

**How did these Chinese contracts happen?**

I did a seminar there in 2002 for the government. One of the companies that attended was Bank of Communications, which is the fifth-largest bank in China, with more than 40,000 employees. They really liked my message, and they wanted me to come back a few months later to do a seminar for their top executives. At that seminar, Shanghai Foreign Service Company's CEO said, "I want to represent you in China."

I was over there in 2003-2004, and I did a seminar for them for 850 people. And then the World Expo and [Shanghai Foreign Service] kind of merged. What the World Expo is doing is taking the land on both sides of this river and clearing out all the housing, all the factories. They're going to put in all these new buildings, and they have like 220 countries participating. I think it's like a World's Fair. They estimate that more than 70 million people are coming to Shanghai. They want to make sure when these people come to Shanghai they have world-class service. They estimate that 1,420,000 people will be trained in customer service using our technology.

**When did you come up with this service philosophy?**

In 1979. I wrote and designed a customer-service training program, piloted it with a variety of different organizations, and got the feedback and rewrote the training package called "Feelings." I released it in January of 1980, thought I'd be instantly rich. No. Because everybody said back then, "Who's used it?" I'd say, "You're going to be the first." And they'd say, "Oh, no."

Secondly, and its still true today, companies don't value employees. If you don't value employees, why would you spend good money training people on customer service?

**Did you start Service Quality Institute in 1979?**

The company was founded in 1972, and we called it John Tschohl & Associates. In 1980, we changed the name to Better than Money Corp. because I had written several programs on how to motivate people, and the concept is people are motivated by recognition. Most executives don't understand that. In 1990, we switched to Service Quality Institute.

**Why?**

It was a more sophisticated name. I liked Better than Money Corp.

**Before you got into the business of customer-service consulting, what did you do?**

For the first eight years of my company I was involved with building morale, building performance of workforces, teaching managers how to motivate and manage people. Before that I worked for my brother-in-law as an independent agent with a company called Success Motivation Institute. It was a franchise on leadership, motivation, attitudes.

**Was it sales training?**

No. Consulting on how to achieve greater performance, how to motivate the workforce, how to be a better executive, a better manager through people skills, through communications skills, through goal-setting. The only things that prevent a person from accomplishing their goals are self-imposed.

I didn't have any money. My father died when I was 7. My mother stayed at home and raised me. She didn't have any money. But I thought I was extremely wealthy because she worked on my self-worth and told me I was smart and important and would always be successful, and I believed her.

So then I went to [the University of] St. Thomas and graduated, and my first job was with the Minnesota Taxpayers Association. I worked for them for about a year and a half before I went into business for myself, working with my brother-in-law.

**It sounds like your company today is more tightly focused on customer service than it used to be. When did that happen?**

1980 is when I created the Feelings customer-service training program, and that's when the major shift was to focus on customer service. I was the first person to write a book on customer service, the first company to provide a customer-service training program, and today we have 30 different programs and books on customer service that customers can use to train their staff to deliver high levels of customer service -- and in many languages. Seventy percent of our business is international.

**How large is your business?**

We'll do about \$1 million in revenue this year. Six employees. We used to be bigger. 9/11 cut us back.

**How big were you before 9/11?**

I used to have 15 people, a couple million dollars at the high. But I'm more profitable now because I don't have as much overhead.

**What is it you sell?**

The big picture is the strategy on how you dominate the market, rapidly grow your business through a service strategy, how to take your workforce, be it 20 people or 2,000 people, get everybody customer-driven so if somebody walks in through the fax line, the phone line, the Internet, in person, the experience is awesome.

**How many companies get that?**

Very few. Those that do make piles of money They tend to be more international than domestic. Another reason companies are reluctant to train people is that employee turnover is high. So their concept is, by the time I get them trained they're gone.

**Getting back to the contract with these Chinese organizations, what will they mean to your company's revenue?**

It'll increase it manyfold, and the revenue is all profit. I get paid a 15 percent royalty on all sales, and there's no cost of goods.

**So you're getting paid a commission on what's being sold by your licensee in China.**

Exactly.

**So how did this Mankato boy end up with this international strategy?**

I used to get a lot of business from Canada. And I just found as you left the country, people were very receptive. I find when I leave the United States people think I'm smarter. You don't know anything within your own community.

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