somebody, it is very likely 250 people will be told about it; every time you do something bad to somebody, it is very likely 250 people will also be told about it. Dwell on that thought as you go back to Lesson # 2 above --- **you broke it, you have to fix it!**

Suffice it to say that the proprietors of Resort News reacted in the way I would hope all of you would react in the face of such a problem. They moved heaven and earth to see that what they had promised to deliver to their customer, got delivered! Their response changed my anger into my admiration. At the end of the day, it cost them real dollars to undo the error, but cemented a relationship that will prove fruitful to their business.

Does your business handle its boo-boos in such a satisfactory manner? If it does not, you run the risk of your customers taking their money away to a more responsive competitor, and believe me, there are many "customer oriented" competitors out there.

Thank you, Resort News, for a job well done!

## **RMEG SEMINAR**

**RMEG (Resident Managers Education Group)** held its first Management Rights Beginners Seminar on 18th March. A crowd of about 45 attended and heard presentations from Frank Higginson (Hynes Lawyers), Paul Geary (ANZ), Peter Jolly (Carindale Reserve), Dennis Ivers (Archer Gowland), Damien Windle (PCS Finance) and Mike Butler, Rusty Lush & Geoff Glanville (RAAS RIGHTS & RAAS Real Estate). Most attendees deemed it a great success. **RMEG** looks forward to running further seminars in the future.

**If you would like to comment on anything you have read in the RAAS Report, please send an email to [mike@raas.com.au](mailto:mike@raas.com.au) or write to The RAAS Report, 13/17 Victor St., Runcorn Q 4113.**



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