

Undercover Loss:

The Secret to Discovering What's Really Happening –
and Potentially Hurting You – on Your Company's Frontlines



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Compliance and customer service challenges can cause costly derailments to an organization's success. While most businesses invest heavily in creating policies and delivering trainings to guide their frontline employees, many do not have the advantage of knowing exactly how their teachings are being carried out in "real life" with prospects and customers.

Some CEOs are discovering that going undercover as an employee as part of the television reality show "Undercover Boss" can result in a revealing, transformative experience that leads to positive, lasting change in their companies. But you don't need to submit to reality TV to enjoy the benefits of going undercover.

Professional mystery shopping services, when employed strategically and thoughtfully, can reduce liability risks and enhance the customer experience just as successfully.

This white paper addresses 5 things an organization can achieve through a mystery shopping program and includes 5 questions to ask any prospective mystery shopping partner.

5 Questions Your Organization Can Answer through Mystery Shopping

Companies that want to maintain the highest quality customer service and levels of compliance within their organizations can use professional mystery shopping any time, in a variety of ways. This type of testing can quickly assess compliance and deliver results that can quickly facilitate changes in employee behavior.

For organizations large or small, testing can reveal what's really happening and if there is a problem – there is no other investigative tool for upper management that's quite as effective. In fact, many businesses find that testing can replace formal training and be more successful in achieving desired behavior changes. Through the process of testing and reporting, retesting and reporting, companies see that simply paying attention and monitoring progress in critical areas can create dramatic improvements.

The keys to a successful mystery shopping initiative include:

- Defining your objectives clearly so you identify exactly what you are seeking to uncover, and what you ultimately want to accomplish by addressing it
- Choosing the right mystery shopping firm to design and execute your program

Here are five questions you can answer with the right mystery shopping program:

1. Are your sales initiatives getting the traction they should?

While your frontline sales team may have all the training and information they need to promote your products, services and special offers, it can be difficult to know if their efforts are as effective as they could be.

A mystery shopping program can help determine if your sales team is following company protocols, handling objections appropriately, articulating the value of your offerings, proposing clear calls to action and closing deals at the level you need.

Every sales initiative involves a large investment of time, money and energy. A mystery shopping program can help to ensure the investment pays off.

2. Are your employees representing your brand as they've been trained?

In most cases, the only people your customers will ever interact with in your organization are your frontline customer service and sales people. They are critical players in the proper representation of your brand.

While you may communicate your company's core values and produce policy and training materials to outline the details of expected behavior to all employees, your brand can be compromised when frontline people fail to represent it successfully.

Whether on the phone or in person, voice and tone make all the difference. Responses to questions or complaints should be consistent with the image you want to portray. Your people are your brand.

A mystery shopping program can provide detailed information on the impression your people are leaving when they interact with your prospects, customers and other key audiences. By testing employees on a regular basis and reporting on their results, you can often avoid costly training sessions and see great improvements.

3. Are customer interactions putting you at risk for legal liability?

Compliance-based mystery shopping can help to uncover and ultimately eliminate dangerous infractions that can lead to lawsuits. These may include behaviors that discriminate based on race, sexual orientation, national origin, or gender. They can be related to the Americans with Disabilities Act or sexual harassment.

If you have any doubts about your risk for legal liability related to customer interactions, a mystery shopping program can cast some light on reality, allow you to address issues, and save you considerable money and time in the end.

4. Are customer interactions creating a high quality, positive customer experience?

Quality assurance is a key objective for most organizations, from the moment a prospect inquires about your product or service, through the sales process and into the client engagement. Even your best customers will sometimes have issues or complaints and ensuring a positive outcome in these situations is critical to long term success.

A mystery shopping program can highlight how your customers are treated at every stage of their relationship with your organization. Gaining an understanding of where your employees are shining and where they need guidance can be a valuable experience for the entire team.

5. Are your employees selling and servicing customers successfully in comparison to your competitors?

While most organizations do some informal competitive research on their own to get a feel for their marketplace, a professional approach can uncover even more information that can help you position yourselves more successfully against competitors.

A mystery shopping program can be customized to acquire the specific type of information you want to know, including pricing, service plans and guarantees, how complaints are handled, etc. You can then use this data to enhance your sales, marketing, and service and overall customer experience.

5 Questions to Ask a Potential Mystery Shopping Partner

Once you decide that a mystery shopping initiative could benefit your organization, it's time to choose a partner that is qualified and experienced and has a track record for producing results.

Here are five questions to ask any potential mystery shopping firm.

1. How do you recruit, screen, train and manage your shoppers?

Most mystery shopping companies "hire" shoppers solely through blind Internet recruitment, with no screening, very little training and no quality control. In addition, many mystery shopping firms make money primarily by scamming potential shoppers by charging them to participate in their organization. A reputable mystery shopping firm will pay its shoppers, not the other way around.

Shoppers should be qualified research associates who are hired, trained and managed by the mystery shopping firm.

2. What is the process for developing intelligent, targeted questions that create the situation (face to face or ear to ear) and acquire the information you are seeking?

A critical success factor in any mystery shopping program is to create the situations that will reveal desired information. Questions for your program should be developed with your specific objectives and challenges in mind. You'll want to decide if the shopping will be done face to face, over the phone, online or via a combination of methods. You also want to make sure that the mystery shopping provider has recording capabilities.

3. How often and in what format are shopping results presented to us?

It's important to know how quickly you will get some feedback from the shopping efforts, so make sure to clarify expectations related to the frequency and format of feedback.

Ideally, your mystery shopping partner will present findings in an easy-to-use format that allows you to extract highlights and key information quickly.

You should have a variety of options for receiving your reports. For instance, you may want real-time reports delivered automatically via email to a select few in your organization or you may want to broadcast results to a larger group on a daily, weekly or monthly basis. Posting results to a secure FTP site is a valuable way for

your firm to enjoy comprehensive, convenient oversight of your program, and this option should also be available to you.

4. How do you handle reporting requests and changes we may have during the process?

During the course of your mystery shopping program, you may discover things that you want to delve into more deeply or realize that you want findings presented in a different way to meet your needs.

A flexible mystery shopping partner will be willing to respond quickly to your reporting requests and changes so you can gain maximum benefit from your program.

5. Will we require a separate training for employees following the shopping or will we be able to use the results as a training tool?

The most cost-effective mystery shopping programs deliver results that serve as training tools on their own, without the need for you to create and deliver a subsequent training program, at additional cost.

By clarifying your expectation up front that you want your mystery shopping initiative to accomplish both discovery and training, you will be better able to find a firm that offers the greatest value and long-term benefits.

About Progressive Management Resources

Progressive Management Resources, Inc. (PMR) is a certified woman-owned management consulting firm, located in Pasadena, California with over 10 years of unparalleled experience assisting organizations with compliance concerns. Our firm's two principals, Heidi Olguin and Mona Hathout, began their work in the early nineties in the field of civil rights legal compliance with a special focus on civil rights monitoring through the use of discrimination testing, training, policy development and assessment.

Our work has spanned across a broad spectrum of consumer and employee related issues, including: employment issues, consumer fraud, fair housing, insurance, lending, and public accommodations. We have assisted organizations both large and small assess and achieve their compliance and quality assurance goals, whether as a proactive independent effort, injunctive relief, or settlement agreement. Clients find that our innovative services serve to reduce their exposure to liability, improve quality, and positively impact the bottom line.

Mystery Shopping Services

We help companies uncover what's really going on and fix it at every customer touch point, whether in person or on the phone. PMR executes quality assurance mystery shopping strategies that intersect with the customer experience and compliance concerns and provide solutions fast. Our unparalleled mystery shopping capabilities began over 15 years ago with cutting-edge undercover investigation of compliance with federal consent decrees through the use of matched pair discrimination testing. We've taken that expertise and turned it into the gold standard for premier mystery shopping.

Our services are valued by brands that want to quickly uncover meaningful and substantive results. Since our expertise stems from the legal compliance paradigm, our results will go beyond typical mystery shopping and consumer experience findings. The results we provide will give you increased protection and reduce your liability.

Our capabilities include phone based (with state-of-the-art call recording capacity), in-person and online customer service and compliance solutions. We have served a breadth of industries, including restaurant and food service, homeowners and auto insurance, multi-family housing, mortgage lending and real estate.

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