

FOREWORD BY BOB WHITMAN

—CHAIRMAN AND CEO, FRANKLINCOVEY

LEADING

CRACKING THE CODE TO CUSTOMER DEVOTION

LOYALTY

**SANDY
ROGERS**

**LEENA
RINNE**

**SHAWN
MOON**

The Loyalty Experts at FranklinCovey

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THE PRINCIPLE OF GENEROSITY



CHAPTER 8

THE NEED FOR GENEROSITY

“YOU GIVE BUT LITTLE WHEN YOU GIVE
OF YOUR POSSESSIONS. IT IS WHEN YOU
GIVE OF YOURSELF THAT YOU TRULY GIVE.”

—KAHLIL GIBRAN



MODEL . TEACH . REINFORCE

Generosity, the third of the Three Core Loyalty Principles, is straightforward. Generous people are kind. They extend themselves to help others. They think of new, creative things they can do for customers and coworkers. They may not save pennies in the short term, but they earn big dollars in the long term. More than that, they love people and treat them like guests. A friend shared this experience with us:

One day at lunchtime, I went into a fast-food restaurant to get a burger. It was a nice place with clean tables, attractive blue-and-white paint on the walls, and cheerful helpers. My lunch cost \$7.88, and I gave the attendant a \$10 bill. Instead of making exact change for me, the young man handed me a \$5 bill.

“Um, this is \$5,” I said. “You only owe me \$2.12.”

“Yes, sir, but I’ve run out of \$1 bills, so I’ve given you the next largest bill I have.”

“But why?”

“That’s our policy, sir. Enjoy your lunch.”

As I sat enjoying my lunch, I thought about the kind of thinking that must have gone into that policy. What could have motivated the management to opt for such a thing? They could lose money every time a cashier faces that situation, and it must wreak havoc with their accounting. Something else must outweigh those concerns. To make exact change in that situation, the cashier might have to go somewhere else and get some bills, perhaps from a fellow cashier or from the manager’s safe. That would take time. The customer would have to wait for change. Apparently, they value their customers’ time more than the money they may lose on a particular transaction.

As I got up to leave, an attendant handed me a free soft drink for the road. I’d never seen that before either. Apparently, this restaurant likes to give customers more value than they expect in lots of generous little ways. Do I go back there for lunch? You bet I do—as often as I can. I am a very loyal customer.

This restaurant doesn’t have big discount days or a loyalty program. They simply treat people generously—just as we treat guests in our home. A person with a generous mindset acts differently from other people when a problem arises. Ask yourself, *How generous is our mindset?* Then think about your own business.

- **Retail:** When we see a customer walk into the store with a bag and a receipt in hand, what are our thoughts? How would a generous person react?
- **Software support:** A frantic user calls with a problem and an urgent deadline, but it’s not immediately clear if the problem

is with our software or their computer. How would a generous person handle this?

- **Healthcare:** An impatient patient wants to see her doctor *now*. We know it's not going to happen, so what do we do?
- **Government:** An angry citizen calls to complain about user fees. What is our immediate reaction? How would a generous person act in this situation?
- **Hospitality:** A guest with a shaky voice demands to speak to our manager. What instincts and reflexes take over? How would a generous person respond?

Generous people and organizations show kindness first, then they do whatever possible to give more than is expected. Zappos helps customers find shoes they don't have in stock. The famous Danish candy maker Anthon Berg gave a complimentary chocolate to every customer. Dick's Sporting Goods accepts expired coupons. These are just ordinary courtesies, but we have learned over many years and with lots of experience that ordinary generosity can be extraordinary—and it can earn real loyalty.

WHAT DOES GENEROSITY LOOK LIKE?

It was a routine call for the firefighters of Station 4 in Baytown, Texas. John McCormick had collapsed while mowing his lawn. The sixty-five-year-old man had a history of heart trouble, but the emergency crew was able to revive him and, according to procedure, followed him to the hospital.

But afterward, they didn't return to the fire station. Instead, they went back to John McCormick's home and finished mowing his lawn—backyard and front yard—cleaned everything up, and locked the mower away in the garage. Before they left, they posted a letter to Mrs. McCormick on her front door:

We felt bad that your husband didn't get to finish the yard, so we did.

We are very sorry that your husband became ill, and we hope he has a speedy recovery.

Let us know if there is anything we can do to help you out.

Baytown Fire Department, Station 4, A-Shift

Unknown to the team, a neighbor made a video of their kind deed and posted it on the Facebook page of the city of Baytown. The story went viral, and the firefighter team was deluged with thanks and congratulations, with notes from as far away as New Zealand.

“It wasn’t that big of a deal just to help someone out at the worst time of their life,” one of the team members said. But with that simple act of kindness, the firefighters of Baytown Station 4 showed the world what generosity looked like. Often it takes just a few more steps.

- What was the incentive for these firefighters to do what they did?
- Were they looking for repeat business?
- Were they angling for better customer-satisfaction scores?

Of course not. The impulse to help their fellow human beings arose from their hearts, not from some strategy to increase customer loyalty. Did they need permission to treat the man that way? Possibly. Sometime, somehow, their leader had given the OK to this team to behave generously toward the people of Baytown. Mowing a sick neighbor’s lawn is not in their job description, but there must be something in the culture of that fire department that encourages this sort of generous response to a need.

Are you and the people on your team driven more by job descriptions, policies, and systems, or by the urge to enrich lives and give of yourselves?

Sometimes the dogged search for efficiency can come at the expense of generosity. For example, consider the list of the top ten things customers rate as “tremendously annoying,” according to Consumers Union¹:

1. **Can’t get a human on the phone.**
2. **Salesperson is rude.**
3. **Many phone steps needed.**
4. **Long wait on hold.**
5. **Unhelpful solution.**
6. **Salesperson is too pushy.**
7. **Extras are pitched.**
8. **No apology for unsolved problem.**

9. Can't find store salesperson.**10. Boring hold music or messages.**

Note how many of these items are about wasting the customer's time—nearly all of them. A basic principle of generosity is sensitivity to hassles and time-wasters. Most of these ungenerous behaviors are caused by organizational policies or systems. In pursuit of efficiency, some organizations end up annoying their customers by making them wait for service.

Imagine you have been invited to a neighbor's home for a dinner party. You ring the bell. No one answers, but tinny music plays over an intercom while a recorded voice tells you how important you are and that someone will be with you shortly. This goes on for ten minutes or so until your neighbor deigns to let you in. At that point, he abruptly asks you to wait in the entryway while he deals with another dinner guest for another fifteen minutes. Then he unaccountably disappears. You go looking for him. . . .

Thousands of customers live through a version of this absurd scenario each day. But some customers are so used to it, they bear their annoyance patiently until it gets out of hand. Then they react as any ill-treated human being would: They get mad, they make loud comments, they walk out. Even if they stay and suffer in silence, they certainly don't look upon us with fond loyalty.

That's why we were so impressed with the burger restaurant that didn't make our friend wait even a few seconds for change. It was a small gesture, but it showed that management was thinking hard about ways to spare his time and effort. Be generous with your own time, but not with the customer's. Anything you can do to save the customer time and effort will be perceived as generous. That's why:

- Zappos delivers orders before they say they will.
- Burt Brothers Tire & Service regularly finishes the work on your car early.
- Enterprise reps use handheld devices to check out customers returning cars instead of forcing them to stand in line at a cashier window.

Exceptional needs call for exceptional generosity. A customer in trouble will never forget you if you go out of your way to be generous. Leena tells about this experience:

I often buy household items from a large online retailer. Once, I was waiting for a package containing many items with a total value of about \$100. After waiting for a couple of days, I tracked the package and found—to my dismay—that it had already been delivered, and I had to assume it had been stolen from my front porch.

I called the retailer to ask them to help me reorder all of the many items, hoping they had my information in their system, thus saving me time in the process. The customer-service representative on the phone listened and conveyed sympathy at my experience. After submitting the order, she explained that there would be no cost to replace the items, and she would be sending them overnight so that I wouldn't have to wait for them any longer.

Talk about exceeding expectations! The retailer had already met their obligation: They had fulfilled my order and delivered the goods. It was completely outside of their responsibility to do any more. Yet, they were not only empathic, which made me feel better in a distressing situation, but they were also exceedingly generous in replacing the items at no cost. Years later, I've told the story dozens of times and am still a loyal customer.

Now, generosity is not all about giving away freebies; it's just as much about giving the customer some relief. For most of us, life is busy, hectic, and often highly stressful. What can we do to reduce rather than add to the customer's stress levels?

Most of us don't wake up each morning wondering how we can be more generous. But if we want loyal customers, that's what we should do. The opposite question should also be on our mind: What gets in the way of us being generous? Probably the biggest barrier to generosity is fear. Being generous can be risky. Customers might want more of our time and resources than we can give and still stay in business. Team members might demand more than their contribution justifies. Many of us live with accountants who examine our financial results constantly. It's tempting to play it safe and say "no" to anything that might trouble the delicate balance on that spreadsheet.

But it's been our experience that customers rarely demand more than you can reasonably give. They don't usually expect you to go

to great lengths for them. In fact, a generous act can be as simple as opening a door, answering the phone on the first ring, or, as in the burger restaurant, cutting back on the hassle of making change.

UNGENEROUS (OR SCARCITY) THINKING

Two days before Valentine's Day, our friend dropped by a local bakery to buy some cookies for a family party. The heart-shaped frosted sugar cookies had been popular with his kids. He was pleased to find a dozen or so of them on display and asked the attendant to wrap them all up so he could take them home.

To his surprise, the man refused to sell him the cookies. "That will wipe me out. I won't have any more to sell," the attendant protested.

Our friend didn't know what to say to this. At last he countered, "Are you in the business of collecting cookies or selling cookies?" The attendant was undeterred, however, and refused to make the sale. Our friend left the bakery infuriated. To this day he's never returned.

The bakery attendant had a scarcity mindset, which is the opposite of a generous mindset. Scarcity makes people myopic, according to psychologist Shahram Heshmat. Myopia, of course, is nearsightedness. All you can see is *now*. "If you buy all my cookies, I won't have any left." The idea of making more cookies and thus more money seemed lost on the bakery attendant. He was, as Dr. Heshmat says, "exhibiting bias toward the here and now." There is no tomorrow, there is no enduring relationship with the customer, there is only this moment.

The scarcity mindset is a problem especially for someone behind a counter who might be young, inexperienced, untrained, and struggling just to get through the day. He might also be financially strapped, which means scarcity is a fearsome reality for him. He fears making mistakes; he fears violating policies he understands only partly.

For most of us, however, our first impulse is to be generous. According to psychologists, "generosity is the intuitive human response."² This explains why people are so willing to jump in and help someone in need. We make selfish decisions only when we have time to reason through them.

In an organization, where does the scarcity mindset come from? To a great degree it derives from management behavior. If the manager

makes things like praise, recognition, rewards, training, communication, input, and feedback scarce, then fear and selfishness rule as the team members jockey for what few crumbs are available to them.

But if the manager is kind and generous with her time, praise, wisdom, and input, the mindset of the team will trend toward generosity. In the end, generosity is a character issue—a mindset of abundance rather than scarcity. Stephen R. Covey explained the difference between these two mindsets:

Most people are deeply scripted in what I call the Scarcity Mentality. They see life as having only so much, as though there were only one pie out there. And if someone were to get a big piece of the pie, it would mean less for everybody else. . . . The Abundance Mentality, on the other hand, flows out of a deep inner sense of personal worth and security. It is the paradigm that there is plenty out there and enough to spare for everybody. It results in sharing of prestige, of recognition, of profits, of decision making. It opens possibilities, options, alternatives, and creativity.³

Generous people believe you can always bake more pie (or cookies). There is no limit to the pie. Generous people create opportunities so everyone can have as much pie as they want. Generous people are always thinking of what could be done for customers that's never been done before. They look past policies and systems to do what's best for customers. The CEO of an acclaimed financial institution in the midwestern United States has this philosophy:

No employee will ever get in trouble for doing what is right for the member. . . . There is only one operating policy or guideline you ever need. Trust your feelings. If it feels right and makes sense, do it on behalf of a member. Do not consider the system capability, policy, or procedure—err on doing whatever is necessary for the member and allow your manager to take care of the rest.⁴

This philosophy of generosity has paid off for this leader, as the institution he leads has prospered way beyond expectations—an effect that business researcher Fred Kiel calls “the return on character.” The

manager's job in that company is to teach the team to be generous and then to "take care of the rest."

Any of the practices in this book, when overdone, can backfire and work to erode loyalty. Generosity is no exception, as Sandy experienced firsthand:

One day a renter showed up at one of our car-rental branches. The rep noticed that the man's driver's license had expired, so he couldn't legally rent the car. Our rep generously took the customer to the DMV to renew his license. That was great for this customer, but terrible for the ten other customers who came into the branch while our employee was at the DMV. It led to a coaching conversation with him about "balance."

So we shouldn't be dumb about it. Nevertheless, the general rule should always be to do what's right for the customer. The CEO of a major toy retailer told us how disappointed he was about an incident in one of his stores. A young couple had bought clothing and toys for the baby they were expecting, but then they lost the baby. Devastated, the wife asked her husband to return the purchases. The husband took them back and told the store rep about their loss.

"I'm sorry to have to return these things. Maybe someday we'll come back."

"Gosh, I'm sorry," said the salesperson, "but you can't return things without receipts."

Well, the nasty letters flew. The company paid an awful price on social media. The CEO wrote a personal letter to the couple, apologized profusely, and tried his best to make it up to them. But the damage was done, and the company learned that some rules are primary (like treating people with generosity and empathy) and others are secondary (like requiring a receipt with a returned purchase).

This is a principle that is lost on many companies, and especially large ones. In the case of the airline that abused a customer, secondary rules got in the way of the primary rule of generosity, as Bill Taylor, editor of *Fast Company*, observed:

The problem wasn't with the airline's employees, but with a "rules-based culture" in which 85,000 people are "reluctant to make choices" that are not in the "tomes of rule books" and "giant manuals" that govern life at the airline. In

other words, employees at every level did what they were supposed to do—they followed the rules—yet the result was a total failure.⁵

We can see you throwing up your hands: “So am I supposed to follow company rules or not?” Our advice to you is the same as the advice Danny Meyer, legendary New York restaurateur and author of *Setting the Table*, gave to his team: “Err on the side of generosity. Apologize and make sure the value of the redemption is worth more than the cost of the initial mistake.”⁶ If you want loyal customers, generosity comes first—everything else is secondary.

Even when something bad happens, if you respond generously, the customer is even more likely to stay loyal to you. Marriott did a study of their own customers and divided them into three groups:

A = Nothing bad happened during the stay.

B = Something bad happened, but Marriott fixed the problem.

C = Something bad happened, but Marriott did not fix the problem.

They asked each of these groups if they would return to stay at a Marriott property. The response was surprising:

A = 89%

B = 94%

C = 69%

So customers who get their problems fixed turned out to be more loyal than customers who have never had a problem in the first place!⁷ Customer problems are great opportunities to show empathy, take responsibility, and be generous.

Sometimes you can't avoid a problem. You have to enforce a policy. You can't deliver because something failed up the chain. “Be generous with customers when you absolutely must break your service promise to them,” says marketing scholar Leonard Berry. “Any compensation for a company's mistake should be unequivocally fair. Generosity is a trust builder; stinginess is a trust breaker.”⁸

In Danny Meyer's words, “Generosity of spirit and a gracious approach to problem solving are, with few exceptions, the most

effective way I know to earn lasting goodwill for your business.”⁹ Meyer also says that the value of generosity, kindness, and hospitality is “the degree to which it makes you feel good to make other people feel good.”

There’s plenty of science behind Meyer’s observation. Neuroscientist Dr. Richard J. Davidson found that generosity, expressed as empathy, altruism, and other pro-social behaviors, reliably increased well-being, health, and even life expectancy.¹⁰ Further research shows that generosity not only strengthens relationships, but also makes work more meaningful:

From a relationship perspective, givers build deeper and broader connections. When a salesperson truly cares about you, trust forms, and you’re more likely to buy, come back for repeat business, and refer new customers. From a motivation perspective, helping others enriches the meaning and purpose of our own lives, showing us that our contributions matter and energizing us to work harder, longer, and smarter.¹¹

On the other hand, stinginess produces cortisol, the stress hormone. Researchers discovered that people who have difficulty sharing their resources begin to feel shame. The more miserly they behave toward others, the more shame and stress they experience.¹²

Generous employees are more likely to help one another, commit more to their work, and stay longer with the job. “More and more research illustrates the power of altruism,” says Professor Donald Moynihan of the University of Wisconsin-Madison. “Helping others makes us happier. Altruism is not a form of martyrdom, but operates for many as part of a healthy psychological reward system.”¹³

In summary, a generous person earns the loyalty and love of others. Generosity transforms customers and team members into advocates. How many advocates could your business use? But even more than this, generosity makes you feel better about yourself and your work.

LEADER APPLICATION— THE PRINCIPLE OF GENEROSITY

The Three Core Loyalty Principles for earning loyalty are empathy, responsibility, and generosity. Empathy enables us to understand another’s feelings, responsibility is about owning that person’s

problem, and generosity means we go back and mow the sick man's lawn for him. You can create a generous team of people through your leadership, and if you hire new team members, you can hire people who are naturally generous.

LEADING YOUR TEAM

Generous leaders give the best they can to the team—sensitive input, loving feedback, training, encouragement, little surprises. Generosity doesn't always mean handing out goodies. A bonus might be nice now and then, but what team members really want is to feel that their ideas and their contributions are valued. Business author Erika Andersen, founding partner of Proteus and best-selling author, noted: "When an employee feels out of the loop, this can affect morale and confidence a great deal, as much or more so than material generosity can. At the worst, it makes a person feel unimportant."

That's why openly sharing information is so important to the team. Generous communication makes team members feel a part of the business and motivates them to help. Andersen also observes that teams are more loyal to a leader "who is generous with information, power, and well-deserved compliments." If we focus on practicing this third principle of loyalty, it becomes a habit and more natural to us.

Here are a few tips that can help:

Ask yourself, "Am I a generous person?" Decide what kind of person you want to be. Do you have a mindset of abundance or of scarcity? Do you feel comfortable sharing credit for success, or do you take the credit yourself? Are you open to ideas from the team, or does it have to be your idea to be any good? Do you tend to be kind and thoughtful, or callous and abrupt? Do you have a big heart or a pinched, stingy little heart? "Generous leaders view the world through a lens of abundance where much is to be gained rather than lost," says business thinker Margot Andersen. "This does not mean that they act in a 'fairy godmother' manner, granting wishes to all who ask. Rather, they place great value in genuinely connecting with their team."¹⁴

Look for "relief" opportunities. Question the entire process your customers go through. The writer Adam Gopnik observed, "People make rational decisions to invest in what they like and what gives them pleasure; the mistake is thinking of the product and not

the entire social process.”¹⁵ Where can you make things easier for the customer and the team member? At what points can you simplify the customer experience? Where are you forcing them to wait? What might be annoying or confusing for them? Do you provide relief for the stresses of life, or do you add to them?

A powerful way to earn loyalty is to make it easy for customers to do business with you. “Effort should be reduced throughout the customer life cycle,” says the Corporate Executive Board. “Our research demonstrates that reducing customer effort in pre- and post-sales customer touchpoints has measurable loyalty impact.”¹⁶

Err on the side of generosity. Customer-facing employees make decisions every day about whether to give customers the benefit of the doubt. A customer might ask to return a product when it’s not your policy to accept returns. A customer might dispute a bill. A customer might snap at you after waiting a long time for assistance. It might not seem fair to you, but if loyalty is what you’re after, you’re not going to demand absolute fairness. A thoughtful gesture is sometimes better than fairness. Enable your employees to do the right thing for customers.

Some customers might appear to be manipulative or mean, but it isn’t very likely. We often make what’s called the “fundamental attribution error,” assuming that people act out of bad motives. When a customer shows impatience or annoyance, it’s not usually because he’s a jerk but because something in the situation moves him to act that way. Just because he’s upset with you doesn’t mean he’s unkind to animals or not loved by his grandchildren. So give him a little extra loving care and look for ways to eliminate the annoyance, whatever it is.

HIRING NEW TEAM MEMBERS

Some people are naturally gifted with generosity. Researcher Helen Fisher has found that generosity is associated with one of the four basic temperament types linked to specific genes and hormonal patterns. She calls generous people “pioneers” because they keep the big picture in mind and are creative and imaginative, leading with surprising insights and ideas for engaging customers. They are also driven to make social attachments.¹⁷

A good way to recruit people who are naturally generous is to evaluate them in group interviews. At JetBlue Airways, for example,

recruiters “watch how applicants interact with one another.” This enables them to “assess communication and people skills to an extent that wouldn’t be possible in a one-on-one setting.”¹⁸ For example, with a group of prospective employees, go around and ask each person to tell a story about something funny or embarrassing that happened to them. Then watch how the other candidates respond. Are they engaged with the speaker, or self-absorbed with thinking about what they are going to say? Evaluate facial expressions and body language to get a sense of their natural generosity to other people.

TWO PRACTICES OF GENEROUS PEOPLE

The key practices of generous people can be reduced to these:

- Share insights openly.
- Surprise with unexpected extras.

Because these two practices are fundamental to generosity, we’ll study them in depth in the next two chapters. For now, let’s ask ourselves how we extend generosity to our customers and to our team members. Do we look for opportunities to show kindness? To save them time and trouble? To surprise them with new and exciting experiences?



HUDDLE 8— THE NEED FOR GENEROSITY

Generosity is giving from the heart more than is necessary or expected.

1. **CELEBRATE**

Celebrate someone who followed up to learn from a customer.

2. **LEARN**

Discuss the following questions:

- a. Who was generous to you? How did it feel?
- b. What difference does being generous make?
- c. What are the risks of being too generous?
- d. What gets in the way of being generous?

3. **COMMIT**

Be generous to a customer or team member.

4. **SCHEDULE FOLLOW-UP**

Huddle 9 date/time? Who will lead?



CHAPTER 9

SHARE INSIGHTS OPENLY

“LEADERSHIP IS THE ART OF GIVING PEOPLE A PLATFORM FOR SPREADING IDEAS THAT WORK.”

—SETH GODIN



MODEL . TEACH . REINFORCE

We’re entering an era when more and more service jobs will be done by machines. It’s coming on fast. Our purchases will arrive by drone; our food will be transported in driverless trucks; our consumer interactions will be overtaken by chatbots. Today nearly everything has an aspect of self-service built into it. And as this trend continues, there will be an increasing need to deliver the kind of value a machine can’t—the kind of value at the heart of the humanistic principles of empathy, personal responsibility, and, above all, generosity. Embracing

the principle of generosity means constantly thinking about new ways to make life easier and better for others by contributing thoughts, feelings, knowledge, and innovative ideas. The necessity of this contribution is why we express the key behavior as *share insights openly*. But to do so without the governing principle of generosity relegates this practice to complaints, criticism, and, in the ever-expanding world of self-service automation, indifference.

WHAT DOES IT LOOK LIKE TO SHARE INSIGHTS OPENLY?

Remember in Chapter 3, the sales associate in a red vest not only took time to teach Yasir how to tie his new tie, but also shared pointers with him on how to approach his job interview. In Chapter 6, Francine from the big electronics store generously took time to share with our friend how to install the transmitter on his television set so that his Bluetooth speaker worked. Then she showed him a video on her phone that explained how the wireless sound bar worked. Kes shared his knowledge about how car batteries put out uneven voltage, and that's why it may appear that our phone charger is not working at times. In each of these examples, the employees shared their knowledge and insights openly.

We have worked with several automotive-service chains over the years that provide everything from auto parts to oil changes to tires and brake jobs. One of the most effective ways we have seen them earn loyalty is to share information with customers about what their vehicle may need in the future, but only recommend a shorter list of things that really need to be addressed that day. "You may need to replace the rear tires in six months, but if it were my car, I would only worry about the front tires now." Educating customers and postponing a potential sale to a later date earns trust and is perceived as generous.

Sharing *our* insights to help customers can certainly earn their loyalty. And so does asking customers to share *their* insights with us—as described in Chapter 7, when we follow up and ask how we could have served them better. It feels good when others ask for our opinion and ideas because we all want to be useful, be valued, and make a contribution.

The same is true with our coworkers. We earn their loyalty both through sharing information to help them improve, and also from asking for their insights to help us improve. In this chapter, we concentrate on information sharing as an aspect of coaching to help other

people get better. In Chapter 10, we address the loyalty-building impact of inviting our colleagues to share their ideas to help our team get better.

COUNTERFEIT SHARING

This is sharing without intending to help or make things better. Complaining, confronting, criticizing, or just plain gossiping about other people is not the kind of sharing we think about when trying to build true loyalty.

Criticism and gossip can be particularly damaging in a team environment. While gossiping builds social bonds, these bonds are often shallow and fragile. For those being gossiped about, the damage is obvious, as their reputation is essentially stolen from them. For those doing the gossiping, there is also a price to pay. Gossips erode personal credibility because it reflects insecurity and powerlessness, and also erodes their own trustworthiness and credibility.

WHY AREN'T WE SHARING INSIGHTS OPENLY?

We all have ideas and insights that can help others. Why do we sometimes hesitate to share them? One reason could be that we are busy and already have too much on our plate. Or perhaps we don't believe others will listen to us or care about what we have to say. More often, however, the reason we may not share our thoughts to help other team members is because we don't want to offend them or rock the boat. We can see their problems clearly, but choose to avoid potential conflict. Perhaps we lack confidence in our ability to share our insights in a way that will build a team member up. Our intention is clearly to help, not to hurt his or her feelings or undermine our relationship in any way.

HOW DO WE SHARE INSIGHTS OPENLY?

In addition to our loyalty huddles, where we regularly share ideas for creating more customer promoters (which we cover in detail in Chapter 10), we also need a team culture where it is not only safe, but people are encouraged to give what Fred Reichheld calls “loving feedback” to one another—very simply, sharing thoughts, feedback, and ideas with another person in a way that earns loyalty.

Think about a coach you may have had as part of an athletic team, a music ensemble, in an academic environment, or at work. There's nothing better than a great coach who has our best interests in mind, inspires us to get better, and helps us win. On our journey to increasing customer loyalty, all of us can use coaching—especially on the loyalty principles and practices. And coaching shouldn't just come from a manager to an employee. We need employees coaching each other and coaching their manager as well. In fact, many of the principles and practices throughout this book are part of the best practices coaches use with their colleagues and teams. While it is not the purpose of this book to create a framework specific to coaching, we'll touch on where coaching best practices intersect with the principles and key behaviors of loyalty. In this case, before we share our thoughts on how to provide “loving feedback” within a loyalty context, we'll look at an example of how *not* to coach:

CURTIS: Sue, I've got to talk to you. Listen, your attitude is unacceptable. I was on the phone with a customer just now, a Ms. Sadek, and I got an earful. You made her feel, well, honestly, talking about how dumb she is right in front of her? I tell you, she went off on *me*.

SUE: I didn't do that. She was returning a pedometer. She wanted her money back, and you know we can't—

CURTIS: (interrupting) Listen, your attitude isn't right. We're trying to create customer loyalty around here—

SUE: (interrupting) But I couldn't do what she wanted me to do. . . .

CURTIS: (obviously not listening) I've told you and told you, you need to *listen* to people with *empathy*. If you can't do that—

SUE: (interrupting) It was super busy. I didn't have time to—

CURTIS: (interrupting again) Why didn't you train her on the product? If she'd had training, she wouldn't have had the problem. I gotta go, Sue. Go back and reread how to treat customers with *empathy*. I'm going to have to put a note in your file.

Although this is a tongue-in-cheek example, we can learn a few things from it. First, a good coach is, above all, a good model. Unempathic-Irresponsible-Ungenerous Curtis is doing his best to show Sue how *not* to show empathy.

Second, a good coach is a two-way communicator, but Curtis is communicating only one way. There's no generosity in that. We often think of coaching as “telling,” but it needs to be just as much about our Chapter 4 skill, listening to learn. By the way, the opposite

is just as bad: giving no direction at all, expecting employees to solve problems without coaching from us. This is *abdication* the responsibility we discussed in Chapter 5 that is needed to earn true loyalty. Some managers say, “Don’t just come to me with a problem, tell me how you’re going to solve it.” *Well, OK, then I won’t talk with you about problems I can’t figure out on my own. And if I can figure it out on my own, why would I need to talk with you?*

Finally, a coach looking to build loyalty doesn’t command people to change their ways. Communication expert Joseph Grenny said: “When people are told they need to change a habit, the typical response is to rebel. . . . The trick is not to lecture your employees. . . . Instead, ask questions—treat the coaching session like an interview. Help them uncover motivations they already have.”¹

Now let’s observe Empathic-Responsible-Generous Curtis taking a different approach in coaching Sue:

CURTIS: Sue, I really appreciate the job you’ve been doing the last few days, even though it’s been crazy. I just wanted to clear something up. What do you remember about a Ms. Sadek who tried to return a pedometer? I really want to hear your perspective.

SUE: Well, she brought the pedometer back and said, “I can’t make heads or tails out of this thing and I want my money back.” She was really ticked off. So, what I said was, “Can I help you figure it out?” But she was *on* one. What she really wanted was a refund, and you know we can’t do that. Besides, we were super busy that day.

CURTIS: It’s tough on days like that. The part that concerned me—and that I know would concern you—is that the customer felt like you were impatient with her or making fun of her. Do you know why she could have felt that way?

SUE: I guess she felt dumb because she couldn’t get it to work on her own. It’s frustrating for us because some customers need a lot more help than others.

CURTIS: You’re not alone—it *is* frustrating. What about this idea? There’s some empathic language you can use with this kind of customer. I can walk you through it. Can we talk for about ten minutes tomorrow at nine? How does that sound?

SUE: Yeah, I’d like to know how to handle these people. I get one or two every day, and they hold everything up.

This time, Curtis shows empathy by listening to Sue and acknowledging her feelings. He takes responsibility for helping her. And he shows generosity by recognizing that Sue has good intentions and

that her side of the story is just as much worth considering as the customer's. Curtis is now coaching Sue in a way that will help increase her loyalty to the team and will also increase their customers' loyalty to the store—a tricky balance to achieve.

Coaching that builds loyalty is a sharing of insights. A great insight isn't worth much if we can't share it effectively and get others to act on it. Here are some loyalty-building guidelines for effective coaching:

- Recognize a job well done.
- Ask permission to share insights.
- Declare your intent.
- Be positive and encouraging.
- Share information that helps people make better choices.

RECOGNIZE A JOB WELL DONE

People will be more open to our insights and coaching if we begin by letting them know we respect and recognize the good work they are already doing. "You do great work here." This feedback has to be honest and genuine, but doesn't need to be lengthy.

ASK PERMISSION TO SHARE INSIGHTS

Something as simple as "Would it be OK for me to share a thought with you?" can be a good icebreaker. It's often also better than "Can I give you some feedback?" since some people view the idea of "feedback" as negative or critical. Asking permission shows respect and allows the other person to tell us if they are busy right now and when they will be free.

DECLARE YOUR INTENT

State up front that you just want to share an idea to help them, not to criticize them in any way. "I just want to be helpful. I noticed something in your conversation with Ms. Sadek and want to share this thought with you. Is that OK? Is now a good time?"

BE POSITIVE AND ENCOURAGING

Our tone of voice and body language needs to be warm and welcoming. As we discussed in Chapter 7, the other person should feel we are on their side and only interested in their continued success. They

should feel the Three Core Loyalty Principles of empathy, responsibility, and generosity from us.

SHARE INFORMATION THAT HELPS PEOPLE MAKE BETTER CHOICES

An effective way of doing this is to ask thoughtful questions. “How do you feel that conversation went with Ms. Sadek? I wonder if there was a different way to handle her frustration with the pedometer. What do you think?” Give the other person an opportunity to share their observations and feelings. Then, after listening to learn and showing empathy for their situation, share the insight you feel may be helpful.

Coaching to attain loyalty takes practice. Very simply, we want anyone we coach to walk away feeling, “He really cares about me and was really thoughtful to share that with me.”

Here is another example of a manager coaching an employee—this time in a hospital. Jan is the manager of the Labor and Delivery Ward at the hospital. Andrea is an OB tech. As you read their conversation below, note whether each guideline draws from the principles and practices of leading loyalty.

JAN: Andrea, how’s your day?

ANDREA: (perky) Just great so far.

JAN: We like the work you’ve been doing since you joined the team last month. You’re a great OB tech. Do you remember I said we’d be having one-to-one talks now and then? Would this be a good time to talk?

ANDREA: Sure.

JAN: The shift Thursday night—it was crazy, wasn’t it? There was an emergency C-section in Room 2 and most of us had to rush in and help. And then there was Mr. Kim in Room 3, and his wife wasn’t progressing well. Do you recall he asked you to come in and help her?

ANDREA: (defensive) Yes, but I was busy stocking the carts.

JAN: Well, he got quite upset. Can you tell me what happened?

ANDREA: I was stocking the epidural carts because they were empty from the rush we had. And this guy came out and shouted at me that I was standing around doing nothing while his wife was dying.

JAN: Wow. That sounds stressful.

ANDREA: It was! She wasn’t dying, and I told him so. There wasn’t anything I could do for her anyway. So I told him to be patient because we had an emergency in the next room and the nurses would get to her.

JAN: Tell me more.

ANDREA: He stormed off and said he was going to complain to management about this lousy hospital and the help and everything about me and my lazy, good-for-nothing attitude.

JAN: That's frustrating.

ANDREA: I just ignored him. I'm not sure if that was the right thing to do.

JAN: Do you think you should've handled it differently?

ANDREA: Yes, but I'm not sure how. I really couldn't do anything for her. I'm not a nurse!

JAN: I understand. You must have felt pretty overwhelmed. Would you mind if I share a thought with you?

ANDREA: Sure.

JAN: In those situations, I always think first of the empathy principle. Remember the huddle we had when we talked about empathy and the skills involved to show it?

ANDREA: Yes, first make a genuine human connection.

JAN: How do you think you could have done that with Mr. Kim?

ANDREA: I don't know. Maybe I could have stopped stocking the cart to talk with him.

JAN: That's where empathy starts, and it's just that simple. Sometimes when we're really busy, it's hard to make that human connection. But the more you work on it, the more it turns into a habit. And then, just listen. Sometimes when patients like the Kims are upset, they just want someone to hear them out.

ANDREA: You mean just stop and listen?

JAN: Yes. It can be that simple—just a listening ear. As you listen, you start understanding the real problem. You can learn about the real job to be done.

ANDREA: Right. I remember that now.

JAN: So, what do you think was the real job to be done?

ANDREA: Take a minute to just give both of them some reassurance? Maybe get her a drink of water or another blanket?

JAN: It might have been as simple as that. I don't think they really expected you to deliver her baby painlessly right there and then. What they really needed was some empathy—somebody to let them know they weren't forgotten. That's a job we can all do.

ANDREA: But what about the epidural carts?

JAN: What do you think?

ANDREA: Well, I guess around here it's always a balancing act.

JAN: (laughs a little) Isn't that the truth.

ANDREA: But I could have taken a moment to help Mrs. Kim and still gotten everything done with the carts. I can see that now.

JAN: Yeah, I think you're right. And you know what? You're going to do just fine here, Andrea. I'm glad you're on my team.

ANDREA: Thanks. Me, too.

What impact do you think this style of coaching had on not only addressing the problem, but engendering real loyalty toward Jan and the hospital? As you can see from the table below, Jan drew from each of the Three Core Loyalty Principles and put many of the key practices into play:

Core Principle	Key Behavior	How Jan Built Loyalty as a Coach
Empathy	Make a Genuine Human Connection	<ul style="list-style-type: none"> • Began the conversation by asking how Andrea was doing. • Sincerely complimented Andrea and let her know she was aware of her contributions since joining the team. • Asked if "now" was a good time to talk—she's respectful of Andrea's time. • Empathized with the stress of having Mr. Kim come in and yell at her. • Ended the conversation by sharing how much she appreciated Andrea and was glad she was on her team.
Empathy	Listen to Learn the Hidden Story	<ul style="list-style-type: none"> • Although she had many of the "facts" about the Thursday night shift, asked for Andrea's account. • Prompted Andrea to keep sharing by asking her to "tell me more" instead of jumping in to solve the problem.
Generosity	Share Insights Openly	<ul style="list-style-type: none"> • Asked Andrea, "Would you mind if I share a thought with you?" • Reinforced understanding when Andrea correctly assessed the situation.
Responsibility	Follow Up to Strengthen the Relationship	<ul style="list-style-type: none"> • Took responsibility in following up with Andrea and strengthened their relationship in the process.
Responsibility	Discover the Real Job to Be Done	<ul style="list-style-type: none"> • After exploring the situation together, asked Andrea directly, "What do you think was the real job to be done?" giving Andrea the opportunity to own the solution.

As you think about your team, how often are you sharing insights, as Jan did with Andrea, to help others get better? As a loyalty leader, this is some of the most important work you can do to foster loyalty from team members and customers alike.

How about sharing insights with a business you love to perhaps help them get better? This is what generous people do. Our friend Laing shares this story about her experience with a local women's clothing boutique:

My friends and I were really torn about this place because, while we loved the clothing she carried, the owner was a nightmare to deal with. Many of us stopped going there. One day I decided to approach her and was very frank, although I did my best to speak in a kind and compassionate way so as not to offend her. I told her how much I loved her merchandise, but it was hard dealing with her. I shared that she should acknowledge people when they walk in and be more friendly and engaging, make eye contact, connect with us. I think she figured she had such cool stuff, she didn't need to make any effort at all. I am happy to report that our little chat seems to have worked. This place is a lot more fun to visit now, and I've ended up buying more, too!

A low-risk way to develop our Loyalty Leader Mindset and practice sharing insights openly is to talk with people who could use some coaching at a business we visit as a customer. Follow the guidelines in this chapter by first recognizing what they do well, ask permission to share your thoughts, declare your intent to help them, be positive, and share your insight in as kind and generous a way as possible. Like most things, the more we practice this key behavior, the more confident we will become in sharing our insights with the people we work with every day.

LEADER APPLICATION—THE PRACTICE OF SHARING INSIGHTS OPENLY

If you model effective teaching and coaching, the team will learn it from you. You want them to become active teachers and coaches themselves. When you coach them, let them know they will

be expected to coach each other, so they should pay close attention. Teach them the guidelines so they will know what to do. Make sure they know that coaching based on the core principles and practices of loyalty is not criticism—it's about sharing insights. Give them opportunities to practice coaching and share insights with each other.

Rob Markey of Bain & Company, a globally respected authority on customer loyalty, believes “the key to success in empowering frontline employees lies in giving them a framework within which to operate and feedback about how they are performing within that framework. Help them become self-directing and self-correcting as they work toward a clear, understandable outcome.”²² In other words, teach the team the Three Core Loyalty Principles and then constantly share thoughts with them about getting better at applying the key practices of each. Focus everybody's attention on one outcome: creating more truly loyal customers.

At American Express, there was a time when their team at the service-operations call center was dealing with millions of calls a year, and the reps were monitored on how long each call took and whether they followed the script exactly. Management was totally focused on controlling costs. But when they shifted their focus to increasing customer loyalty, everything changed. They made their key success measure “the enthusiastic recommendations of card members.” They got rid of the scripts and the time limits. Instead, they coached the service team on loyalty guidelines and let them use their own judgment within those guidelines. The result? Their costs actually went down under the new system as the employees took ownership and shared insights on how to resolve common customer issues. Best of all, American Express saw a 10 to 15 percent increase in customer spending and a big drop in customer churn.

Why did they get this result? In Markey's words, “Because employees are deeply involved in figuring out how to meet fundamental business objectives.” Their brains are engaged. Their contribution means something. They're not just robots at the end of a phone line. Managers don't dictate how team members reach the objectives, but they do give them plenty of coaching and input on the loyalty guidelines. Markey suggests that managers should do these three things:

1. Set in place “a framework within which your employees can succeed.” (For us, that means the Three Core Loyalty Principles and their associated practices.)

2. Give the team “a clear measure of success.” (For us, that means a rising number of loyal customers.)

3. Give team members “fast, frequent, and simple feedback to help them learn.” (For us, that’s sharing insights openly to help everyone win. These insights can come from simply observing what’s going on, from customer surveys, or from following up with customers to learn what could have been done better.)

The result, according to Markey: “Dramatically lower employee attrition, lower costs, and higher customer loyalty. In short, strategic and financial success.”³



HUDDLE 9—SHARE INSIGHTS OPENLY

Generously communicate our thoughts, feelings, knowledge, and concerns.

1. **CELEBRATE**

Celebrate someone who was generous to a customer or team member.

2. **LEARN**

Discuss the following questions:

- a. Describe a time when a customer or team member shared an insight that was helpful.
- b. How effective are we at sharing insights with each other now?
- c. Which of the guidelines for sharing insights do we need to improve on?
- d. Who on our team is a great example of coaching?

3. **COMMIT**

Share insights openly to help the team.

4. **SCHEDULE FOLLOW-UP**

Huddle 10 date/time? Who will lead?



CHAPTER 10

SURPRISE WITH UNEXPECTED EXTRAS

“MAKE UNEXPECTED SURPRISES A ROUTINE PART OF
HOW YOU SERVE YOUR CUSTOMERS, AND THEY’LL
SPREAD THE LOVE.”

—JOHN JANTSCH



MODEL . TEACH . REINFORCE

One of our clients told us this story:

Several years ago, our family dog was acting ill, and we took him to the veterinarian. We got the devastating news that our dog had cancer that was well advanced and that he

would not recover. We were crushed. The staff at the animal hospital was overwhelmingly kind, and it was clear they knew how difficult this was for us. After the diagnosis, one of the technicians took Milo for a few minutes and brought him back wrapped in a blanket. We said our goodbyes. A few days later, we got a package in the mail. In those few minutes with Milo, they had taken a picture and an imprint of our dog's paw, framed them, and sent the gift to us along with a note of condolence. It meant so much to our grieving little family.

What kind of people work at this veterinary clinic? What principles do they live by? Think of the impact they had as they demonstrated not only intense empathy, but also surprised the family with an extra gift that went far beyond what was expected.

In building loyalty, there are few spotlights as bright as the unexpected extras that make customers smile, glow, and rave about us. Similarly, there are few things that engage and excite team members as much as when they feel the delight of a customer. Sending personal messages, remembering names, experimenting with surprising new service ideas—these simple gestures endear us to customers and increase their loyalty. And they also bring meaning and joy to the work we do each day.

WHAT DOES SURPRISING WITH UNEXPECTED EXTRAS LOOK LIKE?

Consider this story about a pizza restaurant that was a little unusual. Actually, it was *very* unusual. Of the hundreds of identical stores in this pizza chain, this one produced the most revenue and had the lowest staff turnover. The executives of the company put the place under a microscope to find out what made it so different. It turns out it was a manager who engendered deeply loyal customers and crew.

Like many such places, this restaurant was staffed by teenagers and college kids out to earn a few bucks. They showed up, put on an apron, did their job, and went home. Usually, the turnover in this type of business is sky-high—it's only a temporary job, after all. There is little loyalty and practically no commitment, and no one expects anything different. But when this particular manager's team

started a shift, they formed a huddle. They'd be leaning in, standing up, climbing on a bench, talking excitedly, while the manager wrote things down rapidly. This manager is extraordinary in one respect. As he huddles with his team, he asks only one question: "*What can we do for our customers this week that we've never done before?*"

The question, all by itself, excites his team. They are smart people, and he wants the benefit of their brains, not just their hands. The huddle is an opportunity for brainstorming ideas that are way outside the box (or *pizza* box, if you will), and the manager gleefully sends them off to try out their ideas. Here are just a few:

One team member liked eating cold pizza for breakfast. It occurred to him that others might, too. "How about it?" he asked the huddle one evening. The next morning he and another employee cruised the bus stops around town, selling leftover pizza to the people waiting for a bus. Somewhat surprised but pleased, the customers ate it up (literally and figuratively). Soon, the team members were selling boxes full of cold pizza every morning.

A second idea focused on the fact that every afternoon at about the same time, the restaurant experienced a rush of customers heading home from work and stopping for a takeout pizza. This was frustrating for both the employees who were suddenly overwhelmed with work and the customers who had to wait in line. While brainstorming in the huddle, one employee (who was a car-racing fan) came up with the idea of turning the restaurant parking lot into a pit stop for drive-by customers. The idea was to serve customers in their cars as quickly as possible instead of forcing them to come into the takeout counter. They formed four-member teams and raced around taking orders and credit cards, pulling hot pizza boxes off an assembly line and moving cars through the line quickly. The customers loved it. Every day, employees clocked themselves to see how much faster they could put a hot pizza into the hands of an arriving customer. The manager would stand outside laughing and timing them with a stopwatch. It turned into a high-energy competition to dream up new ways of doing the job even faster.

Another idea that came out of the huddle centered around a team member who noticed the laundry chute in his house where he dropped his clothes. He thought, "Why not a pizza chute?" The idea was to slide pizzas at high speed from the kitchen to the parking lot, eliminating the need to run into the store and back. But how to make it work? Eventually they got a long plastic waterslide from a

carnival and ran it through a window from the ovens in the kitchen to the pit crew outside. Soon they were sliding pizza boxes down the chute from storefront to parking lot, thus cutting precious seconds and hassle for their patrons. Now customers could text ahead exactly what they wanted, and their fresh, hot pizza was waiting for them curbside when they arrived.

In each of the team's huddles, members talked about what was working, then proposed wild new experiments and made plans to carry them out. When something worked, they celebrated like crazy. Customers loved the place and were always looking forward to the next innovation. This unique pizza franchise had become predictably unpredictable in a good way.

The manager's technique for earning loyalty was disarmingly simple: "What can we do for our customers this week that we've never done before?" The question energized his team, engaged their minds, and excited their hearts. No wonder turnover was so low! The staff didn't just *like* working there, they *loved* it. The manager's application of the generosity principle was simple: Surprise with unexpected extras by constantly experimenting with new and creative ways to show people you care.

COUNTERFEIT SURPRISE WITH AN UNEXPECTED EXTRA

A counterfeit "extra" is giving something that customers already expect, like a fortune cookie at the end of a Chinese dinner or the sample box of floss from the dentist. Customers aren't surprised and delighted by "extras" like these. If we want to increase loyalty through living the principle of generosity, we need to do better than that. Of course, the last thing customers want is to be surprised by an unpleasant extra expense. A friend shared this example:

I walked into a do-it-yourself copy store to print some copies of a presentation I was going to give. Over the copy machines hung a sign: *Because of the large number of errors made by customers, we will be unable to cover the cost of these errors in the future. You are limited to one error, and you will be charged for any errors after that.* I shrugged and started the copy machine. I was annoyed when the first copy came out on the wrong size of paper. So I adjusted the settings to

the correct size. My second try was also on the wrong size of paper. *Well, I'll be paying for that one*, I thought to myself. I “adjusted” it again. I ended up making seven more bad copies as I tried repeatedly to resize the paper. Exasperated, I asked the attendant for help. She looked at the copy machine and found that it had been set incorrectly. She kindly fixed the problem for me. When I went to pay for my copies, however, I was surprised to find that the helpful attendant charged me for eight of the nine bad ones! “I thought you said there was something wrong with the setup on your machine,” I objected.

“Sorry,” the woman answered, clearly uncomfortable with charging me. She pointed apologetically at the notice hanging over my head. “It’s our policy. I guess you should’ve asked for help sooner.” I shook my head and paid for the copies. At 10 cents per bad copy, I was out only 80 cents. But I left that store in a cranky mood and never went back.

That big, threatening sign at this copy center symbolized a “customer beware” mindset, the exact opposite of a generosity mindset. The provider should be doing everything possible to ensure that customers never have to bear the cost of a mistake. But instead of making our friend’s experience pleasant, the copy store made it unpleasant. They traded 80 cents for the customer’s loyalty—penny-wise and pound-foolish.

In another example, our friend Fred Reichheld was hampered by a traffic jam and got to the airport an hour late for returning his rental car. There were some nasty surprises in store for him. (Note that this is not the company where Sandy worked.) He explained:

First, for the one extra hour we used the car, the rental agency charged us 50 percent of the cost of an additional day. Wouldn’t 1/24th make more sense? Then it added on a charge of almost \$75 because the tank was only half full. The employee who checked us in was obviously embarrassed by these unreasonable fees.¹

The company might make money off an unpleasant surprise (Reichheld calls this kind of revenue “bad profits”), but it stresses out the frontline employees and drives customers away.

WHY DON'T WE SURPRISE WITH UNEXPECTED EXTRAS?

First, it takes extra effort to think about ways to delight customers and put them into practice. There's the excuse that "I'm already too busy with the work I'm doing to take on this extra surprise stuff." Fortunately, we don't buy it. The extra energy it takes to do little things to let people know you value them is more likely to energize you than wear you down. Simple things like remembering customers' names and any details shared during their last visit can surprise and delight them. Personal handwritten thank-you notes can go a long way to let people know how much you value them, and they don't take very long to write.

Second, some organizations have policies that *prevent* employees from being generous, like the copy-store and car-rental examples described above. Imagine how many times an employee has to deliver bad news to a customer, knowing that the customer will be disappointed, upset, or angry. Requiring employees to enforce ungenerous policies is a surefire way to undermine the loyalty of both customers and employees. Like peering into a microscope, customer-facing employees see close-up the kinds of problems customers have and can use their magnified vision to identify opportunities for making the customers' experience better. As McKinsey researchers pointed out:

Engaging with customers is still undertaken largely through personal contact. And there's no shortcut to creating emotional connections with customers; it requires ensuring that every interaction is geared toward leaving them with a positive experience. That takes more than great products and services—it takes motivated, empowered frontline employees. Creating great customer experiences requires having an engaged and energized workforce, one that can translate individual experiences into satisfying end-to-end customer journeys and can continue to improve the journeys to maintain a competitive edge.²

In other words, it's vital to focus on "improving the customer journey." So how do we motivate and empower customer-facing employees to improve the customer's end-to-end experience? It's incredibly simple: Ask for their ideas!

HOW DO WE SURPRISE WITH UNEXPECTED EXTRAS?

It's easy. First, brainstorm ideas with your team, then run thoughtful experiments to see what works. Many of the great customer-service ideas at Enterprise Rent-A-Car—from giving customers a cold bottle of water on a hot day to picking up customers from their home, office, or repair shop—came from the bottom up. These ideas weren't dreamed up in the corporate tower. They came from empowered frontline branch employees and local general managers exploring new ways to make the rental experience easier and better for customers. A form of “Darwinism”—variation and selection—is at work across the thousands of Enterprise branches. Employees try different ways to make the customer experience better (variation), and those that work get noticed by other branches and adopted there, too (selection).

Brainstorm with your team. Ask them, “What could we do for customers that we have never done before to make their experience better? How could we exceed customer expectations and show customers how much we really care about them?” To generate ideas, think about things that potentially annoy or stress out customers or waste their time. When do customers hesitate or look confused? What questions do clients ask that they shouldn't have to ask? What would make them feel more valued and appreciated? These things do not need to cost a lot of money. In fact, some of the best ideas don't cost anything. Fred Reichheld refers to inexpensive little ways to delight customers as “frugal wows.”

For successful brainstorming, there should be lots of diverse viewpoints in the conversation. If two people have the same opinion, one is unnecessary. So invite your entire team, and maybe include people from another department or those with different roles. And be sure to include those who interact with customers most often.

One caution: Most brainstorming sessions are too tame. These should be storms, not drizzles. Too often, a brainstorming session is a group of people who sit down together, list a few ideas, and then argue about them. No brainstorming session is worth doing unless the ideas fly fast and free. Here are some guidelines to make brainstorming exciting and fun enough to produce the kind of ideas that will incite real loyalty:

- Write ideas down *fast* on a chart or whiteboard.
- *Don't judge* the ideas at this stage. Just write them down quickly.

- Ask the group for *lots* of ideas. Go for quantity, not quality.
- Keep it high-energy. Nobody relaxes. Try standing instead of sitting. Encourage wild ideas and build off them.
- If the idea flow starts to slow down, try asking these questions:
 - “What are the real jobs our customers want us to do for them?”
 - “Let’s walk through everything our customers do with us. Where could we make their ‘journey’ easier and better?”
 - “What would it take to ensure that *all* of our customers love us?”
 - “Where are we not as good as our competitors? What could we do to close the gap?”
 - “Suppose our customers could completely serve themselves. What would we do to help them?”
 - “If we could read our customers’ minds, what are they thinking about us? What should we change?”
 - “We’re customers, too. What would we want if we were doing business with our team?”

Most important, have fun with it! In just five minutes, a team can toss out dozens of ideas. While there may be some that won’t work, others could be pretty good, and a few might be great. But the benefits of brainstorming go beyond the ideas. Team members feel heard, valued, connected, and aligned. They feel involved—part of the solution. Further, knowing that these brainstorming sessions will be held regularly encourages preparation. Team members can prepare for these discussions by:

- Listening to customers to discover the real jobs they are trying to get done.
- Following up with customers and asking what we could have done better.
- Reading customer-survey results, and customer comments online.
- Researching ideas. How are other companies like ours attracting loyal customers? How about companies that are *not* like ours?

- Identifying any “nasty surprises” that upset customers. How can we avoid them?
- Looking for ways to simplify the customer experience and make it easier for them to work with us.

Once the fast-and-furious brainstorming session is complete, ask team members to go up to the whiteboard or flip chart where the ideas are written down, and make up to three checkmarks by the ideas they like best. Give each person a different color marker if there are any concerns about “voter fraud.” They can put all three of their votes on one idea or spread them across three different ideas. In evaluating which ideas to implement, ask whether the solution will make life easier for customers. That’s what we saw the pizza place doing to great effect.

Then sort the ideas that get the most votes into two buckets: ideas your team could implement right now, and things that require management involvement before implementation (like a change in policy or pricing, a promotion, a system enhancement, a new investment, etc.).

Here are examples of ideas your team could potentially implement now:

- Send personal handwritten thank-you notes.
- Remember customer names, texting or emailing them on their birthdays.
- Welcome people with a small inexpensive gift—maybe a cookie, a flower, a cold water bottle, or even a glass of water.

A hotel team was concerned about disappointing guests when they requested a later checkout time but didn’t want to pay extra for the room. The front-desk employees began discovering some of the jobs these guests wanted to get done by checking out later: “If you don’t mind me asking, sir, what is the reason for needing to stay in your room until 2 p.m.? Perhaps there is something else we could do to accommodate your needs?” Sometimes the guests needed a quiet place for an important conference call. Other times they wanted to work out in the fitness center before departing the hotel and needed a place to shower and change. The front-desk team was able to provide a quiet room for the phone call and access to the changing room in the fitness center after checkout time to meet the guests’ needs.

These are examples of the “frugal wow”—little things that don’t cost much but make customers happy, especially if they demonstrate empathy, responsibility, and generosity. They amount to easy wins that ultimately strengthen the relationship. Even if little extras for customers cost money (like the replacement tube of toothpaste the housekeeper left in the guestroom), consider it money well spent if it helps you create more promoters.

Your team will undoubtedly come up with ideas that require management involvement. Disney is famous for exciting spectacles, but at one time, the Disney Store was just another retail store. The kids loved the products, but the stores themselves were nothing special. More recently, Disney completely redesigned the space with “pixie-dust trails” and a “magic mirror” to be “the best thirty minutes of a child’s day.”

Think about your team or organization, store or office—what’s interesting about it? Look around at your space. Look at your online presence. Ask team members for their opinions. What could you do to make it more appealing, more of an “experience” for customers? What’s the equivalent of “pixie-dust trails” or “magic mirrors” for your customers?

Whether it’s free CrossFit and cardio classes at Athleta, yoga sessions at Lululemon, personal styling and beauty services at Nordstrom in West Hollywood, or enjoying an espresso and haircut at Frank And Oak in Toronto, many physical stores are shifting from driving transactions to building relationships. In other words, companies that are staying relevant are creating an experience for their customers that builds loyalty.

Run thoughtful experiments to see what works. From the list of ideas your team could implement right now, pick one and run an experiment. Organizations that build loyalty constantly experiment with new ways to show customers how much they are valued and appreciated.

Some years ago, a restaurant did an experiment to find out if giveaways made a difference to their customers. One day they greeted customers with a “thank you for coming” and offered either a free cup of yogurt or a small key chain. The next day there was no greeting and no gift. They kept up this alternating routine for several weeks. In the end, the researchers found that the combination of a greeting and a gift had a huge impact on what the customers spent: 46.4 percent more! In other words, customers who got a little

unexpected extra—whether the yogurt cup or the key chain—ended up spending nearly half again more than the customers who didn't. Also, the gifted customers gave the restaurant much higher online recommendations. “The authors of this study conclude that retailers should greet customers who enter their stores and, if possible, provide a small gift.”³

Of course, it doesn't have to be a gift or a freebie. The unexpected extra could simply be the time and effort that excite the customer's enthusiasm or relieve the customer of stress and hassle. Senator Bob Kerrey is often quoted as saying, “Unexpected kindness is the most powerful, least costly, and most underrated agent of human change.” Here are some other examples.

- At the Ace Hardware store in Mequon, Wisconsin, employees greet you warmly, they learn your name, and they will give you a hand with any project. They will not only sell you a grill or a snowblower, they will deliver and put it together for you.⁴
- At Chick Fil-A, the location manager stops by each table and asks if she can refresh anyone's beverage. How often does this happen to you at a fast-food chain?
- On Southwest Airlines, flight attendants sometimes tell jokes or sing the safety announcement, sharing their musical or comedy gifts with passengers.
- Bose Corporation provides a number of short how-to videos to answer common customer questions about speakers, thus saving both the customer and themselves a lot of time and trouble.

Unexpected extras don't have to be complicated or expensive. Fun ideas like a pizza chute or simple ones like a cold bottle of water on a hot day can make a big difference over time. “From handwritten notes to just-baked cookies, a simple gesture can go a long way toward shoring up customer loyalty in a competitive marketplace,” says entrepreneurship expert Scott Gerber. “Even just a quick phone call can do more to earn your customers' long-term trust than any coupon or discount code—really.”⁵

So try the ideas your team is excited about. Do them on a small scale so the risks are minimal. See what works. Then celebrate like crazy when an idea works. Our colleague Jill Peterson shared this story:

I usually hate renting cars when I travel to the LAX airport. However, the last time I flew there, I thought I would try Enterprise, and to my surprise, it was an unexpected, delightful experience. The line was long when we walked in, but they moved us through quickly and got me outside to choose the car I would be driving. As the associate was walking around the car with me to make sure it was in good shape, she pleasantly asked me the standard questions one gets asked when renting a car. And then came the shining, very unexpected moment: She said, just as I was getting into the driver's seat: "Here is my business card. If you have any issues with this car, my cell number is here, and you can call or text me and I will make sure you get taken care of." *What?* She gave me her personal cell number in case I had a problem with my rental car! I was blown away. Did I need to get in touch with her while I was in L.A.? No. But this little gesture sure gave me the peace of mind that I could if anything had gone wrong.

We don't know whether this practice of handing out personal business cards to car renters is a small-scale branch experiment or a new chainwide customer-service initiative. Regardless, it is certainly a generous, unexpected surprise likely to create even more Enterprise promoters.

LEADER APPLICATION— THE PRACTICE OF SURPRISING WITH UNEXPECTED EXTRAS

As with all of the loyalty practices, it's critical that, as leaders, we model the behavior we wish to see from others. The generosity we show directly impacts how our employees treat our customers. Associates look to their leaders to see what the norm is and what is valued in the organization. Again, leaders create culture. Surprise your team members with unexpected extras—free or low-cost. Send birthday cards, bring in bagels, or give a little gift card. Celebrate every time an employee does something to create another customer promoter.

Meet regularly with your team to brainstorm. Make it a priority. Foster diverse viewpoints, encourage participation, and reassure your team that all ideas are welcome. Don't be afraid to experiment. Follow

through with implementing the best ideas, and iterate to improve. Then celebrate like crazy if an idea works.

Trust and empower your team members to decide when to give a customer an “unexpected extra.” Consider providing your people with resources they can use at their discretion as they work to build customer loyalty. The Ritz-Carlton gives every employee discretion to spend up to \$2,000 to make a customer happy. This is an extreme example, but this policy is completely aligned with their philosophy that “at The Ritz-Carlton, we are ladies and gentlemen serving ladies and gentlemen.” Might your employee make a mistake from time to time? Count on it. But chalk those up to learning and guide your team on how to make a better choice next time.

Finally, examine your policies to ensure they are not creating a system that brings “bad profits”—the \$75 charge to refill half of the rental-car gas tank that would only cost \$20 at the gas pump. We never want our team members to be in the unfortunate position of having to face down a customer over a policy that leaves both feeling dissatisfied. If your work to increase customer loyalty is encumbered by ungenerous policies, take responsibility for bringing this to the attention of your senior leadership and help them to find a better way.



HUDDLE 10—SURPRISE WITH UNEXPECTED EXTRAS

Experiment with new and creative ways to show people we care.

1. CELEBRATE

Celebrate someone who shared insights to help a team member.

2. LEARN

Discuss the following questions:

- a. When have we been surprised with an unexpected extra?
- b. What have we done to delight our customers?
- c. What extras can we come up with to surprise customers?
- d. How can we make life easier or more interesting for customers?

3. COMMIT

Identify something new to surprise and delight customers.

4. SCHEDULE FOLLOW-UP

Huddle 11 date/time? Who will lead?

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