

The Path Of  
**EXCELLENCE**

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**WORLD  
CLASS  
LEADERSHIP**

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By Bart Allen Berry

# **The Path Of Excellence WORLD CLASS LEADERSHIP**

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## **Introduction**

**Maybe for the first time here, ‘Excellence’ can be understood as a measureable methodology with a destination that can be understood as: ‘Becoming World Class’.**

This is a business improvement book for everyone. Whether you are a small business, large company, head of a division, run a department or are an individual employee who simply wants better results, this book is for you.

We're all feeling the effects of the recession and generalized economic malaise that has gripped our country and the world. The need now is to operate more effectively in a more competitive environment with fewer customers. The business improvement methodologies you need to be more successful are contained here in this book.

I will share with you a safe and reliable approach to improve what you do across the board so that you will get and keep more customers and show you the scientific approach to get those satisfied customers to return to you again as well as recommend you to others.

Make no mistake. This is not some recycled set of business school platitudes, but is a well grounded and pragmatic process which uses the scientific method. You will be able to apply what you are about to learn, establish improvement metrics for yourself, and measure your results every step of the way. This book is all about you and applying improvements and changes to your specific situation in your own organization - starting today.

At it's heart, this book presents the ten statistical predictors of customer satisfaction in any customer-supplier relationship. These revealing research findings are based on more than two million satisfaction data points from many industries just like yours. If you apply these core ‘values’ in your own business operations, you will have the formula for creating excellence, strengthening your brand, and becoming much more competitive. You will find that this fresh eye-opening outlook can affect every aspect of your business for the better, no matter how large or small.

Also included is a complete audit process where you will measure how you score in these ten values and I will show you how your current score correlates so that you can calculate your current customer return and recommend rate-- perhaps your most important business metric. In this book, ‘Excellence’ is defined by your customers and scoring high enough on this forty question audit will show you where you need to improve to reach ‘World Class Status’ in the eyes of your customers.

Once you have established a baseline of satisfaction metrics from your own internal audit, I will lead you through improvement processes and tools that will help you compensate for your shortcomings and reinforce your strengths. You will find the improvement process to be a very strategic approach that can guide sales and marketing, capital expenditures, technology improvements employee development and much more. If you are looking at tough business decisions read this book first and you will have a completely new logic stream that will either support or refute the choices or directions in front of you today.

This book represents more than a one time initiative. It is an ongoing methodology that will integrate well with everything you are doing and should live at the core of your most strategic planning processes. If you are an aspiring executive or employee who wants to develop himself as a leader, there is a very fundamental World Class Leadership Self-Assessment tool included

as well. This approach focuses on what you are doing in your own sphere of influence to champion World Class standards that produce results. This is not still another set of leadership style labels about HOW you interact with others - it is about instead, WHAT you are actually doing that will make a positive difference in your work, your department or your company.

It seems amazing that we have gotten so far away from the fundamentals of what it takes for a business to compete with excellence. The reason I am giving this book away is that I believe we need to re-embrace these foundational principles of satisfaction and step forward to reacquaint ourselves with World Class levels of excellence. The research shows that this is the safe and reliable path and where success and prosperity consistently come from.

These satisfaction values are the seeds of a long term healthy legacy for any business or organization. My hope is that you will plant them well so they may take root and blossom.

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## **Chapter 1: What Does World Class Leadership Mean?**

### **World Class**

The term 'World Class' has been bandied about by manufacturers, hotels, various service providers and individuals of all kinds- mostly when talking about themselves. We all know it is supposed to mean 'pretty good' or 'darn good' or even 'super' but as the supplier of a product or service, it is shallow self promotion to award this label to yourself. The term 'World Class' is the description given to you as 'the supplier' by the only ones whose opinion really matters; **your customers-**

Customers are those who you or your organization serves by providing a product or a service, or internally within your own organization, with your work as an employee or manager.

'World Class' is further defined by comparison with your competitors. This rarefied air is shared by the very few top providers who are at the top of their game and are 'known as the best' or whose name is synonymous with quality. When someone uses the term 'World Class' they mean that you are comparable with the best available anywhere. You are in a word-- excellent. Later you will see how to measure exactly how close you are to this 'World Class' status in the eyes of your customers.

**World Class Leadership is the act of leading to achieve a World Class standard of excellence in the eyes of customers and constituents and compared with your competitors-- whatever the organization, institution or industry.**

World Class Leadership is not a leadership style description (situational leadership, servant leadership etc.) of 'how' to lead. It is rather, an emphasis on 'what to lead', to achieve excellence and as a by-product; benchmark customer return and recommend rates with accompanying increases in sales/satisfaction etc. This book contains very straightforward guidelines for what one needs to do to become a World Class Leader as an organization, or as an individual employee or manager.

The labels of 'Customer' and 'Supplier' are used throughout this book to describe the roles of the one who provides the product, the service, the work, the leadership and so on,(the supplier) and the one who is the recipient of the product, service, governance, leadership etc..(the customer). This book focuses on you and what you are doing as the supplier. Customer is the generic business term that is used throughout this book to describe the recipient of the product or service but is meant to include constituents, patients, fellow employees, subordinates, regulators or anyone that is a recipient of whatever product or service that you deliver.

### **Where Does 'World Class Leadership' Come From?**

Performing customer satisfaction measurement and quality improvement for many years lead to the development of various statistical research capabilities including machine readable forms, online satisfaction measurement surveys, focus groups, and customer interviewing for many companies, yielding literally millions of satisfaction data points in a wide variety of industries from retail products and manufacturing to hospitality and health care.

Statistical findings and results of each study were typically combined with organizational improvement initiatives where customer feedback was correlated with choice, preference, buying behavior and a highly refined understanding of how satisfaction ratings (usually on a 1 to 10

scale where 1 is lowest and 10 is highest) tracked with customer emotions of dissatisfaction, indifference, loyalty and preference. Open ended questioning as well as specific targeted queries continued to reveal the relationship between ratings, customer buying behavior, business performance, and sales.

Satisfaction databases showed a striking similarity in the categories of feedback that continued to appear time after time, with patterns quickly emerging in this data whether the sample was twenty five or twenty five thousand respondents. This template of ten integrated categories of satisfaction emerged as a robust method to capture a complete picture of the customer satisfaction experience, regardless of the product or service being evaluated.

Since these findings were discovered by the author, the World Class Values have been applied to business improvement initiatives in many client organizations worldwide, and also serves as a refreshing and very effective leadership model for employee and management development of today's leaders.

### **The World Class Values Of Satisfaction Are:**

Quality

Value

Timeliness

Efficiency

Environment

Connection

Self Management

Commitment

Teamwork

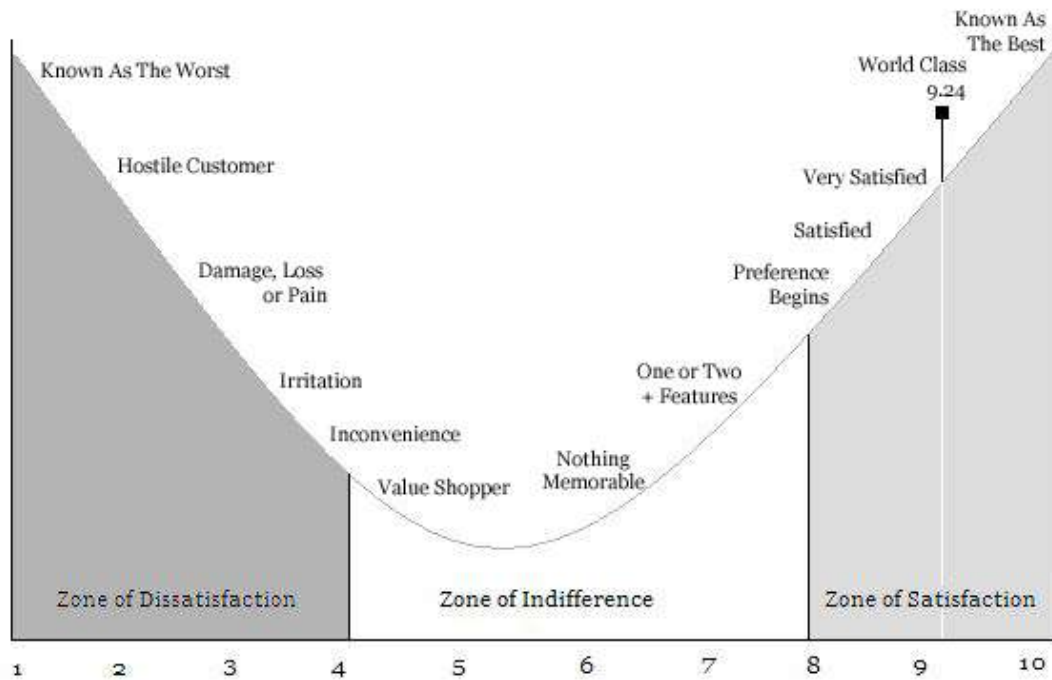
Innovation

When presented as an integrated set of satisfaction predictor variables or 'values' the combination of individual question scores for the entire values set on a likert scale of 1 (lowest) to 10 (highest) reveals three major zones of satisfaction behavior. The highest containing the World Class standard. (The complete organizational audit of customer satisfaction is provided for you later with four specific questions for each of the ten values, so you may calculate your own overall score). (Full definitions and explanations of each Value are provided in Chapter 2).

# Customer Satisfaction Behavior Curve

Negative Word Of Mouth -20% to -1600%

Positive Return & Recommend, Loyalty & Preference +20% to +1600%



Plot Your Overall Mean Score From The World Class Leadership Values Audit  
Plot Your Competitors Overall Mean Score

## General Satisfaction Behavior Findings:

### 1.0 to 4.1 Zone of Dissatisfaction

With these low ratings customers take specific negative actions against the supplier which range from not buying their product or using their service to negative word of mouth, to class action lawsuits, firing an employee or even worse at the lowest levels. Customers go from being disappointed to irritated, to downright angry as overall scores get lower in the zone of dissatisfaction. The power of incised customers to share negative word of mouth and mobilize negative opinion can be a powerful negative force to be wary of as a supplier.

### 4.2 to 7.8 Zone of Customer Indifference

In this zone customers do not demonstrate any special loyalty or support, and are not memorably impressed. Convenience rather than loyalty or preference is the customer rationale. Suppliers



with ratings in this range are insecure and vulnerable as their customers are easy to steal by a better rated competitor, or a more convenient, similar or even slightly better option.

### **7.9 to 10.0 Zone of Customer Satisfaction**

In this zone, actual return and recommend rate begins to occur. At 7.9 one in five customers return to buy again (and demonstrate other examples of loyalty and preference) increasing exponentially as overall satisfaction ratings get higher, to as much as a 1600% return and recommend rate occurring with the cumulative effect from the establishment of a positive reputation. It should be noted that 7.9 is a rather high overall rating before customer behaviors begin to demonstrate predictably positive behavior. By 8.3 strong loyalty and higher return rates are strongly evident. By 9.0 very positive reputations are established through repeat word of mouth.

### **9.24 to 10.0 World Class**

Customers statistically define 'World Class' as 9.24 or higher, with the highest return and recommend rate, loyalty and preference, and most positive impressions possible. The suppliers' name becomes synonymous with quality and 'known as the best', whether a company, product, service or an individual. Customers who rate suppliers this strongly rigorously defend their favorite suppliers and demonstrate loyalty over long periods of time.

### **World Class Leadership means specifically;**

Leading improvement in each of the ten World Class Leadership Values to reach an overall satisfaction rating of **9.24 or higher**-applied to yourself as the supplier, the department, the company or the entire organization.

as someone who champions change and improvement to achieve World Class levels of satisfaction doesn't necessarily mean that you will ever completely get there- but applying the World Class Leadership approach means that you are going to be 'moving the needle' in the right direction; towards higher customer satisfaction and return and recommend rates, and it will only be a matter of time before achieving significantly better results when you keep at it.

In the early stages of implementing World Class Leadership there will be low hanging fruit. Chances are that by examining things and measuring them for the first time according to these values, there will be easy and obvious improvements that you have never addressed before, or have never adequately understood their importance. Seeing the complete World Class Leadership model, you will begin to see the inter-relationships between important factors that will bring many areas in need of improvement to your attention, and new leverage to significantly improve your business.

World Class Leadership is an inherently pragmatic model. Each of the individual values has a direct effect on the overall customer satisfaction experience and a score that results in the changing of the specific customer behaviors of loyalty, preference, and return & recommend rate. None of these Values can be left out or overlooked for a complete understanding of customer satisfaction behavior.

Delivering parts late on a critical deadline drives a customer to find another supplier (Timeliness). Sick of getting voicemail instead of a human, the customer finds a different vendor who answers their own phone (Connection). A competitor introduces better software for

payroll processing and you lose your long standing bookkeeping client (Innovation). An elected official runs on fiscal responsibility and then piles up record deficits and blames it on others. You don't vote for him next time (Commitment).

Other examples might involve a combination of mediocre scores in several areas- A bad office location (Connection), a rude secretary (Self management), high prices (Value), a disorganized office (Environment) and so on. The combination of several factors pulls down satisfaction ratings that have an eventual effect on the customer's impression, what they tell others about, and ultimately their decision to use you as a supplier, buy from you again or how they talk to others about you.

The World Class Leadership methodology forces one to give attention to each specific area and to evaluate its effect on the customer's experience and perceptions of satisfaction. Examining the factors that ultimately influence a customer's behavior is 'where the rubber meets the road' so to speak.

Many organizations have lost touch with the age old fundamentals of quality, timeliness, efficiency and the rest. Focusing on the Values of World Class Leadership will re-code these fundamentals into your enterprise- whether a multi billion dollar corporation or the corner ice cream stand.

The good news is, you will recognize and resonate with each of these concepts and easily see the essential cause-effect relationship of how and why they work to create excellence. These age old values have been around for thousands of years. You are a customer yourself every day of a host of products, services, management, and governance. Once you become more familiar with them, you will begin to see these values everywhere. That's the point.

As an integrated model for creating excellence, World Class Leadership works because it is fundamentally based upon human behavior, what humans prefer, and what they will do to get what they want. Understanding each of the values in greater detail will help you see how it all fits together. You will easily relate your own satisfaction experiences to this revealing values set.

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## **Chapter 2: The Ten World Class Values of Customer Satisfaction**

You will find nearly every aspect of customer satisfaction represented in the following Ten World Class Leadership Values. It is helpful to think of brands or organizations you admire as being the best such as Rolex, Mercedes Benz, Sony, Pebble Beach etc. as you learn about each of these values. Inevitably, you will also think of your own customer experiences where each WCL value was lacking.

As you review each of the values and definitions below, you might also begin to think about where your own situation at work or business could benefit from improvement. That will be good preparation for the next chapter which includes the full detailed organizational audit where you will evaluate in specific detail.

The thrust of World Class Leadership is that you, the leader, becomes the champion and the advocate for driving a high standard for each of these values within your own sphere of influence. This is the 'how to' leadership development guide for anyone who wants to do good work.

### **Quality-**

**For the highest quality, customers expect consistency with zero defects, mistakes, or inaccuracies.**

Getting exactly as ordered, no blemishes, the right count, the correct model, the latest version- all as promised-every time.

Perfection is a nice goal, and it is not as unrealistic as you think. Manufacturing quality control standards in many industries today are one mistake per million parts- and that is statistically attributable to special cause variation (an unavoidable or un-anticipatable cause). What this means for six sigma oriented manufacturers is that they have controlled every variable in the process to an extreme level. They watch the quality, they measure and analyze the quality, they adjust until they consistently get the quality they are looking for- and then push it some more.

In this scenario, by the time a product gets to a customer, there is virtually no chance that it will have defects. Although manufacturers do this every day, how many other industries can make such quality control claims? The automobile industry efforts to achieve super high quality standards, which is a major accomplishment considering the sheer number of variables that must be managed, and tested for each part, and then work well together as an integrated whole in the average car. Even with the latest recalls it is truly amazing that something with so many parts could work so consistently most of the time.

Designing product and service delivery so they are consistently accurate means a lot to the customer. Are you the type of supplier that delivers with mistakes and expects the customer to 'take it in stride?' Are your processes and systems set up to check and double check what you do so you have the assurance to know that you always delivering quality without defect?

**Customers want it right the first time.**

Customers want their product or service to function as promised correctly the first time. We've all tried to assemble a present on Christmas morning, downloaded a piece of software, or got a different airline seat than what we reserved, and were disappointed. An accurate report for you boss, shipping the correct part number, playing the right song for the first dance at the wedding, matching the color of the paint, spelling the customer's name right, and getting the amount correct on the invoice- you get the idea.

The problem for the supplier is to try to recover from a lowered level of satisfaction when the customer has to return the product or asks for a refund. Reputations are fragile things and shortfalls are remembered by the customer, in every area.

It is unconscionable that some suppliers actually ship products they know will contain a certain percentage of defects and chalk it up to the cost of doing business. These suppliers are not known as World Class enterprises.

**The customer wants the quality of the product or service provided to be consistent with the best available.**

The theme of 'benchmarking' will be repeated throughout the World Class Leadership lexicon. The idea of the customer's perception of quality is based upon what he knows or has heard about or seen available elsewhere. Comparisons are very important to your competitiveness as we will see in a later chapter. If you are on your game, you will know your competitor's level of quality.

Quality can be defined by thousands of different words, depending upon the product, service or industry:

Oldest

Newest

Original

Darkest

Reddest

Limited Edition

Warmest

Softest

Hardest

Most Exciting

Most Tranquil

Most Remote

Nearest

Exotic

Traditional

Simplest

Complex

and so on..

Each of these words as a descriptor can be used to identify a benchmark, World Class product or service. A Volkswagen is still compared to a Mercedes even if they are not in the same class as automobiles. When products are more similar in comparison, such as a Nissan Maxima and a Ford Taurus, product delineations and differentiation become more important as the perception of what one pays and one gets between the two brands is not all that different.

Today's customer is often very well informed with feature by feature comparisons and very well prepared with logical rationale about what they should be getting for their money. Supplier's today must be well prepared to perform specific comparisons between what they offer and the competition.

### **Intangible Attributes of Quality**

"Oh but my dear, that's Pierre Cardin!" Whether we are susceptible to the peer pressures of popular brand consciousness, customer perceptions of quality can be strongly influenced by these artifices. Surely the Wal-Mart handbag will carry as much as the Prada bag right? Why is one thirty times more expensive than the other?

Suppliers carefully cultivate brand images of exclusivity, tastefulness, etc. as an intangible attribute of quality.

This careful marketing strategy can be difficult to compete with when your six year old throws a tantrum in the store because you don't buy the doll she saw on the commercial. The same is true of golf clubs, shoes, tools or corn flakes. This dimension of quality in the eyes of the beholder gets more psychologically complex when you bring home the 'name brand' product and it doesn't live up to its reputation- or what if, God forbid, it is so 'last year'. The implications of this form of neurosis are beyond the scope of this book.

Although many organizations are reaching for the market share and profitability that comes with being World Class in the eyes of customers, this position cannot be achieved or sustained by leaning too heavily on intangibles and pure branding without substance when it comes to quality. It is far better to earn a genuine reputation for durability, functionality, beautiful design etc. rather than having to recover from over the top claims that were not fulfilled by your actual product or service.

**The customer expects everyone in the supplier's organization to have general systems knowledge, know their own product line and be familiar with the latest developments in the organization.**

Even though you may be the expert in your office who deals directly with the customer, your secretary or anyone else who answers the phone should also have an idea of what goes on around here.

Support personnel are also a reflection on the quality of an organization so this is important as it can make or break a customer relationship without you ever finding out about it. Knowing the product line and where to find things is another point.

How many times have you gone into a department store and the retail clerk couldn't tell you whether or not they carried something or where it might be? Many of us can recall knowing more about an upcoming sale than the person in the store waiting on us. Everyone in the organization is on the quality team.

*A World Class Leader* will set the standard for consistency and accuracy, a level of quality comparable with the best, with all support personnel well- trained to support the delivery of quality in the product or service line.

## **Value-**

### **The customer wants the best price that is available.**

Each of us has a sense of fair play and no one likes to be taken advantage of. Shopping has become an art for some who enjoy chasing the lowest price. Many have personal Ego's that need to feel like their ability to negotiate or bargain will make a difference in the final price paid. No one likes to find out that the same item or service was available at a dramatically lower price somewhere else or even online, after they have made a purchasing decision.

Whether accurate or not, most of us start out with some sort of feeling or range of what something should cost. Usually this is based on actual or anecdotal pricing information for at least a similar product or service. This is the departure point for evaluating whether or not something is a fair price. Pricing is a careful game and the supplier needs to know if and be prepared to defend why a particular price may be higher than a competitor's.

Purchasing agents everywhere are tasked with managing supplier negotiations to get costs as low as possible. If you are the supplier you may be asked by purchasing agents to make concessions not only on price, but on payment terms as well.

In today's economy, there is no longer a guarantee that automatic annual price increases will be accepted by your faithful customer; in fact the trend is to lower prices in subsequent years. Manufacturers are under incredible pressure to cut costs annually just to keep their doors open, in light of lower cost competitors from overseas.

### **The customer wants the price paid to be historically appropriate based upon the price paid in the past.**

From disproportionate increases in gas prices to shocking jumps in health care costs and airfares, customers don't like it when their sense of predictability is violated when it comes to how much they are expecting to pay. This is one of the surest roads to customer dissatisfaction.

Monopolistic corporations like oil companies and airlines can get away with it, but at the risk of real animosity from customers. In industries like these, customers will immediately jump to a lower cost provider with no brand loyalty whatsoever-- and rightly so.

### **The Customer doesn't want his money wasted.**

Whether it's the company expense account, Federal tax dollars, home owner's association dues, or start-up venture capital, the customer wants to see a degree of due diligence that assures them their hard earned money is being spent responsibly. The customer will project his own conservative and frugal values onto the supplier who would be smart to illustrate this careful handling of funds as often as possible.

### **The World Class Supplier is not afraid to make concessions or provide additional value to maintain the Customer-supplier relationship.**

Smart business means when a customer is happy they are that much closer to being extra happy. Giving in a little, or adding extra perks, short of unethical bribery of course, is always welcomed and can go a long way towards creating positive word of mouth from satisfied customers who become very satisfied customers. This is actually a dimension of 'Commitment' discussed below.

**The customer wants the product or service to remain a good value long after the sale.**

Good buying decisions demonstrate themselves over time. The World Class Leader understands durability, long term investment and the relationship between spending a little more now and spending less later. World Class products and services that have been designed with a long term perspective become ubiquitous classics, and continue to act as brand emissaries year after year. Think of the old classic Mercedes, the dependable work horse laser printer, Craftsman hand tools. Long term brand satisfaction leads to generational relationships with a supplier. "We have always been a Ford family" etc.

The *World Class Leader* will be an advocate for getting good value out of money spent, spending responsibly and negotiating fairly whether buying or selling. Pricing is set in reasonable terms compared with competitors and is historically appropriate. World Class products and services demonstrate their value over a long period of time.



## **Timeliness-**

**The customer wants the delivery of the product or service and all interactions with the supplier to be on time.**

In this frenetic world, everyone has a lot to do. Being on time is a professional standard that communicates respect for the customer's time, and the fulfillment of an agreement to be at a specific place, at a specific time, to deliver the product or service at the time specified by or promised to the customer. *World Class Leaders* are early, or on time. Being late is not a World Class behavior, and not meeting critical customer deadlines has the potential to 'crash the plane' of a healthy customer supplier relationship.

When timeliness is a heavily weighted Value (see chapter four), Suppliers need to be careful what they promise. The challenge is to demonstrate a commitment to the customer and fulfill their needs, but to do so within the supplier's realistic capabilities. The temptation is to 'over promise' to get the business, but missing a delivery date may cost you the relationship -- and the accompanying value of the life of the customer relationship over time.

**The customer wants to take the minimum amount of time to get their needs met.**

World Class processes, systems, and interactions with customers are designed with minimum wait times, adequate staffing to handle multiple customers, and optimized transactions that take only as long as necessary.

Fast food restaurants are a great example of processes which have been totally optimized for the convenience of the customer. The customer stares at the large well lit menu positioned up high where he can see it while in line so when they get to the counter they are prepared to order. Most popular menu choices are grouped and reduced to a short choice of #1, #2, #3 etc.. And the clerk hits a single button to execute the transaction.

A continuous production of the most popular items is always in process with a set number of sandwiches, fries etc. ready to be instantly bagged at any time. A cup is handed to the customer to fill their own drink, and even though the customer may make a mess at the soda fountain, or may refill his cup many times, the restaurant has calculated that this is still much cheaper than losing a customer because of impatience with waiting in line for a refill, or the labor of clerks behind the counter to control how much soda is consumed. It also reduces time to fulfill each order and frees labor up to get to the next transaction faster. Customers filling their own drinks also takes people out of line for refills, which makes the line go faster for new customers.

It is relatively easy to control timeliness in repeatable processes which are fixed with little variation, and fast food restaurants have clear incentives to continually optimize transaction processing to fit as many lunch orders in as possible in a limited timeframe. Fast food establishments know their food may not be the most gourmet variety, but the quality and value proposition, as well as convenient location make it attractive enough for the customer. These same restaurants know that they can't make customers wait in line too long or their 'attractive

enough' offering will lose it's appeal since there are many similar options for customers to migrate to.

Most suppliers aren't used to looking at everything they do as repeatable processes, but many are starting to. Every organization will benefit from time and motion studies and root cause analysis (See chapter VIII) to find ways of optimizing and adding efficiencies to everything they do.

Customers often prefer to shop where they can get in and get out fast. This is why they're called convenience stores (the department store shopping experience might be something different as an experience unto itself, so many women will tell you). Customers resent waiting in line, especially when there are ten check stands available and only two are staffed with cashiers. Lean staffing decisions by store management send the message that the customer's time is of secondary importance.

When staffing decisions or other business trade-offs need to be made, the World Class Leader pushes the burden to other resources behind closed doors, out of view of customers, and thinks hard about cutting front line staff rather than negatively impacting the customer experience.

**The Customer wants the supplier to take all the time required to achieve satisfaction.**

The flip side of the coin with timeliness is that there is a danger in going to fast. Shortchanging the customer by pushing him along too fast or not spending the time with them to fully understand and fulfill their needs can alienate the customer who wants a deeper interaction. Spending more time with customers is strongly related to the World Class Value of Commitment (see below).

The World Class Leader makes timeliness a priority, maintains benchmark standards of on time appointments and delivery, optimizes processes and systems so little, if any time is wasted, and makes it a priority to spend more time with customers when necessary to achieve desired results.

## **Efficiency-**

### **The customer wants optimized processes which are as simple and linear as possible.**

In these days of increased productivity there is no excuse for redundancy, non-linear processes, and inefficient systems design. Wasting time and energy because you haven't thought of a better way to do things is a poor excuse. We've all been to a beauracratc government office and been sent here and there, to come back for multiple appointments, only to find out that what you really needed was something else entirely etc. Customers want processes to make sense. The minimum number of steps, requiring the least amount of effort is the World Class ideal.

One is lead to believe that the bigger the organization, the more inefficient, when it is precisely the opposite that is needed. Organizational cost cutting seldom considers the impacts on process efficiency. Each individual's job description, each department's day to day processes, each company's front line customer transactions and back of the house vendor relations need to be examined critically and continually to see what steps can be optimized, re-ordered, or eliminated completely. A commitment to finding more efficient ways of doing things (without sacrificing customer requirements or satisfaction), will yield its own cost savings in areas previously unconsidered.

### **Customers want a single point of contact.**

Customers dislike telling their story many times to different account managers, or being passed from one department to the next. When customers return again they want to pick it up where they left off with the representative they talked with previously, not someone else. They want to deal with one person, one time that is qualified to fulfill their requirements in a single interaction. This is a worthwhile standard to shoot for in any customer-supplier transaction.

*World Class Leaders* see process optimization and continually increasing efficiency as routine, give attention to internal process efficiencies as well as those processes customers must interact with.

## **Environment-**

### **The customer wants the supplier's environment to be clean, well organized and aesthetically pleasing.**

A well organized environment provides assurance that the supplier has their act together. A disheveled, dirty, disorganized work environment immediately suggests a lack of confidence in the supplier.

Although standards of cleanliness vary widely from industry to industry-(the cleanliness and organization standard of a car mechanic is different than that of your dentist for instance), there is a benchmark for cleanliness in each industry and it seems a simple thing to observe the common standard for the business you are in- and then to set your sights on exceeding it.

*World Class Leaders* implement higher levels of organization, cleanliness, and aesthetics. This is a tangible feeling one gets the first minute they enter a World Class business. The environment feels pleasing to the customer.

### **The customer wants to feel safe physically, in the supplier's environment.**

Safety should never be an issue, but customers are regularly exposed to physical risks from exposure to coughing employees who should have stayed home, icy steps to enter the building, dangerous equipment, to confrontations with unsavory characters at the corner bar.

*World Class Leaders* anticipate safety risks and clearly understand that an injury to a customer automatically turns them into a source of dissatisfaction and negative dialogue that will spread to many, potentially effecting a reputation for some time to come- not to mention potential liability exposure concerns. Customers appreciate having their safety looked after, and this is another way to demonstrate Commitment in the customer-supplier relationship (see below).

### **Psychological safety means making customers feel welcome, accepted and comfortable.**

If you have been to a traditional Japanese Sushi restaurant, they often make a big deal about welcoming you and greeting you when you sit down at the counter. This makes customers feel immediately acknowledged and respected, emphasizes a willing serviceful attitude and lets the customer know that the staff are specifically there to serve their needs. How many businesses could benefit from this approach?

Often it is the customer that must facilitate their own satisfaction by having to gingerly sweet talk or somehow manipulate an intimidating or irritating front line worker to get their needs met rather than experiencing an easy welcome feeling. Sour employees with a disdain for their own job or other negativity can give off a vibe that makes customers feel uncomfortable and tarnish an otherwise pleasant experience. Some employees are just downright rude and mean. Customers should never be exposed to negative moods in the workplace from any of the organization's personnel- especially when it creates an uncomfortable atmosphere or environment.

*World Class Leaders* create well organized, safe, aesthetically pleasing and psychologically welcoming environments including hiring and training front line staff who do the same.

## **Connection -**

### **The customer wants to be able to access the supplier's products and services easily.**

Store or office location, hours of operation, and ease of parking are factors that need to be organized based on the customer's convenience. Even banks are recognizing the importance of this and are beginning to put bank offices in supermarkets, opening on Sundays and have increased use of internet transactions 24/7.

### **Clear pathway signage can help customers find the supplier.**

From signs on the highway and office complex directories to main street business information kiosks and arrows literally painted on the floor in the case of factories and hospitals the supplier should make it nearly brainless for the customer to find the products or services they need. A study of Home Depot or Target will reveal ever improving thinking about how to label the aisles so customers can find what they need without help.

Being accessible by customers means increasing use of the internet to be searched for and found. Websites, blogs, digital media such as video, RSS feeds, chat and other various online events can be utilized to share information, teach, communicate and interact with customers to give them more of what they need to find.

Some suppliers miss the boat when they only have an email form for customers to fill out to make contact with them. We have all seen the forms that try to corral the customer into sharing their contact information and perhaps choosing one of several reasons for their communication- instead of what they need. Many customers simply move on to the next supplier rather than taking the time to fill out an impersonal form. If you are going to use a customer communication form, also clearly list an email address. Maybe the two million dollar order isn't one of the choices on your pull down list.

Increasing use of social networking makes sense as a way of adapting to where customers are found, making it easier for them to find you. Social networks typically participate in several dimensions of social media, taking their experience with them as they move from Facebook and Twitter to Yahoo and Gmail, LinkedIn and hundreds of other specialized internet sites and blogs. New ground in being able to virtually connect with customers is being pioneered as we speak and is one of the most exciting customer relationship technology developments today. If you don't have a Facebook page, no matter what your business, you are missing the boat. It is simply amazing how many small companies are dispensing with traditional websites and marketing solely on social media sites.

### **Customers don't want barriers to contacting individuals or customer service for the information or service they need.**

Email, Skype Phone, website URL, office and Cell phone numbers which are also set up for receiving texting, interact with I-touch or blackberry apps and more and are today's connection essentials for the World Class organization. Customer response times have been dramatically accelerated, where mobile devices are set up as fully functional platforms and business

communication can happen from almost anywhere, at any time. When customers want you, you had better be ready.

This level of connection can extend to ordering and buying, customer experience measurement, and much more beyond just leaving a message. It is amazing and arrogant to think of how badly customers are sometimes treated when one considers how hard it is to acquire new customers for any business. Even if you are a giant multi-national corporation, it just doesn't make sense to have policies and procedures that might lose any percentage of customers. When you have a customer already, it's a good idea to hang on to them.

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### **Customers don't want barriers to accessing information.**

Current trends in banking, telephone service, and others enable customers secure access to their information, accounts and files. Soon complete medical history records will be shared internationally including high resolution images and document scans that could previously only be referenced with the original paper version. Downloadable product specifications and diagrams, articles and white papers, directories of company representatives, product available inventories and more are made available for the customer's convenience.

Availability of rich information is often the key to a faster customer buying decision. Some say that the nature of selling is changing because customers have access to so much research before they every talk to a sales rep. Your business needs to be ready to deal with very informed customers as the new norm.

### **Connect with all cultures.**

*World Class Leaders* recognize the importance of including all groups and persons. Openness to connection is demonstrated by public statements to various groups, language translations, and accommodating various cultural preferences so they feel welcome and included. In today's diverse society, each niche represents a potential constituency that might mean more business. Inclusion as a business practice and strategy eliminates barriers to connection and increases the potential customer base.

### **Customers want you to be available, personally.**

Answering your phone, or at least having a personal respectful message and getting back to customers quickly after they call is considered a professional best practice. Many are surprised at the number of CEO's who actually answer their own phone today who recognize the importance of this. Customers are duly impressed when you actually call them back--personally. In the case of the screened call, rigorous hard edged phone screening by assistants needs to be softened to maintain respect for the caller, even when the caller is forced to leave a message--no

matter how busy the executive assistant is. Hiring should screen for this very special type of personality.

### **Voicemail is Hell.**

If an organization has optimized itself out of a human to answer the phone, it should think carefully about how much a potential customer has to listen to and how many buttons they have to press to get through to the person they are looking for-- or God forbid, how to talk to someone who can help when they don't know who they are looking for. If you are going to be in business, at least have the decency to answer your phone with a human being during business hours. Who knows how much business is lost from many customers won't do business with firms like AT&T because of their hideous voicemail system. The phone company, and many others should know better.

If it's necessary to have a telephone receptionist, take care to train this person well so they will effectively support the caller's interests, record their needs accurately, and leave them with a clear expectation for follow through so the customer can get what they need. Billions have been lost by receptionists who were too lazy to understand that the caller was looking for a supplier for a fat new contract.

Many of us will make an immediate decision not to do business with a firm when it is just too difficult to talk to someone, regardless of their reputation or quality. With all the technology available today, everyone can do better.

*World Class Leaders* make connecting with their customers and stakeholders a priority and use a wide variety of up to date methods and technology to make themselves more accessible at the customer's convenience.



## **Self Management-**

### **The customer wants the supplier to be well mannered, courteous, and attentive.**

Front line service behaviors are one of the easiest areas of the customer experience to manage well and unfortunately, one of the most often overlooked. The customer absolutely has no interest in hearing or seeing a bad mood, rude behavior, in being ignored, or talked down to. Suppliers who consistently bring unnecessary negativity or poor manners to their customer interactions will find themselves looking for new customers soon. As we will see later, the power of one customer's negative experience can reach far beyond the immediate situation to create powerful negative word of mouth and a negative reputation for the supplier which is hard to undue.

Personnel who work solely on the phone must be extra careful to communicate warmth, receptivity, and respect as they are forming an impression, and indeed a relationship with customers without ever meeting them in person. In telephone situations, the voice and tone of the employee may be the most important part of the customer -supplier relationship.

### **The customer wants the supplier to have an appearance consistent with the highest expectations for the industry.**

Dress, cleanliness, haircut, piercings and tattoos, shoes, makeup and more do make a difference and can potentially have an impact on the customer experience. Benchmark appearance standards, although they may be informal, are available in your own industry if you look around.

World Class Suppliers strive to exceed the normal industry standard. Front line personnel are the supplier's emissaries, or in the case of the individual- how you appear is part of your brand image. First impressions of the entire organization start here.

### **Attitude of Service**

An attitude of service doesn't mean you are subjugating yourself or demeaning yourself in any way. Demonstrating a high level of consideration for your customers, anticipating their needs, and doing your best to fulfill their requirements is a fine art and is to be respected when done well. An attitude of service is always welcome in the customer supplier relationship. Bringing an attitude of superiority, entitlement, or other negative Ego manifestation is not what customers are looking for. If front line personnel cannot play this role in their job they should find another one.

*World Class Leaders* demonstrate excellent manners, a great appearance and the highest level of consideration and attitude of service for their customers which is consistently positive and mood free.

## **Commitment-**

**The customer wants the supplier to demonstrate that they have the customer's best interests in mind over the long term.**

Commitment is the romance in the customer supplier relationship. The customer wants to feel like they are the most important customer and that they have your full attention. Demonstrating a commitment to the customer means continually soliciting their needs, making sure you understand them in detail and endeavoring to fill them. The committed supplier is seen as working hard for the customer.

Maintaining a committed relationship with customers over time may mean staying in touch even when there is no business going on, and having other interactions that show consideration for them and their ongoing needs.

**The Customer wants the Supplier to be honest and up front about all terms and conditions.**

As any couple in a relationship will tell you, honesty is important. Suppliers who are caught being dishonest with customers have little hope of maintaining a long term relationship. Providing all information up front provides assurances to the customer that there is trust in the relationship and relieves potential customer anxiety before it happens. Customers should never be surprised or become victim's of a bait and switch gambit when expected outcomes are not delivered.

**The customer wants the supplier to take responsibility when things go wrong.**

In every customer supplier relationship, mistakes can happen. Customers want the supplier to inform them up front or as soon as possible when disappointments occur. Customers will appreciate the opportunity to change and adjust when they have up to date information, and can minimize negative impacts if they get bad news in as timely a fashion as possible.

### **Mistake Recovery**

It's one thing to say "I take full responsibility" but it's another to have mistake recovery systems. A recent story illustrates this point:

Our thanksgiving group all ordered the turkey except for one person who ordered the prime rib. The prime rib was overcooked, and it was sent back. We all finished our full turkey dinners before the prime rib came back out. Our lonely beef eater finished the prime rib while we all sat there and watched her tediously eat every bite. The manager was working the restaurant floor, greeting patrons while pouring coffee, asking them about their thanksgiving experience at the restaurant, and finally came over to us. We communicated our disappointment with the quality of

the prime rib and the timing of the episode. "We're sorry about that, he said, and all of your desserts are on the house".

Now it could have been that our thanksgiving experience might have caused us never to go to that restaurant again, but when the manager took responsibility for their mistake and more than made up for it with free desserts for everyone, our whole attitude changed. This mistake recovery system was something the restaurant had prepared for ahead of time, and was probably a standard practice. For a piece of pie the manager saved relationships with six customers who would, it turned out, return to frequent his restaurant many more times instead of never returning again. The value of the 'life of the customer' was potentially thousands of dollars for each customer in our group.

*World Class Leaders* demonstrate their commitment to the customer by soliciting their needs, honest up front dealings, taking responsibility when things go wrong and demonstrating a commitment to the relationship over time.

## **Teamwork-**

**The customer wants consistent quality interactions with all of the supplier's departments and personnel and expects these departments and personnel to work well together to meet the customer's needs.**

It is easy for those who are not on the front line with customers to disassociate themselves from the responsibility of a high level of service to the customer. It is not only important to emphasize a customer satisfaction oriented culture in the workplace, but it is important for each employee to understand how what they do directly relates to the customer's experience.

When the janitor mopping the floor at the hospital was asked- "What do you do here?" he replied- "I am maintaining the highest standard of environmental cleanliness so World Class medicine can be practiced here. None of this can happen without me". Each employee needs to see how what they do is connected to the organizational mission of serving the customer.

Managing interdepartmental handoffs should be executed seamlessly, with personal introductions by the first employee to introduce the next representative to the customer when this is necessary- often with the original employee available for some time to support the new relationship if necessary. The customer wants to have the same great experience regardless of who they interact with in the organization, and wants to count on their needs being understood by everyone in the supplier's organization.

### **Customer Satisfaction is The Team's Responsibility**

Teamwork also means sharing negative feedback from customers, even when it means bad news for another department or employee. If you know what's wrong you have a better chance of fixing it together. Teamwork means that a mistake in customer satisfaction is everyone's problem and everyone should be aware when it happens. This also helps support a culture of self reinforcement where mistakes with customers aren't often repeated.

### **Teamwork Culture Produces Better Results**

A World Class organization puts high importance on teamwork and supports team building at every level. Breaking down divisions and silos between departments, and creating an atmosphere of trust and respect all contribute towards higher levels of communication and information sharing, collaboration and cooperation- especially when it comes to working together to meet customer needs. Employee pride and ownership will improve when they are more involved and can see a direct relationship between what they do and the effects on customers.

### **Teamwork Is An Individual Responsibility**

Individual employees need to take inventory of their own teamwork behavior and honestly evaluate themselves and their own ability to work well with others-and improve where they can. Each individual has the potential to bring synergy to the work group by adjusting and modifying their behavior to what will be most effective and productive to the collective effort.

### **The Entire Supply Chain Is Part Of The Customer Satisfaction Team**

Vendors and suppliers should be made to understand and feel valued that they have been selected as a vital part of delivering satisfaction to this organization's customers. Developing these relationships with all parts of the supply chain has many benefits especially when the supplier needs special concessions, emergency shipping, or a sample in a different color to demonstrate excellent customer service.

*World Class Leaders* are great team players and promote a teamwork culture with all those they interact with.

## **Innovation-**

**The customer wants the supplier to utilize up to date technology, processes and equipment consistent with the best available.**

Customers want to deal with the best, the latest, and the best practice for the industry, product or service. World Class companies continually look for new approaches, new software, machines, processes, and knowledge. Benchmarking outside of your industry is a good way to find new ways of doing things.

Suppliers need to be keeping it fresh by continuously introducing new products and innovations to the Customer. The customer should not be the one advocating that the supplier refresh their offerings or methodology.

**Progressive suppliers promote a culture of innovation in their own organization and are continuously open to new ideas generated from all quarters.**

Suppliers who embrace innovation frequently involve their customers and their employees in generating new product or service ideas. Suggestion systems and open solicitation of ideas taps the brain power of many, rather than a few at the top.

## **Competition is Healthy**

Competition can be the healthy stimulus that pushes the supplier to try new things, often leading to improvement. World Class companies are more proactive about looking ahead even when they have a seemingly secure market position.

*World Class Leaders* are advocates for innovation, and tirelessly look for new solutions to old problems, and are the first to experiment with new methods. *World Class Leaders* foster idea sharing and creativity and embrace new contributions from any quarter including from the competition.

**These 'Ten Values Of World Class Leadership'** are the age old fundamentals of what customers want- captured here based upon more than fifteen years of customer satisfaction research. The relationships between these values as an integrated set correlate with positive behaviors customers exhibit when they are well implemented- and negative customer behavior when they are not. In short, the World Class Leadership Values are the formula for excellence in the customer-supplier relationship, as defined by those most important to your business-- your customers! [Back To Top](#)

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## Chapter 3. The Customer-Supplier Relationship

The terms customer and supplier are used throughout this book to describe the roles of the 'Supplier'- the one providing the product, service, benefit etc. and the 'Customer', the one buying or receiving the product or service etc.

The relationship between these roles is a dynamic one, but it is worth examining to see how World Class Leadership Values are integrated to enhance this relationship and create success, excellence and satisfaction,

or

Where they are lacking- thus precipitating a relationship breakdown.

**The customer-supplier relationship contains an assumed contract between the parties.**

The customer wants or needs to get something from the supplier, and the supplier wants or needs to give something to the customer. The degree to which the supplier demonstrates World Class Leadership Values will determine the level of satisfaction in the customer experience and whether or not the relationship will continue and repeat over time, and whether the customer will recommend the supplier to other potential customers. The World Class Leadership Values are the framework for customer-supplier relationship excellence.

**Customers want to have a relationship.**

Few suppliers start out with this basic assumption. Customers expect the supplier to welcome their business and to be prepared and geared-up for serving their needs. They expect the supplier to want to discuss their needs and to take an interest in their situation.

The supplier needs to understand that this relationship starts out with a positive expectation from the customer. The supplier is always in the position to demonstrate their willingness to participate in a win-win relationship, but through their own insensitivity, many drop the ball right from the beginning, before the relationship can ever begin.

**To be effective, supplier's need to be proactive about establishing and maintaining a relationship with their customers-- over as long a period of time as possible.**

The World Class Values of Connection (being open and available and easy to connect with), Environment (having a clean and safe warm and welcoming place of business), and Self Management (courteous and attentive pleasant front line customer service) will help communicate openness and receptivity to form the first positive interaction with a new customer that immediately starts the relationship off on the right foot. Even when customers are doing digital business with an automated website, the design of the experience can still effectively communicate with the customer so a positive relationship is cemented.

The first interaction is of critical importance to the establishment of the kind of relationship the customer wants to have.

### **The importance of the win-win relationship.**

In a win-win relationship, both parties benefit. This should be the actual target and goal of the supplier. Rather than just maximizing profit with a customer once, the supplier is potentially setting up a the basis for ongoing sales- or in the case of a customer only buying once- a reputation for a quality experience that this customer will share with others.

In a Win-Win relationship the customer gets their needs met with a high level of quality, value, efficiency, courtesy etc. and the supplier gets compensated with a contract, wages, votes or other reward. Win-win relationships tend to repeat themselves, and are the only type of relationships that are sustainable over time. Fundamentally, the supplier should be continually evaluating the way they are relating to their customers- would this feel like Win-Win to me? Consciously or unconsciously your customer will conclude their transaction with either a good feeling, or something else.

Every advertisement, retail sign, TV commercial, internet banner ad, or political campaign speech is an invitation to "Come and have a relationship-- we will provide what you want or need". The premise is always that this will be a win-win relationship. If you vote for me I will do this for you, If you buy this car you will get quality, value, dependability, etc. In an ideal world, every transaction would result in suppliers totally fulfilling their promises and meeting or exceeding customer expectations. If this really happened we would only need one supplier in every industry.

Win-win relationships are reflected in the 'Zone of Satisfaction' on the Customer Satisfaction Behavior Curve (7.9 or higher) and are characterized by customers who return to buy again, and provide referrals and unsolicited testimonials with increasing intensity as their satisfaction increases. A World Class Supplier (9.24 or higher) enjoys close to a 1600% return and recommend rate because their satisfied customers are telling everyone, and those folks are telling others, who are telling others because the product, service, management, leadership, talent, work etc. is excellent!

People talk about the really great things that they experience in their lives from the new movie to a great restaurant. Customers who rate the supplier as World Class really feel like they are winning in the relationship.

When levels of satisfaction are not achieved, return and recommend slips, and the relationship begins to deteriorate from preference or a feeling of win-win to indifference, and eventually dissatisfaction (Win -lose).

### **The deteriorating relationship.**

The customer satisfaction behavior curve clearly illustrates the rapid fall off of customer loyalty that happens as customers become less satisfied. It is interesting to note that as satisfaction drops below 7.9 (the zone of satisfaction) the customer drops into a wider zone called the zone of customer indifference.

The Zone of Customer Indifference does not mean that things are all bad, it just means that fewer things are really good. Customers may patronize a particular business because of one or two strong features- lowest prices despite an inconvenient location and messy store, a gas station



close to home despite having higher prices, or an expensive clothing store with really warm and friendly staff.

In an especially busy area with lots of potential customers, or an area where there is no competition, these suppliers might still sustain themselves well over time- in fact many retail chains are designed leverage a single feature such as a convenient location. The incumbent may be re-elected simply because there are no better choices available. The boyfriend will keep his girl friend until a better one comes along.

### **Customer indifference however, means supplier vulnerability.**

Voters look for alternate candidates, local restaurant patrons consider trying a different eatery, long time GM loyalists start looking at Volkswagens, employers pay closer attention to the new resumes that come across their desk.

As satisfaction levels get lower and lower customer supplier relationships become more tenuous, and customers looking for higher levels of satisfaction naturally migrate to other suppliers. The supplier becomes vulnerable to more and more competitors and as satisfaction levels drop still further, customer relationships can sink into the Zone of Customer Dissatisfaction.

### **The negative relationship.**

When customers find themselves very dissatisfied with a supplier, losing business is not the only negative effect. As satisfaction levels drop below 4.0 customers go from disappointed to irritated to mad to actually becoming a dedicated enemy of the supplier. None of these things are good when negative word of mouth, public announcements of dissatisfaction, industry association complaints, lawsuits or even worse can be the result. All of these will hurt business.

### **The Win-lose relationship**

It's hard to call this a relationship, because the customer will run from this supplier after a single transaction. It is continually amazing how many suppliers operate routinely with a win-lose relationship model. Bait and switch, car repair rip offs, unjustified cell phone bills, irrational medical insurance rate increases, politicians who do the opposite of what they promised once they're in- there are too many examples.

The supplier who can't compete with a commitment to World Class Values decides to get what they can from a single transaction, with no hope or plan for a future relationship of any kind. Although the win-lose relationship is unsustainable over time, short term gains by the supplier at the expense of the customer create animosity, and adversarial relationships between customers and suppliers develop for entire industries because of lack of trust that happens when customers 'get the shaft'.

### **Stuck with your supplier.**

Win-lose relationships are especially frustrating when the customer has to deal with a single supplier that abuses the customer-supplier relationship by delivering poorly across the range of World Class Values. Cell phone companies that surprise you with extra charges and penalize

you for canceling your contract, local cable TV where you only have one choice of company in your neighborhood, or a health plan that doesn't let you schedule more than one appointment a month--these are all examples of suppliers who leverage these sole option/sole source positions.

Suppliers like these, who can avoid competing head to head with another supplier to keep a customer's business based on implementation of World Class Values and practices, are strategically in the position to consistently take advantage of the customer. Corrupt monopolistic practices force win-lose or no choice options on the customer. It's no surprise that customers don't like this.

Customers have little recourse besides a painfully inadequate legal system that typically favors larger more well resourced corporations, or other convoluted energy intensive attempts at making changes in institutional policy or legislation. Reporting a bad supplier to the better business bureau has little effect these days.

### **Free markets and competition create higher levels of satisfaction.**

One of the healthiest things the American economy can do to help itself is to empower competition. When markets are truly fair and open, World Class quality levels will increase because of competition, resulting in better choices for the customer.

### **Quality on the back of the customer.**

In their effort to squeeze the nickel and gouge out a little more profit, suppliers will attempt to alter the expectations and behavior of the customer, creating a customer satisfaction values conflict. Several large chains, such as Ralph's and Home Depot are replacing live cashiers with computerized self-checkout systems. There is no discount offered to the customer to provide this most basic level of service courtesy, even though the company is obviously saving huge amounts of money by cutting human labor costs and shrinking their labor force.

The customer is expected to scan each item themselves, look up produce codes, bag their own groceries and so forth. Not only is this process degrading and cumbersome, especially the first time you use it, but there can be multiple points during the process where a clerk is needed anyway, such as removing a security device from a bottle of alcohol, a bar code is unreadable, or the inevitable questions that come up when six types of avocado are pictured on the screen and you have no idea which one you bought. And what if you want paper bags because you are environmentally sensitive, instead of the plastic ones built into the system? What happened to the choices which were previously included as the normal way of doing business you have grown to expect?

The supplier wants the customer to do their work for them and save them money while they are doing it. This doesn't sound like a win-win relationship.

As wait times in line get longer and longer in the lines understaffed with humans, customers inevitably wander over to the self check out machines. The demand for the machines has been caused by the Supermarket chain's own cost cutting. When did it suddenly get to be OK that there weren't enough cashiers at registers to give people efficient, courteous, timely service? The price of food keeps going up, while the level of service keeps going down? Sounds like a win-lose relationship.

Most people believe that having a human being check their groceries is historically part of the normal supermarket experience. Others wonder why if they are going to do the checking, that their groceries are not discounted? Some even feel guilty that they are contributing to a big corporation's greed, and helping them lay off more grocery store cashiers- most of whom really need the work. And what about the young high school kids that used to be able to get a job bagging groceries? You hardly see those anymore, much less the mom and pop corner markets where they know your name and what kind of coffee you like.

Wouldn't it be interesting if municipalities started requiring a customer service guarantee for a supermarket business permit to be issued in their city? Waiting in line too much is a definite quality of life issue - imagine \$500. Fines every time a supermarket or a bank didn't staff more than 50% of its check stands during normal business hours. These standards should be required to get a permit to operate for a bank or supermarket. At some point, customers have to push back against these win-lose strategies or things will just get worse.

### **I'm insulted, offended and losing patience- my soapbox**

Sooner or later the discussion of a customer supplier relationship will turn to an evaluation of elected officials and government representatives. If our elected officials aren't operating with World Class Leadership Values, what are they operating with? Is it unreasonable to expect that our elected officials operate with the same set of best practice behaviors that our highest functioning executives in the private sector do?

Anyone that promises to represent me and operate with my best interests in mind had better be demonstrating World Class Values to get my vote. Those that operate with corruption and cater to special interests deserve the spotlight of truth on them and blistering criticism for betraying the public trust and wasting the time and resources of those who pay their salary to represent them. America needs to demand win-win relationships with it's politicians and all local, state and Federal government delivery systems.

It is as if a group of employees went through an extensive search process to hire a CEO and not only did he cost a lot but it turns out that he doesn't do the things he's hired for, and he's been working for someone else all along. Voting them out will demonstrate that Win-lose relationships are unsustainable.

### **The Power Customer**

Customers need to stand up and demand that their supplier's implement the Values of World Class Leadership. Each of us needs to send a message when our needs aren't being met, when the level of service is unsatisfactory or when we want to let the supplier know that they've pushed us too far and we're not going for it.

Try leaving a completely full cart of groceries in that ridiculously long line and walking away when that supermarket just doesn't seem to be able to staff their registers. Some clerk will have to spend half an hour re-stocking the shelves with your items. Go shop somewhere else.

Leave the pump handle off the hook, lying on the ground after you've pumped your gas- especially when the price of gas is exorbitant. Hanging up that pump handle is labor after all-that

they are not paying you for are they? Too bad that the single attendant will have to come outside and take care of their own equipment.

Switch banks when they stop sending you your paper checks back with your monthly statements- and let them know that's why. Send the tutoring bill to your 13 year olds math teacher asking him for reimbursement of your costs since he can't seem to do his job effectively. When the line at the post office, the DMV, or the courthouse goes around the block ask to see the manager and see if he needs help planning his staffing schedule. Fill out those customer satisfaction surveys and feel free to color outside the lines so someone gets the message YOU want to send, not just the answers to a few badly designed questions.

Call in to radio stations and mention the specific supplier and situation you were dissatisfied with.

If you think about the diabolical lengths some large companies will go to so they can take advantage of you, the customer, you begin to understand when you aren't being valued in the relationship. In fact it may feel like an adversarial relationship. When you have to fight to get treated fairly to just get what you need. What kind of a relationship is that?

### **So what can you do?**

Complain often and loudly, get a loud discussion going with the other customers in line about how bad the service is, ask the manager what else they are willing to do for you because of the inconvenience they put you through. Write editorials, email the corporate officers. Start a petition for a vote of no-confidence for the elected official. They need to feel your dissatisfaction before they will consider making changes.

Unfortunately, this type of feedback is the only way the supplier will find out when they've crossed the line. Your complaints and drawing the line in the sand will help the supplier remember that they have a relationship with you and if they keep behaving badly, that relationship will be in danger. By complaining for your own satisfaction and the adherence to World Class Leadership Values, you'll be helping the supplier improve and helping the customer who comes after you as well.

### **There are humans out there.**

It is a relief to find, that most of the time, when you pull out your power customer complaining behaviors you will discover an embarrassed manager who really does have a sense of decency and will go out of their way to try and re-establish a more satisfying relationship with you. It is refreshing to see that most people are basically good after all, they just need a reminder of what good looks like. Fundamentally, everyone knows that the World Class Leadership Values are right and are the decent standards they would want for themselves.

### **Relationships take work.**

As any marriage counselor will tell you, all relationships have their idiosyncrasies. Tolerating mistakes is easier if there are other admirable qualities there and the other in the relationship is doing their best to make an effort. Things seem to work out better when there is a sincere effort to maintain the customer-supplier relationship, and to do some things right once in awhile that will exceed expectations. Everyone appreciates this.

## **All relationships are customer supplier relationships**

The funny thing is, if you think about it-- this is true. In every human interaction, one is the customer, one is the supplier-- your spouse, your friends, your kids. Of course these personal relationships switch roles back and forth often, but the World Class Leadership Values can easily be extrapolated and applied to relationships outside of business and work. If things have not been going well in one of your personal relationships you might want to review the list again with your personal relationship in mind. [Back To Top](#)

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## **Chapter 4: The Organizational Audit Of Customer Satisfaction**

An honest appraisal of your business, department, product, service or enterprise.

"Sometimes the customer is the only one who sees the big picture" - Karl Albrecht

### **You are the supplier.**

Assuming that you want to make improvements in your relationships with your customers, and want to enjoy a higher level of excellence and success, the framework of a scientific process for improvement is presented. The first step is to measure accurately, where you are today according to the ten World Class Leadership Values Of Customer satisfaction.

This forms the baseline from which improvements are made and reveals the targets that when focused on, will yield the best results in increased customer loyalty, preference and return & recommend rate. Ideally, you will embark on an improvement process that will drive you scores higher, and you will be able to re-measure later and see even more improvement.

If you have been looking for a recipe for organizational change and improvement, that builds excellence and success for your organization, look no further - this is it.

Whether one is the chief executive or just a front line salary man, this internal self-audit will provide immense insights into how well the organization is satisfying it's customers. It is equally effective for measuring divisions or departments within the same company. Clarify in your mind, who is the supplier you are evaluating and who the customer(s) are, and then fill out the audit. This audit will work with several different kinds of groups, from internal departments and even individual workers, to entire multi-national corporations

When measuring the customer's experience, you will need to 'put yourself in the shoes of the customer' when using this, as it is solely an internal single respondent assessment. Several people can perform this audit independently and then combine and average the responses for a collective perspective.

In our consulting practice we adapt the same World Class Values criteria to customized large external customer satisfaction surveys which are distributed on a large scale as a more formal study, with accompanying demographic groupings, market research questions and more. It is often revealing to compare the external customer perceptions with internal employee or manager perceptions of the same criteria to see where disconnects or misconceptions are occurring, and where comparison is in total agreement.

The same criteria are applied to competitors, covered later, to get a very specific comparison and form the basis for a more strategic approach.

By calculating the scores for each value and the overall mean scores at the end of the audit you will obtain an accurate measurement of your overall relationship with customers, and your strengths and weaknesses in each of the values, as well as how your overall score predicts the behavior of your customer today.

**Directions-**

Stand back and take an objective look at the organization, department, division or person you want to audit as 'the supplier' (this is the term utilized throughout the audit). Think about your own knowledge and experience, and imagine yourself as the customer - based upon customer experiences you know, have heard about or have insight into. Be honest, be objective, and answer each of the questions. There are 40 questions with 4 questions for each World Class Leadership Value.

Name of the subject of this audit:\_\_\_\_\_

Circle the number from 1 (least extent) to 10 (highest extent) for each question. Calculate your mean scores for each of the World Class Values and then calculate your overall mean score and follow the directions to plot your scores on the World Class Leadership Impact Chart that follows.

**Quality**

1) The Supplier is known for applying best practices.

12345678910

2) The Supplier provides products or services error free.

12345678910

3) The Supplier consistently gets it right the first time.

12345678910

4) The Supplier's products or services are among the best available.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

**Value**

5) The Supplier's products or services are an excellent value for the cost.

12345678910

6) The Supplier's price is among the most competitive prices available for similar products/services.

12345678910

7) The Supplier's products or services remain a good value over the long term.

12345678910

8) The Supplier's prices haven't risen disproportionately over time.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

**Timeliness**

9) The Supplier delivers early or on time.

12345678910

10) The Supplier optimizes product and service delivery to require the minimum of time for the customer.

12345678910

11) The Supplier is among the most timely available.

12345678910

12) The Supplier will take all the time required when necessary to achieve customer satisfaction.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

**Efficiency**

13) The Supplier has optimized processes and systems for the convenience of the customer.

12345678910

14) The Supplier's processes and systems have a logical and sequential flow.

12345678910

15) Interaction with the Supplier is through a single point of contact.

12345678910

16) The Supplier is among the most efficient available.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

**Environment**

17) The Supplier's plant/facilities/office environment is clean and well organized.

12345678910

18) The Supplier's plant/facilities/office environment is aesthetically pleasing.

12345678910

19) The Supplier's environment feels warm and welcoming.

12345678910

20) The Supplier's environment feels physically and psychologically safe.

12345678910



Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

### **Connection**

21) It is easy to locate and access the Supplier's products/services, information and personnel.

12345678910

22) The Supplier's products/services are available when the customer needs them.

12345678910

23) The Supplier utilizes convenient up to date technology to communicate.

12345678910

24) The Supplier is personally available to communicate with customers.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

### **Self Management**

25) The Supplier maintains a professional appearance.

12345678910

26) The Supplier is consistently courteous and attentive.

12345678910

27) The Supplier is consistently friendly and enthusiastic.

12345678910

28) The Supplier consistently demonstrates an attitude of service.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

### **Commitment**

29) The Supplier works hard to demonstrate that they have the customer's long term interests in mind.

12345678910

30) The Supplier is honest with its customers.

12345678910

31) The Supplier provides all information and transaction details up front to the customer.

12345678910

32) The Supplier takes immediate responsibility and corrective action when outcomes are not achieved.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

### **Teamwork**

33) The Supplier has excellent teamwork between its workers and departments.

12345678910

34) The Supplier promotes a culture of teamwork with workers, vendors and customers.

12345678910

35) The Supplier's customers experience smooth handoffs between the supplier's departments, divisions and co-workers.

12345678910

36) The Supplier's team works well together to meet customer needs.

12345678910

Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

### **Innovation**

37) The Supplier is known for utilizing industry best practices.

12345678910

38) The Supplier continues to offer a product/service that is one of the best.

12345678910

39) The Supplier promotes a culture of innovation.

12345678910

40) The Supplier involves customers in generating new ideas for improvement.

12345678910

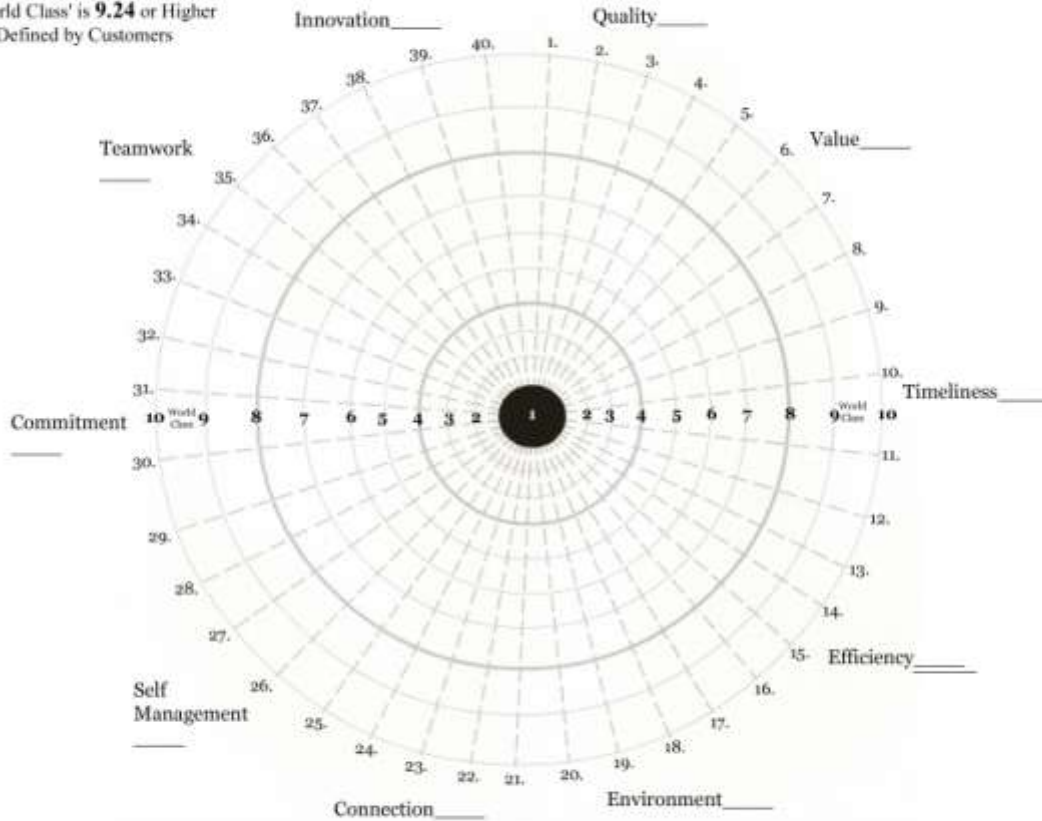
Add the total of scores and divide by 4 to get the category mean score\_\_\_\_\_

**Add the total of all mean scores and divide by 10 to get your OVERALL MEAN SCORE\_\_\_\_\_**

# World Class Leadership Audit For Supplier: \_\_\_\_\_ Overall Mean Score \_\_\_\_\_

## Of Customer Satisfaction

'World Class' is 9.24 or Higher  
As Defined by Customers



Copyright 2010 Bart Allen Berry

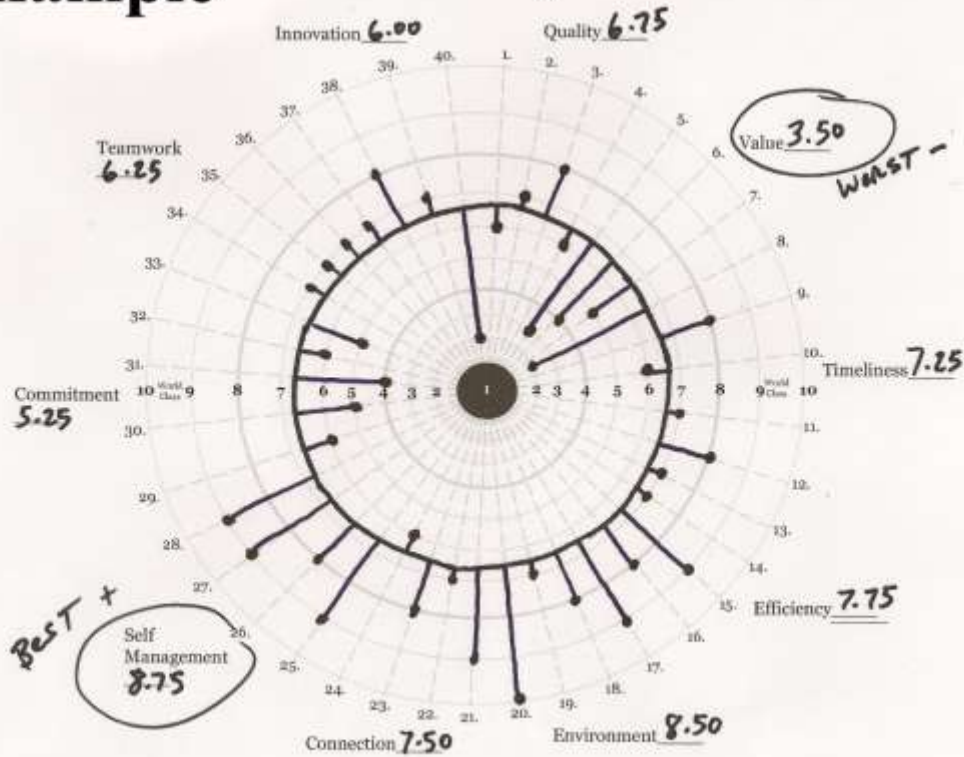
### IMPACT CHART

Plot your results on the World Class Impact Chart and read the interpretation of your results. Draw in a circle corresponding to your overall mean score. Plot each question score as a point on the chart. Draw a line from the overall mean to each point. fill in the mean score calculations for each category and circle the best and worst World Class Leadership Value. (See example)

# Example

For Supplier: My Local BANK

Overall Mean Score 6.75



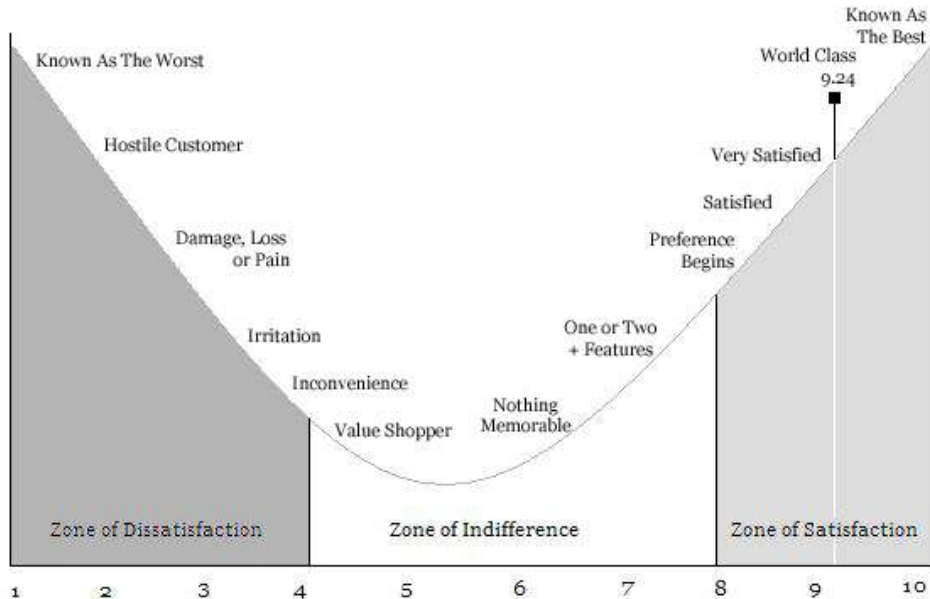
## Overall Mean Score Results

The overall mean score is the combination of your evaluation of each of the ten World Class Leadership Values Of customer Satisfaction. The strongest attributes are combined with the weakest and so on, to produce an overall number that represents the corresponding customer reactions and behavior.

# Customer Satisfaction Behavior Curve

Negative Word Of Mouth -20% to -1600%

Positive Return & Recommend, Loyalty & Preference +20% to +1600%



Plot Your Overall Mean Score From The World Class Leadership Values Audit  
Plot Your Competitors Overall Mean Score

## 1.00-3.00

Alert! Audit scores in this range should signal an emergency for the supplier. These low scores indicate a fundamental need to examine the entire product/service delivery system. No supplier can hope to maintain a relationship with customers unless they are the sole provider of an in-demand product or service. Failure of the supplier is imminent.

Although in most cases, studying areas where the supplier scored lowest might be helpful for improvement, scores for all of the values are so low that the ongoing existence of any potential relationship with the supplier is in question. Customers are experiencing more than inconvenience, in fact they are in a painful, losing scenario and may be hostile. Negative return and recommend rates will reflect a rapidly deteriorating reputation as a supplier, and possible widespread motivation by customers to take punitive action against them.

## 3.00 - 4.00

You should smell plenty of smoke. Although customer satisfaction is also very low here, customers are not quite as hostile as in the previous example. Customers express dissatisfaction by not returning because of a loss of confidence and irritation. This supplier is experiencing a

loss of market share. Closer examination of the audit will reveal several weak areas that need to be repaired to at least move scores out of the zone of dissatisfaction and into the zone of indifference. These are low scores that are affecting the supplier negatively. Customers will not return or recommend you to others. It will take a serious campaign to turn these numbers around.

#### **4.10 - 6.00**

Not working to potential. These scores are often seen in older suppliers who have not re-tooled to stay current with best practices in their industry. Little innovation, coupled with no recent improvement in product or service creates a stale and vulnerable supplier that does little to make themselves memorable to customers. Mediocre is the most accurate description for a supplier with scores in this range. It is not unusual for morale in the supplier's organization to be low as well with feelings of futility for overcoming organizational inertia, or a resignation that "things will never change around here".

By no means does this supplier have a secure hold on market share, the reality is that crisis may be just around the corner. This supplier needs to get to work on improvement before it truly gets ugly.

#### **6.10 - 7.80**

Confident complacency. Suppliers who score in this range on the World Class audit have not completely embraced customer satisfaction but are not in any immediate danger of failing because of negative customer feelings. The challenge is that unless there is a crisis on the horizon, or big opportunity, it is hard to get motivated for additional effort. Additionally, if you are past an overall score of 6.0, the perception might be that you are already in positive territory. This false sense means little more than the supplier seems to be holding their ground.

There are several values scoring well and customers may be patronizing this supplier because of convenient location, special sale prices, or other particular benefit. To enjoy World Class levels of satisfaction with accompanying positive word of mouth and return business however, the supplier needs to push their scores higher.

It should be noted that improving satisfaction scores to World Class levels is not easy, or everyone would be doing it. A concerted effort will require more focused energy to get World Class results. There may be low hanging fruit where values can be easily improved in this case, which this audit may reveal. When scores are this high, there may be one or two things that can be done to push the supplier solidly into the zone of positive return and recommend rate, preference and loyalty.

#### **7.90 - 9.00**

This supplier is doing well. Be confident that customers are being satisfied and that it must be performing well in most areas and very well in others. This supplier can expect anywhere from one in five customers (on the low end) to return to buy again to as many as four out of five. Customers will be sharing positive unsolicited testimonials with other customers who are

patronizing this supplier based on that recommendation. This situation is ideal for the supplier. When the supplier has gotten this far in creating positive customer impressions it is not unfamiliar with good management practices and hard work. Now the supplier can make the decision to push satisfaction even higher- to extend the lead over competitors, sneak up on industry benchmarks and become known as the best.

### **9.10 -10.00**

Wow! This supplier is the benchmark. This is where greatness lives. This supplier is doing it right and has consistently made customer satisfaction an imperative throughout all dimensions of product/service delivery. The name of this supplier is likely to be widely renowned as the industry leader, can command premium pricing or other advantages, and enjoys high levels of free word of mouth advertising. Competitors are probably far behind, or not even in the same league.

Suppliers in the 9.00 to 10.00 range should be leveraging the strength of their position to drive further research and development into evolving their product or service to continue to own the leading edge.

World Class, according to universal measurement of customers is 9.24 or higher. Suppliers who achieve this rating can confidently use the term 'World Class' in their marketing and may find that it is often others who use this term when referring to them as their name will be synonymous with very high quality.

There are very few organizations that enjoy the rarified air of overall satisfaction ratings as high as 9.5 or more. It requires incredible energy and systemic and comprehensive commitment to achieve and maintain satisfaction levels this high-- but it is worth it to be the best.

### **More Analysis-Category Results: Surviving, Maintaining and Evolving**

The mean scores for each of the World Class Values is its own snapshot of customer satisfaction health. Some represent the lower scores that are pulling the overall mean score down, while others are bringing it up- these are the supplier's weaknesses and strengths.

There are three basic objectives in making improvements for the supplier-

#### **Bringing lowest scores up to 4.1 or higher.**

These lowest scores are causing negative customer reactions and having an adverse effect. To survive, scores for each World Class Value should be brought up to at least a 4.1 so the supplier can avoid the negative impacts associated with the zone of dissatisfaction.

#### **Bring low scores up to the overall mean to maintain.**

The overall mean score is a healthy and hopefully reasonable metric/target for first improvement efforts, when trying to improve lower category scores. When audit scores from each value are tightly grouped around the overall mean this signals that attention has been paid to customer satisfaction at some level for each World Class value. Metrics in this range are reasonable performance targets when assigned to departments or personnel and monitored over time.

**The range between the overall mean score and 10.0 represents the opportunity to evolve and improve.**

Scores which are already high, can be improved for an even bigger effect. Scores that are 'average' can be improved for a more positive impact. Any score raised above the overall mean score represents an evolution and improvement.

### **Highest Individual Factors/Lowest Individual Factors**

Although it seems obvious, the lowest scoring questions should be attacked first as the most important areas for the supplier to address. These are especially sensitive areas that will yield a big effect if they can be remedied. Conversely, highest scoring questions, since they are already strong areas, might be some of the easiest ways to increase satisfaction scores overall, by making these areas where the supplier is already doing well even stronger. [Back To Top](#)

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## Chapter 5: Values Priority Weighting

Every product, service or individual is delivered within the universe of World Class Values, but in the eyes of the customer, some factors are given a higher priority or carry more weight than others in the mind of the customer. A steak restaurant had better have a high quality piece of meat even if they have a nice atmosphere. A quick oil change had better not take all day no matter how nice the people are, and the bank had better get your deposit right despite the free cookies and coffee offered while you wait in line.

Although all of the World Class Leadership Values of Satisfaction are important to include in a complete analysis of the customer experience, the customer will have an expectation that every product, service, or employee will have one or two strong features that they consider more important than the others.

These are easily identified for any supplier by completing the World Class Leadership prioritization matrix below as the next step.

	Quality	Value	Timeliness	Efficiency	Environment	Connection	Self-Management	Commitment	Teamwork	Innovation
Quality										
Value										
Timeliness										
Efficiency										
Environment										
Connection										
Self-Management										
Commitment										
Teamwork										
Innovation										

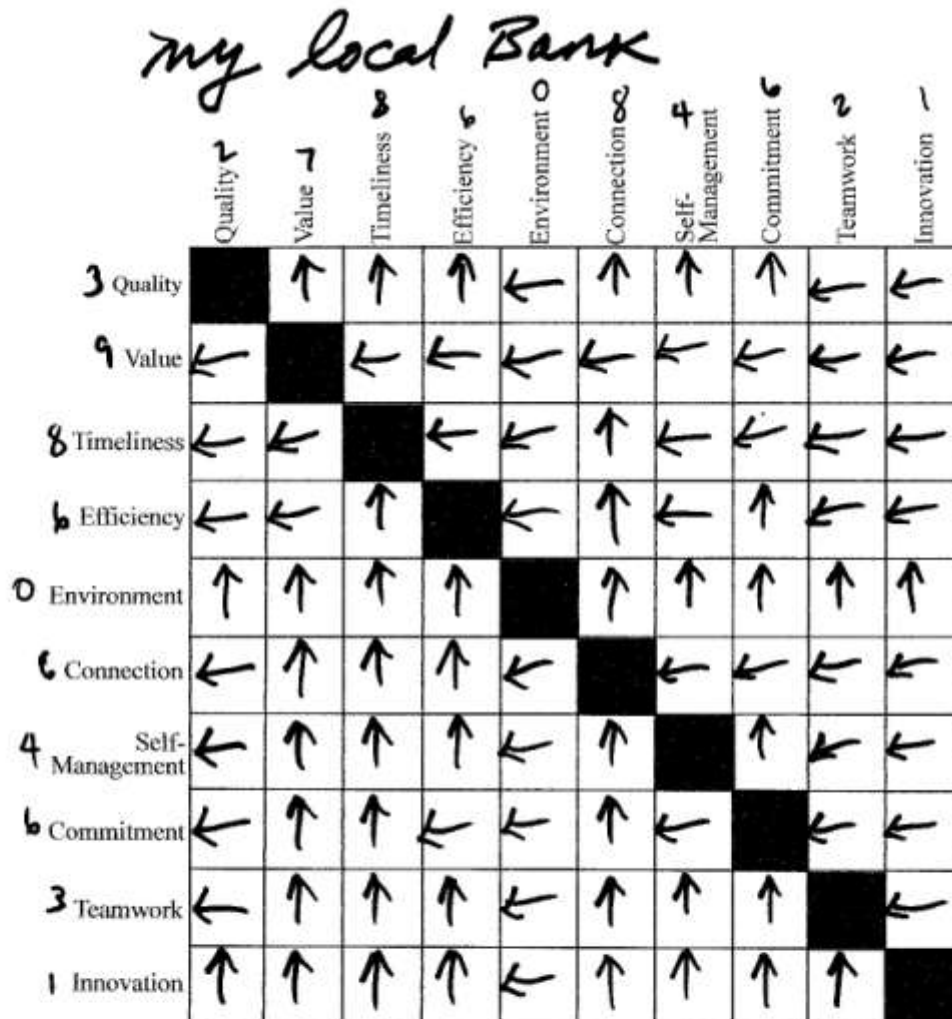
*TO COMPLETE THE MATRIX put yourself in the shoes of the customer. Compare each pair of values for each box and point an arrow ↕ in each box towards the more important value - from the customer's perspective. Add up the total of arrows, vertically and horizontally, that point to each of the values. List them in order of the highest number to lowest number. This list is the World Class Leadership Values Prioritization for the supplier/product/service.*

**Directions-** Each square on the matrix represents a choice pairing between two of the *World Class Leadership Values Of Customer Satisfaction*. Put yourself in the customer's shoes again and point an arrow towards the more preferable or desirable value in each square for the product or service you are evaluating. Add up the totals in priority order as shown in the example below.

World Class Leadership Values Prioritization Matrix

List each World Class Value and accompanying weighting score here:

See an example of a completed matrix on the next page-



*TO COMPLETE THE MATRIX put yourself in the shoes of the customer. Compare each pair of values for each box and point an arrow ↑ ← in each box towards the more important value - from the customer's perspective. Add up the total of arrows, vertically and horizontally, that point to each of the values. List them in order of the highest number to lowest number. This list is the World Class Leadership Values Prioritization for the supplier/product/service.*

- Value - 16
- Timeliness - 16
- Connection - 14
- Efficiency - 12
- Commitment - 12
- Self management - 8
- Quality - 5
- Teamwork - 5
- Innovation - 2
- Environment - 0

In our local bank example above the arrows for each vertical and horizontal column are added together to get a total for each of the Values. Value and Timeliness are tied as the most important or the values that should be given the highest priority/importance if the Local Bank as the supplier, wants customer loyalty. 'Value' makes sense as most bank customers want affordable banking without extra fees and charges, hence the popularity of promotions for free checking, no ATM fees etc. 'Timeliness' is also a high priority for customers who want to get their banking over with as quickly as possible- and also hate waiting in line. Smart banks will wait on customers fast.

'Connection' in this example, relates to the bank being conveniently located, open at hours convenient for the customer and perhaps with services available online to allow the customer to complete transactions, check balances and so forth 24/7. 'Efficiency' is closely related to timeliness as the third highest scoring priority, as customers want simple straightforward processes that have a minimum of complexity. 'Commitment' is tied with 'Efficiency' which tells us that the customer wants to be treated as a valued customer in the relationship.

Front line service behaviors (Self-Management) are less important to the bank customer and are only rated at half the importance of 'Value' and 'Timeliness'. The Quality of products and services are also rated lower (which to customers are very similar from one bank to another). How well the bank employees or departments work together to meet the needs of the customer (Teamwork), and the introduction of new products or services (Innovation) don't appear to carry as much interest for the local bank customer either. The appearance and comfort of the bank, or whether or not the customer is made to feel welcome (Environment) have no impact on this local bank customer.

The emerging profile of World Class Values priority in our local bank example is a customer who wants a good deal, fast, convenient access for him, and he wants to be respected as a customer.

This example has the effect of clarifying priorities where customers are more sensitive and bound to rate the supplier higher if they demonstrate best practice or lower if they don't. The improvement-oriented supplier in the local bank example, would do well to focus on cheaper, faster banking and less on wallpaper and the introduction of new financial products customers really don't care about.

The World Class Leadership Values Prioritization Matrix is a good test of alignment between the supplier's mission/vision statement and what customers are looking for.

A supplier whose mission is not aligned around the more heavily weighted areas of importance for their target customers will have a harder time.

Here is an excerpt from an actual Well Fargo Bank vision as published by them:

"This is about our vision for being known as one of the world's great companies. This is not a task. This is a journey. Every journey has a destination. To reach it, we have an ambitious vision — which is the character of our company in action: We want to satisfy all our customers' financial needs and help them succeed financially.

Our vision of financially satisfied, successful customers is based on a simple, time-tested premise. We believe our customers can save more time and money if — after carefully shopping around and comparing choices — they bring all their financial services to one trusted provider. Some people believe it's smarter to disperse risk by dividing their assets among a half-dozen or more providers. A laudable goal, but then what? They have to monitor the performance, ethics and reputation of a half-dozen or more providers. They waste time keeping track of where their assets are. They drown in monthly account statements. They can't take advantage of volume discounts. If you find one trusted provider that can satisfy all your financial services needs and save you time and money, why not bring all your business to that trusted provider?"<sup>1</sup>

1.[https://www.wellsfargo.com/invest\\_relations/vision\\_values/3](https://www.wellsfargo.com/invest_relations/vision_values/3)

Wells Fargo, it appears, understands the top two heaviest weighted Values from the matrix example above. They openly state their intention of being known as one of the best (World Class) and are committed to this as a strategy for the long run. Their mission/vision centers around providing value, saving time, and making it more Efficient for customers to do all their financial transactions and services in one place- with Wells Fargo.

The Value proposition, as emphasized by them, mentions volume discounts, but little else such as being the value benchmark for all of their products and services- this might get more of our customer's attention. The Timeliness value is mentioned prominently in the Wells Fargo statement but only mentions time saved after consolidating all the customer's financial business with Wells Fargo. Perhaps customers might become more aware of or receptive to this benefit if Wells Fargo can establish themselves as the 'fastest bank in town' for all their transactions.

'Commitment' (among the third highest weighted scores from the matrix) is mentioned in their Mission Statement as 'ethics and trust' but little is mentioned about how they will accomplish this.

Strategically, one might consider the question of what would happen if Wells Fargo cut their costs on all of their basic services and focused on providing faster service on all of their core repeatable processes. Would a subsequent emphasis on relationship development and capturing more of a customer's financial business might find more receptivity?

Market presence and power are felt more strongly when an organization's priorities and core mission are closely aligned with customer priorities, needs and expectations.

Further examination of 'My Local Bank' using the World Class Leadership Values Audit reveals an overall mean score of 6.75. Interestingly, Value was the lowest rated category (3.50). Although Timeliness and Efficiency were among the higher scores (7.50 / 7.75), they came close but did not cross over into the zone of customer satisfaction. Self Management received the highest World Class Value score (8.75), but unfortunately is not one of the World Class Leadership Values most important to the customer.

Question #8 relating to prices increasing disproportionately over time was tied as one of the lowest rated questions - seemingly indicating that this bank is missing the mark stated in its own mission/values.

## **Only One Data Point**

Of course this example represents a single customer's impression/data point only. The World Class Leadership Values Prioritization Matrix as well as The World Class Leadership Audit Of Customer Satisfaction should be completed by multiple respondents internally in the company, with trends and patterns statistically represented as the combination of evaluation by many. It would be remiss for an organization of any size not to also implement external customer surveys and focus groups based on these values to confirm that internal impressions are similar to those from actual customers. Internal assumptions are often proven wrong or not rated as severely when actual customer data is collected.

The World Class Values can also form the basis for much deeper, detailed inquiry. What for example, are the processes at Wells Fargo that customers find the most expensive, or the slowest? The more detailed the analysis, the more accurate the improvement intervention can be. Further detailed customer data collection can be 'zeroed in' with surveys, focus groups and interviewing that will provide even more rationale for making confident strategic decisions where needed changes may be indicated.

Collecting impressions from the entire management team or department internally can also serve the valuable function of stimulating rich discussion and educating and sensitizing internal employees and managers to the voice of the customer. This can be a healthy process which lays the groundwork for coming organizational changes.

## **Competitor Audit**

Most suppliers are very familiar with the level of competition in their industry, if not each individual supplier. Achieving greatness doesn't happen in a vacuum. It is always in comparison with the others who provide the same product or service. Using the World Class Leadership Values Audit comparatively, it will be easy to see where they are strong and you are weak, where you might have an advantage over them, and what aspects of satisfying customers you might have in common. Of course this process involves putting yourself in the shoes of the customer once again and objectively evaluating your competitors, integrating any other industry knowledge you may have about them.

Use the World Class Leadership Values Audit results to compare your scores, question by question, your overall mean scores and mean scores for each value set- side by side with your competitor. If there are several competitors, put the scores on a simple excel chart or other method. This will be very revealing.

Secondly, highlight the three heaviest weighted World Class Leadership Values from your prioritization matrix. Examine where you might be ahead or behind in the areas most important to customers. Even though optimizing your scores for each of the values is ideal, limited energy for improvement should be directed to areas which are a high priority for customers or where you can gain a specific advantage over your competitors.

You will find that this exercise develops an even deeper understanding of your customer than you ever had before.

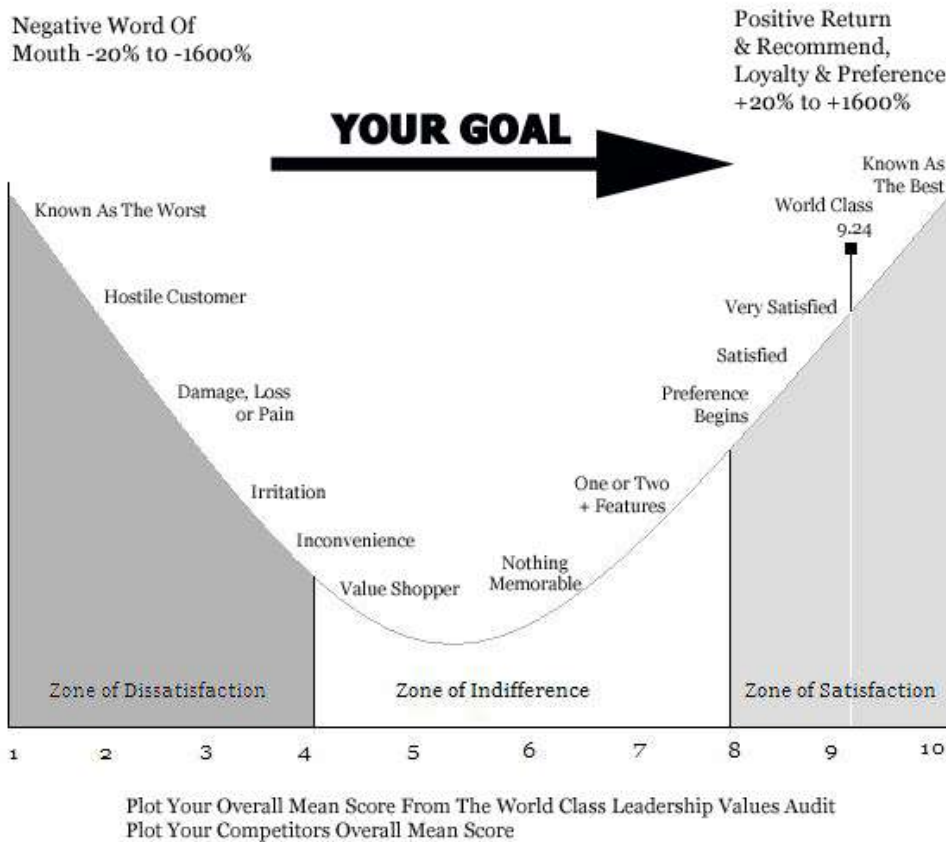
By comparing each of the World Class Leadership Values between you as the supplier and your competitor(s), you can easily determine where strategic leverage can be found. [Back To Top](#)

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## Chapter 6: Your Strategic Plan to Move Up The Curve

Strategic planning means you will integrate the findings and new perspectives you have gained from analyzing the World Class Leadership Values in your work or organization. The target is a continuously improving customer-supplier relationship where your overall scores on the audit are moving solidly into positive return and recommend rate territory with all accompanying benefits of increased sales, more positive reputation, and unsolicited referrals.

### Customer Satisfaction Behavior Curve



### Alignment with Core Mission

Once you have completed the World Class Leadership Values Prioritization Matrix, look at your own organization's mission statement to see how it matches with the World Class Values your customers want most. This exercise represents a deep fundamental look at your organization and its product and service line. You may find that a fresh look at your organization's mission statement is warranted. Many organizations morph over time and get out of touch with their original purpose. Some areas of activity may need to be eliminated completely to do a better job in more critical areas. Alignment with customer needs is critical to delivering them at World Class levels of satisfaction.

**If you are an individual employee**, you can craft a personal statement of purpose and re-examine the expectations of supervisors and team members within and outside of your particular department. Shifting your work and service around delivery of critical customer priorities might see you re-organizing your time and how you are working now.

### **Take a hard look at your customer relationships**

Are you creating Win-Win relationships with your customers? Is your business model based on single one-time transactions or a relationship over a long period of time? Where are the areas where customers might see a relationship with you as Win-Lose?

Do you exercise a monopoly-like sole supplier leverage over your customers? Would they choose you if they had other choices? Do you have a steady stream of customer complaints? Do you turn a deaf ear to customer suggestions for improvement or other obvious things you know you could or should fix?

Before embarking on an improvement plan to gain additional leverage in your market, get your big picture motivations to a place where you are proactive about creating actual satisfying relationships with your customers. No amount of 'tricks or gimmicks', 'magic bullets' or 'satisfaction science' is going to work for you if your business model continues to be fundamentally Win-Lose. Win-Lose relationships are not sustainable over time. Win-Lose customer supplier relationships are not World Class.

### **Embrace Benchmarking**

World Class Leadership is about creating a culture where the focus is improving in each of the values every way you can. This means having an accurate assessment of how you stack up against the competition. Some product, service, organization or individual represents the benchmark or best practice. Set yourself to thinking harder about improvement and how you can leverage each of the World Class Leadership Values to meet or exceed industry benchmarks.

### **Existing Customer Maintenance**

In a challenging business climate hanging on to customers can be a constant battle. Applying the World Class Leadership Values as a supplier is one of the smartest things you can do to keep the customers you've got. After accomplishing the various analyses here you will have a good idea of some things you might not be doing or fresh ways to make a positive impression on the customers you have now. Take the initiative now to let customers know you want a great relationship with them and show your interest and appreciation before it's too late. Most organizations depend upon repeat customers to sustain them.

### **Improvement Across The Board**

Your Strengths. Identify your highest rated World Class Leadership Values and determine how you can build on your strengths to make them even stronger. Make list of all the things you can do to go from good to great in the areas you are already strong in. Think of ways to highlight these strengths with customers who might not have noticed before. Tute your own horn. Emphasize how you do these things better than your competition. Build it into your marketing and sales efforts.



### **Your Weaknesses.**

The areas you have identified as lowest scoring need some attention if you are going to be moving towards World Class levels of customer satisfaction. Make a plan now to address the lowest areas first- especially where they are dipping into the zone of customer dissatisfaction. These low scoring areas are hurting your business, reputation and customer base. Get after these improvements right away.

### **Your Opportunities.**

Once you have performed a detailed and thorough analysis according to the World Class Leadership Values, you will have a good idea of your competitor's vulnerabilities. There may be areas where your satisfaction scores are similar and you have the opportunity to distinguish yourself by adding something or just being a little bit better. Areas where you have a significant advantage gap should be widened and exploited aggressively. Areas where you have achieved benchmark levels of satisfaction should be built into your marketing efforts as well to solidify your advantage.

Don't be afraid to use the World Class Leadership Values Audit on each of your product or service niches to narrowly identify the detailed desires of each separate customer group. Each customer group and sometimes each individual customer will have a different relationship with your organization, product or service. There may be specific attractive opportunities with just a few of your customers that you did not realize before. Make the effort to understand each customer group in detail and to somehow become a better supplier.

### **Your Threats.**

Industry trends, your own history, fierce competitors, and economic decline are all factors that might be pushing on you and your organization. Doing nothing is its own kind of threat. These World Class Leadership Values are one of the most powerful weapons you can use to fight back against the threats out there by making yourself more competitive, improving customer relationships, and compensating for your weaknesses. Examine your toughest challenges through the lens of the World Class Leadership Values and go on the offensive. With a detailed study of each threat, no matter how seemingly insurmountable, solutions will emerge if you are willing to take a long term proactive approach.

### **Energy and Motivation.**

The overall attitude and culture of your business, organization, or department might need to be rejuvenated if there is a history of complacency or mediocrity. Ask yourself if you as a supplier are focused solely on survival, just maintaining the status quo or if you have positive energy directed towards change, growth and improvement. Becoming a World Class supplier necessitates a serious commitment level and for organizations, the coordination of everyone's energies. If a large scale change is envisioned it will take a symbolic event, training, clear communication and leadership by example to re-orient everyone's priorities.

Make a plan now for how improvements, training, changes in policy, process, or procedure will be implemented in a well orchestrated organization-wide campaign to improve satisfaction and World Class customer-supplier relationships. [Back To Top](#)

## Chapter 7: World Class Leadership Self Assessment

### Are you a World Class Leader?

Let's face it, there are too many 'Leadership Models' out there to understand or keep track of. The assumption is that if you utilize or understand a particular 'style' the organization will magically fall in line around you and you will be celebrated as a highly influential hero. Great trick if you can pull it off. The World Class Leadership model is less about how you lead- and more about what you actually do.

The fundamental question is: Are you leading within your sphere of influence to create World Class Levels of Satisfaction with your internal and external customers?

The following assessment is meant to help you examine your own motivations and behaviors and to form a plan for self improvement that will make you a great asset as a supplier, as an employee or manager, as a business owner. (This instrument is also an effective employee evaluation that will give you serious insight into the value of a particular employee or manager).

Answer the following questions to get an accurate snapshot of your own level of World Class Leadership. Score yourself from 1 (lowest or least) to 10 (highest or most). Add up your scores at the end and divide by 35 for your overall World Class Leadership Personal Score.

1) I am committed to achieving a World Class level in my work, products or services that I am responsible for.

12345678910

2) I form win-win relationships with my customers.

12345678910

3) My customers are highly satisfied.

12345678910

4) I maintain long term relationships with my customers.

12345678910

5) I champion World Class Leadership Values in my organization and with those I influence, supervise or work with.

12345678910

6) I advocate for World Class Leadership Values with my suppliers and vendors.

12345678910

7) I advocate for accuracy in work/product/service delivery and getting it right the first time.

12345678910

8) I continually push myself and my constituents to the highest standards.

12345678910

- 9) I am known for providing work/products/services error free.  
12345678910
- 10) My work/products/services are among the highest quality available.  
12345678910
- 11) I provide work/products/service that has excellent value at a competitive cost.  
12345678910
- 12) My work/products/service provides long term value.  
12345678910
- 13) I am known for consistently delivering on time.  
12345678910
- 14) How I work saves time for my customers.  
12345678910
- 15) I give my customers as much time as they need.  
12345678910
- 16) I organize my work/product/service delivery for customer convenience.  
12345678910
- 17) My work/products/service delivery has a logical and sequential flow with a minimum of waste, redundancy or rework.  
12345678910
- 18) The environment where I interact with customers is clean, well organized, and aesthetically pleasing.  
12345678910
- 19) I make my customers feel safe and welcome.  
12345678910
- 20) Customers can reach me at their convenience through a variety of contact methods.  
12345678910
- 21) I make information and resources my customers require easily available.  
12345678910
- 22) I maintain a professional appearance.  
12345678910
- 23) I am consistently positive, courteous, attentive, and enthusiastic with customers.  
12345678910
- 24) I am committed to demonstrating an attitude of service with all customers.

12345678910

25) I demonstrate to my customer's that I have their best interests in mind for the long run.

12345678910

26) I am honest with customers and provide all information and details up front.

12345678910

27) I take personal responsibility and corrective action when disappointments occur or outcomes are not achieved.

12345678910

28) I promote teamwork and bring synergy to my work environment and those I work with.

12345678910

29) I make sure those I work with demonstrate excellent teamwork as they fulfill customer requirements.

12345678910

30) I am known for demonstrating best practices.

12345678910

31) I advocate for continuous improvement of all work/products/services/processes and systems

12345678910

32) I look for new ways of doing things and encourage customers and others' involvement in brainstorming improvement ideas.

12345678910

33) I keep up to date with and implement the latest developments and technology that will positively benefit my customers.

12345678910

34) I am aware of the benchmarks for my work/product/service delivery and strive to meet or exceed them.

12345678910

35) I receive positive feedback often about my World Class Leadership behaviors.

12345678910

Total of all scores\_\_\_\_\_ Divided by 35 for your Overall Mean Score\_\_\_\_\_

## **Interpreting your score:**

### **1.0 - 4.1 Damage Control**

Things are not going well around you and you know why. You're not satisfying customers, in fact just the opposite. With these scores you might consider whether you are in the right trade. Scores in this range represent a lack of commitment, and a lack of focus on the customer relationship. This general neglect might be interpreted as actual adversity towards the customer. Get busy and start fixing things if you don't want to develop a negative reputation or lose more business or support from the few customers you may have left.

### **4.2 - 6.2 Low Hanging Fruit**

These scores represent malaise and mediocrity, and nothing special or memorable with customers. Just getting by and maintaining are the descriptors here. Look in most directions and you will find things that need to be improved, a little bit or a lot. You may not be experiencing any sort of challenge to your position in the marketplace but don't think you are safe. As a leader you are not providing much to admire and therefore having little positive effect on customers or anyone else. Although the building is not burning down you are vulnerable to stronger suppliers taking your place and probably being welcomed by those around you.

### **6.3 - 7.8 Almost Good**

You are on the right track as a leader, and good things are happening. Just on the border line, there has yet to be consistently positive return and recommend rates and loyalty as a result of your efforts but it won't take much to get you there. Attack a few of your lowest areas and build on a few of your strengths and you should see customer satisfaction levels and customer relationships improving. These levels of World Class Leadership may feel comfortable and manageable, but you haven't made a strong enough commitment yet to get where you need to be.

### **7.9 to 9.3 Satisfied Leadership**

There will be evidence of your consistent practices, positive feedback and returning customers. You may in fact, be the benchmark in one or two areas and be creating very positive levels of customer satisfaction and building strong customer relationships. Don't get overconfident but you are doing well. Remember that you can still slide back to the previous zone if scores in just one or two areas drop unexpectedly. These are admirable scores and you will be the envy of most around you. It has taken work and commitment to get to this point, but an extra push in very strategic areas will get you to the top. Don't stop now.

### **9.4 to 10.00 World Class Leadership**

You're a great leader. The effects of what you do are known to many and you are considered a benchmark provider of your work, product, service, management or leadership. Your customers

are extremely satisfied and are spontaneously recommending you to others. You are most likely sought out as an authority and expert and your name is synonymous with quality. You are leaving the lion's share of your competitors, if you can even call them that, in the dust. Congratulations. Your success is speaking for itself. [Back To Top](#)



## **Chapter 8: My Personal World Class Leadership Improvement Plan**

### **My Sphere of Influence.**

If you are an elected leader or the CEO of a company your sphere of influence is large. Others might see their influence limited by their job description or position, by the size of their one person business or by other the constraints. The truth is we all have a combination of formal influence and informal influence.

**Formal influence** can be the people in your company or department that you individually supervise or the employees of your own company. You can also influence customers directly that you interact with- these can be internal customers such as your boss or a sister department that uses your work product. When you interact directly with the external customers you or your firm delivers a product or service to, you have the opportunity to influence them by demonstrating World Class Leadership behaviors.

**Informal influence** is the influence you exert by participating with others at work or in your industrial community, by demonstrating World Class standards and acting as an example. Your consistent World Class level of performance will be the yardstick which your fellow employees or even your competitors measure themselves against.

Since all relationships at some level, are customer-supplier relationships, it will help to map these relationships and the environment in which you have the opportunity to demonstrate World Class Leadership.

### **Take a moment to map your sphere of influence.**

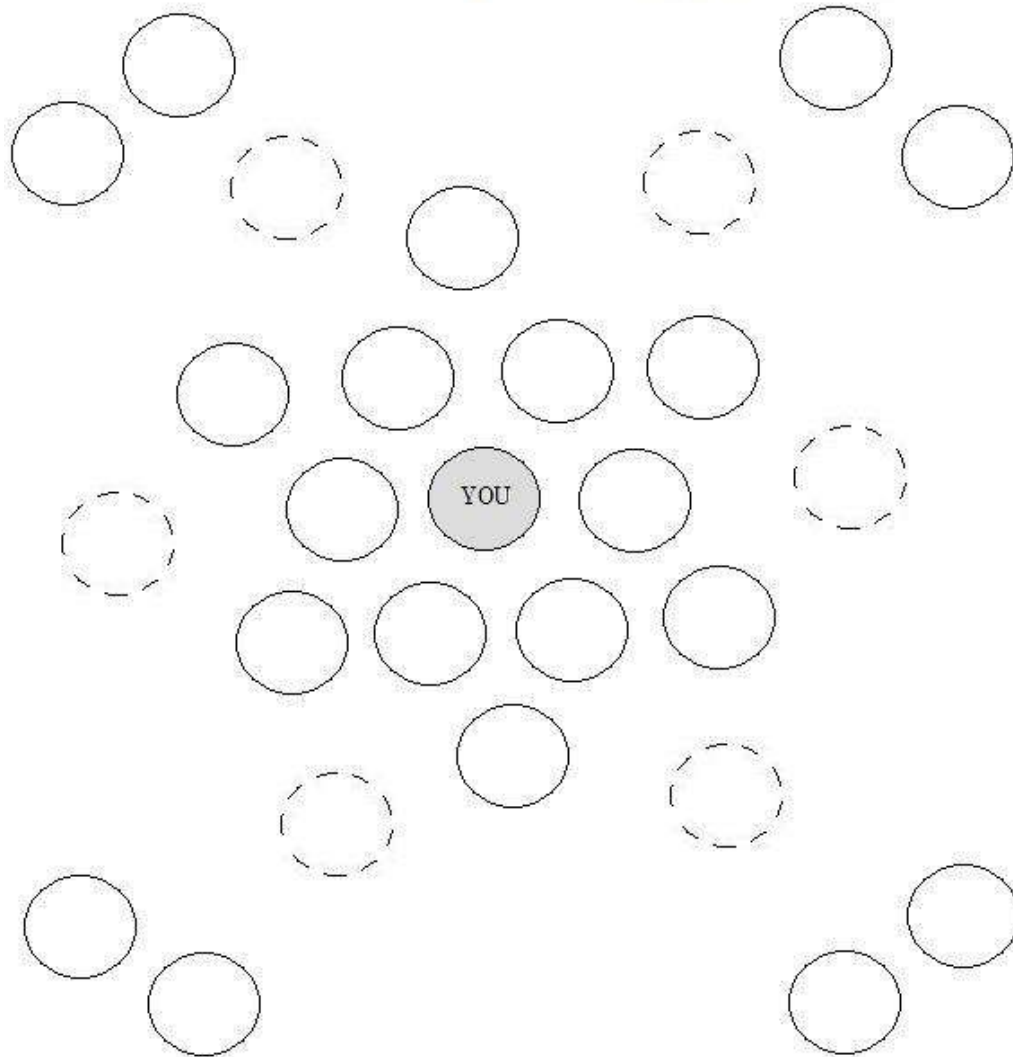
How to use your World Class Leadership Sphere of Influence Chart

**Directions:** This free form tool is designed for you to get an overall picture of:

- a) Your closest relationships or those that you have an ongoing customer-supplier relationship with, typically employees or coworkers, bosses or supervisors, constituents or key long term customers
- b) Temporary relationships- perhaps those with external customers of your product or service which are more transactional or short lived,
- c) Relationships with groups, associations or networks you are involved with or regularly exposed to, and
- d) Vendors and suppliers and others who might be part of your supply chain

Ideally, you might want to have several 'Sphere of Influence' charts. One for your business or professional relationships, one for your personal and family relationships, or perhaps even one solely dedicated to the range of external customers or accounts you manage. This tool is flexible and there are few rules except to understand that its purpose is to help you understand how you are impacting and influencing the environment around you. There is no requirement to fill in all of the circles- add more if you need them.

## World Class Leadership Sphere Of Influence Map



### **1. Identify your closest relationships.**

Perhaps these are bosses or supervisors, board members or department heads if you are a CEO, technical or functional partners or just those you depend upon or work closest with on a frequent basis. Fill their names in the closest circles next to the center which represents you.

### **2. Add others in the appropriate circles further away from the center as you see their relationship with you.**

Perhaps one of your goals will be to move some of these relationships closer to the center over time- more about that later. Feel free to add additional circles where needed.



**3. The circles with the dotted lines represent temporary relationships.**

These are mostly used to represent individual client contracts important to you, but which are short term by their nature. (If you have a steady flow of different groups of customers for different product lines, this relationship should be in a solid circle, since for you it continues). These relationships might be particularly important for you to give specific attention to now (even though maintaining long term customer relationships is a goal and outcome of WCL practices, not all customer relationships will be repeatable or have longevity) .

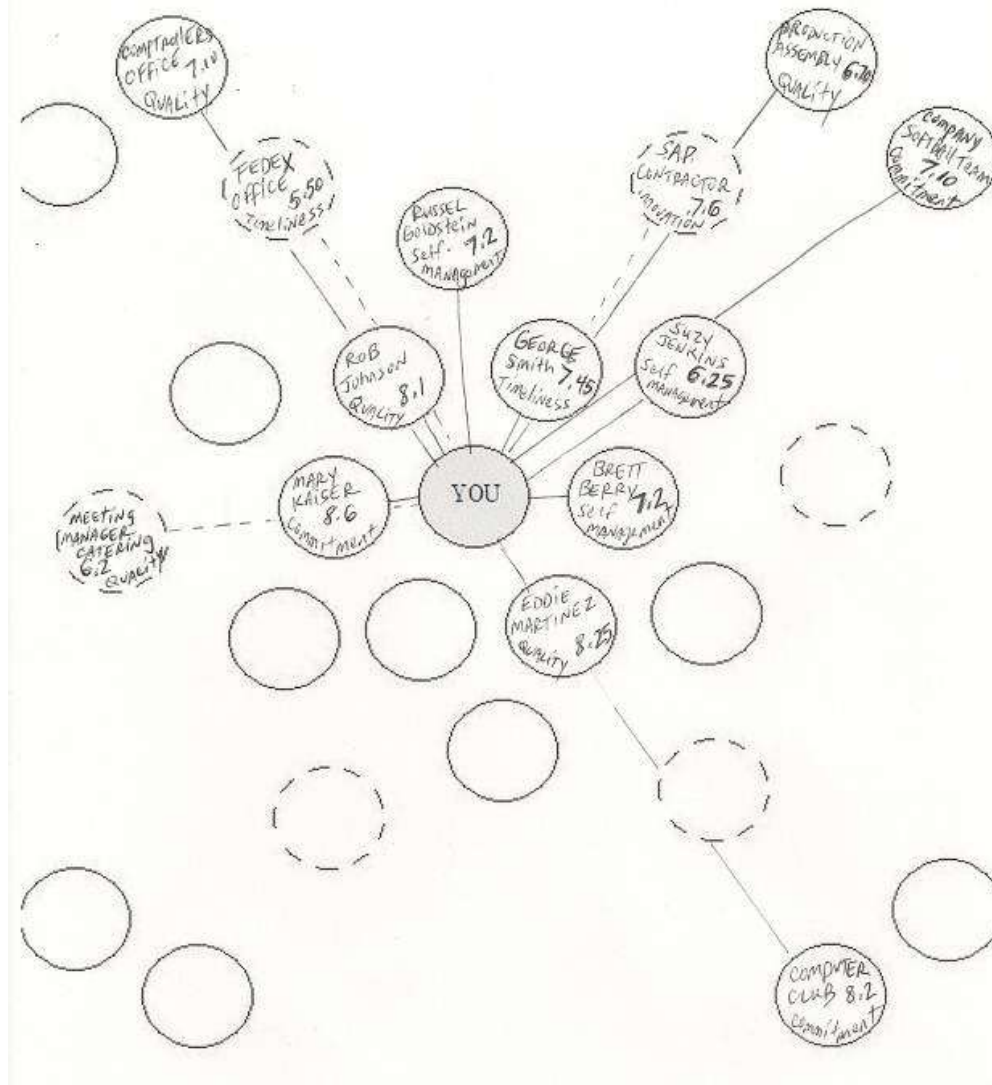
**4. Add associations, groups, or infrequent communities which you interact with on the peripheral circles of the chart.**

These might be your professional association, regulators, volunteer project teams, study groups, chambers etc.

**5. Add more data by writing in the one value that you need to work on the most with that particular relationship.**

This will give you a continuous reminder of what to focus on for results or change. You might see patterns emerging with the same types of shortfalls in many relationships- good information for you. You'll want to keep this particular chart in a private place.

## World Class Leadership Sphere Of Influence Map



### 5. Now for the work.

Complete a relationship profile form on each of the relationships you have listed, starting with the closest or most important and working outwards. Put the current relationship mean score in the circle along with each person's name as you complete it.

## World Class Leadership Relationship Profile Form

Customer Name George Smith Relationship Type Boss Date 02/15/10  
 Current World Class Leadership Overall Satisfaction Mean Score 7.45

|                                            | Current WCL Value<br>Self Rating (1 - 10) | Actions I can take to improve in each area:                                          |
|--------------------------------------------|-------------------------------------------|--------------------------------------------------------------------------------------|
| Quality                                    | <u>8</u>                                  | <u>Fancier Report Graphics</u>                                                       |
| Value                                      | <u>7</u>                                  | <u>more detailed analysis section of reports -</u>                                   |
| Timeliness                                 | <u>6.5</u>                                | <u>Better project planning, set up reasonable templates, get assignments sooner.</u> |
| Efficiency                                 | <u>7</u>                                  | <u>centralize file storage</u>                                                       |
| Environment                                | <u>8</u>                                  | <u>LABEL BINERS with project versions</u>                                            |
| Connection                                 | <u>9</u>                                  | <u>make reports available online</u>                                                 |
| Self Management                            | <u>8</u>                                  | <u>Be nice to SVZY</u>                                                               |
| Commitment                                 | <u>7</u>                                  | <u>ASK BOSS to include me in the loop so I can anticipate his needs better</u>       |
| Teamwork                                   | <u>7</u>                                  | <u>work better with SVZY - let her know why I need faster printing - BINDING.</u>    |
| Innovation                                 | <u>7</u>                                  | <u>make report templates connect to other documents online.</u>                      |
| Total divided by 10 for overall mean score |                                           | <u>7.45</u>                                                                          |

Expected Benefits Of Improving Satisfaction In This Relationship: LESS STRESS  
BOSS TRUSTS me more for other assignments, higher level work.

Potential Damage Or Loss If I Don't Improve This Relationship:  
GET DEMOTED OR TRANSFERRED OR LOSE JOB.

Most Critical Area (To Save Or Maintain Relationship) That Needs Improvement:  
TIMELINESS - Complete projects faster / on time / before deadlines

Other Help, Assistance Or Cooperation I Need From Others To Improve This Relationship:  
SVZY PRINT + BIND MY REPORTS SAME DAY REQUESTED.

Aspects Of This Relationship I Would Like My Customer To Change:  
Tell me ABOUT ASSIGNMENTS SOONER so I can plan workload better.

Results I Will Be Able To Measure When This Relationship Improves: RAISE + MORE RESPONSIBILITY

Notice that this example is an 'internal customer' relationship between an employee and his boss. The same analysis can be applied to external customers, vendors and all of your other customer-supplier relationships. The goal in optimizing your sphere of influence is to optimize each of these relationships to be Win-Win, and to create higher levels of satisfaction- eventually reaching World Class Satisfaction levels.

Print the blank form and use it to evaluate each of your relationships:

## World Class Leadership Relationship Profile Form

Customer Name \_\_\_\_\_ Relationship Type \_\_\_\_\_ Date \_\_\_\_\_  
Current World Class Leadership Overall Satisfaction Mean Score \_\_\_\_\_

|                                               | Current WCL Value<br>Self Rating (1 - 10) | Actions I can take to improve in each area: |
|-----------------------------------------------|-------------------------------------------|---------------------------------------------|
| Quality                                       | _____                                     |                                             |
| Value                                         | _____                                     |                                             |
| Timeliness                                    | _____                                     |                                             |
| Efficiency                                    | _____                                     |                                             |
| Environment                                   | _____                                     |                                             |
| Connection                                    | _____                                     |                                             |
| Self Management                               | _____                                     |                                             |
| Commitment                                    | _____                                     |                                             |
| Teamwork                                      | _____                                     |                                             |
| Innovation                                    | _____                                     |                                             |
| Total divided by 10<br>for overall mean score | _____                                     |                                             |

Expected Benefits Of Improving Satisfaction In This Relationship:

Potential Damage Or Loss If I Don't Improve This Relationship:

Most Critical Area (To Save Or Maintain Relationship) That Needs Improvement:

Other Help, Assistance Or Cooperation I Need From Others To Improve This Relationship:

Aspects Of This Relationship I Would Like My Customer To Change:

Results I Will Be Able To Measure When This Relationship Improves:

Some might think it Machiavellian to attempt to manipulate relationships for some desired outcome using this approach, but this is not the case. The World Class Leadership approach to improving one's customer supplier relationships is a scientific process that starts with a baseline of where you are now, identifies hypothesis for improvement, implements those improvements

and evaluates for measurable results afterwards. **The goal is an excellent customer-supplier relationship.**

Applying this method is actually a very considerate and methodical way to improve yourself and your relationships with others, whether it be co-workers, supervisors, suppliers, or external customers. This World Class Leadership focused method starts with healthy self awareness and motivates you towards your own self improvement.

In our example above, the benefits of improvement are clear to the employee supplier of reports to his boss, George Smith. It is also clear that there will be penalties if the relationship is not improved. These factors provide the rationale for improvement for our employee. Timeliness is the biggest issue this employee needs to focus on most, even though there are other potential improvements to be made in other areas. Often, as in this example, it will be necessary to get the cooperation of others in the supply chain to make changes or improvements for a better result.

This form also includes a look at what the customer can change or improve that might result in a better outcome- in the customer's own best interest. In our example, It will probably be easy to convince the boss to inform our employee about his need for various reports earlier to help them get done on time.

Measuring whether improvements have worked should have an identifiable and measurable outcome to confirm later that the improvement has had an effect. If this employee is successful at making needed improvements to his report writing process, he expects to have less stress from his boss, and to get additional, higher level assignments.

As you review each of your key customer-supplier relationships, patterns should emerge that confirm your World Class Leadership Self Assessment scores. If these two modes of analysis don't have a high correlation, perhaps you need to map your sphere of influence first and then complete the Self Assessment second with each specific relationship in mind.

Patterns you have identified will show you where there are some areas that you are consistently weak in, or that are perhaps the hardest for your style and personality to accommodate. It should also confirm the areas that are natural strengths for you.

The idea with all of the intervention and improvement strategies outlined in this book is use of the simple Deming Cycle<sup>1</sup>- (Plan Do Check Act) which is fundamentally based on real self assessment data as a baseline, taking action in needed areas, checking for improvement results, and continuing to apply and tune your implementation of the World Class Leadership Values for excellence and success.

1. Deming, W. Edwards. Quality, Productivity, and Competitive Position or Out Of The Crisis. MIT Center for Advanced Engineering Study, 1982.

**At your core, making the choice to become a World Class Leader is a very significant decision.**

You will be looking at the world with enhanced lenses and a set of filters that will over time, set you apart from the rest. Continually choosing a correct and corrective course of action in small ways and in large ones will build momentum towards creating excellence. The effect you create over time will have a positive influence on your cultural environment, your business, and the

relationships with those you serve. Your reputation will improve, your priorities will be aligned with performance and your results will speak for themselves.

You just have to do it--consistently.

## **World Class Leadership Personal Improvement Plan**

### **WCL Overall**

My vision for myself as a World Class Leader (describe what you will look like, how others will react to you, what you will achieve etc.):

The benefits of implementing a high level of World Class Leadership in my personal and professional life are:

My strongest World Class Leadership Values overall are:

Actions I can take to increase my WCL strengths even more include:

My weakest World Class Leadership Values overall are:

Actions I can take to improve my WCL weaker areas include:

### **Customer Relationships**

List your most important five customer relationships (individuals or groups) in order of your own priority, significance or impact. List their WCL mean score from the Relationship Profile Form.

Describe what you might need to do to make sure the relationship will survive.

Describe what you might need to do to maintain the relationship in the range of present satisfaction levels (plus or minus .50 mean score).

Describe what you might need to do for this relationship to evolve to a positive level of satisfaction (7.9 or higher) or grow towards World Class (9.24 or higher!)

Describe how you will recognize and measure positive growth in the relationship.

What other steps can you take to develop yourself as a World Class Leader? (Training and education, reading, seminars, find a mentor, research, try something new, etc.?)

What will you do to make sure that you maintain/schedule a continuous proactive effort in developing yourself with World Class Leadership? [Back To Top](#)

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## **Chapter 9: Leading A World Class Leadership Culture**

You can only lead others where you yourself are prepared to go.”

-- Lachlan McLean

You understand what World Class Leadership means. You have the opportunity to influence others as a business owner, manager, supervisor, department specialist, front line employee, CEO, small business owner, homemaker, elected official, government functionary or volunteer in a non-profit organization. Making a World Class Leadership Impact across organizational cultures and the environments in which you function means addressing:

- 1) Processes and Systems
- 2) People- Communication, Training, Empowerment, Teamwork
- 3) Relationships with Customers
- 4) Your Individual Commitment To Demonstrating World Class Leadership.

### **Processes**

As the old saying goes "What gets measured, gets done.." World Class Leadership is the process of creating a baseline measurement and continuously improving the ten factors that will influence customer behaviors that will result in positive outcomes such as increased sales, beating your competition, repeat business, and all of the good things your customers do when they are happy and satisfied. Maintaining a focus on what could be argued as, the most critical set of business success factors, means setting up systems to measure and monitor what is actually happening in your entire customer-supplier relationship supply and value chain.

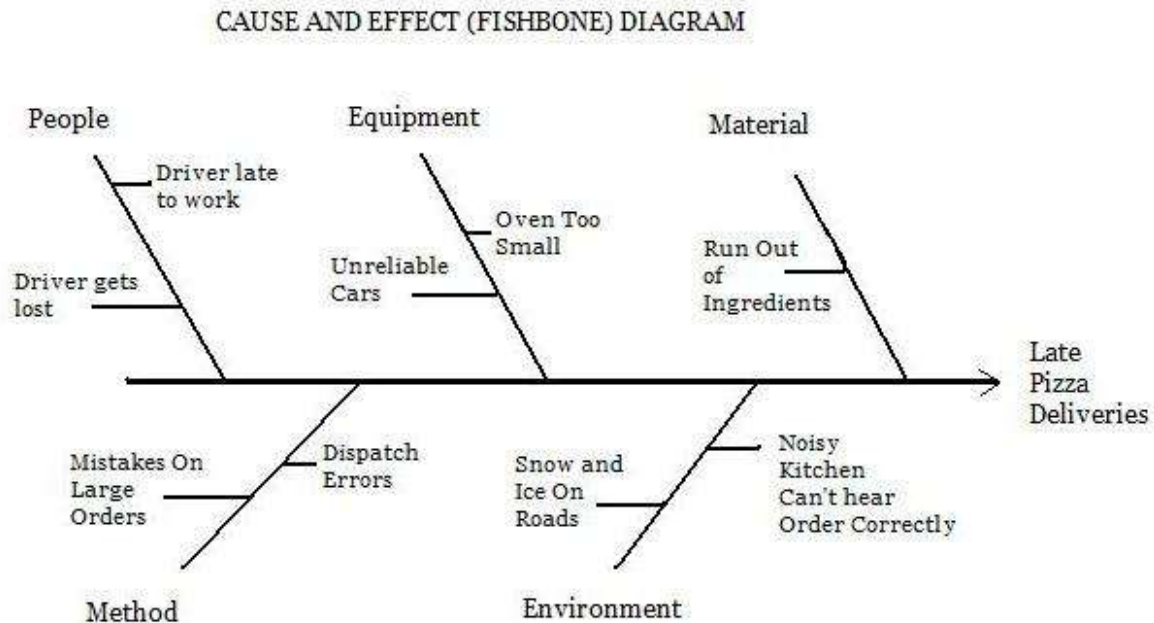
After performing the World Class Leadership Audit, you will naturally want to drill deeper into your processes to see what they look like now, and the root causes that you can attack to improve them. Process mapping might be a good first step.

The simple act of defining the steps in any part of the supply chain on the way to the actual customer transaction could be revealing. By constructing a basic flowchart of the way a process looks today you will be able to see the logic, or lack of logic in the order of steps, extra or redundant steps or re-work, inspection or checking steps that can be eliminated by better process design, how much time individual steps are taking, where process bottlenecks regularly occur, or when interdepartmental handoffs seem to cause things to slip between the cracks. Your focus can then lead to analysis of the root cause for problems in a particular part of your process.

A cause and effect diagram is a simple yet elegant tool for determining the root cause of variation, gaps, defects or errors in a process. A 'fishbone' diagram is constructed listing five factor categories that might be influencing the problem: People, Material, Equipment, Method,



and Environment. Each of the branches of the cause-effect diagram is dedicated to analyzing the potential factors in each category that might be the cause of the problem.



Are the **people** involved making some kind of mistake or error? Are they trained adequately, are they prioritizing the specific outcomes you are looking for? Are they giving the process appropriate attention? Is their personality or negative behavior impacting the process?

Is the **material** you are utilizing the quality it needs to be or is it somehow defective? Is it a 'garbage in' scenario where the rest of the process is designed around compensating for poor initial quality or defects in material? Are you monitoring the quality of material inputs, managing supplier and vendor quality etc.?

**Equipment** utilized by the process might need to be updated, recalibrated, thrown away completely or serviced. Repetition of problems from defective or inefficient equipment, or tool wear can be a continual stressor that might be easier to fix once and for all.

**Method** is really the intricate order of steps in the process, specific approach, and your 'way of doing things'. Benchmarking others can be a critical and objective way of helping you to examine where there are improvements to be made in 'how we do things around here'. If you haven't questioned your processes from a zero based outlook (completely fresh look, totally objective, fundamental questioning) in a while - or ever--then it is probably time. World Class Leader hip is about continuously looking for ways to improve in all areas.

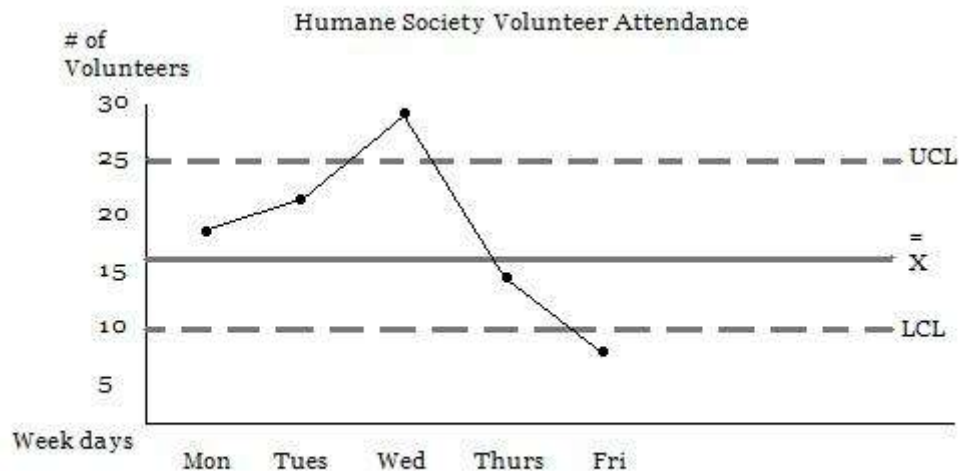
**Environment** can also be a contributing factor that impedes a process. Cleanliness, interruptions, disorganization, local politics, stressful conditions, too crowded, temperature, humidity, too much noise, bad lighting and more can influence processes in subtle and unexpected ways to affect outcomes and results.

## Control Charts

Another way to recognize sources of variation in a process over time is the control chart.

It is often important to focus attention on detecting and monitoring process variation over time and can be used as a guide for local or management action or as a tool for on site, ongoing control of a process. Control charts help processes to perform consistently and predictably for higher quality, lower cost and higher effective capacity while creating a common understanding and language for discussion process performance.

Control charts can be used for variable data (plotted on a continuous scale such as time, temperature, cost etc.) or attribute data (shipping errors, waste, absenteeism etc.). Without getting into a complex discussion of control charts here, the basic concept is that there is an average or mean level of performance of the process such as: number of volunteers that show up at the Humane Society Animal Shelter on weekdays.



The process has upper control limits (the most the shelter has ever handled is 25 volunteers showing up at once) and a lower control limit - (there are always at least ten volunteers that consistently come on any given weekday). As these numbers are monitored over time, an 'in control' process would be a weekday with anywhere from ten to twenty volunteers. If there are fewer than ten, or more than twenty five, then this represents an event that 'stands out' for further attention. Why did only seven volunteers show up on a particular day? Why did twenty nine show up on another day?

Regularly analyzing the causes of variation vs. the trends over time will naturally lead you towards understanding or eliminating the special causes of variation. You can form a hypothesis for what needs to change, test the changes and monitor whether or not results are different. Over time, as you tinker and adjust your processes with increased attention and focus you should be able to tighten your control limits so more of the events that occur are closer to the average. This level of increasing process control will allow you to be more consistent with customers especially where it counts. There is a lot more to learn about control charts, designing them correctly and analyzing them accurately that goes beyond the scope of this book, but anyone

interested in tight control of repeatable processes- especially those affecting World Class Leadership could benefit by learning more. 2

2. SPC Simplified-Practical Steps To Quality, Robert T. Amsden, Howard E. Butler, Davida M. Amsden, Quality Resources, White Plains, New York. 1989.

### Systems

Systems provide the valuable data stream of information and measurement that can be used to manage and control performance and delivery of the World Class Leadership Values. Becoming familiar with the World Class Leadership Values will help insure that you are monitoring the right things. There are many types of systems<sup>1</sup> that can be created to continuously measure and monitor the WCL Values.

1. Many tool descriptions excerpted from The Memory Jogger, Tools for continuous Improvement and Effective Planning, Michael Brassard & Diane Ritter, GOAL/QPC, Methuen, MA 1994.

### Check Sheets

Check sheets are simple methods of counting or accumulating data. Number of complaint calls, number of adopted pet returns, which day of the week more retail customers come in the front door and at what times, number of sales calls made to each region, which items sell the most for breakfast, how many times the cashier says "good morning" and similar types of data can be systematically recorded and compiled-mostly by front line operators. Historical data can also be added to check sheets where it is available. Check sheets help build a clear picture with each observation of the real facts that help patterns in the data become obvious quickly. Check sheets are designed to be clear, complete and easy to use. Check sheets are often a vital part of a complete detailed analysis of a particular key performance indicator.

Breakfast Orders	March			
	1	2	3	Ttl
Burritos	ll	lll	lll	8
Pancakes	llllll	llllllllll	llll	23
Scramb Eggs	llllllllllll	llllllll	llllllllllll	39
Bagel Plate	llllllll	llllll	lll	18
Steak n Eggs	llll	llllll	llll	15
Total	38	41	24	103

### Key Performance Indicators

KPI's have a number of complex definitions depending upon the industry, but the central idea is that there are a few heavily weighted or high leverage important factors where you really want to

'watch that basket'. After examining your organization through the lens of World Class Leadership you may determine for example, that shipping your product within twenty four hours is a critical factor that leads to re-orders if you do it on time, or loss of customers if you are late. Monitoring order fulfillment time is very important and therefore one of the systems you want to set up to monitor closely. After in depth analysis of your organization, and a little brainstorming and creativity, you should be able to identify critical areas within your own product or service delivery systems.

## Dashboards and Scorecards

A collection of your 'Key' or 'Critical' Performance Indicators can be combined in your own customized 'Dashboard' or 'Scorecard' report. Large corporations use highly developed and well integrated systems of analysis for near real time feedback across the entire organization. Without hiring a team of consultants to build a super sophisticated system, you can measure and monitor World Class Leadership relatively easily.

There are many things you can combine in a report that should be easily accessible so information can be shared and evaluated by all those involved. The frequency that the dashboard is updated depends upon how quickly you need to know when one of the needles goes into the red zone and how quickly you can do something about it before the machine overheats. Dashboards and scorecards are great monitoring tools as long as everyone agrees on what needs to be measured and is in agreement about what represents the green, yellow and red zones.



## Strategic Planning

World Class Leadership Values as a set of key performance metrics need to be integrated into the annual Strategic Planning process for any organization, preferably with quarterly reviews. It is too easy for organizations to get caught up in the trees of production and delivery detail, contracts, financing and the like without taking a step back to examine the fundamentals of their customer-supplier relationships.

"What can be done to improve?" is an ongoing conversation in each department rather than a once a year event. The annual strategic planning process may be where next year's budget allocations are decided but it shouldn't be the first time everyone sees the World Class Leadership data that effects their department or job function related to customer satisfaction.

An effective weekly system of collection, integration, and analysis of strategic WCL data can be 'rolled up' into a strategic report with macro trend analysis, return on investment, and projections for increased sales and the like according to identified trends. This will be a welcome component of any organization's 'current state analysis' component during the annual strategic planning process.

### **People- Communication, Training, Empowerment, Teamwork**

One task of leadership is not to put greatness into people, but to elicit it, for the greatness is there already. -John Buchan

If you are a supervisor, manager, boss or company owner, driving World Class Leadership means involving, guiding, and influencing others. The larger the organization, the more apparent it will be that you can't do it on your own. Communicating what's important needs to happen clearly, repeatedly and often.

How else will employees and coworkers know what the priorities should be? Clear and common understanding is the beginning of alignment. Alignment is the beginning of coordinating everyone's efforts in the desired direction. Competitiveness as an organization comes from this alignment.

A big part of what needs to be communicated to the workforce with World Class Leadership are the connections between each employee's job and the delivery of World Class levels of product and service delivery. Each needs to understand that not only is their job important but what the key performance indicators are for their work product that relate directly to a specific positive or negative effect the customer will experience. Without this understanding, employees might waste time and energy in wrong directions.

A janitor mopping the hospital floor was asked what his job was. "I am preparing a super clean environment where World Class medicine can be practiced. They can't do it without me." From the FedEx driver who knows he absolutely has to get it there on time, to the customer service department who knows which items are in stock in the warehouse for overnight shipping in an emergency, all employees need to feel a direct connection to the customer.

Training in the values of World Class Leadership is beneficial for everyone in any organization. Having a common language and awareness of the factors that will positively influence customer satisfaction will save time and energy by making various decisions in regards to what's important- obvious throughout the supply chain. Employee focus will shift from the confusion of detailed work standards to the focus of satisfying the customer as the top priority.

Awareness of the impact of individual employee behaviors and more clarity about 'what the boss is looking for and why' will add a new level of productivity and lessen mistakes and rework. It might sound trite, but embracing the World Class Leadership Values on an individual worker

basis will add pride in workmanship and clarity of purpose that helps with individual worker self esteem, and a feeling of involvement and ownership.

World Class Leaders are promoters of teamwork in the organization, and want to leverage the synergy of the workforce to focus on becoming World Class. These leaders know that employee involvement works. Employees should be involved in brainstorming process improvements, examining trends in data, and celebrating when higher levels of performance are achieved when focusing on World Class Leadership improvement efforts.

Collaboration between departments can be built by reviewing WCL results together especially when it is apparent that interdepartmental hand offs could be improved. Objective data has a way of quieting office politics and differences by helping everyone focus on the critical values tied to the organization's success and creating excellent customer supplier relationships.

Once the World class Leadership Values are understood and prioritized, Individual employee and manager performance reviews can include a connection to improving vital metrics for on time delivery, error free processes, staying within control limits, increasing customer satisfaction survey scores, repeat orders, raising number of unsolicited new customers and a host of other positive performance metrics. Measuring, and rewarding World Class Leadership Values builds them into the DNA of the organization.

## **Relationships With Customers**

*“Customers want to have a relationship”*

World Class Leadership means gathering real customer data so you can perform at the highest levels. Customer Satisfaction Surveys can be designed to happen once a year, be included with every box shipped for a continuous data stream of feedback, or be implemented as high involvement focus groups and interviewing for a more in-depth understanding of customer preferences, impressions, wants and needs. In any case a complete set of World Class Values of Satisfaction should be included to create a complete picture of customer impressions.

Satisfaction measurement can also prompt for comparison with competitors, market research, new product introduction ideas and reasons why the customer doesn't shop with you anymore. Ideally a systematic satisfaction data methodology can include multiple components and be administered throughout the year in different ways.

When it comes to the customer relationship *World Class Leaders* get depth of understanding including comparison with competitor's products and services.

Customer Satisfaction data is strategic data. *World Class Leaders* will have improvement targets for each of the ten WCL Values, have a relationship improvement plan in place and be working it- in the normal course of doing business. Eventually the organizational culture will shift to a World Class customer-focused culture. This is where the real magic happens. When employees and managers go from understanding of customer satisfaction priorities to using their own initiative to do the right thing- your organizational culture will have changed for the better.

## **Your Commitment To World Class Leadership.**

"You can only lead others where you yourself are prepared to go."

Whether you are a fortune 100 CEO, a frustrated mail room clerk, or counting the last weeks until your unemployment benefits run out you'll have to make a big decision- if you are going to do 'World Class Leadership'. Like Moses, you need to go to the mountain and have a good long talk with the guy up there- or whatever your process is, and decide if you are going to come down with some tablets or not.

From up there on the mountain you can see the need pretty clearly, the potential, and the route. That walking across the desert for forty years part looks pretty intimidating though. You know the saying about anything worth doing.. but will you do it?

Maybe there is some leverage you can implement to be able to rationalize this for yourself and to make swallowing a pill this big, a little easier:

- 1) Realize that time will go by at the same rate, your organization, or company already has a speed and trajectory established. Doing nothing differently will take a certain number of calories anyway. Why not expend your calories on becoming excellent?
- 2) Things are probably not all bad. You won't have to reinvent or fix everything, certainly not all at once anyway. The key is to begin, look for low hanging fruit and get some momentum going. Implementing World Class Leadership is a process, and achieving World Class Status is a very specific destination. When you get there is all about how hard you work the process.
- 3) The possibility definitely exists that this will not only work, but will work well when you keep after it. You could achieve levels of success that you did not dare think were possible in the past. World Class Leadership is a statistically reliable and robust business excellence methodology that will work for you-- if you work it.
- 4) It is inherently more satisfying to be in the hunt for excellence than to feel like tomorrow is another day of mediocrity. It is exciting for everyone, especially once you get going. Your customers will experience you relating to them differently, your employees will find new purpose in their work, each department will gain a refreshed sense of what's important,
- 5) Ok now don't get too big of an Ego about this, but if you implement World Class Leadership, you are a leader and will be standing for excellence. Not only is that a big responsibility, but it will have the effect of other's looking to you for answers, guidance, and yes- Leadership. You'll be equipping yourself and those around you to compete hard, raise the quality of everything you do and keep focused on it.

When you eventually integrate these philosophies into your ken, you will start to see WCL as the answer to many things. When others ask, "What the heck can we do about 'X'? You are going to have answers, and insight into not only symptoms of problems but insight into root cause oriented solutions. Such is the universal nature of this foundational wisdom.

- 6) You can sleep better at night knowing that implementing World Class Leadership in your organization, small business, department, low-level job or personal life is the right thing to do.

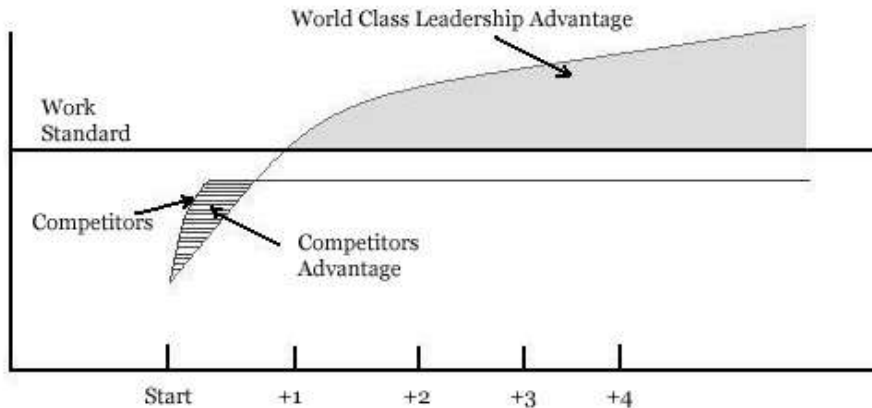
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## Chapter 10: The World Class Leadership Advantage

World Class Leadership applied over time will have a consistently positive effect.

This chart represents the long term effect of applying this World Class Leadership Approach. Initially, competitors start out ahead. With a continuous competitive focus and an eye on the current standard, World Class Leadership focused organizations will in time, become the benchmark. The way this curve sustains itself is with unwavering commitment.



So what will it take for World Class Leadership to take hold, and become widespread?

Mostly, individual commitment. Various organizations will discover the benefits of competing more effectively and will emerge as examples of excellence and success. Successful CEOs will receive positive business press for turning their company around. Others will want to emulate them.

Individuals will be recognized for dramatic improvements in production and service.

Small businesses will become known as the best. Customers and entire markets will migrate, as they always do, to the suppliers that best anticipate and meet their needs and exceed their expectations.

Organizations and institutions of all kinds will get their mission and values aligned with key customer needs and do a better job of competing on the basis of what customers really want- and beat their global competitors while doing it.

Are you ready for World Class Competitiveness? Will you embrace the wisdom of World Class Leadership and get into alignment with your customers -- and then exceed their expectations?

I hope we'll be hearing great things about you.

--Bart Allen Berry

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## About The Author



**Bart Allen Berry** is a veteran organizational consultant and founder of 28 year old San Diego Corporate Training. Bart has worked with hundreds of organizations worldwide from large multi national corporations and government to international manufacturers and entrepreneurial start-ups. Bart has operated his own company corporate learning centers in San Diego, Palm Springs, Newport Beach and Baja Mexico.

Bart specializes in Team Development and Experiential Learning, Strategic Planning, Leadership Development, Quality Management, and Customer Satisfaction. Bart was a founding faculty member with UCSD's Executive Edge Leadership Development Program for CEO's and has taught for many institutions including UC Riverside, University of Redlands, University Of Denver, and The University Of Humanistic Studies and many internal corporate learning departments.

Bart is credited with being the first to bring corporate experiential learning technology for team and leadership development to Mexico, The Republic of Korea and The Sultanate of Oman. Bart's clients include Sony, Mattel, American Express, Tyco Healthcare, Merck, Ritz Carlton, The Central Intelligence Agency, US Navy, Department Of Energy, US Air Force, EG&G, Dyncorp, Proxima, and hundreds more.

Bart offers speaking, half day and full day training programs for your company on the Path To Excellence World Class Leadership material in this book.

For more information go to <http://www.BartAllenBerry.com>

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