

COMPETING THROUGH PASSIONATE AND RELEVANT SERVICE

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SUMMARY

Today's global economy is entangled in shifting economic landscapes and dynamically competitive markets. These forces are placing ever-expanding pressures on the typical business. W. Edwards Deming is attributed for saying "Survival is optional." Indeed, organizations today must increasingly declare their intentions, whether to thrive, or even survive. A select few will succeed as market leaders. Many will fight to remain viable. All will need to increasingly act with purpose with regard to how they compete and deliver value. Many businesses try to compete based on price; some on technical innovation; while still others compete based on the service delivered to customers. The primary focus of this paper is to look at the ways businesses can compete through passionate and relevant service.

KEY WORDS

Competitive; Service Leadership; Mindsets for Service; Passion; Relevance

INTRODUCTION

The authors come from different backgrounds and different career paths. One has excelled in a career devoted to extraordinary customer care. The other as a consultant dedicated to the pursuit of better systems, tools and leadership that foster customer-focused change. We felt strongly, that by combining our experience and core values, that we could provide encouragement and practical ideas to leaders and managers who are also seeking competitive advantage through superior service performance. We carefully examined the constructs of passion and relevance in the context of competitive organizations. We strived to provide meaningful insights to benefit all service delivery stakeholders, with special effort to clarify roles and opportunities both for frontline customer-facing team members and their managers and leaders as well.

COMPETING THROUGH DELIVERED VALUE

Central to business success is the ability to deliver value to intended markets and customers. Delivered value may be defined as the net benefit the customer receives. This is equal to all the benefits and value received less the total costs (economic, time, emotional, etc.) to attain them.

While it is important to understand the ways the economic landscape within your industry helps and hinders your ability to deliver value in general (rules / shape of the sandbox), it is critically important to outperform other businesses in your industry, building on your strengths and minimizing your weaknesses (competitive position within the sandbox). The relative competitive strengths and weaknesses of the companies comprising an industry may be portrayed on many dimensions. Some of

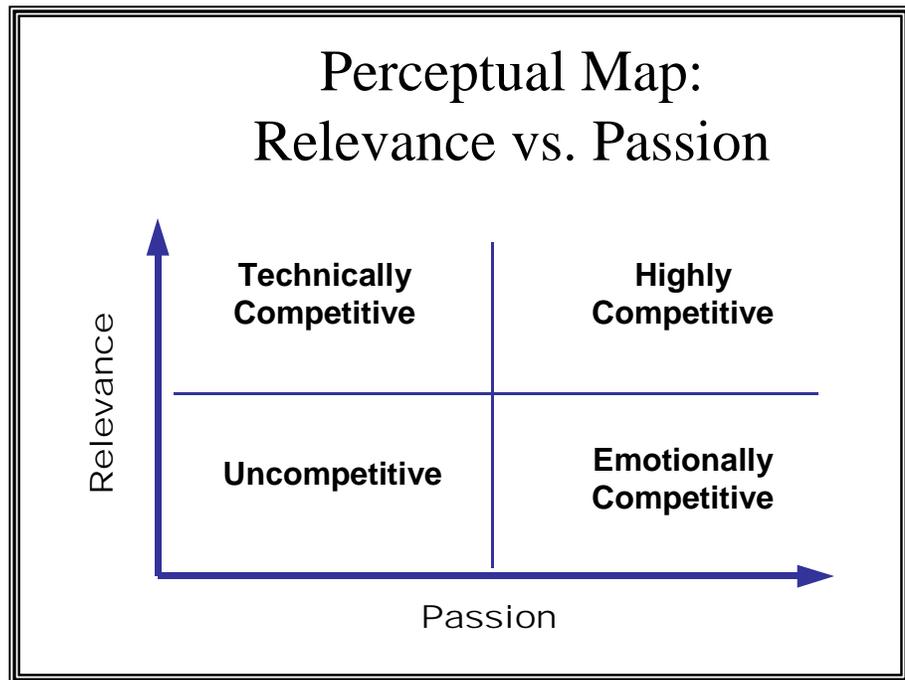
the dimensions are core competencies, value propositions, and customer and market perceptions of you and your competitors. Successful businesses identify strategies that align their core competencies and value propositions with the needs and wants of key market segments or the marketplace at large.

COMPETING THROUGH SERVICE

In *The Discipline of Market Leaders* three “value disciplines” are presented as alternative paths to market leadership. (Treacy and Wiersema, 1995) Their constructs for competitive dominance include operational excellence (best total cost), product leadership (best product), and customer intimacy (best total solution). The authors state the company’s choice of value discipline is not arbitrary, but on considered assessment of the company and it’s market. Further, while market leaders are unsurpassed in one of the value disciplines, they may also be quite proficient in at least one of the others.

This is the foundation on which we will build. We believe every business should consider the benefits of outperforming their competition when it comes to service. Whether the business chooses service performance as its primary competitive value discipline or not is not the issue. What we urge is considered commitment to delivering superior value to customers through extraordinary service.

In the figure at right, the relationship of passion with relevance on competitiveness is shown. Without relevance or passion, the organization’s offerings are uncompetitive. An organization wants to be positioned in the ideal “highly competitive” perceptual space that is both highly relevant and highly passionate. Highly relevant offerings may be competitive, but without passion, customers are unlikely to have the emotional commitment that manifests itself as loyalty, and employees will be far short of full engagement in their daily work. Finally, passion without relevance will fall short of delivering the value that customers need and expect.



Pronouncements and lip service to great customer care are insufficient to overcome the inertia of apathy, resulting from years of neglect in the areas important to succeed as a “service leader.” In characterizing service leadership, Davidow and Uttal (1989) emphasize organizations must excel in six areas to effectively compete and attain service leadership in their market. We have drawn from their ideas and adapted them slightly for our model to drive businesses toward a position of service leadership. The six areas include:

- Service strategy
- Leadership
- Engaged and enabled employees
- Service process design
- Infrastructure
- Measurement

We believe that properly addressed, these six areas provide the correct foundation to beat the competition through superior service. However, while intellectually appealing, these foundational elements might be not be the best place to start, especially if the goal is to rapidly transition to a culture of service. Taken by themselves the six elements might be construed as a mechanistic checklist, which may be insufficient to overcome inertia. What most businesses need are new mindsets for service; mindsets that are both authentic and intentional, fostering purpose, culture, and organizations of meaning. (Hacker and Roberts, 2004) What is needed is nothing short of competitive performance based on passionate and relevant service.

With passion in our culture and relevance delivered for our customers, we will better understand the opportunities to improve our service capability, increase responsiveness to customers' key requirements, and succeed in engaging frontline employees in the business of serving and satisfying customers.

Not every organization will have the benefit of conviction by its top leadership to compete through passionate and relevant service. This will limit the extent the service culture can evolve, but this need not prevent service excellence from being established within critical "touch-point" functions. The managers and employees in these customer-facing operations can have their own culture within the formal culture, and thereby place emphasis on passion and relevance, for both customers' and the company's benefit. To help foster transformation, the roles of leaders, managers and frontline customer-facing employees (frontline team members) will be discussed so the reader may proactively foster passionate and relevant service, regardless of their role.

MINDSETS FOR SERVICE

There are many mindsets at play that impact workplace productivity and performance. Some are those held by individuals, but often they are collective, yet unintentional "cultural" mindsets. A key in leading a business to a competitive position based on service is to demonstrate commitment to a shared vision that is guided by organizational values that foster excellent service and delivered value. The direction from the top needs to be consistently supportive and unequivocal. The following are but a few of the most powerful "mindsets for service" that your organization can adopt or adapt for the culture you intend to create.

- "If you're not serving the customer, you better be supporting someone who is"
- The "Inverted Pyramid" – turning the organization chart upside down
- Who is accountable for the customer's experience?
- The key to customer satisfaction and loyalty is our internal service quality
- Stewardship: Managers and leaders who choose service over self interest

The quote: "If you're not serving the customer, you'd better be serving someone who is" (Albrecht and Zemke, 1985, p. 96), is the true essence of what it means to have a culture for service. This notion is closely related to the concept of the "Inverted Pyramid", which is a powerful metaphor

and mindset for service. The key ideas include emphasizing that customers should be at the top of the inverted hierarchical organization chart. Right under them are the frontline employees, whose job is to serve customers. Managers own some new roles, including helping frontline employees to succeed in serving the customer. Leaders promote the vision for service and ensure managers support the frontline workers. (Albrecht, 1988, p. 108)

Ultimately, customer satisfaction will be determined at the point of service delivery. Our frontline team members are the ones engaged in service transactions with our customers. Each and every one of these transactions is a moment of truth. The customer's satisfaction is dependent on whether or not their needs were met in this moment of truth. The critical service mindset is that the business must place authority and accountability for the customer's experience (performance vs. customer expectations) on the frontline team members who are engaged in service delivery. (Carlzon, 1987, p. 3)

The Service-Profit Chain explains the linkage between internal service quality, employee satisfaction, external service value, customer satisfaction, loyalty, and profitability. (Heskett, Jones, et al, 1994) The pivotal first link is internal service quality. The mindset for service is that when organizations commit the proper attention to systems, policy, infrastructure, and culture, organizations can do a great deal to improve internal service quality, and as a result, help employees deliver higher levels of external service value.

Peter Block proposes choosing service over self-interest. One of Block's colleagues described his views on empowerment as "teaching revolution to the ruling class." (Block, 1993, p. 44) His notions of "Stewardship" supplant traditional ideas for leading and managing an organization. Block defines stewardship as the willingness to accept accountability for the well being of the larger organization by operating in service, rather than in control of those around us. This vision for organization transformation goes beyond customer-driven to the level of stakeholder-driven, yet it is entirely consistent with all of the preceding mindsets for service.

DELIVERING PASSIONATE SERVICE

Passionate service is a manifestation of extraordinary value in service delivery. It is a combination of the mindsets held and values lived by all employees. It includes the joyful and intentional actions shared with the customers they serve. These mindsets and values are strongly connected to the purpose of the organization and the meaning that results for employees who chose to fully engage in their work. It is characteristic of an organization and employees with purpose, where actions and vision are aligned and the care and feeding of current customers is an actualized core value.

Some of the characteristics of passionate service include: single-mindedness, determination, exuberance, and zealotry. In summary, passionate service results through the efforts of employees who have heart for service and who intrinsically want their organization to succeed in meeting customers' requirements. We believe passionate service delivery is a likely result when leaders, managers, and frontline employees all fulfill their roles in the inverted pyramid. If our service mindset properly assigns moment of truth accountability to frontline team members, and managers and leaders are working hard to help frontline team members succeed in meeting customer needs, the base requirements for passionate service will be met.

Who in the organization is accountable for the customer's experience? Most often the answer is frontline customer-facing team members whose day-to-day responsibilities include interacting with customers in your service delivery processes. Carlzon defines these exchanges between employees and customers as "moments of truth." Non-customer-facing team members also own key moments-of-truth as well (for example, statements and customer billing).

Passionate service gives people the feeling that they are involved in something that is larger than they are. It is as if we were meant to do the things we are most passionate about. In his book *What*

Should I Do with My Life?, Po Bronson describes countless stories of people who became disillusioned in their professions over time because they either lost, or never had, a passionate interest in what they were doing. A lack of passion for their profession and their daily tasks became a driving force for career change in the most radical way (for example, going from an high profile law career to planting trees for a living). In order for organizations to be recognized as best in class, they must succeed in inspiring and nurturing passion in their employees. In turn, as employees grow in their passion for service, passion becomes a catalyst, motivating and fueling meaningful transformation.

Our experience has taught us that frontline team members become passionate about the things in which they excel. Professional pride of workmanship is one of those things that inspires passion and invigorates team members. For employees to know that they are the best at what they do; that they have the ability to confidently tackle any problem that comes their way; and, that they can expeditiously and effectively overcome hurdles and solve problems for customers is the basis for high job satisfaction and continued commitment. The team members that have become masters of what they do, tend to exude the most passion and make the most effort to meet their customer's needs.

LEADING AND MANAGING FOR PASSIONATE SERVICE

So how do leaders and managers make people feel they are part of something bigger than they are and coach them to fully engage with passion in their primary role to satisfy customers? We would like to offer several suggestions, based on our experiences.

Although there are many things you can do as a manager to promote passionate service, ultimately it comes down to having the right person in the right place. As Jim Collins in his book, *From Good To Great* says, "you need to get the right person on the bus and wrong person off." (2001, p. 41) Starting with the job applicant and the interview, managers should be screening for passion. Questions in the interview need to help determine the extent to which the candidate takes personal pleasure in meeting people's needs. Does the candidate have a servant-heart? Does he or she have a humility that allows them to passionately meet the needs of others? The latter can be difficult to determine during an interview. It requires the candidate to be authentic and transparent, yet most applicants do not tend to interview that way. A number of years ago, speakers from Nordstrom's and Southwest Airlines were both asked their secrets for their extraordinarily high levels of customer satisfaction. Interestingly, both panelists were in agreement; hire for attitude and train for skill. (Oregon Quality Initiative, 1996)

As a manager or leader who comes in and takes responsibility for an existing organization, your personal passion and commitment for service is a benchmark that needs to be established almost immediately. Share your vision for service and immediately become a living and breathing role model, demonstrating the traits of passionate service. Once your expectations have been set, start working with your people and encourage those that demonstrate passion.

As managers and leaders, continually recognize, reinforce, and reward passionate service. At the same time elevate the cultural value that skepticism and cynicism will not be tolerated. Ever. Other existing values need to be examined. It is important to move beyond "espoused values" toward authentic, actualized values that reflect commitment to serving customers.

Trust is one of these values that must be nurtured. Our customers need to trust our organization and our people. Our people need to trust each other and their managers and leaders. "[When] we become trustworthy, we tend to attract people with the same values." (Hacker and Willard, 2002, p. 57) By role modeling and consistently demonstrating the behavior we expect from our team members, we will begin to foster an atmosphere of trust. We must remember that if we want employees to trust us as leaders and managers, we must first demonstrate to them that we are trustworthy. Unless we lead by example and model consistency with what we say, we cannot expect our team members to follow.

As a manager in your organization's service delivery process, it is imperative to understand that your most important role is to serve your team with the same passion that you expect your team to treat their customers with. We need to get past the concepts and buzzwords and demonstrate through our actions what is truly most important. The principles of servant management and stewardship hold true.

One highly effective idea we have used to encourage passion is to use seating charts to strategically place passionate team members throughout our organization. Passion for service is contagious and can, if nurtured and promoted, catch like wildfire in an organization. Team members often tell us that they love coming to work, not because the job itself is so stimulating or enjoyable, but because everyone around them does their job with vigor, energy, and enthusiasm. "Peppering" your customer-facing teams with passionate employees through the use of seating charts is one way to rapidly promote the spread of passion in your organization.

As human beings, passion is what gives us our life-energy to pursue our life's purpose. Passion is the caramel in our Machiato (think Starbucks); it is the flavor that makes life worthwhile. We recognize passion by the energy that flows through and drives us toward the many things we enjoy. Passion comes from knowing you are in a place that permits you to work toward a worthwhile goal and motivates you to excel to peak performance. Consistently living and working with passion means you have found contentment in a purpose-driven life, filled with meaning.

A leader who holds close the vision and intrinsic value related to the ideas of servant leadership and stewardship will be highly passionate about service. To grasp that there is a deep sense of personal fulfillment when you make your self available to assist others with their daily cares, whether it be customers or fellow team members. For passion to spread and become an integral part of the organization-wide culture, top management must embrace it and role model it on a consistently. Our leaders must be unequivocal and willing to commit to the betterment of others through personal sacrifice. Ideally this will be emphasized and nurtured as a core value. It should be thought through, discussed, and implemented with conviction at the top. However, in those instances where top leadership does not embrace the notions of passionate service, it can still be practiced and promoted by all customer-facing operations, albeit on a more limited basis.

Leading for passionate service includes role-modeling enthusiasm. Leadership must choose to treat and interact with customers in a way that shows the customer that their business is important to the organization. When this commitment is authentic and leaders walk this talk, customer-facing managers and frontline team members are more empowered and more accountable to act in customers' interests. You cannot fake this commitment. The results of passionate leadership include the likelihood that passion will be exuded through every facet the customer deals with. The essential idea is to show the customer our continual willingness and desire to go above and beyond the call for them, this time and the next time.

Most of us can remember managers who had a sincere and keen interest in our well-being and who loved to assist customers. As managers and leaders ourselves we must similarly care for our customers and employees. One of the most successful industries in hiring and training for passionate service is the hospitality industry. This is probably because each customer is treated as a guest, which changes the paradigm of our attitude towards these customers. The hotel industry tries to really promote the notion that each customer needs to be treated as if he or she is a personal guest staying at our house, operating with the goal of delighting the customer with a memorable experience.

DELIVERING RELEVANT SERVICE

While the elements of passionate service embody many of the elusive cultural, emotional, and even spiritual dimensions that foster competitive service, this is not enough to successfully compete based on service. It is also critical that we provide customers with relevant service, fulfilling important

customer needs and requirements. In addition to providing what customers want, relevant service is always value-added. Relevant organizations are authentic in their commitment to be responsive to minimizing customer pain and increasing customer delight. As with passion, there are key roles that must be filled by customer-facing team members, managers and leaders.

Once team members start to comprehend the importance of relevant service and are passionate about searching for relevancy in their delivery of service, the organization is able to become much more lean and effective in its daily operations. Team members at Solvport understand that they are an integral part of the way in which they remain relevant to their customers' needs and are continually coming forward with fresh ideas as to where they are wasting time, money, and resources and not adding value to what the customer truly needs. At Solvport this happens in very passionate interactions in meetings where everyone is committed to relevant service. However, not everyone always agrees as to what this looks like when practiced in a daily operational format.

Based on our experience, we offer a few suggestions to help foster dynamic and successful discussions among your customer-facing team members. Always try for consensus. Sometimes (rarely) the leaders have to step out and make a decision against the flow. At Solvport there are a few ground rules for these meetings, including:

- Brutally honest communication (open, honest and direct)
- No sacred cows (it may have been so last week, but maybe not this week)
- No elephants in the room (everyone is expected to point out tough issues)
- Okay to say no and okay to disagree

The involvement of your frontline team members is imperative in designing and tweaking both your delivery of service and your ultimate value proposition. Working with customers intensively on a daily basis, frontline team members are in the best position to contribute on what is relevant. They listen everyday to what the customer has to say. They hear and document trends, patterns, and issues. As a result, they are able to effectively contribute and brainstorm ideas that will be more effective in meeting customer's most important requirements.

Team members who are passionate about their role will listen to the customer with an attentive ear that hears even the underlying issue – the things that the customer might not say, and yet are a source of frustration and pain for the customer. At E*TRADE, departments were reorganized to accommodate customers who wanted and needed service with a higher sense of urgency, rather than organizing it solely around the value of the customer to the organization. This came about because team members handling telephone support could often “hear” the sound of frustration in the voices of certain customers. Reading between the lines, these employees “sensed” that some customers were implicitly expecting a faster turn-time on service. Team members convinced management that customers came with different expectations and their needs could be better met by realigning the key-customer department, even though the team members based this on subjective judgments.

LEADING AND MANAGING FOR RELEVANT SERVICE

In addition the ways our frontline team members respond and interact with customers, relevance requires our leaders and managers to pay attention to resources, systems, processes and strategies. Some keys for leading and managing for relevant service include:

- Service strategy and key organization values are emphasized to move the organization from its current state to its desired market position.

- Core customers and key segments, those who grant your license to live, are clearly identified.
- Value exchange and core customer requirements (needs, wants and expectations) are understood.
- Service standards are created to help meet critical customer requirements.
- Frontline customer-facing team members are accountable for the customer's experience.
- Customer satisfaction and perceptions of service delivery performance are measured, evaluated and continually improved.
- When customers have unrealistic expectations, work with them to “manage” those expectations and explore the reasonable alternatives that are available.

What is “relevant” to the customer? At Solvport management and team members spend many hours debating what a customer really wants when it comes to service. What is not enough and what is too much service? Is the level of service provided really what the customer needs? Can we change what is provided to be more relevant?

As leaders, we must take it upon ourselves to preach the mantra that all steps and actions in the delivery process must be relevant, authentic, and add value. There can be no room for individuals to go through the motions, merely fulfilling the steps to resolve a customer's issue without passion. Leaders must role model in their daily behavior (on the floor and in meetings) to only do things that add value and eliminate things that waste time and resources.

Efforts to improve relevance take time, concerted effort, and considered thought on the part of the leaders of the organization. It is a distance race, to continually keep relevance on the forefront of people's minds. As a manager you need to be prepared to listen to team members who continually question existing levels of service and your delivery processes. At times it seems like employees are never satisfied. Sometimes their endless suggestions begin to sound like complaints. Managers need to come to understand that frontline team members' critiques of processes and their critical analyses as to relevancy are healthy, and should be continually encouraged and spurred on.

CONCLUSION

Organizations need to make conscious and intentional commitments on how they will compete in their industry, as well as on what role they want service performance to play in differentiating themselves from their competition. Most organizations will benefit greatly from choosing to elevate the role of service in their value propositions. Whether your choice is to dominate your market through service, or at a minimum, to remain competitive in service, you must adopt and begin living the mindsets for service. You must strive to give customers what they need and want (relevant service), delivered with passion that fosters customer delight and forges long-term loyalty in the business relationship.

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BIOS

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