Making Services Stronger

A Guide to Service Excellence
in Public Management
with Lessons from
Best Managed Companies

CENTRE FOR GOOD GOVERNANCE
Knowledge ● Technology ● People

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Introduction to the Service Excellence Guide Book

Improving service levels is an ongoing process. 'Improving' means following a circle of continuous improvement and measurement, beginning on a gradual, unending progress of doing little things better and then setting and achieving ever-higher standards.

The intent of this guidebook is to facilitate building service in each of the Departments in the Government of Andhra Pradesh. It is also designed to assist each employee and service area in applying the Service Excellence Framework to their clients.

The framework includes a Service Excellence model to assist each Department in the process of planning, implementing and evaluating Service Excellence. The central premise of the model is continuous improvement in a complex and dynamic environment. Throughout the guidebook, there are also tips, examples and checklists that will assist you in the journey to improve the delivery of services in the public service.

The Service Excellence Framework has been developed drawing from excellent organizations in the private sector - national and international. The principles and processes laid out in the Service Excellence Framework should support the objectives of providing quality service to people in the State of Andhra Pradesh

The guidebook also elaborates the practices of a couple of excellent international organizations in the private sector and suggests lessons that can be drawn by public managers.

What is Service Excellence?

> "Excellence is an art won by training and habituation. We are what we repeatedly do
>
> - Aristotle
>
> Service Excellence means exceeding customers' expectations and paying attention to detail."
> - *Disney Institute*

Service Excellence Is End-User Thinking

- Always focusing on the expectations and needs of the client

- Asking the client what constitutes excellent service

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- Making the client the starting point for change

- Building the Department from the outside-in

Service Excellence Has Many Benefits

- Improved relationship between clients and the public service

- Promotion of innovation and creativity in the delivery of services

- Recognition of employees who deliver excellent service

- Higher levels of confidence in the public service

- Services that are designed and delivered with clients in mind

> "Customers don't expect you to be perfect. They do expect you to fix things when they go wrong."   - *Donald Porter*
>
> "People don't want to communicate with an organization or a computer. They want to talk to a real, live, responsive, responsible person who will listen and help them get satisfaction."   - *Theo Michelson*
>
> http://www.wow4u.com/customerservice/

The Service Excellence Framework

The Service Excellence Framework identifies ways to improve the delivery of services in the public service. The key elements of the Framework are to Build Commitment, Enhance Capacity, Measure Effectively, and Communicate Effectively at every stage of the Service Excellence planning process. The key to Service Excellence is not only focusing on what services we provide, but how we deliver them.

Building Commitment Means…

- Leadership

- Accountability

- End-user thinking

- Pride in the work of the department

- Integration of Service Excellence into organizational planning

Enhancing Capacity Means…

- Innovation

- Flexibility

- Training

- Recognition

- Consulting with stakeholders

- Developing service partnerships

Measuring Effectively Means…

- Client and staff involvement

- Measurement tools linked to achieving goals of business plans

- Evaluating Service Excellence

- Developing service standards

Communicating Effectively Means…

- Communicating with clients, service partners and other service-providers

- Clients and providers sharing clear service expectations and knowledge about the provision of services

The Service Excellence Circle

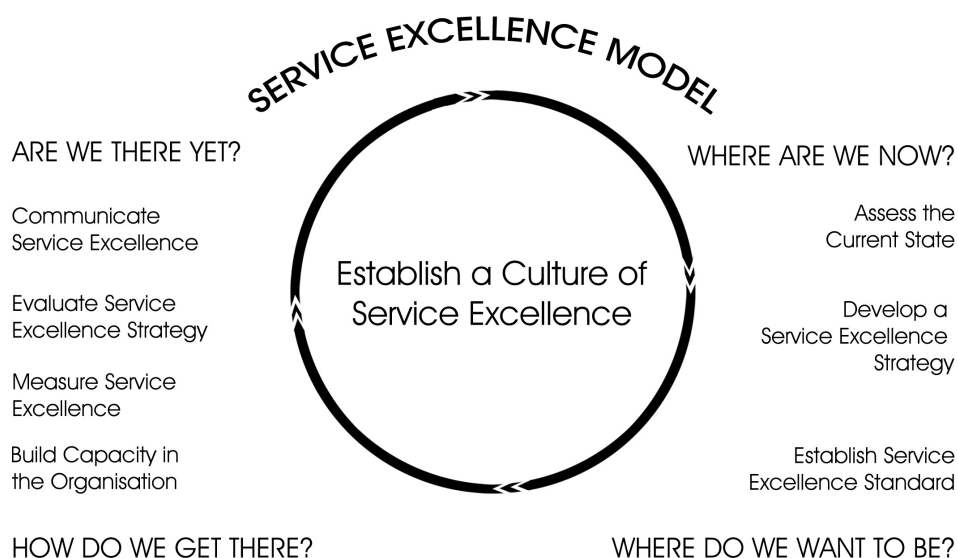> "Quality is a race without a finishing line."
>   - *Dick Schaff* – Keeping the Edge: Giving Customers the Service They Demand

In any journey, you have to start from somewhere and you have to know where you are going. This guidebook details a circle of steps you can take to implement Service Excellence in your Department whether through developing a Service Excellence Team, establishing service standards or evaluating your Service Excellence Strategy.

A Continuous Model for Improvement

The purpose of the Service Excellence Model is to assist Departments to continuously build upon previous service improvement initiatives. We work in an environment where we always have to be ready to make changes and where we are always evaluating our actions. Therefore, the main premise of the model is continuous improvement and is designed in a cyclical manner to complement a dynamic work environment.

This guidebook is not linear - the delivery of services is too complex and each Department is at a different stage in its delivery of services. Instead, employees may want to determine the usefulness and applicability of each step, given their Department's unique mandate and status. The model allows for employees to step into the circle at whatever stage they are at in delivering services. So skip a step. Take part of a step. Use all of the steps. Use the guidebook how you see fit. It is a dynamic model - it will assist you in whatever step you are at.

SERVICE EXCELLENCE MODEL

Establish a Culture of Service Excellence

ARE WE THERE YET?

Communicate Service Excellence

Evaluate Service Excellence Strategy

Measure Service Excellence

Build Capacity in the Organisation

HOW DO WE GET THERE?

WHERE ARE WE NOW?

Assess the Current State

Develop a Service Excellence Strategy

Establish Service Excellence Standard

WHERE DO WE WANT TO BE?

Where Are We Now?

The first section of the road to Service Excellence will assist each Department to assess the current state of delivered services, so that each Department can begin the journey to Service Excellence.

The first step is to realize that you have to start from where you are now. If you know where you are, you can figure out where you want to be.

This section will assist a Department to:

Establish a Culture of Service Excellence

• Build Leadership

• Develop a Service Excellence Team

Assess the Current State

• Define Your Clients

• Define Your Services

• Consult and Listen

Establish a Culture of Service Excellence

STEP ONE

> "Senior management sets the direction for the company and for its quality management system. Hence, if change is to take place, it must recognize the need and the specific areas that require change, and build a consensus among its fellow executives and throughout the organization on the direction and totality of the change."
>
> - Conference Board of Canada, Study on Quality Award-Winning Companies Around the World

Establishing a culture of Service Excellence can be a catalyst for the Service Excellence Strategy to move forward. Once Service Excellence is recognized as a valuable tool to improve the delivery of services, the next step is to assist Departments in finding methods to pursue Service Excellence.

Build Leadership

> A leader is best when people barely know he exists
> Not so good when people obey and acclaim him
> Worse when they despise him
> But of a good leader, who talks little
> When his work is done, his aim fulfilled
> They will say: "we did it ourselves"
> - *Lao Tsu*, Chinese Philosopher

Leadership drives an organization. Excellent leaders set the standard for everybody with their words and actions. At the same time, they bring out the best in people and encourage individual strengths.

Every organization has leaders at all levels. No matter who you are or what you do, you can be a leader. Set an example for others and build leaders all around you. It's not a title that makes a leader, but attitude and commitment. For delivering excellent service, the leadership style required is termed 'servant leadership'.

Servant Leadership

THROUGHOUT the world, governments and corporations have yielded fine examples of visionary leaders, charismatic leaders and transformational leaders. Many among us are also familiar with managers who are inclined towards an authoritarian or participative leadership style at our workplace.

However, servant-leadership does not seem to be a "mainstream" leadership approach in this age of aspiring super-leaders.

Servant-leadership is a practical philosophy which supports people who choose to serve first, and then lead as a way of expanding service to individuals and institutions. Servant-leaders may or may not hold formal leadership positions. Servant-leadership encourages collaboration, trust, foresight, listening, and the ethical use of power and empowerment. It is not uncommon for many servant leaders to become leaders simply, because people respect them for always putting other people's interests first.

Prime Minister Datuk Seri Abdullah Ahmad Badawi exemplified servant-leadership when he humbly professed "Work with me, not for me. I am the No.1 servant of the

realm" and meant every word of it. Other notable servant leaders include the late Mother Theresa and Nelson Mandela.

Robert Greenleaf, former Chairman of AT& T, the man who coined the phrase, described servant-leadership in this way.

"The servant-leader is servant first… It begins with the natural feeling that one wants to serve, to serve first. Then conscious choice brings one to aspire to lead. He or she is sharply different from the person who is leader first, perhaps because of the need to assuage an unusual power drive or to acquire material possessions. For such it will be a later choice to serve – after leadership is established. The leader-first and the servant-first are two extreme types. Between them there are shadings and blends that are part of the infinite variety of human nature.

The difference manifests itself in the care taken by the servant-first to make sure that other people's highest priority needs are being served. The best test, and difficult to administer, is: do those served grow as persons; do they, while being served, become healthier, wiser, freer, more autonomous, more likely themselves to become servants? And, what is the effect on the least privileged in society; will they benefit, or, at least, will they not be further deprived?"

Source: *Servant As Leader*, published by Robert Greenleaf in 1970.

Larry Spears, the CEO of the Greenleaf Center, describes servant-leadership in this way.

"As we near the end of the twentieth century, we are beginning to see that traditional autocratic and hierarchical modes of leadership are slowly yielding to a newer model – one that attempts to simultaneously enhance the personal growth of workers and improve the quality and caring of our many institutions through a combination of teamwork and community, personal involvement in decision making, and ethical and caring behavior. This emerging approach to leadership and service is called *servant-leadership*."

Source: Introduction to *Reflections on Leadership*, published by John Wiley in 1995.

"The global economy insists on quality at low cost, requiring us to produce more for less, and at greater speeds than ever done before. The only way to do it in a sustained manner is through the empowerment of people. And the only way you get empowerment is through high-trust cultures and an empowerment philosophy that turns bosses into servants and coaches, and structures and systems into nurturing institutionalized servant processes.

A low-trust culture that is characterized by high-control management, political posturing, protectionism, cynicism, and internal competition and adversarialism cannot compete with the speed, quality and innovation of organizations around the globe that do empower people. It may be possible to buy someone's hand and back, but not their heart, mind and spirit. It is only those organizations whose people not only willingly volunteer their tremendous creativity, commitment and loyalty, but which align their structures, systems and management style to support the empowerment of their people that will survive and thrive as market leaders.

Leaders are learning that this kind of empowerment, which is what 'servant leadership' represents, is one of the key principles, that based on practice, and not talk, is the deciding point between an organization's enduring success and eventual demise."

Source: Stephen Covey – Foreward to Silver Anniversary Edition of Servant Leadership: A Journey Into the Nature of Legitimate Power and Greatness by Robert K Greenleaf

Commitment to Service Excellence by senior management can:

• Create and instill a Service Excellence vision and an organizational climate conducive to the goals and principles of Service Excellence

• Ensure employees are trained and developed to give excellent service

• Facilitate and celebrate progress in Service Excellence goals

• Promote teamwork by building commitment to attaining the end-results

• Communicate the success of Service Excellence to other departments, ministries, governments and to clients

Establishing A Service Culture Through Leadership

"The corporation can never be something we are not"

- *Max Dupree*, Leadership is An Art

We all know that customer service initiatives come and go, usually beginning with a lot of fanfare and ending with a quiet departure. With each occurrence of this pattern, an organization's employees become more and more skeptical about subsequent service initiatives. When employees don't see intense leadership commitment beyond the program's rollout, they quickly understand that the initiative is another program of the month. The general feeling becomes: "wait it out, this too shall pass."

There is no shortage of vision statements, service strategy formulations, and service program rollouts. It is in the execution of these initiatives that organizations often come up short. The virtues of customer service have been preached for years, but the results have been less than impressive. Why? The main reason is that most organizations want a "smile pill" that can be taken with little or no disruption to the current routine. In order to truly generate lasting service improvement, a top-down commitment to changing processes, behaviors, measurements, etc. is needed. To execute a vision or strategy effectively, leaders must be committed in the long-term. Employees at all levels are watching to see how committed their leaders are. Clues to commitment to execution include: "What does my manager spend most of her/his time talking about?" "What do our meetings focus on?" "What does my manager hold me accountable for?" "What gets rewarded and recognized?" And probably most important of all, "how well does my manager walk the talk when it comes to providing excellent service?"

There are three key leadership behaviors that will demonstrate commitment to executing a service improvement strategy:

Walk the talk

Before employees take personal responsibility for creating an environment that demonstrates a commitment to excellence, they must see that their leadership too is committed. If, for example, you expect employees to acknowledge customers promptly, it is vital that you do the same. If you expect employees to pay attention to detail, then picking up a piece of trash off the floor as soon as you see it will speak volumes

beyond anything you can put in a policy manual.

Whenever Erin Wallace, Vice President of the Magic Kingdom at Walt Disney World walked the park, she carried and used a "nabbie grabber" which is a device custodians use to pick up cigarette butts off the ground. Imagine the impact this has on Disney cast-members (employees). Cast-members are reminded that it is everyone's job to keep the park clean. It also reinforces one of Disney World's key values - attention to detail. If, however, Erin were to simply walk by a piece of trash on the ground and not pick it up, cast-members would quickly get the idea that "attention to detail" is simply a catchphrase, not a true value.

A clear example of walking the service talk is the willingness to put service support systems in place. Support systems demonstrate that you are prepared to back up the talk with resources. Southwest Airlines, for example, is noted as a service leader. They constantly preach the value of excellent service. They don't just talk about it, however. Southwest is the industry standard when it comes to flight turnaround time; twenty-minutes. They are currently working on a new jetway system, however, that will improve the turnaround time to fifteen minutes. If you watch the Southwest ground crew in action when a plane arrives, you'll see that it is similar to a racecar pit crew. Everything is ready to go into motion as soon as the plane stops. The new jetway system will allow employees to unload and load the plane from the front and rear doors simultaneously, dramatically improving the efficiency of the process. It is clear that the leadership team doesn't simply tell the staff to be friendly. They put systems in place that enhance the ability of their personnel to provide outstanding service. The message is a powerful one. Is it any wonder that Southwest Airlines has the lowest employee turnover in the industry?

Keep the vision in front of the team

It is not enough to state the message of service excellence a single time and expect that behaviors will magically change. Research shows that repetition is the key to behavior change. Use all of the communication vehicles available to you to stress the importance of customer service. For example, make it your policy to start every meeting with a customer service item, either a story, a problem/challenge facing the team, or a discussion of service measurement data. Employees will soon get the idea that these

discussions are part of the normal course of business and will, over time, begin participating in the discussions.

Use your internal newsletter to communicate your service commitment. More importantly, use the newsletter to tell stories of excellent service. Share specific stories of employee actions that result in excellent service. Send articles about customer service to the team with a note from you highlighting how the information pertains to your business. Ensure that all areas are displaying service measurement information in behind-the-scenes areas and that the information is kept up- to-date. Nothing screams "program of the month" louder than data that hasn't been changed for months.

Most importantly, be creative about the communication mechanisms used for keeping the vision in front of the team. In a hospital in the US, there are a variety of mechanisms to remind staff members of the true meaning of their jobs. Whenever a baby is born in the hospital, the first 10-seconds of Brahms lullaby plays softly throughout the entire hospital's sound system. This simple mechanism reminds staff members, in very difficult jobs, of the miracles happening in their workplace. They have found that patients often ask why the music is playing. When the staff member explains that a baby has just been born, there is an emotional connection that takes place for the patient and the staff member.

Hold employees accountable for service excellence

Leaders must ensure that accountability processes are built into any service improvement initiative. Look at your performance appraisal system. Do appraisals, for both management and front-line employees, emphasize specific customer service behaviors? How much is customer service emphasized in the appraisal? Is it a single rating point amongst thirty items, or is it clear that service is a priority?

It is vital that you become a customer service coach. Whenever you see opportunities for improvement for any employee, take the time to coach. If you do this consistently, word will spread faster than you can imagine. If, for example, you notice an employee displaying negative physical posture or using a bored tone of voice on the telephone, taking a moment to correct the behavior and stressing why it is important to present a welcoming image is more effective in changing behavior than any training program. The immediacy of the feedback is the key. Often, leaders do not do this because they

are concerned about offending the employee, or there is simply a reluctance to confront negative behavior. But holding employees (at all levels) accountable for service excellence is vital if you are serious about service improvement.

When Dennis Snow was a relatively new supervisor at Walt Disney World, he received a call to meet then Walt Disney World Vice President, Bob Matheison at a specific location on Main Street USA. As he walked up to Bob, he saw that he was staring at one of the merchandise shops. He knew from the expression this was not going to be a pat on the back for a job well done. "What do you see?" he asked. Snow saw that a small pane of glass had been replaced, and that the installer had neglected to take the protective paper backing off of the glass. Although he did not install the glass, it was his job as supervisor to make sure that Main Street USA was "show ready" by the time the guests arrived. He missed this particular item. Bob's simple act of holding him accountable for a small detail had a huge impact on the future of his attention to detail.

Of course, the other side of the accountability coin is also important. The Gallup organization has conducted significant research regarding the reasons for employee "defection." Gallup found that one of the main reasons for defection is a lack of recognition for good work. Whenever you observe an employee providing excellent service, take the time to reinforce the behavior through immediate recognition. Recognition can simply take the form of a positive comment, or something greater if appropriate. Again, immediacy is the key. Taking the time to immediately reinforce the behavior greatly increases the likelihood of the behavior being repeated.

As a leader, you are looked upon as a role model of the organization's commitment to customer service. Employees take their cue directly from you. They watch how you treat customers, listen to how you talk about customers, and observe what you demonstrate as important through how you spend your time. By walking the talk, keeping the vision constantly in front of employees, and holding everyone accountable for performance, service excellence will soon become part of the organization's culture, creating a culture of service excellence.

Watch the magic happen

A favorite example of "inculturating" service excellence involves a housekeeper at Walt Disney World's Contemporary Resort. A family was at dinner and the housekeeper

was conducting the room turndown service. As she prepared the beds and did the general cleanup, she noticed that the children had several stuffed Disney characters around the room. Taking an extra few seconds, she arranged the characters on the children's pillows, tucked them in, and left a note saying, "I know you had a busy day! The characters were tired so I tucked them in for you." She then signed her name, Helen. Imagine the impact on this family when they returned to the room. Leadership seized upon this story of doing small things that make a big difference and told this story in so many meetings that it became legendary at Disney World. Other housekeepers have come up with creative ideas such as lining up the stuffed characters in front of the TV and turning it on. Some housekeepers will arrange the characters on a table with playing cards in their hands, or with milk and cookies. Guests consistently write complimentary notes regarding this activity. Imagine the loss if leadership did not recognize this behavior, communicate it, and reinforce it. Most people want to do their best. They just need encouragement and reinforcement. Watch the magic happen! www.snowassociates.com

HDFC Culture

HDFC is an organization founded on very strong building blocks of fairness, kindness, efficiency and effectiveness. It has a clearly established corporate commitment to transparency and integrity in all its relationships – both internal and external. These values permeate into everything they do, as well as the manner through which they get done. This approach is reflected in their product development and in their relationships with their constituents – shareholders, investors, depositors, borrowers, regulators and agents. It is reflected in their human resource development initiatives aimed at building trust between people, strengthening communication, emotional bonding, and a participative management style.

Genuineness of purpose, with transparency in execution, has provided the foundations for a learning organization. At HDFC, they have seen that the quality of service to all their customers – be they investors or consumers of their services – predicates all they do.

Source: Managing Radical Change: Sumantra Ghoshal and others

Infosys

A statement by N.R.Narayana Murthy, the founder of the Indian software giant Infosys Technologies, has been often repeated by his employees and has become a part of the firm's folklore. He said, "It's better to lose a billion dollars than a good night's sleep". This statement is in reference to the belief that for doing business in India, organizations have to bend rules and beat the law. His stand for honesty has perpetrated to the lowest levels of Infosys and all employees adhere to this norm.

Source: http://www.skylinecollege.com/CC-Aditya.htm

Hema Ravichander, senior vice president - human resource development, Infosys Technologies, says: "We, at Infosys, have a distinctive work culture and value system. Our value system anagrammed as C-LIFE, places a great deal of importance on customer delight, leadership, integrity, transparency, fairness and pursuit of excellence. Infosys also has an open-door policy. We value our employees and encourage them to make decisions about their own work. Even though we are a 10,000-plus workforce, we have a flat organisation when it comes to communication and information-sharing."

Source: http://www.expressitpeople.com/20020325/cover1.shtml

Infosys has proactively adopted the highest international financial standards. In 1994-95, it was the first Indian company to adopt stringent U.S. Generally Accepted Accounting Principles (GAAP) for financial accounting and to include complete and detailed disclosures of accounts and activities in annual statements. Also, it was the first Indian company to publish audited quarterly statements and release annual statements promptly after the end of its financial year. Now, Infosys reports its financial performance in compliance with the generally accepted accounting practices of seven countries.

Source: http://www.stern.nyu.edu/Sternbusiness/spring_summer_2003/passagefromindia.html

Develop A Service Excellence Team

Getting Started

Establishing a Service Excellence Team can be a catalyst for creating a Service Excellence culture. The more people involved, the more widespread the changes. Yet, while creating a team dedicated to the principles of Service Excellence may be the

most ideal situation, it may not always be feasible. Perhaps, an existing team such as those involved in performance measures or business planning would be in a better position to advance the Service Excellence initiatives.

Representation On The Service Excellence Team

Representation should cut across the structural lines of a Department. A wide range of experience and positions will allow the team to identify and substantiate different methods of delivering service. It is important to connect people to their teammates. Engage people by explaining the connection between what they do and their team's performance. Get everyone on board, each person pulling in his or her own unique way.

One way of getting your clients more involved is to include them on your team. Where a program requires community support, it would be advisable to request participation or even to develop a community-based approach to provide feedback about the delivery of services.

The Mandate of the Team

Not only does having a team keep Service Excellence alive, but also allows each member to share findings and to learn from one another. Brainstorm with your team and ask the following questions:

- What are the tools we need to deliver excellent service?

- Have we asked our clients what type of service constitutes excellent service?

This team of committed individuals can also act as the clearinghouse on client service information and support to the rest of the department. People can't support what they don't understand. Share all the information about goals and progress through every step of the way. The opportunities to expand are endless. The team could develop a training program, be involved in cross-departmental problem solving, or develop a special study on the topic of client service through workshop presentations, seminars or symposia.

> ### Benefits of a Team Approach
>
> By approaching customer service as a team, you can set a common goal for all your employees – to serve the customer. The customer could be the traditional external customer, or an internal customer, such as another employee who needs assistance. If employees feel that they have a common goal and that the management truly cares about them, they will believe strongly in and have a commitment to the organization.
>
> The team approach to customer service is important for those employees who aren't on the front-line. For an organization to be truly customer-oriented, all its employees need to understand how the other departments function and how their actions affect other employees. Employees need their co-workers as customers, because the service a customer receives ultimately depends on how well employees and departments within an organization work together to meet the external customer's needs.

Checklist

Leadership

- Is there an identified service enhancement leader for the work unit?
- How much direct participation does management have in sponsoring, leading, or coaching employees in Service Excellence?
- Does the work unit discuss how to improve the delivery of services?
- Does management attend events that recognize Service Excellence achievements?

Service Excellence Team

- What will be the mandate of the Service Excellence Team?
- What role does the team play in evaluating Service Excellence?
- How will the team communicate with the rest of the Department or with other Service Excellence teams in the government?

Assess The Current State

STEP TWO

To figure out where you are, it is important to define your clients and services. When you have defined who your clients are and what services you deliver, it is then important to constantly communicate with the work team and clients to ensure you are aware of the current state of your services.

Define Your Clients

In the past, many people working in the public service provided direct services to their clients. They delivered community programs, repaired highways or distributed drivers' licenses. Today, many direct services are provided through agreements with other agencies or through contracts with the private sector. Yet, while we may not always provide direct service, we still provide service to each other and we assist those who do.

In the private sector, the definition of client is clear - the customer who buys the product or uses the service. In the public sector, defining the client is more complex. For most services in the public sector, it is necessary to define your clients by distinguishing between internal and external, voluntary and non-voluntary, stakeholder and client, and direct service providers and service partners.

Internal Clients and External Clients

Internal clients are people with whom you interact and deliver services to in the public service. One of the goals of Service Excellence is to provide better service to each other, so that we can provide excellent service to our external clients.

External clients can be defined as people who use government services in a direct or indirect manner. Direct clients deal with the public service either by choice or by requirement of legislation or regulation. Indirect clients do not directly use government services, but are still affected by the services delivered. Some examples of an external client include a person who visits a municipal park, a newcomer to a town calling to seek information about health facilities, a person seeking a benefit under a scheme announced by the Chief Minister, and a farmer looking for advice on new crops and market trends.

Internal Customer Service

When public servants or those in the service industry think of customers, they think first and foremost about external customers – i.e., members of the public, businesses and outside organizations. The need to improve internal customer service arises for the following reasons:

- The quality of service provided by the staff dealing directly with external customers depends, to a large extent, on the quality of support provided to them internally.

- For customer service ethos to take root in an organization, it must be demonstrated by everyone, in all aspects of their work - whether they deal directly with external customers or not.

- As an employer, the Civil Service has a duty to treat its employees in a proper manner and to provide them with the backend facilities required to carry out their jobs.

- It is important that money and staff time are expended in such a way as to maximize benefits to customers - internal and external.

Thus, improving internal customer service makes good sense for the organization, for the people who work there, and ultimately for the external customer.

Departments cannot expect to meet targets in respect of delivering quality service to citizens or external public, private or voluntary organizations, if the needs of internal customers (i.e., fellow staff within the Department and its sub-offices) are not met with similar standards of timeliness, courtesy and consultation. External customer service starts internally and is reflected externally.

For example, front-line staff dealing with an on-going basis with external customers will be greatly limited in their effectiveness without internal support - e.g., human resource management, training, appropriate information and communication technology. The work of policy units will be critically dependent on an effective internal customer service relationship with operational and or service delivery units.

From a wider organizational perspective, the development of an effective internal customer service ethos can fundamentally transform the cultural values of the organization and the quality of working life of its staff, with a consequent positive impact on productivity and the quality of service delivery.

And finally the challenge to accommodate the diversity of external customers is more effectively met where the diversity of internal customers is acknowledged and where equality for internal customers is being achieved.

Good external and good internal customer service share the same qualities - timeliness, courtesy, information, openness and consistency.

An organization could consider the following series of options to help improve internal customer service:

- An Internal Customer Service Action Plan that sets down clearly the organization's commitment for Internal Customer Service (ICS)

- Management Support. The culture and ethos of an organization will only change where management support is provided and visible.

- A role for the Partnership Process. As with other change initiatives, improving internal customer service can be advanced through the use of the existing partnership structures. This helps to spread ownership and ensures to adopt a practical approach.

- Internal communication is an important part of internal customer service projects. If different sections of an organization are to work together to deliver better service, then they each need a clear understanding of each other's work.

- Acknowledgement. Excellence in internal customer service delivery by individuals and teams can be acknowledged by reward schemes and in other ways.

- Long-term commitment. Internal service delivery improvements will not happen overnight and requires a continuous effort.

- An equality infrastructure. Equality and diversity of the internal customer is best approached in a planned and systematic manner, through developing policies and procedures, training, action plans and through according responsibility to specific staff members for these issues.

Division or unit-level action plans

- Encourage units/teams to identify their internal customers. Your colleagues are your internal customers. Understand that helping your colleagues do their jobs benefits the department/unit.

- Include actions to address ICS in your unit/business plan.

- Identify skills and training needs of staff in respect of ICS

- Consult. Hold workshops, customer panels and joint training sessions with internal customers, to identify, discuss and resolve problems.

- Surveys. Conduct benchmarking and subsequent surveys to determine internal customer satisfaction.

- Establish cross-team service improvement groups.

- Develop service-level agreements and or commitment between users and service providers.

Source: www.bettergov.ie

Clients and Stakeholders

It is important to distinguish between clients and stakeholders. Clients are defined as those people who directly or indirectly use the services of the public service. Stakeholders are defined as those people who have an interest in the way services are delivered by the government, even though they do not use the services.

For example, all citizens contribute to the operations of the government through their tax payments. Their interest is not as individual consumers of government services, but as the source of funding for government expenditures. While stakeholders may never directly use a service, they still care that the justice system is providing quality service to other clients and that the public service is providing the services to support a clean environment, quality health care, access to the poor, gender equity and a skilled workforce.

Voluntary and Non-Voluntary Clients

In the public service, contact with clients may have, as its primary purpose, the regulation of the client's behavior or even the restriction of the client's freedom. For example, these regulatory services can include the detention of an offender for the protection of the community, or charging an individual under a statute. In this type of situation, measuring client satisfaction with service may require a customized approach. (For example, measuring satisfaction of an individual charged with an offense to determine respectful treatment.)

While each individual may have the right to appeal for the enforcement of a regulation or law, the outcome of the appeal may not be what the client wanted. Nonetheless,

each individual can expect fair, respectful treatment in the process. The service should meet high standards for responsiveness in the delivery of the service, but it may not bring satisfaction to the client in the same way that it satisfies the interests of the stakeholders.

Direct Service Providers and Service Partners

In the past decade, government has changed the way it delivers service. While the government still delivers service in a direct manner, it is now often provided through partnerships with other governmental institutions and the private sector.

There are numerous ways a Department can make its service partners aware of the principles of Service Excellence. For example, a Department can develop performance measurements and standards that allow partners in the delivery of public services to demonstrate results, and they can share information and feedback about client satisfaction with their key suppliers/service providers to help them improve. As well, a Department can ask service partners if they have any "service delivery" principles that they adhere to in their organization, so that a service partnership can be arranged.

Define Your Services

Now that we have defined our clients, it becomes easier to define our services. The nature and the scale of services that the public service delivers have changed dramatically in the last few years. The four stages of defining your services are:

1. Ask what is to be accomplished

2. Ask what services are needed to achieve these goals

3. Ask what services we provide

4. Ask how services are delivered

Before we can answer these questions, we have to define the service as being internal or external, voluntary and non-voluntary, or direct or indirect.

Internal and External

A delivery of internal service can be defined as when a Department delivers service to another Department or when a division within a Department delivers service to another division in the Department. An example is when the Finance Department concurs with a proposal for an expenditure initiated by a Line Department, prior to execution of the

project/job.

A delivery of external service can be defined as when the Department delivers service to an outsider. An example is when a Department provides information about effluent emission standards to a business.

Voluntary and Non-Voluntary

In the private sector, clients have, for the most part, an opportunity to choose who the service provider will be. In the public sector, many of the services are provided, because the private sector cannot or should not be delivering the service. In many cases, the public sector is the only body that delivers the service; however, there may be an element of choice in using a service in other circumstances. For example, a client has the choice to make use of the facilities a municipal park offers, but a client may not have a choice when applying for a water connection or when paying taxes. No matter what type of service we deliver, it is important to deliver excellent service.

Direct or Indirect

Not only does the government provide direct service, but other agencies and organizations on behalf of the government do as well. Examples of indirect service delivery are the Regional Transport Authority and the Secondary School Certificate Examination Board. An example of a direct service is Government of Andhra Pradesh offering services for land transactions through the offices of the IG of Stamps and Registration.

The six key roles that describe the work of today's public service employee are:

1. A Public Policy Coordinator

2. A Relationship Builder

3. A Contract Coordinator

4. A Service Provider

5. An Information Broker

6. A Change Agent

Consult and Listen

> "An involved workforce provides a multitude of eyes and perspectives for identifying, analyzing, and solving ongoing problems and creating future opportunities. Continuous improvement is based on participation; it cannot function without it."
>
> *- C.J. McNair & K. Leibfried*, Benchmarking: A Tool For Continuous Improvement

To deliver excellent service, we have to ask our clients what constitutes excellent service. We have to ask ourselves — the employees in the public service — what the feedback has been from clients. Listen and respond to those who know what constitutes excellent service and to those who provide it.

Listening To Clients

- First and foremost, clients need to be asked what the key components of excellent service are. Is it accuracy? Is it accessibility? Is it timeliness?

- Develop and implement service standards that reflect the expectations of your clients. Consult your clients about the results of delivering services and check to see if clients are satisfied with results.

- Gather feedback and review the cycle of service, change delivery of service to reflect the principles of Service Excellence, the needs of the client and public objectives. To assist clients who may experience difficulty in evaluating services, provide direction on what to look for before, during and after service delivery.

- Manage the individual experiences of clients - Moments of Truth

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Moment of Truth

A 'Moment of Truth' is any episode in which the customer comes into contact with some aspect of your organization and gets an impression of the quality of its service.

Jan Carlzon, former President of Scandinavian Airlines has this to say:

"At SAS, we used to think of ourselves as the sum total of our aircraft, our maintenance bases, our offices, and our administrative procedures. But, if you ask our customers about SAS, they won't tell you about our planes or our offices or the way we finance our capital investments. Instead, they'll talk about their experiences with the people at SAS. SAS is not a collection of material assets but the quality of the contact between an individual customer and the SAS employees who serve the customer directly.

Last year, each of the 10 million customers came in contact with approximately five SAS employees and this contact lasted an average of 15 seconds at a time. Thus, SAS is 'created' 50 million times a year, 15 seconds at a time. These 50 million 'moments of truth' are the moments that ultimately determine whether SAS will succeed or fail as a company. They are the moments when we must prove to our customers that SAS is their best alternative."

Source: Moments of Truth - Jan Carlzon, President, Scandinavian Airlines

Most of the moments of truth take place far beyond the immediate sight of management. Since managers cannot be there to influence them, they must learn to manage them indirectly, that is, by creating a customer-oriented organization, a customer-friendly system, and a work environment that reinforces the idea of putting the customer first.

When the moments of truth go unmanaged, the quality of service regresses to mediocrity.

Listening To the Team

• Team members need to be asked about their role in the delivery of services. What has been the feedback from their clients? Could a better service be provided and, if so, how and at what cost? Review the cycle of service.

The Cycle of Service

One of the obvious places to start thinking about the quality of service is to inventory the 'points of perception', the moments of truth in that activity. What are the points of contact at which the customer passes judgment on your department? How many opportunities do you have to score points?

Think of your organization as dealing with the customer in a 'cycle of service', a repeatable sequence of events in which various people try to meet the customer's needs and expectations at each point. The cycle of service is a map of customer contact points in the organization. In a sense, it is your organization, seen through the eyes of the customer. The cycle begins at the first point of contact of the customer with your organization. It may be the customer sees a newspaper item on a service offered by your department, or initiates a telephone call or Web site enquiry. It ends – only temporarily – when the customer considers the service complete, and it begins anew when he/she decides to come back for more.

(Draw the Cycle of Service of Jet Airways)

To help you discover the critical moments of truth in your dealings with your customers, draw a diagram of a particular service cycle. Divide the cycle into the smallest possible increments or episodes that make any sense conceptually. Then, identify the various moments of truth that occur in the cycle. Try to associate particular moments of truth with specific stages or steps of the customer's experience.

Since the service cycle is a tool to enable you to see service from the customer's point of view (rather than the organization's point of view), many 'backroom' events critical to your customer's overall satisfaction – things that the customer does not come into contact with – will not appear in a cycle of service diagram. It will be unique for your particular operation. It may vary from one customer to another, from one situation to another. Of course, customers don't consciously think of their experiences in terms of a cycle. They generally pay attention to whatever needs they have at a moment.

At a seminar with a group of health-care administrators, the participants were asked to diagram the cycle of service that ensues when a patient is wheeled off for, and brought back from a series of medical tests. After several minutes of discussion about the place of various orderlies, nurses, doctors and lab technicians in the cycle, the

task was completed. As they sat admiring the handiwork, one of the administrators said aloud 'My God! There is nobody in charge of this mess!'

His explanation went somewhat like this:

The hospital is organized and managed by professional specialty – by functions like nursing, housekeeping, security, pharmacy, and so on. As a result, no single person or group is responsible for the overall success and quality of the patient's experience. The orderlies are accountable for a part of the experience, the nurses for another, the lab technicians for another and so on. There are a lot of people accountable for a part of the service cycle, but no one has personal accountability for the entire cycle of service.

When the organization is organized along functional lines, rather than service cycle lines, no one is responsible for ensuring that each cycle of service goes off effectively. In the abstract, of course, the head of the organization is responsible. But, the simple fact remains that when no one is specifically accountable for the cycle of service, from beginning to end, the customer's experience – the moments of truth – goes unmanaged, mediocrity is assured.

Self Assessment of Property Tax – The Case of Municipal Corporation of Hyderabad

Property Tax is the principal source of revenue for the Municipal Corporation of Hyderabad (MCH). Just as a corporate entity would look to enhance its income, the MCH too is keen to augment its resources for undertaking better administration and delivery of services to its citizens.

The Commissioner, Sri P K Mohanty I.A.S initiated an analysis of the service cycle connected with payment of property taxes by the citizens. It was observed that the existing process was not transparent; the citizen did not understand the basis of taxation; the citizen had to make several visits to the municipal office; instances of harassment by departmental staff were frequent; there was inequity in tax payments (similar properties in similar areas, with similar rents/earnings to pay similar taxes; leakages in tax collections; while the taxpayer is required to pay 3 and ½ month's monthly rental value as taxes, the actual collection was far below one moth's rent in a large number of cases. etc. The Commissioner realized that it is imperative to re-engineer and simplify the process to enhance the credibility of the corporation and induce more voluntary

payments from citizens. He also realized that they needed to understand the citizen's viewpoint before taking any initiatives.

The Corporation introduced the policy of Self Assessment of Tax in 1999, in accordance with Section 213 of the Hyderabad Municipal Corporation Act 1955, which provided the scope for such an initiative. It created a computerized property tax database, assigning a unique Property Tax Identification Number (PTIN) to each property. It organized meetings with Resident Welfare Associations to understand their concerns and views and based on suggestions of one of the associations arrived at Monthly rental Values of Rs 1/-, 0.60/- and 0.40/- for high rent areas, medium rent areas and low rent areas respectively. It then communicated these rates to Resident Welfare Associations through the news media. It encouraged associations and individuals to compute the tax liability of their property and file their returns. It conducted a Tax Education Campaign, educating the citizen about the Municipal Act Provisions, the low property tax compliance in Hyderabad, the City Development Plans, Tax-Service linkage, Tax-Development-Business Turnover linkage and the Guidelines for Tax Computation. The most critical was the MCH guarantee that if correct self assessment tax is filed and tax paid is at rate not lower than the benchmark rate, no municipal official shall visit the premises of the tax payer for tax enhancement for the next 3 years.

The payments were facilitated through the counters of e-Seva (a public-private partnership based on e-Governance initiative of Government of Andhra Pradesh to offer a host of services to citizens' including payment of property taxes, electricity bills, telephone bills etc.). This move ensured that the citizen can avoid interface with the municipal bill collectors and can make the payment at any e-Seva counter of his/her choice.

Property Tax collection rose from Rs 58 crores in 1998-99 to Rs153 crores in 2002-03. The Corporation, on its part, kept up the promise of augmenting civil amenities for the citizens.

This is a good case from public management area of an organization understanding the needs of its clients, simplifying processes and making them citizen-friendly and delivering, on its part, the promised value for citizen's money.

Checklist

Client-Focus

- Do you know what your clients' expectations are?

- Have you analyzed satisfaction gaps for magnitude, frequency and client impact?

- How do you consult with your clients?

- How do you respond to clients' complaints?

Communicating with Clients

Communicating with clients about their perceptions and expectations can improve the satisfaction level they have with the delivered services. Clients will know what to expect and a Department will know what clients want and expect.

Passports Made Easy

Regional Passport Office at Hyderabad has emerged as the biggest passport office in the country. This year, over 2.5 lakh passports have been issued so far. The Regional Passport Office (RPO) is geared to improve its services further. While the RPO has been streamlined with technological inputs, the process of police verification still remains an area of concern.

The Cyberabad police are ready to go for an on-line verification system with the RPO. With over 35,000 verifications in its domain, it is taking about two to three weeks to complete the verification process. The old system of routing the passports through the district collectorate has been dispensed with. The verification forms are sent directly to the Office of the Superintendent of Police.

The elimination of touts has received a boost with plain-clothes policemen around the RPO swooping on people who take applicants for a ride. 'Touts come into play when the process is cumbersome and we are making things simpler' says Mr. Bala Bhaskar, Regional Passport Officer. Steps like setting up passport collection centres, acceptance of applications at eSeva for new passports, renewals and passports for minors have also helped to a large extent to curb complaints.

The tatkal scheme, which enables applicants to get a passport in case of an emergency, has also helped. With more and more people traveling abroad for work and holiday,

acquisition of a passport is becoming a necessity. 'Our object is to make this office people-friendly, and I am sure it will happen in the course of time,' adds Bala Bhaskar

Source: Times of India, Hyderabad Edition, Thursday, December 16, 2005

Service-Focus

• Does the team solicit ideas about how to improve the method of service delivery?

• Do you have any ideas on how to improve the delivery of services in your work area or any other areas in the public service?

• Do you know which of your services are most important to your clients?

Delivering services in the public service is a somewhat more complicated affair than in the private sector. An unblinking focus on pleasing the client is not always possible for government departments since they must keep the individual's interest and those of the general public in mind.

- Government of Canada, PS 2000 Service to the Public Task Force

Where Do We Want To Be?

At this point, we are on the road to improved service delivery. Now we have to figure out what our goals are and how we are going to achieve them. By doing so, we will learn what needs to be changed, what resources will be required, and what we need to measure.

One author stated that "the journey will be more like an ocean voyage than a road journey — the routes are not clearly marked, you will have to check your bearings frequently along the way, and you could easily be blown off course." In this dynamic environment, goals and strategies are always changing. Having a Service Excellence Plan can assist you in staying on course.

This section will assist a Department to:

• Develop a Service Excellence Strategy

• Integrate Service Excellence

• Establish Service Excellence Standards

  • Service Standards

  • Benchmarks and Best Practices

Develop A Service Excellence Strategy

STEP THREE

> "The best service strategy is one that is always being questioned, challenged, refined and improved; always be learning"
>
> *- Karl Albrecht*, Service America

Integrate Service Excellence

There are many ways to integrate Service Excellence into the planning process in your Department. Some ideas include working Service Excellence into your business planning process, your Department mission, and your performance management and performance reporting process.

Changing the way government operates is not going to happen overnight. Implementation of the full Service Excellence Framework is a continuous process and

will be further defined by the resources with which the public service has to work. Yet, it is important to think both short-term and long-term. What can you do in the next month? In the next six months? In the next year? In the next three years?

The goals you choose need to be challenging but they also have to be achievable. If previously set objectives were attained with great difficulty, or not reached at all, then it may be reasonable to re-adjust expectations. This also applies to the objectives that were too easily met. As well, if programs or projects change, it will mean new performance measures and goals have to be established. Finally, it is important to establish goals that are not too few or high in number — the organization needs to be challenged, but not overwhelmed

The Management Principles for Service Excellence at FedEx

Who is FedEx?

FedEx was started in April of 1973 by Fred Smith. FedEx is the world's largest express transportation company with more than 145,000 employees worldwide and delivering more than 3.2 million packages daily. They command a fleet of 634 aircrafts and more than 42,500 vehicles. They log more than 2.7 million miles each day on the ground. FedEx's revenues in 1998 were $14 billion (U.S. dollars).

At the heart of FedEx is the basic services it offers that made it a success. FedEx's SameDay Service is a deliver service within 24 hrs, door-to-door for urgent packages. The Overnight Service is an 8 a.m. delivery service covering about 5,000 ZIP code areas.   It's Priority Overnight has a delivery by 10:30 next-business-day in most U.S. cities and by noon in most other areas. Their standard overnight delivery has a 3 p.m. delivery time in most cities and 4:30 in other areas. Finally FedEx offers Air Charter services. They accept any acceptable commodity that will fit on an airplane (as they claim "from elephants to satellites"). FedEx provides the plane and the crew and you choose the time and route. This can be either a one-time use or a long-term commitment.

Management Principles

FedEx has maintained its profitable commitment to excellence by applying eleven management principles. These eleven principles underlie FedEx's unparalleled success. They are:

- You can never, ever, do enough for your people.
- Everybody pitches in.
- Rewards are absolutely, positively everything.
- A winning culture has many cultures.
- An ounce of inspiration is worth a pound of control.
- The first rule is changing the rules.
- Problems have silver linings, too.
- Software equals savings, service, and sales.
- He who hesitates is lost (but, remember, look before you leap).
- Letting go is hard to do.
- The image is the reality (if you work at it).

You can never, ever, do enough for your people.

'The rights and value of a single human life have become the central focus of social evolution in the industrialized world … FedEx, from its inception, has put its people first both because it is right to do so and because it is good business as well.' (FedEx manager's training guide). Smith put people first, from the start, knowing that service and profits would follow. The flat management structure minimizes the distance between leaders and front-line workers. This has the effect of empowering the employees and expanding their responsibilities. While there can be no honest unconditional commitments to a no lay-off policy, what FedEx has done is to make a commitment to reasonable employment security. This is done by cross-training employees for more flexibility and allowing for the redistribution of work during slow periods. During peak workloads, the hiring of part-time workers reduces the need for lay-offs of full-time workers in off-peak times. Thoughtful and imaginative compensation schemes are at the heart of FedEx's human resources policies. FedEx may provide flexible work hours, leave-of absence for family emergencies, and permanent part-time work. Benefit packages are also structured to accommodate age, health, career paths, and other personal preferences. Individual bonuses and awards are tailored toward individual preferences and not bestowed indiscriminately. FedEx has a policy of promotion from within, a procedure for resolving employee grievances, which can result in the problem ultimately being reviewed by the CEO, executive vice president, chief personnel officer, and two senior vice presidents. Open communication plays such an important part in FedEx that they have set up their own internal broadcasting company, FXTV, which

reports on everything from inclement weather, company goals, the previous night's service levels, what the competition is up to, and candid call-in programs. This is their own internal CNN.

Everybody pitches in.

While everyone has his/her own responsibilities, the fences are kept low between jobs. If someone needs help, it is always there, someone pitches in (cross-training strikes again). Everyone focuses on the customer. It is not unusual to find senior vice presidents or Fred Smith himself loading and unloading packages at the hub during the holiday season. Top executives will make personal sales calls; everyone works hand in hand to achieve FedEx's mission. When problems arise, such as the high costs of sorting, a team of people, a sort worker, an industrial engineer, a supervisor, a courier, a traffic clerk, and a quality engineer, will contribute from their own perspective to arrive at a suitable solution. There are times at which the customers are consulted (a lot) to arrive at the best solution.

Rewards are absolutely, positively everything.

FedEx continually invites employee and customer assessment of its operations and personnel. FedEx rewards success. On the spot recognition is more the norm than an exception for a job well done. Nor is money the only reward. Different contributions win different awards. The Bravo Zulu award is ' visible' recognition for 'above and beyond' performance. This comes from the U.S. Navy flags Bravo and Zulu which means 'well done'. These discretionary awards can be cash, theater tickets, and dinner with or without the boss, or any other reward that stresses recognition for a job well done. Finders Keepers awards cash to couriers, customer service reps, or anyone else who brings in new customers. There are people who have added as much as $1,300 to their monthly pay. Best Practice Pays is a team cash award for exceeding company set goals. The Golden Falcon award is for employees whom customers and management have nominated for recognition. Five Star Awards for Leadership is recognition for individuals whose contribution helps make significant progress towards company goals and objectives. Star/SuperStar awards are for the organization's best performers. This is worth 2 to 3 percent of their salary. All of these bonuses and awards are tied directly to performance and supporting the company's objectives. The rewards are based on what is valuable to the recipient and are not tied to any specific time

interval. Spontaneous random timed rewards create an air of surprise. This keeps the moment more memorable.

A winning culture has many cultures.

FedEx is famous for and known for its absolute dependability and its attention to detail. This is something that its customers have come to expect and are not disappointed. FedEx accomplishes this by not being a mass of bodies moving in one direction, but rather by being the several parts that compose it and working together. It is likened to an aircraft carrier with its many subdivisions, the pilots, the couriers, the sorters, customer service, accounting, engineering, and management. All of these have different subcultures, in the field the culture is the customer, on the superhub floor time is the culture, and in the logistics and software development lab innovation and ideas are the culture. Each micro-culture has something to contribute, consider support rather than suppress.

An ounce of inspiration is worth a pound of control.

At FedEx, they strive for transformational leadership rather than transactional leadership. FedEx's manager's guide relates the following. ' A transformational leader raises subordinates' awareness about issues of consequence, shifts them to higher level needs, influences them to transcend their own self-interests for the good of the group or company, and inspires them to work harder than they had originally expected they would'. Leaders must be loyal to their employees, seek partnership rather than impose patriarchy. They must have a well-honed sense of duty and be bearers of change, while being able to take criticism as well as give it. Most of all, transformational leadership starts at the top.

The first rule is changing the rules.

The U.S. Postal Service used zone and volume pricing; FedEx, on the other hand, started fixed pricing, thus simplifying the process much to the delight of their customers. Smith lobbied Congress to deregulate the airfreight industry, competitors shared the benefits, and the industry grew ten-fold. Let your competitors follow your lead.

Problems have silver linings, too.

FedEx, like all other innovators, regards every problem as an opportunity. All innovators transform problems into opportunities. FedEx welcomes customer's problems as well. Handling customer's problems only opens the door for FedEx to offer the use of their other services while improving on their existing service.

Software equals savings, service, and sales.

Fred Smith has shown that information is the lifeblood of a service company such as FedEx. FedEx's software which allows it and it's customers to track shipments, has leveraged the strengths of its information systems into a vastly profitable logistics consulting business.

He who hesitates is lost (but, remember, look before you leap).

FedEx pioneered next day service. Smith's closest advisors thought that it would cannibalize their existing services. Smith argued that it would generate cash and eliminate the down time between the standard overnight service and the economical afternoon service. Smith's hunch paid off, the next day and two-day service have grown ever since. Do your homework, but follow your intuition.

Letting go is hard to do.

Sometimes intuition and spreadsheet models are wrong. Some things, no matter how good they seem, just don't work out. Know when to cut your losses and don't pray for miracles to save your project. It's like the lottery; somebody is going to win it but not you.

The image is the reality (if you work at it).

FedEx's guaranteed on-time service and complete satisfaction is unconditional. Customers equate FedEx with that promise. The image the company has so meticulously cultivated helps maintain and extend its market share. The image is reality if you make it.

Conclusion

Fred Smith, through these eleven principles, has made FedEx into a world-class leader in the overnight package industry. Smith leads the industry and follows no one. He

inspires his workers by doing and providing an example by which they can follow. FedEx continues out in the forefront into the 21st century.

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Checklist

Service Excellence Strategy

- Does our business plan incorporate the goals of the Service Excellence Framework?

- Does each division within a Department have clear goals for Service Excellence?

- Does the work team have access to information on Service Excellence?

Establish Service Excellence Standards

STEP FOUR

Service Standards

A service standard is a level of performance that is critical to achieving a broader goal. Establishing service standards in a Department can be beneficial for both the client and the team. Clients are aware of what they should expect from government, how services will be delivered, and what clients can do when services they receive are not acceptable. Standards are easier to measure when the team is aware of them.

Develop service standards according to the needs of your clients and within the realm of public objectives, available resources and the Service Excellence Policy. A service standard should include a description of the service, a service pledge, delivery targets, and a process to address concerns.

Some examples of service standards include:

"You will receive service within 10 minutes of your arrival."

"We will return all telephone messages within one working day."

"We will direct you to the right contact person on the first referral."

"We will continue to produce publications that are written clearly and address the specific informational needs of our customers."

"We will be available to talk to individuals, organizations and groups about our program."

"We will refer you to other sources of assistance if it appears that you may qualify for alternative programs from other sources."

"We treat our clients with respect."

"Each service we provide is delivered in a fair manner."

"We will explore the causes of all concerns and deliver meaningful responses."

Developing Service Excellence Standards

It is important to do your homework when developing service standards. Find out what your clients need. Do not simply establish service standards that are deemed successful in another government jurisdiction.

An important area where a Department can develop standards is in the area of communicating with the client. When a client corresponds with a Department, it is important that we value and acknowledge each client's concerns in a timely manner. Use feedback as a gift — think of it as free input into how you are delivering your services. Respond to it in a meaningful and respectful way. The following examples can give you ideas on what standards you can develop in your own Department:

Desired Outcome

- We provide prompt and accurate information.
- Clients receive a meaningful response to their feedback.

Effective Standard	Ineffective Standard:
• We will direct you to the right contact person on the first referral. • All client feedback will be considered valid and clients shall receive a meaningful response addressing their concerns within two weeks unless notified otherwise	• Phone is answered within three rings. • All correspondence shall be replied to within five working days.

Tips on Developing Service Excellence Standards

• Develop internal and external service standards.

• Before you establish service level targets, you need to know what services you are providing.

• Your service level targets should be challenging enough to motivate the team, but they should also be achievable.

• There may be opportunities for cross-Department service standards. Work with other Service Excellence teams to determine if this is the course you should take.

Service Excellence at Jet Airways

From inception Jet Airways has been certain of what it wants to achieve. Its mission is encapsulated in the following: 'Jet Airways will be the most preferred domestic airline in India. It will be the automatic first choice carrier for the travelling public and set standards, which other competing airlines will seek to match.'

It is also the only Indian airline to have invested in FAA-approved Vapour Tracer machines at major airports for security purposes. This new-generation detector system is used for detection of explosives, including plastic explosives and narcotics.

The airline has been feted both with domestic and international awards. TTG award for Best Domestic Airline, Asia/Pacific (2002), the Boeing Company award for maintaining the Best Technical Despatch Reliability for 2002. India's Most Respected Company in the Travel and Hospitality sector by Businessworld (2003). And in a glittering ceremony in February 2004, three feBusiness Traveller awards for Best Business Class, Best Economy Class and Best Service (Airport and In-flight). Jet

Airways was conferred the Star Of The Industry Awards for the Best Domestic Airline For The Year 2005 by the ITM Institute of Hotel Management.

Jet Airways is one of the few airlines in the world to have received the ISO: 9001:2000 certification for its in-flight service.

Given that business travellers account for over 80% of the domestic air traffic in India, schedules are carefully designed to provide same day return trips between significant city pairs, e.g. Delhi-Mumbai, Mumbai-Bangalore, etc.

Jet Airways woos the economy passenger not through discounts but by adding value, such as being the first domestic airline to offer Tele Check-in, City Check-in, Through Check-in and One Time Check-in facilities.

Other alliances and the use of technology have seen Jet Airways lead the market with value-added services. Jet Mobile service provides mobile phone users with up-dates on flight schedules and flight timings.

During the last two years, the brand has consolidated its market position of leadership, placing greater emphasis on Customer Relationship Management. The Service Tracker, a system for collecting and acting on passenger feedback within seven days, helps analyse trends and measure quality aspects such as meals, in-flight service, on-time performance, etc.

Jet Airways was the first to launch e-ticketing. This significant initiative enables its customers to book tickets on the airline website. Passengers can now book, pay and print their Jet Airways e-ticket online from any point globally and travel with paperless tickets across its network. It also offers 24-hour tele-reservation services.

The core focus of the brand is to be a world class airline. Towards this end, it strives to offer passengers a world class product - be it the world's latest aircraft, a world class in-flight service or a business class product comparable to the best in the world. It endeavours to ensure that the customer can depend on the clockwork-like regularity of Jet Airways' operations; and it promises to deliver a highly professional and efficient brand experience – pre-flight, in-flight and post-flight.

Source: http://www.jetairways.co

Strategy

During the year under review, the company fully implemented a state-of-the-art Yield Management System, which enables the airline to implement a dynamic pricing policy, depending on the available capacity on each flight, with a view to neutralizing the effects of lower yields by maximizing revenues per flight. The company will continue to leverage this system to maintain market leadership.

The key components of the strategy are:

• Excellence in customer service

• Convenient flight timings and connections

• Young and modern fleet for safety, reliability and lower operating costs

• Continued investment in staff training and development

• Relentless focus on cost discipline

• Highest standards of corporate governance

During 2004-05, there were two major initiatives as part of its commitment to passenger delight and service excellence.

First, the company's loyalty program - Jet Privilege - was completely revamped to give members more enhanced and flexible opportunities to earn mileage with the frequency of travel as well as through increased tie-ups with other international airlines, international hotel chains and other reputed service providers. The company's re-launched program won recognition at the prestigious Freddie Awards, held in April 2005, where the company competed against loyalty programs of airlines worldwide. Today, the company has a loyal membership base of over 500,000.

Second, the company successfully implemented a program throughout the organization - called Seamless Customer Care - to make each employee fully aware of his or her role in achieving excellence in every area of service delivery to the customer. Enthusiastically implemented by young quality champions who report to senior management, the program has reinforced the company's commitment to quality. The program was constantly analysed with customer feedback.

The company's technical service reliability was maintained at over 99%. This compares with the best in the world and is a measure of its emphasis on on-time performance and attention to safety. Its safety record remains among the best in the industry worldwide.

In order to retain employees and better align their interests with those of shareholders, the company expects to shortly implement an employee stock ownership program.

Source:http://www.hdfcsec.com/company/agmamShow.php?url=AGMServer/2005/10 JETAIRPR_20051002.htm &parPass=AGM&icode=JETAIRPR

Benchmarks and Best Practices

Defining Benchmarks and Best Practices

Best Practices are simply the most effective way to perform a process. Yet, there is no single best practice, because "best" does not mean the same for everyone. Every Department is different in some way — missions, cultures, environments, or technologies. Best practices are those that have been shown to produce superior results and selected by a researched and systematic process. Best practices are then adapted to fit a particular organization.

Benchmarking is action — discovering the specific practices responsible for high performance, understanding how these practices work, and adapting and applying them to your organization. It is the process.

Performance Measures are the targets for desired performance. For example, one area of a Department may want to strive for 100% client satisfaction in the delivery of services, while another division may strive for 75% client satisfaction.

Integrating Benchmarks and Best Practices

Benchmarking and the sharing of best practices is a way of borrowing from those organizations that have achieved exemplary status in their delivery of services. Yet, the public service may not always have to "borrow from the best", because we may already be the best. While this may be the case, it is important that we always compare ourselves with those who are in the same business as we are. Are we maintaining our level of service? Could we be providing a higher service level? Are our performance measures high enough? Benchmarking is a continuous process of evaluating current

performance, setting goals for the future, and identifying areas for improvement and change.

Yet, striving for the best may not always be the course of action to take. Rather than trying to emulate the best in the world, it may be sufficient to meet certain national or professional standards. In that sense, an intermediate performance goal of meeting the national standard would be considered a target, with the international standard representing an optimal level of performance. For example, in the field of international athletic competition, the benchmark (world record time) is clearly known by all. But part of developing as an athlete may be trying to improve to an Olympic qualifying time or national record time.

> "Benchmarking focuses attention where attention is needed and rips away the blinders that prevent learning. It is more than a one-time measurement; it is a tool for creating the learning organization."
>
> *C.J. McNair & K. Leibfried*, Benchmarking: A Tool for Continuous Improvement

A Five-Stage Benchmarking Process

1. **Plan the benchmark project**

   - Integrate benchmark project into your Department business plan.

   - Identify clients and their perceptions and expectations.

   - Identify a service delivery process to benchmark.

   - Identify key performance indicators that can measure performance of the process.

2. **Form a Benchmarking Team**

   - Select, train and manage a benchmarking team.

   - Include a cross-section of varied skills and positions.

3. **Collect the data**

   - Identify best practice organizations and gather benchmarking information about the performances and practices of excellent organizations.

4. Analyze data on performance gaps

- Identify and analyze the gaps between best practice and your own business processes.

5. Take action and recycle the process

- Develop strategies to close the gaps.

- Identify tasks, responsibilities, resources and time targets for the change process.

Tips on Benchmarking

Pick your benchmarking partners carefully

Benchmarking assumes that you already know your own process and its level of performance thoroughly. Make sure your benchmarking team is very clear about what it wants to learn before approaching potential benchmarking partners.

Establish trust with benchmarking partners

Your benchmarking partners should be clear about what you are seeking to learn from them, how that information will be treated, who will have access to it and for what purposes it will be used. Ideally, this should be formally agreed upon.

Benchmarking is more than numbers

Not only should you focus on numerical benchmarks, but the information you will need to achieve superior levels of performance and the differences between your organization and the benchmark organization should be a priority as well. Rather than assume your organization is exactly like the others, you seek to benchmark, look at the process by which other organizations make their benchmarking decisions. How do they listen to their clients, prioritize issues and evaluate costs versus benefits?

Checklist

Service Excellence Standards

- Are the current benchmarks and best practices realistic? Are they too high or too low?

- Do we want to provide a standard service or a customized service?

- Do our services remain the same from one client to the next or do they alter for each client?

- Do we assess performance against our service standards?

- Are the team and clients aware of and involved in the development of service standards?

Once you figure out where you are and where you want to go, you have to figure out how you are going to get there.

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e-Seva sets the benchmark

Citizen –friendly face

A key component of e-governance is to provide governments with a citizen-friendly face. Naturally, G2C (government-to-citizens) is an important element of all e-governance projects. FirstGov in the US, e-Envoy of the UK, e-Taiwan, e-Citizen in Singapore, e-Korea, e-Malaysia, Victoria Online in Australia and Government Online in Canada are award-winning G2C services in the world.

Closer home, e-Seva in Andhra Pradesh, Friends in Kerala, Sukhmani centres in Punjab, the Lok-Mitra project in Rajasthan, Coimbatore-Online in Tamil Nadu and BangaloreOne in Karnataka are some of the pioneering G2C initiatives in India.

e-Seva is, perhaps, the best example and one of the earliest attempts to take the benefits of e-governance to citizens. e-Seva, Andhra Pradesh's shared service, has delighted citizens and turned into a model for other States to emulate.

Instead of citizens having to go from one department to another, multiple government services are provided through a 'single window.' On December 3, 1999, the citizens of Ward 8, Hyderabad, became the envious lot who could access 18 different government services provided by six independent departments through a state-of-the-art center that the Andhra Pradesh government set up. Six months later, the success of the pilot "Twin Cities Network Services" (TWINS) convinced the government to roll out an additional 24 centers and rename the project befitting 'e-Seva'.

e-Seva has several innovations to its credit. The people interface issue has been well addressed and the effects of 're-engineering' are there for all to see. The ambience is good, the place is clean, less noisy and there is an air-conditioned environment,

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uncluttered by dilapidated furniture. There is access to drinking water, facilities like ATM, internet kiosks and phones—things one does not normally associate with government departments in India.

The services are offered at dozens of centres, each with several counters, in a public-private-partnership model. The computers, printers and internet access are provided by the private operator, who is paid a fixed service charge for transactions completed at e-Seva counters, with the government providing the data.

Currently, the services include:

• Utility payments to government departments (electricity, water supply and sewerage charges)

• Among the services it offers are payment of property tax, income tax, etc

• Certificates (birth, death, caste and educational certificates)

• Phone bills (public sector BSNL, private service provider Tata Teleservices)

Interestingly, BSNL has exclusive bill collection centres, in addition to special arrangements with banks for collecting payments. Yet, 70% of BSNL bill payments happen at e-Seva centres.

e-Seva has come a long way since 1999. Starting with a single centre offering six services with 1,000 transactions a month in 2001, e-Seva has grown to nearly 200 centres offering 160 services across 22 districts, clocking over 34 lakh transactions/month, with a value of Rs 500 crore a month. Additional services available in e-Seva centres include municipal property tax, income tax payment, passport application, train/bus ticket booking, movie tickets purchase and Western Union money transfer.

It is particularly of value to less-affluent and less-influential people, who do not enjoy the luxury of servants or peons who can spend time standing in queues.

*It used to take half-a-day for a worker to go to the Electricity Dept and pay his or her monthly bill…If we compute the cost at a meagre wage rate of Rs 50/half-day, It totals up to a staggering Rs 2.1 billion per year. The cost to the citizens of just paying electricity bills is a staggering collective wage loss of about **$45 million** in one city…*

There is also a host of other bills to be paid and services that require the citizens to

go to the government offices and wait…..says C K Prahlad on e-Seva in his book 'Fortune at the bottom of the Pyramid'

The people love it. "I now get a little more time with my family, as paying bills or getting certificates issued is no more the painful and time-consuming process it used to be," says K S N Murthy, a bank employee from Hyderabad. And, there are many more reasons why e-Seva has clicked with users. For instance, the system allows for different ways of payment. Cash, cheques, demand drafts, credit cards, debit cards and online— e-Seva centers can deal with them all. The network of centers also puts e-Seva within easy reach of people.

Apart from the centers, citizens can access e-Seva counters in banks or transact via ATMs. Vijay Laxmi, a homemaker, now takes care of all utility payments herself; something that for years only her husband could do, since it meant waiting in different queues for long hours.

Getting Off The Ground

The concept of shared services was initiated in 1998, when the then Government wanted to improve service delivery to citizens. Realizing that this was not an easy task, the administration looked for a champion who could deliver the goods, and zeroed in on J Satyanarayana, then Andhra Pradesh's commissioner, Commercial Tax department, (now CEO of National Institute for Smart Government) to spearhead the effort. The government asked him to study existing practices for citizen services adopted by other nations, including Singapore, and submit a detailed report.

Satyanarayana quickly assembled a team, with members from IT firms among them, to put a framework in place. "Our focus was to identify a model that provided large volumes of routine services to the citizens," he says. The next task was to identify the departments that provided routine services to citizens and bring them together. The team had to study every department and its functions to build an efficient mechanism, since every department-electricity, water, property tax, transport, telephone, and land registration amongst others-had a unique billing process.

"For the first six months, we had a number of brainstorming sessions on the concept, and later zeroed in on a framework", says R Jagadeeshwara Rao, Vice President, Ram Informatics, an e-Seva technology partner. "The framework allowed for multiple

interfaces across the counters that offer large volumes of routine services to citizens," says K Jagannath, Regional Manager, CMS Computers, the project's principal investor. Based on this framework a prototype was developed. However, the big hurdle was to get a fix on the business model and after much debate they settled on a BOOT (Build-Own-Operate-Transfer) Model.

Challenges Galore

Going forward was no cake-walk. There was the task of achieving congruence of objectives, crafting the right Service Level Agreements (SLAs), integrating the cultures of the public and private sectors, and striking the right balance between investment and control in e-government. And to top it all, the heads of departments were not very cooperative. "Initially, the departments had apprehensions about sharing their databases with us," says Jagannath. "All the participating departments and agencies needed convincing that it would be more cost-effective for them to share the common infrastructure of e-Seva rather than creating their own independent delivery channels," adds Satyanarayana.

In fact, despite its popularity, the project came in for flak from the Controller and Auditor General of India (CAG) for the lack of transparency in the project implementation. In its 2001-02 annual report, the CAG found several drawbacks in the project largely due to unpreparedness of the participating departments and inadequate coordination. "Even after the project was up and running, we faced a tough time in promoting its usage," recalls Jagannath. They, therefore, dedicated 2002 to promoting e-Seva.

Technology Road Map

The project is based on a three-tier web-based architecture running on Oracle 9i Application Server Enterprise Edition as the Middleware platform software. The architecture includes multiple web-application servers, working on a load balancing mode. The front-end clients run Internet Explorer and can range from 10 to 20 at different locations. A redundant combination of Leased Lines and ISDN Lines has been established to link the web servers at the e-Seva Data Center to each e-Seva center. Each Departmental server is also accessed by the e-Seva servers through leased lines with ISDN back-up.

"Andhra Pradesh took the application server route because it was the only way to maximize e-Seva's reach through web technology," says Bireshwar Das, Deputy

Director, Directorate of Electronic Delivery Services and e-Seva. According to him, the process was simpler because most government departments had automated their processes, especially their databases, much before the launch of e-Seva.

The e-Seva project was built on Oracle database as most of the departmental databases were based on Oracle or SQL. "Transactions done at the e-Seva centers are recorded directly on the server of the department concerned," says Rao.

CMS Computers continues to provide technology support to 15 districts covering 120 e-Seva centers, while UTL and CGS Technologies support three districts each.

CMS Computers has hired people to handle the counters at the Centers, while a team from Ram Informatics develops applications. "We have so far built 200 applications for various citizen services," says Rao.

Business Model

The Public-Private Partnership (PPP) project was built on a BOOT model over a period of five years beginning August 25, 2001. The State Government oversaw the project as the overall administrator and acted as the front-end. CMS Computers designed the project's IT architecture and provided the software, hardware and networking solution, while Ram Informatics came up with application development, management and maintenance. CMS Computers is also responsible for staff salaries, infrastructure cost, setting up new centers and other resources, including security staff.

CMS Computers gets Rs 3.95 per transaction at Hyderabad and Rs 5 in the Districts; this is shared among both partners. The Directorate of Electronic Delivery Services and e-Seva monitor the project daily with the technology partners, the participating departments and other agencies. The government has also used the franchisee model in some places in the State. At present, citizens within the jurisdiction of all e-Seva centers in the Districts are allowed to transact online.

Initially, the government was of the view that Centers were not viable delivery channels in urban and semi-urban areas. However, its contention was proved incorrect. Citizens prefer to transact at brick-and-mortar service centers rather than online. Over the past four years, e-Seva has registered only 98,000 transactions online, in comparison to 5.71 crore transactions at the centers or though bank counters.

Pay Back Time

As the principal investor, CMS Computers has so far invested over Rs 25 crore in the project, mainly setting up and running e-Seva centers in Hyderabad and Ranga Reddy district. "It costs around Rs 12 lakh to set up an e-Seva center," says Jagannath.

"We kept on adding new Centers, taking it from 18 to 45 centers. We have recovered some amount, but the project demands continuous investment and the revenue increases as investment rises. The RoI is continuously changing as it is a demanding model," he adds. Ram Informatics has also scored big, with the project contributing 25 percent of its revenues last fiscal.

"One cannot look at traditional systems for measuring ROI. The ROI of e-Seva needs to be measured taking into consideration the social benefits also—the savings in costs and time for the citizens, reduction in travel and hence reduced levels of pollution, the citizen satisfaction arising out of increased convenience and a better quality of service compared to traditional systems," says Satyanarayana, CEO, National Institute for Smart Government (NISG). A RoI study by the State Government indicated a positive result, in terms of the saving per transaction to the participating agencies and departments.

Chairman and Managing Director, Central Power Distribution Company of Andhra Pradesh Ltd (CPDCL), Heeralal Samariya says: "We have received reports that thousands of our customers are happy with the system. The e-Seva project has also impacted our administration, increasing productivity in service, boosting efficiency in revenue collection and bringing in greater transparency to our operations."

Success Drivers

It's a successful initiative that has changed a decades-old typically bureaucratic system. Evaluation reports indicate that citizens prefer e-Seva over departmental counters.

The departments wired into e-Seva are also full of praise. "We have received good results from e-Seva… the project has improved our revenue collection," states Dr K.S. Jawahar Reddy, Managing Director, Hyderabad Metropolitan Water Supply and Sewerage Board.

Ajay P. Sawhney, till recently Secretary, ICT department, Andhra Pradesh, attributes the project's success to its citizen-centric approach and the Public-Private Partnership business model. "The strength of the project is in its powerful MIS and the separation

of front and back-end operations," he says. Rao simply puts it down to the concept of a 'single window' for citizens while Jagannath emphasizes the tremendous political will required to make such projects a success.

Benchmark

Andhra Pradesh is now taking the concept to villages under the 'Rajiv Internet Village' scheme. It believes that delivery of services to rural people in this manner will increase the State's productivity. When this happens, citizens can obtain all the necessary services in their villages, without having to visit the nearest town or city.

e-Seva has inspired and guided many other Indian States in their bid to improve citizen-friendliness. Chandigarh, the National Capital Territory of Delhi, Gujarat, Kerala, Karnataka, Madhya Pradesh, Maharashtra and Rajasthan are among those who have implemented similar projects. Though the governments of Karnataka and Kerala were at first reluctant, they too later chose to deploy shared services after seeing the results that Andhra Pradesh achieved.

"When we faced a tough time in convincing the Kerala Government, we had to approach the Government of Andhra Pradesh for help. At our request, an e-Seva team came to Kerala and made a presentation to the Government. That's how we were able to convince the Kerala Government and get a go-ahead for the FRIENDS (Fast Reliable Instant Efficient Network for Disbursement of Services) project," says a grateful Aruna Sundararajan, former IT Secretary, Government of Kerala.

Four years on, e-Seva has emerged as the benchmark for government shared services initiatives.

Sources: http://www.egovnews.org/?cat=3

http://www.cio.in/govern/viewArticle/ARTICLEID=5

How Do We Get There?

This section will assist a Department to:

• Enhance capacity

   • Team participation

   • Recognition for innovation and achievement

   • Training for Service Excellence

   • Facilitation through use of Information and Communication Technology

   • Establish and maintain an effective system for service recovery

• Measure Service Excellence

   • Measuring Service Excellence goals

   • Defining client expectations and perceptions

Service Recovery

Service Recovery is a process that identifies service failures, effectively resolves client problems, classifies their root causes, and yields data that can be integrated with other measures of performance to assess and improve the service system. For most service organizations, service recovery is an essential element of service strategy. It is am important driver of client satisfaction and loyalty. Studies show that clients' service recovery experiences can leave them highly satisfied and have the potential to build greater trust and loyalty than their prior 'non-recovery' experiences with the service provider.

Attention to service recovery also has internal benefits. Studies of frontline service workers reveal that the ability to serve clients well, an important component of which is the ability to engage in recovery efforts, is closely related to employee satisfaction and loyalty.

Successful service recovery initiatives have three key components:

First, the service firms must identify the right frontline staff for delivering, providing thorough training, empowering frontline service workers, provide a reward structure that encourages them to solve client problems, give them clear responsibility and

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guidelines. Standards for service recovery processes enable employees to act with speed and confidence.

Service organizations must not only encourage clients to complain, they must also make the complaint process easy and respond to it quickly. Simple complaint processes and highly responsive service recovery reinforce client and employee perceptions of fairness and commitment to quality.

Third, service organizations must collect data on service failures. Careful data collection and analysis can help document, categorize and learn from service failures, both reducing their number and improving the quality of recovery efforts.

Grievance-handling is a very important and sensitive area of the government's work profile. It is, nonetheless, an area that is, at best, taken for granted and, at worst, grossly neglected by the service providers as it does not fall into the category of "urgent matters". Its importance is very often not appreciated by those who ought to recognise the value of grievances in order to develop a diagnosis of what ails a Government Ministry, Department or agency. There is, perhaps, a reasonable justification for this perception of the grievance-handling mechanism among the citizens at large. Every grievance points to a missed pulse beat somewhere in the organisation, and when grievance-prone areas are identified and analysed, it can frequently prevent "cardiac arrest" or avoid an unpleasant "moment of truth" for the organisation. One does not have to await public interest litigations and contempt proceedings in a court of law before addressing grievances and grievance-prone areas.

Enhance Capacity in the Public Service

STEP FIVE

"When normal good service is provided, we accept it without a second thought. We notice the lack of good service, or service which falls below what we have come to expect, much more than we notice normal, satisfactory service."

-Karl Albrecht, Service America

"The way your employees feel is ultimately the way your customers will feel."

- Karl Albrecht and Ron Zemke

Commitment to Service Excellence is enhanced through employee involvement, initiative and creativity. The public service should be a learning organization where team members are supported in sharing work experiences that were positive and experiences where there was opportunity for improvement. These experiences enhance the team's service skills and incorporate best practices in service delivery.

Employee Participation

Commitment to Service Excellence is built through involvement of staff. Since frontline staff have the most contact with clients, they are often the most knowledgeable about what could be changed to improve the delivery of services.

Seek inputs from all members of the work team whether they are service supporters or frontline service deliverers who can provide insights into problems concerning serive delivery, their causes and potential solutions. As well, data from team members can be used to supplement client feedback about services delivered.

It is important to remember that although measurement often seems to stimulate the most discussion, it is the organizational team that turns measures into action and action into value.

> "Synergy is almost as if a group collectively agrees to subordinate old scripts and to write a new one. The more genuine the involvement, the more sincere and sustained the participation in analyzing and solving problems, the greater the release of everyone's creativity, and of their commitment to what they create."
>
> *Stephen Covey* - The Seven Habits of Highly Successful People

Recognition for Innovation and Achievement

Recognition is an essential element of Service Excellence. Recognition means honouring, encouraging and supporting individuals and teams who contribute to the success of Service Excellence. Recognition shows employees that their individual and collective contributions make a difference and are valued.

There are many ways to recognize excellence in the workplace. Build on existing award and recognition programs or establish new ones. Don't be humble — make a submission

Tips on Recognizing Service Excellence

- Identify award and recognition systems that are in place at the government level. Don't forget to check out other recognition systems in place outside of the Government.

  Tell the rest of the world what you are doing to improve the method of service delivery.

- Grant recognition to both individuals and work groups.

- Promote partnerships by recognizing the contributions of clients and stakeholders to the achievement of organizational goals. There is no reason why stakeholders and clients cannot receive recognition. For example, organizations can send letters of appreciation to clients and stakeholders who have made noteworthy contributions to their work.

- Develop a variety of means to communicate achievements of award recipients. The means chosen should reflect the importance of the achievement.

- Recognition should not be reserved solely for exceptional achievements. Making everyone eligible for recognition allows an organization to motivate, support and encourage everyone.

- Encouraging and championing employees' suggested improvements are one of the most powerful forms of recognition available.

Training for Service Excellence

It is important that the work team has access to learning supports to develop the skills necessary to provide excellent service. Involve the team in developing a training package. Ask them what they believe would assist them in improving their service tasks. Team members should include a Service Excellence component in their learning plan.

Checklist

Enhance Capacity

- Does your Department currently offer any learning activities to enhance Service Excellence?

- Do rewards and recognition link to the goals and objectives of Service Excellence?

- How do we recognize cross-departmental achievements?

- Have we introduced appropriate technology to facilitate service delivery?

- If you have received training in service delivery enhancement tools and techniques, how can you use them in your work?

- Does the service recovery system function smoothly and consistently?

Executives' Guide to Call Center Excellence: Best Practices—FedEx: An Overnight Success Story

Providing customers a single point of access has delivered a truckload of rewards

by Erika Rasmusson

From CRM Magazine February 2003

Back when FedEx's main mandate was, "When it absolutely, positively has to be there overnight," a system designed to simply track packages was sufficient for the company.

But several years ago, FedEx went on an acquisition spree, buying up entities that increased its offerings to include services like FedEx Ground. The "new" FedEx, larger in both size and scope, needed CRM software that could cross platforms to ensure that its 3,000 customer service reps could provide superior service to the 300,000 customers who call FedEx's 16 U.S. call centers each day.

When the time came to select the new system, Sheila Harrell, FedEx's vice president of customer service, strategic planning, and Scott Struminger, vice president of information technology, worked in tandem—something both say was key to the success of the implementation. "We call it Trusted Partners," Struminger says. "The idea is, having a good relationship with your counterpart on the business side is extremely important in one of these types of rollouts."

Harrell and Struminger created a team of six people (including call center reps, managers, and representatives from the IT and customer service departments), and spent a week evaluating the proposals of about seven different CRM companies.

Ultimately, the group chose Amdocs ClarifyCRM.

Using Clarify FedEx has been able to integrate business processes and provide customers with a single point of access for all shipping needs. To do so the company devised a three-pronged approach to CRM. First is the ability to identify callers and know their background—to set up a customer profile—Struminger says. "We want to know data about you; what companies you are able to ship with, your account number, your average daily revenue and volume, even what your local time is," he says, "so we're mentally prepared and have the knowledge to deal with you."

Second is access to a customer's interaction history. "So if you've called us multiple times in the past month, we have a record and you don't have to repeat your story," Struminger says.

The third is "to take those functions and [add them to] our internal functions, such as package tracking and pick- ups, and put it together to create an experience for the customer that is very fast," he says.

That's a significant improvement over FedEx's former method, Harrell says. "Our old system was based on an overnight model that was built to basically deal with [issues like], 'you've called me today, you want a pickup, and we're going to pick it up.' There was no need to keep a history of data for a rep to access."

Struminger has witnessed the company's new system's success firsthand. Three months ago, he was sitting in one of FedEx's call centers with a customer service rep when an irate customer called. Complaining about a missed pickup, the customer yelled, "can't you morons get anything right?'"

"The agent was able to look at the customer's interaction history and say, 'I see you called regarding a pickup this morning. A courier was dispatched fifteen minutes later, was at your workplace thirty minutes after that, and asked someone named Tanya if there were any packages. She said no.' The customer turned apologetic, and just said, 'Wow!' And everyone wants to wow their customers," Struminger says, adding, "Without Clarify, that [incident] would have been our fault."

The system was purchased in September 2000, and after a yearlong development cycle, it was implemented in Memphis (the company's headquarters) in September 2001. The entire U.S. rollout was completed six months later.

The rollout required retraining the company's 3,000 call center reps. Previously, reps were instructed to serve the customer's immediate need—what Harrell calls an order-taking approach to customer service. Now, reps have more information about the customers, and thus need a more conversational approach. "We know our customers want options, and this system allows us to have that conversation with them," she says.

Although Struminger won't share specific ROI numbers, he says there has been a marked reduction in the time it takes for call center reps to handle each transaction, as well as an increase in customer satisfaction ratings.

The Benefits

- Precall intelligence and interaction history. "When I know something about you and what you've done with us before, it gives me a power of authority," he says.

- Reduced call times. "This saves us money."

- Increased customer satisfaction. "This has allowed us to wow customers, and builds the brand by creating positive experiences."

- Incremental business driven by word of mouth. Although FedEx has not measured this, as Struminger says, "People tell other people about their positive experiences."

Source: http://www.destinationcrm.com/articles/?ArticleID=2850

(Technology facilitating service excellence)

Issue of Ration Cards in Hyderabad District

Government have decided to issue ration cards to every Household in Hyderabad District according to their eligibility.

The District Administration is making all arrangements for issue of ration cards in Hyderabad District from 2nd Jan, 2006. An estimated number of about 10 lakh households shall be issued fresh ration cards in a period of 3 months, at a cost of Rs 40/- per card.

Andhra Pradesh Technology Services has developed the software with IRIS (Iris Retrieval and Identification Software) Technology, whereby the household data , digital photos and IRIS images of family members are gathered, integrated and a ration card

is generated. *The process of issue of Ration cards would be transparent, convenient and shall be issued across the Counter.*

For distribution of ration cards, suitable places have been identified to set up Designated Photography Locations (DPL - Community Halls, Function Halls and other Government Buildings. A minimum number of 200 cards are to be issued everyday, except on Fridays.

The declaration forms shall be served at the doorsteps of every household by a Government functionary with intimation to come to the Designated Photography Location on a specified date and time. The Head of the Household has to come to the centre on the above mentioned date and time along with his wife in case of his request for Pink Card and along with all his family members in case of White Card.

The issue of the ration cards in the District shall commence in 26 Designated Photography Locations (DPL) - 2 per every Assembly Constituency. Thereupon, the Designated Photography Locations shall be increased to 135 gradually by 20th January, 2006

Source: http://hyderabad.ap.nic.in/rationcard.html
(A case of application of technology in government for enhanced service delivery)

Measure Service Excellence

Measuring Service Excellence Goals

STEP SIX

"Count what is countable, measure what is measurable and what is not measurable, make measurable."   *- Galileo Galilei*

"What gets measured, gets managed."   *- Anonymous*

A critical component of Service Excellence is objective and meaningful measurement. Measurement can be a challenging task. An accurate and effective measurement system can require years of consistent, incremental work to achieve. Furthermore, measurement of any subjective or attitude variable is never precise, and may sometimes be relatively unreliable.

What does this mean for Service Excellence? It means that while measuring may be

challenging, it is not an impossible task. First and foremost, measure the objective components of Service Excellence. This means concentrating on measuring items that have a direct causal relationship. The following suggestions can assist you in measuring Service Excellence.

Before you measure, ask the following questions:

- What do we want to measure?
- How do we want to measure?
- Why do we want to measure?
- How often do we measure?
- Do we have the skills to measure ourselves?
- What are the pros and cons of measuring ourselves?

> "Since governance is not a science, it is impossible to isolate measures that perfectly reflect the outcomes of government activity. All we can do is hope for a close approximation, after using the best proxies available."
>
> *- Ted Gaebler and John Osborne* – Reinventing Government

WHAT TO MEASURE

The first step in deciding what to measure is to decide what you want to improve. First of all, the audience and purpose must be clearly defined.

Components that a Department may want to measure include:

- Physical Facilities — accessibility, telephone access, professional appearance, hours of service, signage, use of technology

- Communications — clarity, availability, use of plain language

- Personnel — courtesy, helpfulness, competence, empathy, clarity, fairness, responsiveness

- Services received — timeliness, value, appropriateness, adequacy, quality, safety, reliability

WHY MEASURE

Measures can serve a variety of purposes. First, they serve as a vehicle for communication. To the public, they signal the things that government deems important,

and how the government should be judged. This is the essence of the government's accountability efforts. Second, they can serve as a goal to those within the organization. Measures signal what is important, and what is necessary for success. Finally, measures can serve as a vital management and decision-making tool, providing information that can be used to enhance program design and service delivery.

HOW TO MEASURE

There are numerous ways to measure Service Excellence. Many Departments rely on client satisfaction surveys to measure satisfaction with Department or government services. In addition to serving as instruments of accountability, surveys are used internally in setting performance targets and developing performance action plans. The key criteria used to assess the quality of survey information are validity, precision, confidence, and freedom from bias. It is important to design, execute and report surveys in a manner that meet these criteria.

WHEN TO MEASURE

It is essential to measure Service Excellence components on an ongoing basis. Doing so allows for up-to-date information and the assessment of the impact of changes implemented to enhance service delivery. Usually, the best set of performance indicators includes those from ongoing measurement systems and from periodic in-depth reviews (evaluation, audits and other studies) of service delivery. Information from such reviews is often needed to get at the broader aspects of service delivery and to deal with qualitative concerns. Developing a small number of vital measures can ensure that your Department is focusing on the essentials.

WHO SHOULD MEASURE

If team members and clients are to rely on data, they must trust its objectivity. While outside sources may be preferable, some ministries may rely on their own expertise. If you do choose to use an outside source, use some in-house expertise to ensure that the outside source is designing a survey with integrity and that the subsequent analysis is sound. Choose a measurement vehicle suitable to the needs of your Department.

AFTER MEASURING

Once you have completed measuring a 'process,' it is important to step back to take time to analyze the results, communicate the results and discuss potential

improvements. While it is important to make enhancements to the measurement instrument/process, it is best to keep some measures steady over time so as to be able to compare performance from one year to the next. It is important to assess the measuring process itself. Is there a more effective tool to measure Service Excellence? Should we be measuring other performance indicators? Does the data collected answer the initial questions? Is there evidence of bias in the collecting process? Do we have enough data to draw meaningful conclusions?

Tips on How to Measure Service Excellence

- Be careful about using averages as standards. In delivering services, the average has nothing to do with the quality of the service. It is the variability that may be the most important factor to delivering excellent service, not the average.

- Rarely will a single indicator adequately measure or describe an aspect of service delivery. Usually, a small set of indicators is needed to provide a balanced perspective. It is often useful to have two indicators which "pull" in opposite directions.

- Both qualitative and quantitative types of indicators will always be needed to provide a balanced perspective.

- Meaningful reports of service delivery require you to interpret the results. Simple numbers say very little and may be misleading. Good performance indicators require:

  - comparability with other indicators (over time, with other services, etc.); and

  - a contextual discussion about the environment and an interpretive analysis of the significance of the indicator, and whether it continues to be valid.

- Use feedback as a gift. You can measure the success of an organization by what it does with feedback. The best in the business solicit information and then use it to enhance and recognize excellent service.

A Model of Client Satisfaction

After finding out what the client's expectations and perceptions are, it is important to respond to the results. The following model can assist each Department in determining the relationship between the importance and performance of a service.

Low Importance/High	*High Importance/High*		**C**
Satisfaction Rating	*Satisfaction Rating*		**L**
MAINTAIN SERVICE LEVEL	CRITICAL SUCCESS	**L**	**I**
			E
The service is be of low the client is the service. The provider needs maintain level of	Important areas to clients in public service performs well. is the goal of the service	**O** **W**	**N** **T**
			T
Low Importance/Low	*High Importance/Low*		**I**
			S
Satisfaction Rating	*Satisfaction Rating*	**H**	**F**
AREA FOR CHANGE	AREA FOR IMPORVEM	**I**	**A**
The service is unsatisfactory importance. The needs to be restructuring or discontinuation.	The client service is not satisfied service. The of the service needs to be the priority of the Department	**G** **H**	**C** **T** **I** **O** **N**
LOW	**HIGH**		
IMPORTANCE			

"Many activities are in the public sector precisely because of measurement problems; if everything was so crystal clear and every benefit so easily attributable, those activities would have been in the private sector long ago."

- Henry Mintzberg, Managing Government, Governing Management)

Checklist:

- Do you know how frequently you want to measure client satisfaction? Is a plan in place to make use of the results of your assessment of client satisfaction?

- Does your approach to data collection ensure objectivity?

- Do the measures focus on success? Do they tell us if the government's programs are working?

- Do the measures allow for comparisons with past performances, other organizations and other jurisdictions?

- Is the data accurate? Can the information be collected over time on a consistent basis?

ARE WE THERE YET?

We are almost there. To reach our destination, we have to make sure we took all the proper turns in the road. As well, once we have reached a destination, we can tell our clients, other public service employees and other service providers about our journey and our accomplishments.

This section will assist a Department to:

- Evaluate the Service Excellence Strategy

- Communicate Service Excellence

Evaluate the Service Excellence Strategy

STEP SEVEN

Evaluating Service Excellence is an organizational process for learning. This guidebook treats evaluation as more than the gathering and analyzing of data. It focuses on evaluation that is used by an organization to:

- Enhance its planning and delivery of service
- Recognize success within the public service

The essential ingredient for evaluating Service Excellence is describing the process that helps participants achieve outcomes. It is important that the performance of Service Excellence produces timely, relevant, credible and objective findings based on valid and reliable data collection and analysis.

How Do I Evaluate?

An effective evaluation contains no significant error of fact or logic, includes important findings - both positive and negative, and presents findings and conclusions in a framework which indicates their relative importance.

In most circumstances, it is desirable that both qualitative and quantitative data be collected. Data should be gathered that measures different facets of the concepts involved in the evaluation issues. Multiple lines of evidence from program managers, interest groups and client groups should be used to enhance the credibility of the findings. When conducting an evaluation, it is important to share the results with the team and clients, and ensure that clients and the team provide feedback into the design of processes.

What Do I Evaluate?

When evaluating Service Excellence, it is important to evaluate and assess goals, outcomes, strategies and performance measures. Some questions you may want to ask include:

- What has happened as a result of Service Excellence?

- Has Service Excellence achieved what was expected?

- Is Service Excellence meeting its planned service levels and other operational objectives on an ongoing basis and within budget?

Checklist

Evaluating Service Excellence

- Do you have visible measures posted to track performance against service standards over time?

- Do you regularly review and report progress to the team, management and clients?

- Will the Service Excellence evaluation focus on key processes in the design, development and delivery of our services?

COMMUNICATE SERVICE EXCELLENCE

STEP EIGHT

Communicating is vital to Service Excellence. An effective communication plan can assist a Department in educating employees, internal and external clients, and the rest of public service about the Department's Service Excellence Plan.

Why Communicate?

• To demonstrate the Department's commitment to a Service Excellence culture.

How Do I Communicate?

- Develop a communications plan for external clients, for internal clients, for Department teams and for service partners.

- Make a public commitment to service excellence.

- Use a variety of ways to communicate: newsletters, magazines, Internet, community consultation committees, business plans, focus groups, surveys, external advisory committees, telephone calls, feedback mechanisms, and point of contact.

Who Do I Communicate With?

Clients: Consult with clients at every stage of your Service Excellence Strategy.

Team members: Communicate with the team about the goals of Service Excellence. Ask your clients how they believe the team can deliver better service.

Other Service Providers: Keep in touch with other Departments in the public service, government jurisdictions and other relevant organizations to share information on how to improve the delivery of services.

What Do I Communicate?

What you communicate depends on your audience.

Internal and External Clients: what services you provide, formal and informal reward and recognition events, results of service excellence feedback.

Team members: principles of Service Excellence, what their role is in Service Excellence, results of performance measurements.

Service Partners: principles of service excellence, importance to public service that all service partners are in support of service excellence.

Checklist

Communicating Service Excellence

- How will Service Excellence be communicated throughout your Department? To the rest of government?

- Do you keep abreast of Service Excellence developments in other relevant government jurisdictions?

- What links have you made with service quality practitioners in other organizations? In the rest of the public service?

- Are our clients, suppliers and partners fully aware of our focus on Service Excellence?

Four features of outstanding service organizations

Four important characteristics differentiate outstanding service organizations from mediocre ones:

1. **Understanding the customer's moments of truth**: It is any point at which a customer comes into contact with any aspect of the organization and has a chance to form an impression of the quality of service provided. Customer approval is won or lost, one moment of truth at a time.

2. **A well-conceived strategy for service:** A service strategy is the unifying idea that outstanding service organizations have discovered, invented or evolved about what they do. It differentiates one organization from others. This service concept or service strategy, directs the attention of the people in the organization toward real priorities of the customer. When this guiding principle is communicated to everyone in the organization, it finds its way into everything they do. It becomes a rallying cry, a kind of gospel, and nucleus of the message to be transmitted to the customer.

3. **Customer-friendly systems:** The delivery systems are a means of distributing the organization's resources, based on service strategy and the package of services it intends to deliver. Successful service systems become habitual and

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thus invisible. A delivery system that backs up the service people is truly designed for the convenience of the customer rather than for the convenience of the organization. The physical facilities, policies, procedures, methods and communication processes all say to the customer, 'This apparatus is here to meet your needs'

4. **Customer-oriented frontline people:** Without well-trained, well-managed and motivated people, good service cannot be delivered. Frontline people must be empowered to work on behalf of the customer through knowledge, policy and culture. Managers of organizations who provide outstanding service help the people who deliver service keep their attention fastened on the needs of the customer. The effective frontline person is able to maintain an 'otherworldly' focus of attention by tuning in to the customer's current situation, frame of mind and need. This leads to a level of responsiveness, attentiveness, and willingness to help that marks the service as superior in the customer's mind and makes him/her want to tell about it and come back for more.

These four factors are relatively simple concepts and easy to understand. Yet, making them a reality is almost always a monumental task, especially in large organizations.

Service Triangle

Disney World

Perfecting the Art of Customer Service

Quality Service means exceeding your guests' expectations and paying attention to detail

When we hear the name Walt Disney Company, we think of wonderful associations – magic, creativity, wonder, imagination.

Can Mickey Mouse teach new quality lessons?

Walt Disney World has not only transformed the entertainment industry, but has pushed the envelopes of visual and electronic effects, psychological packaging and land management.

It's hard to imagine a place more magical than Walt Disney World. The central Florida theme park continues to thrill, delight and exceed its guests' expectations more than

25 years after its opening. It is the largest single site employer in the United States, with a workforce of over 55,000 workers, called 'cast members'. They entertain millions of visitors called 'guests' and the energy that powers this city is called 'magic'.

The company has determined that a typical guest at one of its theme parks will average 60 'contact opportunities' – points at which they come into contact with a cast member. Disney wants each of those opportunities to be a magic moment for every guest, so every cast member is encouraged to be proactively helpful. Every Disney cast member – whether custodian, engineer or accountant – who sees a guest puzzling over a map or struggling to take a family photo, steps up to the place and helps out.

Disney cast members talk of 'sprinkling pixie dust' to create magical experiences for their guests. The secret to Disney's success isn't magic pixie dust; it's much easier to replicate. It's a well-trained, enthusiastic and motivated work force. It's a secret that Walt Disney himself realized years ago. "You can dream, create, design and build the most wonderful place in the world, but it requires people to make the dream a reality," he said.

The employees of Disney World at Orlando are working under 11 collective bargaining agreements with 34 separate unions and in 1,500 different job classifications. All are called upon to work hard.

The need to provide guests with ever greater diversity of experiences has led Walt Disney World to bring new partners onto its properties. The challenge is to maintain Disney standards in restaurants and hotels the company does not own and to make passing between these two separate businesses a seamless experience for guests.

Customer retention requires customer satisfaction, but this is a moving target. Consumers are a demanding lot. Delighting the repeat customers on whom Walt Disney World depends a lot, means raising the bar of service with every visit. Exceeding guests' expectations is a standard call to duty. It means paying close attention to every aspect of the guest experience. It means analyzing that experience from the guest's perspective, understanding the needs and wants of the guests, and committing every element of the business – from the design of each element of the infrastructure to interaction between guest and cast – to the creation of an exceptional experience for each of them.

> "Well, when you're trying to create things that are new, you have to be prepared to be on the edge of risk."
>
> *Michael Eisner* – Former CEO of Walt Disney Company

Let's take a ride through the inner workings of Walt Disney World to see how the company creates service quality, Disney style.

The Quality Service Cycle

The quality service cycle at Disney is composed of four main elements:

- A service theme
- Service standards
- Delivery systems
- Integration

The service cycle actually begins with the needs, wants, perceptions and emotions of its guests. Disney calls the art and science of knowing and understanding customers 'guestology'. The information that guestology provides is the basis for movement through the cycle.

The cycle is centred on the organization's service theme. It is a simple statement which when shared among the employees, becomes the driving force of service. At Disney, this theme is: 'To create happiness for people of all ages, everywhere.' Every decision can be measured against this. Whether a decision supports this theme or not is a litmus test.

Service standards set the criteria for actions necessary to accomplish the service theme and serve as the measures of quality service. The four service standards at Disney, in order of importance are:

1. Safety
2. Courtesy
3. Show
4. Efficiency

By adopting 'safety' as a service standard, Disney ensures that safety concerns are addressed in every element of the Disney resorts and parks. In addition to a large component of dedicated security staff, the entire cast is taught safety procedures and location specific safety practices.

Making 'courtesy' a service standard means turning it into a set of organization-wide behaviours. It puts a responsibility on the organization to recruit, hire and train a cast with great interpersonal skills. The cast is taught to take a wide responsibility for guest's happiness, by being friendly, knowing the answers to common questions, and when possible, to personally guide guests to their destinations. "Guests may not always be right. But they are our guests" – is the philosophy.

The service standard of 'show' requires that there be seamless and exceptional entertainment for guests. Jobs are performances. Uniforms are costumes. It all adds up to a seamless show.

The service standard of 'efficiency' requires smooth operation of the theme parks and the resorts. For example, the Mark VI Monorails transport more than 11,000 guests each day, with a reliability rate of 99.9 per cent. The company studies guest flow and usage patterns to provide the proper equipment and staff levels.

The prioritization makes it clear to find solutions to problems. The cast members know that putting the safety of a disabled guest is more important than the efficient loading process of guests, the continuity of the show and even the courteous treatment of another guest.

Quality Service Cues

Become an Expert Guestologist: Use techniques such as surveys, listening posts, focus groups, utilization studies and customer feedback received by employees to learn the customer expectations.

Create a Guest Profile: Knowledge about customers includes demographics (physical characteristics) and psychographics (attitudes, lifestyles, values and opinions)

Articulate a Unique Service Theme: The theme defines the organization's purpose, communicates a message internally and creates an image of the organization.

Define your Critical Service Standards: Service standards are the criteria by which Quality Service is judged, prioritized and measured.

Recognize the Primary Service Delivery Systems: Delivery systems are the methods by which quality service is implemented. Organizations have three major delivery systems: cast, setting and process.

Guestology

The budget for guestology is invested in a slew of techniques. On the property, there are face to face surveys conducted at the park gates and other main access points. Specific listening posts are created as dedicated locations to answer guest questions, solve problems and collect information. Comments cards are as important. Cast members throughout the resort collect and report the opinions and observations of guests as a standard part of their jobs.

Utilization studies contribute to database. Usage and visitation patterns at the resort are analyzed and compared. Do guests seem to visit Pirates of the Caribbean early or late in the day? How many guests use the resort's transportation system each hour? What are the occupancy rates at various resorts?

Mystery shoppers make purchases to verify service in the resort's many stores and gift shops. Telephone surveys are used to develop information from both random population samples and recent guests. Guest letters and e-mails are studied for more clues to improve service. Focus groups are used to gather information for existing rides and attractions.

> "You don't build it for yourself. You know what people want and you build it for them."
>
> *– Walt Disney*

Casting

> "You can design and create, and build the most wonderful place in the world. But it takes people to make the dream a reality."
>
> *- Walt Disney*

At Disney World, the employees are called 'cast members'. All of Walt Disney World's "cast members" begin their careers with Disney at the casting office. It's here that Disney "auditions" prospective cast members. Disney's casting building was specifically designed to introduce prospective cast members to the Disney family before the interview even takes place. The whimsical building balances Disney's focus as an entertainment company with its culture of respect for the individual. The argyle-patterned building was carefully designed to showcase Disney's rich entertainment background and to impress upon applicants that their place in the organization begins the moment they walk through the casting office door.

We may think that Walt Disney pays a premium for extra-courteous and friendly employees. They are hired from the same pool as every other organization and are paid the going rates. The method by which ordinary people are transformed into Walt Disney World cast members can be found in the way they are trained.

Why does Disney take such care with its casting department? The job market in central Florida is quite competitive. The unemployment rate is about 3 percent, and Disney has to compete to get the best workers. In addition, Disney cast members are represented by 34 unions, and the company deals with 11 contract negotiations a year. Quality cast members are a direct result of quality hiring practices.

Cast members assigned to work in the casting office come from different parts of the Disney organization. They work on 12-month assignments. Disney believes it's important to have people who actually work in different parts of the company do the hiring. An assignment to the casting office is a coveted job — one that most don't want to give up after their assignment ends.

While prospective cast members wait for their initial interviews, they watch a short video that describes the interview process and outlines Disney's expectations of its future cast members. Nonconformists needn't apply. For example, male cast members are prohibited from wearing earrings or having facial hair. Disney's grooming standards make sense, if you consider employees to be part of a cast of characters.

Once hired, all new cast members go through the same one and a half-day training program called Traditions. Here they learn the basics of being good cast members, from Disney history to direction on how to meet and exceed guest expectations. It's also their first taste of something that is a large part of all cast members' careers — Disney University. As a veteran Disney Institute Facilitator said – 'They do not put the people in Disney, they put Disney in people.'

The training programme utilises a variety of techniques including lectures, storytelling, video, exercises, large and small group discussions and field experiences. Traditions explain why cast's appearance must reflect the setting and story when they are entertaining guests. . While some observers criticized Disney for its strict adherence to personal appearance of cast members, policies regarding hair, jewelry, cosmetics etc are in place for sound business reasons. 'Traditions' extend the mission of creating happiness through entertainment into the very language that cast members speak.

Words create images and corresponding assumptions in people's minds. Take the word *guest*. An unhappy guest and an unhappy consumer are likely to create two different images in an employee's mind. Guests are welcome. Consumers are statistics.

New employees who don't work out are seldom fired. Instead, the Disney way is to assume that somehow they have put the person in the wrong position, and they will try retraining and reassigning for a long time before giving up on someone. Those who do work out can gain the opportunity to do a number of jobs within their department and cross-train for new responsibilities that keep them growing and moving within the Disney family. This is one of their retention keys. Disney has one of the lowest employee turnovers in the theme park business: 15% in an industry where more than 100% per season is not uncommon.

Disney also recognizes the importance of allowing front-line people to get 'off-stage' when pressures mount or fatigue starts to set in and there is no negative consequence for taking advantage of that safety valve. Everybody at Disney knows that dealing with public all day is a hard job and sometimes one gets a little frazzled on the front-line. Disney managers know how to spot the signs of stress and tension in their people and occasionally one will suggest that a worker take a break for a few minutes, while he or she fills in and keeps things running smoothly. Since supervisors came from the front-line, they are prepared to do the job without a bump or hitch being visible to the guests.

Walt Disney World Guidelines for Guest Service

Make eye contact and smile

Greet and welcome each and every guest

- Extend the appropriate greeting to every guest with whom you come into contact – "Good morning/afternoon/evening; Welcome/Have a good day/May I help you?"

- Make the guests feel welcome by providing a differentiated greeting in each area

Seek out guest contact

- It is the responsibility of every cast member to seek out guests who need help and assistance – Listen to the guest's needs; Answer questions; Offer assistance(like taking family photographs)

Provide immediate service recovery

- It is the responsibility of every cast member, to attempt, to the best of their ability, to immediately resolve a Guest service failure before it becomes a Guest service problem

- Always find an answer for the guest or another cast member who can help the guest

Display appropriate body language at all times

- It is the responsibility of every cast member to display approachable body language when on stage – Attentive appearance; good posture; appropriate facial expression

Preserve the magical guest experience

- Always focus on the positive, rather than on rules and regulations

- Talking about personal or job-related problems in front of guests is unacceptable

Thank each and every guest

- Extend every guest a sincere 'thank you' at the conclusion of every transaction

- Extend every guest a thank you or similar expression of appreciation, if he/she leaves your area.

The cast members play a huge number of different roles. A large part of the work of equipping the cast with the information and the tools they need must be conducted on the job. This requires the creation of location-specific performance cultures, a set of behaviours, mannerisms, terms and values that are taught to new cast members as they enter their job location. Both these are used to build the skills and the talent of the cast. They also provide a baseline for evaluation and improvement.

> "Whatever we accomplished is due to combined effort. The organization must be with you or you don't get it done … in my organization there is respect for every individual and we all have a keen respect for the public."
>
> – *Walt Disney*

The Setting

Setting can deliver both physical and psychological aspect of service. All organizations, knowingly or unknowingly, build messages to their customers into the settings in which they operate. The setting in which a product is offered is communicating a great deal about the quality of the products and services customers can expect, not to mention the price they are willing to pay.

> "You can't change people. But if you change the environment that the people are in, they will change
>
> *-R. Buckminster Epcot* (creator of the geodesic dome on which the 180 feet tall Spaceship Earth at the Epcot is based)

The internal structure of the park and its attractions are the envy of urban planners. Most of Walt Disney World has been designed by artists and engineers called 'imagineers' who create the attractions from inside-out. i.e. is starting with the show, then sketching the theater and then the architecture itself – rather than beginning always with square footage and configuration. Disney engineers developed an innovative system of water reclamation system to prevent flooding or excessive drainage – continual threats in the central Florida wetlands. Disney World was the first US property to install a fully automated compacting and trash collection system using pneumatic tubes.

An organization cannot send customers a believable message regarding service quality, unless every detail of quality supports it. An overflowing trash basket or a dead plant can undercut the message of the quality of the product or customer care in a single glance.

Guests can also move between lands in the Magic Kingdom. When they make the transition, they experience another concept borrowed from the film world, the cross–dissolve. The guest experiences an enormous change in theme and story. For a smooth transition, there is a gradual blending of foliage, colour, sound, music and architecture. The spaces between parking lots and waiting rooms are also important places to use setting for service delivery, yielding exceptional impressions with small incremental effort.

Disney World reaches unimaginable levels of perfection in its immaculate cleanliness; its stick-to-the-script casting; its crime-free and car-free Main Street; and its almost religious anti-littering and anti-pollution design.

Your setting is where your customers meet you. Whether it is a retail store or a hospital or a Website or a telephone call centre, the setting that customers experience plays a critical role in how they perceive their encounter with your organization. This is summed up thus: *Everything speaks*.

> "I don't want public to see the world they live in while they are at the park. I want them to feel they are in another world"
> *– Walt Disney*

Once a setting is created, the work of keeping it that way begins. Maintenance is more than just keeping it clean. It means protecting it from damage and repairing wear and tear. From Michael Eisner, through the ranks, no cast member would pass by a piece of trash on the property or ignore a physical detail of the park needing repair. Maintenance staff works round-the-clock to keep the park's surroundings pristine. Streets are cleaned daily and the restrooms every 30 minutes.

The Process

Processes often encompass and utilize both settings and cast, and they comprise the most prominent service delivery system in most organizations. At Walt Disney World, service processes include moving guests through the attractions, the check-in and check-out processes at the resort's hotels and the response to emergencies, such as medical problems and fires.

There are combustion points in every process. These are spots in a finely tuned process, where a process can break down and instead of contributing to positive customer experience; begin to turn a guest's good day into a bad one. One example Disney facilitators use involves a common parking problem. Guests very often forget where they left their car eight or ten hours before, at the start of a long day of fun. The lots are labeled, the rows are numbered and the tram shuttles the guests to the entrance announce those location devices as a reminder, but inevitably and regularly cars are misplaced.

Instead of leaving the guest forlorn and wandering, members of the parking lot provide help. Since the parking lots are filled in order, the tram drivers keep a simple list of what rows they were working at what time in the morning. The lists are copied and distributed to members of the parking cast at the end of the day, so if guest can remember about what time they arrived, a cast member can tell them approximately where they parked.

Walk into a typical government office and you will probably experience a system designed for the convenience of the people in the system, not for the customer. Incomprehensible signage, long waiting lines, multiple paper forms requiring microscopic writing skills to fill them out, and a customer movement pattern resembling an army corps exercise course are the hallmarks of customer – hostile systems. On the other hand, in a customer-focused system such as Disney World, signage is generally large, colourful and easy to read and comprehend. Waiting and queuing are minimal and carefully managed and there are always people available to courteously help the guest.

It is a striking feature of the well-planned and well executed service system that the service itself seems simple and uncomplicated. You would marvel at the cleanliness of the grounds and the beauty and bounty of the flowers and shrubs. Disney has a large, well-trained horticultural staff that spends many hours tending the flora. The guest never sees these people at work because he/she is not supposed to. They do most of their work at night when the park is closed.

Cleanliness involves similar sleigh of hand. It is going on right in front of the guests all the time, but they hardly notice it. A swarm of youngsters is constantly floating through assigned areas of the park, picking up papers and mopping up spills. Disney World has special vacuum powered trash transport tubes located all about the grounds. A guest never sees an employee rolling away a giant cart bearing a smelly mass of accumulated trash. Everyone who works in the theme park, from president to the newest hotdog vendor, is expected to pick up trash wherever it is spotted. Out of sight, out of mind. They keep it out of sight and it never crosses anyone's mind that somebody has to get rid of all the trash.

Integration

The last element of the quality service cycle is integration, combining each element of the cycle to create a complete operating system. The integration matrix helps guide through the process of quality service analysis and improvement. It is a simple chart designed to track the distribution of service standards through delivery systems. The Integration Matrix not only serves as a battle plan for attaining quality service, it can also be used for troubleshooting service problems and benchmarking the practices of other organizations, including Disney.

Disney Vacation Club's Integration Matrix

	Setting	Setting	Process
Safety	Training in property-wise DVC safety techniques and policies	First response features; safe materials, emergency access	Traffic flow, cast response; evacuation plans
Courtesy	Build long term relationships, be passionate about product, use performance tips	Umbrellas for guests; supervised playroom for children	One sales cast per member per guest; no hard-sell techniques
Show	Sales as an onstage performance; performance training	Your home away from home; interior design; themed treats	Leave with a good taste in your mouth; sweets as last step
Efficiency	Provide critical purchase information up front	'Setting supports efficient guest flow; quiet, private room for closing	Quality assurance team members at commitment

The sales cast delivers a safe experience by being prepared for emergencies. The setting features fire extinguishers and emergency first-aid equipment. It offers access to emergency services vehicles and is built from materials that enhance guest safety. Processes are created to ensure consistent and quick cast response to emergencies. Traffic flow and evacuation patterns are established.

They build care and courtesy fully into the setting. There is a fully stocked umbrella stand at the preview centre so that no guest ever gets soaked during a tour. Since guests bring their family, there is a supervised childcare facility at the centre, so that parents can concentrate on the presentation and children don't get bored. The sales cast never attempts to force a purchase.

The cast receives training from a performance consultant, who shows them how to keep each new performance fresh and interesting for guests, no matter how often they had to repeat it each day. Whether they buy a membership or not, DVC ensures that guests leave with a good taste in their mouths, by treating them to cotton candy and salt water taffy.

The quality assurance cast member sits with the guest and goes over all the paperwork and contracts that the guest will sign. This ensures that every guest fully understands the

commitment and cost and that no guest ever leaves confused or feeling pressured into a purchase.

Satisfaction of customer needs is everyone's business at Disney World.

Disney University

Walt Disney established the Disney University after opening Disneyland when he realized the need for a structured learning environment to teach the unique skills that are required of Disney cast members. It was the first corporate university and remains one of the largest corporate training facilities in the world.

Disney University provides Walt Disney World's 42,000 cast members with world-class training in diverse skills ranging from computer applications to culinary arts to regulatory training. The Disney University Cast Member Catalog rivals some community college catalogs in size and scope. In addition, cast members are also eligible to participate in the company's Educational Reimbursement Plan, which allows cast members to attend courses to pursue a college education at Disney's expense.

Walt Disney World has a reputation for cutting-edge technology, and Disney University is no different. It utilizes a number of advanced training technologies that allow all cast members to receive training when it's convenient for them. Mobile Training Units allow cast members to receive computer training at their worksite.

Training via satellite from some of America's top business schools, including Carnegie Mellon University and The Wharton School is available to front-line supervisors and middle-level to upper-level managers. In addition, the Disney University Learning Center provides cast members with dozens of self-paced courses in a variety of subjects that allow cast members to study whenever time allows.

A variety of visiting faculty is available for specialized training at various times.

Service quality

> "We have some pretty strong beliefs about things like who is responsible for service, and it's every member of this organization."
>
> *-Jayne Parker,* Director of Disney University

Surprisingly, Disney University does not offer specific quality courses. This isn't an oversight. Instead, quality and service are built into all the training programs taught by Disney University.

Quality

As in every other service business, quality is critical to the success of Walt Disney World. Because 70 percent of visitors to the theme park are repeat visitors, the quality of service they receive can literally make or break Disney.

And cast members do know how Disney defines quality. "Disney defines quality as attention to detail and exceeding guest expectations," says Jim Cunningham, program manager, business programs at the Disney Institute.

"The thing that becomes ever harder to do at Walt Disney World is to continue to try to exceed the expectations that our guests have," says Jayne Parker, Director of Disney University. "Every time guests visit, their expectations are raised several times over, and to exceed their expectations becomes even harder."

To keep up with their guests' ever-more-demanding expectations, Disney collects a stunning amount of data on its guests from surveys, focus groups, opinion polls and other means. For example, the company knows that the average family saves two-and-one-half to three years for its trip to Walt Disney World. The average visiting family consists of 3.2 family members. Twenty-three percent of their guests come from outside of the United States. Fifty-one percent of their guests fly. Most important, however, Disney knows that its guests' top three expectations are for the parks to be clean, friendly and fun. Every cast member, from CEO Michael Eisner to housekeepers in Disney resorts, knows these expectations and is empowered to make them happen.

"What kind of message does it send to an hourly cast worker if a manager walks right by a piece of paper on Main Street and doesn't pick it up?" asks Cunningham. "It's every cast member's responsibility to keep the parks clean, friendly and fun."

Disney also looks internally to meet guests' expectations. The company identifies what it calls global and local service quality issues. Global measures include corporate issues like peak park attendance. Local issues deal with measures that are in the control of a group of cast members.

Cast members in local area groups talk about what are important things for them to measure about quality or service, explains Parker. "They come up with those measures," she says. "They set benchmarks for those measures, and they measure them constantly. They make their own charts and graphs, and set their own goals around them. Those local measures are now threaded throughout the entire culture of the Disney organization."

Even though Disney cast members measure service quality levels, establish benchmarks and set goals, there is no director or vice president of quality at Disney. Instead of one quality director, Disney has 42,000 of them; quality service is the responsibility of every cast member.

"Our strong belief about quality and about service is that we cannot pick up a list of the individuals who lead this company and say that quality and service are not in their job descriptions," says Parker. "At Disney, we have some pretty strong beliefs about things like who is responsible for service, and it's every member of this organization. We have worked very hard to be consistent in our message that there isn't any position in this organization that isn't responsible for service."

Leadership

People often marvel at how clean Disney parks are and how friendly the cast members are. And one of the most-asked questions is how does Disney keep its cast members motivated.

It's easy to have a cheerful, helpful and motivated cast member when he or she comes right out of the Traditions class at Disney University, says Parker. The challenge is to keep that person motivated six months later when it's 90 degrees outside with 98-percent humidity. The answer is not constant training, it's leadership.

Great leaders walk the walk and talk the talk.

There's a famous story about a group of visitors to Disney. They were walking in the Magic Kingdom when they saw a grey haired man walk out of his way to pick up a piece of litter. One of the groups approached the man and asked, "How many custodians are there here?" The man replied, "45,000". The guest was surprised at so many.

The next day, the group attended a Traditions meeting and the same grey haired man was there. His name was Michael Eisner, Chairman and CEO of The Walt Disney Company.

"When new cast members leave Traditions, they're trained, but the motivation, the desire to perform well on the job, the feeling like you can make a difference is not about people in training, it's about great leadership," says Parker. "My role then becomes how do we train and orient new leadership to create an environment where cast members can have their opinions heard, can feel like they are contributing and can be motivated each day to come in and give us great quality. That becomes the long-term power of the Disney organization:

having great leaders who create an environment where people want to do their best. They want to do their job in 90-degree heat and 98-percent humidity, and keep on smiling while they are doing it because they feel like they are adding value and contributing."

Obviously Disney has succeeded in building an environment where great leaders can flourish and inspire others to great things. An unexpected benefit of this success is Disney's willingness to share what they have learned with others.

> "I don't care what you can't do. I want to hear what you *can* do".
>
> "If there were fifteen ways to solve a problem, Walt Disney was looking for all fifteen."
>
> *– Walt Disney*

Customer Service through Leadership: The Disney Way

A Chicago health-care system learned from Disney how to create magic moments - a cure for its service ills and rampant employee turnover.

Every day, Sam Hill, a greeter at the Center for Advanced Medicine in Chicago, welcomes hundreds of patients who are very ill or afraid of what their test results may uncover. He remembers an elderly woman leaving the building late one rainy night.

"There weren't any cabs at the taxi stand, so I ran all the way down the street to hail one. I practically stood in the middle of the road. This woman was so appreciative that she offered me a tip, but I just smiled and said I couldn't accept any money. I was just so glad I could help in some small way."

Perhaps, customer service isn't the first thing that comes to mind when you think of hospitals. But, with the changes taking place in the health-care industry, people are becoming increasingly aware of their options: Not all hospitals are alike. The differences can make or break the bottomline. What happened at the University of Chicago Hospitals and Health System illustrates that lesson, with help from the Disney Approach to Service Excellence.

Founded in 1927, UCH is made up of six medical facilities and a network of related operations in the Chicago metropolitan area. Its mission is to provide superior health care in a compassionate manner, ever mindful of each patient's dignity and individuality. Consider the following true story:

Monique McMillan, a registered nurse in the Neonatal Intensive Care Unit, was taking care of a sick baby who was constantly thrashing and pulling out his IV tubes.

"Many times, the cure goes beyond clinical boundaries," says McMillan. "I had developed a relationship with the baby's mother and remembered her telling me how she played music and sang to him while he was in the womb. I suggested to her that she bring in a cassette player with tapes to see if the music would have a soothing effect. She did, and almost instantly it calmed him down. I was so excited that I made sure my fellow nurses also played the music, even when I wasn't on duty."

The University of Chicago Hospitals has found that building employee pride and generating a welcome feeling for employees, patients, and visitors alike can make a positive difference that distinguishes UCH from other hospitals. Paying attention to the details and treating people as individuals rather than as "just another patient" may sound simple. But, making that part of UCH's culture has taken years to achieve and is an ongoing process.

They went from an average hospital system in terms of low service standards with rampant employee turnover to an award-winning, high-profile system, highly focused on rewarding and recognizing each employee's role in achieving continuous improvement.

The beginning:

In 1992, UCH had extensive employee turnover. They needed a new vision to combat the turnover and prepare their workforce for the future. It would require breaking away from conducting one-time training events and mandatory training solely for regulatory compliance. They needed to become service-driven at all organizational levels.

As part of their effort to enhance the patient experience, they spent seven years benchmarking many notable service-based organizations, including The Walt Disney Company. On the surface, theme park entertainment and academic medicine might seem worlds apart. But they found much in common with The Walt Disney World Resort. UCH and the Disney organization share a commitment to service excellence and customer satisfaction, and both organizations serve a diverse audience with high expectations.

Though the Walt Disney World Resort is excellent technically at providing world-class attractions and entertainment and the University of Chicago Hospitals is excellent clinically, many visitors can't easily evaluate the expertise of either. But they can remember how well they were treated at either place. Most employees want to be part of a positive "show." Unfortunately, in many organizations employees are inadvertently set up as service failures, with no support systems. But, Walt Disney World Resort and UCH go to great lengths to

set their employees up as "service heroes." As part of that pursuit, selected team representatives attend programs on an annual basis at Walt Disney World Resort's external training organization, Disney Institute, in Lake Buena Vista, Florida, with several learning objectives in mind:

- to learn new non-health-care-focused methods of customer service from a recognized customer service leader

- to understand how an organization as large as Disney applies customer service principles so effectively

- to learn how to keep a balance between providing customer service excellence and having fun on the job.

They partnered with Disney Institute to create a customized learning experience for UCH employees that has helped revolutionize the culture of their hospitals. Their new strategy focused on building a culture of continuous learning, with particular emphasis on developing learning systems and effective partnerships with internal and external entities. That cultural change initiative resulted in a 33 percent reduction in employee turnover over a six-year period.

Through the establishment of a learning network, UCH employees now participate in a variety of learning opportunities designed to improve individual and organizational performance. The vehicle for having transformed their organizational culture through learning initiatives has been the UCH Academy. It models a corporate quality university concept in a health-care setting. Since its inception in January 1993, the UCH Academy has increased employee participation in learning objectives aligned with hospital strategy and has helped steer the hospitals to become more service-based and patient-focused. The results are evident in highly favorable patient satisfaction scores, decreased employee attrition, and financial outcomes.

Earlier in 2004, UCH introduced a wide range of academy-initiated information that's available online to every employee 24/7 on service quality initiatives, aimed at continuous improvement and lifelong learning. They've also developed a systemic model to drive HR and training efforts that support UCH's ongoing transformation. Products and services offered on the academy's Website fall into these major categories:

Hiring and selection. Helps managers find the right person for each job role.

Orienting employees. Templates of a three-day service orientation certificate program, courseware focused on the value of differences in the workplace, and learning tools on service standards.

Developing leaders. Learning tools and courseware to foster leadership excellence with a service focus.

Aligning staff with business issues. Overall strategy for creating a service-based culture.

Managing performance. Links service standards with the performance appraisal process.

Recognizing employees. Includes descriptions of recognition and reward programs to encourage excellence and salute superior performance, particularly as it relates to patient satisfaction surveys.

Rapid feedback, rapid response. Systems offering daily feedback and periodic benchmarking to identify areas of concern and to monitor patient satisfaction.

Improvement teams. Organization-wide and unit teams present abstract on service improvement projects to facilitate shared learning.

The Disney diagnosis:

UCH's ongoing partnership with Disney Institute has involved sending selected improvement-team leaders and members to The Walt Disney World Resort with specific assignments in mind. They don't believe in sending their people there to benchmark, unless they lead or participate in a service-improvement team. They go to the resort with a framework and a mission for applying what they learn there to their team assignments.

People tend to take it for granted when they receive good clinical care, but they remember how they were treated, the personal touches, and whether their overall experience was pleasant. So, every moment of a patient's stay at UCH is an opportunity to create a "magic moment"- as Disney Cast Members (Disney's term for employees) strive to do for Guests, which is how Disney refers to customers. Every moment of a patient's stay at UCH is also an opportunity to create a good experience—from the parking and information desk to the food and cleanliness to the courtesy of every employee, not just medical staff, that a patient or family member encounters.

Rhonda Blender, a member of UCH's organization development group, remembers a time when she was able to create a magic moment of her own: "It was 6 a.m. when I arrived at

work and noticed a young man who seemed lost and frantic. I immediately asked if I could be of some help. He had just come from the airport, his wife was in premature labor, and he was trying desperately to locate her room.

"I knew he was in no state to listen to directions on how to navigate the numerous hallways and elevators in the hospital. So I said, 'I can help. Follow me.' I took him directly to his wife's room, only to find out that she'd been taken to the delivery room. Again I said, 'I can help. Follow me.' We took the express route and arrived in the operating room just in time for him to experience the birth of his first child."

Through Disney Institute's program, hospital employees get to witness the steps that the Disney organization takes to create magic moments and to assure a pleasant experience for its Guests. The program guided them in creating action plans for applying Disney concepts to UCH issues.

Learning that Gets Results:

Each year, 20 to 25 "Service Heroes" from UCH are selected for participation in the three-and-one-half-day, high-impact Disney Institute customized program. It provides a structured opportunity for their people to benchmark an excellent service model in action through field experiences and case studies. The program culminates with UCH staff exploring ways to enhance the service delivery system in its own network of facilities.

To date, more than 35 new improvement teams have been launched, just from the ongoing Disney Institute program. In one case, learning about Walt Disney World Resort "casting" (a Disney term for hiring) led to an improvement program at UCH called Right Person, Right Role. It focuses on screening new employees for critical success factors, including service orientation, critical thinking, and situational judgment. As a result, employee attrition has dropped from 25 percent to 16 percent in six years, increasing productivity and employee loyalty. During the same time, patient satisfaction ratings rose from 84 percent to 9l percent in the ambulatory care facility.

The leadership linchpin:

UCH now recruits and hires differently than it did in the past. They orient people to a service-based culture, along with performance and accountability systems, and they recognize the pivotal role of UCH's leadership in driving service-quality efforts at local levels. UCH fosters servant leadership, which requires leaders to remove obstacles and free up resources to help people perform their jobs to the best of their ability.

That initiative stemmed from the Disney Institute experience. For example, when people come out of a theme park at the end of the day and can't find their cars, an attendant, by noting the exact hour when the car was parked, can identify within three rows exactly where a Guest parked. Providing that service — using a system created by a parking lot attendant and approved and sanctioned by Disney leaders — enables attendants to look like heroes 20 times a day. Seeing it in action for themselves drove home the critical, importance of leadership in supporting front-line staff to be empowered to make customer service decisions.

Setting up people to succeed requires forward thinking on the part of all levels of leaders and managers. Consider the role of the clinical coordinator at UCH. That person greets patients, schedules and confirms appointments, orders tests, faxes prescriptions to the pharmacist, pulls medical records, and so forth-in other words, he or she is multitasking all day long. If a manager says to the clinical coordinator, "I need you to confirm these 56 appointments for tomorrow" and doesn't remove him or her from the patient greeter area to do that task, the coordinator is set up to fail. The servant leadership concept helps UGH leaders realize that when they need someone to accomplish a highly focused task, they should move that person to a non-patient area.

To further the servant leadership concept, UCH inaugurated a Management Orientation Certificate program to reflect changing needs and priorities in the hospital system. The course includes Creating Service Heroes, which was inspired by Disney's learning approach, and a UCH-developed program called Learning the Management Ropes, a hands-on approach to reinforce managers' basic understanding of the hospitals' practices to enable them to more effectively support such areas as new employee orientation, planning and review, promoting and transferring employees, HR policies, and budget management. Learning the Management Ropes enables even the most experienced manager (but who is new to the organization) to be able to get up to speed quickly. UCH requires all new managers and supervisors to complete the program within their first six months of employment.

New ideas are also being put into practice in clinic waiting areas. Walk around the Children's Hospital and one will see clowns, computers that let children roam kid-friendly Internet sites, SafeKids coloring books and crayons, snacks, and other things designed to make the wait time more pleasant. In addition, patients or parents are now told when there's a delay, so they know what to expect.

Staff training also aims to shorten the wait experience, including a module that shows clinic coordinators how to manage patients' perception of wait times. The lesson: Even small improvements can make a difference.

A culture of service:

In addressing service-based behaviors, a variety of actions are being deployed:

Training that incorporates physician communication as a risk management issue. Much of the litigation in health-care isn't due to clinical error but to failure to provide consistent communication to patients and their families and to coordinate communication among multiple care providers. UCH sought to develop employee behaviors that would reduce that particular litigation risk. In fact, several physicians participate actively in the Disney Institute program.

Identifying the "ideal patient encounter." The ideal patient encounter involves every person and process a patient touches — the doorman, clinical coordinator, nurses, and physicians.

"We wanted to be certain that our processes were efficient and that they addressed wait times and other patient-voiced issues. But we also needed to ensure that every person a patient comes in contact with exhibits service behaviors," says Jeff Finesilver, vice president and director of the Center for Advanced Medicine.

"We flowcharted the ideal patient care experience, with details such as what signs were on the expressway and what kinds of support materials were provided in advance. We also created valet parking; the Center for Advanced Medicine now operates the busiest valet parking facility in the entire city of Chicago. We also paid attention to architectural features, from airport signage to elevator and hall signage — onstage and backstage — to maintain decor and to facilitate a smooth experience for visitors."

The addition of a greeter (security officer) who sets the tone for the patient (or Guest) experience at the hospital. The greeter answers questions for first-time visitors and provides such varied services as hailing cabs, helping people in wheelchairs, and directing people to the water fountain. The greeter has to have a keen ability to identify the kind of assistance someone might need. The greeter serves as a hallmark of the hospital's friendliness.

A process for rapid feedback, rapid response. This facilitates a patient's ability to provide feedback about his or her care on a daily basis. Patient feedback is transmitted electronically every morning to caregivers, prompting an accelerated response for improvement. For

example, if a patient says the facility isn't clean or there was too much wait time or there was confusion about treatment times, there's an opportunity the next day to improve the service level to other patients.

The commitment to excellence at University of Chicago Hospitals has earned many accolades, including being ranked among the top hospitals in the United States by US. News & World Report, being named a "best practice" in health-care education and training by the American Society for Healthcare Human Resource Administrators, an affiliate of the American Hospital Association; and being named as a "best practice" in service excellence by the University HealthSystem Consortium. In 1998, Disney Institute presented University of Chicago Hospitals with a Mouseker Award for delivering outstanding service.

It's always a challenge to keep the learning fresh. That's one reason UCH's partnership with Disney Institute is so important. By sending their star team leaders and team members there, they recognize them for their current contributions and invest in them for their future with UCH. They come back bursting with ideas for ways to enhance service to patients and to streamline internal processes. UCH's ongoing partnership with Disney Institute has been invaluable to its success.

Main Lessons from the UCH and Disney Institute Association

- With changes in the health-care industry, people are aware not all hospitals are alike, and the differences can affect the bottomline.

- People take for granted good clinical care but remember how they were treated, personal touches, and whether their overall experience was pleasant.

- Servant leadership, in which leaders remove obstacles and free up resources, is key to a service-oriented culture.

An Outsider's View of Disney Management Magic

- Pay fantastic attention to detail. Disney leaves nothing to chance

- Everyone walks the talk. No one is exempt from the philosophy.

- Everything walks the talk. No object is allowed to stray from the image.

- Customers are best heard through many ears. Everyone is a listener.

- Reward, recognize and celebrate.

- Dr Thomas Conellan, Inside the Magic Kingdom

The Nordstrom Way to Service Excellence

The Story of America's #1 Customer Service Company

Introduction

Nordstrom was started in 1901 by John W. Nordstrom as a small shoe store in Seattle, Washington, using his stake from the Alaska gold rush. Over the years, the Nordstrom family of employees built a thriving business on the principles of quality, value, selection and service. Today, Nordstrom is one of America's leading fashion retailers (sales turnover of US$ 7.7 billion in 2005), offering a wide variety of high quality apparel, shoes and accessories for men, women and children at stores across the country. They remain committed to the simple idea the company was founded on: 'earning the trust of customers, one at a time'.

Although Nordstrom has stores in only eleven States, it has achieved a reputation across the whole of the USA for superb customer service. Sales staff treats it as their own business. The recognition structure encourages this and they are treated as true entrepreneurs. Buying is decentralized to the stores and the buyers keep close to the customers.

Nordstrom is the gold standard for customer service excellence — and, amazingly, word of mouth is its primary marketing tool. Many companies only have an inkling of what Nordstrom really is, yet they all say they want to be the Nordstrom of their industry.

The Nordstrom chain of retail stores in the United States of America is geared towards middle to upper income women and men, offering its customers attractive stores, with a large, varied, competitively priced array of shoes, apparel, accessories and cosmetics and a liberal return policy.

What makes Nordstrom unique is its culture of motivated and empowered employees. Nordstrom preaches, demands and expects individual initiative from people who are on the front-line. Nordstrom people will do whatever it takes (within reasonable limits) to take care of the customer.

Customer delight, raving fans, "outrageous" satisfaction: The slogans are the vanguard of American business's quest to build profits through stellar customer satisfaction - not good, not even merely great, but knock-your-socks-off, leave-'em-speechless satisfaction.

The concept has proved so popular as to render its espousal almost ubiquitous throughout the corporate landscape. Pundits such as Tom Peters and Peter Drucker tell us that it's a vital business tool for an increasingly service-oriented corporate world. Other than reengineering in its heyday, the customer satisfaction movement probably has more proponents than any other business theory around. Companies such as the Ritz-Carlton Hotel Co., John Deere & Co., United Services Automobile Association (USAA) and that avatar of customer satisfaction, Nordstrom Inc., have built their reputations around their ability to meet, greet and (metaphorically speaking) wash the feet of every customer who walks in the door.

In fact, one of the chief fables of the movement is a Nordstrom's story. As it goes, a gentleman came in with a tire that he wanted to return. The clerk raised his eyebrows just a tad because Nordstrom's does not sell tires, but he accepted the return and the customer went away happy. The moral of the story? The clerk was rewarded because he grasped the number-one tenet of customer service: A happy customer is a repeat customer; therefore, the customer is always right.

The Nine Management Principles of America's #1 Customer Service Company

- Provide your customers with choices— of products, services and service channels.

- Create an inviting place for your customers—in person, online and on the phone.

- Sell the relationship: Service your clients through the products and services you offer.

- Hire nice, motivated people.

- Empower employees to take ownership…by minimizing the rules.

- Sustain the people on the front-lines through a culture of support and mentorship.

- Nurture a service culture through recognition and praise.

- Advocate teamwork through internal customer service.

- Commit 100% to customer service

http://www.robertspector.com/mprinciples.cfm

The premise behind customer satisfaction is deceptively simple. Treat the customer like gold and, in turn, he'll fill your pockets with same. But, at companies that are truly serious about making the customer king, the initiative is a lot more pervasive than simply turning the organization chart upside down and putting the customer at the top of the heap. While front-line employees who deal directly with customers are taught specific skills; that are only the beginning. Each process and function in the business is tweaked to emphasize the company's customer-centric point of view, and company executives consciously instill a culture of service through training and personal example.

Humility in Service

"You need to be humble to do service" says Eric Nordstrom. "If you are really looking to the customer, if you are sensitive to the customer and sensitive to the people on the front-line, you are aware of your shortcomings. That keeps us focused on the things that are necessary in order to give customer service."

Bottoms up Management

In the late1990s, Nordstrom's sales in a year-old stores, that is an indication of the health of the business, dropped. On March 24th, 1997, Time Magazine wrote "Nordstrom is losing its luster". Blake Nordstrom, the new President and his brothers, Pete, Erik and Bruce toured stores and met with thousands of top sales people over a six week period. The sales people felt that the management did not trust them anymore, were not listening to them and valuing them.

The old order was 'bottoms up management'. That had changed. The company now had bosses who said "I am the manager. I know all the answers." By going back to basics, Nordstrom turned things around. On August 19, 2004, a headline in Wall Street Journal read '"Nordstrom regains its luster"

Culture

Many companies turn around and claim they are going to start putting customers ahead of themselves. Robert Spector, the veteran author, journalist and speaker, says the idea sounds nice in theory, but then it's not easy to change an organization's DNA. "It's very hard to create a customer service culture where one has not existed," he says. "Nordstrom has a consistency of purpose. That's the key. It comes down to hiring the right people and then truly empowering them to take care of the customer." The reason

the company has that DNA is, almost all the stores' managers worked their way up from the stockroom or sales floor, instead of being hired from the outside. That includes top executives, according to a company spokeswoman.

Expectations must be met: Employees must be on time, have good body language, and speak clearly. But, a desire to form a career and a sense of ambition take top tier. "I don't expect them to stay at Nordstrom forever," Patrick McCarthy, a former super salesperson and Vice President at Nordstrom said. "But I want them to get a taste of what extraordinary service is, so that one day they won't be embarrassed because someone will outdo them."

"Nordstrom wants nice, motivated people," Spector says. "You can't take somebody who's not nice and make him/her nice, or motivated. You can teach the business — that's the easy part." McCarthy says. "We can look at basic service or we can look at heroic service. I'm looking for heroic service, someone who really goes beyond."

The culture at Nordstrom can be summed up as follows: Lead by example, be humble and accessible, reinforce and encourage heroics in service excellence and facilitate entrepreneurship.

Nordstrom's managers constantly reinforce its history, its culture, its reason for being and its unwavering dedication to 'think like the customer'. This is the essence of a great customer service company.

> "You can't teach culture. You have to live it. You have to experience it. You have to share it. You have to show it."
>
> *- Brent Harris* – National Merchandise Manager for Shoes

The value of culture is emphasized from the moment new employees come to work for the company. The one-day orientation for new employees begins with a copy of the employee handbook that is a 5 and ½ inch by 7 and ½ inch card.

One side of the card reads:

 Welcome to Nordstrom. We are glad to have you with our company. Our number one goal is to provide 'outstanding customer service'. Set both your personal and professional goals high. We have great confidence in your ability to achieve them. So our employee handbook is very simple. We have only one rule.

The other side of the card reads;

Our only rule.

Use good judgment in all situations.

At store openings the Nordstrom family meets with every new employee. They talk to the people and remind them that the company is only as good as they are today and everyday.

A powerful message:.

The Nordstrom family leads by example. Within the company and the consuming public, they are approachable and accessible. All of them answer their own phones and return calls. Despite its success, the Nordstrom family continues to project a public image of disarming, small town modesty.

They rarely talk about themselves. "We cannot afford to boast. If we did, we might start to believe our own stories, get big heads and stop trying" said Jim Nordstrom.

At employee orientation, veteran Nordstrom employees speak to new hires about how the company operates. Department managers tell how they started with the company. It isn't just their words. These people are proud of the company and their accomplishments and are appreciative of the company that allowed them to prosper.

'The empowered, decentralized, entrepreneurial spirit of this company has blossomed as the company has grown', says Erik Nordstrom. He adds, "I don't think it would have blossomed if it did not grow. People wouldn't have seen the opportunities and would not have stayed. There are a lot of examples of people who have had great careers with this company. They started on the selling floor and grew with the company. They are the ones who are responsible for the reputation."

Storytelling and folklore play a critical role in spreading Nordstrom's values and

priorities around the company. The word used is 'heroics'. Stories of heroes are regularly shared among sales people. Frequent subjects of heroics are selected as 'Customer Service All Stars', with their pictures mounted in the customer service area in the store where they work.

A Story of Heroics

After a customer left the store, a Nordstrom sales person discovered the customer's airplane ticket on the counter. The saleswoman called a representative of the airline and asked if they could write the customer another ticket at the airport. The airline said they could not re-ticket the customer. She jumped into action. She took some money from petty cash, hailed a cab taxi, went to the Seattle Tacoma International Airport, where she was able to page the customer and hand her the ticket. The sales woman, who worked on commission, took at least one and a half hours of her day to do a good deed.

Create an inviting place

With convenience and openness, Nordstrom's stores make it as easy as possible for customers to circulate and shop throughout the entire store and for sales people to help them do just that. The waiting areas around the elevators are extra wide to make it easy for customers to navigate with baby-strollers or in wheel-chairs. The elevators are larger than average, making it easier to load and unload these strollers and wheel chairs. Customers frequently comment on how comfortable the seating is throughout the store; husbands can be found sitting restfully. Nordstrom knows that customers will stay a little longer and try on one more shoe, if they and their gentlemen are comfortable.

In several of its large stores, Nordstrom offers a concierge desk where shoppers receive special attention, whether it is helpful information about the store, a restaurant recommendation or assistance in calling a cab. Some of the stores offer aromatherapy, herbal body wraps, massage therapy, manicure, mammography, special rooms for nursing mothers, 'family' bathrooms where a parent can accompany his/her child of the opposite sex.

Key Ways to Provide an Inviting Place

How can we expect customers to take what we offer when we haven't made them feel comfortable by being attentive to every detail of the experience? You need to create an inviting place where it is a pleasure for the customer to deal with you.

- Enter your place of business as if you have never been there before. What kind of place have you found? What would you like to change?
- Make your public voice or face a pleasant one

- Create an atmosphere of helpfulness

- Create an atmosphere of professionalism

- Create a place that is clean and attractive

- Make your guests feel that they are a part of your environment

- Provide a consistent experience

- Create a place where people can communicate

Nordstrom's website offers help 24/7. At all full-line stores, real people answer the phones during store hours. You never get a recorded message.

Hire the Smile

Nordstrom's philosophy is: "Hire the smile, train the skill." Nordstrom provides little in the way of a formalized training programme. When asked "Who trains your sales people?" Bruce Nordstrom replies. "Their parents". Nordstrom believes that the key to good customer service is to hire good people and keep working with them, nurturing them, and giving them the tools they need to succeed, including attractive stores, high quality merchandise, a wide array of product choices and sizes, and customer-friendly policies such as the Nordstrom returns policy, no questions asked, money back feature.

Previous retail experience has never been a prerequisite for getting hired at Nordstrom. The applicant may have developed bad customer service habits, such as saying 'No'.

A college degree has never been a prerequisite for succeeding at Nordstrom. Enthusiasm, a desire to work hard, and a capacity to generate your own traffic are much more important in a system than can be best described as a process of natural selection – a survival of the fittest that is purely Darwinian.

Nordstrom gets its people from the same pool as its competitors. The difference was that Nordstrom did not talk about how wretched their people were. Nordstrom thought they had great people. Demands and expectations were very high. But if one liked working in an unrestricted environment, it is a great place to work for.

Nordstrom has been consistently selected as one of the 100 best companies to work for in America. More then 3000 of its employees have been with the company for more than 10 years. Nordstrom has set up a compensation system to help employees achieve personal wealth.

Key Ways to Hire Nice, Motivated People

What do you look for in an employee - a warm body or someone who can take over when you are not around. Virtually every great customer service organization is looking for nice, motivated people because those people are the building blocks that go into creating an organization where customer service is paramount.

- Previous experience in your industry should not be the determining factor in hiring

- Hire people who are excited by the job

- Hire the smile, train the skill

- Hire the personality and the confidence

- Hire people who share your values

- Involve potential coworkers or team members in the interview and hiring process

- Treat employees with dignity and respect

- Invest in the people who are cut out for service

- Mentor unselfishly

Encouraging Diversity

The company policy is to reach out to all communities, to recruit, train and promote ethnic and racial minorities. Among its 104 company officers in 2004, 56 were women and 13% were of colour. 39.1% of the workforce was people of colour, up from 26.4 % in 1988. Nordstrom spends $ 600 million with women and /or minority owned vendors.

Empower Employees

Many companies claim to give power to their employees, but Nordstrom actually does. "Empowerment is an abused word," Robert Spector says. "Nordstrom gives the people on the front-line the ability to make decisions and then managers back them on those decisions." Giving that kind of authority can be a huge risk and a scary undertaking, but top executives can't possibly micromanage an enterprise that big and know everything the employees who talk to customers on a daily basis know.

Everything else flows from that simple premise. That is empowerment.

The company believes that once a sales person has established rapport with a customer and has helped that customer put together the right look, the sales person wants to make sure all of the customer's needs are met in order to complete the package. If one is buying a suit in the men's wear department, and one realizes that one needs some underwear, the sales person can sell them to the customer, even though they are in a different department.

Reward System

Commission sales are a prime reason why Nordstrom sales people embrace the empowerment that the company affords them. The top performing sales people at Nordstrom are designated 'Pace setters'. They are given a certificate of merit, business cards, and a 33% merchandize discount credit card (13% more than regular employee discount) for one year.

Nordstrom rewards people who don't require a lot of supervision, who see it as a place to do their things, within parameters. The pay, bonus and profit-sharing systems are set up that way.

Returns Policy

Nordstrom, along with its online counterparts, has clear satisfaction guarantees: If you don't like it, they will take it back, no questions asked. Its customers don't have to worry that someone will decide that this particular return is not allowable; because the item is no longer on sale or that they don't have the sales slip and packaging. The standard is expressed in terms for the customer, not for internal organizational concerns like inventory control.

Nordstrom's unconditional money-back guarantee policy empowers sales people. In 2000, a couple of Seattle women, packing the belongings of one of them who was moving, discovered two pairs of dress shoes that were never worn, with Nordstrom price tags and a sales slip from 1987. Half jokingly the woman returned the shoes to Nordstrom, which reimbursed the original price, $ 98.50. The unconditional policy does invite abuse. But central to the Nordstrom philosophy is a desire not to punish the many for the dishonesty of a few.

Inverted Pyramid

Nordstrom's empowerment culture is illustrated by the company's informal structure of the inverted pyramid. At the very top of the pyramid are the customers. Beneath them are the sales people, department managers and executives, all the way down to the Board of Directors.

The customers are obviously on top because they are the most important people in the equation. But the next most important people are the sales people because they are the ones who are closest to the customers. It is the job of the rest of the people in the organization to help those people on the sales floor – because they are the engines that power the machine. If they aren't making money, then the company isn't making money.

The inverted pyramid was born in the early 1970. When Nordstrom made its initial public offering of stock, a stock analyst asked the company for its organizational chart. To his surprise none existed. Somebody suggested, "We take a pyramid and flip it upside down".

Nordstrom has many ways to get feedback from the people on the sales floor. Every year, the company flies in to Seattle all the sales people who have recorded a million dollars or more in sales. The sales people give advice freely. A lot of things they talk about get implemented. The sales people feel that they are running their own business, with the support of every level of management.

> ### Employee's Perception of Inverted Pyramid
>
> In a Nordstrom employee newspaper, sales people were asked the question: "What does the inverted pyramid mean to you?"
>
> Xochitl Flores, an employee at one of the Nordstrom rack stores in Northern California. recalled the time when her store was closing up for the night and all the cash registers were shut down. She noticed one credit card payment had accidentally gone unprocessed. The payment was due that night. She drove it down to their Stonestown store, which was still open, so that she could make sure that the customer would not receive a financial charge. Because the manager believed in her, she believed in herself and felt confident to take on more responsibility, instead of doing the same job and the same tasks everyday.

At Nordstrom small gestures count as much as grand gestures.

Service - The Company Dimension

Of course the company knows that little touches mean so much. They, hence, finance the cost of sending thank you notes that most people write to thank their customers after a purchase. They also finance the use of the telephone. This is not just for customers so they can phone home for approval, or the office to delay a meeting. It is also to allow sales associates to phone their regular customers to tell them about new things in the store. Once they have built up their 'personal book' they may have up to 2,000 people who would deal with only them when they come to Nordstrom. Typically, thirty phone calls are made each day by each associate. Then there are all the little extras like vouchers for cups of coffee in the restaurant, which are given to good customers. When Alex Walker was buying a dress for his wife, the sales associate realized he was British and gave him a copy of an English newspaper to read and take away. If customers do not like walking round the store, there is a department where one can wait while a selection is brought to the customer.

Empowerment of Managers

Nordstrom has a 'promote-from-within' culture. Departmental managers begin their careers as sales people in order to learn what's required to take care of the customer. Managers are encouraged to have a feeling of ownership of their department. They are responsible for hiring (The Human Resource Department does little recruiting), firing, scheduling, training, coaching, nurturing and evaluating their sales team. Managers spend some of their time on the sales floor interacting with customers and sales people. When customers look lost, they offer them directions. When the employees see the manager doing that, they realize that's the focus of the company.

Even buyers are encouraged to spend several hours with the sales people and the customers. Computer spreadsheets can only tell you what you are selling. They can't tell you what you are not selling because they are not in your stock. It is the customer who can tell you. If a customer wants to know when a particular shoe will be in stock, a salesperson can turn to the buyer or manager and get the answer immediately.

Dump the Rules

> "The minute you come up with a rule, you give an employee a reason to say no to a customer. That's the reason we hate rules."
>
> *- James F. Nordstrom* – former co-Chairman

The only rule is – use good judgment in all situations.

For some employees, this corporate philosophy is thrilling. They can make judgment to enhance sales and their commissions. For others, being given just a single rule is terrifying.

The employees are judged by their performance and not by their obedience to orders. Knowing that they will get full credit when things go well and full blame when things go wrong, real Nordies enjoy their entrepreneurial, empowered freedom.

The Way of Dealing with Rules

Great customer service organizations try to have as few rules as possible, because they know that the more rules the organizations have, the farther and farther the front-line people move away from intimate relationship with the customer. Rules get in the way of empowerment: empowerment gets in the way of rules. They cannot coexist peacefully. When it comes to replacing rules with approaches that foster innovation and empowerment, great service organizations take these steps:

- Trust your judgment of your front-line workers. If you don't trust them, why did you hire them?

- Re-examine every rule and regulation in your organization. Let each rule stand or fall on its own merits. Do those rules and regulations make sense in today's environment? If not, dump them.

- Simplify the procedures that your employees use in taking care of the customer

- Remember what Tom Limberg of W Hotels said" We live in a world of gray, where we bend the rules to fit the customers. We don't bend the customers to fit the rules"

- Do what is right for the customer – right for the organization

- When in doubt, do what Continental Airlines did : Burn the rule book

- Promote one main rule: The Golden Rule, giving great customer service

Manage, Mentor and Maintain Great Employees

> "I hear, I forget; I see, I remember; I do and I understand."
>
> - Chinese proverb

New salespersons are encouraged to find mentors who have created and perfected their own sales tips and techniques, those new sales people are also encouraged to find their own niche, their own way of taking care of business, because ultimately success at Nordstrom comes down to what works for each individual.

Sometimes they push the sales persons; sometimes they pat them on the back.

They have to convince the customer that they are in the business to service the customer, not to just take their money. This means being the concierge sometimes. They get all kinds of requests that are not clothes related. People ask them the name of a good hotel, or a nice place to have dinner, or where to get a massage. If they don't have the answer, they are encouraged to find out right away. After all, gas stations don't only sell gas, sometimes they sell directions.

Loyalty

> "Some companies demand loyalty from personnel. But loyalty should come from us to them first. Loyalty is something earned, not expected."
>
> *- Elmer Nordstrom*

Motivation

Nordstrom is an organization fueled by emotions. Motivated employees bring a passion to their business, a drive to succeed, a desire to sell, and a long- term devotion to serving the customer. Managers work to sustain this spirit, by creating an emotional bond with their fellow employees through a potent blend of praise, recognition and joy. And, sometimes even tears.

Kind words from superiors go a long way in building morale and motivating. Len Kuntz, a successful manager was managing the new $52 million, 280,000 square feet store at the Fashion Centre at Pentagon City in 1989. The opening was a disaster. No one came. Kuntz went home crying. He thought it was a failure. But John Whitacare, then regional manager of the Washington, DC area, sent Kuntz a note telling the young store manager how much he appreciated what he was doing and that 'soon everyone will know what a great leader you are'. Nearly two decades later, Kuntz still has that letter.

Nordstrom Managers at every level work hard to make sure to let their colleagues know that they are appreciated.

> "Recognition is so powerful, as long as it is as authentic and specific as possible. Whatever their level of the Inverted Pyramid, employees want to feel needed and valued. Recognition reinforces the areas that we want to continue to focus on all the time, like service."
>
> Leslie Martin, Manager of the Fashion Valley store in San Diego

Recognition can mean a lot to people. One of the simplest forms of recognition is to walk up to them and thank them for a job well done. By recognizing these people, the organization reinforces the meaning of the inverted pyramid, by showing how important the front-line people are, because they are the ones who take care of the customer every single day. Irrespective of the business situation, managers find opportunities to praise and recognize people. It has been one of the factors contributing to the turn around of stores.

Monthly Recognition Meetings are used to reinforce, recognize and reward behaviour. While the meetings recognize outstanding sales performance, they are also used to rally the troops and get every one excited about the performance of their teammates in their department, their store and their region.

> "Recognition and praise are heartfelt. That recognition is better than a vacation in Hawaii, we put people in front of their peers and tell them that they are the kind of person we want others to emulate. We tell them we value and cherish their input to this company, and we wouldn't be as successful without that individual. That's strong stuff."
>
> *- Bruce Nordstrom*

There is freedom to run the meeting as the manager sees fit. Nobody tells an employee what to do. If one wants to, one can get up and sing a song.

Good Recognition Meetings encompass four key aspects:

1. Demonstrate sincere, authentic appreciation – most people in charge of meetings will give a generic description of the person honoured. One needs to talk about the essence of what a person does, what makes him/her different, how the person adds value to the organization.

2. Emphasizes team spirit –Employees should feel that they are working for the greatest organization, for the best division/department. It instills the competition level and pride, which can be leveraged to produce results.

3. Teaches people something new – At least one special subject or theme may be taught, such as sales techniques or promotional ideas.

4. Perpetuates the culture – They discuss key points of their culture, which reinforces what makes Nordstrom unique and how the culture works for them.

Create Relationships

At Nordstrom, they start by listening to the customer. They determine what the needs are and provide solutions through the resources and merchandise that they have. Customer service means treating each customer as an individual, learning the customer's likes and dislikes and treating her/him like a whole person. Customer service comes from the heart. Then individual salespeople add their own personal touch, creating a situation where a customer feels as if she/he is working with a friend, rather than a salesperson.

When a customer has over a size and a half difference between shoe sizes for her right and left feet, it has been a Nordstrom policy to split the sizes so that the customer does not have to buy two full pair of shoes.

Successful salespersons at Nordstrom treat all customers alike and not judge them by what they are wearing. When Patrick McCarthy was working at the Tacoma store in the 1970s, a woman in her fifties came to the sportswear department dressed in tacky clothes and old white tennis shoes with a hole in the toe. There was no stampede to wait on her. After a few minutes Patrick moved to say hello. Two hours later, the lady had purchased about $5000 (In the 1970s) worth of sports coats, shirts and sweaters which she explained were uniforms for the crew of her boat. She called her driver to pick up the materials. She turned out to be the daughter of a famous American industrialist. It was a tremendous learning experience.

Sales people keep personal books containing vital information on every customer, including phone numbers, credit card numbers, names of spouse and children, previous purchases, sizes, vendor preferences, likes and dislikes, special orders and any other characteristics, such as being a difficult fit or preferring to shop during

sales events etc. Today customer-service software package handles the information. 68% of their business comes from personal trade, which makes the personal book a very useful tool.

Nordstrom managers believe that product knowledge, honesty and sincerity are the keys to success.

Team Work

Nordstrom management believes that team work is very crucial for customer service. Patrick McCarthy, who before retirement was the all time best salesman of Nordstrom, had in the initial years developed a reputation for being uncooperative, hard to manage and not a team player. Fortunately, the new men's wear department manager, who had been ordered to terminate McCarthy, did not believe in dropping the axe without first forming his own opinion. Besides, he'd been told that McCarthy was a sincere man, who was open and friendly with customers and possessed the potential to be a good sales associate. He told McCarthy to stop fighting with coworkers over customers – even at those times when McCarthy was positive that the customer was his. He told McCarthy to just relax and stop worrying about the sale. Easier thought than done, thought McCarthy in the hot arena of commission sales. But the manager, Patrick Kennedy explained that when you stop worrying about money and concentrate on serving the customer, the money will follow.

Spreading the News

Nordstrom's impeccable reputation in customer service comes not from its executives or marketing team, but from the customers themselves. The retail giant is willing to take risks, do unusual and often expensive favors for shoppers, and has been said to accept returns on items not even purchased there. But big risks often yield big gains. Word starts to spread that it's doing crazy things for its customers, and they are telling their friends. Pretty soon this word of mouth, or viral marketing, lures new people to the store — even people who have no idea what's inside want to experience what it's like to shop there.

Robert Spector recalls a story of a woman with one leg who approached a Nordstrom salesperson and jokingly bet that the store doesn't sell just one shoe to people. She lost the bet and Nordstrom lived up to its reputation, gaining a lifelong customer

advocate in the process. "Who knows how many times she's told that story?" Spector asks. "Do you think that's orth the price of a shoe? I do."

Since its inception in Seattle in 1901, the store has always been known for stocking unusual sizes and selections. Deniz Anders, a company spokeswoman, attributes that to the Nordstrom family's Swedish roots: Many of their friends had large feet. Sympathizing with a particular person's needs and going out of the way to help is how the store earned its reputation.

Anders says stories like the woman with one leg ultimately allow Nordstrom to spend much less on advertising than its competitors do: "We believe that word of mouth is extremely important. If [the customers] have a good experience, they will tell their friends." That method of marketing is statistically shown to provide better results than basic brand advertising, according to Sheryl Kingstone, Yankee Group Research's CRM program manager.

"Price discounts do not amount to a culture in services," she says. "That's more of the cultural mystique to where Nordstrom's been. They don't go down to the level of the average retailer, advertising all the time (and showing off all their merchandise), which can drive a customer into the store out of curiosity. Less is more."

Lior Arussy, President of Strativity Group and author of "Passionate & Profitable" agrees. "Companies that love their customers don't need to advertise," he says. "When they don't [love their customers]...in many ways you need to drag them in against their will. When your value is great enough, they will come." The same greed-through-love approach holds true for the retailer's exchange policy, which is no-holds-barred. Sheryl Kingstone, Yankee Group Research's CRM Program Manager regards it as "extremely lucrative to the customer and not the spender." Most customers are honest, but even if someone gets money back for a 20-year-old pair of shoes, that person is now in Nordstrom with a handful of cash, rather than in a competitor's store. "It's all about return visits and larger share of wallets," Kingstone says.

Play to Win

The Nordstrom way is a fascinating combination of individual achievement and teamwork. Nordstrom employees are judged on three criteria: customer service, sales and teamwork. The company constantly emphasizes the fact that team work

is as important as the other two criteria. One can be the highest grossing salesperson in the organization. But if one doesn't give great service to both customers as well as colleagues, the person will not endure at Nordstrom. Consequently, Nordstrom employees must be team players.

Commit 100 Percent to Customer Service

"There is nothing so nice as doing well by stealth and being found out by accident."

— *Charles Lamb*

Finally, the foundation of every relationship - including customer service – is commitment: commitment to honesty, to truth, and to service. In other words, it is the manifestation of the core values of the organization and the people working there. What makes a great customer service company like Nordstrom is its top-to-bottom, bottom-to-top, day-in, day-out commitment to providing its customers with great service.

One of the ways the company reinforces its values and priorities is through story telling. Nordstrom has been doing it for most of its century-long existence. These great stories of customer service above and beyond the call of duty called "heroics" are essential to the corporate culture and folklore, because they serve as ready reminders of the level of service that all employees should aspire to achieve. They are simply the ideal way to pass on a company's cultural values.

Nordstrom has never run an advertisement boasting about its customer service. Everything you have heard or read about has been 100 percent through word of mouth. Although these exploits are not shared with the public, they are shared internally with employees in the form of heroics. The cumulative effect of continual reinforcement is that front-line employees soon see that the people who run their company single out, honour and reward outstanding acts of customer service. And those workers learn that the best way to advance in the company is to give great customer service.

The Committed Way

With customer service, if you strip away everything you have ever read about the topic, you are left with one essential truth: great Customer Service companies got that way because they are committed, with every fibre of their being, to give great customer service. Here is the synthesis of the values and practices that define this Golden Rule:

- Make customer service a core value of your organization.

- Reinforce everyday that customer service is a core value

- Always find an opportunity to praise employees for great acts of customer service

- Recognize and reward those great acts

- Use financial rewards to encourage customer service

- Provide your employees with information on how they are doing – and how the competition is doing

- Make customer service contagious

- Customer service is the small gesture, the small kindness

- Celebrate the achievements of your employees

Keys to Success

Recognise that selecting sales staff with the right attitude can have a dramatic effect on sales

Ensure that your systems encourage the best people to stay and the worst to leave

Treat employees with dignity and respect

Make coaching the main form of training

Utilise as training tools employees who have grown up in the culture

Cut out every rule that you can

Promote from within to continue the culture

Support your front-line staff with all the possible facilities that help them

Encourage new people to find mentors

Encourage managers to lead by positive example

Provide coaching tools

Promote a culture where people encourage each other

Promote a culture of loyalty and ownership

Have recognition schemes which staff can be proud of

Make bad service the only thing employees are ever criticized

Adapted from www.**serviceexcellence**.co.uk/Case%20Studies/Nordstrom/

Lessons from Nordstrom and Disney World

for

Public Managers

A first reading of the two success stories of service excellence would make us feel that it cannot happen in Government. The reasons are many and include:

- The complexity of the processes of governance

- The dynamic interface between the polity, bureaucracy and the citizen

- The protection accorded to government employees under Article 311 of the Constitution of India

- The quality and skill-sets of existing employees

- The inability of the public managers to enforce transparent and consistent norms of human resource management

- The absence of a professional performance appraisal and reward system in the government

- The access to the legal system that enables certain segments to stall reform processes or innovative actions initiated in the larger interest of efficiency and effectiveness

Yet, we notice that there are islands of excellence in government. Innovative, committed and daring public servants have chosen to perform with all the limitations of the system and have been able to successfully demonstrate excellence in service delivery.

The question that begs attention: "Is it possible for other public managers to do something?"

> "Excellence can be obtained if you:
>
> ...care more than others think is wise;
>
> ...risk more than others think is safe;
>
> ...dream more than others think is practical;
>
> ...expect more than others think is possible."
>
> Anonymous

"The secret of joy in work is contained in one word - excellence. To know how to do something well is to enjoy it"

<u>Pearl S. Buck</u>:

"I don't know what your destiny will be, but one thing I do know: the only ones among you who will be really happy are those who have sought and found how to serve"

<u>Albert Schweitzer</u>

Leadership :

It is clear that leadership is critical for any organization to move towards Service Excellence. The philosophy of the leader or public manager at the helm of affairs of the organization drives the process, leading towards service excellence.

Walt Disney was a creative entertainer. The Nordstrom family was astute in judging the importance of service excellence for long-term business interest.

Public managers do not have any commercial or competitive pressures for building a culture of excellence. Hence, the process can only begin if the leader has a service motto or an innate desire to excel.

Three qualities of the leader are important for building a sound service culture:

Humility (from Nordstrom)
Leading by example
Being accessible to people

> ### Humility
>
> "Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore him to a control over his own life and destiny? In other words, will it lead to freedom for the hungry and spiritually starving millions? Then, you will find your doubts and your self melt away."
>
> (One of the last notes left behind by Gandhi in 1948)
>
> http://www.peacemakersguide.org/peace/Peacemakers/Mahatma-Gandhi.htm

In the words of Mahatma Gandhi, a leader can remain humble only if he/she has a constant thought for the wellbeing of the poor and weak in society. Only then can a public manager, who is not driven by business or performance criteria to excel, develop a sense of humility and thus be able to think of a strategy for effective service delivery.

It may be noted that the Nordstrom family rarely talks about itself. They believe that boasting would turn their heads and they may stop trying to do their best for the customer.

Leading by example :

Leading by example beats use of rewards or fears to bring out the best in people.

Inspired leaders have clarity on three important aspects of their lives:

Destiny: They know why they are here on earth.

Cause: They know how they will be while they are here.

Calling: They know what they will do and how they will use their talents and gifts to serve others.

Why they are here; how they will be and what they will do: We may call it the Why-Be-Do. Leaders who have clarity about their Why-Be-Do are inspiring to others, because they lead by example.

They know how to bring out the best in others and they have a gift of being inspired themselves.

Here's the secret of great leaders: They bring out the best in their followers through inspiration, rather than motivation. All too often, we confuse inspiration and motivation.

We are so absorbed with perfecting the techniques of motivation that we feel compelled to drive and be driven in everything. We want to be values-driven, customer-driven, market-driven, solutions-driven and even self-driven.

This is the language of fear. What would happen, instead, if the language were love?

And instead of being driven, we were being inspired?

Inspiration emanates from love. Inspiration is what we feel when we access the ineffable experience of the spirit inside us. It is a knowing that transcends any external motivation that causes us to be driven — and thus drained.

We yearn to move from feeling tired to being inspired. We are better off being values-inspired and customer-inspired than values-driven or customer-driven.

Motivation is something we do to someone. Inspiration is what we do for someone. Anyone who has had the privilege of working with a great mentor knows and appreciates the difference.

Mentors are not in it for themselves; they are in it for others. Their generosity of spirit and their gift of learning are what inspire both - them and you.

Motivation comes from a sense of fear, scarcity and self-concern. "I want to change your behaviour with a reward or incentive, so that, if you meet the targets or goals I set for you, I will meet my own needs and goals."

Inspiration, on the other hand, comes from a place of abundance, love and service, with no strings attached. "I love you and wish to serve and teach you and help you to grow."

When we motivate, we serve ourselves first; when we inspire, we serve others first.

Leadership is a serving relationship with others that inspires their growth and makes the world a better place.

If we want to be inspiring to our followers, we must make a shift and make service to others a priority.

The servant-leader knows that others yearn to be heard and to be engaged — not in debate, but in genuine dialogue, not mind to mind, but heart to heart— in a dialogue that springs from a loving intent, and thus inspires.

Often, a person with a problem is dealing from a state of frustration. There's friction; there's fear. "So, when you turn the conversation by asking a person how you can serve them, it removes all of that baggage, and it gets to the root of the cause of the issue, and it puts the other person's needs ahead of yours."

The other person's needs may be work-related or they may involve a stressful personal situation that affects the employee's on-the-job performance.

Perhaps the employee might respond, "I recently married and my youngest sister is making life very difficult for my spouse. I would be so relieved if this situation could be resolved."

The leader's response to this employee might be to offer support and understanding.

With this accomplished, an emotional and spiritual burden is lifted from the employee, who can then shed the distraction of it and approach his or her work with renewed engagement and commitment leading to greater effectiveness.

Our journey to becoming great leaders, who inspire effectiveness and the human spirit, is to live authentically each day with a clear sense of our higher purpose and a commitment to building soulful relationships with all those whom we serve. It is more about being an inspiring leader than it is about telling others to be inspiring.

(Source:www.aameda.org/MemberServices/Exec/Articles/winter05/GreatLeadersInspireUsAll.pdf)

> "Example is not the main thing in influencing others. It is the only thing."
> - Albert Einstein

It is evident that leadership is not a science. It is the art of dealing with oneself. Public managers are in a position to make a great impact on the lives of citizens. Hence, it is an opportunity for each public manager to consider the role as a leverage to create an impact on one's own life and that of others. It is evident that a constructive role played by the public manager can lead to greater joy and effectiveness.

The public managers who have been successful have used both the methods – inspiration and motivation. The leaders who used motivation to bring about great results in government could only use 'fear' or 'pressure' to motivate people. This process would be extremely enervating, both for the leader and the followers.

Hence, it is suggested that public managers pause and think for a moment:

- Is there merit in 'the servant leader' or 'inspirational leader' model?

- What is it that I need to look within, that would help me to adopt this posture sincerely?

Being Accessible:

Despite their success, the Nordstrom family was accessible, both within the company and to the consuming public. It is important for each public manager to consciously provide for time slots where he/she is accessible to employees and slots for the public at large.

It is true that several issues brought to the notice of the public manager cannot be solved at the level of the public manager, either for want of authority or resources. However, depending on the gravity of the situation of the individual citizen, the public manager can take initiative to find a solution by appropriate interface.

The concern of a government in providing access to its citizens, and more so, its disadvantaged citizens, is amply evident in the initiative taken by Ontario Government in Canada.

The recent passage of the landmark Accessibility for Ontarians with Disabilities Act, 2005 marks a new era of accessibility in Ontario. This legislation will make Ontario one of the world leaders in improving accessibility for people with disabilities.

While the government is moving forward to implement the new legislation, there will be a transition period during which government and parts of the broader public sector will continue to have planning and other obligations under the Ontarians with Disabilities Act, 2001 (ODA). These obligations will remain in effect until they are repealed and replaced by standards under the new act.

Under the ODA, Ontario government ministries, municipalities, hospitals, school boards, colleges, universities and public transportation organizations are required to develop annual accessibility plans to make policies, practices, programs, services and buildings more accessible to people with disabilities. These plans must be made available to the public. Accessibility planning efforts to date have developed a strong foundation for the development of accessibility standards that will ensure real and effective change.

This document is the third annual accessibility plan developed by the Ontario Ministry of Citizenship and Immigration. It highlights achievements of the 2004-05 plans and outlines commitments for 2005-06 so that no new barriers are created and, over time, existing ones are removed.

This ministry intends to build on its achievements by implementing initiatives that support the government's efforts and commitment to continue to make Ontario an inclusive and accessible province, where people of all abilities have a chance to fully participate and achieve their potential

http://www.citizenship.gov.on.ca/english/accessibility/index.htm

In the absence of a legislation, can public managers do what is possible, within their powers, to facilitate handicapped persons to access their offices easily, find a seat in the waiting area etc?

The experience of citizens generally shows that public managers are difficult to access; there are long waits in spite of appointments; often the public manager is not available; nobody can say when the officer would be back; the fate of the appointment is left hanging; alternate dates and time slots are not given; the matters brought to the notice of the public manager are not followed up by the department; the citizen or employee does not get any response from the public manager even after lapse of a long period. In other words, this gives the public and even employees the impression that the officials have no focused interest in the problems of people.

Public managers can certainly ensure that they do not subject their staff to the same problems of time management that they go through.

Enhancing Accessibility to Public

- **Designated hours**: Designate separate hours for public and separate hours for staff to access the public manager

- **Designated hours in subordinate offices**: Ensure that the same is being done by all the officers working under the public manager, who take decisions affecting employees and public

- **Adherence to designated citizen hours**: Ensure that meetings are not called for during the public hours

- **According appointments**: Maintain a system to record appointments given

- **Alternate appointment dates**: If the public manager is unable to receive citizens during appointment hours, for any reason, a system of giving alternate dates must be in place

- **Contact particulars of citizens**: If a citizen has been sent back twice, the public manager's office should note down the contact address, contact numbers of the citizen and the appropriate time to contact the citizen

- **Contacting citizens**: The public manager should make it a point to call back such persons who have been sent back twice. In case the person does not have a contact phone number, the public manager may call a contact person or intermediary and provide access to the citizen

- **Clarify matters**: On meeting the public, the manager should give a clear indication to the citizen or employee about the possibilities of providing the service sought for, a tentative timeline and attendant risks, if any

Systematic monitoring: Maintain a grievance monitoring system, which is periodically reviewed by the public manager

It can be seen that the steps listed in the table above can be followed by every public manager, without much effort or resources. This process should be institutionalized. The first step to effective management of service delivery is providing accessibility to people. The above steps, if institutionalized, would establish ample credibility with the citizens that the public manager is serious about service delivery.

Creating an inviting place :

Buildings and infrastructure are increasingly becoming integral to performance, productivity and efficiency of an organization. Buildings are being seen in a much more holistic manner and in addition to the traditional focus areas like quality, material, aesthetics, ergonomics etc, technology is being deployed to enhance parameters like comfort, productivity, efficiency etc. With greater global exposure and integration, awareness levels are rising and customers are becoming increasingly demanding.

 Most "office" buildings today are designed to create a favourable work environment by providing good ambience, recreation facilities like gyms, sports and other facilities.

Organizations are willing to go that extra mile for their people in order to maximise output from their "human resources".

Factors like "ambience", "comfort" and "experience" are being used to lure customers leveraging lighting, air conditioning, music, design and layout as well as high-tech elements.

Nordstrom and Disney are no exceptions. They believe and actively pursue the concept of making the place an inviting and exciting place for customers to visit and employees to work in.

Increasingly we find government offices undergoing renovations or newer buildings coming up with modern facilities. But this phenomenon appears to be limited to state capitals and larger cities.

So what can a public manager do, if he is saddled with an old office building and limited funds for maintenance?

A few minimum steps can certainly be taken:

- Provide a reception area, with a patient/pleasant person to receive and handle citizen queries.

- Provide adequate seating arrangement for the visitors, if necessary, by observing the peak traffic. The furniture can be simple and economical, if funds are inadequate.

- Whitewash the reception area annually.

- Provide drinking water, even if it has to be stored in earthen pots.

- Ensure that there is a toilet facility for visitors and employees, with adequate water.

- Ensure that the office timings, visitors' timings and other mandatory information as per the RTI Act are prominently displayed, in English and the vernacular language.

- If the department has evolved a citizen's charter, it should be prominently displayed.

- The front-office persons should be adequately trained to handle most frequently asked questions.

- Front-office persons should be available during the working hours of the front-office. The front-office may be open to visitors during limited hours, say 11.00 am to 1.00 pm.

- Simple procedural guidelines and forms should be readily available for citizens.

- Information must be provided to citizens on pending applications or requests, at specified time-intervals, say within two weeks of submission of the query or application. This procedure would ease the anxieties in the minds of citizens and also give the organization reasonable time to process the application or request.

- Telephones must be manned by trained persons. The persons handling the phones must be adept at phone etiquette and also have some understanding of the nature of telephonic queries.

- The most challenging task is to see that the front-office is manned during the specified timings. If late arrivals and prolonged lunch/tea breaks are an issue, the time-slots may have to be innovatively chosen to ensure that the front-office can be manned. If the desk is empty, the visitors should be directed to a designated person in the office, so that waiting time and uncertainty can be reduced.

If we carefully examine the above checklist, we note that most of the action points are within the reasonable scope of the public manager to implement. It is pertinent to state that the public manager has to entrust the responsibility of compliance to a responsible officer and seek to monitor regularly.

It is said that significant changes can only be brought about by great personalities or tumultuous events. Government organizations do not face such situations. Hence, public managers have to look for incremental changes in practices that become habit forming and gradually lead to visible organizational transformation.

Casting:

Disney World and Nordstrom were able to select people with the right attitude and train the persons and give them skills to operate on the job.

Public managers do not have this flexibility. But all good managers sense the capabilities and attitudes of the employees and pick those few with the right attitudes and skills and use them for the daunting tasks.

Also, the government system does not permit a merit or performance-based monetary reward and punishment system to be introduced.

Hence, effective public managers can only use the following approaches to keep up the morale of their employees:

- Treat employees with dignity, the same that one expects the employees to show to citizens or clients

- Keep a smile and be courteous to all, even in difficult moments

- Invite suggestions from employees and ensure that the ideas that can be implemented are put in place and the contributions of the employees are openly recognized in a public meeting

- Give greater freedom to performing employees, after due assessment of their commitment, integrity and quality of work

- Hold periodic meetings to share best practices, heroic efforts by staff, commendations from public, and suggestions for enhancement of service

- Monetary rewards cannot be accorded in the government system. Hence, non-monetary facilities such as flexibility of leave, commendation in front of superiors/ peers, support of a personal nature (if required) may be considered to recognize the contribution of the high performers and keep them motivated.

- The low performers could have valid reasons for their present status – lack of skill, lack of training, lack of exposure, lack of encouragement and support from superiors or even plain personal problems. The public manager is also a human relations manager of his unit. Hence, efforts must be made to identify past performers who have now slackened in efforts and through better communication diagnose reasons for underperformance and take necessary steps to rejuvenate them.

- Tasks requiring cooperation between two or more individuals from different sections may be entrusted to formal teams or committees of the same

individuals. This would ensure that there would be collective responsibility. The members will be required to iron out any personal or professional differences and apply themselves to the task on hand. The credit or discredit for the job would be collectively accorded to the team members. Thus, the teams would work with better coordination and over a period of time, the front-office and back-office of the unit will combine for better service delivery.

- Training is a critical element of a good performance culture. If external training cannot be facilitated because of paucity of funds, internal training sessions can be organized, after identifying needs of employees. This effort gives employees an opportunity to teach and share their learning and expertise; it will expose the employees to technical and administrative processes necessary for effective service delivery. Guest faculty can be sourced for nominal honorarium payments, to supplement the internal faculty.

Bottoms up Management and Empowerment: At Disney World and Nordstrom this approach was easy to apply. The philosophy of the top management could be easily translated into action, as the leaders had the freedom to change the rules of business. Government organizations have a great sense of accountability for their outlays and very little for the outcomes. In most cases, outcomes are difficult to measure and often are misrepresented. Under these conditions the public manager has a challenge on hand.

Effective public managers are adept at gauging the competency and accountability levels of their key subordinates and have applied these principles in a limited sense and still achieved great results. Bold CEOs like Dr R A Mashelkar , endowed with an organization of highly qualified scientists, could take great strides in energizing the manpower of the organization.

Gita Piramal March 24, 2005
How to be a Good CEO

What can a CEO do to improve organisational performance when you cannot hire and fire? Not much, most would say. Yet Raghunath Anant Mashelkar, Director General, Council of Scientific and Industrial Research, has turned conventional wisdom on its head with the turnaround of India's apical scientific research institution.

We tried to find out what it is that he does right, what makes him a good CEO. "Help people be the best they can be," he advises, "and drive performance through them." Here's how he does it.

Making a bad organisation good means developing new products and processes, having a business like attitude to topline and bottomline results, combining empowerment with reward for performance, customer friendliness, knowledge management, global outlook, and forging partnerships both with local organisations and foreign, be they big or small. But most importantly, making a bad organisation good means changing the mindset.

For any organisation, creating the right ambience is extremely important, as is creating ambition among people. One without the other doesn't work.

Without ambience, ambition cannot flower, and vice versa. At National Chemical Laboratory, I tried to create that ambition by making people stretch. I made them believe in themselves, made them realise their potential, because I always believe that our potential is always higher than where we actually are.

People will rise to the occasion: I believe there is no limit to human achievement and to human endurance. It is a question of whether the leader will allow people's energy to be released.

Let me give you an example. In 1995, I began talking about the road to Lakshmi through Saraswati i.e. bring a business like attitude to research. As I traveled across India from Kashmir to Kanyakumari, visiting each of the 40 labs to carry my message, some responded positively (particularly the chemistry laboratories who were tuned into business), but others (like the biology laboratories) did not.

One of the biology labs is the Center for Cellular Molecular Biology, a fabulous lab located in Hyderabad, specially built for research in basic science, which harbours dreams of winning Nobel prizes and producing Fellows of The Royal Society.

Amongst the best young scientists I met there was Dr Jay Gauri Shankar. He was sitting right in front of me, in the front row. Now the culture of this lab is such that it does not look up to the Director General as a demigod but as a scientist like themselves. After my speech, Dr Shankar stood up and angrily shot back, saying we would corrupt ourselves if we went down the road I was suggesting. It was a free and frank dialogue.

The same scientist, exactly two years later during another visit to CCMB, came to inform me that he had developed a breakthrough for which we had received a US patent. He sensed it could make pots of money, and wanted to know how one determines the royalty to be charged, how one can convert the discovery into a business proposition. In fact, this did become a business proposition.

Real triumph was exactly one year after that, when we gave him the Technology award. He also received the Bhatnagar award, which is the highest prize that you can get in the field of science in India. The man who got both the Bhatnagar and Technology award was the same man who three years earlier just did not believe in my philosophy!

We cannot afford to be poor and human capital is the basis on which India can become rich. For that to happen, people must change. To change people, you have to touch their hearts, you have to touch their brains, and convert knowledge into wealth. This is our responsibility.

In Dr Shankar's case, he discovered that he could be a 'corporate scientist' without sacrificing the cause of pure science. That is number one. Number two, he saw the wave sweeping through CSIR where some great scientists were following a different path and getting glory without any sacrifice whatsoever. The surrounding was changing and after all, he was part of the society that was changing.

For change to happen, we spoke about the need to change mindsets. Policies too need to be changed. Earlier, there was a supply side approach: people would make research plans where you generate knowledge and then look for a buyer. I changed that. I said you must have business plans and you cannot have business plans unless you know the market. So, we exposed people to the outside world. We made it mandatory. At the same time, we left a lot of flexibility in terms of the space within which people will move and the timeframes.

There were laboratories, such as NCL, which were already up there. These had different targets. "Your potential for global exports is high," I told them, "I would like to see some dollar earnings. I would like to see quality in your earnings. Earning should not come from testing, training and the mundane but from the sale of high level innovations." So, there were stiffer targets for them, but there were labs like CCMB where this philosophy was a cultural change. Here we gave a longer response time.

We touch where it can hurt: It's the last resort to draw out performance. Unfortunately, in the CSIR system there are no visible penalties. You can make some people move a little slower in their career tracks, or make some move a little faster but you cannot stop anybody because this is a public institution. The budget is the only instrument I can use.

So we linked budgets to performance. It hurts when you cannot get budgetary support for your ideas, if those ideas do not fall within the new mandate that we are developing.

Second, in the science community, there is a lot of peer pressure. People are always comparing themselves to each other: he got the Bhatnagar Prize, he got published in such-and-such journal, and he was recognised in the laboratory. If you get left behind, it makes a difference. It is a subtle kind of penalty but real, I would say.

CSIR survives because of the innovation and creativity of its people. Innovation is not only about doing different things but about doing things differently. And when people do things differently, they need to be recognised, rewarded and the entire process supported.

I believe in TI - Total Innovation. What we have tried to do within CSIR is to set systems at different levels which reward innovators. For example, each lab has a New Idea Fund where people with even outlandish ideas can come. It is a major cultural change: risk taking used to be shunned; now it is looked at positively.

We are also trying to introduce cross disciplinary culture. An innovator is one who doesn't know that it cannot be done, and a person from another discipline is also one who doesn't know that it cannot be done.

That is the purpose of bringing chemists, physicists, engineers, psychologists and even social scientists together from around the world. We encourage cross disciplinary work, and special funds are allocated for this. Some major breakthroughs are already taking place: a physical chemist, Dr Shastri, using biological processes has been able to create gold.

Funding and budgets is one way to reward and punish. In public institutions, we have a difficult time in dealing with the issue of people who do not perform.

There was one person at my headquarters. I tried my best to make him come up to a particular level but it simply was not working. I shifted him regardless of his political

connections, because at the end of the day CSIR is a Rs 12,000 crore (Rs 120 billion) organisation.

http://in.rediff.com/money/2005/mar/24spec.htm

Guestology: Disney World places great emphasis on the process of understanding the needs, experiences and views of customers. This enables the organization to plan new services, improve present services, and rectify employees' incorrect dealings with customers. Government organizations should be ideally doing this. This activity requires dedicated staff and hiring of professional organizations to conduct the surveys and consumer panel discussions. Public managers always express their inability to do so. The schemes implemented are designed at much higher levels within the government and hence changes at the field level cannot be easily undertaken. Funds and staffing are perennial problems.

What can a public manager do?

Every public office receives grievances/suggestions on a regular basis from citizens. Based on a periodic analysis of the grievances and suggestions received from the public, the public manager can take steps to alter some of the processes within the organization and make them more citizen-friendly. If the process change is a simple one, like setting up a procedure for obtaining quick verification about a driving license issued in another state and now presented to the Road Transport Authority Office for renewal, it is termed simplification of procedures or introduction of a citizen-centric procedure. But, if the change implemented is a major one, like self-assessment of tax introduced by the Hyderabad Municipal Corporation, involving a policy change, communication to citizens and major changes in processes, it would be termed a citizen-centric reform of great importance.

Handling Public Grievances at Kakinada Municipality

One of the key expectations of the citizens is that the public manager would pay heed to and address the grievances of the citizens. In the days when Citizen's Charters, Technology and e-Governance had not come to stay, the Commissioner of Kakinada Municipality, in the year 1991, decided to address this issue in a focused manner. He realized that it should be possible for his office to address simpler service failure issues in areas like street lighting, water leakage & supply and sanitation (cleaning of streets,

clearing of garbage and cleaning of choked drains), as these are not affected by the resource constraint of the local body.

The Commissioner called for discussions with the concerned officers and arrived at standard response times for the identified service failures:

Water Supply – 2 days

Sanitation – 1 day

Street Lighting – 3 days

After obtaining an in principle commitment from the officials, it was communicated to the public, through the media and through leaflets etc., mentioning the contact telephone number of the grievance cell and the name of the concerned person.

A dedicated employee was attached to the grievance cell and was placed at a prominent frontal location in the office. Clients were encouraged to give written complaints, to limit the complaints to serious ones. The complaints were recorded in a specially designed format; a copy was forwarded to the concerned officer and on the matter being attended to, the Commissioner personally signed and sent a pre-formatted letter to the citizen.

The Commissioner personally oversaw the process. In a smaller local body. it was possible for him to devote some time for this initiative. This simple initiative of the Commissioner was well received by the citizens, who had not expected the local body to take their complaints seriously and address them within a reasonable time frame. It also enabled the officials to focus on citizen grievances. As expected the system was discontinued, after the incumbent Commissioner was transferred.

Such systems need to be institutionalized and must form an important facet of the key result areas of the officials' job and must be monitored through internal and external mechanisms. Only then would effective service recovery happen in the government on a sustainable basis, yielding tremendous benefits and satisfaction to the citizens.

Creating a service culture:

In professional organizations, incumbent leaders begin by sending strong messages about the type of culture the leader proposes to set in the organization. The leader expects that employees will consciously align themselves with the message

communicated. In government organizations, where employees would see many managers with different styles of functioning, over the years, strong statements made by a newcomer would not meet with acceptance. Hence, the public manager has to set simple processes in motion, as delineated above, and in particular, set a high premium on leading by personal example. Once the employees begin to see the seriousness of the leader and see merit and value in following the leader, a few innovators would align themselves to the leader. The public manager should then focus on introducing a few simplifications in process that would both enhance productivity and service delivery. Employees, who have experienced reduction in the drudgery of work, are more likely to accept processes for effective service delivery.

The public manager should remember that setting a new culture is a Herculean task. It can only begin with incremental shifts in habits and on reinforcement, the same cascades into a new, visible, effective culture, conducive to better service delivery to the citizens.

Culture Change Management for Enhanced Service Delivery in Cyberabad Police

Responsive policing pays off

K.Srinivas Reddy

Modern techniques help Cyberabad Commissionerate

- *ISO certification for 26 of 34 police stations in commissionerate*

- *Draft plan in place to use similar techniques across State*

- *Other States evince interest in replicating experiment*

HYDERABAD: The transition from being change-seekers to change-makers was not that easy.

It took them nearly two years to introduce modern management techniques in policing and now with recognition coming their way with 26 of 34 police stations getting the ISO 9001:2000 Certification, the Commissionerate of Cyberabad has become a role-model police agency for different States.

While the Andhra Pradesh police are drafting a plan to introduce similar techniques all over the State in a phased manner, Rajasthan, Haryana, Maharashtra, Tamil Nadu, Kerala and West Bengal have evinced keen interest to replicate the experiment.

Standard service:

Visits of police teams from other States to ISO certified stations to get a first hand account of the change management are very regular nowadays.

What is so different about the ISO certified stations? "The whole effort is to provide service consistently at a given standard. We go on trying to improve the standards and ensure parity of service.

Be it an influential man or a common man, they would get the same service," explains Cyberabad Commissioner M. Mahendar Reddy, chief architect of the change.

The biggest achievement for the Cyberabad police personnel is that they have succeeded to a large extent in breaking the invisible walls that compartmentalised the police functioning so much so that they appeared to be unbreakable.

They proved that change management might have been difficult but not certainly impossible.

"This was possible after we redefined our role. The general belief is that the police are to take care of the criminals who constitute less than 2 per cent of the customer base (people).

We made a very conscious attempt to bring the role clarity that our primary duty is to serve the remaining 98 per cent of people," explains Mr. Reddy.

Regular meetings:

Mere redefining was not sufficient. To get the role clarity permeated down to the lowest level, meetings were held regularly. Simultaneously, the biggest task of redefining the core processes at the station level was formulated.

The functioning of the police was divided into eight core processes; reception management, crime prevention and investigation management, community policing services, court and prosecution services, traffic accident prevention service, competency building services, patrol car services, and police station management service.

Again, defining the work processes was followed by an intense exercise to devise Standard Operating Procedures (SOPs) in each service.

Source:Hindu - Online edition of India's National Newspaper Saturday, Oct 29, 2005

Andhra Pradesh

Jeedimetla Police Station gets ISO Certification

By Lalita Iyer

Walking into the Jeedimetla police station in Cyberabad could change your idea of a normal police station. Its well-lit interiors, computers and reading room with neatly stacked newspapers and books lend it the air of a hi-tech office. And nattily-dressed policemen sporting a 'May I help you' smile offer you a seat.

These physical and attitudinal changes have been written into its standard operating procedures (SOPs) for ISO Certification. The police station was recently awarded the ISO 9001:2000 Certification for international standards in quality management systems. Cyberabad Police Commissioner M. Mahender Reddy says it is the first police station to get the certification.

Smart look: Jeedimetla police station

Mahender's fascination for ISO certification had inspired him to organise courses on communication and team building for 3,000 personnel of 36 police stations in Cyberabad. Jeedimetla is the largest police station in the commissionerate. A strong believer in community participation, he introduced a proactive policing approach. "As there is not enough police force for the rising population, we would like to act as facilitators, enabling the community to settle small problems at their level," he says. "If they stop potential offenders and start taking up responsibility, the crime rate will automatically come down."

Inspector B. Sreenivas Reddy of Jeedimetla says that the cops are now clear about their roles and this has increased efficiency. Among the new initiatives is culture change management programme, aimed at improving service delivery standards. "Our aim is to reach the scene of crime within 10 minutes, and complete the investigation, arrest and remand in a murder case within three months," says Sreenivas. "That is what culture change management means." It takes only 30 minutes to register an FIR and six hours for a 'no objection certificate', a process that normally takes three hours and a day, respectively. Besides these, the police station conducts a monthly refresher course on soft skills and documentation of criminals.

It was not smooth going for Mahender. Initially, he faced a lot of resistance but he managed to wear it down. "After the training, there have been an attitudinal change and a more courteous approach towards people," says Sreenivas. On an average, 15 cases are handled every day. "While other police stations also do the same work, we do it in an organised way, because the processes are in place, thus ensuring greater responsibility," says Sreenivas. "Also, the involvement of the senior officer has come down."

Constables will have to gear up now. "The constabulary [comprising 83 per cent of the police force] works only up to 10 per cent of its potential productivity, performing their tasks mechanically without any decision-making powers or problem-solving skills," says Mahender. "If they take up community issues they can become multi-skilled."

The impact is visible in the increase in the number of cases that have been registered. The station solved about 250 cases till the first week of April after the ISO was implemented in August 2004. With this process change, there is scope for improvement in performance, regular data analysis and well-trained staff.

So, where does Mahender go from here? He wants to get the ISO stamp on all police stations and work units in the Cyberabad commissionerate. "There are no more supercops in a station," he says. "With the empowerment of personnel, we are all equal here."

Source: The Week, 17, April, 2005

'Kaizen and Five S.' These two Japanese management techniques may have nothing to do with policing in India. But, Cyberabad police, whose jurisdiction extends to areas surrounding Hyderabad, have embarked on a mission of achieving excellence in service delivery and improving their image by adopting the two concepts. Considered as the first of its kind in the State police department, the initiative christened "Culture Change Management Programme" (CCMP) had identified a set of core values with a three-year (2004-06) vision for best possible policing. Re-defining service delivery process, community partnership in decision-making and policing, public awareness and education, community reach-out programmes, empowering constabulary, Sahrudayam (kind-heartedness) and performance management and reporting system are the core values. "A lot has been said about such values whenever the issue of reforming the police set-up came up for discussion. But, what makes our CCMP unique

is adoption of `Kaizen and Five S' principles to ensure those values are strictly adhered to," the Cyberabad Police Commissioner, M. Mahender Reddy, avers.

Source: The Hindu, August 16, 2004

As part of empowering constables under the ongoing Culture Change Management Programme (CCMP) in Cyberabad Police Commissionerate, exclusive cubicles have been set up for constables in Kukatpally police station.

"With this Kukatpally becomes first police station in the State to have such facility for constables. All other police stations in Cyberabad will have the facility soon," the Additional DGP (Provisions and Logistics), R.R. Girish Kumar, said. A total of 21 stalls were set up for 42 constables working in Kukatpally. The Cyberabad Police Commissioner, M. Mahender Reddy, explained that constables were being assigned works from enquiring into petitions to directly associating with the investigation of cases.

Source: http://www.thehindu.com/2004/11/29/stories/2004112915380500.htm

A Station House Officer (SHO) shaking hands with constables as he enters the police station was unheard of. But this is a reality in some of the police stations under the Cyberabad Commissionerate, thanks to the initiative taken by the Cyberabad Commissioner, M. Mahender Reddy. This is one of the numerous radical changes being introduced in the functioning of the Cyberabad police as a part of the 'Culture Change Management' exercise. The effort is to change the very culture of policing. taking into consideration the views of staff right from the bottom.

The Commissioner himself has started speaking to the 2,800-odd constables under the Commissionerate seeking their views on improving policing and making it people-friendly. A popular management tool - Business Process Re-engineering (BPR) - is being adopted, which focuses on making the staff skill-oriented and infuse an attitude of service. An important aspect of it is the decisions are not imposed on the lower level officials, but they too would participate in bringing in changes.

Mr. Reddy says that the "Bottom to Up'' approach makes constables feel empowered and raises their self-esteem."I can feel the happiness among constables during my interactions with them,'' he says. But he cautions that the exercise has just started and results will take time.

A Japanese quality concept - S5 - that focuses on improving personality and the environment in which they work in is also being adopted. "It is to ensure utilisation of cent per cent human resources,'' Mr. Reddy says.

Source: hhtp://www.hinduonline.com/2003/08/03/04hdline.htm

Setting Service Standards:

Mere setting of standards does not lead to better service. Citizen-centric processes, citizen-friendly and well-trained employees, and resources to drive a service strategy are essential prerequisites. Public managers have to first orient the organization to clients, by addressing issues like accessibility to employees and citizens, office ambience, response to citizens' queries, simplification of feasible procedures, providing minimum facilities to employees and clients within the limitations of the budget.

Once the above processes are stabilized, the managers have to think of raising the bar of service. This is the real challenge. It should be done through a series of participative workshops, wherein all the key employees participate. The levels of service should be permitted to be evolved by the officers, after due consideration for the processes, possibilities of re-engineering the same, technology and infrastructure available, the commitment and competence of the staff to deliver the same. Feedback and suggestions from citizens who will be affected by the service delivery should be factored into the process of setting standards.

Non-adherence to the standards should be addressed through a process of dialogue and counseling, rather than wielding the weapon of punishment.

Excerpts from Citizen's Charter of Transport Department, Government of Andhra Pradesh

ii) We have set the following targets/standards/response time for delivery of documents in respect of all applications found in order"

Item of Work	Type of Office	Fees and Service Charges	Targeted Response Time
Learner's license (for each class of vehicle)	JTC/DTC/RTO Office	Rs. 60.00	Same Day
Fresh Driving License	JTC/DTC/RTO Office	Rs. 390.00	Same Day
Registration of new vehicle / other state vehicle	JTC/DTC/RTO Office	Rs. 160.00	Same Day
3-wheeler (Transport)	JTC/DTC/RTO Office	Rs. 400.00	Same Day
4-wheeler (Non-transport vehicle)	JTC/DTC/RTO Office	Rs. 400.00	Same Day

Services

• Public Assistance Cell/Help desk is opened in every office to guide and assist citizens in filling the forms and furnishing with information about procedures to be followed as per law for various services like registration of motor vehicles, issue of driving licenses, etc.

Grievance Redressal Mechanism

Head of the office or his deputy redresses grievances between 4.00 pm and 5.00 pm, on every working day.

What to do if things go wrong?

If something goes wrong or if there is any delay in the service, you can phone up or fax to the officers during working hours.

1. R.T.A (Central)

    Somajiguda, Hyderabad, Ph. 2331212895 Fax. 23311268

How can you help us?

You can help us improve the services we render to you by following the guidelines listed below.

- File applications in the right order with correct details. Pamphlets explaining procedures are available at help Desks. The website http://www.aptransport.org/ also gives these details.

- File applications directly in our office for better service. Take the help of 'Public Assistance cell"/ Help desk available in all the offices.

- Please do not approach any middlemen, broker or agent.

- Keep record of particulars of documents held by you like driving license, Registration Certificate, etc. This will help you obtain duplicate document, if original is lost.

RTA to Issue License in a Day

The transport department will issue permanent driving licence the day that an applicant pays the fee. The simplified scheme may be put in place in about a week. The government had given clearance for simplifying the procedure following representations from employees, businessmen and students about the cumbersome procedure for securing driving licenses.

To achieve this, the department is making necessary changes in its computer software. This is possible as the number of driving tracks have been increased from two to five at Nagole, in addition to the existing one at Trimulgherry.

In the existing system, the applicants pay the fee for permanent licence at the RTA offices. Officials allot time and date for the test drive, for which the applicants have to go to the tacks at Nagole or Trimulgherry on the specified days. If an applicant misses the date, he has to explain why he missed the date and ask for a new one.

In the new system, the applicants can go directly to the test tracks, pay the fee and take the driving test. If they pass, the permanent licence will be issued the same day.

Source: Deccan Chronicle, Hyderabad, 1 February, 2006

In Conclusion:

The lessons of world class service organizations like Disney World and Nordstrom are certainly interesting to follow. Public managers should not jump to the conclusion that the principles adopted by these organizations are not tenable in the public sector. A careful examination shows that some of the principles and lessons can be adopted, with a great degree of success.

It is heartening to see that several government institutions have made significant progress in this direction. The Cyberabad Police, Transport Department, Municipal Corporation of Hyderabad, the Chief Rationing Officer and the Regional Passport Authority, Hyderabad are only a few examples where public managers have institutionalized key process reforms for effective service delivery.

The key is for public managers to decide whether they would like to risk the process of changing the culture and processes within the organization. Creating a service culture by applying judiciously the principles stated above would enable the organization to bring about small, yet sure changes towards better service delivery, and the organization would be in a better position to sustain the same after the public manager leaves the organization. The benefits that can accrue to the citizens are indeed immense.

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