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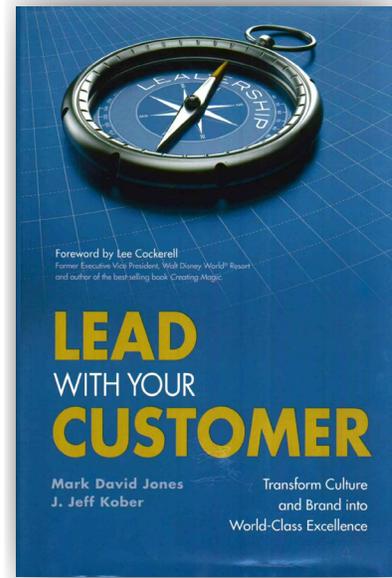
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## Lead with Your Customer

*Transform Culture and Brand into World-Class Excellence*

Mark David Jones and J. Jeff Kober

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### INTRODUCTION

In *Lead with Your Customer*, Mark David Jones and J. Jeff Kober offer the World-Class Excellence Model as a means to integrate a dual approach of engaging employees internally and customers externally to drive an organization to the top of its field. This model focuses on keeping a company's values, vision, methods of delivering services, and interactions with people constant, so that the organization will be able to adapt to any changes. The authors present tangible, pragmatic practices, as well as examples to illustrate these practices.

#### PART I: ESTABLISHING THE FOUNDATION OF EXCELLENCE

##### Your Customer Is Really Key

Jones and Kober describe a process that has been proven successful in many organizations - the Chain Reaction of Excellence Model. This model begins with

leadership excellence, then employee engagement, customer satisfaction, and finally, loyalty and long-term success.

The authors emphasize that it is loyal customers who generate revenue, and that engaged customers are the only ones who become truly loyal. This occurs because of engaged employees - people who are involved, committed, and passionate about their work, functioning at effective levels and providing better customer service than employees who are not engaged. In order to achieve this level of engagement with employees, it is necessary to serve them as if they are customers as well - internal customers. For this model to exist, leaders must communicate a compelling vision, involve employees, and manage resources in a way that will create an environment for success. By building relationships with these internal customers leaders model the types of relationships that the

employees need to build with customers.

### Leading with Your Internal and External Customers

Not only do world-class businesses collect data about their customers, they go further in getting to know and understand them. These companies believe that they must know their customers uniquely and completely in order to tailor their products and services to the customers' individual needs.

The Customer Compass helps leaders understand their customers better. "N" refers to individual "needs" that are relevant to each customer and which drive their consumer purchasing decisions. "E" on the compass is "expectations" and refers to the preconceived notions customers have about a business. The "S" on the compass correlates to "styles," which affect how customers interpret and value their experience with the company. The final point on the compass, "W," refers to "walk," which encourages leaders to walk in their customers' shoes and consider their experiences in order to find out what matters most to them.

There are five basic needs customers have:

1. The need to be heard and understood
2. The need to belong and contribute
3. The need to feel stable and in control
4. The need to feel significant and special
5. The need to feel successful and to reach one's potential

There are three elements to keep in mind regarding expectations:

1. Until customer expectations are known, it is impossible to exceed them.
2. Target negative expectations to turn them into positive alternatives.
3. People will often seek employment with companies that first shaped their expectations as customers. If the reality of working for the company does not meet their expectations, they will become frustrated, disappointed employees, who often leave their jobs.

Four different styles dictate how people respond to

## KEY CONCEPTS

Leaders need to invest in their employees as internal customers as much as they are willing to invest in the more obvious external customers.

1. It is necessary to know your customers – external and internal – uniquely and completely.
2. Operational values should reflect the culture of the company and should be used as guidelines for service behaviors.
3. Employees should be nurtured as resources.
4. Promises to customers – internal and external – need to be kept.
5. Processes encountered by both sets of customers should operate efficiently and without frustration to the customer.
6. The value of products delivered to both sets of customers needs to be superior to the price paid for them.
7. The workplace should be a positive part of the customer's experience.
8. Walking through the experience in the customer's shoes will help identify problems.



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the world around them:

1. *Analytical people* tend to be serious, overly cautious, and will take time to think before declaring they are right – an affirmation they will adhere to once they make it.
2. Someone with a *driving style* focuses more on telling than asking, interacts easily with others, tends to be independent, and will take on projects just to get things going. They may also burn bridges if they are not careful.
3. An *expressive style* can be impulsive and animated, and can be seen as opinionated and persuasive. These people are more controlling than the driving style. Although they can inspire others, they also need recognition and positive responses.
4. Someone with an *amiable style* is friendly, dependable, and supportive. To them, harmony means a great deal. They do well working cooperatively but not independently, and can help pull a team together.

*Growing your organization's capabilities is only possible by growing the abilities of your employees. It's that simple.*

## ABOUT THE AUTHORS

**Mark David Jones** is currently COO at World Class Benchmarking, a consultancy firm helping organizations who want to achieve industry-leading excellence. Jones's background includes a variety of leadership roles over 26 years at the Walt Disney Company, as well as other leading private and public sector organizations. He has held teaching positions at the University of Florida and Florida State University.

**J. Jeff Kober** is the CEO of World Class Benchmarking and thought leader for best-in-business-practices of the Walt Disney Company. Kober's past experience includes leadership development training for GE executives, transforming Federal Student Aid for The Department of Education, and serving as a consultant with The Disney Institute. Kober holds an M.A. from Brigham Young University.

A company that has employees with different styles has several key strengths.

When walking in the shoes of both internal and external customers, consider the following:

1. The company should be experienced as the customer experiences it, from the beginning of the interaction to the end of it.
2. It is necessary to check and ensure that employees are doing what they are supposed to be doing; those who are should be rewarded.
3. Employees who are found not to be doing what they should need to be encouraged and helped.

### Achieving Proven Leadership Excellence

There are two qualities that world-class leaders share – integrity and the ability to care enough about people to accomplish important things. According to the authors, influence is the greatest leadership tool. When combined with other leadership tools, it can create great potential for the organization. A leader must have followers, and people will not follow those who do not share their core values. But when leaders and employees share the same vision and values, employees can then exert influence over customers that mirror the company's values and vision.

### Using the World-Class Excellence Model to Transform Your Business

Because a company's core vision and values are the foundation of the corporate culture, once they are established they can be used as tools to guide goal setting, decision making, identifying appropriate behaviors, setting criteria for effective hiring, and for developing guidelines for rewards and recognitions. There are two types of values: philosophical and operational. *Philosophical* values are concepts no one disagrees with, such as honesty, integrity, and respect. *Operational* values serve as guidelines for service behaviors. They can also help build emotional connections to the company which then helps build commitment to the organization.

If values are thought of as the “why” of the business, then the vision is the “where” – a compelling goal just out of the company’s reach. The vision should inspire people, be a catalyst for behavior, create an external image of the company, and be aligned with the business’s operational values. The following are guidelines for developing the vision and values:

*Each organization needs to have positive traditions that reinforce the culture, bring people together, and keep morale as high as possible.*

- Engage all employees.
- Philosophical values are important to both internal and external customers both; operational values are especially relevant to serving external customers.
- Each value should be unique.
- Prioritize the list of values to create a consistent problem-solving path.
- Values need to encompass the whole organization and be consistent in all facets.
- Values should encourage action. (“Courtesy” can be described behaviorally; “grace” cannot.)
- The list of values should be brief.

Once the vision and values have been developed, there are six ways to implement them:

1. Announce them.
2. Hire in keeping with them.
3. Promote them.
4. Discuss them.
5. Connect behavior to them.
6. Deliver products and services in accordance with them.

Surrounding the core values and vision are six concepts that world-class organizations use to deliver their vision and values:

1. Product
2. People

3. Place
4. Process
5. Promise
6. Price

The goal is to have the first four concepts live up to the promise and be worth the price. In order to be successful, it is critical to maintain focus on the core (vision and values) and these six P’s. The internal dynamics of a company create the external customer experience, which forms the company’s reputation, and in turn creates the brand.

## PART II: LEADING THE CULTURE

### Proclaiming the Promise of Your Culture

Each day, a business sends messages to its employees about its culture. Because employees want to align themselves with a company that shares their ethics and values, it is important that the company come through on its promise to its employees about its culture. There are four initiatives that can be implemented to ensure this happens.

1. Take concrete steps to ensure values and beliefs are brought to life.
2. Cultivate an attitude of excellence, keeping in mind employees are often attracted to a company because of the way customers are treated.
3. Speak the language – communication is valuable when building a culture.
4. Keep customs and traditions – rituals keep corporate culture and morale alive.

### Engaging Employees for Service Excellence

World-class organizations know that it is important to nurture the human “resource” – their employees – and do so with service-focused behaviors.

1. *Serve the employees* by finding opportunities to give time to others each day.
2. *Build the culture through hiring.* The degree of a new hire’s alignment with the company’s core vision and values directly affects the operational integrity of the organization.

3. *Onboard effectively and with support.* The transition period between hiring and the end of the probationary period should help the new hire develop a sense of belonging and should reinforce the corporate culture.
4. *Focus orientation on brand and culture,* which sets the context for the new employee's relationship with the organization's vision and values. Orientation should happen before the new employee reports to the work location and should focus on creating an emotional connection with the new hire.
5. *Make training and development a priority.* Effective training results in effective job performance which enhances the bottom line and builds morale and loyalty.
6. *Leverage service huddles.* Pre-shift meetings focus employees on the day's goals, recognize accomplishments from the day before, and build camaraderie and excitement for the day.
7. *Transform employees into leaders.* Leadership development is an investment and should be a responsibility of all leaders in an organization.
8. *Maximize the impact of rewards and recognitions.* Clearly connecting the reward with the behavior that resulted in the reward shows the company values what it says it does, increases the likelihood the employee will repeat the behavior, and provides other employees with the incentive to model the rewarded behavior.

### Optimizing Your Workplace for Team Results

When optimizing the workplace, it is important to keep in mind that there are places the external customers should never see. These include the following:

- Unsafe or dangerous areas
- Areas that do not pertain to the customer experience
- Certain operational activities meant to be carried out away from their presence
- Discussions that should not be held in front of the customers

- Areas that permit employees time away from the customers to "let their hair down." It is important to remember that if there is no designated place for employees to exhibit "offstage" behaviors, they will exhibit them in front of customers.

Employees should have the resources available to do their jobs well, but this does not necessarily mean expensive furniture, tools, and toys. The environment should keep the focus on the customer, product, and service. In addition, the workplace should reflect the company's values and vision.

*Talking about valuing employees without doing it can actually be worse than saying nothing at all about the issue.*

### Harnessing the Power of Process

Many processes that the internal customer has to face in order to be effective can be frustrating and difficult. World-class organizations understand the importance of ensuring that the processes their employees encounter run smoothly and effectively. There are seven processes that can have the greatest impact on becoming a world-class company.

1. *Support employees with effective organizational structures.* This structure effects how communication flows through the organization.
2. *Give the gift of time.* Providing a doggy day care, an onsite farmer's market, health care clinic, concierge service, gym, or a corporate jet for medical emergencies can create greater internal satisfaction.
3. *Provide employees with choices about what happens within the workplace,* such as bringing pets to work, buying time off, donating to charities through payroll, or serving meals in a corporate dining room.
4. *Provide continuing employee improvement.* Making workplace improvements should be policy, not a program.
5. *Communicate clearly with employees.* Relationship foundations are built with communication.
6. *Learn from mistakes.* There should be a process in place that allows people to report, manage, and

learn from their mistakes.

7. *Bust service silos.* Service silos are ineffective and isolated areas are led by influential people who expect bureaucratic processes to support them, fail to share important information with others who should have it, point blame away from themselves, and are obsessed with control, not influence.

### Providing Products That Motivate Your Employees

Benefits and compensation packages are products the company can “sell” to its employees. These products help employees decide whether or not they want to remain with a company. They also affect the amount of effort employees are willing to generate in their positions.

*The fact is, if you aren't making mistakes, you're not taking sufficient risks – and are likely undermining your potential.*

Although benefits and compensation packages should attract and retain employees, world-class organizations know better than to focus solely on paying the highest salary. Placing a focus on paying high salaries attracts employees who value money more than serving the customer. It also ensures constant competition with other organizations to be the highest-paying organization.

World-class organizations pay enough that the salary is not a deterrent to hiring quality talent, but then offer a culture-based benefits package, knowing there is a strong correlation to employee satisfaction with benefits and employee satisfaction with the job. Examples of culture-based benefits that can be offered include the following:

- Professional/career development
- Health care benefits
- Onsite basics (food, beverage, spa, hair salon, day care)
- Retirement benefits
- Financial services
- Time off/leaves of absence

World-class organizations also know that cutting

benefits undermines the trust and value of the working relationship between the organization and its employees. If changes have to be made to the benefits package, employees should be included in the information sharing from the beginning and, when decisions are made, employees' opinions and suggestions should be included at that time as well.

### Understanding the Real Price of Passion

Having discussed the promise made by the organization to its employees, the next step is to consider the value of the employees' experience versus the price they pay to work for the organization. The authors explain that there are tangible prices as well as intangible prices employees pay to work at their jobs. The value employees receive from working their jobs (i.e. compensation and benefits) should be superior to the price they pay.

Basically, the tangible price includes the time and effort the employee puts into the job. When a company considers the time an employee puts into the job, some considerations should include the following:

- If employees are paid hourly, are they paid overtime when they work additional hours?
- Are the hours that the salaried employees work justified by the money they are paid?
- Are employees putting in time before or after official work hours?
- Do employees work during their “off” time?
- Do employees work while others sleep or while others play (such as during holidays)?

The tangible price also includes time put into the job even when the employee is not physically at work, usually because the job is costing the employee time away from family and friends. Considerations should include the following:

- Are employees working overtime at home?
- Do employees have a long commute?
- Are employees traveling extensively?

The intangible price paid by employees is not as easy

to quantify as the tangible. First, it is important to consider the corporate culture. If the employee's values align with the company's, the employee is more likely to make sacrifices for the organization. The next consideration is the employee's associates. Is the employee paying a price working with uncooperative people? People want to be successful and are willing to be paid less to work for companies that help them achieve success.

World-class organizations pay attention to the price their employees pay to work for them and ensure the value their employees receive is over and above that price.

### PART III: LEADING THE BRAND

#### Communicating the Promise of Your Brand

Both internal and external customers view communication from the company (including marketing and advertising) as a personal promise. At the core of that promise is trust. There are five key aspects to the promise:

1. *Define the brand promise.* The brand promise should align with the core vision and values of the organization and should make a connection with the target market.
2. *Differentiate the brand promise.* The promise should be able to break through all of the other messages aimed at consumers every day. It should be distinctive and connected to core of the organization.
3. *Communicate the promise.* Branding should be fully integrated throughout the company. Operations and marketing should be aligned and able to offer a promise that can truly be delivered.
4. *Maintain the promise.* Even when it is necessary to update or refresh the media and collateral (logo, tagline) attached to the brand, the promise needs to remain consistent, the company's identity unchanged.
5. *Deliver the promise.* The whole organization needs to be focused and wholly supportive of delivering what has been promised to the customer.

#### Creating a Workplace That Strengthens Customer Service

World-class organizations understand that the workplace sends a message about the services being delivered and that it should enhance the customer's experience. All five senses affect the perception of the environment. Taking advantage of this fact can create emotional connections with customers that help them remember their experience.

Regarding sight, if there is little attention to detail in what a customer sees in the workplace, it will cause the customer to mistrust what is going on behind the scenes. Sounds have definite impacts on customers and smells have an uncanny connection to memories. It is important to remember that everything in the workplace communicates something about the organization.

*If you create the right environment for your employees, they will behave in a manner that generates excellence.*

#### Making an Impact Through Processes

If a customer describes a "hassle" in dealing with a company, that customer has a process problem. Processes include policies, procedures, initiatives and guidelines. Making processes easy to maneuver through can make big impacts on a company's brand. For example:

- A customer should only have to provide information to a company or organization once.
- Decrease wait time – or the perception of wait time (infomercials at the gas pump, the ability to track a package that has been ordered to be delivered).
- Give the gift of time. People will pay for goods and services that they believe will provide them more time to do more worthwhile activities.
- Provide customers choices. Offer different ways to receive information or to make payments.
- Offer one-stop solutions. The employee that first encounters the customer with the problem owns the problem and fixes it.
- Provide continuous improvement. Progress in

customer service should be continually monitored and tracked, with changes initiated wherever necessary, and with those changes then monitored and checked for results.

### **Delivering Products and Services They Really Want**

World-class organizations know that their customers need to be able to distinguish their products from the people, places, and processes involved in providing them that product because ultimately, the brand is associated with whatever product or service is delivered. The final product should be a tangible memory of the entire experience the customer encountered with the company.

Differentiating the product adds value, especially when the customer is enabled to decide what is different and better. The design, display, and packaging of the product are opportunities to impress the customer. Balancing choices with the streamlining of the experience is important. Customers appreciate having choices, but do not want so many that it makes it difficult to navigate the experience. Product support is valuable, but customer-centered support adds even more value to a product. Finally, products must be continually improved, but it is critical to remember that it is the customer who decides what is important and what is not.

*Customers are willing to invest themselves as necessary, if the complete experience creates sufficient value for them.*

### **Creating Loyalty and Profits with the Right Price**

When referring to the price customers pay for a product or service, it is necessary to keep in mind that the price includes the true cost as well as the value of the product, and that the value to the customer must exceed the cost paid. The true cost a customer pays is broken down into tangible and intangible prices.

The tangible price includes the obvious cost of money spent for the product or service. In addition to this is the time the customer spent waiting for the good or service, the effort that had to be expended on the customer's part to purchase the good or service, and the number of resources the customer had to use to make the purchase. (Did the customer have to ask favors of

friends, such as a ride to the store? Did the customer have an unfortunate incident occur on the way to the store? Are there additional components the customer must purchase in order to put the product or service to work?)

The intangible price includes missed purchases. (Did the customer sacrifice making another purchase or a payment on another bill in order to buy the product or service?) The feeling a customer gets from making a purchase – negative or positive – factors into the intangible price, as does the affect the purchase has on others (birthday present, donation to charity). There are many factors built into the cost of a product or service, and world-class organizations make sure the value of theirs exceeds all of the costs.

## **PART IV: ENSURING ALIGNMENT AND INTEGRITY**

### **How Service “Netting” Gets Results**

To understand the metaphor of service “netting,” one should consider the net underneath a trapeze artist. Service recovery is equal to having no net under the artist, but a very efficient plan to call an ambulance when an accident happens. Service netting is more proactive and involves establishing preventative steps that keep poor service from happening in the first place.

To be proactive, it is necessary to walk in the customers' shoes to have the experience from their point of view. This helps identify problem spots and areas of disappointment for the customers. There should be more than one solution when problems occur, and everyone should be involved in identifying the problems and providing solutions for them.

The authors designed a tool they call the “Integrity Net,” which provides a snapshot of the operation and analyzes details of the customer's experience. It identifies operational values at the core of the culture and reflects those values across the whole experience.

### **Service Recovery That Really Works**

Because mistakes are inevitable, world-class organizations know it is important to have an effective service recovery plan in place. At the center of the service

recovery situation is the relationship with the customer, so the recovery needs to happen immediately. This should be with the first employee who encounters the problem – and it needs to be appropriate. If the frontline is empowered to respond immediately, the customer feels acknowledged and appreciated, and the employee feels significant and satisfied because he or she helped the customer. Frontline employees should also be included when coming up with creative, no-cost or low-cost solutions to problems. Spending only what needs to be spent to correct a problem allows resources to be directed toward other investments. Finally, it is important to not only recover the quality of the customer's experience, but also to ensure that problem never happens again.

### Tips for Leading Implementation

In order to get started on becoming a world-class organization that leads with its customers, it is important to put first things first. Relationships need to be developed to achieve results, the workplace needs to be explored, and the team should be engaged and aligned with the core values and vision of the company. Leaders need to model the behaviors they expect of their employees, behaviors that will result in world-class service. Finally, progress needs to be tracked, efforts should be made toward continuous improvement, and the frontline employees need to be involved in measuring that improvement.

### Leading Forward to World-class Excellence

In order to put these ideas to work, the authors' stress that courage is necessary and suggest that courage be drawn from the core vision and values. Focusing on the goal and not the obstacles and being willing to take action will set a company off in the right direction. Finally, simply choosing to act is empowering. "We choose" is a powerful statement. It implies ownership and accountability, as well as courage.



## FEATURES OF THE BOOK

**Reading Time: 8-9 Hours, 240 Pages**

**Lead with Your Customer** looks at customer service from the inside out, referring to employees as "internal customers" who serve "external" customers. It is

filled with anecdotes from companies who treat their employees as customers as well as the benefits the companies and their external customers reap because of that unique relationship. Each chapter ends with a bulleted list of what comes next in the process, and Chapter 17 in particular includes templates of tools that leaders can put to use to gather their own data and information about the customer's experience. It is definitely a book directed at those in leadership positions, as it directs those leaders in their relationships with employees. Employees not in leadership positions and who do not work for world-class organizations may read the book and ask themselves, "Why am I not working for a company that will treat me like this?"

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