



## **Engaging employees the John Lewis way**

By Jennifer Kirkby, consulting editor, MyCustomer.com

“Engaged employees produce better results” is actually a tautology. Yet many studies reveal staff are just as likely to recommend the company down the road as give customers a reason to return. Measuring, training and rewarding can all be effective tools, but there is a complementary approach – making customer-facing employees the voice of the customer.

Employee engagement is “a heightened emotional and intellectual connection with a job, organisation, manager and co-workers, and the influences that connection brings to apply intelligence to their work.” PwC Saratoga, after analysis of its global HR benchmarking database

### **A day in the life of the widget company**

Many organisations make the mistake of asking customers what they want. Well, how does the customer know? “Errrrmmm, I’d like that widget in pink and tuned into Radio Mars please.” But the alternative of leaving it to the ‘product design manager’ doesn’t work either – he only ends up demanding research on what the customers want.

Meanwhile, over at HR central, the latest employee satisfaction/engagement survey is showing that front line employees are concerned about a lack of two way communication, and a ‘them and us’ attitude by managers. Although job roles are clear, customer service is seen to have a high priority and only 7% rate it a poor place to work.

In the traditional, unconnected organisation, these issues might well remain unconnected. But in fact, the answer to both is the same – engage front line staff by asking them to be the voice of the customer, and involve them in product and service design. Set them free from the chains of transactional measures, and recognise their importance as insight workers, for not only do they understand what customers want – after all they deal with them day to day – but they also understand what the solutions are, because they know your business.

When your employees are used in this way, customer service moves from the end of the ‘make and sell’ process into the heart of the customer proposition design – and lo, sales through service enters the corporate DNA.

It may be very true that senior managers are out of touch with customer needs, but it is highly unlikely that your front line staff are!

### **Customers want solutions**



In fact, some organisations are now spending more time involving front line staff in the design of customer value propositions, than they do in research with customers, even though that may seem like sacrilege.

Their reasoning is that they need to differentiate on customer experience, so front line employees (including key account manager, mobile telephone sales people and call centre customer care agents) need to provide 'personal' customer solutions (see [Seven ways to improve customer value](http://www.mycustomer.com/item/130777)).

This takes a higher level of employee discretion and knowledge and could be costly if employees are not engaged with and 'networked' into the whole organisation. "When such employees are 'hooked into' the rest of the organisation through co-creation they are more able to see beyond the immediate request for a product or service, understand what the customer is trying to achieve, provide proactive advice and ascertain opportunities," says Steven Perry, author of *Sense and Respond: The Journey to Customer Purpose*.

Another important reason for involving employees in CVP development is the fundamental change in customer interaction, from mass marketing research and communication techniques to knowledge sharing and conversations as the modus operandi (see [Is there value in socialising with customers?](http://www.mycustomer.com/item/133636)). This means that, according to the 2000 Cluetrain manifesto for forward thinking business, organisations have to connect internal conversations to external conversations. And a key crossing point is the employees having the day to day conversations with customers.

Customers want to know that the views they give front line staff are taken into consideration by the whole organisation – why do they only get heard if they fill in a feedback form for the research department or write a complaint to the managing director?

### **The John Lewis way**

If tailoring service to customers and joining up conversations is not sufficient a case. The Lean Movement also advocates involving customer facing staff in service design. Between 40 and 90% of staff time is now wasted on unproductive tasks, they say. By turning service staff into 'management consultants' this can be eliminated and replaced with more value producing work.

Two organisations who have understood the value of their 'insight workers' are John Lewis and Haringey Council.

In January 2008, *Which?* published a consumer report on service in 77 retail organisations. Number one was Waitrose, despite its acknowledged high prices, followed by its brother John Lewis. Others in the top ten included Marks & Spencer, Waterstone's and Lidi, and a number of small independent stores. *Which?* concluded from the survey of 11,000 customers that "people would pay more in return for better



service”, but the more interesting fact was that that John Lewis had managed the feat of a large organisation giving the much vaunted ‘corner shop experience’.

Going behind the scenes to find out how they did it, I discovered that this result had been a few years in the maturing. “It started in 1998,” says Andrew McMillan, former manager of customer service. “Research told us that by leaving customers to browse - which is what we thought they wanted - they saw us as aloof and unfriendly. So we set up a ‘Selling through Service’ programme.

“The programme aim was to build up longer term relationship with our customers, and to do that we wanted to make sure they bought the products that would suit them best. Customers know what they are trying to do, but rarely know the right product for them. We saw that as our opportunity for added value service that would differentiate us. So when someone hot foots to our electrical department for the latest wafer thin £2,000 Apple laptop, we take time to talk with them about their needs. Often a £700 HP suits them just as well. We may have lost £1,300 in the short-term, but we’ve gained a customer and his recommendations.”

### **The ABC process**

“The core of our programme is our ABC process – Acknowledge the customer, Build the relationship through conversation, Close the sale through listening and questions,” continues McMillan. “It took us five years to complete the enormous culture change and get our partners (the John Lewis staff) to be proficient in ‘acknowledging’ – putting over the message ‘I’m here if you need me’. Then we launched into B and C. This entailed getting groups of around six outstanding partners together to come up with ideas for building and closing.

“We had around eight groups in different regions. I came from the shop floor and though I knew the answers, but these guys just showed me how much things had changed – Sunday trading for example. It was humbling to realise that they knew better. The richness of information that came out from the partners working together was so much greater than my frequent chats with them on the shop floor.”

“With that information, we put together a strategy and implemented it through a cascade run by the shop floor partners. We in head office supported them with materials, e.g. DVS’s that repeated stories from the initial groups. The cascade started with five handpicked shop floor partners going to every store in their region and briefing all the managers in their own way. Then each department head had to brief their staff again in their own way with the support of one of the five. We discovered in this process that it wasn’t a staff communication programme but a lesson in leadership. Each person upstream in the cascade supported the next partner.”

“The actions came from them, the stories came from them and they knew then the results belonged to them. Performance was measured in a mystery shopper programme. The mystery shoppers themselves were ex John Lewis shop floor



partners, and were intimately involved in both designing the measures and the research.”

Andrew is rightly proud of the achievement. What John Lewis had done was linked conversations, from the customer up through the organisation, and then down through the partners and back to the customers. All the partners involved remained in their shop floor roles. The five briefing partners spend two days a week on that and three days serving customers. Andrew admits that ‘task’ focussed managers found this method harder than managers with predominant ‘feeling’ skills. But nonetheless, the partner co-creation process is now the John Lewis way of never being undersold.

### **WOW’s for Haringey Council**

In 2007, Haringey Council won the WOW class at the UK’s National Customer Service Awards, beating, amongst others, Legoland and Ladbrokes.

Chris McLean, corporate customer focus manager, says: “The WOW! awards are a way of banging the customer drum within the organisation. Haringey was the first local authority in the UK to subscribe to them – with phenomenal success. The pilot achieved a 9,000% increase in positive customer feedback.” (See <http://www.mycustomer.com/item/132347>>WOW! Have you seen what the Brits are doing?</a>)

To achieve this level of customer satisfaction, Haringey put front line staff at the centre of the improvement programme. “On the 12 May 2008 we are going to launch a revised customer charter,” says McLean. “This has been put together by a small task group of front line staff chosen from our Customer Focus Network – a loose community of self-selected customer champions.

“The Network was consulted as to what customer service improvements they thought top priority and volunteers sought to start work on the most important. Their first priority was the Customer Charter, a list of pledges setting out what we can and can’t do for our customers in a way that is helpful and meaningful to them, whilst being inspirational for staff. The Charter was put together by staff who interact with our customers every day, then we consulted with our customers during National Customer Services Week. The feedback was overwhelmingly positive – and praise given for our innovative approach. We don’t give targets like ‘we will meet such and such 80% of the time’ – but aim for a meaningful ethos like ‘getting it right, first time’.

“The Customer Focus Network is open to all council staff and has been slowly gathering momentum over the last couple of years. The only entrance criterion is that they have to be passionate about providing great customer service. The intention is for it to operate at four levels – staff can dip in and out depending on how busy they are and their current work interests. At the bottom level they receive a bimonthly electronic newsletter of good customer focus practice from inside and outside the authority; much of the content comes directly from front line staff. At the top level they can take part in tasks groups as per the one for the Customer Charter. The



middling two levels I haven't yet had the time to bring into play – but there will be meetings with the agenda set by members to discuss good practice and problem solve.”

McLean says that other priorities identified by the Network were for an ‘internal customer character’, a customer email strategy, and the development of voluntary roles for staff who live in the borough.

The public sector has always been very good at consultation, but less able to deliver results. Putting front line staff at the heart of developments has increased its strength and overcome its weaknesses.

### **Bottom line**

Staff are expensive; technology less so. Many organisations are starting to realise the benefits of driving customer transactions to self-service and self-help forums. That means your front line staff can be released to deliver customer insight into the heart of the organisation, and by involving them in this way the level of both innovation and customer solutions should increase sales through service.