

Simply put, the paradox of excellence holds that the better a company performs, the more negatively the business can be impacted.

**Scott Public Relations...**

“A Step Ahead” is a publication of Scott Public Relations ([www.scottpublicrelations.com](http://www.scottpublicrelations.com)) a public relations firm specializing in business-to-business communication for firms in healthcare, insurance, and technology. Scott Public Relations helps its clients, ranging from Fortune 100 firms to start-up companies, stay “A Step Ahead” in their marketing programs and in their industries.

## The Paradox of Excellence: High Performance = Low Respect?

Conventional wisdom says that companies that strive for continuous improvement and outstanding service will see high customer loyalty and increased brand value. But according to “The Paradox of Excellence,” a book by David Mosby and Michael Weissman, the reverse may be true: superior performance is instead taken for granted and undervalued by the marketplace, leaving high performing firms vulnerable to loss of reputation and business if their service deviates from their consistent high standards.

The reality is that customers have come to expect superlative performance.

How can companies overcome this bizarre paradox to build and maintain high customer loyalty and brand value, even through the inevitable “glitches” that will occur in any business relationships?

### Excellent performance can actually cause problems. Why?

Simply put, the paradox of excellence holds that the better a company performs, the more negatively the business can be impacted. This is because high performing players unwittingly create unrealistic expectations that become impossible to meet. As the firm consistently provides reliable service—and performance improves—the company is no longer top of mind to its customers. The terrific job is no longer great, extraordinary or excellent, it’s expected.

As a business works diligently to drive service to new heights and service issues disappear, their customers no longer pay attention to the firm’s actual performance. But when, inevitably, a problem arises, that gets noticed. Those same customers who have lost sight of the overall excellent performance of the company now focus exclusively on the problems they are experiencing, rather than on the outstanding performance to which they’ve become accustomed. Because the customers have no clear understanding of the company’s actual performance and what its value is to them, their satisfaction level plummets. And therein lays the paradox.

Rightly or wrongly, measuring success has become a matter of customer perception as much as actual superlative results. And if a company’s overall strong service has not been consistently reinforced to its customers, the relationship flounders at the first sign of problems. The company that has congratulated itself on its outstanding track record and close client relationships suddenly finds itself on the hot seat, queried by irate former allies and friends.

### The Perils of Invisibility

Most companies spend enormous amounts of time on achieving operational excellence, and assume that customers will automatically perceive and value this dedication and the results it produces. However, optimal performance quickly becomes taken for granted.

## The Paradox of Excellence: High Performance = Low Respect?

The simple task of reminding customers about the value and the impact that an organization has on their business should be given the highest priority. Forgetting this simple rule of thumb could result in the loss of customers, market share and industry reputation.

How might this paradox manifest itself in healthcare? Let's look at three examples drawn from the annals of public relations.

- As a healthcare network approached its 20th anniversary, it had unequivocally achieved its original goals by creating a seat at the managed care table for its members, enabling them to build patient volume through contracts with managed care organizations. Despite this impressive market penetration, the value proposition of the network was in danger of declining due to changes in the marketplace. Self-insured employers, workers' compensation carriers, and consumers themselves were impacting patient volume and referrals. Network members had lost sight of the fact that a majority of their business came from the network's contracts, and were beginning to question the value of their membership.
- A claims management company had developed and maintained a reputation based on its commitment to producing outstanding outcomes. However, the firm found itself vulnerable to losing clients to competitors because its clients did not perceive the value of this focus on outcomes.
- In a third example, a firm providing services to hospitals found that after its initial success in improving hospital performance, customers tended to take outstanding results for granted and to believe they could achieve them on their own without the firm's services.

Before revealing the solution that each business discovered to reverse the paradox of excellence, let's look at the problem from a big picture perspective.

### Confounding the Paradox

The first step in avoiding the pitfalls of the paradox of excellence is finding out the customer's criteria for assessment of value. Is it an outstanding safety record? Timeliness? Cost savings? Error-free performance? This value can be discovered by querying your customers.

The second step is translating these performance measures into the client's criteria. If the customer values safety, how can the firm measure its value in terms of a superlative safety reward? If customers appreciate on-time delivery, what is the firm's record on promptness and efficiency, and how does it positively impact customers.

Third, the firm must continuously communicate this value throughout the course of the customer relationship to the full range of decision makers and influencers for that customer.

How did the three healthcare companies resolve their paradoxes?

### For More Information

To receive regular "A Step Ahead" bulletins, notify Joy Scott, joy@scottpublicrelations.com.

Scott Public Relations, 21201 Victory #154, Canoga Park, CA 91303. (818) 610-0270

## The Paradox of Excellence: High Performance = Low Respect?

- The first step taken by the network was to survey its membership to identify their perception about their membership, and the future of the organization. Based on the results, the network updated its value proposition and created a new action plan to achieve it. By changing the value proposition and services, and creating the means to communicate this to members with online and print communications and member events, the company was able to develop a new direction and mission. An updated survey two years later revealed that the new strategy had worked—member satisfaction was at an all time high and the organization continued to grow.
- The claims management company engaged a third party to survey its clients to identify how they assessed quality claims management, then translated its outcomes into these criteria. Results were communicated via monthly report cards presented in personal meetings with decision makers.
- The firm in the hospital sector identified one award-winning institution that was able to provide before and after metrics documenting the changes the firm had made in their operations and profitability. By demonstrating the increased value it delivered over time, the company gained a model to systematically improve its customer retention and customer satisfaction.

**POSITIVE RESULTS + COMPREHENSIVE ASSESSMENT + CONSISTENT COMMUNICATION = EXCELLENCE**

In today's fast paced business environment, it is easy to neglect and overlook things that are not causing trouble. "The Paradox of Excellence" is a reminder that companies cannot become complacent. It is just as important to continuously cultivate the perception of excellence as it is to achieve excellence in performance.

**Can a proactive PR and marketing strategy elevate the perception of your company's true value? Yes, if you:**

- Don't wait until there is a crisis with your customer; be proactive and reinforce your company's distinguishing value to customers through a variety of methods such as strategic insight emails, electronic newsletters, in-person meetings, metrics-driven reports, anecdotes illustrating the performance measures, and internal and external communications.
- Solicit customer feedback to verify that what you are offering is still what clients want; the best companies examine and refocus goals with customers on a regular basis.
- Work as a team to identify your strengths and weaknesses and react quickly to correct them.
- Make the invisible visible; don't assume customers will observe and value your performance improvements, tell them so! If you are mentioned in an article or are honored by your peers and the market, tell them.

**For More Information**

To receive regular "A Step Ahead" bulletins, notify Joy Scott, joy@scottpublicrelations.com.

Scott Public Relations, 21201 Victory #154, Canoga Park, CA 91303. (818) 610-0270