

LEADERSHIP Excellence

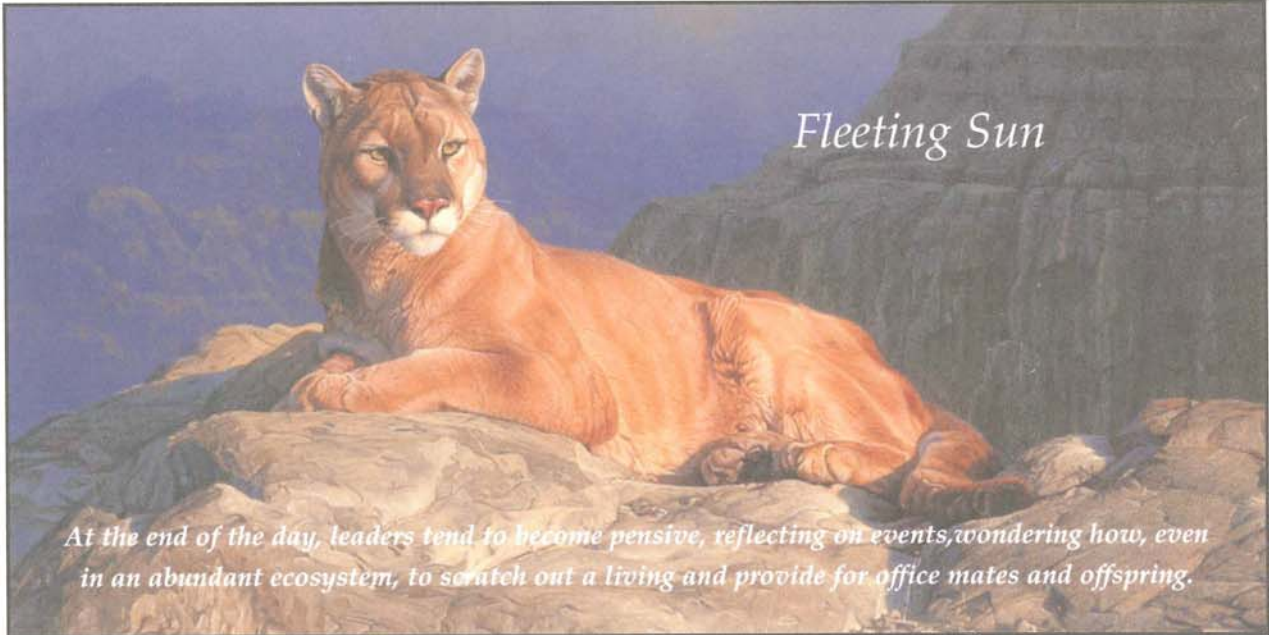


Warren Bennis

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At the end of the day, leaders tend to become pensive, reflecting on events, wondering how, even in an abundant ecosystem, to scratch out a living and provide for office mates and offspring.

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Lead With Customers

And achieve consistent excellence.



by Mark David Jones and J. Jeff Kober

WHAT DO WORLD-CLASS BUSINESSES do that makes them extraordinary? A review of *world-class companies* (WCCs) reveals this insight: The strategy to achieving extraordinary results is to *establish a unifying focus that creates a comprehensive, full-integrated, and simple (not simplistic) approach.*

Many books describe the formula for customer loyalty and long-term success. During Disney's transformation efforts (early 1990s), our goal was to sort through all the fads and discover the path to consistent world-class excellence. We started with the desired end result (*customer loyalty and long-term financial success*) and identified what causes that outcome.

We find there are *four components*:

- **Leadership excellence.** Leaders are catalysts for action, improvement, and excellence. Leaders who communicate a compelling vision, involve employees, and effectively manage resources create the fertile corporate culture.
- **Employee engagement.** Once leaders create a culture that nurtures excellence, employees become committed and passionate about achieving goals.
- **Customer satisfaction.** Highly satisfied external customers provide the revenue to fulfill the mission. Engaged customers become brand advocates.
- **Operational and financial results.** Achieving results is the ultimate goal. To achieve better outcomes, you must focus on improving the first three steps.

In this formula—the *Chain Reaction of Excellence*—we see that the gap between you as a leader and the financial results that you crave consists of your culture and your brand. The quality of your employee engagement and customer experience determines your success. World-class leaders realize that the way to optimize results is to view them *both* as customers: the traditional external customers and the employees as internal customers. Once this shift in think-

ing occurs, serving both becomes simpler because the same (singular) tools can be used to exceed the expectations of both groups of customers.

World Class Excellence Model

If you ask most managers or leaders to take on new responsibilities, you'll likely hear them say *my plate is full*. This is why most companies chronically operate in *crisis management mode* and endure one failed *program of the month* initiative after another. When new tasks are added to full workloads, initiatives not deemed *critical* fade away.

Rather than compete with waves of changes, world-class businesses make the non-negotiable elements of the operation—the *plate*. Establishing this framework enables them to identify freedom within the priorities, so peo-



ple can make the situational choices that *exceed their customer's experience.*

Our *World Class Excellence Model* showcases how to align and unify culture and brand for *optimal operational integrity—and superior financial results.* One component is the six-part operational delivery system used to implement service to internal and external customers. We call this system *the Six Ps.*

Promise: When people don't get what they expect, they get emotional, since their expectations are violated. If the experience isn't *as good as promised*, they're upset. For the external brand, this takes the form of *marketing and sales*—often mistakenly disconnected from *operations.* For the internal culture, the Promise is *how the company is promoted when hiring.* WCCs take integrity personally.

The next four P's illustrate how service is delivered.

People: The people focused on the external brand are those on the front

line directly interacting with your customers—the *Front of the House.* Those who don't have direct contact with customers support those on the front line. They're often considered the *Heart of the House.* WCCs know "the front line equals the bottom line." Everyone engages their customers at all times.

Place: Every service experience happens *someplace*—even if that *place* is virtual (website.) For traditional customer service location, the *place* involves all five of the customers' senses. For the external brand, this means your "onstage" areas that external customers can sense. For your internal culture, this is the backstage areas that only employees access. In both cases, know that *everything communicates.* The question is: "Are you communicating what you want?" How does the customer domain add value to their experience?

Process: Policies and procedures are also ways that businesses provide service. External customers experience rules that govern the order and flow of securing the product or service. Internally, the process concerns employee guidelines and how they're supported (or not) in conducting their job. World-class companies know that you must "make it easy to do business with you."

Product (or service): Externally, the goods you offer impact your brand, just as they impact your culture internally. Ultimately, your product must effectively reflect your culture and brand to add optimal value to your customer. Successful companies know that you must provide the best of what your customer really wants.

The experience created by these five P's is then compared to the sixth P:

Price: Finally, cost of the experience—both tangible and intangible—must be considered. The true cost goes far beyond the money—it includes the time and effort "paid" as well. For the internal customer (employee), salary, commute, responsibility, respect, and prestige all come into play. WCCs know the *true costs ultimately determine the value in the minds of your customer.*

The ultimate goal is to have the People (P2), Place (P3), Process (P4), and Product (P5) live up to the Promise (P1), and be well worth the Price (P6).

Unless all six P's are considered, the experience of your external and internal customers will not exceed their expectations; hence, there will be no loyalty, or *sustainable competitive edge.* LE

Mark David Jones and J. Jeff Kober, founders of *World Class Benchmarking*, are co-authors of *Lead With Your Customer* (ASTD Press). Visit www.LeadWithYourCustomer.com.

ACTION: *Align your culture and brand.*