



WINNING BEHAVIOR

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Computers, which can personalize products, cannot humanize them. For that you need humans. With every transaction, people become more important in the process. That's because the ability to customize a product to the individual makes the relationship with the customer the key transaction. Gathering information, and above all developing trust, has become the primary source of sustainable competitive advantage.

~ Warren Bennis

REACTING TO TODAY'S THUNDERSTORM OR UNDERSTANDING THE CLIMATE?

Often in business and professional development, we hear how much concepts, ideas and models seem great on paper but present big problems when attempting to implement them in the "real world." I'm usually quick to agree with this lament; those who know me have often heard me say that training and consulting per se is one of the purest forms of waste ever devised by business. To avoid this waste, effective implementation must utilize viable concepts and models in ways that yield tangible business results. We have always maintained with an almost religious zeal that change, behavioral or otherwise, requires measurement at an organization's bottom line.

The best "feel good" development initiatives amount to nothing if they can't be measured in terms of enhanced business performance.

WINNING BEHAVIOR, A LONG-TERM HIGH PAY OFF INITIATIVE.

Winning Behavior certainly meets these criteria but it is most assuredly a long-term initiative. You won't solve your problems simply by reacting to today's thunderstorm; you must understand the climate. Businesses that expect instant gratification get frustrated with what this process requires, but then again, that's why they're stuck in yesterday. If you're looking for the silver bullet when it comes to developing Winning Behavior, you are gonna have to call The Lone Ranger.

As promised, we're going to take a look at several companies that have abandoned reacting to thunderstorms in favor of understanding the long-range climate. Unlike the weather, the internal business climate can be motivated and inspired to change. Here are some organizations that are doing it... Go ye and do likewise!

HOW WINNING BEHAVIOR PUTS THE CUSTOMER 1st AT WESTINGHOUSE.

As a result of customer focus groups and personal meetings with existing and customer prospects Westinghouse President and CEO Steve Trich identified the need for a set of tools for ever-improving process efficiencies in their suppliers. As a result he embraced the 6-Sigma and LEAN methodologies to understand and reduce the effect of human error. This was the first major step. But we quickly realized there was more to what our customers were telling us.

Companies such as ours, which take great pride in technical solutions, can sometimes be unaware of the importance of our behavior with the customer.

We needed to improve the "ease of doing business" with Westinghouse. After reviewing options, we

selected the Behavioral Differentiation methodology. This project touches virtually everyone in the company in defining, leading, or implementing structured processes. The program includes a Customer Advisory Board of customer executives who review and comment on program strategic goals and project selection methodology.

We began the project with a customer survey to determine the behaviors that were most important to our customers. Next, we asked our employees to rate our performance in these areas. Finally, we asked our customers to perform the same rating. This data was eye opening...

In many of the important areas our customers rated us lowest, we had rated ourselves high.

This helped us aim at a specific set of implementable behavioral elements which would make a noticeable difference to our customers. On a company wide basis we took the elements identified as highest priority from the customer and employee survey results and grouped them into six priority families.

As an example, our customers rated us quite low on our telephone skills, especially as it pertained to leaving voice mail messages. By the way, we were shocked at the high priority our customers gave this seemingly [at least to us] trivial matter. We identified five requirements and surveyed the company before we implemented the behavior improvement initiative. We measured 6% compliance before we engaged in the behavioral differentiation training program Coaching to Win. After training we issued guidelines. After a month passed from the first general communication, we measured a 25% compliance, which was a step in the right direction. A month later, compliance dropped to 14%, which set us back on our heels. We had essentially validated what we learned in the training...

***Unless reinforced, behavior will revert.
[Behavioral Differentiation – June 05]***

We quickly came to our senses, began reinforcing and compliance rose to 34%. This is still a long way from the 80% goal, but it has taught us just how comprehensive the reinforcement and coaching will need to be for more complex behaviors with our customers.

While we are still new in the process, we have already seen

the positive bottom line impact of the Behavioral Differentiation process. It's long-term, it's hard, but it's worth it.

THE WAY TO SUSTAINABLE GROWTH

Steve Tritch learned an important lesson in the early stage of his BD journey, "know thyself." You may think you know how you're coming across to the customer, but it's prudent to check it out.

Future growth will be as much dependent on what you know about yourself and your enterprise as on what you know about your customers or even your markets. Self-knowledge, and the behaviors it drives, is fast becoming the cornerstone of profitability.

\$7,000.00, A CIGAR BOX AND BD

When he founded Men's Warehouse, George Zimmer had only \$7,000.00 and a cigar box to use as a cash register. Oh, but he had something else; the cockeyed notion that he could build a successful men's retail clothing chain based on behavioral differentiation, and he's done it, boy has he done it! Obviously, there are a myriad of Winning Behaviors that go into building an enterprise as successful as Men's Warehouse, but after studying the success attributes of this dynamic organization, I believe there is one that is the personification of Winning Behavior, and that is...

BUILDING EXCEPTIONAL STAKEHOLDER RELATIONSHIPS

MW recognizes that relationships are built one interaction at a time, so there are many opportunities to make or break them. This point brought home when I attended one of their management training programs at SUITS University. The facilitator emphasized these key points:

- Promote active listening between all levels of employees.
- Encourage true feelings to be voiced as part of any process.

- Encourage empathy with teammates and customers.
- Interact with others without using sarcasm and derogatory remarks.
- Emphasize conflict resolution practices that promote compromise and build consensus.
- Promote optimism over negativity.
- Encourage moments of silent reflection [before responding] as part of any interaction.
- Promote the consideration of all possible alternatives [and their consequences] before making decisions.

THE FIVE SHAREHOLDER GROUPS

According to George Zimmer, long term shareholder value is a natural consequence of doing the right things for the other shareholder groups. "If you take care of your employees, customers, vendors, and communities, then your shareholders are going to have long term value unless you have something structurally wrong with your company. The mistake a lot of people on Wall Street make is to put the shareholder first. Yeah, you can always squeeze out more shareholder returns at the expense of other stakeholders and that will work for a couple of quarters, but it's not going to work for a couple of decades, not even for a couple of years."

THE LANCE ARMSTRONG OF WINNING BEHAVIOR

Whenever I get stuck on a training project I call my buddy, Robert George, Corporate Director of Training and Development, Ritz-Carlton Hotel Company. Robert is a top professional, and always ready to help. When I asked him what made Ritz-Carlton the gold standard in winning behavior, he answered immediately:

"We emotionally engage our employees, and we engage our customers by establishing a personal contact with the idea of creating a product that is exactly what they want – an exceptional hotel with exceptional service. The key is not what we do but

how we execute what we do. That is what differentiates us. We have a very well-defined process for creating extraordinary service and a bond with our customers."

There are numerous ways that Ritz-Carlton exemplifies Winning Behavior, far too many to include in this newsletter, so once again I attempted to seek out the quintessence of their WB. In my estimation, what distinguishes this extraordinary organization is that the people of Ritz-Carlton have an absolute passion for demonstrating Winning Behavior, both toward their guests and each other.

Of all the companies I've studied, this one truly understands, and measures every customer touch point and the exact behavior required to achieve Winning Behavior.

As an example, their director of quality, Randy Dickson has calculated that for normal Ritz-Carlton guests, they have 1,100 opportunities each day to do well or "mess up." Not all of those touch points are human interactions. Many of those points occur in the kitchen, or the offices, or the garage, these points at which decisions are made or work is done that will eventually affect a guest – positively or negatively. For meeting planners, Dickson estimates that they have 1,300 such opportunities per day. So, on any given day their 22,000 employees have an average of 64 opportunities to delight or disappoint their customers. I am discussing Ritz-Carlton in this article because 92% of the time, customers' reactions to those opportunities is delight, and the only way a company can accomplish this extraordinary level of satisfaction is through operational behavioral differentiation. [See the Feb. addition of BD as a reminder of the supreme importance of operational BD]

Ritz-Carlton's understanding and measurement of exceptional behaviors is exemplary, but to my mind it's still not the defining factor. From my perspective Ritz-Carlton's competitors define jobs by function, responsibilities and limits on authority...

Ritz-Carlton defines jobs in terms of the ideal outcome for guests!

Companies that want to achieve Winning Behavior must strive to move from

exceptional customer service to exceptional customer experiences.

Remember what Robert George said?

“The key is not what we do but how we execute what we do.”

To my mind that is the definition of Winning behavior because execution is all about behaviors.

The great Vince Lombardi said the same thing in 1959:

“Fundamentals win it, it’s all about execution, when we master and execute the fundamentals we win.”

THE POWER OF THE BRAND

In the March 2005 issue of BD we discussed the nine domains of differentiation; your Brand was one of them. It’s one of the most powerful forms of differentiation, and yet it’s grossly misunderstood. For this reason I’ve asked Matt Potts, marketing guru and branding specialist to give us a primer on branding...

Ladies and gentlemen, Matt Potts

MICHELANGELO’S SAFFOLDING



By Matt Potts

I’m a history nut. And I’m totally addicted to the History Channel. Can’t get enough of it. Documentaries. Biographies. Any era. Any subject. You name it: if it’s on the History Channel, I’ll watch it.

But give me programs about the Renaissance, the Age of Exploration or the Age of Enlightenment and I’m really hooked. So when I surfed and saw a documentary devoted to Michelangelo and his Sistine Chapel masterpiece recently, I settled into my chair prepared to soak it all in.

Even if you’ve never taken Art Appreciation 101 or seen “The Agony and the Ecstasy,” starring Charlton Heston, you no doubt are aware that Michelangelo’s frescoes on

the ceiling of the Sistine Chapel are in the pantheon of the world’s greatest painting achievements. The Sistine Chapel frescoes are awe-inspiring and overwhelming; one feels both uplifted and yet dwarfed by the achievement. These awesome, mighty images not only demonstrate Michelangelo’s mastery of the human anatomy and movement, use of color and concept of light, but they changed the course of painting in the West.

If that were my only take-away from this program, it would’ve been an hour well-spent. But consider one more thing about this remarkable achievement – Michelangelo wasn’t a painter.

Let that sink in for a second.

One of the greatest painting accomplishments the world has ever seen, and Michelangelo wasn’t a painter. Sure, he painted. But he was primarily a sculptor. He predominantly used his sketches and paintings as studies for how bodies moved and posed and how materials draped and folded. So when he was commissioned by Pope Julius II to create the Sistine Chapel frescoes, it was with a sculptor’s sensibilities that he approached his most important “canvas.”

Why is this important?

Because in order for artistic genius to emerge, he first had to invest tremendous resources into some careful and time-sensitive engineering. (You think your customers are demanding? Try having one of the two most powerful men in the world as your client!) Namely, Michelangelo had to rely on his experience as a sculptor who chiseled masterpieces out of giant slabs of marble to create scaffolding that would allow him and his army of assistants to work on the ceiling. In fact, so incredible and intricate was the scaffolding that engineers from all over Europe came to study it even before a single brush stroke was applied to the ceiling.

What an amazing (and often overlooked!) aspect of this world-changing event! As I sat in stunned awe watching this program, I realized that this is a very pertinent symbol for today’s business world.

It’s not enough to be talented. It’s not enough to amass the greatest pool of MBAs. It’s not enough to have experience. It’s not enough to have cash in the bank. In fact, it’s not enough to be a genius. Masterpieces in the business world – whether they’re a revolutionary product, a category-killer service, or a process that rep-

resents a major inflection point – cannot be achieved without an understanding and implementation of branding architecture.

“Michelangelo’s Scaffolding for Your Brand.”

A clear, concise brand position that is credible, differentiating and sustainable: If Volvo means “safety”, then your company means *what*?

The Voice of the Customer:

- An understanding of the emotional drivers and basic needs of your customers and prospects
- An understanding of how your customers and prospects view your competition
- An understanding of how your customers and prospects view YOU!
- The Voice from Within:
- The “Vision Thing”
- Alignment among the leadership team and key thought leaders
- An understanding of the view from the “front lines”

A Current State Audit vis a vis the brand position:

- How are you currently embodying the brand position throughout all areas of the company?
- Gap Analysis (Part I)

A Future State Audit vis a vis the brand position:

- Blue Sky: If time and money were limitless, what could you provide your customers and prospects that would blow their socks off?
- Risk Assessment: What threats are real? How impactful would they be on your plans? What risks can you mitigate?
- Gap Analysis (Part II)

A “Branding Where the Action Is” Implementation Strategy:

What you do:

- The services you provide
- The services you provide, but shouldn’t
- The services you don’t provide, but should
- The services you will never provide

The people who do it:

- Organizational structure
- Recruiting methodology
- Training
- Compensation models
- Evaluation methodology
- Succession planning
- Feedback channels

How you do it:

- How you engage the client
- How the client engages you
- How you engage each other internally
- How you engage suppliers, subcontractors and strategic partners
- How you deliver
- Change Management
- Continuous Improvement

How well you do it:

- What you measure
- How you measure
- How often you measure
- How you identify and measure Critical-to-Customer components
- Your decision-making criteria for balancing critical-to-customer components, critical-to-quality components and critical-to-financial-well-being components
- How you report what you measure
- Knowledge sharing repository and procedures

How you talk about it:

- Your business development strategy

- Your marketing plan
- Your internal communications plan
- Your tactical tools development

Imagine that each of these points and sub-points and sub-sub-points and so on are sections of scaffolding. Each of these is held together via the nuts and bolts of planning, teamwork, leadership and passion. Now imagine that you try to short-cut the building of Michelangelo's Scaffolding. What if you just skipped a couple of the cross-braces? "After all, we don't really need to do all of this," I hear you say. What if a platform or two used a patchwork of old boards?

Would the scaffolding still stand? Maybe. Maybe not. Would it be sturdy? Definitely not. Could it be life-threatening? Absolutely. Could the "scaffolding of short cuts" sustain significant growth? In fact, it would substantially limit growth.

And yet, thousands of companies in today's marketplace regardless of size, category or stage in their life cycle try to build the "scaffolding of expedience" rather than Michelangelo's Scaffolding. It is important to note that the universal, Renaissance man concept placed a tremendously high value on the synthesis of science, art, geometry and nature. Today, we would call it, "Tying it all together." Companies in the cathedral of the marketplace must build their own Michelangelo's Scaffolding. Those that do will be able to meet the wants and needs of their customers who place a high value on the synthesis of customization, continuous improvement, cost controls, leverage and business management.

No scaffolding? No Sistine Chapel. No branding implementation? No marketplace masterpieces.



NEXT MONTH'S TOPIC

The August addition of Winning Behavior will focus on Behavioral Differentiation relative to Business development. In a world of commoditization, the behavior of your organization becomes the final frontier of differentiation. In this addition we'll look at business development as chess and study Pre Game – Opening Game – Middle Game – End Game and – Next Game.

I think you'll find it interesting.

And Remember...

Your customers have a bewildering array of choices. If you don't positively differentiate yourself in their eyes, you are condemned to market purgatory, where your products and services are essentially commodities and where lowest price rules.



Best regards,

Bob

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We Offer Consulting Services In Behavioral Differentiation And These Courses

The Customer Perspective Selling System

Managing Key Accounts

Winning Proposals

Value For Value Negotiations

Coaching To Win

Presenting To Win

Influencing Without Authority

Time Management

The 12 Absolutes Of Personal Effectiveness