BUILDING A CULTURE OF GREAT SERVICE... THAT STICKS!

How to create a winning service culture in your department or organization



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About the Author

Jason Jelicich is an industry veteran who mixed his first margarita sometime around the birth of the world. He became an award winning cocktail bartender early in his career and later, as the crust cooled, launched his own successful bartender training and consulting practice.

Jason was awarded the Contribution to the Industry Award at the Australian National BarAwards 2007 for the work to promote better standards and drink quality across the industry. For the past 12 years he has been a senior consultant for Barmetrix, working with high-profile clients across the globe including Fontainbleau Miami, The One Group, Kimpton Hotels, The 213 Group and Destination Hotels.

When it comes to building high-performing hospitality cultures, Jason is one of only a handful of global hospitality consultants that has the breadth of experience and depth of insight to take a team from good to great - or from great to bloody amazing!





Hi and thanks for downloading this eBook!

My passion is Service and what it takes to create environments where great service is volunteered – and not forced – across all employees.

Let's start with a little exercise....I'd like you to think back over the last month and recall if anyone has shared any extra-special customer service they'd experienced.

Now, I'd like you to reflect on if anyone has recounted a 'shoddy service' (or horror service story) to you over the same period.

I'm interested to see if the old adage holds up, you know the one that says on average, someone will tell three people about good customer service but 14 people will hear about a bad service experience (typically a ratio of around four to one)

My own shoddy service story is currently being written with help from a major Australian Telco...

You see, I was sold into a wireless Broadband plan and informed of the many privileges by friendly and very helpful Australian sales person – which also happened to be the last time I ever spoke to anyone in this country.

Since then I have endured no end of problems with my service (and their product), involving hour-long phone calls to India, internet downtimes of 2 weeks, promises of calls back that never arrived and that excruciatingly frustrating thing they do when they ask for all your details and then transfer you over to someone else only to be asked for them all over again. Grrrrrrr!

Who can relate to this experience?

After having little of no luck with getting my problem addressed (or even just getting a good old fashion technician to come around to see what the issue *could* be) I wrote a tweet about my frustration and guess what – I found out that I'm not alone – there are literally thousands of people out there just like me!

Thanks to the likes of Facebook, YouTube & Twitter, sharing is so much easier! In fact, instead of just telling 14 people – I can now tell 40, 400 or even 4million!



CHAPTER 1: Dell Hell



Jeff Jarvis is the proprietor of buzzmachine.com, one of the web's most popular & respected internet & media blogs. He is also the author of the 2009 best seller *What Would Google Do?*

In his book, he describes an experience that he calls 'Dell Hell'. In 2005 Mr. Jarvis brought a Dell laptop after leaving a media job, attracted by its functional & low-cost positioning.

Upon receiving it however, he was plagued with problems and spent hour upon hour trying to solve them. He spoke to many people in faraway lands with each call starting back at square 1 - with issue never being resolved.

Jeff Jarvis vented his frustrations in a blog-post titled 'Dell Sucks' (little did he know there were already a few million results for Dell Sucks on Google – or he might not have brought one in the first-place!)

Then something amazing happened. First a few, then a hundred, then thousands rallied around agreeing with him and posting comments, links and their own excruciating Dell stories in his blog.

Soon his blog post started ranking higher in Google – ending up only a few slots behind Dells home page! Jarvis' initial rant was beginning to damage Dells reputation. Around this time Dell's vital signs began falling. Customer satisfaction ratings fell. Revenue results disappointed analysts. The share price dove – losing half it's value from the timer the saga began.



When he finally received a call offering a refund when he was in an Apple store shopping for a new Mac!

Later, in an open letter he posted to Michael Dell on his blog, he ended with...

'Today, when you lose a customer, you don't just lose that customer, you risk losing that customers friend's. And thanks to the internet & blogs and consumer rate-andreview services, your customers have lots and lots of friends all around the world'

Today, it is no longer sufficient to have a good product or a great idea – you must take steps to ensure that every customer interaction is of the highest quality.

CHAPTER 2: United Breaks Guitars

In 2008, Canadian musician Dave Carroll and his band had just landed in Chicago when he heard a passenger behind him exclaim '*my god, they*'re throwing guitars out there!'

Looking out the window he saw his bands expensive tour Guitars being thrown around by United Airlines baggage handlers. Upon tracking down an airline agent he was told *'well hun, that's why we make you sign a waiver...'* (*Grrr again!*)

This response set the tone for the next 9 months of denials & diversions in which Dave Carroll dealt with Air Canada, Indian Call Centers and was even asked to fly back into Chicago (from Canada) to present his guitar for inspection.

After having his Guitar repaired for \$1200, he asked for final settlement of the equal amount in airline vouchers – which was rejected outright.

Realizing his was fighting a losing battle, and being a songwriter/ performer, Dave Carroll decided the best way to work his emotions through was to write a song about it (in fact, he wrote 3), turn them into videos and post them on Youtube.



His first song United Breaks Guitars – achieved 150,000 views within one day, prompting United to contact Carroll saying it hoped to right the wrong. The video garnered over half a million hits by July 9, 5 million by mid-August 2009, and over 8 million by March 2010. Currently in 2016, it's at 15 million views.



(click the image above to check out the video)

The Times newspaper reported that within 4 days of the video being posted online, United Airline's stock price fell 10%, costing stockholders about \$180 million in value.

The Knowledge Age is rapidly turning into the Transparent Age, where information is shared about people, experienced and businesses – to such a degree that anti-company communities can mobilize overnight and severely damage – if not destroy a business reputation in a matter of weeks.

Thanks to the rampant onslaught of social media, the cost of poor service in today's world can be extremely high for an organization – even fatal.

We all know that customer service is important, right? It's certainly no secret! Happy customers buy more and then come back - and buy again and *really* happy customers come back with all their friends.

So why is it then that so many companies still fail so badly at it? Why does it seem to be so hard to just get people to be nice to each other...???

I believe the quality of service offered can be explained by the service culture that exists within a business.



CHAPTER 3: The Industrial Age Mentality

Since the 1600's, the business model in the western world has followed a very traditional & authoritarian approach. Stephen Covey, the author of <u>The 7 Habits of Highly Successful People</u> and founder of one of the world's largest executive training companies refers to this as the 'Industrial Age' Business Model (one that's still deeply entrenched in many organizations across the world...)

Characteristics of the Industrial Age Model are:

- Top-down structure
- Dictatorial
- Controlling
- Fear-based

Language of Industrial Age managers:

- Do you what I ask or your jobs on the line!
- Don't ask questions!
- Put in and shut-up! Just get on with it!



CHAPTER 4: Service reflects Culture

An easy way to explain the relationship between your organizations service and its culture is by a simple analogy...



Q: If I squeeze this orange what will happen?

A: What's inside comes out (i.e. the juice)

In the same way, the culture (or lack thereof) inside a company or organization will come out when the company (or employee) is squeezed or under pressure.

You know that a business with a below average service culture is being squeezed when...

- Someone hangs up on you rather than continue to deal with you
- Your met with indifference/ indignation rather than empathy
- The representative takes offence to your feedback
- You are given the distinct impression that you are inconveniencing the staff member

Staff are simply reflecting the culture they are in – they are a looking glass into the business.



CHAPTER 5: Turning the Tanker

So how do you fix this? How do you create a culture that enlivens our staff and encourages them to volunteer their best efforts?

Do you create flashy vision statements & organize big company pow-wows so that you can make it look like you're committed to creating a new, improved & exciting organization?

You could (and many do) but, if you don't do the hard-yards before you announce to the world (or at least your employees) that you have a brand new service philosophy then all of the fanfare doesn't count for much. In fact, it can actually denigrate the existing morale & integrity of the business by *promoting something that people know is contrary to the way you are doing business*.

The reality of culture change is that it takes some time - anywhere from 6 - 24 months depending on the size of the organization. It's like turning an oil tanker; it may take a few kilometers to make a 90 degree turn but commitment must be made to complete the turn the whole way through.

So...what DO you do then??

Business leaders have to create new workplace paradigms - ones that encourage the heart as well as the body & mind.

The 3 Essential Ingredients to a Winning Culture are:

- **1. ESTABLISH TRUST**
- 2. CREATE MEANING
- 3. HIGHLIGHT PROGRESS



CHAPTER 6: Creating Trust



Many years ago, I undertook at leadership training program, which, as part of the curriculum, made all participants take part in a 360-degree review process.

As I was one of the senior managers of the business, it seems appropriate for me to undertake the process in order to learn more about how my leadership style was perceived. I had to nominate a minimum of 6 colleagues & staff so I had my business partner, senior managers and frontline staff all involved.

I sent the online surveys invites out to the others and also completed my own online selfevaluation as well. When and the results were available a couple of weeks after the program – I was quite shocked at what I read...

Whilst there were some areas where they had graded me higher, there was one area, which I had rated was quite high in my dealings with other people – *and that was my level of trust with others*.

Yes, I figured myself a trust-worthy person.

The impartial results informed me that there was some trust 'issues', which caused me to stop & think very hard about the way in which I was running the business.



You see, TRUST is subjective – and my viewpoint on this scenario was that, if there were issues of withholding information or data from my staff, it was only because I wanted to protect them from the worries/ consequences of knowing the data – AND to protect myself from having staff concerned about the financial ups & downs of the business.

So I would quite deliberately not disclose all of the facts, which to me seemed like good business practice. The results of the review told me something different.

To my key staff, the fact that I was thought to be holding back key business information was seen as I was trying to 'hold the cards close to my chest' and, to that extent, was perhaps protecting my power-base – rather than sharing the information with them.

Trust is a foundation stone for building winning service culture; without it there is poor communication, secret conversations & separation. With high trust there is an openness and fluidity to the way that people interact and processes are performed.

Low trust environments are also very costly in terms of low productivity, poor retention and unrealized profits whereas high trust environments seem to create a virtuous cycle of creativity and growth.

In other words, ...

LOW TRUST = HIGH COST HIGH TRUST = LOW COST

So how can you create more trust in your organization?



CHAPTER 7: Trust - Action Time!

To start with you need to start listening to your people (and I mean really listening - not just doing a quick round of surveys and forgetting about it).

Give your team the opportunity to voice how they feel about current conditions and accept all incoming information as valid. The key is to open the channel to start with and then look to sort and action the input later.

Feedback can come via:

- Face to face interactions (very powerful way to building trust although time consuming)
- Paper or electronic surveys
- Suggestion boxes
- Staff meeting/ forums etc.

Once the door has been opened it's important then to sort through the comments. A good way to do this is to nominate a select group of engaged managers and then organize the feedback into positive (always nice to get), constructive (helpful for managers) and negative (warning signs!).

The negative can also be prioritised further into;

- Level 1 Basic issues, easily addressed
- Level 2 Issues that needs further investigation/ clarification
- Level 3 Urgent issues that require immediate action

The next step then is ACTION THEM!

Hold a staff meeting. Table the key issues. Encourage interaction – and remember to keep LISTENING!!

Create a plan to address & solve the issues, even enlist the staffs help to do so – it will not only make it happen faster but also get them more engaged (and build trust!)



Trust can only exist once people know that there are no hidden agendas and when they feel they can express themselves and be heard. The poetic thing is that, once the managers in a business focus their attention in this area – the staff generally reciprocate and begin to listen and respect their managers more.

Once you have Trust – we then need to keep progressing things in a proactive & positive direction (there is no point building trust if we are not going to do anything with it!)



So what comes after Trust?

Something that we all want in our personal AND work lives: MEANING



CHAPTER 7: Meaning



When we have meaning in what we do – we are motivated.

Let's face it – one of our greatest missions in our lives is the search for meaning. When you search for meaning you are looking for a set of believes or constructs that you can hold onto – to help you make sense of this world and your place in it.

So what is the meaning for what you do as a company? What is the meaning for what you do on a day-to-day level in your particular job? If you can't connect to the meaning, then you will only ever be half-invested.

Why is meaning so important?

- The Meaning gives you Purpose
- The Purpose gives you Motivation
- The Motivation gives you Energy
- Energy is your best indication that you are ALIVE!

No meaning = little or no personal energy investment!



Conversely, when you deal with someone who finds real meaning in what they are doing, you automatically have respect for the person – whether they are a lawyer or a layperson. You feel a part of what they do, you feel connected to them and the task being performed – all by that person having a true sense of meaning about them.

What is the meaning behind what YOUR business does? Do you/ your staff reflect this in your daily actions?

Much of the training & consulting work I've done in the hospitality industry involved reminding businesses and individuals that their primary role is to ensure their customers feel like they are your #1 concern, to make sure they can relax and feel safe – and even have their egos stroked if needed!

The whole job could be defined in 4 short words; 'Put smiles on faces' or even 3 words 'Make People Happy'. How do we do that? We do whatever is necessary. We do whatever it takes.

But all too often staff and business look at things in terms of function e.g. '*I just prepare drinks*', 'I answer phones' etc. The job had become less about meaning – and more about function.

The disconnect lies in the lack of understand amongst staff of the deeper meaning involved in what they are doing. Ultimately this is the company's fault as they should have clarified & amplified what the meaning of both the business and the individual staff member's role were and how they contribute to the bigger picture.

What do you do to ensure you/ your staff stay engaged with the meaning of your business?

What does the essence of the service your business provides mean to your customers? To society? To humanity as a whole?

What is the BIG PICTURE?

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CHAPTER 8: Meaning – Action Time!



So what is your...

Vision: Where are you/ your organization heading? Mission: What do staff have to do to get there? Purpose: Who do you exist to help?

Simply by answering these questions you go a long way towards creating some meaning – *even if it's just for the people writing the answers!*

But writing them done is only half the job. The key to creating meaning is to bring the vision, mission etc. alive on a *daily* basis. To have all managers and staff crystal clear on the direction their own, why they do what they do and, very importantly: **how it serves their fellow man.**

Now that is Service that Sticks!

It is service that resonates from not just ourselves but also from the people and the company with whom we work; this is when we are able to offer the best of ourselves and, in doing this, offer these best of our company and what we provide.



CHAPTER 9: Progress



Numbers are an essential part of our business, from budgeting to forecasting, to the day to day P&L – without numbers you cannot run an effective operation.

But how many of these numbers make it to your staff (and how much do we trust our staff with them)??

To keep our teams motivated and productive you must create for them a feeling of **PROGRESS** in their day to day work.

Why is progress important?

As humans, we need to feel like they are moving forward and getting somewhere. If things stop for too long, we often stagnate and this is quickly followed by boredom and depression.

Conversely, a feeling of progress makes us feel energized; it stimulates us both mentally and physically. When we feel like we are moving ahead to gain a sense of accomplishment, which is quite satisfying (even though it may be hard).

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Video games are a prime example of this...

Did you know that 500+ million people collectively spending over 3 billion hours each week playing online video games? Why is that? Before you answer let me just fill you in on the fact that, in the United States, the average age of a gamer is 35, and 47% are female. Wild, huh?

This is similar throughout the world.

People *love* games; be it sporting games, gambling games or video games. We like games a lot more than we like work.

SO WHAT IF WE COULD TURN WORK INTO MORE OF A GAME?

We can.

All we need to do is find a way to design their key business or department metrics into some type of game.

By game I'm not talking about allowing them to bring their iTouch's into work (although I'm sure one day there'll be an app for that...) what I'm referring to more so is distributing some of the responsibility for the achievement of key business targets and metrics to your team – and then making it fun to achieve them.

It's been proven time & time again that, **if you give staff ownership over the numbers – they will do their utmost to attain them**. In other words; once they know the rules to the game – they will put their best foot forward.



CHAPTER 10: Progress – Action Time!

A pioneer in this area is Jack Stack who wrote a book called '<u>The Great Game of Business'</u> In it, he tells a story about his company, SRC Holdings, and how they employed 'Open book management' to not just save it from liquidation – but turn it into a multi-million-dollar business.

Facing an uncertain future, he and 17 other managers raised \$100k and borrowed another 8.9 million to buy the business. Jack Stack then opened up the books and created clear departmental targets and indicators than run throughout the whole business.

The results were incredible. The share price jumped from 10c a share in 1983 to \$199 in 2010, with revenues up from in the red to \$300m of annual sales.

Now I'm not suggesting that you need to buy the business – but what if you simply created a simple set a numbers and rules for customer service?

These could be as simple as:

- NPS scores (Net Promoter Score reference Fred Reicheld's Book <u>The Ultimate</u> <u>Question</u>)
- Latest survey ratings
- Send per head
- # of items sold etc.

You're probably doing some of this already – so the big question is then:

How involved ARE your service staff with your numbers?

- Do they the know what is good (winning) and what is bad (losing)?
- Do they know how to influence the score/ game?
- Are they given any control over keeping score/ refereeing?

By taking some time (and perhaps working with your team) to create a simple, fun system to track & display critical numbers associated with customer service you are opening up the game so that everyone can play.



Warning!

Do not bother with the above if you prefer the old fashioned method of telling staff what to do and then wondering why they do not seem motivated when you are not around!

Here are the 3 key guidelines to Open Book Management straight out of the <u>Great Game of</u> <u>Business</u>:

- 1. Know and teach the rules: every employee should be given the measures of business success and taught to understand them
- 2. Follow the Action & Keep Score: Every employee should be expected and enabled to use their knowledge to improve performance
- 3. Provide a Stake in the Outcome: Every employee should have a direct stake in the company's success-and in the risk of failure.

Find a way to link improved performance with more benefits - both individually and as a team. That way, rather than employees seeing the numbers as impersonal, they become very relevant to their day to day sense of progress & achievement.

SIMPLE FACT: The more personal the metrics – the higher the performance!



CHAPTER 11: The Bottom Line...

In summary, the 3 of the keys to building a winning service culture are:

- 1. ESTABLISH TRUST: Open up communication channels by using:
 - Staff surveys
 - Suggestion box
 - Feedback + action lists
- 2. CREATE MEANING: Bring the purpose of your organization to life.
 - Vision (where we are going)
 - Mission (what we have to do every day to get there)
 - Values (who we have to be)

3. HIGHLIGHT PROGRESS: Create a 'game' to track and reward performance

- Critical numbers
- My numbers
- Recognition

These are just a handful of ideas - imagine what else we can do together!

Great companies do not work on improving service – great companies work on improving culture by establishing meaning in what is done day-to-day.

ABOUT BARMETRIX

<u>Barmetrix</u> is a global hospitality consulting business that specializes in helping bar and restaurant operators run more profitable businesses. We focus on the following areas:

- Reducing Beverage Costs
- Reducing Food Costs
- > Enabling Bar staff to maximize revenue behind the bar
- Management Coaching
- Educational Based Seminars and Workshops

