

FOREWORD BY KEN BLANCHARD *author of The New One Minute Manager*

EXCELLENCE WINS



A NO-NONSENSE GUIDE
TO BECOMING THE BEST
IN A WORLD
OF COMPROMISE

HORST SCHULZE

WITH DEAN MERRILL

COFOUNDER OF THE RITZ-CARLTON HOTEL COMPANY

"WE ARE LADIES AND GENTLEMEN SERVING LADIES AND GENTLEMEN"

PRAISE FOR *EXCELLENCE WINS*

Horst Schulze created a culture of service that should be a model for all of us. By committing to the highest standards of professionalism—and creating the right systems to achieve them—he inspired thousands of people to embrace and embody the core ideal of sheer unadulterated excellence. With this profoundly useful book, Schulze now shares his story, and his methods, so that the rest of us can be uplifted and taught by the master himself.

Jim Collins, author of *Good to Great*
and coauthor of *Built to Last*

Horst Schulze's influence on my family and our business is undeniable. His approach to customer service revolutionized the hotel industry and set a high bar for all of us. His new book, *Excellence Wins*, weaves Horst's personal story with the practical wisdom he's gleaned from an incredible career of servant leadership. It's a must-read for leaders and anyone passionate about serving people.

Dan Cathy, chairman, president, and CEO of Chick-fil-A

Industry luminaries regard Horst Schulze as the leading hotelier in the world, but his influence extends far beyond the hospitality business. There's a reason for that. He has been *the* thought leader on customer service for decades. We now have the Rosetta Stone of superior customer service—his new book. *Excellence Wins* can only be described as profoundly helpful to any leader who aspires for his or her organization to be the best.

Dr. Tim Irwin, *New York Times* bestselling
author and leadership authority

In *Excellence Wins*, Horst Schulze's inspirational story and experienced wisdom gives you the road map to success at the highest levels. This book is a must-read for every manager, executive, and anyone who strives for excellence in their life.

Kay C. James, president of the Heritage Foundation

Horst Schulze is one of the most beloved, creative, and successful hoteliers in the world. His reputation for excellence in all he pursues has generated a global following among stakeholders in his various hotels and other businesses that is legendary and real. People today, regardless of whether they worked with him directly or have learned of his charismatic leadership from others, rightfully honor and revere him as one of the most important and esteemed original thinkers in human development our world has seen.

Richard J. Stephenson, founder and chairman of the board, Cancer Treatment Centers of America®

For an inspiring, practical approach to becoming a preeminent leader in business, nonprofits, government, and academia alike, *Excellence Wins* fills the bill. This engaging memoir depicts a philosophy of leadership that has become the signature trademark of iconic hotelier Horst Schulze, the premier service guru and top visionary thought leader in the hospitality world today. As an academic dean speaking to college students everywhere, I encourage you to read this book and adopt its teachings to spark your own passion for excellence, creating a pathway to tremendous success in your personal and professional lives.

June Henton, dean of the College of Human Sciences, Auburn University

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*In appreciation to my family
for their patience and support
during the many years
of my heavy travel schedule.*

CONTENTS

<i>Foreword by Ken Blanchard</i>	9
<i>Acknowledgments</i>	13

First of All	15
Prologue: A Boy with a Dream	17

PART ONE: **Serving Your Customers**

1. Getting Inside Your Customer's Head	27
2. Customer Service Is <i>Everybody's</i> Job	45
3. Four Supreme Objectives	61
4. The Fine Art of Handling Complaints	71
5. Three Kinds of Customers (and Three Ways to Lose Them)	83

PART TWO: **Engaging Your Employees**

6. More Than a Pair of Hands	95
7. First Things First	109

8. Why Repetition Is a Good Thing	119
9. Managers Push; Leaders Inspire	137
10. Bridging the Gulf between Management and Labor	151

PART THREE:

Building True Leadership

11. Leading Is an Acquired Skill	165
12. Why Vision Statements Matter	179
13. A Leader's "Gut" Is Not Enough	187
14. Money and Love	203

Epilogue: The Rest of the Story	213
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<i>Notes</i>	219
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<i>About the Authors</i>	223
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FOREWORD

When Horst Schulze asked me to write the foreword for *Excellence Wins*, I was honored. Why? Because for more than forty years, among the many hundreds of top CEOs and company presidents I have worked with around the world, Horst Schulze is easily in my top five.

My observations of Horst when he was president and COO of the Ritz-Carlton Hotel Company gave me a clear image of the impact a leader can have on an organization. Horst has always had a both/and philosophy about results and relationships—and he has put that belief into practice with the people he serves, the customers they serve, and the organization as a whole. Horst and I clearly agree that profit is the applause you get for creating a motivating environment for your people so that they will take care of your customers.

Throughout his career, Horst has modeled his leadership philosophy in three ways that really resonate with me—and you'll read about all three in this book.

1. **Horst has always been a dreamer and a visionary.** When he was a child in Germany, he told his family he wanted to work in a hotel. They tried to redirect him to other careers

EXCELLENCE WINS

every step of the way, but he would not be dissuaded. He was determined to follow his dream. As a young man at the end of a three-year hotel apprenticeship, Horst coined the phrase “Ladies and Gentlemen Serving Ladies and Gentlemen,” which became the driving mantra not only for himself but also for everyone who has ever reported to him. I’ll never forget visiting Horst at his office at the Ritz-Carlton in Atlanta. I was privileged to witness one of the stand-up meetings he held with staff at the beginning of every week when he was in town. He wanted to make sure people knew where they were heading, give them an opportunity to bring up any concerns they had for the week, and review at least one of the hotel’s standards of service with them. In terms of his vision of excellence, Horst has always believed in repetition and reinforcement as the best way to sustain the exemplary service standards taught to each hotel staff member.

2. **Horst has always seen his employees as business partners.** People both inside and outside the Ritz-Carlton Hotel Company couldn’t believe it when, many years ago, Horst instituted the policy empowering every employee to spend up to \$2,000 to make sure a guest is happy. He trusted his people’s judgment—and he loved to collect stories that proved he was right. I particularly like the one about a housekeeper named Mary who flew from Atlanta to Hawaii because a guest had forgotten his laptop computer in his room. He needed it for a big speech he was giving at an international conference in Honolulu the following afternoon. Mary didn’t trust that the overnight courier would get the laptop to the

FOREWORD

gentleman in time for his speech, so she delivered it herself. Did Mary take advantage of the opportunity to have a quick vacation? No! She flew back to Atlanta on the next flight. What do you think was waiting for her when she arrived? A letter of commendation from Horst and high fives from her colleagues around the hotel.

3. **Horst has always been a classic servant leader.** I'll let you read his own words from chapter 6 of this book:

Very few people come to work to be negative or to do a lousy job. People come to contribute to a purpose. When we invite them to join us, to take on positions that befit them, their talents can blossom. We haven't just grabbed them off a shelf . . . we have gotten to know them as human beings and carefully matched their unique interests with a set of tasks that energizes them. As a result, they become employees of excellence for a long, long time, which benefits not only them personally but the organization as well.

I'm so glad you picked up this book. You'll love the pearls of wisdom on every page that come directly from Horst Schulze's experience—wonderful stories and lessons to apply in your own organization. By the end, I know you will understand the truth in the title of this book: *Excellence Wins*.

KEN BLANCHARD, cofounder and chief spiritual officer of the Ken Blanchard Companies, coauthor of *The New One Minute Manager*, *Raving Fans*, and *Servant Leadership in Action*

ACKNOWLEDGMENTS

I think it is the norm (as a way to start a book) to write a few words of thank-you to all who impacted my life, work, thinking, and career, which in turn is reflected in this book.

Well, to thank everyone would take half the pages of this book. Surely none of this could have been done without the support of a loving wife—thank you, Sheri! And the love of my children. Thank you, Yvonne, Alexis, Brook, and Ariel. You all sacrificed so very much. You all are very special!

Thank you, all who were impactful on me and my career. Thank you, Karl Zeitler—my first maître d’—Colgate Holmes, Otto Kaiser, and Pat Foley.

Thank you to all who were involved in the early creation of the Ritz-Carlton. It would not have been possible without you! So thank you, Ed Staros, Joe Freni, and Sigi Brauer. Thank you, doormen, waiters, bellmen, housekeepers, chefs, busboys, etc., etc., etc.

I love you all!

FIRST OF ALL . . .

Before we start to explore the main principles of the book, let's talk for just a moment about what to *call* the public we all wish to serve.

If you're in the general business arena, as I am, you will speak most naturally about "customers" or "guests." I'll be doing this throughout the coming chapters.

If you're a consultant, adviser, or counselor, you'll probably call them "clients."

If you work for a government entity, you'll say "citizens" or "taxpayers."

If you're in the nonprofit sector (churches, mission agencies, associations, advocacy groups, and the like), you'll talk about "members," "donors," or "constituents."

If you're an educator, you will refer to "students" (and "parents").

If you're a doctor, nurse, hospital administrator, or other health care professional, your term of choice will be "patients."

But in reality, the people you serve are all the same. They are all people who want us to meet their needs—and we know we must do so if we are to stay viable in today's busy, interconnected

EXCELLENCE WINS

world. The label doesn't matter. The inner desires and feelings, the values, and the interests of the person are central.

So as you read, make the applications to your particular environment, seeing what fits your specific challenges.

Let's begin.

PROLOGUE

A BOY WITH A DREAM

I hadn't even gotten home from school that afternoon before my mother heard about the outrageous thing I had said in class. I was still playing *Fußball* (soccer) with my friends when a nosy neighbor came to report me.

"Do you know what your son said in school today?" she asked breathlessly. "He said that when he grows up, he wants to work in a hotel!"

In our small German village, every self-respecting family wanted their sons to aspire to one of two futures: a technical position (for example, engineering or architecture) in a big city like Munich or Stuttgart, or else winemaking here at home, since the hillsides all around were covered with vineyards. If neither of these came to be, you could at least be a carpenter or a mason.

To talk about hotel work was like saying you wanted to be a street sweeper or a garbage collector.

Where had I, at age eleven, gotten such a crazy idea? Our village didn't even have a hotel—or a proper restaurant, for that matter. To this day, I cannot remember the source of my notion; I must have read about it in a book.

But I would not be dissuaded. My uncle from the city, a respected banker, came to visit once and asked what I had in mind. Would I be going on to *Gymnasium* (high school) in nearby Koblenz? I told him my dream, thinking surely he would understand.

A BOY WITH A DREAM

“What? Are you just going to be one of those sloppy guys serving beer in the railroad station?” he scoffed, referring to the small bar in the depot where passengers could get a drink while waiting for the train. He was as embarrassed as the rest of the family.

This standoff went on for three years, until I reached age fourteen—a fork in the road for European students in those days. Either you went on to higher academic study, or else you opted to learn a trade. My parents sat me down one day and said, “All right, Horst, tell us about this.”

“I want to work in a hotel. I want to work in the kitchen, in the dining room. I want this to be my work for life.”

They looked at each other and knew I was not going to give up. So with a sigh, they decided to help me. They went to some kind of government labor bureau to inquire about what to do next. There they learned of a six-month boarding school for hotel work that was eighty miles from our village. They reluctantly enrolled me and said a tearful good-bye to their son.

Starting at the Bottom Rung

It was an intense course of study, and I was very homesick. But after I finished the program, the school found an apprenticeship for me at a fine hotel and spa in Bad Neuenahr-Ahrweiler (*Bad* in German means a mineral bath or spring, thought to be helpful for relieving arthritis and other ailments). Next to the facility was a clinic whose doctors treated the patients. The hotel was named the Kurhaus (“cure house”).

EXCELLENCE WINS

Some wealthy guests didn't visit the Kurhaus for medical reasons; they just came for the concerts in the big garden every afternoon and evening or for the casino.

I still remember the lecture my mother gave me on the train. "Now, son," she sternly declared, "this hotel is for important ladies and gentlemen. We could never stay there." (My father, a World War II veteran, worked for the postal service.) "You must behave yourself accordingly. Take your shower! Wash your socks! Do not do anything out of line!"

We got off the train at last and schlepped my suitcase the ten blocks to the hotel—taking a taxi was out of the question. We met with the hotel's general manager, an educated man who carried the title "doctor," for a brief introduction. He reinforced my mother's warning. "Young man, this place is for important people. They come here from around the world. They are the upper class who truly understand service. Do not allow yourself to become jealous or envious. You are here to serve them." I dutifully nodded my head.

After kissing my mother farewell, I moved into a dormitory room with three other boys. The toilet and shower were located down the corridor. By the next day, I was plunged into the busy life of a busboy. Well, to be precise, the only task I was allowed to do in the beginning was to clean ashtrays. "Be careful," I was told. "Don't disturb the guests while they are eating."

A bit later, I was assigned to wash dishes. The hours were long—from seven in the morning until eleven at night. We set up the dining room before every mealtime—not only the tables, but also the utensils and other supplies the waiters would need. We cleaned the floors. Sometimes, at the end of a tiring day, we

A BOY WITH A DREAM

had to polish the guests' shoes that had been left out in the hallway. We did everything, it seemed.

Gradually, I was allowed to hand-carry the food orders from the waiters to the kitchen staff and then to bring the food back to the waiters for serving. Then came actually serving the food myself from a side table, dishing up the plates. If meat needed to be carved, however, the *maître d'* would come over and handle that part.

This was my life for every day of the week except Wednesday, when our young group was bussed to a hotel school in a nearby town. We arrived back late in the afternoon, changed clothes, and immediately went to work in the dining room.

It was hard work, but I never second-guessed my decision. I found encouragement in my mother's letters, which she wrote every day. She would tell me what was going on in the village, what vegetables she was picking from the garden, and then she would always add, "We love you so much. We think about you constantly. We cannot wait for the next time you get to come home for a visit." Sometimes she would even send me grape sugar tablets, which she was convinced would bolster my energy for my work.

Man of Excellence

The *maître d'*, Karl Zeitler, made a huge impression on me. Though in his early seventies, he still had a stately bearing as he would go from table to table, conversing with the guests. At one table he would speak German; at the next, English; at the next, French. His presence filled the room.

EXCELLENCE WINS

In fact, as I watched, it almost seemed as if the guests were proud to have him stop by their table. They looked up to engage him in conversation. This conveyed to me that, while we young workers naturally viewed him as the most important person in the room, the guests apparently thought so too. *What a reversal!* I thought. *It's almost upside down.*

Herr Zeitler was a great teacher for us young people. Before mealtimes, he would talk through the day's menu, explain any new items, and coach us on how to describe them to the guests. The mystique of the industry seemed to dance in his eyes.

In slow times, he would tell us about the great hotels he had worked in during his long career—in London, in Czechoslovakia. He had been an apprentice himself in Berlin many years before. He told us about his friend who had worked on a transatlantic ship. It all sounded so fascinating. When I went home for a weekend visit every three months or so, I had so many stories to tell.

But Herr Zeitler didn't only inspire us; he also held us to high standards. I got in trouble with him a few times. He once caught me helping myself to a quick swig of leftover wine, and he kicked me in the backside! I never did that again.

One time we were serving a banquet at which the entrée was a beef filet and a veal filet, side by side on the plate. As I served a particular guest, he said, "No beef—just the veal." When I returned to the kitchen, I checked to see if anyone was watching me, and then I quickly slipped the beef filet into the back pocket of my trousers, under the formal tail of my jacket.

Unfortunately, the maître d' saw what I had done. He chased after me and dumped hot sauce in my pocket! And he proceeded to give me quite a scolding.

The Essay

One Wednesday near the end of my three-year apprenticeship, we were all assigned to write an essay about how we felt about our work and what we were learning. I didn't know what to say. I sat that evening in my little room pondering.

I decided to write about Herr Zeitler. I told about what an exceptional human being he was. I described his impeccable dress, his elegant mannerisms, his genuine interest in each and every guest. It came to me that he was defining himself as a true gentleman.

Somewhere near the end of my essay, I coined the phrase *Damen und Herren im Dienst zu Damen und Herren*—"Ladies and Gentlemen Serving Ladies and Gentlemen." Like the *maitre d'*, we could be ladies and gentlemen as we went about our work. We were not just servants in the shadows of the service industry. We would rise to a higher identity, if we deserved it.

My paper got an A grade (the only A I ever received!). The school's prefect and my teacher even called the other faculty members together for me to read it to them. In that moment, I thought about my uncle and the others who had been embarrassed for me to go into this field. I said to myself, *See, I was right. I can be proud of myself here. I can be respected by others, and I can respect myself. I can be a gentleman.*

A Motto for Life

Close to my eighteenth birthday, I went to work for the winter season in the Bavarian ski resort of Garmisch-Partenkirchen.

EXCELLENCE WINS

Next I went to Bern, Switzerland, to the Bellevue Palace (the official guesthouse of the Swiss government) and also to the Beau-Rivage Palace in Lausanne. Then came the Plaza Athénée in Paris, followed by London's Savoy—all of these were five-star hotels. At one point along the way, I signed on with a Holland America cruise ship, which brought me to New York for the first time. In those days, it took three days to refresh a ship before the next voyage, which meant we had time to explore the city, using our seaman's passports.

While most of my friends jumped into taxis to head for the Empire State Building, Madison Square Garden, or the Statue of Liberty, the number one destination on my list was the famous Waldorf-Astoria. I had dreamed of seeing that grand hotel for a long time. Now I stared up at the big clock in the beautiful lobby. It gave me chills of excitement.

Would I ever get to be the manager of a hotel this splendid? There was no way to tell. But I knew that if the chance ever came, I would seek to make it a place where a staff of ladies and gentlemen served ladies and gentlemen with pride. My dream would be turned into reality, for the benefit of not only the guests but also everyone who would serve them, from the newest maid to the highest supervisor. Together we would rise to excellence.

In this book, I will share how my motto has been put into practice along the way.

PART ONE



SERVING

YOUR CUSTOMERS

CHAPTER ONE

GETTING INSIDE YOUR CUSTOMER'S HEAD

Sometimes what the customer wants may seem completely self-evident. If you're selling hot dogs at the ballpark, obviously the fans want hot dogs—at the lowest possible price. If you're running a school, parents want their kids to be educated—while paying the lowest possible taxes and fees. If you're operating a hospital, patients want to get well and go home as soon as they can—while you do all the insurance paperwork for them.

Yes, what the customer wants seems like common knowledge. It's easy to come up with a quick answer. But that answer barely scratches the surface of what the public is actually looking for. If you don't dig deeper, you will miss important signals. You may, in fact, even wind up responding *against* what your market is craving.

Shortcuts That Mislead

Some of our assumptions can hinder understanding and even be outright dangerous. Have you ever caught yourself saying any of these things?

- “I already know . . .”
- “My wife [husband] said the other day . . .”
- “I was talking to my neighbor [friend or workout partner at the gym or whomever], and they said . . .”

GETTING INSIDE YOUR CUSTOMER'S HEAD

All of these statements are nothing more than a “survey of one.” They tell you the thinking of a single human being—one out of the multiplied thousands you hope to reach. Any statistician will tell you that’s too small a sampling to be reliable.

The practice of bringing together focus groups—eight or ten people sitting around a conference table giving their opinions—can be a bit more helpful, although not unless rigorous follow-up analysis takes place. For one thing, the setting is terribly artificial; a conference table is not where people live their daily lives. If the subjects are being paid \$50 or \$75 to be there for an hour or two, that can skew their remarks even more. And again, the sampling is extremely small.

Widening the Pool

So then, how can you as an organization leader get input from a wide enough pool of individuals for that information to be meaningful?

One way to do this without spending a fortune is to pay attention to ongoing surveys of customer/member satisfaction. All too many leaders are in the mode of “tell, tell, tell” (“promote, promote, promote” or “preach, preach, preach”) without giving the public a chance to answer back. What do they really think of your product or service? What do they like? What is irritating them? What do they think you could be doing better? And perhaps the best yardstick of all—would they recommend you to any of their friends?

This feedback can be gathered in various ways: comment cards, follow-up phone interviews, or online questionnaires.

EXCELLENCE WINS

Granted, the purists would say these are not scientifically random samplings, since people can choose whether or not to cooperate. And of course, the loudmouth complainers will always jump at the chance. That is why you must be careful to watch for *trends* over a period of time rather than simply reacting to individual gripes (again, a “survey of one”).

If you find the load of raw data overwhelming, you may want to hire an outside company to do the analysis for you. They can sift and sort, categorize and summarize, so that you come away with usable information. Yes, it will cost a little money, but you can gain a great treasure of insight. Or you can go to larger firms that specialize in organizing and researching customer service measurements from start to finish. I happen to think that J.D. Power is the best, having used them repeatedly both here and overseas. But there are others worth considering as well. They can analyze *trends of dissatisfaction* but also *trends of demands*—for example, “If you would add X or Y to your services, the public would be much happier.”

Again, I repeat, you don’t need to just react to a few ax-grinders. Instead, you can listen to the market to gain valuable information.

This process is a lot more important than simply comparing ourselves to our competitors. For a while, a big buzzword in business was *benchmarking*—in other words, seeing how you stand compared to the rest of your particular industry or market segment. But that’s not the point. And it’s not necessarily helpful. As I bluntly told one fast-food executive who asked me how I thought his company was doing, “You’re the best of a bad lot!”

A better form of benchmarking is to measure how you’re

GETTING INSIDE YOUR CUSTOMER'S HEAD

doing compared to how you were doing a year ago or three years ago. Are you making headway? Do you have a higher percentage of people who are pleased with your service?

Getting to the Bottom

Sometimes the feedback you receive will seem cloudy, so that you're not quite sure what it signifies. Customers may not always be able to articulate what they're truly feeling. I remember one set of focus groups in which people kept saying about their hotel stays, "I want to feel at home."

It was a sweet, warm sentiment. But what did it mean? What did it really tell me? Obviously, I couldn't furnish and decorate every room to look like each incoming guest's personal home.

I hired another firm to listen carefully to the session recordings and try to discern what was really being said. They came back to me with this interpretation: *They want to feel something from their subconscious memory—what they used to feel in their mother's home.*

And what was that? Their childhood home had been a place where everything was done for them. Every need was taken care of. Somehow the lightbulbs got replaced and the grass got cut without them giving a thought as to how those chores happened. They didn't have to worry about a thing.

If anything did seem wrong, they immediately went to their mother. "Mom! Mom! Something is really bad—I don't have any socks in my drawer!"

And what did their mother do? She said, "Come here, sweetheart," and wrapped them in her loving arms. She knew exactly

EXCELLENCE WINS

what to do to solve the problem. What she did *not* say was, “I’ll call the manager about that”!

But this happens in business every day.

I learned that deep down inside, hotel guests want to feel assured that everything is under control, and that any problem will be resolved right away. They don’t want to wait three hours. They want to unload their feelings on the closest person they see. They want somebody—anybody—to care for them. If this happens, they will feel respected and even honored.

Based on this, I announced a new policy: *Every employee, from the general manager down to the newest busboy, is empowered to spend up to \$2,000 to make sure the guest is happy.*

Suppose a guest comes to the restaurant and hears the hostess say in a cheery voice, “Good morning, sir! How was your night?”

“Not the greatest,” the guest may reply with a frown. “The toilet kept running, and I couldn’t get it to shut off.”

The hostess should immediately answer, “I’m so sorry about that! Please forgive me. I will take care of this right away. And we’re going to buy your breakfast now to make it up to you.” Then as soon as she has seated the guest, she will jump on the phone and insist that the hotel maintenance person fix the toilet before the guest gets back to his room.

When I announced this policy, my peers nearly fainted. The owners of the hotel thought about suing me. I answered, “Look, the average business traveler will spend well over \$100,000 on lodging during their lifetime. I’m more than willing to risk \$2,000 to keep them coming back to our brand of hotels.”

This was not driven by any desire to throw money away, obviously. It was driven by the knowledge of what the customer

GETTING INSIDE YOUR CUSTOMER'S HEAD

really wants. I made a decision that we would move heaven and earth to serve that particular expectation.

Real knowledge of the customer is absolutely essential. Without it, you cannot serve your market in a way that is superior to the competition.

Three Universals

You may be saying, “But I’m not in the hotel business. My arena is different.”

No matter what field you’re in, I can guarantee (after processing thousands of customer comments) that the people you serve want three main things.

First, they want a product or service or other output with *no defects*. Let’s say you’re selling them a bottle of water. They want the water to be absolutely pure—no little “floaties” swimming around. They also want the bottle to be leak-proof. They want to know they can trust this purchase 100 percent.

When I talk about defects, I’m thinking not just of *physical* defects—say, a sticky door or a noisy toilet. I’m also including *process* or *system* defects—the kind of thing that leads customers to say, “Hey, I never got my receipt,” or “Where’s my suitcase? I have to be dressed for a banquet in three hours!”

My collaborator on this book, Dean Merrill, recently flew from his Colorado home to Dallas for a family funeral. The death had taken the man’s children by surprise because he had seemed to be feeling all right, even at age eighty-six. But one day, his daughter-in-law showed up at his home with her father-in-law’s usual morning coffee and doughnut, only to find he had collapsed on the carpet.

EXCELLENCE WINS

In the midst of the family's shock and grief, they took an EMT's recommendation of a funeral home less than a half mile down the boulevard. Early arrangements went smoothly. But when family and friends showed up for the 10 a.m. Monday morning funeral, it was a different story.

First, the information placard telling people how to get to the chapel had a completely different man's face and name on it. "Oh, sorry about that," said the person working in the office. "That was left over from a viewing last night; we'll switch it out right away." *Defect no. 1.*

The service began with a welcome, the reading of Psalm 23, and a prayer. But something else was distracting the guests. *What's that noise outside the window?* everyone wondered. They figured out it was the *rrrrr* of a riding lawnmower. The irritating sound went on for at least twenty minutes. Did someone really need to be cutting the grass at that particular time? Couldn't the job have waited until the funeral had ended? *Defect no. 2.*

Later in the service, the program called for playing a beloved recording of the man's deceased wife, who had a wonderful soprano voice, singing the Andraé Crouch song "To God Be the Glory." This was designed to bring back wonderful memories of the man for all the mourners. And the song was to be accompanied by a slide show of family pictures from over the decades—the happy couple, Christmas gatherings with the grandkids, memorable vacations, and the like. One of the sons had spent hours gathering these photos, sequencing them, and uploading them to the funeral home website. The audio track ran fine, but for some unknown reason, the pictures wouldn't show on the big screen. The software kept crashing. *Defect no. 3.*

After the service, burial was slated for the family plot outside

GETTING INSIDE YOUR CUSTOMER'S HEAD

a small town some ninety miles away in East Texas, where the man had grown up. Given the distance, there would be no formal procession; instead, all attendees were given clear directions for driving there on their own. The route wasn't complicated: just go east on Interstate 20 to a certain exit, turn right, and then travel on a state highway for ten miles until reaching the cemetery.

The various family members all arrived around 12:30. The cemetery staff had done their job. The square tent was erected; the folding chairs were in place; and three workers stood respectfully at a distance, leaning on their shovels.

But no hearse. Fifteen minutes went by, then twenty. Eyes kept scanning the horizon. The one son who had made the arrangements pulled out his cell phone to call the funeral home, only to be told, "He's on his way."

A full half hour passed, then forty minutes. Little grandchildren grew restless, wanting to play in the dirt. A baby had to have a diaper change in one of the vans. The son called again. This time the report was even worse: "We can't seem to get in touch with the driver. We're not sure where he is."

When almost an hour of waiting had passed, the exasperated son said, "Well, everyone, listen up. Let's all just go to the restaurant where I've made reservations for our family meal. We can come back later for the graveside ceremony."

The hungry, hot, tired group started walking toward their vehicles, thoroughly frustrated, when the hearse bearing the casket rolled slowly into the cemetery. The driver's only explanation: "I got lost." *Defect no. 4*—the biggest of all, and on a day when people's emotions were already raw.

An alert business stays one step ahead to prevent this kind

THE PEOPLE YOU SERVE

WANT THREE MAIN THINGS

FIRST

THEY WANT A PRODUCT OR
SERVICE OR OTHER OUTPUT
WITH NO DEFECTS



SECOND

THEY WANT TIMELINESS

FINALLY

THEY WANT THE PERSON
WITH WHOM THEY'RE DEALING
TO BE NICE TO THEM

GETTING INSIDE YOUR CUSTOMER'S HEAD

of thing. Or if something goes awry once, they immediately call a staff meeting to make sure it never happens again.

Second, the people we serve want *timeliness*. They don't want to have to stand or sit around waiting for you. If they're eating in a restaurant and their meal comes out absolutely perfect and tasty (no defects), but it took forty-five minutes to be served, they're going to be unhappy, regardless of how delicious the meal is. If someone calls your customer service line and is put on hold for ten minutes, it won't matter if the agent is totally smart and competent to solve their issue. The customer is going to be so ticked off that they will hardly notice.

Finally, they want the person with whom they're dealing to be *nice to them*. They want to sense a caring attitude. In fact, this third desire is greater than the first two combined. It can atone for other shortfalls. I have actually heard restaurant customers say, "I had a problem with the food—but the waiter did such a great job, and the chef even came out to my table and apologized. So it all turned out fine."

I was in Chicago once to speak to the executive team of a certain bank. The afternoon before, I decided to check out their operation. I walked into this massive institution in the downtown Loop area and gazed at the impressive marble pillars. The whole ambience exuded wealth. Twenty-four tellers were at their stations serving customers.

I took my place in line and waited to be called. When I finally got to the head of the line, what did I hear?

"*Next!*" a young woman's voice rang out.

I approached her station and said, "I'd like to change this fifty-dollar bill."

Without a smile or any word, she took my money and did

EXCELLENCE WINS

what I asked. In rapid fire, she counted out my change aloud: “Ten, twenty, thirty, forty, forty-five, fifty. *NEXT!*” I took my handful of bills and scooted away.

Had the bank teller delivered a product with *no defects*? Yes. She gave me the correct amount of money. And all the bills were genuine; none were counterfeit.

Had she done this in a timely manner? Yes. Our whole exchange took less than sixty seconds.

Had she shown any hint of relating to me as a human being or caring about me? *No*.

I told this story to the bank executives the next morning. Then I asked, “What industry are you in? Surely the service industry! You don’t manufacture any money; the US Mint does that part. All you do is handle other people’s money, right?” They begrudgingly nodded their heads.

I made some more remarks and then said, “When I entered your bank yesterday, I assure you I did not feel like I was being served.”

Let’s say you’re in the medical field. When people come to a doctor’s office, they, of course, want to get rid of their pain. But that is not the whole picture by any means. Healing resides in more than just the pill bottles on the shelf. Patients want *to be heard* by the doctor, the nurse, even the check-in assistant at the front desk. They want someone to listen to them with a caring heart. Yes, their recitation of symptoms may be lengthy, as well as confusing—but it’s their reality. If the medical professionals don’t engage with their humanity, the healing process can be inhibited.

When you walk into a church, you naturally expect the preaching to be biblical (no defects). You expect the service to

GETTING INSIDE YOUR CUSTOMER'S HEAD

start and end at the stated hours (timeliness). But along the way, does anyone notice you—anyone, that is, besides the official “greeters” who have been told to do so? Does a pastor or elder look you in the eye and smile or shake your hand? Are you made to feel that you matter in some small way to this large and busy institution?

Granted, not everyone wants to be affirmed in the same way. Some people go for enthusiastic hugs, while others feel encroached upon by physical contact. But at least a smile and a warm “good morning” would let you know you’re valued.

Worshippers come to connect with God, of course. But they’d also like to connect with a fellow human being or two. As the wise and beloved nineteenth-century British preacher Joseph Parker is reported to have once said, “There is a broken heart in every pew.”

And Furthermore . . .

I’ve noted that two more customer desires have arisen in recent years. No matter what your standard product may be, people these days seem to be more and more interested in individualization and personalization.

Individualization. People want to be able to tweak a product to their own likes—which makes it challenging for any of us who aspire to serve large numbers of people. But customers don’t think about that. They just know they don’t want to be locked into a fixed menu. The Subway sandwich chain has risen to the top of its market by letting folks decide how much lettuce, black olives, grated cheese, and jalapeños go on their particular

EXCELLENCE WINS

sandwich, and they're allowed to watch the assembly process every step of the way. The car industry has known for a long time that the more options and gadgets it offers, the more new cars it sells.

At the Ritz-Carlton Laguna Niguel in Dana Point, California, I started noticing complaints at the facility about our noon checkout time—especially on Sundays. People had come to enjoy a long weekend of sleeping late and then going to the beach, and they felt pressured by the clock.

We moved our checkout time to 3 p.m., and the complaints disappeared. Of course, this meant we had to adjust our staffing, bringing in more housekeepers for the later afternoon hours to turn over the rooms more quickly. But that was a small price to pay to create a positive experience for our guests.

Later on, we asked ourselves, “Do we really have to make people obey rigid checkout deadlines at all?” We studied our clientele and realized that the majority of guests voluntarily clear out early enough in the morning to allow us to clean their rooms for the next guest. Why apply and enforce an unnecessary rule? Consequently, we did away with checkout requirements altogether.

In another hotel, one of our housekeepers noticed while emptying the wastebasket in a certain room that the guest had picked out the nuts from the chocolate chip cookies he had gotten from the club lounge tray. What did she do? Just ignore this information? No, she mentioned to the chef that this guest apparently didn't like nuts. The next evening when the guest returned to his room, he found waiting for him on the bedside table a tray of chocolate chip cookies without nuts.

She had taken individualization to a whole new level.

GETTING INSIDE YOUR CUSTOMER'S HEAD

In certain situations, focusing on the individual can make a huge difference. Southwest Airlines got major accolades in 2015 for the way it handled a situation involving a customer named Peggy Uhle. Peggy was sitting in her seat ready to take off from Chicago's Midway Airport and head for Columbus, Ohio, when all of a sudden, a flight attendant approached her and said, "I'm sorry, but you need to leave this flight. Come with me, please."

Peggy thought she might have boarded the wrong plane. But then the gate agent directed her to a nearby service desk, where she was told to call her husband right away. There she learned that their son, who was in Denver, had suffered a severe injury to his head and was in a coma!

Obviously, Peggy no longer wanted to fly east; she wanted to get to her son as soon as possible. The Southwest Airlines team had already figured this out and rebooked her on the next flight to Denver. They retrieved her luggage from the Columbus-bound plane, retagged it, offered her a private waiting area, and even packed her a lunch for the Denver flight—which they allowed her to board ahead of everyone else.

"The care that I was shown was second to none," the distraught mother said later. "We've always liked Southwest Airlines, and now we can't say enough good things about them."

She was at her son's hospital bedside within hours, thanks to a caring airline. Her son's condition has gradually improved since then.¹

Personalization. No sound on earth is as sweet to a person's ears as their own name. They don't want to be "Account Number W49836Q7." They want to be called by name; it's a recognition of their worth. In the hotel business, we train doormen to check the luggage tags on the suitcases they're unloading from the taxi

EXCELLENCE WINS

so that as soon as the guest finishes paying the driver and steps out, the doorman can say, “Welcome, Mr. Johnson!”

Of course, if the name is too hard to pronounce, it’s better not to try and then end up getting it wrong. If you’re sending a birthday card to a customer who was born in July, make sure your systems are in order so that you don’t mail it in October. That will do more harm than good.

Shifting Sands

Even when you think you’ve mastered what the customer wants, beware of changing tastes. When I started in the hotel business, our studies showed that at the busiest check-in time (early evening), guests were willing to wait in line for the next front-desk agent for up to four minutes. We took steps to have staff people reach out to them after just two minutes, offering perhaps a soft drink.

But people today are less patient. They get annoyed after just twenty seconds! We’ve had to ramp up our service personnel as a result.

It is quite possible to lag behind the ever-shifting culture or even to get too far ahead of it. I learned this the hard way in the first Ritz-Carlton hotel when we implemented the VingCard electronic lock system to open room doors. We were proud to be on the cutting edge of technology at that time. But guests said, “What is this—some silly little piece of plastic? You’re supposed to be a luxury hotel—you can’t afford to give me a real room key?” We quickly changed the locks back to metal keys.

Three years later, the plastic alternative had become accepted.

GETTING INSIDE YOUR CUSTOMER'S HEAD

People were used to them, and they now viewed traditional keys as downright dangerous. “What if I lose this key and somebody finds it? They’ll come barging into my room at two in the morning!” We had to change the lock system *again*.

The same thing happened when we first introduced voice mail. I thought this was the way to go. But people said, “You don’t want to deliver a handwritten message to my room anymore? What kind of a cheap joint is this, anyway?” So we did both methods for a while—paper messages plus the electronic system. It didn’t take long, of course, before voice mail became widespread in offices and homes, solving the problem and simplifying our system.

All of this illustrates that customers’ preferences keep changing. If you think you know them well today, you will still need to keep learning next year and the next and the next. Organizations and their leaders have to keep adjusting.

Double or Triple Audiences

In more than a few situations, the leader is in the tough position of having to understand and please multiple populations. For example, the Red Cross has to serve the people who’ve just been flooded out as well as the donors who are footing the bill. The school principal has to please not only the parents of students but also the educational bigwigs in the state capital and in Washington, DC. The plant manager has to get along not only with the wholesalers (who will merchandise the finished products) but also with the labor unions. Every publicly held retailer has to not only please the customer in the mall but also make

EXCELLENCE WINS

Wall Street happy. Hopefully the contented customer buys more, which makes the investors happy too. But not always.

Leaders often find themselves attempting a juggling act. They cannot afford to ignore their core constituents, obviously, or there will be no tomorrow for anyone. They must find ways to prove to the external players that this is good business all around. We'll talk more about this dynamic in the coming chapters.

But for now, let the main point be clear: understanding what means most to the public we serve is essential, even if it is not always easy.

CHAPTER TWO

CUSTOMER SERVICE IS *EVERYBODY'S* JOB

The instant I say “customer service,” business leaders nod their heads in agreement. “Oh yes, customer service is very important. We need to provide good customer service.”

But I fully believe the term is not well understood. If you ask even the leaders of “service companies” such as banks or hotels to define customer service, they mumble generalities. I have repeatedly asked these leaders, “How do you teach service? What is your process?” only to find that they have few specific answers.

It reminds me of the famous quip often attributed to Mark Twain, “Everybody talks about the weather, but nobody does anything about it.” Well, while we may not be able to do anything about the weather, in the case of customer service, we *can* do something about it.

If you think customer service is merely a desk in the back corner of the store (or a call center cubicle in faraway India, where a polite young man or woman with a thick accent reads from a script while trying to solve your problem), you have sorely shortchanged the concept. Too many people think customer service starts after a complaint has been voiced. Somebody has gotten upset about something, and the point of customer service is to try to calm them down.

But that’s far from the truth. Customer service starts the instant you make contact with an individual.

First Step

Customer service starts at the front door or with the first ring of the phone. The first step of service is **offering a great welcome**. You show immediately that you are glad the person has chosen to come your way—even if they haven't bought anything so far and you're not sure if they even want to.

I have taught my hotel staff that this welcome needs to happen as soon as the person gets *within ten feet* of them. Immediately they must say, with genuine sincerity, "Good morning!" or "Good afternoon!" If this doesn't happen, the potential customer can start to feel self-conscious. *Am I in the right place? Do I belong here or not?* But if the welcome is warm and immediate, the individual makes a subconscious decision that's positive. They're willing to explore further.

Notice that I said "within ten feet." I didn't say "fifty feet." If someone enters a store and an employee stocking shelves four aisles away hollers out, "Welcome to Joe's Bargain House!" it does no good. The customer can tell that the greeting wasn't sincere. The type of welcome I am advocating must be honest and personal.

After analyzing hundreds of thousands of comment cards over the years (with the help of the esteemed J.D. Power research firm), I learned that if a customer's first four contacts with our hotel go well (for example, the phone reservation clerk, the doorman, the bellman, and the front desk), there will be virtually no complaints thereafter. But if something goes amiss in the beginning, the complaints will sprout quickly: "The check-in was too slow." "The room wasn't clean enough." "The food was too cold."

EXCELLENCE WINS

And on and on it goes. Some of these complaints may not even be true. But the mood was set at the start.

Second Step

The second step is **complying with the customer's wishes**. The focus here is not on your agenda, but theirs. Yes, you want to make a sale. But what is most important is what is on *their* mind.

That is why you say, "How may I help you? I'm happy to do so." And then you listen—really listen to see what is front-of-mind for them. They may not be very articulate about it. They may stumble around trying to explain what they want. You have to play detective sometimes. In auto repair shops, service managers (notice the language) especially must do this. Someone drives in and says, "Well, my car is making kind of a funny noise. I'm not sure what's going on." The customer is worried about it enough to drive in. He doesn't know if it's something silly, like the hood not latching tightly enough, or if the whole transmission is about to fall out. Regardless, the service manager has to figure out the problem with the car and address the customer's concern.

Third Step

We've had the great welcome and have complied with the customer's wishes. Now comes the final part of customer service, which is **saying good-bye**. It's always important to say, "Thank you for coming in today," or "Thank you for allowing us to serve

CUSTOMER SERVICE IS *EVERYBODY'S* JOB

you.” NBC’s José Díaz-Balart has a good closer for his weekend broadcasts: “Thank you for the privilege of your time.” In this he recognizes that, even though he’s a nationally famous and well-paid journalist, viewers did not *have* to watch his show. They did so voluntarily, and he is truly grateful for their time.

A sincere good-bye makes people feel positive about a return visit. Whatever skepticism they may have harbored about the organization is being replaced by trust. Inside their head, they’re saying, *They sound like they like me. Maybe I’ll go back again.*

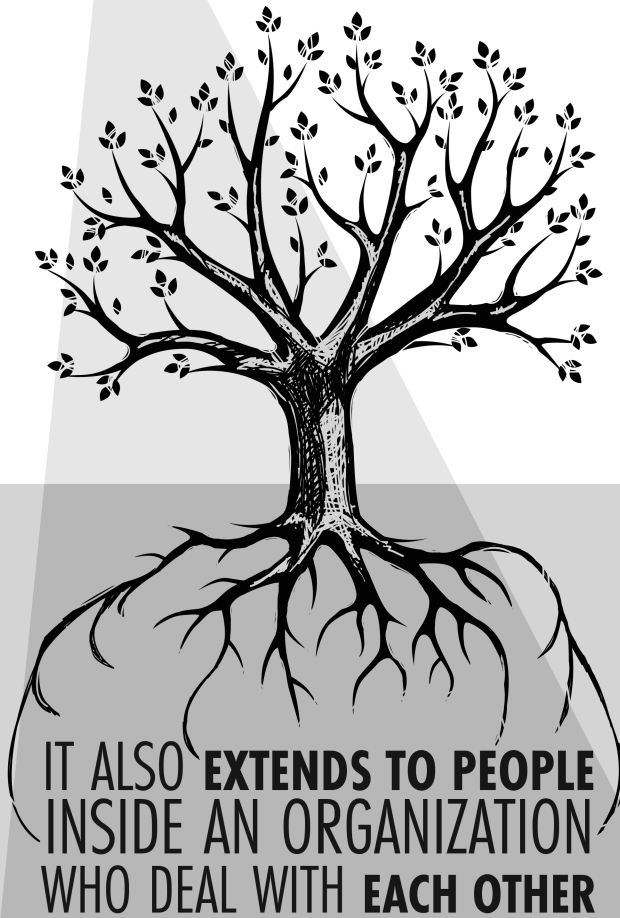
Not Just for Frontliners

Customer service isn’t just for those who face the public. It also extends to people inside an organization who deal with each other. Really, it’s all connected.

In any food operation, the cook working in the back of the kitchen serves the waiter. You may have thought that the fellow in the tall white hat was the *prima donna* of the kitchen, barking out orders and telling everybody else what to do. Not at all. The food that the cook prepares has to please the guests, or else the waiter is going to get an earful. Chefs must realize that the waiters are their internal customers, so to speak. They are the conduits to the final customer, who, after all, is the person paying everyone’s salary. Of course, on the other hand, the chef can be the nicest, most conscientious person in the world, turning out great food, but if the waiter is rude to the guest, the chain breaks down.

Every employee in every department needs to figure out who their internal customer is. If they don’t know or are confused by

CUSTOMER SERVICE ISN'T JUST FOR
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CUSTOMER SERVICE IS *EVERYBODY'S* JOB

the question, management must help them clarify, so they can then ask this individual, “How can I make things better for you? What can I do that will help you better serve *your* customer?” In this way, the work will flow better.

Everyone, from the newest dishwasher on up, should know that their primary responsibility is *to help keep the customer*. If the customer in the restaurant says to the waiter, “Uh, this spoon has spots on it,” that tracks back to the dishwasher. Customer service has been compromised in that moment.

Stop and Help

Even internal staff members can have random contact with customers. The maid who cleans the rooms and makes the beds when guests are out may still pass some of them in the hall. The guests need to be greeted warmly. If they have a question, they deserve a friendly answer—or at least quick access to someone who can provide an answer.

The great Stephen Covey, renowned for his international bestseller *The 7 Habits of Highly Effective People*, was sitting in one of my hotel lobbies one day while a maintenance man worked high on a ladder overhead. A woman approached the door with both arms laden down with her purse, a couple of packages, and luggage. The maintenance man quickly scrambled down the rungs of the ladder to hold open the door for her.

Covey couldn't resist following up to say to the man afterward, “Excuse me—that was a very nice thing you did for that woman.”

“Yes, well, that's how we've all been trained,” he replied.

EXCELLENCE WINS

He proceeded to pull out of his back pocket the small placard containing our “Credo” with its twenty-four Service Standards. “See here?” he said. “Number four says, ‘We assist each other, stepping out of our primary duties to effectively provide service to our guests.’”

Covey was amazed. “Does every employee have one of these folders?” he asked.

“Oh yes,” the maintenance man replied. “We go over one of these points at the start of every shift, so that we cover them all in a month’s time.”¹

It wasn’t long after that incident when I received a call from Stephen Covey. “Next time I’m in Atlanta, I want to get together with you,” he said. It was the beginning of a long and warm friendship that lasted right up to his death in 2012.

Years ago, a business consultant wrote that after going into dozens of troubled companies to try to help them, there were two warning signals he heard most often from the staff. The first warning signal was the overuse of the pronoun *they*. This telegraphed a rupture between departments or between upper and lower echelons. “Well, *they* won’t let us do such and such,” or “*They* messed up,” or “*They* just don’t get it.” The second statement revealing a warning signal is, “That’s not my job.” In other words, *I have my own little box of expertise, and don’t anybody dare to ask me to step outside of it!*

This is why I’m not a big fan of desks with signs reading “Customer Service.” It sends a silent message to the rest of the employees that they don’t have to mess with such problems or serve customers because “Customer Service” will take care of it. No!

Instead, the desired goal in every organization should be that, through everything that’s done (from saying hello to

mopping the floor), the guest is persuaded to come back. This is a far greater goal than just checking off certain tasks. It is making a valuable impression.

Benedict's Rule

Serving others is not some novelty or leadership fad of the current century. You can trace it all the way back to at least the Middle Ages. You may have heard of Saint Benedict (AD 480–547), who wrote an extensive manual on how monasteries were to treat those who were passing through. Here are some excerpts:

All guests who arrive should be received as if they were Christ . . .

As soon as a guest is announced, then let the Superior or one of the monks meet him with all charity . . .

The greeting itself, however, ought to show complete humility toward guests who are arriving or departing: by a bowing of the head or by a complete prostration on the ground, as if it was Christ who was being received.

After the guests have been received . . . let the Superior or someone appointed by him, sit with them . . .

Let the Abbot give the guests water for their hands; and let both Abbot and monks wash the feet of all guests.²

Obviously in the modern hospitality industry, we don't quite go to these lengths! But you get the general point. We should ask ourselves, How do we stand in comparison to Benedict's monasteries?

EXCELLENCE WINS

Benedict went on to write about job flexibility among the monks in charge of the kitchen:

They should be given all the help that they require, so that they may serve without murmuring, and on the other hand, when they have less to occupy them, let them do whatever work is assigned to them.

And not only in their case but a similar arrangement should apply to all the jobs across the monastery, so that when help is needed it can be supplied, and again when the workers are unoccupied, they do whatever they are required to do.³

Service always implies caring. You and I may not have the same religious orientation as Benedict and his monks, but we can have the same charity in our hearts.

To make customer service a reality, not just a label, we have to hire the right kind of people and orient them thoroughly at the start, and then we have to repeat our values again and again. Every last employee contributes to creating loyalty among customers.

If we settle for lesser goals—meeting the budget, for example, or safeguarding our jobs in a tough economy—we will miss the most important work.

Attending to Details

Many of the smallest things we do have an impact on customers. They listen to how we talk, for instance. I hired high school drop-outs from the inner city to come work for the Ritz-Carlton—and

CUSTOMER SERVICE IS *EVERYBODY'S* JOB

do their work elegantly and excellently! How did I accomplish that, you ask?

I instructed my new hires that when they greeted a guest, they were not to say, “Hi!” or “Whassup?” Instead they needed to say, “Good morning, sir!” or “Good morning, ma’am!” And when a guest asked for something, they were not to say, “Okay” or “Cool” or “Got it.” They needed to say, “Certainly—my pleasure. I’m happy to help you.”

They were not to call our guests “guys” or “folks.” They needed to refer to them as “sir” or “ma’am” or “ladies” or “gentlemen.” Why this style? Because we know that guests want to feel honored, even important. “Hi, guys” doesn’t accomplish that.

I have lived and headquartered in Atlanta since 1983 and have enjoyed getting to know the leaders of another strong business here—the Chick-fil-A fast-food company. Several times they have invited me to consult with them, and on one such day a few years ago, I was telling this detail about training our employees to speak in a certain way to our guests. I then qualified my remarks by adding, “Now, of course, in your business, I suppose this language doesn’t quite fit your market segment. You may want to be more casual.”

The group began to brainstorm the kinds of wordings that might be suitable. Sitting silently in the back of the room was S. Truett Cathy, the brilliant founder of the company. Someone had piped up that in his opinion it would be fine for a Chick-fil-A worker to answer a customer request with “Okay, I can do that.”

And then . . . the Voice at the Back rose up. “I like ‘My pleasure.’” Oh!

I responded, “Well, yes, we use that at Ritz-Carlton, but I’m not saying you have to follow suit. Let’s work through what you want to be used in your stores.” The discussion resumed.

EXCELLENCE WINS

After a while, the Voice at the Back rose up a second time. “I like ‘My pleasure.’”

And that ended the debate!

When an organization builds a reputation for quality service, it creates a unique reputation. If the person out front consistently greets customers with genuine warmth, shows respect, makes sure everything is right, makes the person feel good, and thanks them for the privilege of serving them, the customer will assume the maid, the cook, the bookkeeper, the custodian, and everyone else will be just as pleasant. And if the day comes when any of those employees go out looking for a different job, if they say, “I’ve worked the past x number of years for such and such a company,” they will likely get hired faster due to that organization’s prevailing reputation.

Rooting Out Problems

Not everything runs smoothly in all workplaces—that much we know. When there’s a problem, the important thing is to track down the cause of each and every customer service deficiency and then remedy it.

Achieving this can be harder than you might think. I got a lesson in this when I opened the very first Ritz-Carlton here in the Buckhead section of Atlanta back in the mid-1980s. We had proclaimed a promise of providing room service within thirty minutes of ordering, and I found that we weren’t delivering very well on our pledge. Slow room service in the morning was, in fact, our number one complaint.

So, not knowing as much then as I do now, I hauled the

CUSTOMER SERVICE IS *EVERYBODY'S* JOB

room service manager into my office and said, “Take care of this. I don’t want to be getting these complaints anymore. Make it happen!”

Naturally, he said, “Yes, Mr. Schulze, I will fix the problem.”

But the complaints kept coming. Guests would call in the morning to order their breakfasts and say, “Please get it here quickly, because I have to leave soon for a meeting.” And then when it didn’t happen, they would be upset, grabbing just a cup of coffee on their way out the door. Plus, we’d then have to throw the meal away after the waiter had run up and down the elevator in vain—and received no tip for the effort.

As we opened more Ritz-Carltons in the coming couple of years, my responsibilities widened. But I kept noticing that the Buckhead hotel’s complaints for slow room service weren’t going down. The numbers were as troubling as always.

By this time, I had studied the Malcolm Baldrige criteria, which emphasize the need to find the root cause of any defect in order to eliminate it permanently.⁴ This is a vital part of *continuous improvement* in any organization. So I brought together in one room the staff from across departments—the order taker, the cook, the busboy, the waiter—and said, “I want you all as a group to find the cause of this. Do a study, and send a report twice a week to your general manager on how you’re coming along.”

They began tracking the steps of a room service order and found:

- The order was phoned in and written down accurately—no problem.
- The waiter read the order and set up the tray (silverware, napkin, and so forth) for delivery—no problem.

EXCELLENCE WINS

- The cook received the order and prepared the food promptly—no problem.
- The waiter put the tray on his shoulder and headed to the service elevator and—bang! He would have to wait up to fifteen minutes there on the first floor as the elevator went up and down the twenty-two floors in the hotel.

Why was this happening?

The group began to hone in on the issue here. The staff knew that the morning breakfast time was naturally very busy for the service elevator. All the housekeeping staff were going up and down, getting themselves and their supplies to the various floors.

The team called in the building engineer. “What’s the matter with your elevator?” they asked. “Why is it so slow? You need to join our team and help figure this out.”

The building engineer agreed, even though he assured them there was no mechanical problem. Just to underline his point, he called in the Otis elevator people to do an inspection. They confirmed that nothing was wrong with the equipment.

For the next step, the team decided to dispatch one of their members to ride the service elevator in the morning and see what was really going on. After all, it shouldn’t take more than two minutes to go all the way up and back down. If there were passenger pickups along the way, maybe it would require four minutes instead of two. But not fifteen.

The “scout” put a small stool in the elevator and took a seat to watch.

The elevator started on the ground floor, went up to the fourth floor, and stopped for a houseman. (In the hotel business,

CUSTOMER SERVICE IS *EVERYBODY'S* JOB

the houseman is the person who supplies the maids on the various floors with linens, soap, shampoo, and so forth.) He got on board and punched the button for the fifth floor, and when the door opened again, he pulled out a wood block to keep it open while he went out to the supply room and returned with an armful of linens. Then on the sixth floor, he proceeded to block the door again while he went out to deliver the linens before coming on board again. This process kept repeating itself, floor after floor.

No wonder the food trays from the kitchen weren't getting to their destinations!

The team now insisted on cross-examining the houseman. "Why is this happening?"

"Because we're short on linens," the man calmly replied. "We only have two sets of linens per bed—one is on the bed and the other is in the laundry. A hotel really needs a third set so it can be in transit. But as it is, we're constantly stealing from each other."

This brought the laundry manager into the meeting—an old-timer who had been at his job from day one. "Why do people need to keep stealing from one floor to the next?" the group wanted to know.

"Because we have only two sets per bed."

"And why is that?"

"Well," the man replied, "before we opened this hotel, there were budget problems. Mr. Schulze needed to save money, so he cut out one set of linens!"

The root cause of slow room service had finally been uncovered. It was my fault after all! And I had been giving grief to several managers unfairly. I promptly authorized the purchase of another set of linens—and the room service complaints immediately went down by more than 70 percent.

EXCELLENCE WINS

But how many guests had we lost because of this? How much time had been wasted running up and down? How many waiters had been frustrated because they hadn't gotten tips? How much food had been scraped into the disposal?

Sometimes a customer service problem—or any defect, for that matter—is rooted as much as five steps away from where it shows itself. One solitary person at a counter somewhere can't solve it alone. It needs the best thinking of everyone connected to the process, because they are fully committed to giving the customer every reason to keep coming back—again and again.

Each time you get to the bottom of a defect in this way, you improve your customer service while simultaneously lowering your cost over the long haul. It's a win-win all around.

CHAPTER THREE

FOUR SUPREME OBJECTIVES

Excellence Wins

A No-Nonsense Guide to Becoming the Best in a World of Compromise

By Horst Schulze

If you're searching for the blueprint to beating the competition and out-performing everyone around you, look no further than *Excellence Wins*. Horst Schulze, co-founder of The Ritz-Carlton Hotel Company, pulls no punches as a masterful guide to becoming the very best in a world of routine compromise.

In *Excellence Wins*, Schulze, in his absolute no-nonsense approach, shares the visionary and disruptive principles that have produced immense global successes over the course of his still-prolific fifty-year career.

Schulze's principles are both versatile and utterly practical to leaders of every age, career stage, and industry. You don't need a powerful title or a line of direct reports – you have everything you need to use them right now. Unleash the disruptive power of your true potential, own your career trajectory, and experience the game-changing proof firsthand: *Excellence Wins*.

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