

Cleanings

Volume 1, Issue 3

May 1, 2002

Did you know?

The Golden Rule is not—he who has the gold makes the rules. It is—do to others as you would have them do to you.

Luke 6:31 (NIV)

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By Gerald R. Chester, Ph. D.

The Whole Truth and Declining Values

An AP story dated April 5, 2001 was reported by CNN as part of their news broadcast by RealNetworks, Inc. The CNN reporter noted that a Dallas specialty dress store had declined to accept the return of a prom dress from a mother whose daughter died before she was able to wear the dress. The store's policy was "no returns". A vice president from the store was quoted as applauding the store clerks who faithfully followed store policy by declining the return request. CNN's report left me wondering what really happened. So I went online and found the AP article that appeared to be the basis of the CNN report. Reading this article, I found that CNN did accurately report part of the story. However, CNN failed to note the reason provided by the store for the policy. Without this policy, the store believes that young ladies will wear the prom dresses once and then return them for credit. In essence, the ladies would be renting the dresses without having to pay for them. If indeed this is a significant risk for the store, then the "no return" policy is not as outlandish as the CNN report would have us to believe. Furthermore, the store VP went on to indicate that in a case like this, an exception to the policy may be considered if appropriate proof is provided. In no

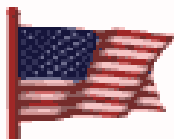
way am I trying to defend the store; for I know very little about the store and the AP article goes on to note other issues. But it is interesting to note two things. First, the CNN reporting was incomplete, if not misleading. And second, what does it say about our society when businesses must adopt non customer-centric policies to protect themselves from customers who are looking to avoid paying for goods and services? With regard to the first point, we must all be careful to gather all the facts before we make judgments about situations. The Hebrew King Solomon notes, "The first to present his case seems right, till another comes forward and questions him." (PRO 18:17, NIV). As for the second point, is this situation just further anecdotal evidence of the moral decline of our society? What will it be like to conduct business in an environment where the ethical standards of truth and justice are not practiced? Would you want to own a business where you could not offer customer-centric service because it threatens the life of your company? Operating a business in a culture that embraces the golden rule – do unto others as you would have them do unto you – is difficult enough. What happens when the majority no longer follows the golden rule?

We Are a Collective Whole

Recently, my wife returned an item bought at a well-known discount clothing store. Upon approaching the return counter, the clerk quickly discovered that the item my wife was returning was no longer stocked in the store and could not readily identify that it had ever been. A recent change in the store policy required that the clerk find a manager to approve the exchange. After waiting nearly 30-minutes, the manager was found and approved the return. My frustrated wife asked the man-

ager why it took so long for a simple return. He indicated that they had been getting returns for merchandise that they did not sell. People were carefully removing price tags from products and attaching them to lower priced items and returning these items for a refund. To guard against this, the store was requiring a manager to review returns on items that were no longer stocked in the store. When the golden rule isn't followed by a few, all of us are impacted!

Can Not, Do Not, Will Not!!!



Recently my wife and I moved into a new home. As we prepared, I began to explore options for our new phone system. We needed three lines, one for my wife, one for my home office, and one for Internet/fax. After spending a couple of hours researching, I made a selection placing my order well in advance and was told that the phones would be turned on the day of the move. I was particularly looking forward to the ability to obtain high speed Internet access for the first time. Moving day arrived, but the phones were not installed as ordered. After numerous calls, I talked with a customer service representative who explained in no uncertain terms that the phone company was not able to deliver the services I requested when they promised. Her exact words were, "We can not, do not, and will not.". Needless to say, I was a bit chagrined at the situation as my service order was timely placed and every indication was that it would be fulfilled as committed. But the biggest issue was the attitude of the service representative. Her attitude and perspective showed no concern for what her company had committed to do. A more appropriate response would have been to apologize for the problem and explain when my order would be completed. That's all that would be required. Had she done that, I would be a satisfied customer. Instead, her insensitive actions produced ill-will that will bring a less than glowing reference should I ever be asked to comment on this company. How often is this happening each day? Customer service representatives who alienate customers create an army of unhappy advertisers. Their actions can have an exponential impact on a company's reputation both good and bad. Having skilled customer service representatives with the right training should never be underestimated.

Your comments and questions are invited!!!

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Since 1987, Dr. Gerald R. Chester has been providing business and financial advisory services to clients. After receiving his Ph.D. in physics, Gerald moved quickly from the research lab into management. From 1978 to 1985, he managed his family's business, which prospered while growing at an average annual rate of 20%. As a business and financial advisor, Gerald utilizes his rigorous technical education and hands-on management experience to serve his many clients with seasoned balanced judgment. His clients appreciate and value his experience and wisdom in both business and financial matters. Gerald's focus includes strategic planning, business analysis, business valuations, business plans, mergers and acquisitions, financial planning, investment strategies, investments, and personnel assessments. The Newsletter, *Gleanings*, is intended to provide a venue to share the insight and wisdom gained over the years working with dozens of businesses and organizations.

Gerald R. Chester is a registered investment advisor.

