

Everyone is involved in creating a more exciting customer experience

Customer Service Newsletter's interview with Shep Hyken, speaker, consultant, and author of *The Cult of the Customer*, focused on how companies can tell if they are customer-focused as opposed to operations-focused, and on how to create more memorable customer experiences in general. The article in the July issue of *Customer Service Newsletter (CSN)* based on this interview provides a useful guide to beginning the transition to greater customer focus. But *CSN's* conversation with Hyken also ranged through such issues as use of service metrics, empowering service reps, hiring for attitude, service recovery, and a variety of other issues that should be important to customer service managers. Here's a complete transcript of the conversation

CSN: *A lot of companies pay lip service to the customer experience and say they have a customer focus or customer orientation, but how do you know if you are really customer focused in your organization, as opposed to being operationally focused?*

Hyken: There is a big difference. And the lip service amounts to this: There is a brand promise out there and is this company living up to the brand promise?

In order to make the brand promise work, it has to be fulfilled

internally as well. So, I refer to it as an offshoot of the Golden Rule: "Do unto others as you would want done unto yourself." But it is more like the Employee Golden Rule: "Do unto your employees as you want them to do unto the customer."

In other words, treat employees the way you want the customer treated, if not better — a couple of thoughts are:

One, do your employees understand what the primary function of their job is? Because it is not just to do what they were hired to do. They are also hired to make sure that they do whatever is necessary for that customer, guest, patient — whoever it is — to have a good experience.

Disney is a company that understands this, and I talk about a number of companies like this in my book, *The Cult of the Customer*. I love working with Disney, and I'm also a huge fan of going to their theme parks. At Disney, they say, "Every employee has three jobs — to do the job they were hired to do, to make sure the guest is taken care of, and to keep the park clean." Now, not every company has a park to keep clean, so you can say, to keep your workplace or work area clean — but the point is, at the end of the day, there are two functions over and above just what they were hired to do.

If a person is hired, and they recite a job-description and say this

is what I was hired to do — whatever it is — that is a total operations-focused mentality.

CSN: *In a lot of cases, it might be the company itself that manages that focus and convinces employees that they only have one job, the one that is in their job description.*

Hyken: Unfortunately that's true.

CSN: *Can a customer service manager get around that attitude? What should managers be doing to make sure that their employees realize and understand that they have more than that job description to fulfill?*

Hyken: Well, the answer goes to the internal side of the equation. And that's what I was excited about as this new book came together. I realized that a lot of my focus over the last several years has been on that outside customer experience. I did talk about internal service, but I didn't realize the parallel between what's happening on the inside and what's happening on the outside. And how it's felt on the outside.

So what can managers do to get out of the operations-focused mentality? Number one, they have to accept that they are there to begin with, and that's not easy. Unfortunately, a lot of people don't want to accept their shortcomings. And I

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think at the end of the day it is a shortcoming. Number two, once it's there, and it's accepted that they have an operations focus, managers have to figure out what they need to do to get out of it and change that attitude.

It's not necessarily cleaning house, it's getting people to believe that a change is going to take place. And the only way for the change to take place is to start at the top level and let it work its way through.

But that's where it gets sticky. People are used to doing things a certain way for so long. They are also not used to change. If it becomes something new, they are not going to be used to it and comfortable with it until they try it out and realize that they are not going to get in trouble for doing things outside of their regular job. And that applies to managers as well as to employees. It's kind of the old, empowering mentality: Don't worry, you will never get in trouble for doing something wrong. We will always keep it as a learning experience.

But if it happens that somebody does do something wrong, and they get beat up because of it, they are probably never going to have a feeling of empowerment with that company. Or that feeling will take a long time to come back. So you have to be careful in implementing a change like this.

What the management has to do is be willing to let go of an old way of doing things, and take chances, and let their people take chances. And they should also let their people get praised for taking those chances. Anything that would be the opposite of that — opposite empowerment and support — could mentally adversely affect an individual and could adversely affect the whole effort.

It's a culture change, in short.

CSN: *So managers have to do what they can to support that attitude, that customer focus, whether it is through reinforcement on the front line, coaching individual reps, and also via the customer service compensation system?*

Hyken: Let's touch on that for a second, because compensation comes in a couple of different ways. Obviously there is financial compensation. But there is another side of it, and that is the celebratory side of compensation. That is, we've done a great job, let's celebrate. And I can suggest a couple of tools to make that happen.

For instance, a friend of mine was a VP of marketing for a major convenience food store chain. And every Friday he used to bring his team in to sit down and have wine and cheese and just had kind of a celebration of the week. And he did that every week. They talked about what worked, and what didn't work, what did we learn from it? And he patted everybody on the back. That's not monetary compensation, but boy, it's pretty strong. So there is a celebration side to compensation related to service.

There is also a tool mentioned in the book that is part of our customer focus training product. That is to recognize when you've created a great — what I call a “moment of magic experience” for a customer, either internal or external. The employee writes it up, and they give it to their manager. And they do this once a week. And we have an online version at www.cultofthecustomer.com that works through the Internet as well. But here is the key — the manager has to praise the employee for doing it right. And they have to give them some feedback. And all that does is it keeps building the esteem up.

CSN: *It sounds as if changing to a customer focus can be a sea-change for some managers too — to get away from criticizing mistakes and bad behavior in favor of reinforcing and celebrating behavior that is correct or positive. Too many managers might assume, “Well, that's their job, why should I have to praise them for it?”*

Hyken: Exactly, and at the end of it all, it's not just praising it once in a while, it's praising service reps and other employees for their efforts to create an exceptional experience every time they hear about it — and that is hard to do. I tell my clients that each one of your employees is going to invest five minutes a week in this, except for the managers. It's going to take managers an hour to two hours. And so, forget about the few hundred dollars a month it costs to implement a program like this, are you willing to let your managers spend up to two hours a week to make sure that you are delivering and creating a customer-focused environment — the cult of the customer, if you will?

Because if you are not willing to do that, then don't invest in this, because the investment of time on your managers' part does cost you money. Of course, I think the payoff is exponentially higher — but managers are going to see themselves as very busy, and say, “I don't have time for this.” And if so, perhaps that's not the person you want as a supervisor or manager.

CSN: *A company is only going to undermine its efforts if it introduces plans for a customer-focused culture to reps or employees and then it doesn't have its managers behind it.*

Hyken: Exactly.

CSN: *Can you be customer focused and still use some of the performance metrics that many customer service and call center operations use — things like AHT, average phone time, first call resolution rates, things like that?*

Hyken: Well, there is a balance, I think. The metrics are used for a couple of reasons. But if you are trying to use your metrics to try to squeeze as much out of a dollar as you can, you are probably using a little bit of an operational mentality effort there, versus implementing a customer focus. However, let's talk about the first-call resolution issue, since you brought that up.

Verizon is one of my clients, and one of the things they strive for is first call resolution. So if you wanted to get off the phone quickly, you would fix the problem and hang up, and that's it. But that's not what they try to do. What they try to do is not only fix the problem, but they try to determine what other problems that customer might have, based on what they are hearing.

So they might start questioning about and fixing other problems the customer isn't asking about. What does that do? Two things: One is goodwill. Two, the customer now doesn't have to call back again for another problem and start the process all over again. I think at the end of the day it saves them time and money. But on that particular call, it's going to extend the time of the call.

So I guess my question is, there are two metrics that you have to be aware of. One is how long the call is before you move on to the other. And two is, over a period of time, how many repeat calls are coming in from the same customer? And actually, there's even a third one: Are you reducing your number of calls as a

result of spending more time on each call?

So the question is, do these metrics balance out? So, using metrics can be valuable, yes. And I believe you can find plausible reason or explanation through your metrics to spend more time on a call, and not get off the phone as quickly as possible to move on to the next.

Now, outbound call centers' smiling and dialing for sales is a different story.

CSN: *One of the things you talk about in your book is the difference between "touch points" and "impact points." Can you explain that difference and why is it important for companies to understand the difference?*

Hyken: My favorite example comes from where this whole concept for me started, with the book, *Moment of Truth*, by Jon Carlson.

Back in the 1980s, Jon Carlson took over Scandinavian Airlines when it was losing a lot of money. And he wrote this book describing how he turned the company around. He rallied all the troops together and he went into the hangars and the different airports that they had a presence in — and he said, "We need to manage something he called the 'moments of truth,' by which he meant anytime a customer comes into contact with any aspect of the business, they form an impression. In my book, I call that a "touch point," and I said that that touch point needs to be positive, and my term for the positive touch point was a "moment of magic."

But Carlson also talked about — and this is where I believe the first notion of internal service came about — internal customer service. He said, if you are not managing the moments of truth on the front end, in a customer-contact position, you're man-

aging the moments of truth internally for somebody that probably is dealing with the customer or passenger. And so the idea there was to manage the touch points they would have with other employees. But that's still a touch point, not an impact point.

The example he used — and I use the example in some of my speeches, because I talk about him — is that in the airline business you have making a reservation, and checking your bags, and going to the ticket counter, and all of these major touch points. The "impact point" is what happens behind the scenes — that if somebody fails on a responsibility they have, it will impact the customer on the outside.

The example that best serves here is, when you go to check your bags at the curb of one airport, and you see the bag go down the conveyor belt, down the chute. And three hours later you show up at another airport and your bags pop up on the carousel. OK, it just didn't happen by magic, and it didn't happen because one or two things took place. There is a lengthy chain of events that takes place behind the scenes, and those are all impact points. If one of those links in the chain is weak, and breaks, the impact is failure at the end most likely.

That's a pretty good visual of how something on the inside impacts the experience, even though the customer never sees it.

CSN: *So a positive customer experience involves all of those internal handlers and employees that the customer may never see?*

Hyken: Right.

CSN: *And in another customer service situation — say a customer service rep is dealing with a customer problem and has to go to the*

shipping department or has to go to the credit department to resolve an issue — the sense of urgency on the part of those other departments has an impact on the customer relationship as well, whether they realize it or not.

Hyken: Exactly. And that's the thing. If one person in the organization is not operating at their highest level effort. And that doesn't mean everybody is clones, but they have to be operating at peak efficiency and peak effort. I always like to say, if you call me today you will talk to me, but if you call tomorrow and talk to the guy next to me, well, he's got a different personality, but you are going to get the same level of service. We care, we are going to do it quickly. Our job is to make you happy.

CSN: *One of the things that customer service organizations deal with frequently is the problem of retention. And I noticed that hiring for customer orientation is something that you emphasize as being important for creating a customer focus. Do you have any advice for customer service organizations in terms of improving their retention rates — or simply hiring better?*

Hyken: I'm not an expert in hiring, but I know that certain things have to take place. The simplistic one is, hire right to begin with. And there are lots of people and programs that you can use to help to eliminate at least some of the potential problems you might have with an employee. There are all types of assessments you can put somebody through. But at the end of the day, you have heard this cliché — "Hire the attitude, train the skill."

There has to be some skill there to begin with, no doubt about it. And so if the attitude is there — and I have mentioned it in articles for years —

Nordstrom has great people, but they didn't train those people to be great. I think it was Peter Nordstrom once said, "Their parents trained our employees to be great. We just take what they have done and make it work for us." So they are looking for a certain type of personality and a behavioral style to come in to do the work.

Zappos.com is another great example of people who are figuring out how to create this kind of culture. Tony Shea moved the company, at least, a lot of the company, to Las Vegas and out of San Francisco because he found that the culture of the people who live up there in San Francisco — they really didn't care. And he wanted to go some place where people needed a job and wanted to work. And he's created this almost unbelievable culture down there in Las Vegas — to the point where he will even pay people to leave after a month.

CSN: *Pay people to leave if they don't fit in?*

Hyken: Yes, if they don't fit in, and I think he is still trying to figure out how much it is before people just show up, go on the orientation, and leave for the money. But I think he is up to something like \$1,500. At the end of their orientation, after a few weeks, he walks in and says, "Anybody who wants to leave, we'll pay you for the time that you're here, and we'll give you a \$1,500 bonus to walk out that door." And very few people do.

Another client I work with here in St. Louis — Pedro's Planet — they do the same thing. They offer people money to leave if they are not happy with their job.

CSN: *One of the problems that customer service organizations have is that they usually have a large*

requirement for hiring. They have to fill a lot of seats, and so they tend not to take the time to look carefully at the people they are hiring and just hire bodies to fill seats.

Hyken: Right, the call center mentality. Stick a mirror underneath the nose, and if it fogs up, you're 80 percent on the way to being hired.

CSN: *How can a customer service manager improve his or her department's customer focus. Obviously, your customer service is going to have a lot of touch points with customers and certainly you can focus on them, and think and talk about them and the different ways in which you and your staff can affect customers. But there are other impact points that are beyond the reach of customer service. Do you have any advice for diplomatically approaching other departments and trying to get them involved in the effort to improve the customer experience?*

Hyken: Here's an easy way of doing it. And I want to use just a small company as an example. And when I say small, let's say there are 150 people in the company. That's big enough that there are people who probably don't think they are involved in customer service — they have a warehouse, people in the back packing boxes, etc.

So what we do with clients is we do a full company meeting, and whoever is my point person, I'll sit down with them and say, OK, if you want to give me everybody's name, you can, but I'm really more interested in everybody's department. If you want to really personalize it, let's put their names in there.

And what we do is create a customer scenario that is usually fairly typical. We'll take one transaction that's very typical to this company, and walk through the steps, and start

to identify the links behind the scenes, and the impact points. What our goal is, is to say, OK, maybe somewhere along the line we had a problem, so now we have to call customer service. Or maybe a shipment didn't make it there on time — that type of thing. What we are trying to do is show that every single department, somehow, has impact on that customer. And I have not met one company — or done business with one company yet — where we couldn't prove that.

Once employees in other departments know they have a stake in this, then they can start to look at their internal procedures within each department to try to strengthen those links in the chain and look for those opportunities to make it easier for their internal customers to ultimately impact that outside customer.

CSN: So perhaps the customer service department can serve by helping to identify those issues that come up that suggest problems in other departments? Obviously you don't want to be finger-pointing and saying, "You have to fix this," but perhaps something more like, "Here's one thing that we have been encountering in recent customer calls."

Hyken: Here is another exercise that you can use that I call the "moments of misery grid." What that does is it allows anybody in any department to write down what the most common problems or complaints that they are hearing — how often they are happening, and what type of resolution or what would be a procedure to fix that.

Now we don't want hundreds listed. We always want to start with the top three. Because you don't want to just slam a bunch of people — but to say, "Here are the three things that we are hearing." And if we get together as a group and we

come up with that, and come up with the answers and start to fix these. And then we come back a quarter later — three months later — and say, "OK, How is that going? Have we diminished or reduced the problem? Have we gotten rid of it all together? OK, then, let's come up with three more that we keep hearing." And over a period of time you are going to start creating a better and better procedure and structure to get these issues resolved and taken care of to the point where maybe in many cases they do disappear.

It's not just the customer service department though. If customer service is upset with something going on in the warehouse. Or another department may have a beef with somebody else for not giving them the information that they need. But if everybody works together, it can become a complicated puzzle. But it's just that, it's just a puzzle, and pretty much all puzzles can be put together nicely.

CSN: You can identify the links to the chain that affect a particular process or have an impact on the customer in a particular way.

Hyken: Yes.

CSN: And if you can do that, then you can find some way to resolve it.

Hyken: Yes, it's just a matter of open communication and — sometimes it's a lot of brainstorming too. What could we do if this were to happen? Etc.

CSN: In these economic times in particular, service recovery seems to be very important — you lose a customer because of price or because you just did something that they can't deal with the way business is going — for them as well as for you. How

important to maintaining a customer focus is winning those customers back? And how far should you go to win back a customer or to retain a customer? Are there limits to what you should do, and I guess the last question is — How empowered should your frontline service reps be in winning back customers?

Hyken: Let's look at the last part of your question first. How empowered should your customer service reps be?

If you look at some companies — you've heard, I'm sure, that Ritz-Carlton's housekeepers are allowed to spend up to \$1,500 per person to keep a customer happy. Some of these stories are legends, I think, but in spirit they are somewhat true and accurate. Empowering the frontline to do it right and take care of the customer to me means answering several questions.

One is: If I do it, is it going to win the customer back?

And two: Is it going to hurt the company in any way? Is it going to hurt them financially? Is it going to be a legal issue? At the end of the day, you can't do anything that will break the law. If somebody wants some — I don't know what the laws are about shipping pharmaceuticals, for instance, but I know some things you just can't ship. And if a customer says, "Can't you just overnight them?" you have to be clear. "No, we're not allowed to do that. Sorry, it would be breaking the law."

So you can't break the law, you can't hurt the company, you can't cost the customer money — if it costs them really any extra money. And if you look at those things, those questions that you would ask? Well, why not do it?

So teach your employees to ask — and I think the company needs to come up with their own set of ques-

tions. But the basics are: financially would it hurt? Is it illegal to do it? Probably not. And, enhancing the reputation of the company is what it is all about.

So that's one way of creating that empowering front lines. Ask a series of questions, and as long as they meet the criteria, then that employee should be able to do what's necessary to stay within those parameters.

CSN: And the other part of the question: Is service recovery important to creating a positive customer experience?

Hyken: First off, the companies that are already in what I call the "Cult of Amazement" aren't perfect companies — however, they have the attitude, the mentality, and usually the systems in place to recover when there are problems. Therefore, they are better off than companies that aren't operating at that level.

So, it's just obvious. Look at who your best companies are and realize that people still say bad things about them. People say, "Yeah, I had a lousy experience at Disney." They say that. They are unhappy. There have been employees who are totally disgruntled with their experience working for them. But yet, they've got this whole group of evangelists that far outweigh these few naysayers. And the reason is that because overall these companies are operating at a super-high level.

Once again, there is usually a system in place. Yesterday I bought my wife a new cell phone, and I had

some issues calling up, and the first thing is, the person spoke like — and it registered with me because I am sensitive to it — "OK, I am listening to a recorded message?" The person said, "First of all I want to tell you that we are genuinely concerned about your problem, and appreciate your call, and apologize for any inconvenience you have." She said that the exact same way three times throughout the conversation. You know, they have trained you well, but they ought to train you to lighten up a little bit and be a little more flexible.

But I know what they are trying to do, and I have to give them an A for effort. And they resolved the problem satisfactorily and they did what they said they were going to do.

So how important is the recovery? Well, you could be doing business with somebody for ten years, and on the first day of that eleventh year, if there is a problem, it is judgment day. And that customer is going to decide whether or not it's worth giving you another ten years of business.

Now I use that big time span because I am going to take it for granted you're your readers are probably interested in creating a customer focus even if they are not there yet. They are starting to care a lot about what it is, and what it is going to take to make it happen as far as service goes. So they are on their way to already trying to be good. And my guess is they are not having problems all the time. So on the once in a while that they do have a problem,

they need to recover. So here's what we tell people to do:

Number one, fix what needs fixing.

Number two, do it with the right attitude — take ownership, show accountability, and be apologetic. These are all the things that go into making that customer feel like you care.

And then the other piece of it is, fix it quickly. Do it right now.

I have a great friend who happens to be in the restaurant business - he is the CEO of Mortons. And he said, "You know, at Mortons we believe that in large part great service is really about mistakes well handled." So never let anybody walk out of those stores without a mistake being taken care of. That's their philosophy. But I love that — great service can really hinge on mistakes well handled.

CSN: If you think about it, a lot of customer service departments began as "Complaint Departments." And if their focus was on being able to manage those complaints and handle them well, that's not such a bad thing.

Hyken: Yes, and it's also important for these customer service departments to recognize that in many cases, it's really not a complaint — it's a need. They just have to recognize it. It's not always getting beat up by problems; they are sometimes being called on for help.

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