

BEST PRACTICES OF SERVICE LEADERS

Take a peek inside each of our three chosen service leaders to see how the core elements of service excellence have been implemented.

DISNEY

Walt Disney once said, "The idea of Disneyland is a simple one. It will be a place for people to find happiness and knowledge." With this vision firmly in mind, Walt Disney communicated a place where families could enjoy each other's company in a safe, friendly and fun environment. Walt Disney's philosophy was "Give the people everything you can give them. Keep the place as clean as you can keep it. Keep it friendly, you know. Make it a real fun place to be."

Words grab your attention, and Walt created a corporate language to grab attention in a positive way. The employee **lingo** at Disney reflects the organization's total commitment to creating outstanding customer experiences:

- Customers are called Guests
- Employees are called Cast Members
- Human Resources is called Staffing
- Public Areas are called Onstage
- Off duty areas are called Offstage.

EXAMPLE

Consider the response of a Disney street sweeper when asked how he liked his job: "Oh, I'm not a street sweeper. I'm in show business. I'm part of the Act." This frame of reference for his job has a tremendously positive effect on the customer interactions during his day at the park.

Strong Leadership

As the founder, Walt Disney set the tone for excellence and held high expectations for all his staff. A demanding personality, employees were known to have intentionally gotten off elevators at wrong floors if Walt Disney had joined

them en route, lest they did not have an answer that he wanted or expected. Today, the expectations for excellence continue. Everyone, including the CEO, is held accountable for superior performance.

EXAMPLE

One day Michael Eisner, Disney's CEO, was photographed in the park without a nametag. A critical part of the costume, Michael's photo was published in the company newsletter and used as a reminder of the importance to "stay in character" with all appropriate "props" while "onstage" with the "audience." Every cast member, regardless of position or title, is required to wear a nametag.

The positive outcome of this negative example: all employees were assured that everyone is held accountable for superior performance. No one, including the CEO, is granted an exception or given a break!

Extensive Employee Training

"Of all the things I've done, the most vital is coordinating the talents of those who work for us and pointing them toward a certain goal." Walt Disney emphasized the importance of a well-rehearsed cast prior to the opening day of Disneyland in 1955 by creating the world's first corporate university. He began Disney University by training employees in the experience that he wanted to create for their guests, different from any that they had previously experienced at an entertainment park.

Training is a critical factor of Disney's success and begins with the first day of employment for all employees. Regardless of title or position, all new Disney new hires attend orientation. For Disney's newest cast members, Disney Traditions provides the first day and a half of company history, philosophy, ideals, goals and values of the Magic Kingdom. The next two days to two weeks is devoted to on-the-job training (OJT) under the tutelage of another cast member who demonstrates service standards and provides guidance in decision-making opportunities for the newest addition to the show. The time needed for OJT depends upon the complexity of each position throughout the park.

DID YOU KNOW?

Two days is a minimum for on-the-job training at Disney - even for street sweepers. Whereas the first two hours for the street

sweeper provides technical skill in street sweeping, the rest of the two days is completely devoted to providing the cast member with information directly related to questions that guests might ask. The information arsenal provided each cast member not only enhances a quality service experience between the employee and any guest, the knowledge enhances the relationship between the employee and the rest of the organization.

Operational Excellence

Disney is widely cited as a role model for success through continuous innovation. Walt Disney, the founder, is responsible for this reputation as an innovative leader as a result of his passion for technology from Disney's beginnings

Disney encourages this obsessive attention to the finest of details. Within the motion picture, Roger Rabbit, there's a scene in which even the shadow of a lamp moves. Although this movement may not be visible to most of those in the audience, it is a detail that demonstrates Disney's commitment to excellence in all of its operations. Today, Disney employees are encouraged to "bump the lamp" and continue the legacy of excellence.

LESSONS LEARNED

1. Terminology is important. Corporate language must reflect the value and importance of service to employees and customers.
2. Everyone is accountable for superior performance, especially managers who model appropriate behavior for employees to emulate.
3. Obsessive attention to details communicates a commitment to excellence and builds a reputation for superior performance.
4. Training must begin immediately upon hiring and communicate the corporate vision and the importance of each person's position.
5. Innovation through technology is a competitive edge for service leaders who aggressively pursue the latest equipment and implement creative applications to their business and industry.

SOUTHWEST AIRLINES

Everything that Southwest Airlines does is fun and friendly. From the contests held with customers as they wait for boarding, planes painted to look like killer whales and the Texas state flag, to the discounted "Fun Fares" offered passengers, Southwest exudes friendship and fun. Even the uniforms of their employees - shorts, Polo shirts, and tennis shoes - look like they're ready to play!



Southwest Airlines promises its customers low-priced fares, friendly service and on time performance. Year after year, Southwest Airlines ranks #1 in service and satisfaction ratings from customers.

EXAMPLE

An author was traveling with husband and daughter from Houston to San Francisco on Southwest Airlines. The family was unaware the flight was not a non-stop flight. To their dismay, they had over 5 stops en route to their final destination.

On the third leg of the flight, attendants of Southwest Airlines noticed the family was still on the flight and asked if they were traveling all the way to San Francisco. When the author confirmed and added that she thought the flight was non-stop and had not planned for enough snacks along the way (it turned into over an eight-hour flight!), the attendants immediately provided them with all the extra snacks they could find on board. One attendant even offered her own apple that she had brought on the flight for herself!

The attendants giggled with the family for the rest of the flight and made what could have been a long and strained travel experience, a pleasant ride in which they felt that they had been treated like special friends.

Strong Leadership

Known for his maverick leadership style, his zany sense of humor, and his "can-do" attitude, Herb Kelleher led a struggling airline with only three planes through hard times to become the most profitable airline in the U.S. serving 55 cities with over 300 airplanes. Kelleher created a tradition for hiring mavericks with expectations for employees to think creatively for the successful operation of the company.

EXAMPLE

"We like mavericks - people who have a sense of humor. We've always done it differently. "

Herb Kelleher, from Southwest's website

Different is just what Herb Kelleher is! The classic "Malice in Dallas" tale of how the chairman of Stevens Aviation, Kurt Herwald, challenged Kelleher to decide the rights to a corporate slogan of "Plane Smart" exemplifies just how different Herb and Southwest Airlines really are!

Rather than entering into a lengthy courtroom brawl between legal eagles, Kelleher and Herwald decided to air their differences man-to-man. Arm-wrestling mania swept the organizations as preparations began in earnest to determine the corporate winner of the slogan. Winner would keep the slogan and the loser would make a charitable donation to a charity of the winner's choice. Everybody came out a winner: charity received \$15,000 split between the Muscular Dystrophy Association and the Ronald McDonald House; employees of both organizations had a grand time cheering their bosses; the media had a field day; and both organizations benefited from the publicity.

Although Kelleher has retired from his position as CEO, strong leadership continues with Colleen Barrett as President and Chief Operating Officer. During a time of intense national crisis as a result of September 11, 2002, the airline industry came to a screeching halt. By the time airline travel restrictions were lifted by the U.S. government, many airlines had suffered such devastating financial consequences that they found it difficult to continue without governmental assistance, reducing employee wages and enacting employee layoffs. All the airlines, that is, except Southwest Airlines. This airline, with Colleen's strong leadership, found the resolve and wherewithal to survive during this painful period without relying on a governmental bailout, reducing wages, or suffering employee layoffs. Instead, the employees volunteered to cut hours until a time when the airline became stable again. Not a single other airline had

employees rally together in support of their company. What's strong leadership without followers? Clearly, Southwest Airlines is a model of service leadership.

Operational Excellence

Continuing in Kelleher tradition, Barrett continues to inspire employees in their can-do attitudes and behaviors, encouraging them to think differently and perform better as a result than any other airline under similar conditions.

Its innovations through employee creativity and teamwork have caused the other carriers to shake their heads and grit their teeth:

- Southwest was the first airline to offer system-wide ticketless travel.
- Southwest saved half the cost of their computers by getting employees to assemble the machines themselves out of off-the-shelf components at a beer and pizza party
- Southwest was able to cut turnaround time to 15 minutes, using about 35 fewer planes than other carriers in the same system with an industry-average turnaround and saving about \$1.3 billion in capital expenditures.
- At a time when the airline industry lost a cumulative \$13 billion and furloughed over 120,000 employees, Southwest remained 100% job secure and produced profits and profitsharing for its employees and shareholders.

"Our turnaround time is not the result of tricks," Kelleher says, "but the result of our dedicated employees, who have the willpower and pride to do whatever it takes."

LESSONS LEARNED

1. Dare to be different and take risks into areas where other companies fear to go.
2. Challenge your employees to think creatively for product and service innovation.
3. Manage customer expectations. Deliver what is promised and delight your customers by always providing more than what they expected.
4. Have fun at work. When employees are happy and enjoy what they do, customers are pleased in return.

THE CONTAINER STORE

The focus and vision of the Container Store is to create the best retail store in the United States, offer customers high quality products, and provide superior service with fair pricing.

Language plays an important role for the Container Store employees. Rather than treating part-time help as insignificant additions or worse yet, as annoyances to the busy day, at the Container Store, part-timers are called "Prime Timers" to reflect their employment at the busiest times of the day. The title conveys the critical nature of their employment, sets high expectations for excellent performance, and commands team respect.

EXAMPLE

An employee at the Container Store offered a personal insight into the company's mission of helping people become more organized. "Working for this company has made me a better person and certainly made the world a better more organized place."

From *The Houston Chronicle*, 7/7/00, "The Container Store"

At the beginning of every day, store managers begin with an employee huddle to work with team members to creatively solve a fictitious customer request or determine innovative techniques for assisting customers with different needs. To ensure everyone gets the same opportunity for brainstorming ideas with team members, the session is repeated for the evening shift to give the other employees the same opportunity for providing customers with superior service.

Strong Leadership

Kip Tindell, President, The Container Store, explains the importance of strong leadership by the organization, its employees, and its management in ensuring extraordinary results in customer service:

"At The Container Store, we continue to lead the storage and organization niche that we created by offering our customers solutions, not just products. We do this by selling the hard stuff – by truly involving ourselves, heart and soul, in our customers' needs, which results in amazing interactions between each of our customers and The Container Store's salespeople.

Extensive Employee Selection and Training

The Container Store uses the following formula for hiring its employees:

- 1 Average Person = 3 Lousy People
- 1 Good Person = 3 Average People
- 1 Great Person = 3 Good People

With this guiding principle firmly in hand, the Container Store hires great people, pays them well, and keeps them much longer than the industry average.

DID YOU KNOW?

The retail industry average for employee turnover is 73.6%. The Container Store's annual turnover is kept low in comparison at 28%.

From the *Houston Chronicle*, 7/7/00, "The Container Store"

The Container Store demonstrates a strong commitment to training and customer service with unprecedented training practices within the retail industry. Whereas the retail standard for employee training is less than 7 hours per year per employee, full-time employees the Container Store receive 185 hours of formal training within the first year. Informal training occurs on a daily basis in the form of daily huddles designed to spark creativity, provide product knowledge, generate enthusiasm, and recognize employee initiative.

Container Store training for new hires starts off with Foundation week - an orientation that begins with the store manager spending the entire first day with the new hires. For a store manager to spend a whole day in training makes a big impact on the new hires...and makes a huge statement regarding the importance of training.

Training efforts continue at a higher level year after year because of the cost-benefits that the President, Kip Tindell, sees as a result. Because of all the training received, employees know every little detail about all the products in order to answer all customers' questions.

DID YOU KNOW?

Container Store's 2001 revenue: \$260 million

From *Fortune*, January 10, 2000, "The 100 Best Companies to Work For"

SUMMARY: Take it from the best – customer service makes a big difference to an organization’s bottom line, to employee morale, and to stockholders! What’s keeping you from becoming a service leader? Follow these best practices and discover the difference that service excellence can make for your organization.