

# Imaginative Service

*You need it more in tough times.*



by Chip R. Bell and John R. Patterson

TAKE THE HERTZ SHUTTLE BUS AT THE Atlanta Airport, and you might meet Archie Bostick. Archie greets you with a welcoming grin. Instead of a tip jar, Archie paper-clips dollar bills across the front of his shirt. Nothing subtle about that ploy—it's an attention-getter that announces *this is a unique experience*. Once on the bus, Archie delivers a comedy routine and uses any excuse to break into song. As Archie pulls up to the terminal, he announces, "Now, I may never see you again, so I want us all to say together, 'I love Hertz!'" And everyone hollers, "I love Hertz!" You witness a service innovator at work—he takes your breath away.

*Value-added has been the service solution for many service exemplars*—take what the customer expects and add a little more. Nordstrom sales clerk escorts you to another department. Southwest Airlines gives you free peanuts with slapstick humor. And Rosie's Diner refills your ice tea glass without you being charged.

But value-added extras have gotten more expensive. That free snack on a flight is now \$8, and service charges are standard fare on most bills. Pursuing the extras can also send a mixed message. What do employees think when told to "wow" customers in the morning and later informed of staff cutbacks and expense reductions? Challenging financial times call for a new approach: *value-unique service*.

*Value-unique is different than value-added*. For most customers, value-added means taking the expected to a higher-level: "They gave me more than I anticipated." But, value-unique is not about addition—it's about an imaginative creation.

When service people are asked to *give more*, they think, "I'm already doing the best I can." But, if asked to *pleasantly surprise* more customers, they feel less like worker bees and

more like fireflies. If employees are asked to create a big customer smile instead of work harder, they feel a part of an adventure. And, when they get to create, not just perform, they feel prized. Just ask a Southwest, Disney, Zappos.com, or Lexus dealership employee what they think of their job, and you will get a smiling "It's awesome," not a shrugging "It's alright."

*Imaginative service is sourced in joy and fun*. It comes from the same part of the soul that plans a prank, organizes a party, or helps a friend. When that part is used regularly, it raises self-esteem, increases resilience, and improves morale. Take a look at *Fortune Magazine's annual 100 Best Companies in America to Work For*—Nordstrom, Container Store, Marriott, eBay, Zappos.com, and FedEx—and you see the great service-high morale



link. They boast the lowest turnover (a cost saver), the best recruits (an investment), the highest productivity (another positive) and the greatest profits.

## Five Ways to Deliver Unique Value

Here are five ways to foster service that takes your customers' breath away:

**1. Project realness.** Imaginative service is about *realness*, not *roleness*. The stereotypical leader gets caught up with looking, sounding, and "acting" executive, and employees get a message of "plastic power"—which may engender *compliance* but never *commitment*. Great leaders are unimpressed with the trappings of supremacy and more interested in communicating an authentic spirit and egalitarian style.

Imaginative service leaders know they get from employees the attitude they project. Employees do not watch the leader's mouth; they watch the leader's moves. As all leaders move in

the floodlight of employee observation, their actions can telegraph either optimism or gloom; excitement or despair. An animated attitude is contagious. When we are around happy, upbeat people, we more easily join in the spirit—especially if the invitation comes from someone who prefers we enroll. An unbridled spirit has magnetic power on both customers and employees.

**2. Protect customers.** Tasks are important; rules are essential. But, revenue comes from customers. Imaginative service leaders encourage and empower employees to put customers (not procedures) first. This is not about deliberately violating rules or putting anybody at risk.

Zappos.com was founded in 1999 with goal of doing to on-line shoe apparel what Amazon.com did to on-line books. In 2000 they had \$1.6 million in sales; in 2008 their sales exceeded \$1 billion! CEO *Tony Hsieh* explains their growth this way: "We're aligned around one mission—to provide the best customer service possible. Rather than focus on maximizing short-term profits, we focus on how we can maximize the service to our customers. We are a service company that happens to sell shoes." They protect customers from being taken for granted or subjected to discomfort.

**3. Proclaim joy.** In times of frugality, staff reductions, cost controls, and cutbacks, employees tend to be somber. Optimism is replaced with anxiety; hope is overshadowed by fear. The receiving end of such dower dispositions are customers with money to spend. When customers most need a shot of enthusiasm, they are served by sleepwalking employees who seem indifferent and bored. The antidote to such melancholy is a leader with unmistakable passion and irresistible joy. "The ultimate measure of a man," said Martin Luther King, "is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy."

"To succeed," says *Scott Cook*, founder of Intuit, "you need people with passion. You can't just order someone to be passionate about a business direction." Passion comes from a deep sense of purpose—not the "ought to" sense of obligation that drives duty, but the "can't wait to" enthusiasm that sets an employee on fire. As Federal Signal President *Alan Shaffer* said: "Our goal is not merely to get buy-in. I want to put a lump in their throats and a tear in their eyes. I want to take their breath away."

The number one impact on customer

relations is employee relations—happy employees create happy customers.

**4. Provide trust.** Imaginative service happens in a climate of trust—where people are considerate and supportive. If people are given license to criticize colleagues behind their back, the setting turns to suspicion. If manipulative or unfair behavior is tolerated, the climate turns to protection. It requires leaders disciplined to model thoughtfulness and hold others accountable.

Trustful cultures nurture appropriate risk-taking that leads to novel solutions and refreshing customer experiences. Trusting leaders view *error* as a chance to learn and *failure* as an invitation to try another approach. They treat employees as valued gifts, not indentured slaves. They empower and encourage. They are open about their own foibles and upfront when they make mistakes. The word embedded in *trust* is *us*. Trustful leaders care for their employees with the same humanity they give their family. *Family-like* doesn't mean entitlement, paternalism, or nepotism. It means attention to fairness, justice, and compassionate conduct.

**5. Preserve integrity.** *S. Truett Cathy*, founder of Chick-Fil-A, has elected to remain closed on Sunday and gained favor for courageously remaining true and faithful to his values.

"I like dealing with an organization whose leaders stand for something!" comment customers when asked what they like most. Chick-Fil-A, Southwest Airlines, USAA, and The Container Store receive high marks. Stand-for-something leaders aren't the loud, flamboyant, publicity-seeking types. Instead, they are clear, focused, courageous, and committed to stay their course and stand their ground.

Imaginative service leaders are grounded in complete, no-exceptions integrity. They reek of integrity. As *Tom Peters* says, "There is no such thing as a *minor lapse of integrity*." They show their nobility when they courageously tell the truth, relentlessly do what they say they will do, and gallantly turn their backs on all shady actions. They send signals through their character.

**Customers seek more value for their money.** As you scramble to shore up value, the time is ripe for service with inventiveness—not just service with generosity. Leaders must ensure that the elements they add to their leadership advance service innovation. LE

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**ACTION:** Deliver imaginative service.

## Managing in a Downturn

### Observe 10 rules of the road.



by Robert Gandossy, Jim Donohue, and Richmond Fourmy

GLOBAL FINANCIAL MARKETS ARE IN turmoil, politicians are scrambling for solutions, employee layoffs are increasing, and corporate strategies can't address the rapidly changing economic landscape. All are strong indications of a serious dearth of leadership. Bad leadership got us here, and good leadership will get us out of this crisis.

**Leadership is about the future**—mobilizing people behind a vision, inspiring them to achieve it, producing useful change, and achieving results. Leaders are confident, and their followers are confident in them; they follow willingly. If a leader lacked confidence *before* the economic crisis, it will be difficult to develop it now.

The core principles of leadership stand the test of time, but there are certain behaviors or practices that leaders need to emphasize now—or they will later become fatal flaws.

Working with leaders, we developed 10 rules of the road:

**1. Don't deny reality.** Leaders need to confront the facts and face reality harder, faster—and be more in touch with markets, customers, employees, shareholders, and competitor moves.

**2. Don't cut across the board.** Cutting everything by 10 percent won't work. Cost-cutting must be done with strategic intent. Be clear about what you need to preserve—and grow. If you must cut, cut deep and fast.

**3. Seize opportunities.** Times of economic turbulence create great wealth—a chance to acquire undervalued assets or bolster your talent. Seizing opportunity isn't about speed per se, but *agility*—the ability to read competitive landscape, know the market signals, see them faster, and courageously take action.

**4. Reset priorities—and be ruthlessly focused.** Many leaders have not reset their priorities, and yet bets we were making six months ago are off. Now is

the time to refocus energy on building core capabilities. Communicate and execute the "critical few" priorities.

**5. Act with a sense of urgency and discipline.** In a crisis, you need to mobilize effort, provide clarity and accountability, monitor progress, and readjust, if necessary. Conduct regular reviews of where you are. Daily 7 a.m. calls with your leadership team ensure a sense of urgency and accountability.

**6. Communicate and clarify.** Be sensitive to the times. Agility and focus alone won't allay the fears of all constituents. Since bad news creates confusion and disengagement, you must be clear, confident, and transparent.

**7. Ensure you have the right leaders, right now, focused on the right bets.** Subpar leaders who might be tolerated in good times must either progress or go. Promote leaders with consistent high performance, placing them in key roles.

**8. Tighten timeframes for accountability.** When their team is losing, great coaches calmly say, "Let's focus on the next two minutes." That is wise counsel for leaders. Break the game down into shorter cycles, review alternatives, and take decisive actions

faster. You can win in these conditions by shortening accountability timeframes.

**9. Leverage your brand.** A crisis is a branding moment. People develop stronger and longer-lasting memories during a crisis. How you handle layoffs, restructuring, and employee relations will be long remembered by employees

and the public—and may be the source of potential talent for years to come.

**10. Pay attention to your top talent**—the ones who will help you weather the storm and recover quickly. Don't pretend as if they have no where to go—they do. Savvy competitors may try to poach them. Even if they don't, your best employees will long remember how they were treated in bad times and quickly jump ship in better times.

Great leadership takes practice, discipline, and time. In this downturn, don't abandon or ignore the behaviors, programs and stakeholders you need most to survive and win. When the turmoil subsides, the winners will be those that ride the momentum generated by the actions they take now to address the economic tough times. LE

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**ACTION:** Observe these 10 rules of the road.