

LEADING

CRACKING THE CODE TO CUSTOMER DEVOTION

LOYALTY

SANDY
ROGERS

LEENA
RINNE

SHAWN
MOON



HARPERCOLLINS
LEADERSHIP

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FOREWORD

In today's hypercompetitive and connected world, where customers can switch to another provider with the click of a mouse or rethink a purchase decision based on a single online review, earning the true loyalty of customers has proven to be elusive for most organizations. In pursuit of even small gains in customer loyalty, organizations offer lower prices, provide incentives, or construct reward programs, only to find that the benefit of such measures is often muted and/or short-lived. Such measures may change customers' short-term purchase behaviors, but they rarely earn customers' real loyalty and are easily replicated by competitors.

Over the last thirty years, FranklinCovey has worked with thousands of organizations around the world to help them adopt the behaviors that can earn the genuine loyalty of their customers. FranklinCovey has also conducted research deep inside more than 1,700 organizations, conducting hundreds of matched-pair comparisons. From this front-row, real-time vantage point, we have identified three key differentiators that set loyalty-leading organizations apart from their lesser-performing counterparts. These key differentiators are:

First, loyalty leaders set the bar for what they consider a "loyal customer" much higher. Adolph Rupp, the renowned coach of the University of Kentucky men's basketball team, once observed, "Whenever you see a man on top of a mountain, you can be sure he didn't fall there." The same can be said of loyalty-leading organizations. They start by defining success not just based on satisfaction, but much more—on achieving true loyalty. Research shows that many of the organizations proudly advertising "95 percent customer satisfaction" actually have only a small percentage of customers who are truly loyal.

These organizations could more accurately state that 95 percent of their customers are *not dissatisfied*. This is an important distinction. Playing not to disappoint your customers is very different from playing to delight your customers and win their loyalty. Real loyalty is the deep, heartfelt allegiance expressed through customers who are

not only satisfied, but are delighted and faithful to a company's products and services. They return time and again, expand the breadth of products or services they buy from you, refer others to you, and your relationship with them can withstand the occasional misstep or miscommunication.

Our research shows that these intensely loyal customers are the most profitable and durable portion of a successful organization's revenue. They form the strategic foundation on which any great organization is built. Loyalty-leading organizations focus on earning their customers' loyalty. This differentiates them from organizations whose focus is primarily on avoiding customer dissatisfaction.

Second, loyalty leaders recognize that the highest levels of customer loyalty are created when there is a strong human connection (whether live, remote, or digital) with their customers. We each have family members, friends, or organizations in our lives to whom we are fiercely loyal. This emotion typically comes as the natural, virtuous result of the way in which we are treated by those people or organizations. Loyalty leaders demonstrate empathy for others, take responsibility for meeting the needs of others, and act generously toward them.

Finally, loyalty leaders are much better at adopting the behaviors that most delight their customers. Our research found that every organization has pockets of great performance—divisions, regions, districts, departments, shifts, or individual leaders—that consistently create loyal customers. These pockets of great performance exist even in poorly performing companies. Conversely, no organization is perfect, and examples of variation between exceptional service and mediocre or even poor service abound. What really differentiates the loyalty leaders from their lesser-performing counterparts isn't that one organization has variability and the other doesn't; rather, it is the extent of that variability. Loyalty leaders' operations are significantly more consistent in implementing the behaviors that generate loyalty. This is because they have come to understand both the principles and practices that drive loyalty, and they authentically model them throughout their organization.

Leading Loyalty provides a blueprint for integrating these three differentiators into your organization's culture. This book will challenge you to become a true loyalty leader—with your team, in your organization, and in your personal life. It recognizes that, in order for this to occur, the principles and behaviors that generate loyalty must be practiced at the individual level.

You'll find that this book was written for two audiences. First, for everyone who interfaces with customers, both inside and outside an organization. You might work in a call center; a store or branch; or in the finance, sales, marketing, manufacturing, or IT department. Wherever you work, you have customers, and your actions impact the loyalty of your customers. And regardless of your industry—from healthcare to government, from nonprofit to the private sector—the loyalty of your customers defines your success.

Second, this book is for leaders. As a leader, your ability to craft a culture that consistently creates loyal customers begins with an understanding of the necessary behaviors and practices, and then ensures that your teams voluntarily and systematically take responsibility for implementing them with high fidelity. To this end, you'll find eleven powerful team “huddles”—quick meetings with a specific purpose—that introduce and refine the skills and tools you can use to inspire loyalty. These eleven huddles are a repeatable, proven formula for engendering the loyalty of your various customers, both personal and professional.

Through reading and applying the principles taught in this book, you will increase your ability to generate loyalty among those with whom you come in contact and, from there, create an organization that systematically creates loyalty among your customers.

AUTHORS' NOTE

Much has been written on the importance of earning and sustaining loyalty. So, why *this* book? How is *Leading Loyalty* different? To us, the distinction is clear: While the benefits of customer loyalty are generally well understood, this book will illustrate the process and tools to earn true loyalty—the kind of loyalty fueled in the heart through positive, emotional interactions with others.

In a general sense, loyalty can increase from a variety of positive customer interactions. But our research and engagements over the past twenty-five years, combined with the knowledge and expertise of our clients, colleagues, and friends, have shown that real loyalty can only be realized through the synergistic interplay of what we call the Three Core Loyalty Principles. These principles are put into practice by first adopting the Loyalty Leader Mindset and then enacting the key behaviors tied to each loyalty principle:

Loyalty Leader Mindset

- *I earn the loyalty of others by having empathy for them, taking responsibility for their needs, and being generous.*

Loyalty Principle 1: Empathy

To show empathy, we need to practice these key behaviors:

- Make a genuine human connection with people.
- Listen to learn their hidden story.

Loyalty Principle 2: Responsibility

To take responsibility, we need to practice these key behaviors:

- Discover the real job to be done (others' goals).
- Follow up to strengthen the relationship.

Loyalty Principle 3: Generosity

To be generous with other people, we need to practice these key behaviors:

- Share insights openly to help others win.
- Surprise them with unexpected extras.

Regardless of where you work, you have customers, and the loyalty of your customers defines your success. If you're a leader looking to earn loyalty more consistently throughout your organization, we invite you to draw from the various customer examples and then connect the principles and practices to your team, peers, direct reports, or other stakeholders. To facilitate this, each chapter offers tips to help leaders embrace the Three Core Loyalty Principles within their sphere of influence and responsibility.

In the pages that follow, you can expect answers to these critical questions:

- Why does loyalty really matter?
- Who is most responsible for creating loyalty?
- How can you systematically create loyalty with your employees and customers?
- How can you implement and sustain loyalty in your organization?

Whether you manage other people or not, you can embrace the Loyalty Leader Mindset and find that customers and coworkers will not only like you, but *love* you as a result. We use this word *love* intentionally to indicate their intense feeling of loyalty. This gets to the heart of what it means to have others who are loyal to you. It is our sincere desire that, as you put this book into practice, you'll come to experience the joy of having others who are *truly* loyal to you.



THE FOUNDATION FOR LEADING LOYALTY

INTRODUCTION

REAL LOYALTY IS POWERED BY PEOPLE

In a suburb of a metropolitan city, two big warehouse stores sit next to each other on the same side of a main thoroughfare. They both sell the same stuff: groceries, clothes, books, electronics, drugs, toys, even furniture. The stores are about the same size, the parking areas identical—same location, same footprint, same sorts of products—yet one store flourishes while the other struggles to stay alive. What’s going on here?

When asked why their store is virtually deserted, the managers of Store 2 have all kinds of answers. “It’s Amazon. It’s online retailers. They’re driving brick-and-mortar stores like ours out of business. Malls are closing everywhere; you can’t find good workers; millennials have no work ethic. The higher-ups rely on discounts too much. They don’t advertise enough. . . .”

Yet, right next door, Store 1 is buzzing and booming with business. What’s the difference? Let’s walk inside the two stores and see for ourselves.

Store 2 is quiet. A single cashier lounges against her counter, wearing earphones and looking bored. A couple of customers are picking through things, squinting at tiny labels. You notice one customer who wants to return a purchase walking up to a big desk with a sign that reads “Customer Service.” She stands there for a while, shifting her weight, looking around, wondering if anyone will notice her. She clears her throat loudly. Eventually, the woman calls out, “Is anyone here?”

A tired-looking man slouches out of a back room. “Can I help you?” he asks in a voice so despondent he could be in mourning.

Now let’s pay a visit to Store 1. Eager, intent customers are pouring inside. A greeter smiles at people as they enter and occasionally stops to answer a question or give directions. Inside, it looks like a warehouse, but large-print signs show the prices of everything. There’s a big difference in the employees. All are wearing blue vests, and they

move with a spring in their step, smiling as they go. These energetic employees are running errands for customers, directing customers, and even joking with them. We notice a man hesitating over the flower bouquets on sale, and a blue-vested guy stops and says: “I just brought in some fresh new ones. They’re right back here.” He leads the delighted customer to the next aisle.

Elsewhere, more mature women and men are pleasantly handing out free samples of smoked ham or Spanish cheese or tater tots with truffle oil as people crowd around them. At the customer service desk, a customer is apologetically returning a purchase. The bright, perky person behind the desk takes it, asks no questions, doesn’t require a receipt, and thanks her for bringing it back, with a genuine wish for a good day.

Store 1 is a Costco store—a company that *Barron’s* reports has “generated fierce loyalty among both shoppers and staff while rewarding long-term investors.”¹ In retail, the chance of keeping an employee for more than a year is about 45 percent. At Costco, however, it’s 94 percent. And 91 percent of Costco customers renew their membership every year, making Costco “the world’s customer-retention record holder.”²

A client of ours mentioned that he and his wife go to Costco every Saturday.

“Why?” we asked.

“Because that’s where I see all my friends.” It has become a gathering place for him and his neighbors. That is a picture of real loyalty.

How does Costco, in an industry with notoriously unhappy workers, keep its employees so loyal and happy? How has it created a loyalty culture that seems to permeate nearly every employee and customer interaction? The answer is simple: Costco enjoys loyalty because it has embraced the Loyalty Leader Mindset and put the Three Core Loyalty Principles into practice.

For example, Costco took a clear stand on how it would treat its employees with empathy, responsibility, and generosity when it decided to pay more than twice the salary of average retailers and provide benefits, too. When Wall Street worried that Costco’s “over-generous” treatment of employees might cut into shareholder returns, founder Jim Sinegal replied, “We want to . . . take care of our customers, take care of our people, and respect our suppliers. And we think if we do those things pretty much in that order, that we’re going to reward shareholders.”³ And they did. If you had invested \$1,000 in Costco when it went public in 1985, that investment would be worth around \$100,000 by 2018.

How was Costco able to grow 40 percent per year during the same years that online shopping exploded? Why is Costco, which is subject to all the same pressures Store 2 is struggling with, thriving? Costco has intentionally built a comprehensive system that engenders loyalty among its employees and customers. Similar things could be said about many other loyalty winners in hundreds of organizations—retailers, restaurants, realtors, car-rental companies, business service providers, schools, hospitals—whose customers and employees would have emotional breakdowns if the organization closed its doors. The Three Core Loyalty Principles for earning loyalty are the same everywhere. We see them at work in every organization that earns the most committed customers, and the most engaged employees.

Author and researcher Seth Godin makes a useful distinction between two kinds of loyalty. The first kind of loyalty is the loyalty of convenience. “I’m going to look around, sure, but probably won’t switch. Switching is risky; it’s time-consuming. Switching means I might make a mistake or lose my [frequent flyer] miles or have to defend a new decision.” Convenience loyalty results simply from habit: We can take the same bus every day and still hate the bus company. One executive with whom we work likes to say, “Inertia is not loyalty!”

Godin describes the second kind of loyalty—what we recognize as true loyalty—as, “I’m not looking, and I’m not even interested in looking.” This is the loyalty of someone who doesn’t want to know there’s a better deal somewhere else. This type of loyalty is more anchored in emotional commitment than inertia. Doesn’t that describe how we feel about our favorite brand or business? Discounts and reward programs are easy to offer, and while they may bring repeat business, they alone will not create the kind of emotionally intense allegiance that is a hallmark of real loyalty.

Suppose you are dining in a restaurant and find a hair in your soup. Depending on your loyalty to that restaurant, you would likely react differently, wouldn’t you?

If you’d never been there before, or you just go there out of convenience, you might complain and ask for a new bowl of soup. Or just get up and walk out.

If you’ve had an unpleasant history with that restaurant, you might react with anger. “This is disgusting! I will never eat here again, and others are going to hear about this.” You might take a picture of the hairy soup, post it on social media, and do your best to make sure everyone you know sees it.

But suppose you're a regular at this restaurant. They know what you like, often going out of their way to please you in unexpected ways. You've told many others what a great place this is. You bring your family and friends here. They've never let you down before. Now you find a hair in the soup. How do you react? You might point it out kindly and quietly to the server, who apologizes profusely and brings you a new bowl of soup. You might tell yourself it's a once-in-a-million mistake and shrug it off. You might just ignore and forgive it; you love this place and, after all, everyone makes mistakes occasionally.

So, what drives your reaction in each of these situations? In the first case, it's indifference; in the second case, suspicion and disgust. But in the third case, it's loyalty.

Emotionally intense feelings often come through our interactions with people. We feel it when we engage with them. They welcome us, smile at us, and speak kindly and respectfully to us. They go out of their way to greet us and make things easy for us. They are so nice, so accommodating, that we start to wonder, *Who are these people? Where do they find people like this?*

Why do we love them? Often because *they love us!*

We also feel it when they *don't* love us—when they're indifferent; when at best they give us a tight smile and a “Have a good day,” or when at worst they ignore us, mess up our order, quote policy to us, or find some excuse not to serve us. Most annoying are times when people refuse to take responsibility for our poor experience.

When American Express studied 1,620 customers under laboratory conditions, 63 percent said “they felt their heart rate increase when they thought about receiving great customer service.” These thoughts “triggered the same cerebral reactions as feeling *loved*. The takeaway? When it comes to customer service, it's not about what customers think. Great service is about *feelings*.”⁴

As customers, we are so love-starved that we are simply amazed, even shocked, when we encounter a genuine, caring voice on the helpline or a kind face across the service desk. The pulse quickens. We're flooded with warmth. We are so accustomed to apathetic faces and impersonal, formula-spouting voices that we can be truly overwhelmed by the opposite.

In a study commissioned by Oracle, when asked what makes a memorable experience that causes consumers to stick with a brand, 73 percent of the people interviewed said, “Friendly employees or

customer-service representatives.” When reflecting on our own personal customer-service experiences—when we’ve been exceptionally happy or overwhelmingly frustrated—we tend to think about the people involved in the interaction. Of course, the products and services, policies and procedures, computer systems, billing, and price structure can anger or delight us, too, but it is most often the people who shape how we feel about an organization. This book focuses on the intense positive emotion that can be created through our personal engagement with other people.

Is your behavior earning your customers’ loyalty? How about the behavior of the people on your team?

Fred Reichheld, Bain Fellow and founder of Bain & Company’s Loyalty practice, has made a strong case for loyalty and its powerful impact on growth and bottom-line results. Our contribution to this topic comes by examining *the specific underlying principles that drive loyalty*, enabling the reader to crack the code to customer devotion. These principles are both timeless and universal.

Throughout this book, we’ll outline how the Loyalty Leader Mindset (Part One) is expressed through the synergistic interplay of the Three Core Loyalty Principles (Parts Two, Three, and Four). This interaction provides the spark to ignite loyalty between you, your coworkers, and customers. But to fully appreciate the Three Core Loyalty Principles, you must adopt the mindset that allows them to flourish in the first place.



CHAPTER 1

LOYALTY LEADER MINDSET

“IT’S NOT ENOUGH FOR YOUR CUSTOMERS
TO LIKE YOU—THEY HAVE TO LOVE YOU.”

—CATHERINE NELSON, EXECUTIVE LEADERSHIP CONSULTANT

The paradigm we choose greatly influences how we see and react to the world around us. The Loyalty Leader Mindset can be expressed as:

**I earn the loyalty of others by having empathy for them,
taking responsibility for their needs, and being generous.**

Our mindset relative to loyalty is profoundly influenced by our understanding of the answers to these questions:

- Do you believe loyalty is essential to your success?
- Who do you feel is most responsible for creating loyalty?
- How can you earn loyalty from your customers and colleagues?

WHY DOES LOYALTY MATTER?

Our team at FranklinCovey joined with the Coca-Cola Retailing Research Councils to do a major study¹ asking this question: Why do seemingly similar retail stores produce such different results?

We collected data from a cross-section of more than 300,000 employees in 5,000 work teams from 1,100 chain stores. We took the competitive environment of each store into account. We combined this data with customer- and employee-loyalty data and financial data, looking to identify the “great performers” among these stores.

What did we find? We found great performers, all right. Just not very many of them. It was like looking out over a campground at night. It's pitch dark, but here and there a campfire dots the landscape. Our findings were like that. We did see bright patches—stores that stood out from the rest in terms of revenues, profitability, and customer and employee loyalty—but they were few and far between. We called these “campfire” stores. Something was burning there that we didn't find in the average stores.

And we found something else: *The customers of those campfire stores were incredibly loyal.*

Stores with high customer-loyalty scores—both in general and especially relative to their toughest competitors—are rewarded handsomely. In fact, if the average stores in a chain could raise their loyalty scores just a quarter of the way toward those of the campfire stores, overall profitability would rise a stunning 20 to 30 percent!

So, do campfire stores just happen? Does lightning unexpectedly hit in those stores? No, of course not. We found that the top-performing campfire stores earn a lot more loyalty because they deliberately focus on earning loyalty—not by chance, but by choice. We'll explain how they do that throughout the rest of this book. But you can be sure they start with clarity about exactly what a great customer experience looks and feels like.

Because here's the irony: In a Bain survey of 362 top executives, 85 percent believed their companies delivered “a superior customer experience.” The really astonishing part? Only 8 percent of their customers agreed with them.²

Are corporate executives really that out of touch? Maybe, but perhaps they don't define “superior customer experience” the way their customers do. The execs are probably looking at satisfaction metrics, which are more about “lack of dissatisfaction” than about experiences that earn true loyalty.

Of course, all good managers work to satisfy customers, and many do this pretty well. But at the same time, they frequently make a bad assumption—they figure that if customers aren't dissatisfied, they must be getting a “superior experience”; they must be happy, loyal fans. But just because your kid doesn't get Ds and Fs doesn't mean he or she is a great student. Likewise, there's a big difference between not disappointing customers and earning their loyalty.

For example, one hotel company was always saying they got “94 percent guest satisfaction,” but when they started to measure

true loyalty, they found that 94 percent guest satisfaction really meant “94 percent non-dissatisfaction.” Only 18 percent of their customers were truly loyal. This hotel chain was claiming victory on the customer-service front, while a few competitor hotels that were deliberately focused on creating real loyalty were eating their lunch.

Even your regular customers are not necessarily loyal. The relationship between regular customers and profitability is weaker than most of us believe, according to a four-year Harvard research study involving 16,000 people: “About half of those customers who made regular purchases for at least two years—and were therefore designated as ‘loyal’—barely generated a profit.”³

However, customers with the *attitude* of loyalty are incredibly profitable. “Customers who scored high on both actual and attitudinal measures of loyalty generated 120 percent more profit than those whose loyalty was observed through transactions alone.”⁴ This is not just a business-to-consumer phenomena; it’s true in the business-to-business world as well.

Patrons with deep loyalty glow when they talk about you. And they are not just your customers—they’re advocates, believers, activists, campaigners, sponsors, friends, and fans. One of our associates told us, “When Costco announced they were opening a store in my town, I literally cried with joy.” *That* is the attitude we’re talking about. When these people go out to dinner with friends and loved ones, they excitedly tell stories about their experiences with organizations they love.

As Bain & Company’s Fred Reichheld wrote, “Loyal customers come back more often, buy more products, refer their friends, provide valuable feedback, cost less to serve, and are less price-sensitive.” Think of the impact to your work and your organization if more of your customers behaved in these ways. But just how much does loyalty matter to the bottom line? Reichheld calls truly loyal customers “promoters”—they not only purchase a lot from you, but they enthusiastically send other customers your way, too. By contrast, he calls habitual customers “passives” and your least loyal customers “detractors.” In his detailed research, Reichheld found that promoters are about four times more profitable to your bottom line. So if we’re discussing your profits, then, yes, loyalty really matters. And earning loyalty starts by adopting the Loyalty Leader Mindset and living the Three Core Loyalty Principles.

WHO IS MOST RESPONSIBLE FOR CREATING LOYALTY?

The CEO, right? Well, certainly he or she plays an important role. Don Ross, vice chairman of the company that owns the Enterprise, National, and Alamo car-rental brands, says the “CEO should set the example, create the environment for loyalty, and extend trust to all leaders of customer-facing staff.” A commitment to promoting people whose love for customers is contagious has certainly served Enterprise Rent-A-Car well. And love for customers is expressed not only through personal interactions, but also through the creation of policies, processes, and technology that make it easy for customers to do business with the organization. The CEO plants the fertile field that nourishes these activities and outcomes for customers.

But the CEO is not the primary driver of the loyalty we are talking about in this book. It’s all of us—the people who serve customers inside and outside the organization every day. A major study by the Corporate Executive Board concludes that “the brilliant battle plans created by the generals at company headquarters will either succeed or fail based on the actions of hundreds or even thousands of foot soldiers.”⁵

Bain and Gallup have found that, in most organizations, the further you move down the hierarchy from the CEO to the front line, the lower the employee engagement and loyalty to the organization. And people who are customer-facing—the very ones who have the biggest impact on the customer experience—are *usually the lowest-paid, least-trained, and least-engaged employees*.

Turnover among these employees is more than 150 percent per year in some organizations. Needless to say, with one foot out the door, a frontline employee may not be riveted on building long-term customer relationships. As our friend Shep Hyken frequently says, “The customer experience rarely exceeds the employee experience.”

Over the years, Fred Reichheld’s work has shown that companies with a lot of “promoter” customers have their “promoter” employees to thank for it.⁶ Like promoter customers, promoter employees love you, talk you up, and recommend you to their friends. They stay with you and serve your customers with zeal and energy. They are by far the most important factor in gaining customer loyalty. Many experts recommend that “one focus of your company’s marketing strategy should be developing brand ambassadors and making sure

they are involved in social conversations. . . . Most of the time when you think of a brand ambassador, you probably think of someone with huge influence or name recognition, like a celebrity, who is paid for their efforts to promote a brand. While influencer marketing like this is still popular, brand ambassadors can also be customers and, just as importantly, employees.”⁷⁷ While there are many complex variables that produce your bottom-line profits, there’s no question that your customer-facing employees play a critically important role.

In our work at FranklinCovey, we found that truly loyal customers are rarely found in places without strongly committed employees, and the behavior of employees directly serving customers is often the deciding factor in whether customers are loyal. Again and again, customers of the great-performing chain locations we studied talked about helpful and friendly employees. They also mentioned things that were the result of frontline employees who care—cleanliness, no waiting, items on the shelf.

There’s a difference, however, between being “happy” with your job and having a Loyalty Leader Mindset. We asked the employees in thousands of stores about their job satisfaction, and correlated the results with their store customer-loyalty scores. To our surprise, we initially found little connection. In fact, some of the stores where the employees were happiest were actually floundering when it came to customer loyalty.

Then our partner Dick Rennecamp suggested we add a question to the next employee survey to learn whether the employees in each store *knew* their customer-loyalty score. Dick’s hypothesis was that if employees don’t know their customer-loyalty score, they’re probably not very engaged in improving it. As anyone can observe on a basketball court in a city park, people play harder when they’re keeping score.

Dick’s theory proved correct. In the 41 percent of the 3,500 stores where the team members knew their customer-loyalty score, there was a direct correlation between the store’s employee-loyalty score and their customer-loyalty score. But in the 59 percent of stores where the team did not know the customer-loyalty score, there was no relationship. We learned that employees must not only love their job, but be engaged in making customers happy, too. Employees may love their job because they like the benefits and can chitchat with friends all day, but that doesn’t bode well for the customer experience.

So, whose job is it to inspire employees to do a great job for customers? You may say, “The manager, of course.” No question, the team leader is the linchpin—the leverage point—in building team culture and inspiring everyone to do their best for customers. But what if you don’t have an inspiring team leader? Can you make a real difference in your team’s ability to earn customer loyalty? The answer is most definitely *yes*. And not just in your own engagement with customers, but also, and perhaps even more important, in your interactions with your fellow team members.

“Leadership is a choice, not a position,” the cofounder of our company, Stephen R. Covey, was fond of saying. The company can give you a title, but that doesn’t make you a leader. As one of our clients once said: “You are not the leader you think you are. You’re the leader your people think you are.”

Anyone can adopt a Loyalty Leader Mindset. You don’t need a formal title. You can be the most experienced executive in the company or the cashier who was just hired yesterday. It doesn’t matter. A loyalty leader earns loyalty from others by living the principles that acknowledge their worth and limitless potential. An assistant to an assistant hairdresser in a barbershop can be true to the Loyalty Leader Mindset if he is trustworthy, responsible, and generous in dealing with customers. Likewise, the CEO can be a loyalty leader if she practices empathy and takes ownership of customers’ issues. After his son Bill became CEO of Marriott, J. Willard Marriott, the founder and chairman, spent his time personally responding to customers who had a disappointing experience at a Marriott Hotel. He was a loyalty leader.

But in all cases, leaders have to *choose* to adopt this mindset. In fact, too many formally designated leaders operate through an ineffective or even harmful paradigm. You may have heard that “people don’t quit companies; they quit their manager.” The research bears this out. According to Gallup, “Managers account for at least 70 percent of variance in employee-engagement scores across business units. This variation is in turn responsible for severely low worldwide employee engagement.”⁸

If you are a manager, how are you doing as a loyalty leader? Using a 0 to 10 scale (10 indicates “extremely likely”), how likely would your employees be to recommend you? Using the same scale, how likely would your customers be to recommend you? Would more than 60 percent give you a score of 9 or 10? More than 80 percent?

Ultimately, your financial results and your performance reviews will depend on the answer to this question: Are you a leader who earns loyalty from your employees and customers?

To change the behavior, engagement, and loyalty of employees, the leader's mindset and resulting behaviors need to change. Many managers get their jobs because they're technically skilled, but they may not have learned how to model, teach, and reinforce the behaviors needed to earn the loyalty of others. Employee loyalty comes from genuinely caring about their thoughts and ideas, sincerely wanting to understand their goals, then helping employees achieve them. It comes from a willingness to appreciate employees' contributions.

Just as true loyalty comes from feelings deep inside you, the power to inspire loyalty comes from deep inside as well. *It's fundamentally a question of the kind of person you choose to be.*

You'll find that winning the heart of every customer and colleague begins with you. At FranklinCovey, we teach that "as long as you think the problem is out there, that very thought is the problem." Too often we blame the team or the strategic hand we're dealt or the higher-ups or the weather for problems that actually have their origins in *ourselves*. Remember the store with the empty parking lot next to Costco? That is exactly what those store employees were telling themselves: The problem was out there, *not in here*.

The damaging paradigm that earning loyalty requires others to change is self-defeating. But once you shift to a mindset that loyalty requires *you* to change *first*—well, it's liberating. It's in your control. You have the exciting challenge of becoming a person who inspires loyalty. You have it in your power to build a team of loyal employees, no matter what kind of leaders you have or what kind of fate the company's recruiters have dealt you.

You might already be that 1-in-10 leader who naturally inspires the loyalty of other people, but most of us are not. It doesn't mean we're bad people—it just means we haven't necessarily focused on the principles that drive loyalty. We might be very talented operationally. We might be strategic, organized, disciplined, and highly productive. But unless we live by the principles that kindle loyalty in the hearts of others, we are unlikely to enrich the lives of our customers and employees, or our own life for that matter.

Here are ten questions to help you gauge how effective you are at earning the loyalty of other people:

LOYALTY SELF-CHECK					
Rate yourself on a scale of 1 to 5 . A 5 means "That's me exactly." A 1 means "That's not me at all." Nobody will ever see your answers, so be honest with yourself.					
1. I'm very sensitive to what other people feel.	1	2	3	4	5
2. I connect quickly and easily with other people.	1	2	3	4	5
3. I'm a good listener, very interested in what other people have to say.	1	2	3	4	5
4. I take my responsibilities very seriously and do my best to carry them out.	1	2	3	4	5
5. I work at solving problems without avoiding them or giving up.	1	2	3	4	5
6. I work hard at building relationships with customers and coworkers.	1	2	3	4	5
7. I am generous with others, freely giving my time and talents to help them.	1	2	3	4	5
8. I openly share my thoughts and ideas in the spirit of being helpful.	1	2	3	4	5
9. I often do something a little extra for people to show them I care.	1	2	3	4	5
10. I would recommend anyone to do business with my team.	1	2	3	4	5
TOTAL					



LOYALTY SELF-CHECK KEY

When you finish, add your scores and see how you did on the scoring key below.

40-50	You are doing a good job of creating loyalty, but you could always do better.
30-39	You probably have an uneven record of creating loyalty in others.
20-29	You have a lot of people who don't care one way or the other about doing business with you.
10-19	You are probably losing customers and employees at an unhealthy rate.

HOW CAN YOU EARN THE LOYALTY OF YOUR COLLEAGUES AND CUSTOMERS?

Principles rule the world. Gravity is a principle that works on us whether we like it or not. Even if we choose not to believe in it and jump off a building, we'll still fall. In the same way, principles apply to everybody, regardless of our background, our life experience, or our beliefs. Principles also rule our relationships with people. If we ignore or violate those principles, we will fail. The Three Core Loyalty Principles for earning loyalty in any relationship are:

- Empathy
- Responsibility
- Generosity



MODEL . TEACH . REINFORCE

True loyalty is the natural consequence of principled behavior. Principled behavior awakens loyalty much more effectively than reward points or promotions. Through our research, we've found that customers and employees are loyal to organizations and people who show empathy for them, take responsibility for their work, and act generously. These are not just techniques—they are behaviors that can be learned and adopted by anyone in your organization. In the chapters that follow, we'll drill down into each of the Three Core Loyalty Principles and the practices that go with each one. Here's a preview:

LOYALTY PRINCIPLE 1: EMPATHY

We earn the loyalty of our customers and coworkers when we have empathy for them—the power not only to hear what they are saying, but also to feel what they feel. We shift our thinking from apathy to empathy. To show empathy, we need to do these two things:

Make a Genuine Human Connection. We earn loyalty when we connect with people in a warm, human, positive way. *Authentic* connections can transform a group of disengaged workers into a truly customer-centric team.

Listen to Learn the Hidden Story. Listening to understand is the key to empathy. We earn loyalty from our customers and colleagues when listening to truly learn each other's needs, concerns, and stories. We treat people differently when we know their stories, often hidden from view until others feel comfortable enough to share them with us.

LOYALTY PRINCIPLE 2: RESPONSIBILITY

We earn loyalty when we take ownership for what should be done. We don't simply give people what they ask for; instead, we *own* the goals and outcome for our customers and colleagues. We actively teach others how to take responsibility themselves. To take responsibility, we need to do these two things:

Discover the Real Job to Be Done. What people ask for may not be what they really need. A customer in a hardware store asks to buy a wrench. Unless we find out what job they want the wrench to do, we don't know which wrench they need or if they need a wrench at all. To serve a customer or coworker responsibly, we need to ask thoughtful questions so we know what job they need us to do for them.

Follow Up to Strengthen the Relationship. We make the relationship stronger by following up. It shows we care about the customer's or coworker's experience and want to learn from it to improve. Uncovering problems is an especially opportune time to demonstrate our commitment to making things right and exceeding expectations.

LOYALTY PRINCIPLE 3: GENEROSITY

We earn loyalty when we are generous with others. By giving from our heart and giving more than is necessary or expected, we

transform customers and coworkers into *advocates*. We delight in finding ways to make other people's lives easier and better. To be generous with other people, we need to do these two things:

Share Insights Openly. We share ideas and information that help others learn and improve. When motivated by a spirit of genuine generosity, feedback is seen as a gift. Sharing our knowledge to help customers fix a problem can engender intense feelings of loyalty.

Surprise with Unexpected Extras. We constantly experiment with new and creative ways to show people we care about them. We give “extras” that cost little—sending personal messages, remembering names, testing new surprises. Simple things like these can endear us to our customers and associates.

If you're wondering whether empathy, responsibility, and generosity are really fundamental principles of loyalty, imagine doing the opposite. Imagine treating everyone *apathetically*, *irresponsibly*, and *selfishly*. It's been done—in fact, it's done all the time—but it's not going to earn us loyalty. In fact, it drives customers and employees away. If we intentionally focus on living by these loyalty principles, we will earn loyalty as a matter of course. Loyal customers and colleagues will naturally gravitate to us.

WHAT HAPPENS WHEN WE ADOPT A LOYALTY LEADER MINDSET

Whether we have a formal leadership role or not, we become a loyalty leader when we adopt the Loyalty Leader Mindset and then model, teach, and reinforce the Three Core Loyalty Principles. If we're in a customer-facing role, by doing a few simple things that turn ten customers a day toward real loyalty, in a week we've created seventy new promoters! And if we manage ten employees who, by doing a few simple things, turn ten customers a day toward true loyalty, every day we create a hundred new advocates! Creating new advocates every day establishes the foundation for becoming a loyalty leader.

We've worked with thousands of organizations globally, and here's what we know: Creating customer and employee loyalty is an absolutely essential component to long-term success. Maybe it would surprise you to know that working hard to earn the loyalty of others can actually make you a happier and more fulfilled person, too. We challenge you to commit to live the principles of empathy, responsibility, and generosity in your own life, and to bring your team along

for the ride. It doesn't matter who you are—a CEO, a division manager, a team leader, or *anyone* who is customer-facing—you serve the needs of other people, and you need their loyalty. It doesn't matter where you go or whom you serve—imagine what would happen if you practiced these principles at home. The principles of loyalty are the same.

MODEL, TEACH, REINFORCE, AND HIRE FOR LOYALTY

How do you instill these principles into a team? Earning loyalty is much more than teaching lessons in good service techniques. It's far more than giving everyone a copy of *Customer Service for Dummies* and ordering the team to smile and say, "Have a nice day." Your challenge is to model, teach, reinforce, and hire for the loyalty principles.

Modeling. You might be saying to yourself, "I am already empathic. I am responsible, and I am generous." Or you may feel committed to developing these behaviors in yourself. As a result, you can be a model for the members of your team, and they benefit from that more than anything. Of course, none of us is as good at living by these principles as we could be, and few of us consciously focus on them deliberately, making them the foundation of our lives. So your first challenge is to do that—to become even more the empathic, responsible, generous person you can be. Most of us have a ways to go. But that shouldn't discourage us. We can be more deeply good. We can listen better. We can make others feel more valued. And as we do so, we become the example, the *model* of what it takes to earn the loyalty of others.

Teaching. Most of us work as part of a team, so the second challenge is to build a team around us that also lives by these principles. If you are an individual team member, you can live by these principles and teach others by example. "I'm not a teacher," you say? Yes, you are. You can't help being a teacher: Your example influences the behavior of other people all day long. If you are a manager, you are, in fact, a teacher, whether you like it or not. Besides, there are real upsides to becoming a good teacher. For one thing, you're the manager: The members of your team are going to pay attention when you teach because they know if *you* value these principles, they need to do the same. The biggest upside: When you teach a principle, *you* own

it, *you* internalize it, *you* learn the most. The principle becomes part of you.

Reinforcing. The third challenge is to reinforce the loyalty principles—all the time. When you praise a team member for showing responsibility, that’s reinforcement. When you notice team members being less than empathic, you take them aside and gently remind them of the principle. When you see a generous act, you celebrate it with the team and say, “Now that’s what we want to see!” Here are reinforcement tips you can apply to every lesson in this book:

- Hold loyalty huddles (which we describe in the next section) regularly and often.
- Recognize team members who share and contribute to building loyalty. Try to catch them in the act and celebrate it. You’ll encourage others to do the same and create a culture where loyalty behaviors are celebrated continuously.
- Point to your customer- and employee-loyalty measures. Are they improving as your team members share insights and act on them? As you celebrate team members’ success in living the loyalty principles?
- Coach individuals in private on ideas for building loyalty with customers and coworkers.

Hiring. If you are in a position to hire, the loyalty principles ought to be your main criteria for bringing people onto the team. For example, Progressive Insurance changed its claims-adjustor hiring profile from “cop/investigator” to “nurse.” Business researcher and author Jim Collins says the most important thing to look for in a new hire is “alignment with your core ideology and values.”⁹ In your case, this means hiring people who are empathic, responsible, and generous. You start out way ahead if they already live by these principles. When interviewing candidates, ask for examples from past experience where their actions exhibited each principle. For example, “Please tell me about a time when you showed empathy to a customer and the impact it had. Please tell me about when you took personal responsibility for a customer issue, and it earned that customer’s loyalty.”

Even if you have no control over hiring, remember that you still have control over the most important ingredient to earning loyalty: your own behavior and the example you set for your team.

THE LOYALTY HUDDLE

You can bring the Loyalty Leader Mindset into practice by holding short, targeted meetings—huddles, if you will—to teach and reteach the loyalty principles to your team. “More meetings,” you ask? Exactly. A brief weekly, or even daily, huddle to move the needle on customer loyalty is the key to influencing loyalty behavior.

One bank in Latin America was watching one in five customers walk away from them. Profits were sagging. Over a two-year period, the bank focused on building customer loyalty; its profitability improved by double digits, and customer churn dropped by 20 percent. How did the bank do it? By improving their customer experience based on ideas generated from customer-facing employees.

Currently, hundreds of teams within the bank’s offices and branches hold daily huddles. In these fifteen-minute discussions, they talk through results and key performance indicators, many of which relate to customer experience. They also bring to the surface improvement ideas and share customer-experience stories that reinforce the customer-service culture.¹⁰ Clearly, consistent daily emphasis on building loyalty is making a big difference for this bank.

Loyalty huddles are catching on among our clients and in many other organizations.

We recommend you lead *eleven targeted huddles* with your team, each designed to strengthen a skill from the first eleven chapters in this book:



Chapter 1 Huddle—Loyalty Leader Mindset



Chapter 2 Huddle—The Need for Empathy



Chapter 3 Huddle—Make a Genuine Human Connection



Chapter 4 Huddle—Listen to Learn the Hidden Story



Chapter 5 Huddle—The Need for Responsibility



Chapter 6 Huddle—Discover the Real Job to Be Done



Chapter 7 Huddle—Follow Up to Strengthen the Relationship



Chapter 8 Huddle—The Need for Generosity



Chapter 9 Huddle—Share Insights Openly

**Chapter 10 Huddle**—Surprise with Unexpected Extras**Chapter 11 Huddle**—Your Legacy as a Loyalty Leader

WHAT SHOULD YOU DO IN THESE LOYALTY HUDDLES? THE AGENDA IS BRIEF BUT CONSISTENT

1. **Celebrate.**
2. **Learn.**
3. **Commit.**
4. **Schedule follow-up.**

CELEBRATE

First, recognize success in increasing loyalty and applying the principle or practice discussed in the most recent huddle. Most important, celebrate individuals who are creating customer promoters.

Why celebrate? Because study after study shows that employees are more engaged by recognition of their efforts than by anything else—including money. In one major survey, salary actually ranked eighth on the list!¹¹ Gallup recommends that no one should go without recognition for more than seven days, and that it should come from every direction and be delivered in the way the person likes to receive appreciation. Such recognition should be “timely, to ensure that the employee knows the significance of the recent achievement.”¹² Be generous about celebrating successes, and you will see more of them. Customer service expert Micah Solomon advised:

It's not always what's measured that improves; it's what's *celebrated*. The greatest organizations have become great in part by building into their schedules opportunities to celebrate employees when they go the extra mile for customers.¹³

LEARN

The next agenda item in the loyalty huddle is to learn about a principle or practice that creates loyalty. Assign a team member to read a chapter in this book ahead of time and then lead the huddle. Everyone knows that the teacher learns more than the student, so if

everyone takes a turn leading the huddle, you can be confident that they are internalizing the loyalty principles. As the great management thinker Peter Drucker observed:

Service people learn the most when they teach. The best way to improve the productivity of the star salesperson is for him or her to present “the secrets of my success” at a sales convention. The best way for the surgeon to improve his or her performance is to give a talk about it at the medical society. The best way for a nurse to improve her performance is to teach her fellow nurses.¹⁴

In the huddle, invite team members to share any insights they may have from observing or following up with customers. “What are we learning? What is working well for customers? What should we improve?” As team members celebrate their victories, be sure to offer insights that will help the whole team improve performance.

COMMIT

The third item on the huddle agenda is to make commitments to apply what was learned in the huddle to create more customer promoters. “What could each of us commit to do this week? What new things should we try?” Note how important it is to follow through on commitments made in the huddles. Let your team members know that you expect them to keep their commitments and that they will be reporting on them in the huddles. Of course, you are the model of commitment keeping; if you fail to keep your promises, team members will automatically have permission to do the same.

SCHEDULE FOLLOW-UP

Before leaving the huddle, make sure you schedule the next huddle meeting and assign a person to read the chapter ahead of time to lead that huddle.

Once you complete all eleven huddles, repeat the process so that everyone on your team gets a chance to lead each one. We recognize that you may have very little time to teach your team about the Three Core Loyalty Principles, but carving out just ten minutes for each huddle weaves these crucial principles and practices into the fabric of your team culture. We have provided a “huddle agenda” in each chapter to help you with this process.

The managers at one of our valued resort clients hold weekly loyalty huddles with their supervisors, who then run the huddles with customer-facing teams. Here is their reaction to the huddle process:

Management loves it because they can choose certain topics that need special attention. The employees have created a display board where they can post comments on ways they are “listening to learn” and “making a human connection.” The huddle is just a simple conversation, only ten minutes a week. You can see the enthusiasm in the employees.¹⁵

How important are these huddles? Picture a team determined to increase customer loyalty. They huddle once a week and celebrate team members who are creating promoters. If the team has a customer-loyalty number, they track it to see if their new behaviors are making a difference. They talk about any service failures and what was learned. They come up with new ideas and commit to try them. New employees join the team, momentum builds, and the huddle discussions become richer and more meaningful each week.

Kick off each huddle by sharing things that stood out to you from the chapter. What was interesting? What was surprising? Then use the outline and questions below to guide your team discussion. Don't worry that you don't have all the answers. Just ask the questions and point out that you and your team are on this learning journey together. Most of all, have fun in the huddle so the team looks forward to the next one. After completing all eleven huddles the first time, discussions will become even more interesting and interactive the second time around as team members see the Three Core Loyalty Principles and practices coming to life in their interactions with customers and, perhaps even more important, with one another.

It's time to begin. Here is the agenda for your first team huddle:



HUDDLE 1—LOYALTY LEADER MINDSET

I earn true loyalty by having empathy for others, taking responsibility for their needs, and being generous.

1. CELEBRATE

Celebrate people doing a great job of earning customer loyalty.

2. LEARN

Discuss the following questions:

- a. What makes a customer loyal? How important is our behavior?
- b. How do promoter, passive, and detractor customers behave?
- c. Does our team have loyalty measures? If so, what are they telling us?
- d. What are we learning from our interactions with customers?

3. COMMIT

Create a customer promoter.

4. SCHEDULE FOLLOW-UP

Huddle 2 date/time? Who will lead?



THE PRINCIPLE OF EMPATHY



CHAPTER 2

THE NEED FOR EMPATHY

“YOU CAN ONLY UNDERSTAND PEOPLE
IF YOU FEEL THEM IN YOURSELF.”

—JOHN STEINBECK



MODEL . TEACH . REINFORCE

It's feelings that drive most purchases. Perhaps we'd like to think we are all rational and entirely logical beings—that we make sound buying decisions based on facts and analysis. In reality, it's just not so. Behavioral economics shows us that, in many cases, we are anything but rational, and that our emotions are a critical part of decision making. Neurologists have identified that the decision to buy is made in the limbic part of the brain—the primitive, more emotional area that doesn't respond well to analysis or rational thought. Interestingly, if the limbic

system is damaged, a person struggles with two things—emotions and decisions—which shows how intertwined these things are.

But the decision-making center of the brain does respond to empathy, the first of the Three Core Loyalty Principles. Empathy is our ability to understand and share the feelings of another person. We may not agree with the person, but we get where they're coming from. More than that, we feel what the other person feels. For the other person, it's almost like they're looking in a mirror: We reflect their feelings as if we felt similarly ourselves. Habit 5 of Franklin Covey's *The 7 Habits of Highly Effective People* explains that "the deepest need of the human soul is to feel understood." Think of when you've been treated with empathy. It feels good to be understood, and it feels extraordinary when someone really "gets you."

Empathy tends to be reciprocal. When we are treated with empathy, we often respond with empathy. And showing genuine empathy to others makes us feel good, too.

Unfortunately, we often don't feel empathy from the people and organizations whose very business it is to serve us. How often have you walked into a store needing assistance and no one notices you? For example, the woman behind the pharmacy counter continues a conversation with a coworker while you stand there and wait; the employee at the home center walks briskly past as if you don't exist; the guy at the car-rental desk talks on the phone, his eyes shielded so you can't see them while you are left gripping the counter, staring at him for one, two, five, minutes (which feel like hours).

As customers, how often do we feel that service providers not only can't see us, but can't hear us either. Perhaps our dinner order comes out wrong, or we ask for a drink that never arrives. We have to repeat ourselves over and over again on a customer-service call or are forced to call out "Hello?" when no one is attending to us.

It's not that these frontline people don't have empathy. We believe most do, because we're all born with empathy. Scientists even know which part of the brain is the empathy center: It's called the *subgenual anterior cingulate*, and it actually lights up when we see, for example, someone get poked with a needle. It makes us gasp because, for a nanosecond, we feel the other person's pain. This part of the brain also lights up when we do something nice for another person. The human brain actually feels for other people. Of course, some people have more empathy than others, but we all respond to another's emotional state. As we work to improve our team's customer

loyalty, the concept of empathy doesn't need to be taught—everyone already has it. Instead, we need to help our team focus on the mindset and skills that allow us to show empathy for and share the feelings of our customers *more often*.

One skill that allows us to exhibit empathy with our customers is prioritization of our customers above other important tasks. Many of us have an army of people giving us things to do. We have goals, quotas, tasks. We are endlessly pulled off one task to do another. We get caught up in a whirlwind of demands, some of them contradictory. In an imaginary dialogue with a customer, one employee told it straight: “It’s not that I don’t want to help you. I’m sure you’re a nice person who didn’t mean to bother me. But if given a choice between ticking you off (a stranger I don’t know) or my boss (who will call me incompetent, lazy, etc., if I don’t get my inventory done), I choose to tick you off instead. Ultimately, my boss signs my paycheck, and you’re a face I will forget in a few hours.”

Is the employee wrong to think this way? We once heard a colleague say, “If it weren’t for these pesky customers, I could actually get some work done.” It wasn’t entirely a joke.

Most employees really want to be helpful but are just so busy with conflicting priorities that they struggle to give empathy the time it deserves. Harvard Business School professor Clayton Christensen provided a broader view:

Many products fail because companies develop them from the wrong perspective. Companies focus too much on what they want to sell their customers rather than what those customers really need. What’s missing is empathy—a deep understanding of what problems customers are trying to solve.

If we want loyal customers, empathy cannot be one priority among many. It has to be at the top of our list—not just for the front-line customer-service team but for every person in the organization, including people who work on product development, systems design, manufacturing, sales, marketing, or billing.

WHAT DOES EMPATHY LOOK LIKE?

Kanyon Hillaire is a Safelite AutoGlass technician in the northwestern United States. He is also a member of the Native American

Lummi Nation. “They are a great people, very loving,” Kanyon says of his culture. Every morning, Kanyon phones his customers to talk about repairing the glass in their automobiles. One day, he learned that one of his appointments that day was a hearing-impaired individual, and he was immediately concerned about that person. He felt empathy. Customers must understand what they can expect during the appointment, how long it will take, and when it’s safe to drive the car once the repairs are done. Kanyon was concerned whether he could communicate these things adequately to his customer.

Kanyon contacted a friend who knew American Sign Language and asked her to record a video message for the customer on his smartphone. “I could have written everything down for my customer,” Kanyon explained. “But have you ever seen someone after you’ve spoken to them in their native language? If not, try it some time. Just learn a little bit, and that person becomes more relaxed, and they feel more comfortable. For me, customer service is more than just doing a good job. When the customer saw the video, he was nodding his head and laughing with joy, and so grateful. The walls between us did fall.” The customer understood and appreciatively followed Kanyon’s instructions.

Kanyon’s story has made the rounds on social media. Marketing expert Greg Vitarelli saw it and wrote: “The other day I came upon something completely unexpected that brought me to tears. . . . It came from a very unusual place—an auto-glass company. The honest-to-goodness humanity on display is breathtaking. . . . Kanyon is truly a role model for customer-service professionals.” Kanyon’s mindset drives him to exhibit empathy with every customer. Let’s look more deeply at some of the key points of this story.

For me, customer service is more than just doing a good job. Many would be satisfied with “doing a good job”; clearly, Kanyon is not. There’s more. It’s about breaking down walls between people and truly understanding one another. It’s about making customers feel appreciated, understood, and even giving them joy.

Have you ever seen someone after you’ve spoken to them in their native language? What is your customer’s “native language,” or rather, what is unique about how they communicate with you and others? We show empathy when we speak their language, and when we do so in a way that respects their culture, thinking, and way of life.

Honest-to-goodness humanity on display. It would be easy to just do the windshield repair for the deaf customer, as for any other customer, and call it good. Some of us would go a little further and jot down written notes to share with the individual who can't hear. Kanyon delivers even more: He brings "honest-to-goodness humanity." Kanyon's behavior has a profound impact on his customers and on the success of his auto-glass company.

"But I'm busy. I have a job to do," you say. That's true. All of us have a job to do. And a critical part of that job is showing empathy to our customers, both inside and outside the organization.

In practical terms, empathy looks like this: When someone approaches, we set aside what we're doing, close our laptop, put our phone away, and focus on that person. We listen to them with our eyes and ears. Does it take time to show empathy? Yes, and no. It certainly requires effort, but it begins with a mindset (or, perhaps better said, a "heartset"). And often we'll pay a heavier price in time, effort, and money for not showing empathy.

APATHY

The opposite of empathy is apathy, which literally means "no feeling," or not caring. It only takes a small gesture to signal apathy. A bored glance or a sigh of annoyance communicates to a customer that she isn't important. Customers can feel apathy from an organization through a frontline employee's behavior, as well as a number of other sources, for example, a poorly designed website, long hold times on the support line, a complicated bill, or a confusing check-in procedure at a hospital or hotel.

We've experienced apathetic service, and we've likely all felt apathetic at times as well. Apathy can come from life events that leave us demoralized or hopeless. It can come from exhaustion or boredom with our routines. Empathy starts with us. We don't need to be a manager to be an empathy leader and have empathy for those around us.

Stephen R. Covey said: "People are very tender, very sensitive inside. I don't believe age or experience makes much difference. Inside, even within the most toughened and calloused exteriors, are the tender feelings and emotions of the heart." The surest way to reach an apathetic heart is empathy from us. Simply connect and listen to others, behaviors we will discuss in the following chapters.

In the effort to make customers think they care, some organizations set up systems and processes designed to give a feeling of personal service, but these are not rooted in empathy. It works like this. Imagine we call the cable company and tell them our television signal is on the blink.

The wooden voice on the other end says: “First, Mr. Johnson, let me thank you for being our customer for, uh, the last two years. We know you have a choice of providers, and we really appreciate your business. May I take just a moment to express to you how sincerely sorry I am to hear that you are not receiving a signal. I certainly understand how inconvenient it must be. I get frustrated, too, when this sort of thing happens to me, Mr. Johnson. So to be sure I understand, the purpose of your call is to get technical support because your signal is not working. Is that right?”

No one is impressed with scripted responses and phony attempts at empathy, yet we encounter these frequently—from the automatic “Find everything?” at the grocery-store checkout to the robotic “How are you feeling today?” from a too-busy doctor in the hospital. Researchers from the Corporate Executive Board describe these interactions as “generic service”:

[One of the] biggest driver[s] of disloyalty is “generic service”—when the customer feels like the rep is treating them like a number, making no attempt to personalize the experience whatsoever. As customers, we know the pain of this sort of treatment all too well. The disinterested recitation of policy. The halfhearted offers of empathy. The scripted thanks for our loyalty. It’s enough to make our blood boil.¹

Rebekah Bernard, an author and doctor, said: “Empathy is the ability to give the impression that you understand and care. . . . You don’t actually have to feel it, you just have to show it.” We couldn’t disagree more. Empathy is an emotion—a way we connect with others. Maybe “fake it till you make it” can be useful in some circumstances, but nothing replaces true caring and compassion. Imagine the difference between working on a team with plastic smiles and programmed responses with one that authentically smiles and initiates friendly conversation. Which team do we want to be on? Which team do we want to assist us when we need help?

Employees working with a suggested script can still deliver the message in a way that exhibits genuine empathy, the first principle

for earning customer loyalty. On a recent JetBlue flight, we witnessed the flight attendant remind passengers about the rules for keeping seat belts fastened after landing and during taxiing in a way that showed real caring and concern for the passengers and not in the harsh, biting tone we sometimes experience on other airlines.

Here's another story about empathy from a customer-service representative: Our friend bought a new mobile phone for his wife. He was told the monthly service fee would be around \$30. He had some negative experiences with cell-phone billing and really wanted to make sure that the \$30 was accurate, so he verified the fee with the salesperson twice, wrote it down, and even asked the salesperson to sign it. It would definitely be no more than \$30 per month. You can imagine his frustration when the next month's bill came in at \$136.

He absolutely dreaded making the customer-service call to the company. When he finally got a person on the phone (after ten minutes of electronic routing and rerouting), he simply asked, "Can I tell you my story?" Fortunately, the agent said "Yes" in a kind voice, heard him out, and solved the problem within minutes. He admits to being a little dazed at that kind of empathy. "It was so unexpected," he said, his voice full of emotion. Like our friend, what people really want is for customer support to understand their story.

HIDDEN STORIES

Empathy is the road to a person's real story—a story that is often hidden from view. Remember the characters in your favorite comic book? Above each character's head was a thought or speech bubble with their words, thoughts, and feelings. You knew exactly what was in the character's head and heart. Imagine for a moment that you could see into the mind of your customers. It doesn't matter what kind of business you're in or the customers you have. As people walk past you, what do you think their hidden stories are?

- An elderly woman who suffered from clinical depression for fifty years.
- A man dressed in mechanic's clothes, tainted with grease. His only daughter is about to graduate from college, the first one in the family to do so.
- A husband whose wife just lost her job. He's going to be the only provider for a while.

- A businesswoman who earned a huge job promotion.
- A man dressed in a business suit who just dropped off his only son at rehab . . . again.
- Two siblings together for a long-anticipated family reunion.
- A young couple expecting a child after a previous miscarriage.
- A young man whose girlfriend just accepted his marriage proposal.

Notice we didn't tell you what kind of product or service they're looking for. Just for a moment, put that aside. How would knowing what's on their mind make a difference in the way you serve them? Their hidden stories shape what they need from us—maybe comfort, support, celebration, or compassion. Knowing their stories enables us to serve our customers much better.

The young couple expecting a baby—what brings them to our store? Do we have a special sale on newborn diapers? Empathy might lead us to provide the couple with a handful of coupons to help them out with their baby budget. And if the worst happens again and there is no baby, are we ready to take the product back quietly with no hassle and send them a heartfelt card in the mail? The newly engaged guy—what brings him to our door? What's he looking for? This man has visions of a new family, maybe a new home, a new car, a new life. What can we do to help him realize his dreams?

It may take time to learn the hidden story of someone we see regularly. In other cases, we have only minutes, or even seconds, to discover where a customer is coming from. Our ability to learn someone's hidden story begins with simple observation—by “reading” the other person's eyes and manner and by listening not just to words but to tone of voice. Sometimes we know a person's story by a glance. A workshop participant told us this story:

My family and I saved a long time for this vacation. Our flight arrived late at night, and we stood at the airport curb waiting for the hotel shuttle bus to take us to our hotel. It didn't come. And it didn't come. I rang them and they kept saying they'd be right there, but after nearly thirty minutes, the bus hadn't shown up. We were exhausted from a full day of travel, the kids were cranky, and my wife and I were beyond irritated and were starting to get nervous. Then a shuttle bus from

another hotel chain pulled up at the curb. The driver gave us a cheerful grin and asked, “Are you staying at my hotel?” “No,” we replied, “we’re staying at Hotel XYZ.” The driver said, “Jump in. I’ll take you to Hotel XYZ.” I was surprised and delighted. The driver took us to a competitor’s hotel. Guess where I now stay whenever I go on a business trip.

Just a glimpse at that tired, distraught family stranded on the curb told the shuttle driver the whole story. And that’s all it took for him to exercise a little empathy. Did it cost him? Yes, he had to go a little out of his way. What did it earn him? Potentially, a customer for life, and no doubt the feeling that comes from making someone else’s life a little better.

LEADER APPLICATION—THE PRINCIPLE OF EMPATHY

As we shared in Chapter 1, frontline customer-facing employees are often the least-trained, least-valued, and lowest-paid people in the organization. Some are working more than one job, going to school, or straining to hold a family together. With a little empathy, it’s easy to see why someone may not be investing all of his or her energies into the organization’s key performance indicators.

A leader dealing with apathetic associates often experiences real frustration with an inability to spark empathy. Pep talks, threats, raises, promotions, and rallying cries can only get us so far. So, what’s the real solution to a team’s lack of empathy? More empathy from the leader. The power of empathy applies just as much to our team members as it does to our customers. FranklinCovey teaches:

Always treat your employees exactly as you want them to treat your best customers. You can buy a person’s hand, but you can’t buy his heart. His heart is where his enthusiasm is, his loyalty is. You can buy his back, but you can’t buy his brain. That’s where his creativity is, his ingenuity, his resourcefulness.

Take a look at team members and what matters to them:

- Sam loves music and is training for his first marathon.
- Maria is going to night classes at the technology center.

- Jack is a cat person and lives in a loft with a rooftop garden.
- Fatima is a part-time yoga instructor and loves to cook.

How might these facts influence their leader's behavior? The extraordinary manager of this team knew Sam really loved music and running, so she occasionally picked up gift cards for him to purchase songs online. She remembered to text him on the day of his marathon to wish him luck and later congratulated him on finishing.

Do we know the stories of our team members? Do we know what their lives are like? What keeps them awake at night? What they dream of? How their families are doing?

A friend told us this story about a small business he once owned:

I had two employees, Keith and Randy, who were stock clerks just out of high school. They both were sarcastic, impolite, and brash. They would roll their eyes and occasionally laugh at me. They both did the work just fine, but their rudeness was hard to take. Managing Keith, in particular, was tough for me. I thought of myself as a good employer, and I tried hard to get him to change his attitude, but he would laugh me off and continue on the same way. One day I'd had it. I very calmly invited Keith into my office, handed him what I owed him, and told him to go home. I fired him on the spot.

Randy was just as bad-mannered as Keith, but he didn't bother me nearly as much. I had known Randy since childhood and had watched him grow up. I knew him as a little boy whose father was somewhat abusive. I knew him as a playmate to my own kids. I knew that he suffered from severe asthma, a condition that would eventually take his life. I liked his upbeat smile, his quick wit.

One day I put my arm around Randy and thanked him for a job well done. I had done this many times before, but this time he smiled back and gave me a little punch in the arm. I felt connected to Randy. You see, I knew Randy's story, about the trying life he led, about his hopes and dreams. I didn't know Keith's story. In retrospect, I wish I would have taken the time to get to know him.

Stories change hearts. When we know the stories of our team members, when we know their hearts, it can change ours.

There are two ways to create a team with empathy. One is to lead your team there. The other is to hire people who exhibit empathy in their actions. We recommend doing both.

LEADING YOUR TEAM

Focusing a team on empathy starts with the leader. Whether you are the formal leader or not, ask yourself if you are a model of empathy.

Dr. Fred Kiel, whose life's work is understanding how character affects job performance, said, "When it comes to running a business, self-involved, bottom-line-driven leaders rarely deliver the goods." If you're not naturally empathic, you can't sit back and say, "That's just the way I am," and expect to deliver good performance. A lack of empathy breeds the natural consequence of a lack of loyalty. Nobody is loyal to a person who is uncaring. So, it's to your advantage to develop empathy.

You may feel that you just aren't a naturally empathic person, and that this "warm and fuzzy" stuff is for the birds. Don't be discouraged. Dr. Kiel's response to those who say their character is set and that it can't change is: "Yes, it can. I'm firm in that conviction because I've seen many adults successfully take on the challenge of improving their character. Not only that, I've seen how much happier, more satisfying and successful their lives have become as a result."

We overcome our own empathy deficit by intentionally shifting our mindset and by choosing to soften our heart and connect with others. Observe others and discover their hidden stories—the tired shopper; the guy with a complaint; the dad with the bored, crying child; the laid-off worker; the woman cleaning the restrooms. If we focus on shifting our mindset and practicing this first principle of loyalty, we will see the results empathy brings. Continue to do this, and it becomes second nature; it becomes a habit. As leaders, our behavior becomes the behavior our team embraces. We communicate the values of our team in our actions.

Here are a few tips that can help us all create a culture of empathy.

Ask yourself whether empathy is a principle you want to embrace. When you greet someone, is it a heartfelt greeting or a cold, quick nod? Do you show the same kind of empathy both to your customers and your team? There's no point in creating a culture that talks about empathy if you don't really believe in it. If you are or can become an empathic person, and stand for that principle, people will follow you.

Put yourself into their stories. When you're working with customers and employees, try to think about when you've been in their situation. As you observe people, try to figure out what their hidden story might be.

Don't get distracted. If you're writing a text message to one person while talking with another, neither one is getting your best. You need to give your full attention to the customer or employee in front of you if you want to earn that person's loyalty.

HIRING NEW TEAM MEMBERS

If you are involved in hiring, look for people who are naturally gifted with empathy. Researchers call highly empathic people “integrators” because they are good at bringing people together and building relationships. According to biologist Helen Fisher, the brains of these people are influenced a little more than others by what's called the estrogen/oxytocin system. Although one might think this is more prevalent in females, it's not tied to gender.

To recognize an integrator, watch for people who have a record of strong relationships—who are trusting and sensitive to another's feelings. They connect quickly with people. They are diplomatic, good at facilitating consensus, and tend to have exceptional verbal and social skills. In interviewing candidates, observe how well they connect with you and others in the interview process. Note how they talk about past customer experiences and how they express their feelings about their relationships.

TWO PRACTICES OF EMPATHIC PEOPLE

To show empathy to another person, there are two key behaviors or practices we need to focus on:

- Making a genuine human connection
- Listening to learn

We will study these in depth in the next two chapters. Empathic behaviors can be learned and taught, so use the huddle agenda below to direct a meaningful conversation about empathy with your team. And as your team works toward increasing empathy, be sure you recognize and reward the interactions that reflect empathy. Call them out, congratulate your team members for their efforts, and spotlight the success stories.



HUDDLE 2—THE NEED FOR EMPATHY

Empathy is the ability to identify with and understand another's situation or feelings.

1. CELEBRATE

Celebrate someone who created a customer promoter.

2. LEARN

Discuss the following questions:

- a. How does it feel when we are treated with *empathy*?
- b. How does it feel to be treated with *apathy*?
- c. When is it *really important* for us to show empathy?
- d. How can we show empathy even when we are busy?

3. COMMIT

Show empathy to a customer or coworker.

4. SCHEDULE FOLLOW-UP

Huddle 3 date/time? Who will lead?



CHAPTER 3

MAKE A GENUINE HUMAN CONNECTION

“ONLY CONNECT.”

—E. M. FORSTER



MODEL . TEACH . REINFORCE

Yasir was a sixteen-year-old boy heading out the door for his first job interview. He lived alone with his mom, an immigrant struggling to make a new life for herself and her son. His mother stopped him: “You cannot go to the interview without a tie on.” But the boy didn’t own a tie and had never even tied a tie. His mother gave him a little money and sent him to the store.

The nervous teen walked into the store, found the men's department, and started searching through the ties for a clip-on. A tall, friendly man in a red vest came up to him. "What's up?" he asked kindly. Yasir explained.

"Well, we don't carry clip-on ties, but we've got a lot of nice regular ties here, all prices. Would you be interested in one of these?"

Yasir looked down at the floor and finally said, "I don't know how to tie a regular tie."

"I'll show you," said the pleasant guy in the red vest. He selected a tie that Yasir liked and then instructed him carefully in the science of putting it on. As he did so, he asked Yasir about the job interview and gave him pointers on how to succeed at getting his first job. "Look the boss in the eye and shake hands firmly."

He and Yasir practiced tying the tie and shaking hands and making eye contact. They attracted the attention of two other employees in red vests who eagerly pitched in their own advice: "Remember to speak up. You need to look and sound confident."

While this was going on, another customer was watching. Touched by the scene, she took a picture with her cell phone and posted it on social media. Within hours, the picture and the story of Yasir had gone viral around the world. Yasir didn't find out until after he had successfully landed the job. The local media interviewed him and his mother, and they ended up on the television news.

"They could've just sold my son a tie, but they took the time, helped him tie the tie, and treated my son with dignity and respect," the mom said, her voice trembling. "And that's not all—they gave him real-world advice to help him get the job."

Yasir was amazed at the attention. "After their advice, I got my confidence back. I was calm, cool, and collected. Usually only friends or family do that kind of stuff—not strangers you've never met before." In an alternate scenario, the sales associate would have asked Yasir if he could help him, then could have quickly dismissed Yasir with a "Sorry, we don't carry clip-on ties." But in this store, the red vests stand for something important. The folks who wear them have a high standard of service. They show empathy and make a genuine human connection with customers.

Is there any question that Yasir and his mother are now loyal customers? And the woman who took the picture? What about the tens of thousands of people who saw the red-vest team at work on social media and television?

WHAT A GENUINE HUMAN CONNECTION LOOKS LIKE

Sandy shares this example: “The other day as I was leaving the corner grocery store, a young worker looked directly at me, smiled, and cheerfully said, ‘Thank you for coming!’ *Thank you for coming?* I thought. *Like this is a party or something?* I smiled back and said, ‘Thank you.’ It was a little thing, just a spark of human connection, but somehow I felt uplifted and a lot better about my neighborhood store.”

Showing empathy for someone else starts by making a connection with him or her. A genuine connection promotes a feeling of belonging, of acceptance. When we lack these feelings of acceptance, we experience “social pain.” The pain caused by a snub or a cold shoulder is as real as physical pain. D. H. Lawrence used the word *annihilated* to describe the feeling of being disconnected from other people. We’ve all felt moments of alienation.

Some are skeptical and assume people only connect with others in order to gain something or profit from them. But this assumption is lacking. Connection with other people is its own reward.

Shawn shares how simple a warm, human connection can be: “I stopped to pay a bridge toll—never my favorite duty—but my short interaction with the toll-booth operator, fifteen seconds in duration, left me saying out loud to myself as I drove away, ‘That was remarkable!’ The booth operator, in just a few seconds, made a human connection. I don’t remember the words he said, but I do remember how he made me *feel*. The brief encounter left me grateful I had taken that particular route. It doesn’t take much to make a warm human connection, and it costs nothing. We all crave it. We even need it. But we get it so rarely.”

COUNTERFEIT CONNECTION

As we study the practices that build empathy, we should also consider the “counterfeits” of these practices. A counterfeit practice is like counterfeit money. At a quick glance, it might look real; but closer inspection reveals that it is only an imitation. The counterfeit to a genuine human connection might be feigned interest, intrusion without empathy, or following a script with disinterest. Counterfeit behaviors sneak into organizations as leaders create systems and processes aimed at increasing customer satisfaction without acknowledging the need for genuine connections with customers.

For example, hospitals invest significant money on consultants who provide scripts and checklists to boost satisfaction scores: “An entire industry has sprouted, encouraging hospitals to waste precious dollars on expensive consultants claiming to provide scripts or other resources that boost satisfaction scores. Some institutions have even hired actors to rehearse the scripts with nurses. In Massachusetts, a medical/surgical nurse told the *Boston Globe* that the scripting made her feel like a ‘Stepford nurse,’ and wondered whether patients would notice that their nurses used identical phrasing. She’s right to be concerned. Great nurses are warm, funny, personal, or genuine—and requiring memorized scripts places a needless obstacle in their path.”¹ You might be familiar with the adjective “Stepford,” which comes from a novel about smiling robots with no feelings or thoughts of their own.

Using these scripts and checklists, service people deliver a canned “Have a nice day,” or “Thank you for shopping with us,” and as customers, we feel that these are counterfeits. Many service people don’t think about these throwaway phrases. We believe the young guy in the corner store—the one who sincerely said, “Thank you for coming,” to Sandy—wasn’t counterfeiting. He was connecting.

A growing body of research tells us that influence with a customer starts with genuine connection. Just a few signals—a friendly nod or a smile or a wave—can show people they are welcome and we’ll be glad to serve them. First impressions matter a lot. People decide quickly whether we are someone they can connect with on a human level and whether we are competent. If we are cold or unapproachable, we immediately risk losing the opportunity for loyalty in our customers. They might find us competent, but we still won’t earn their loyalty. The key is to connect warmly with *everyone*. Remember Yasir and his search for a tie? Certainly, he didn’t appear to be a big-spending, high-powered customer when he walked into the store as a sixteen-year-old. And yet, the store team didn’t hesitate to treat Yasir with as much warmth as one of their most loyal customers.

WHY AREN’T WE CONNECTING?

When we identified genuine human connection as an essential component to earning loyalty, we immediately wondered why the natural connection we all appreciate doesn’t happen more often. We began to identify the obstacles that prevent connection. We found there are many, and they are growing.

Think about your most manic days at work. We're talking car-rental counter at a busy airport, lunchtime rush at your favorite restaurant, closing the books at year-end in the finance department, emergency room at a large urban hospital, DMV on the last day of the month—phones ringing, impatient customers, and overworked teammates. How can we possibly make a warm, genuine human connection in situations like these? The number of demands and requests on our time can quickly become the reason we avoid connecting with others. We're just *too busy*. And yet, as we mentioned above, connection can be made with a glance or a word. Being too busy is a poor excuse. Our ability to connect—even on a crazy, busy day—is driven by an understanding that connecting with our customers is an important part of our job.

Another hurdle that is making human connection more difficult is technology. We check ourselves in for a flight, check ourselves out at the grocery store, and do more of our banking and shopping online. We get stuff done by clicking. While many of us appreciate the convenience and cost savings, the expanding use of technology can present challenges in connecting personally with our customers.

Forward-thinking high-tech companies understand the power of human connection, especially when something goes wrong and only a conversation with a human being can resolve it. We've had many personal experiences with Amazon, Apple, and Southwest Airlines where the people on the other end of the phone line, at the Genius Bar, or at the ticket counter did an excellent job in connecting with us in a warm, friendly manner to resolve our issues.

Consider how Lamoda, a Russian online retailer that offers next-day delivery of more than nine hundred brands of men's and women's apparel, is making a genuine human connection. After someone places an order—and more than a million do each year—a Lamoda fashion consultant brings it to your door. He or she gives you a few minutes to try the items on, offers fashion advice, and takes your payment if you're satisfied (or returns part or all of the order if you're not). And while we love the convenience Lamoda provides, you can certainly make a warm human connection remotely and less expensively than coming to someone's door. Sandy shares this example:

One morning, my Keurig coffee machine stopped working. It was early, and I was tired and anxious for a cup of java. The last thing I felt like doing was dialing a call center and

potentially being put on hold and transferred and getting frustrated. But that was not the experience I had with Keurig. When I called, the nicest woman answered the phone. I could hear in her tone and her words that she wanted to help me. She had strong empathy for my situation and patiently walked me through each step of the process needed to fix my machine. She never made me feel like it was a problem for her to wait for the machine to do the next step in the repair process. She was so genuine. She wanted me to get my hot cup of coffee as much as I did.

A car-rental executive (not from Enterprise, National, or Alamo) recently told Sandy about his commitment to take their people completely out of the car-rental process. We heard a customer-experience leader in a major corporation say that customer loyalty is “the result of integrated technology systems that can crunch actionable data-driven insights to create relevant and meaningful customer experiences.” We don’t want to downplay technology, but we know that simple connection buys more loyalty than any “integrated technology system” can, especially when the customer has a problem and needs to talk with a human being to solve it. The founder of Enterprise Rent-A-Car frequently pointed out, “All rental-car companies have cars, branches, and people. What sets us apart is our people!”

Ultimately, making a genuine connection begins with our mindset. We all need and appreciate connection. If we adopt the mindset that connection matters, that it is a priority, we see people in front of us instead of problems. We see human beings, not hassles. We connect with our eyes, our words, and our heart. This connection can happen in an instant. When we have busy days, we still acknowledge those waiting with an apologetic glance or a quick, sincere “I’m so sorry you’re having to wait.” We soften our voice, make eye contact, and feel the connection ourselves. No matter how busy we are, we let individuals know that *we* know they are there and that they matter to us.

Having the wrong mindset is an obstacle to connecting. “I’m not a warm person,” you might say. “I’d rather just focus on getting my job done.” When we shift our mindset to value human connection and the benefit it has on ourselves and others, we prioritize our work differently. Not only do we make time to connect with everyone, we make it our most important task of the day. It becomes our job. The

choice to connect with others is just that—a choice. We’ve always been impressed by this thought from the great psychologist Viktor Frankl:

Forces beyond your control can take away everything you possess except one thing, your freedom to choose how you will respond to the situation. You cannot control what happens to you in life, but you can always control what you will feel and do about what happens to you.²

In other words, we get to choose how we feel. Nothing—not the weather, the news, or the auditors from the head office—can dictate to us how we will feel today. That’s *our* decision. So let’s bring our natural empathy and desire to connect to the surface. The people around us are real human beings; they have dignity and they deserve the best we can give. Each one has a hidden story that would fill us with compassion and allow us to connect if we knew what it was.

And while we are talking about the benefits of connection to loyalty, we can’t emphasize enough the benefit connection has on ourselves. A reflected smile or the reciprocation of a few kind words inevitably brightens our day as well. And there is science behind all this: Connecting with others in an affable way increases oxytocin, a hormone associated with calmness and closeness. Too much stress, on the other hand, inhibits oxytocin. So the less kindness we show to others, the more stressed we actually become.

HOW DO WE MAKE A *GENUINE* HUMAN CONNECTION WITH EVERYBODY?

Once you decide to make genuine human connections, there are five behaviors that come naturally and are easy to do:

1. **Smile and greet others with a warm welcome.**
2. **Observe, then serve.**
3. **Connect warmly with your eyes.**
4. **Acknowledge others.**
5. **Be available, but don’t hover.**

SMILE AND GREET OTHERS WITH A WARM WELCOME

Our friend Gordon Wilson managed one of the top Apple Stores in the United States and emphasized this rule with his team: “Approach customers with a personalized, warm welcome.” Notice that there isn’t a script the retail associates need to follow. Everyone who enters an Apple Store gets that warm welcome at the door. At first, Gordon tried to hire “magnetic personalities” for this position. But, he says:

I soon found out that anybody could handle it. People think Apple Stores hire nerdy, techy people only, but that’s not so. At least in my store, I came to believe that just about anyone could be effective at Apple. The issue was never so much with their personalities as it was with mine. If the manager is the kind of person who can love the customers, it becomes contagious.

Apple goes a little further than most to make that human connection. When you enter the store, the greeter makes a note of what you’re wearing as she takes down your name and your reason for coming in. Later, when a “specialist”—a sales associate—takes over from the greeter, she or he already knows who you are and why you’ve come. They call you by name. This is pretty remarkable when you consider the thousands of people visiting each Apple Store every day.

OBSERVE, THEN SERVE

One day, a mom and her young son walk into a sporting-goods store. “Simon, are you really sure you want to play soccer this year?” Mom asks, a worried, hesitant tone in her voice.

The boy looks nervous. “Sure, Mom.”

Curtis, the floor manager, breaks away from his conversation with Sue, who is a newly hired sales associate. Curtis greets the mom: “Good morning! Welcome to SportStuff. How may I help you?”

The mom replies, “Well, my son Simon is just starting to play soccer this coming Saturday, so he needs some equipment. I’m not really sure—”

Interrupting, Curtis says cheerfully: “I know exactly what he needs: cleats, shin guards, and a uniform. And how about a new ball?”

We'll get him set up just right. Sue, would you like to take care of these folks?" Sue nods confidently and leads the mom and her son toward the soccer equipment.

What do you think of this interaction? Curtis is positive and considerate, he takes time to coach his staff, and he wants to help his customers. But as Sherlock Holmes used to say to Watson, "You *see*, but you do not *observe*." Curtis isn't observant enough to catch on to the customer's story, which means he doesn't really know how to serve the customer. He tries to *serve* before he *observes*.

Let's observe. It wasn't an anonymous child who came into his store. It was a little boy named Simon, and when Simon woke up that morning, he felt anxious. While he badly wants to be on the soccer team, he's nervous about whether he'll be good enough, whether he'll get hurt, and whether the other kids will like him. Pretty big stuff for an eight-year-old. How do we know all of this? We are not mind readers, but anyone with ordinary observational powers can pretty much tell what's going on in Simon's mind just by watching him.

And look at Mom. She has never done this before. She has all the same worries as Simon. She brought Simon to this particular sporting-goods store because it's close to home. There are other stores. At this point, the only relationship she has with SportStuff is transactional—which most stores are fine with, unless they want truly loyal customers.

If Curtis saw his task as earning the loyalty of his customers so they won't want to shop anywhere else, he would approach the situation differently. So let's give Curtis a chance to be "Empathic Curtis." We'll rewind and start the story over again.

One day, a mom and her young son walk into a sporting-goods store and have an anxious dialogue about playing soccer that year. Empathic Curtis, the floor manager, carefully observes the mother and son as they come through the door. He motions to Sue, his new hire, to follow him.

Empathic Curtis greets the mom: "Good morning! Welcome to SportStuff. What's going on today?"

The mom replies: "Well, my son Simon is just starting to play soccer this coming Saturday, so he needs some equipment. I'm not really sure what kind of equipment to get, although they gave me this list." She shows Curtis an image on her phone, which he studies for a moment, nodding.

Then Empathic Curtis squats down to be at eye level with the little boy. “Hi, Simon. I’m Curtis. Have you ever played soccer before?”

Uncertain and visibly nervous, Simon replies: “I already have my own ball. I kick it around the yard.”

“You know, Simon, I started playing soccer when I was about your age, and I remember feeling a little worried. I didn’t want to get hurt by all the kicking, so I got some really good shin guards, like these.” He shows Simon how to fix them around his shins.

“And I wanted to run as fast I could,” Empathic Curtis goes on, opening a shoebox. “These shoes have what are called cleats on the soles to grab the ground and keep you from falling when you run.” Simon takes the shoes in his hands and looks delighted with them.

Empathic Curtis smiles. “But you know, Simon, the fun part of soccer is being on a great team. You can help them, and they’ll help you. So you’ll want to look like part of the team with a cool green uniform. Let’s go find one.” Now comfortable with Curtis, Simon eagerly follows him to the clothing racks.

The mom whispers to Sue: “I didn’t want to say, but Simon’s been feeling really anxious about soccer. I think he’s going to feel a lot better now.” They watch as Curtis shows Simon, now wearing a crisp, oversized soccer shirt, how to kick a soccer ball.

“I think he’s going to be fine,” Sue says with a smile.

Now Curtis is doing his *real* job, which is enriching a little boy’s life. And in doing that, he’s also making friends who will come back again and again. In a town full of sporting-goods stores, where do you think Mom will shop in the future? And all her friends will, too, once she tells them about the wonderful man at SportStuff who was so good with little Simon.

What did Empathic Curtis do differently the second time around? He talked to the boy at his own level; he addressed the boy’s—and the mom’s—worries by explaining the value of the products and demonstrated how to use them. All good practices. But Curtis could not have done this job without careful observation and empathy. Just by the boy’s body language and the look on his face, Curtis could tell a lot about his little client’s hidden story.

The idea is to *observe, then serve*. What unexpressed emotions do you sense? What is the customer’s demeanor? Sad? Rushed? Eager? Hesitant? Curious? Overwhelmed? What about their tone of voice? Angry? Excited? Pleading? Worried? Ho-hum? It doesn’t take a lot of skill to see through a customer’s manner to the story behind it all. But

if you want *loyal* customers, you'll be watchful. You'll pick up these nuances of behavior and allow your empathy and connection to kick in while you match your own behavior to theirs.

CONNECT WARMLY WITH YOUR EYES

As humans, we connect immediately with someone who gives us a warm look. Every customer-service expert rightly tells us to look the customer in the eye. It is intuitive that eye contact is essential to making a human connection, and while it's common sense, it's not always common practice. Further, if we want to make a genuine connection, we can soften our gaze and smile to add warmth. Think about those situations where we tend to lose eye contact. If we keep a customer waiting too long, we're losing eye contact. If we spend too much time fumbling around with products or paperwork, we're losing eye contact. What if we're connecting with customers online—on email, chat, messaging, or the telephone? What does “eye contact” mean then?

There's a lot of research that supports how difficult it is to connect online. “The increasing use of electronic services, or e-services, raises questions concerning the extent to which the ‘relationship quality-customer loyalty’ link holds in an e-service context,” as one scholar put it. Online, the equivalent of “eye contact” is a warm, calm, respectful tone of voice and doing what we promise. One older gentleman who ordered some window blinds online praised the “eye contact” practiced by the firm he dealt with, even though he never met anyone at the company face-to-face:

Your employee, Sarah, made “eye contact.” She advised me that my blinds were on their way and checked to see if I was happy with them after they arrived. When I discovered they weren't quite right, she kept up that contact, everything from the remake to the shipping with a tracking number to your website and to the personal notes you sent me. You kept “eye contact” with me. It's great to see a quality business still thriving in this crazy economy. It's because you do what you do, and you have people like Sarah making “eye contact.”³

Experts tell us that, without building robust emotional bonds with customers, organizations won't be able to enhance customer loyalty. Customer connection—or making customers feel good every

time they contact the organization—should replace the antiquated “customer-relationship management” agenda. With every customer interaction comes a chance to look them in the eye and build a closer connection.⁴ “Eye contact is way more intimate than words will ever be,” says Indian author Faraaz Kazi.

How consistent is your team in building connection through warm eye contact? Some people have a kind of reflex to avoid eye contact with others. If you need to, work at overcoming that reflex and practice giving everyone a warm look in the eye.

ACKNOWLEDGE OTHERS

One evening, a man went to a restaurant and stood at the reception desk where the host was chatting with a couple of waiters. He smiled at them, cleared his throat, and waited. After a minute or so, he realized that somehow he had become invisible. The conversation among the staff was not particularly urgent—they were joking around about something—but it was clearly far more absorbing than the fact that a willing customer was standing there in plain sight waiting for service.

At last he spoke up. “Excuse me, but do you have a table available?” The three of them looked up in surprise and glanced at one another. It must have taken them a second or two to remember they were at work, but at length he finally got his table. You may have experienced this non-service yourself on occasion. Associates who ignore the customers, rush past people without even a nod or a smile, or keep them on hold for too long are chipping away at loyalty one little bit at a time.

Should any customer ever be invisible? If guests were to come to your home, would you simply fail to notice they were there? How *attentive* is your team to the customers who pay you to help them out? Elizabeth Muenich, manager of customer service for the city of St. Paul, Minnesota, shared in a conversation how she has made it a top priority for her team to acknowledge and connect with every one of their customers.

It has given my staff permission to take a few extra moments in the workday to interact with our contractors, business owners, and our residents. In a world where interfacing with regulatory agencies is perceived as very difficult and filled with red tape and struggles . . . our staff is making human connections every day to create collaborative partnerships instead of conflict and separation within our city.

We've been in busy places where a first-rate service person can connect with a half-dozen customers at once. Sometimes all it takes is a smile and a sincere "I'll be right with you" to connect with the customer. It doesn't require much, really. We can't show empathy or connect with customers if we don't acknowledge that they're standing right in front of us.

BE AVAILABLE, BUT DON'T HOVER

Once we've made a genuine human connection with our customers, we'll often support them throughout the "journey" with our organization. This doesn't necessarily require our constant undivided attention, nor does it mean smothering them or hovering. In one furniture store we know, customers bump into eager salespeople at every turn. Rather than building loyalty, the store has an infamous reputation for smothering people. Judging how much help to give customers versus how much space they need can be tricky at times. The best practice is to "make yourself available." Make warm eye contact, smile, and greet customers. Then let them know you're available by saying, "I'll be right over here if you need anything." Periodically, check in to see if they have any questions, but generally be aware of physical proximity and avoid making them uncomfortable by being in their personal space.

For phone or virtual support, "making yourself available" means checking in periodically while you are researching an issue, making sure your customer knows your name, and that they have the capability to contact you directly if they need additional support. Invite them to reach out to you if they need anything further.

LEADER APPLICATION—THE PRACTICE OF MAKING A GENUINE HUMAN CONNECTION

Pete Matthews was the manager of a large chain store in Canada, and his first year in this position was miserable. He thought his job was to manage numbers and increase performance. But after a while, he realized that wasn't the whole story.

I was totally focused on the KPIs (Key Performance Indicators)—ROI, CR, CCC, CUR, OFCT, DIFOT—I was responsible for about twenty-five different sets of initials. Every day, I was checking items off a huge checklist and continually ragging

on my department heads when their numbers on this, that, and the other didn't meet expectations.

After about half a year of this, I realized something. I didn't know anyone. I had dozens of employees I couldn't name. Here I'd been working with my staff for months, and I couldn't tell you anything about them. And customers? I knew nothing about them either. Without an employee badge, I wouldn't know a customer from a staffer. I had been counting numbers and ratios for so long that I had totally failed to make the human connection.

One morning, I gathered the department heads and held up a copy of the KPIs. "I've worried myself and you to death about these numbers long enough. They're not getting any better, but they're not getting any worse either. So I'm going to stop worrying about them." I tossed the papers into the trash—it was overdramatic, but it was my way of declaring independence from the KPIs.

"From now on, we're going to get to know each other—and our customers. I figure if we are loyal to each other and treat each other right, those numbers will take care of themselves." Well, everyone laughed. Some didn't believe me at first. But I stopped talking about the KPIs so much and spent my time making friends with the staff and with our customers. I asked all about their families and their likes and dislikes and got to know them pretty well. The customers were a little surprised that the store manager would roam up to them and just pass the time of day, but only a few weeks later, I could recognize a big percentage of them and knew a lot of their names.

The most rewarding thing of all, though, was my association with my team. We became friends—in some cases, dear friends—and years after I left that job, I still consider working with that team one of the best experiences of my life.

Oh—and the KPIs got better the whole time.

Pete's employee loyalty to his work team spilled over into a more personal connection with their customers. Of course, Pete didn't really ignore the KPIs; but of all the numbers, he was most proud of the customer-loyalty number that went up steadily during the three

years he managed the store. It turns out that his change of heart was contagious.

As leaders, we sometimes work in organizations that try to force human connection through scripts and checklists, streamlining processes in a way that can *limit* genuine connection. Most team members will comply with expectations, but it's a golden few who will go beyond to actually make a connection that earns loyalty. Doubling down on efforts to force connection further creates a culture of compliance. If we instead focus on the benefit of connecting with customers, model this behavior as we connect with our employees, and trust our employees to make connections naturally, we create a culture that values genuine human connection. The Southwest Airlines' flight attendant who sings the before-takeoff announcement not only delivers the important safety information, but does so in a way that makes genuine human connections.



HUDDLE 3-MAKE A GENUINE HUMAN CONNECTION

Let people know you care and are there to help.

1. CELEBRATE

Celebrate someone who showed empathy to a customer or coworker.

2. LEARN

Discuss the following questions:

- a. How do some people pretend to make a genuine connection?
- b. What gets in the way of us connecting with everyone?
- c. Which of the connection guidelines do we need to improve on?
- d. How can we acknowledge people even when we're busy?

3. COMMIT

Make a genuine human connection with a customer.

4. SCHEDULE FOLLOW-UP

Huddle 4 date/time? Who will lead?



CHAPTER 4

LISTEN TO LEARN THE HIDDEN STORY

“IF WE WOULD ONLY LISTEN WITH THE SAME PASSION
THAT WE FEEL ABOUT WANTING TO BE HEARD.”

—DR. HARRIET LERNER



MODEL . TEACH . REINFORCE

One day, our friend developed a strange pain in his scalp that felt like someone was cutting through his head with a piece of wire. He called his doctor, but she wasn't available. He was advised to head for the local urgent-care clinic. At the clinic, our friend found himself surrounded by fellow patients with fevers, coughs, and stomachaches.

Everybody looked miserable. At the reception desk, a stern woman interrogated him about his insurance and told him to “take a seat.”

A suffering hour later, a sharp voice called his name. He followed a man in surgical greens into a cold little room. “How are you doing?” the man asked briskly. Our friend explained his experience—that he had woken up with a knifelike pain across the top of his head. He’d had a long history of sinus trouble and suspected the old complaint was emerging again. He even knew the name of the infection he had lived with forever: *haemophilus influenzae*. But the green man wasn’t interested in any of this. “I’m not the doctor,” he interrupted as our friend was explaining his history. “I just take your blood pressure.”

Let’s pause the story for a moment. How are you feeling about the empathy shown to our friend so far by the reception desk and the medical assistant in surgical greens? Were there any genuine human connections? Was anyone sincerely interested in listening to learn his story?

The story continues.

Following the blood-pressure check, the green man disappeared without a word and left our friend in the tiny, freezing room for another half hour. When a doctor finally appeared, he was incredibly hurried, as you might imagine, with the backlog of patients. After listening for just a moment, the doctor declared that our friend had shingles and ripped a prescription off of his pad, sending our friend on his way.

Strike three—no empathy from the three people our friend encountered at the urgent-“care” clinic. Sure, they were all busy. But how long does it take to make a warm human connection? And what was the cost of not listening to learn?

Our friend filled the prescription and took the medicine, but it didn’t help the pain he was experiencing. The doctor didn’t take time to understand his story about a history of sinus trouble. Unpredictably, a few weeks later, he was taken to the hospital with an acute sinus abscess that threatened his brain. This urgent-care clinic failed to show our friend any empathy, and also failed in its responsibility to solve his real problem, which is the subject of Chapter 6.

We believe the serious oversight by this doctor was neither driven by incompetence nor ill intent. The doctor, like many of us, was confronted with the nearly impossible task of juggling too many demands and was simply trying to be efficient. There is a downside to

efficiency when we're working with human beings—we may neglect to take time to empathize and really listen.

Dr. Joshua Kosowsky, who teaches medicine at Harvard University, says, “The key to helping patients is to try and arrive together at a diagnosis. And the key to diagnosis is right in front of us: It lies in our patient and his or her *story*, not in a recipe that reduces a patient to a symptom or two.”¹ As organizations work to standardize customer service in order to become more efficient, they risk becoming less empathic. In pursuit of efficiency, we all have the tendency to stop listening to individual customers and just assume most have the same need.

As author Michael Bassey Johnson said, “A good listener is one who always pays attention, not to gain, but to learn.” So the skill we are focused on here is not only listening to hear, but also *listening to learn*.

Organizations pay a high price for not listening. According to author and consultant Dan Bobinski: “Millions of dollars are lost every day in organizations simply because of poor listening. . . . Poor listening leads to assumptions and misunderstandings. These lead to errors, ineffective decisions, and /or costly mistakes. On a personal level, poor listening leads to hurt feelings and a loss of team cohesion. This deteriorates trust and weakens communication even further.”²

SIS International Research (New York City) reports that 70 percent of small to mid-size businesses are losing money due to ineffective listening and communication. They estimate that a business with one hundred employees, for example, spends an average downtime of seventeen hours a week clarifying communication, which translates to an annual cost of more than \$500,000 each year.³

On a personal level, when we fail to listen, we not only miss the opportunity to show empathy and earn loyalty by connecting and learning from someone's story, but we also fail to fulfill what we at FranklinCovey teach is the greatest human need: to feel understood. With so much at stake, it's easy to see how listening to learn is vital to earning loyalty.

WHAT DOES “LISTENING TO LEARN” LOOK LIKE?

As we shared in Chapter 2, every customer has a hidden story. By making a genuine human connection and listening to learn, we uncover their story, which then allows us to feel and convey empathy.

You may be thinking, “We don’t have time to listen to every customer’s story,” and of course there’s some truth to that. But at Franklin-Covey we teach, “With people, fast is slow and slow is fast.” If we are sincerely interested in earning someone’s loyalty, it often pays to slow down just a little bit and listen to learn.

Of course, this requires the awareness of when to do it. Think of how many people wander around a business, much longer than they’d like, because they can’t find what they’re looking for—in this instance, shoelaces. Perhaps the customer is too timid to approach the customer-service person (ironically, because that person looks too busy to be of service). When the customer works up the gumption to ask his or her question, the customer-service person might look genuinely surprised and think, *Where do we keep shoelaces, anyway?*

But what if you, the empathic service person, see this customer wandering in a daze, and stop to ask: “Hello! What can I help you find?”

“Oh, I’m looking for shoelaces.”

“Great, let me show you where we keep them. What puts you in the market for shoelaces?” This might seem like a ridiculous thing to ask, but it actually gives you the opportunity to listen to learn.

“My child has broken his shoelaces—again—and has an important game this afternoon.”

You could introduce him to the new elastic laces you’ve just added to inventory. More important, during your short walk together over to the aisle with shoelaces, you could say: “Well, that’s exciting. You must be so proud of your son. What position does he play?”

“He’s a pitcher, but he hasn’t gotten much playing time lately. He hurt his arm last week.”

“I am so sorry to hear that. With a big game coming up, I am sure that is frustrating for him.”

This is the skill of *listening to learn*. When you do this, you learn more about the other person’s story, and doing so enables you to show empathy. Listening to learn is not just a mechanical skill. It’s the result of *really wanting* to learn, of *caring* enough about another person to connect and listen for a moment.

Of course, “Listen to the customer” is one of the most common clichés in business. Everybody knows we should listen to our customers. Often, however, we hear someone talk, but we react without learning what’s beneath their words.

Customer: “I’m looking for shoelaces.”

You: “Sure! Shoelaces are on Aisle 12.”

There. You listened. But you didn’t listen *to learn*.

Many of us think of ourselves as above-average listeners. We’ve learned how to listen in management training or in marriage counseling or by reading a brilliant business book. We’ve learned the skill of active listening, where we fully concentrate, focus intensely, and give facial and verbal cues as we process what is said. Active listening is an important and useful skill, but if our real intent isn’t to understand the other person, then it comes across as fake, and people see through it.

Listening to learn comes from a heartfelt desire to truly understand other people. The more we understand, the more we can help them; the more we help them, the more loyal they become. The mindset shift to empathy that we discussed in Chapter 2 will naturally drive the behavior of listening to learn, because we want to connect to understand another person’s story. The listening-to-learn behavior is rooted in the principle of empathy because it is about fully understanding and empathizing with the *story* of another. We define “story” as the person’s emotions, knowledge, experience, and point of view—the narrative behind the need. In Chapter 6, you’ll learn how we further bring needs to the surface by making sure the solution/outcome is *really* what the other person is seeking.

COUNTERFEIT LISTENING

Loyalty does not arise if we pretend to listen, or half-listen, while waiting for our turn to talk. It’s easy to spot when people aren’t listening to us. They talk over us, interrupt us, or simply dismiss what we’re saying. In customer service, any of these behaviors are just flat-out rude. But this is not what we mean by counterfeit listening.

Instead, counterfeit listening occurs when we pretend to listen, but other things are running through our head. We counterfeit listen when we are thinking about our response rather than trying to really understand; or when we assume we already know what another person is thinking and, therefore, don’t need to give our full attention when we are nodding and checking our phone screen at the same time or talking and texting simultaneously.

The word *phubbing* was coined in 2012 to describe the habit of snubbing someone in favor of using our mobile phone. James A.

Roberts, a marketing professor at Baylor University, conducted a study among 450 U.S. adults and found that 46 percent of respondents said their partners phubbed them, and 23 percent said it caused issues in their relationship. Truthfully, when we get busy and are under stress, counterfeit-listening behaviors, like phubbing, are easy to slip into.

WHY AREN'T WE LISTENING TO LEARN?

Christine Riordan made this observation:

Too often, leaders seek to take command, direct conversations, talk too much, or worry about what they will say next in defense or rebuttal. Additionally, leaders can react quickly, get distracted during a conversation, or fail to make the time to listen to others. Finally, leaders can be ineffective at listening if they are competitive; if they multitask, such as reading emails or text messages; or if they let their egos get in the way of listening to what others have to say.⁴

Riordan identifies three reasons why many people aren't listening to learn:

- We think listening isn't work.
- We're too distracted to listen.
- We let our ego get in the way.

WE THINK LISTENING ISN'T WORK

If the surveys are accurate, listening to learn is not a focus because: "It's too time-consuming, it isn't productive, I have more important things to do than to stand here listening to you." According to community building experts, we mistakenly think that "to listen is to retreat from productivity."⁵

Do we think that if we spend too much time listening to people, we're "wasting time" and we're not being "productive"? Well, maybe, if we only measure productivity by how busy we are. If we look at the metrics we're responsible for, "hours spent listening" is most likely not one of them. As long as we define productivity only by the numbers we track, then we will continue to be *insanely* busy, with an emphasis on *insane*.

If improving customer and employee loyalty is really important to us, then listening to learn may be some of the most important work we do.

WE'RE TOO DISTRACTED TO LISTEN

We are so sidetracked by mobile phones, tablets, and other tech devices that we fail to hear what's being said. When we consider all the pinging, dinging, and ringing paraphernalia in nearly any situation, it's not surprising that people complain they aren't heard. One researcher who has studied communication in a hospital setting notes this:

Patients ask why the doctors and nurses don't listen: "I've answered the same question five times, but they keep asking it." Nurses wonder why doctors and administrators don't listen, and doctors and administrators wonder how to get nurses to listen. We know it is important for patients and nurses to "speak up"—yet how can we ensure someone is listening?⁶

Certainly, it's tricky to balance all the things coming at us from many sources at once. We're talking to someone and the phone rings. What do we do? There's not one simple "right" answer to this—the circumstances vary, as do company policies and personal comfort. In making this judgment call, remember the mindset of empathy and the skill of making a genuine connection. A quick "Thank you for calling. May I please put you on hold while I assist another customer?" might strike a good balance. It's when the distraction becomes the focus that we're in trouble.

WE LET OUR EGO GET IN THE WAY

Paul Bennett is the senior creative officer of the famous innovation firm IDEO. When Paul became a manager, he said, "I assumed that the world was more interested in me than I was in it, so I spent most of my time talking, usually in a quite uninformed way, about whatever I thought, rushing to be clever, thinking about what I was going to say to someone rather than listening to what they were saying to me."

Dr. Lisa Sanders of Yale School of Medicine says, "Most patients have a story to tell . . . but the odds are overwhelming that the patient won't get much of an opportunity to tell that story. Doctors

frequently interrupt their patients before they get to tell their full story.” Research shows doctors listen on average about sixteen seconds before breaking in. Is this due to ego? Trying to be efficient? Because they’re overworked?

Dr. William Osler was a highly respected physician and is often referred to as “the father of modern medicine” because he was the first professor of medicine to insist that medical students leave the lecture room and talk to actual patients. He said, “It is much more important to know what kind of patient has the disease than to know what kind of disease the patient has.” What a wonderful sentiment that applies to all of us on our journey to increasing loyalty.

HOW DO WE LISTEN TO LEARN?

There are four things you can do to listen to learn:

- Stay silent until the person has finished talking.
- Listen with your ears, eyes, and heart.
- Don’t worry about how to answer—focus on understanding.
- Rephrase what was said and check for understanding.

STAY SILENT UNTIL THE PERSON HAS FINISHED TALKING

Sandy shares that his dad frequently advises family members to use their ears and mouth in the proportion with which they were given. Easy to say and hard to do, especially if emotion is building in the conversation. This could be anger, excitement, frustration, or delight. Keeping quiet until the other person has completely finished talking takes discipline. But it can be mastered with practice, and it goes a long way toward communicating to others that you genuinely care about their thoughts and feelings.

LISTEN WITH YOUR EARS, EYES, AND HEART

We’ve talked about the importance of the eyes in making a warm human connection. When we say “listen with your heart,” we mean you grasp the *feeling* as well as the *content* of what is said, and this behavior is rooted in empathy. The Chinese character for the verb “to listen” contains the symbols for the ears, the eyes, and the heart. If you listen only with the ears, you get content but you might not get feeling. If you also listen with the eyes and the heart, you will hear

what is said as well as how it is meant. Together, these symbols signify that to truly listen is to give undivided attention to the other person and arrive at true understanding.



FranklinCovey teaches: “When you really listen with a pure desire to understand, you’ll be amazed how fast people will open up. They want to open up, layer upon layer—it’s like peeling an onion.”

A friend of ours shared the experience of trying to get to Boston for an important meeting:

Caught in terrible traffic early one morning, I arrived at the gate, breathless, seconds after the door closed on my nonstop cross-country flight. It is, of course, airline policy that no one be admitted once the door is closed.

“Sorry, sir, the gate’s been closed.”

“But the plane is sitting right there. You just barely closed it. Please, can’t you give me a break? I’ve got to be in Boston this afternoon for a crucial meeting.”

“No, sir,” the uniformed shirt said with finality. “I’ve been calling your name for ten minutes. I can’t help it if you’re not here on time.” He was merciless, and I was desperate.

“When can you get me on a flight to Boston?” I anxiously asked.

“Not until eleven o’clock.” It was three hours away. “And you’ll have to connect through Chicago.” The situation kept getting worse. Wordlessly, he stared at his computer and finally got me set up for the next flight. As I walked away in misery to wait for three hours, I could have used a little

empathy. Instead, I heard the gate attendant shout coldly at me, “You just left your wallet here. Unless you want me to spend all your money, you probably ought to pick it up.” I walked back, picked up my wallet, and sat, exasperated, until the next flight took off.

When I arrived in Chicago, I realized my next flight was delayed due to deteriorating weather and it was, therefore, very unlikely that I would arrive in Boston in time for my meeting. I went to the airline’s help desk to see if there were any other options to get me to Boston for at least some of the meeting. I queued up for what seemed like ages. As I began to explain my situation to the help-desk person, he literally put his hand up in my face like a stop sign. “Can’t help you,” he said and then shrugged and turned to the next customer in line. I was sick about missing my meeting and frantically decided to try another airline.

At Airline 2, the help desk was staffed by a pleasant woman who listened to my story. “It sounds like you’ve had an awful morning. Let me see what I can do.” She checked her system and found that—alas!—there was no way to get me to Boston in time for the meeting.

“However, sir,” she said, brightening up, “our passenger lounge is right over there. Although we can’t get you physically to your meeting, we can set you up to attend it remotely. It’s quiet in the lounge, and we’re fully equipped to connect you to your colleagues in Boston.”

“Oh, I’m not a premium customer,” I interjected, thinking there was a misunderstanding.

“I know,” she said, smiling. “It’s our pleasure to help you connect to your meeting.”

She went even further. She canceled my original flight and booked me on a return trip for that night. I was able to participate in the meeting I couldn’t miss and then had a leisurely flight home.

The woman at Airline 2 could have blown our friend off just like the guys at Airline 1. She could have said, “There’s no way,” just as the others did and then turned her back on him. Instead, she chose to have empathy, to connect, and to listen. She listened with her ears, eyes, and heart. Only through taking a moment to listen was she able

to show some empathy and help our friend solve his problem. Think about what it cost her—a few minutes of her time? What would it cost you and your coworkers to practice this kind of empathy? You won't be surprised to learn that, since this experience, our friend has avoided Airline 1 and flies Airline 2 whenever possible. That one experience created a loyal customer. Certainly worth a few minutes to listen to learn about a situation.

DON'T WORRY ABOUT HOW TO ANSWER— FOCUS ON UNDERSTANDING

So much of the advice one receives on how to listen includes keeping quiet and focusing on understanding the other person. Of course, this is great counsel, particularly when we're having a hard time opening lines of communication. In building customer loyalty, we also want to get others to talk, because that's the only way we can learn their hidden stories. Whether it's their social conditioning, shyness, time pressure, or distraction, customers don't often chatter during simple transactions. Imagine a transaction where the standard "Did you find everything you were looking for?" was answered with "No. I'm looking for a better life. I'm looking for happiness. I'm looking for that spark I lost years ago." OK, so maybe that's a little extreme, but we actually do want a true response from our customer.

According to the prominent psychiatrist Dr. Mark Goulston, an expert on listening, active listening is more about getting people to talk than about staying silent:

I had this assumption that it was all about reining in your own feelings and any distractions so you could be fully present. But actually [it's about] getting other people to talk, to share the information with you that maybe is in their head but that they just weren't disclosing before. . . . The key is helping them to talk about what's most important, critical, and urgent to them.⁷

We love this formula: "What is most important, critical, and urgent to a person?" If we can find that out, we can truly meet our customers' needs.

So how do we create opportunities for people to talk? It's usually pretty simple. Ask them a question. In fact, asking the right question will not only spark conversation, it will allow us to listen to learn.

There are three categories of questions we can use to spark conversations with our customers: simple, open, and burning questions.

Ask simple, friendly questions. “What’s the occasion?” “What are you thinking of doing with this [product]?” “What are you working on?” Or just plain old “What’s going on?” Make the question as easy and sincere as you can in order to get the story.

Ask open questions, not closed or yes/no questions. If you ask yes/no questions, that’s all you’ll get: yes or no. “Did you find what you were looking for?” is a yes/no question. It doesn’t invite conversation, unless the answer is no—and it rarely is. Don’t ask, “Got a project going?” That’s a yes/no. Instead, ask, “What kind of project are you doing?” Now you’re into a conversation.

Ask burning questions. Burning questions are those that are likely to be important, critical, and urgent. For example, “What problem are you trying to solve?” “What are you hoping to accomplish?” “What’s the biggest challenge you’re having with your deck?” “Could you share a few more of your thoughts about this?” “Here’s what I suggest. What do you think?”

Once we ask questions, we’ll need to see the conversation through. Asking a throwaway question when we don’t care about the answer will decrease customer loyalty, rather than build it. Serving customers isn’t about making idle conversation. Customers typically don’t want idle chitchat. But they deeply appreciate our willingness to listen to show empathy.

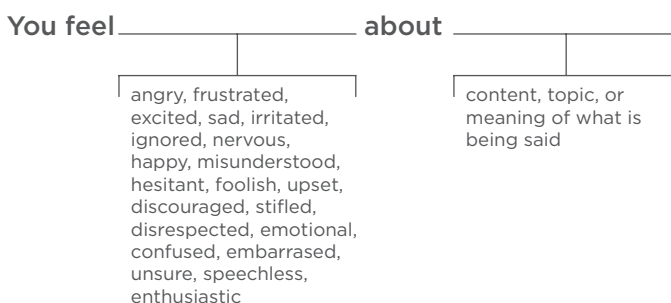
REPHRASE WHAT WAS SAID AND CHECK FOR UNDERSTANDING

We want to get people talking. And once we open the conversation, it makes no sense to shut it down after a few seconds. We’re listening to learn, so instead of imposing a solution on the person right away, continue the conversation through *Empathic Listening*. Empathic Listening is the skill of reflecting both the content of the person’s concern and the feeling he or she has about it. This process has the incredible ability to uncover what’s really on someone’s mind, and it’s also a critical skill when there’s emotion in the conversation.

Reflecting what the other person says in your own words will give insight into both feelings and content of what’s being said. A customer could come to you angry or excited about a purchase. A colleague could come to you frightened or enthusiastic about an upcoming change in the business. Observe how they feel, really listen

to what they are saying. Then, reflect what they've said in your own words. You might choose to reflect only the emotion, or only the content, of what they've said, or you might reflect both. One example of Empathic Listening is illustrated below:

EMPATHIC LISTENING RESPONSES



Let's play this out in an example: A customer has just purchased an item from you, and the next day it goes on sale for 50 percent off. She's livid. "I could have gotten this for half price if I'd waited a few hours. You must have known it was going on sale. This is ridiculous!"

Getting defensive and quoting policy at her won't create loyalty. Instead, say, "You're frustrated that you didn't get the sale price." Now, that response may sound strange at first, but it validates the customer. It signals to her that we understand where she's coming from and that we're not going to discredit the way she feels. Also, it keeps her talking until the problem is disclosed and the emotion abates. Finally, it relieves our own anxiety if we recognize and validate, instead of drawing a battle line we have to defend. Further, we're not thinking about what we're going to say in response; we're only focused on understanding her.

From there, how you resolve the concern is determined by any number of factors—policy, timing, circumstance, and so on—but solving the problem is secondary to understanding through the skill of Empathic Listening.

We might be hesitant to enter a conversation with an associate or a customer because we are uncertain where the conversation will go. Is this customer going to dump details of his or her divorce on me?

Will my colleague bring up yet another problem? Will the person in front of me ask me a question I have no clue how to answer? With regard to loyalty, the richer the conversation, the more loyalty is built. Instead of worrying about the potential outcome, just ask the question and see where it goes.

Listening gets inside other people's frame of reference. We look out through it, we see the world the way they see the world, we understand their paradigm, we understand how they feel. If our goal is to build and maintain loyalty, we must empathize, connect, and listen to learn the concerns or needs of others. The skill of listening to learn allows us to gain rich information about our customers and team members. We're better able to help them and increase the trust in our relationships.

LEADER APPLICATION— THE PRACTICE OF LISTENING TO LEARN

Employee surveys are full of feedback like this:

- “No one seems to know what’s going on.”
- “Nobody listens to me.”
- “Our leaders only pretend to listen. They’ve already decided what to do.”
- “I have no idea what my manager is thinking.”

As leaders in our own organization and consultants to others, we've never encountered an organization where people say: “Oh, communication? Yeah, we've got that nailed. We're already brilliant at that.” In fact, 91 percent of employees say their bosses don't listen to them.⁸ The impact of not listening is massive—not only in terms of culture, employee loyalty, and employee engagement, but there's a price we pay in innovation, collaboration, and problem solving when our people talk and we don't hear them.

Being a leader is a unique experience. The executive team looks to you to solve problems. Your team looks to you for answers. We're paid to get the job done, and there's an assumption that we have all the answers. So it's easy to default into *telling* rather than *listening*. But listening, as we've discussed in this chapter, is the key to understanding our employees and customers and an essential step to earning their loyalty.



HUDDLE 4—LISTEN TO LEARN THE HIDDEN STORY

Listen to understand people without worrying or thinking about how to answer.

1. **CELEBRATE**

Celebrate someone who made a genuine connection with a customer.

2. **LEARN**

Discuss the following questions:

- a. What are we really trying to learn by listening?
- b. Which of the “Listen to Learn” guidelines do we need to improve on?
- c. What does it mean to “listen with our ears, eyes, and heart”?
- d. How do we check for understanding without solving the problem?

3. **COMMIT**

Listen to learn a customer’s hidden story.

4. **SCHEDULE FOLLOW-UP**

Huddle 5 date/time? Who will lead?

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