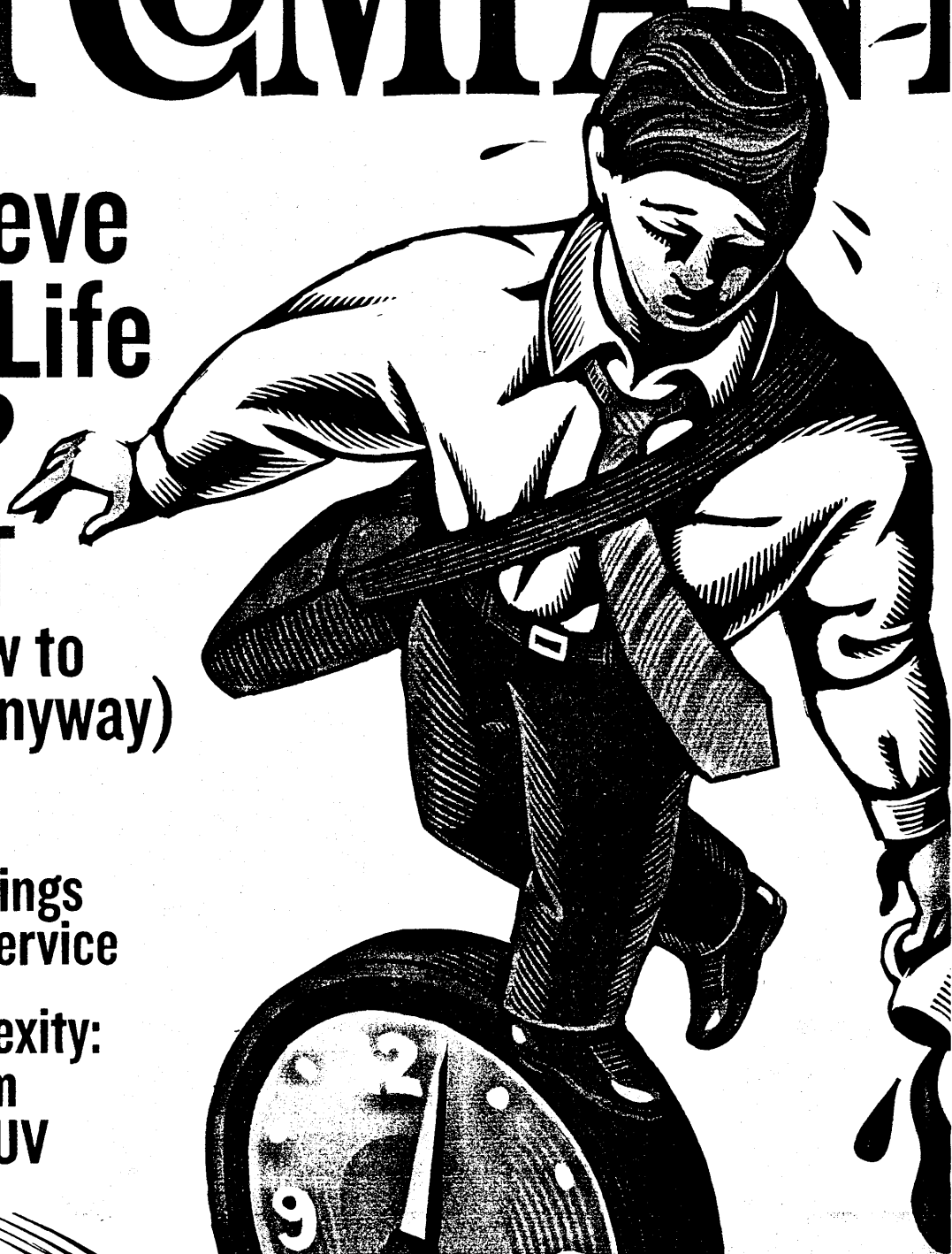


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CUSTOMERS



2004

YOU'D THINK IT WOULD BE OBVIOUS: TAKE CARE OF THE FOLKS WHO MATTER MOST—THE ONES WHO PAY THE TAB. BUT TRULY CUSTOMER-FOCUSED COMPANIES ARE SADLY RARE. AND SO FAST COMPANY IS CELEBRATING THOSE THAT GET IT RIGHT.

Meet the **LEADING LISTENERS**, companies that use feedback to make things better; the **CUSTOMER-CENTERED LEADERS**, who create a culture that's dedicated to service; the **PROFITABLE PLAYERS**, who know that investments in service really pay off; the **HIGH-TECH ACHIEVERS**, companies that use technology not just to replace the human element but to improve the experience; and the **EMPLOYEE INNOVATORS**, who understand the inextricable link between good employees and happy customers.



PUTTING CUSTOMERS FIRST

BY JENA MCGREGOR
★ PHOTOGRAPHS BY MICHAEL EDWARDS

And so it has come to this. Over the summer, Delta Air Lines surveyed some of its customers, asking whether they'd be willing to pay a fee to talk to U.S.-based customer-service representatives rather than having their calls directed offshore. Frequent fliers were outraged, and before long a frank op-ed article by the company's chief customer-service officer appeared in *The Atlanta Journal-Constitution*. In it, she renounced the plan, quoted CEO Gerald Grinstein—"That darn question should never have been on a survey"—and noted that "creating a

'customer-focused culture' is a central element of a new plan to transform Delta and its business model."

Whoopsie. True, the folks at Delta are in quite a pickle, and you can't blame them for brainstorming ways to save cash. But their example illustrates the issues at play for consumers today. Market forces such as offshoring are transforming service. Too many CEOs are removed from the customer. Coddling customers can seem like an expensive frill in tough times, a cost to be cut when it's time to make next quarter's number. And yet more and more companies are talking about creating a more customer-focused culture. "I think people are starting to understand that the customer experience is the next competitive battleground," says Tom Knighton, who heads the customer-experience practice at consulting firm Forum Corp. "It's where business is going to be won or lost."

But as Delta shows, talking about focusing on the customer and actually doing it are two completely different things. That's what makes truly customer-centric compa-



nies so worthy of our attention. They constantly try to innovate and manage based on what their customers want, not just on what they can sell to them. They do not delegate the customer experience to marketing or operations; it is a core function that has support at the highest levels of leadership. Companies that put customers first win their loyalty, and in our minds deserve to win even more. FAST COMPANY

believes there should be due recognition for creating a rich customer experience and for focusing on excellent service. These companies inspire us with their commitment to customers; they have rousing stories to tell and valuable lessons to teach.

To find them, we turned to a panel of experts in customer service and customer experience from academia, consulting, and corporations. We asked for nominations in

A BAKER'S DOZEN OF EXPERTS

Here are the 13 jurors who helped us select the Customers First Awards winners and finalists*:

LEONARD BERRY <<Distinguished professor of marketing, Texas A&M University. Author, *Discovering the Soul of Service*

SCOTT M. BROETZMANN <<Founder and president, Customer Care Measurement & Consulting. Founder, Customer Care Alliance

*Certain jurors have current or former business relationships with some nominated companies.

STEPHEN BROWN <<Professor and executive director, Center for Services Leadership, Arizona State University

LEWIS CARBONE <<Founder and CEO, Experience Engineering. Author, *Clued In: How to Keep Customers Coming Back Again and Again*

CLAES FORNELL <<Founder, American Customer Satisfaction Index. Chairman, CFI Group, a customer-satisfaction consulting firm

ANDY FROMM <<President, Service Management Group, a research firm that specializes in restaurant-chain and retail-service management

BRUCE JONES <<Programming director, Disney Institute, which runs seminars on Disney's customer service

TOM KNIGHTON <<EVP, customer-experience practice, Forum Corp.

KELLY MOONEY <<President, Resource Interactive, an online customer-experience consulting firm

ROLAND RUST <<Director, Center for Excellence in Service at the University of Maryland. Editor, *Journal of Service Research*

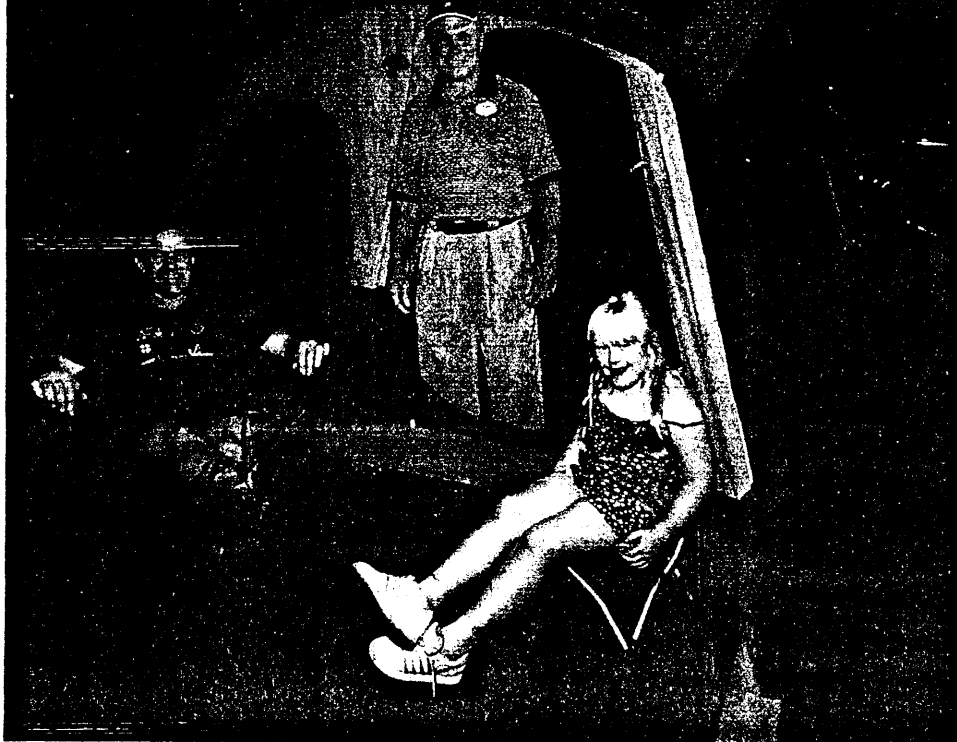
Our survey results were audited by ForeSee Results, which applies the patented methodology of the American Customer Satisfaction Index (ACSI), a leading indicator of financial performance driven by customer satisfaction that quantifies satisfaction on the Web and predicts future behavior. ForeSee Results has administered more than 23 million online surveys across 22 industries, helping companies scientifically measure and manage customer satisfaction. While the ACSI is based on a random sample, our survey was presented primarily to FAST COMPANY newsletter and Web-site readers and to groups with pertinent interests or demographics. Respondents cast a total of 1,805 votes; response rates varied by company.

JOHN TIMMERMAN <<Vice president of quality and productivity, Ritz-Carlton Hotel Co.

PAUL WILLIAMS <<Project manager, customer care, Starbucks

VALARIE ZEITHAML <<Marketing professor and associate dean of MBA programs, UNC-Chapel Hill. Coauthor, *Driving Customer Equity*

Champions of customer service: Wegmans (left), which turns grocery clerks into knowledge workers, and Chick-fil-A (far left and below), whose president, Dan Cathy, often camps with fans at store openings



five categories, each of which represents a practice or philosophy that works to place the customer at the heart of the organization. Our jury came up with more than 100 names; we vetted them for frequency of nominations, for how well they fit the category, and for originality. (In the interest of telling new stories, we looked beyond the obvious suspects—the Starbucks, the Southwest Airlines, the JetBlues, and the Amazons of the world.) We then asked our panel to rate our finalists and combined their scores with the results of a consumer survey. And in the overall spirit of this project, we also put the customer first, giving heavier weight to consumers' scores.

The names that floated to the top were those that not only provide good service but a rich experience, too. The total customer experience—the service, the quality, the design, the brand attributes—connects on an emotional level, keeping customers satisfied and feeling well-served, as well as loyal. Chick-fil-A bonds with its customers through friendly, speedy service and by communicating its values of humility and

compassion. Wegmans builds a marketplace-style atmosphere that's underpinned by its employees' deep knowledge. Mini USA engages its impatient customers with fun, customizable technology. Trader Joe's feeds customers with its authenticity and uniqueness. And Progressive reassures its insurance customers during a time of crisis through on-the-spot service.

Two categories also clearly emerged as more important than the rest. They are, not surprisingly, the ones that most depend on people. Without customer-centered leadership and without the right employees in place to deliver great service, other plans and programs won't amount to much. In fact, many customer-focused leaders talk about the value of putting employees first. Take care of your staff, this thinking goes, and they'll take care of your customers. As the authors of Forum's customer-experience book, *Uncommon Practice* (Financial Times Prentice Hall, 2002), put it: "Your people have to put the customer first." And it is up to you to lead them.

TAKE AT YOUR SERVICE

Lessons From
the Customers First
Awards Finalists

1) LEADERS MUST BE CHAMPIONS OF THE CUSTOMER EXPERIENCE.

To get close to his patrons, Chick-fil-A's president, Dan Cathy, spends at least one day each year behind the restaurant counter and has camped out overnight with customers at 16 store openings this year. But for Cathy, leadership is about championing the great ideas of others and setting an intensely customer-centered tone that promotes development of those ideas.

2) EMPLOYEE EMPATHY CREATES DISTINCTIVE SERVICE.

After Fairmont Hotels' customers made it clear that empathy was an attribute they admired ("Travel-industry employees usually have no idea what you're going through," says one Fairmont fan), the company created an orientation program to help workers understand what it feels like to be a guest. It also began screening for empathy as a personality trait during interviews.

3) IN THE RULES OF ENGAGEMENT, TECHNOLOGY RULES.

Mini USA's customers have to wait two to three months for their cars. As they wait, Mini's Web tools keep them engaged in the process while also communicating the brand's image of individualism and community.

4) DATA HELPS. BUT USING IT TO BENEFIT CUSTOMERS IS CRUCIAL.

Too many companies collect copious data or feedback—only to leave customers out of the benefit loop. Harrah's offers real-time perks to gamblers based on their gaming history, and Wachovia gives targeted, one-on-one coaching to employees based on feedback from customers.

5) CUTTING COSTS DOESN'T HAVE TO MEAN CUTTING SERVICE.

Progressive's instant-response vehicles and concierge centers speed claims handling and get cars back to drivers sooner. At the same time, these customer-focused innovations boost productivity and save the company rental-car and storage costs.