

FOCUSING ON WHAT MATTERS

LEADERSHIP ADVISORY SERVICES

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What do you want? Where do you want your organization to be? How are you going to get there? The answer to the how lies within the following 4 key areas:

- You, the leader
- Strategy, plans and execution
- The leadership team
- Monitoring results

Not sure what to do? Please call. I will help you get there.

Tony Chivinski

Going to Extreme for Customers

Zappos's surpassed \$1 billion in revenues in 2008. Key aspects of their customer representative's interactions with customers on the phone are:

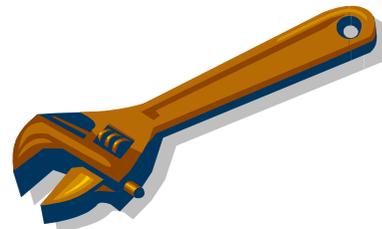
- Not held accountable for call times – take the time you need
- Don't up sell – just annoys the customers

- No scripts – let the reps. true personality shine during the call

Zappos's attributes its' growth to investment of time, money and resources to three key areas:

- Customer service
- Company culture
- Employee training and development

(Zappos's CEO on Going to Extremes for Customers by Tony Heish – HBR July-August, 2010)



Mr. Fix – It

When a Berkshire Hathaway business needs help, it's often David Sokol who gets the call. His formula is laid out in his book, Pleased But Not Satisfied, based on six laws:

- Operational excellence
- Integrity
- Customer commitment
- Employee commitment
- Financial strength
- Environmental respect

Just as importantly, he gets a weekly update on all goals set for the

businesses and leaders. How often are you on top of the key goals for your organization?

In turning NetJets around, some of his commentary is:

- Give employees responsibilities and goals that are clear and deliverable
- When mistakes are made, analyze why the mistake was made and fix it by putting a system in place that solves the problem
- Customers – just knowing the owner, knowing anniversaries and birthdays, helps to build strong relationships.

(Warren Buffett's Mr. Fix-It, by Brian Dumaine, Fortune, August 16, 2010)

3. Failing to push for fear that people are already overwhelmed
4. Not assigning clear one-person accountability for each goal
5. Signaling an unspoken "if you possibly can" at the end of a statement of expectation
6. Accepting reverse assignments
7. Stating goals in ways that may not be definable or measurable

Think about your plans, meetings, meeting agendas, process of follow up and follow through. That should give you a good indication if this is an area you need to improve. (Mistakes Leaders Keep Making by Robert H. Schaffer, HBR, September 2010)

Mistakes Leaders Keep Making



In an article by Robert H. Schaffer, he indicates one of the problems by leaders is a failure to set proper expectations. He lists the following seven deadly sins of setting demands:

1. Establishing too many goals
2. Not requiring a plan for how and when goals will be achieved



Quote from David MacNeil, Founder and CEO, MacNeil Automotive products Limited-

"Life is simple; be good to your fellow man, be kind to animals and the environment, and place building a quality product, supporting your country and your fellow American worker before profit. And, one last thing- let's all do our best to balance family time with work time as our children are the future of America."



STOP Trying to Delight Your Customers by Matthew Dixon, Karen Freeman and Nicholas Toman (July-August 2010, HBR)

What? How can this be? My clients know I am a big fan of the concept of the net promoter score. What’s going on? In their article, they indicate that consumers’ impulse to punish bad service – at least more readily than to reward delightful service – plays out dramatically in both phone-based and self-service interactions. Their research shows that loyalty has a lot more to do with how well companies deliver on their basic, even plain-vanilla promises than how dazzling the service experience might be.

The key implication of their research – create loyal customers by helping them solve their problems quickly and easily. Some tactics companies utilize who are successful in implementing low customer effort approaches to service are:

- Don’t just resolve the current issue- head off the next one
- Arm reps to address the emotional side of customer interactions

- Use feedback from disgruntled or struggling customers to reduce customer effort
- Empower the front line to deliver a low effort experience

This approach utilizes a Customer Effort Score – defined as customers’ intention to keep doing business with the company, increase the amount they spend or spread positive word of mouth. The single question is “How much effort did you personally have to put forth to handle your request?” on a scale of 1(very low effort) to 5(very high effort). They have found the predictive power of the CES to be strong.

I see value in both approaches based upon what your organization does.



- **Reducing Child Malnutrition in Vietnam**
 - **Designated Drivers**
 - **Reduction in Deaths in Hospitals**
- Significant Challenges**
Not so amazing solutions
Trying to lead change?
Switch: How to Change Things When Change is Hard, by Chip Heath, Dan Heath

For things to change, somebody somewhere has to start acting differently. Maybe it's you; maybe it's your team. Picture that person (or people). Each has an emotional side and a rational side. You've got to reach both. And you've got to clear the way for them to succeed. In short, you must do three things:

- Direct the rational side:
 - Follow the bright spots – investigate what's working and clone it
 - Script the critical moves – don't think big picture, Think in terms of specific behaviors
 - Point to the destination – change is easier when you know where you're going and why it's worth it
- Motivate the emotional side
 - Find the feeling – knowing something isn't enough to cause change; make people feel something
 - Shrink the change – break down the change until it no longer spooks the emotional side
 - Grow your people – cultivate a sense of identity and instill the growth mindset
- Shape the path
 - Tweak the environment – when the situation changes, the behavior changes; so change the situation – make it easy to do the right thing; make it hard to do the wrong thing

- Build habits – when behavior is habitual, it's "free" – it doesn't tax the analytical side; look for ways to encourage habits
- Rally the herd – behavior is contagious; help it spread

These comments do not give this book justice. I recommend you read it!



Please visit my website for copies of previous newsletters.

<http://www.leadershipadvisory.net/newsroom.html>

I greatly appreciate introductions to leaders who will value and significantly benefit from my counsel.

**Thank you!
Tony Chivinski**