

Set the Stage for Continuous Improvement

BY RON KAUFMAN

With the right roadmap to align leadership and education to reinforce a shared vision, mission and values, companies can build a culture to uplift spirits and performance.

When employees are motivated to constantly learn and improve their performance, it enables their employers to continuously transform and remain competitive. That's why more organizations have devoted time and resources to building a service culture that will encourage employees to look for new ways to create value for customers and colleagues.

For example, the employees at Xerox Emirates understand the importance of taking action when things go wrong, turning complaints into compliments and transforming problems into opportunities to earn loyalty. This was not the case before 2008. Xerox had an in-house customer care management system that used root-cause analysis to determine the source of a customer's problems, and charged the cost of resolution to that area, team or department.

Employees used this system reluctantly, fearing it was a management tool to assign blame and allocate cost. The system was scrapped in 2008 as Xerox Emirates began a company-wide initiative called Bounce! to reframe complaints as opportunities to increase loyalty.

Promoting Continuous Improvement

Upon completing service recovery efforts, Xerox asks the customer: "Given the situation you faced and the action we have taken to respond, are you now more or less loyal to Xerox?"

This question focuses all employees on responding quickly and generously to customer complaints, aligns the organization to create positive customer experiences even when under pressure, and sends a clear message to customers that Xerox values their business for the long term. The financial results speak for themselves: a YTD monthly revenue growth of 32 percent, 53 percent gross profit growth and 52 percent net profit growth.

"Today our staff members feel liberated to bring customer complaints forward quickly, suggest new ideas for resolution, and even take faster and more innovative action on



their own," said Andrew Hurt, general manager at Xerox Emirates. "Our managers are far more thoughtful and creative when deciding what recovery action to take for the customers that are affected."

There are many ways to achieve continuous improvement by eliminating waste, but in a world where products are commoditized faster than ever, and processes are easily copied, service is the one domain where an organization can achieve sustainable competitive advantage.

Building a service culture means instilling an unwavering focus on everyone creating more value for everyone they serve: customers, colleagues, partners, shareholders, suppliers and vendors. The emphasis shifts from "How can we improve what we do?" to "What can we do to improve how others experience what we do for them?"

IN PRACTICE

US AIRWAYS: SERVICE ON THE GROUND

While safety and reliability are typically primary areas of focus for airlines, unpredictable weather, crowded airspace and other operational complexities inevitably lead to flight delays and cancellations. No airline is immune to these service gaps. However, US Airways' primary goal is to provide reliable service, and to meet this goal, especially in service recovery situations, each employee's skill and attitude is critical.

The airlines' initial focus was enhancing reliable operations. After making changes and delivering operations that led amongst its peers in 2010 reliability metrics, US Airways shifted focus to improving service recovery. The company needed to educate its reservations and airport customer service employees on the importance of correcting service failures to build customer satisfaction and loyalty.

To do this, the airline rolled out an interactive eight-week development program based on visual metaphors showing passengers crossing a bridge with a solid foundation but falling through gaps in the planking that represent the service disruptions the airline industry faces. When these gaps occurred, US Airways employees were pictured catching them in a net of service recovery. The imagery was supplemented by data and Socratic dialogue. In June 2010, a customized learning map was introduced to employees at 45 airports and five reservation centers across the international carrier's system. More than 10,000 employees participated in the required four-hour, facilitator-led small group discussions to connect them to the big picture, engage them visually and drive results at the individual level.

Using the LEAD model, employees explored a step-by-step process for service recovery.

Listen: Let the customer explain their situation. Don't interrupt.

Empathize: See the problem through their eyes.

Apologize: Apologize because of how they feel, or as appropriate.

Deliver: Explain what can be done for the customer.

As part of development around service recovery employees spent nearly three hours practicing and applying learning tactics for specific service recovery tools that had been introduced in an earlier section of the course. In January, participants completed an interactive e-learning module that reviewed the main topics and addressed common service recovery scenarios.

In just a year, utilization rates of service recovery tools nearly doubled and other service-related metrics have increased nearly 15 percent. Further, customers noticed. Airport complaints decreased, and US Airways had the fewest U.S. Department of Transportation complaints among the nation's major hub and spoke airlines for three months during 2010. Finally, the airline finished with a first-place ranking for the year in baggage handling, which means a better travel experience for customers and bonuses for employees. The company paid out more than \$22 million system-wide in 2010 for performance incentives.

The service recovery content is now an integral part of the new-hire training curricula for airport and reservations agents. Further, US Airways is working on a follow-up course using the same instructional strategy, which launches in September. [CLO](#)

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When everyone — from leadership to front line — believes in taking action to create value for someone else, the organization unites and collaborates toward a common purpose.

Further, in an uplifting service culture, excellence is a moving target. Competitors are constantly stepping up, and customers' expectations are rising. Excellence cannot be a static goal, an objective standard, a standard operating procedure or a specific key performance indicator. To build a service culture, organizations must sustain focus in three areas: service leadership, service education and the 12 building blocks of service culture support.

Leadership, Education and Building Blocks

Active senior leader involvement is essential to ensure the strategic development of effective service culture. Without it employees may see only tactical efforts and consider service improvement a specific campaign to upgrade front-line skills or to improve the customer experience.

Organizations often spend heavily on customer service training, and then wonder why no substantial improvements are made or why enthusiasm stalls shortly after training. This is symptomatic of the difference between training and education. Service training teaches people how to take certain actions in specific situations, follow a script, a checklist or a procedure. Training is tactical, prescriptive and usually differs between functions and departments.

This approach results in a fragmented understanding of service inside the organization. It also leaves employees unsure what to do when they encounter a situation they have not been trained to handle.

By contrast, effective service education teaches fundamental service principles that everyone can apply to their own jobs regardless of role, function or level. It teaches employees to think proactively and responsively, and then act in an empowered manner to create value for customers and colleagues. Service education also creates a shared understanding of the customer and a common language with which to talk about customer experience. This enables better collaboration and teamwork to make continuous service improvements.

Wipro Technologies in India emphasizes overall customer experience and value creation with a focus on creating business value and positive outcomes for its customers through its Customer Centricity Value framework.

All key members of Wipro's customer service team attend Customer Centricity courses. However, such service education is not complete unless there is proof of value being created for someone else.

Following participation in a classroom-based course, each participant must follow through with a personal action plan to serve someone else better than before.

Certificates from the course are granted after participants take their newly planned action, and secure written confirmation from a customer or colleague that the action actually created new value. In a country and culture where certification is highly valued, Wipro's approach emphasizes the importance of turning learning into action that delivers results.

Even after they graduate, employees continue to apply their learning by working on X-serve projects. In these projects, employees work to improve customer perceptions at critical touch points either as teams or individuals. All projects are documented and submitted for the annual X-serve awards, a company-wide competition to recognize and reward outstanding X-serve projects.

"The challenge we faced was to get people to develop a service mindset and constantly look for ways to improve the experience for external customers and

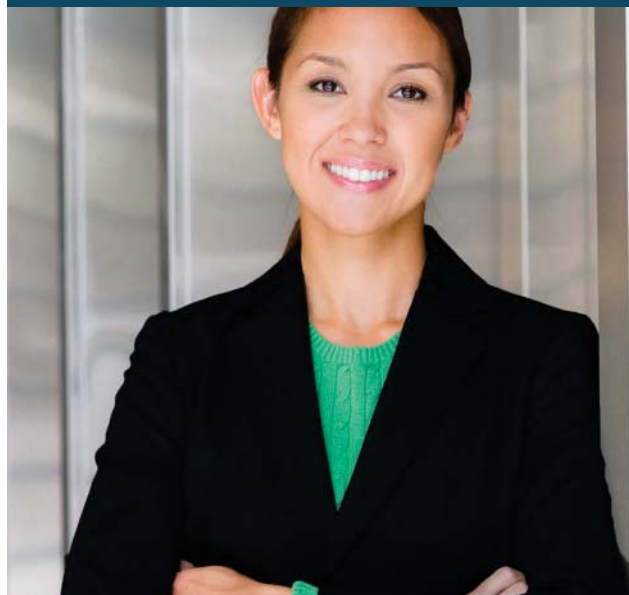
internal colleagues," said Usha Rangarajan, head of Wipro Way, Wipro's business excellence framework. "By institutionalizing taking new action to create more value into the process of service education, contests, recognition and rewards, we have created a measurable improvement in the customer's experience."

The building blocks of service culture are activities most large organizations already do: vision, recruitment, orientation, communications, recognition, feedback and measurement systems, improvement processes, recovery strategies and benchmarking.

But few organizations align their activities in these areas to develop a unified and uplifting service culture. For example, an organization could capture the positive voice of the customer through solicited feedback channels, connect these compliments to staff rewards and recognition programs, involve the winners as mentors in new staff recruitment and orientation activities, and communicate this to all staff members through multiple channels. Building an uplifting service culture does not need to cost more money. A strong service culture tends

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to reduce costs as internal service continuously improves.

A misunderstood, often poorly harnessed building block is metrics. Many organizations accumulate mountains of data to track sales, productivity and service performance. Such legacy measures may be tied to incentivizing specific behavior, but is often disconnected from producing a positive customer experience.

For example, in many organizations customer satisfaction surveys have become entrenched and self-sustaining, generating reams of data without a corresponding volume of improving actions. In a more focused and stronger service culture, activities would be aligned to leverage and generate value from customer surveys.

A service improvement process would immediately acknowledge any customer's negative feedback and trigger new actions to increase satisfaction. Recovery programs would kick into gear to ensure a bounce rather than a poor memory. Rewards and recognition programs would be linked to making successful improvements in customer experience, and internal communications would regularly feature success stories.

Service Is Not a Soft Skill

Service is often mislabeled as a soft skill, and culture is inaccurately regarded as something imprecise or fuzzy. Not true. Building and reinforcing a strong service culture requires focused attention, sustained commitment and systematic action from the entire organization. Organizations can successfully engineer a service culture with an implementation roadmap that aligns leadership, education and building blocks to reinforce a shared service vision, mission and values.

Every company can build a service culture to uplift the spirit and performance of service every day. And as Xerox, Wipro and others have shown, this is not the result of brilliant strategy or personal charisma — it is the result of an organization-wide commitment, sustained over time, to create more value for other people. [CLO](#)

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