

customer service

excellence

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Freeman **A Case Study**

**Deliver a great
Signature Customer
Experience**

**Customer Focus
in a Slow Economy**

**Book Review:
Coaching for Improved
Work Performance**



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Katy Wild, Executive Vice
President — Customer
Relations, Freeman

CSIA- America's Peak Customer Service Association.

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Welcome to this edition of *Customer Service Excellence*!

Welcome to the Customer Service Institute of America (CSIA) and this edition of *Customer Service Excellence*! Featured on this edition of Customer Service Excellence is Katy Wild, Executive Vice President – Customer Relations, Freeman. Read about Freeman’s journey to improve service, both internally and externally, how they achieved it and the phenomenal results that followed.

This edition comes to you the week after the most exciting week in customer service, Customer Service Week! There was much going on across the country, and globally during this week of celebration! Share with CSIA your Customer Service Week celebrations! Send your pictures and stories to be featured on our

website and in upcoming editions of Customer Service Excellence!

It’s not too late to put in a submission for the International Service Excellence Awards. Download your application form today and get started – it is free to enter! Learn more about the Awards in this edition of *Customer Service Excellence*.

Get your free copy of the ICSS, email us at info@serviceinstitute.com.

Happy reading!

Best wishes,

Christine



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FREEMAN

A CASE STUDY



Freeman's customer service starts behind the scenes before a client ever gets to the event, so great emphasis is placed on the quality and training of their customer support center team.

Results from improving customer service come in many forms. As service improves customers are less frustrated and more patient thus decreasing front line wear-out. Improvement in service quality makes interdepartmental relations less conflict-ridden and more efficient. Enhancing service quality increases word-of-mouth advocacy elevating employee pride and overall company reputation. Such an improved reputation makes it easier to attract and retain the best talent. It also attracts the

best customers willing to invest in a long-term relationship and repeat business rather than settle for a single transaction. Repeat customers are less expensive to serve because they understand the service encounter and do not require expensive hand holding and resources characteristic of new customers.

Many of these benefits are obvious but defy evaluation-by-the-numbers. How much is a brand really worth? How do you quantify employee pride

or measure the economic impact of a customer's words of thanks? How do you put a worth on industry magazines touting a company's noticeable commitment to improved service?

Freeman is the largest face-to-face event services provider in North America. Headquartered in Dallas, Texas, they have offices located in 41 cities across North America to manage and support over 3,900 trade shows and 10,000 corporate and special events every year. With 4,200 full time and over 28,000 part time employees, the eighty year old privately held company has been a pioneer in the exposition and event industry. Both the founder, Buck Freeman and current Chairman of the Board, Don Freeman, are in the Convention Industry Council Hall of Fame.

Long renowned for their superior relationships with event and meeting managers, show organizers, corporate marketing executives, and association leadership, Freeman recognized a key constituent—the exhibitor—had been essentially tolerated or ignored. They also realized that treating the exhibitor as a key customer was essential to their continued

growth. A vision and strategy was drafted to reflect more of the company's position of being a fully integrated solutions provider.

Executive leadership of Freeman hired The Chip Bell Group to:

- Develop an understanding of what was vital to exhibitor customers in terms of the features of great service, as well as an assessment of Freeman's performance on these key features.
- Ascertain the key drivers of customer loyalty for different exhibitor segments.
- Leverage insights to integrate company-wide standards and norms into the company's overall strategy.
- Use vision-standards-norms (standards such as Raise the Bar, Customer Driven, Like Clockwork, and No Excuses) as a lens and quality control, realign processes to be exhibitor-friendly, redirect on-boarding to select, orient, and train employees to be more exhibitor-focused, readjust rewards, incentives and business metrics to direct energy



On-site Exhibitor Service Center



toward effective management of the exhibitors' service experience.

- Develop a Customer Satisfaction Index (CSI) that would be a component of a balanced scorecard to gauge the impact of service improvement for this targeted audience against key measures.

- Provide means to broaden customer intelligence beyond the CSI to migrate other customer-related data into a central system for faster execution by branch.

The Chip Bell Group started rolling out the CSI platform in the fall of 2003 at Freeman's annual manager's meeting. Strong emphasis was placed on the role leaders played in gaining true buy-in and engagement with internal audience. Both our research and practice have repeatedly demonstrated a strong correlation between how employees are treated and how they in turn treat customers. For example, the new service vision reflected the customer loyalty drivers derived from the survey research and were anchored to the long term vision of the senior leadership. But, the culture effort went one important step further—employees throughout the company were involved in crafting the vision.

The initial customer survey was completed by nearly 3,000 exhibitors providing the foundation for a variety of important initiatives. It presented guidance for service direction, the prelude to vision. It yielded

enriched views of the company's strengths, weaknesses, opportunities and threats.

Customer research can only be effective if it leads to a noticeable change in the customer's experience, if it is continuously updated, and if it becomes a valued and practical tool on the dashboard of the organization. This had several implications for Freeman. First, there needed to be a process to quickly integrate the insights within the organization so that Freeman owned, operated and managed it. Too many consulting firms care more about industry comparative data that gives leaders bragging rights on the golf course than about valuable intelligence that shapes, guides, and enhances the daily practice of the front line. CBG so deeply values client independence that wthey give our clients all our tools and techniques.

Culture change typically starts as a good intention of a few visionary leaders. It makes progress when it shows up as a regular item on the agenda of senior leaders. But, it moves from tacit commitment to active involvement when it impacts how units keep score and those scores shape promotion, affirmation and the take home pay of leaders. Scores on Freeman's e-survey of exhibitors' service experience became a closely watched metric when leaders learned it would impact their compensation. Given a trial period in the first quarter of 2005, they first got a peep hole into its impact before the switch was turned on third quarter of 2005 and the results went "live."

In the first quarter, 2006, senior leaders began addressing system-wide customer service affirmation processes, system-wide service training, and continued improvement of processes that cut across business units and impacted the exhibitors' service experience. Task forces worked at improving the

NOTE SPECIFICALLY THE QUESTION: "HOW WOULD YOU CHARACTERIZE YOUR OVERALL EXPERIENCE WITH FREEMAN'S CUSTOMER SERVICE?" WHICH SHOWED A 26% INCREASE IN OUR POSITIVE RESPONSES FROM FY 05 TO FY 06!

ordering, shipping, invoicing and booth set-up/ take-down processes — all four processes identified as out-of-sync with the service vision and high priority service detractors by exhibitors. Additionally, a major effort has been underway to integrate the enhanced service experience with the company's branding initiative. Currently, the company is working on the broader issue of customer data management and ways to tie the CSI to other financial management metrics. Freeman continues to tie CSI scores to performance in order to hold management accountable.

Freeman experienced all the traditional benefits of service improvement. As the Freeman CSI rose from 68 to 81 (a significant improvement Q4 '05 over Q4 '03), their share of market grew by 16%. Employee turnover dropped 22% over that same period. A key measure in the show management business is the number of new shows won. Some show managers, if satisfied with their contracted exhibit company simply renewed. However, the show management of many conventions require re-bidding every year among the same group of prospects. Winning a contract means

an exhibit management company competes and wins a contract over competitors. In year three of the service effort, Freeman's "wins" were up 19%. What have been the most consistent reason given by show management? Exhibitors' reports of noticeably improved service by Freeman personnel.

In the words of Katy Wild, EVP of Customer Relations in an e-mail to us, "I know you have been aware that we're making tremendous headway—but even I did not realize how far we had come in some areas until I put the stats together recently. Note specifically the question: "How would you characterize your overall experience with Freeman's customer service?" which showed a 26% increase in our positive responses from FY 05 to FY 06! As you know this question is a one of four questions that comprise our overall CSI. Our executive leadership is elated with the progress!" Their success has continued with a 75% increase in the same question. Freeman's original satisfaction score to the above question in FY 04 was 47% - with a score of 82% in FY 08!

Key Learnings:

- You cannot involve employees too much.
- Culture change takes unexpected turns and cannot be predicted.
- Senior leaders can find solace in the faith of "service as a cause." Front line employees can be convinced with the comments of customers who compliment improvements. But, middle managers thrive on the accountability metrics that provide an obvious link between effort and payoff. They are the last to be convinced, have the most to lose and thus need the assurance of senior executives willing to stay the course.
- The sooner you craft metrics that fit the "arithmetic of the enterprise," the faster middle managers will turn compliance into commitment.
- Service improvement will fail if it is viewed as a program or a project. It will only be sustained if it is so hard wired into the DNA of the culture that it becomes a way of life.