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APPA THOUGHT LEADERS SERIES

REMAKING THE FACILITIES ORGANIZATION

PART 1



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APPA is the association of choice serving educational facilities professionals and their institutions. APPA's mission is to support excellence with quality leadership and professional management through education, research, and recognition. APPA's **Center for Facilities Research (CFaR)** engages in a deliberate search for knowledge critical to educational facilities management and to policy making in education. CFaR encourages the study of the learning environment, appropriate management strategies, and their impact on education.

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Section I: *Executive Summary*

Why remake the higher education facilities organization?

The theme of the 2016 APPA Thought Leaders symposium was “Remaking the Facilities Management Organization.” This immediately raises two questions: Why should the organization be remade? What should it look like at the end of its transformation?

The answer to the first question is rooted in the challenges facing all higher education institutions—challenges of rising costs and declining state support, of soaring student debt and sinking budgets. These challenges are well-known to all in higher education. Less understood is another challenge: **The culture in which many staff and administrators operate lacks focus.** Staff go about their jobs, with many performing their work well, but as a unit they are not striving together toward a single goal.

The result? Missed opportunities to **create exceptional experiences** for students, parents, faculty, and other customers of the institution. Missed opportunities to drive excellent delivery of service consistently and with disciplined execution.

An exceptional experience for higher education customers means that every time individuals step on campus or interact with a member of the staff, they are made to feel welcome, respected, treated with consideration, and leave believing they were heard and that their needs were given top priority. When customers have these sorts of experiences, their sense of appreciation and loyalty soars, thereby, becoming advocates for the institution—devoted alumni, dedicated community promoters, and enthusiastic donors.

To answer the second question, the remade facilities

management organization should possess a **culture dedicated to the mission of the institution and committed to creating exceptional customer experiences, driven to effectively deliver excellence consistently over time.**

The culture is critical. Customer loyalty doesn’t develop by accident. It is the deliberate result of a strong organizational culture. Facilities organizations can build on this culture to craft policies and implement systems that enhance the customer experience through effective delivery systems. At the same time, they can reap the benefits of engaged employees and streamlined processes.

Moving toward an engaged, committed facilities organizational culture

This report, which draws on the discussions of higher education leaders at the Thought Leaders symposium as well as the views of industry experts in customer service, begins by **examining the characteristics of the best—and the worst—customer service organizations.** The first section of the report pulls back the curtain to examine the inner operations of organizations that routinely produce exceptional customer experiences. By the section’s conclusion, we come to understand the essential traits of excellent customer service organizations: a culture and leadership that prioritize the customer experience, policies and processes that promote customer service, and employees who demonstrate commitment and a passion for excellence.

The report continues by making the case for a customer-centric higher education facilities organization. Experts provide their insights on how a focus on the customer provides a framework for driving change. The benefits of a customer-centric focus detailed in this section include **empowered employees, better alignment between the mission of the facilities organization and**

the mission of the institution, and improved stewardship of campus systems and resources.

The final substantive section of the report examines in detail how a customer-centric focus can be applied to the **four major responsibilities of educational facilities organizations**: 1) general administration and management; 2) operations and maintenance; 3) energy and utilities; and 4) facilities planning, design, and construction. This section defines goals within each of

these areas and suggests strategies for facilities leaders to achieve these goals.

Throughout the report, we have included “Questions for Reflection,” which provide opportunities for you to pause and consider how the information in this report applies to your organization. We encourage you to use these questions as points of departure where you can engage others in your institution in thoughtful debate about **the value of the customer experience in your organization and how that experience could be improved.**

Section 2: Introduction

I called a computer printer company's customer service about my new printer that wouldn't interface with my computer, even though the company swore it would easily work. After hours of being on hold and being told that I had obviously done something wrong or just couldn't understand, the rep told me, "Yeah, really not my problem, lady."

– Quoted from Kate Nasser, "The 25 Worst Customer Service Stories to Train the Best CSRs," *The Smart SenseAbilities Blog*, www.KateNasser.com.

There's something irresistible about a **terrible customer experience**. We have all endured inferior service at some point in our lives, and we immediately identify with the fury that comes when those who are supposed to help us actually make our lives more difficult. In fact, the emotional impact of these experiences can last a lifetime.

On the other side of the coin, none of us wants to acknowledge that sometimes we've been guilty of providing poor customer service. It is likely that even the most talented waitresses and IT techs, the most proficient cab drivers and receptionists, and the most qualified engineers and accountants have had bad days and took it out on customers—intentionally or not. What's particularly painful for those of us in higher education is the realization that even we, representing the colleges and universities of the United States, Canada, and Mexico have sometimes been **guilty of disappointing those we are supposed to help**.

That stings. We are supposed to nurture our communities, guide our students, and support our faculty and fellow staff. Yet, we can all remember an occasion when we as a community were less than helpful. We can all come up with reasons (or excuses): too many pressures, too much bureaucracy, not enough money, not enough time. The fact remains that we have not always followed

the Golden Rule and treated others the way we would like to be treated.

Below campus, the transit authority was putting in a new light-rail line. They were digging a tunnel, and that meant they were disturbing things, and that brought up some rodents. One day, a professor walks into a classroom where he is about to do a lecture, and there's a large dead rat on the floor. So he calls the facilities department. A guy shows up in a hazmat suit. He carefully puts hazard tape around the dead rat, and then he leaves. Just leaves it there.

– A 2016 APPA Thought Leaders symposium participant

The **pressure on higher education** to provide an exceptional experience is greater now than ever before. The competition between colleges and universities is too fierce for institutions to ignore how they treat students and their families. Similarly, the competition between academic programs for top-notch teachers and researchers is too keen for institutions to ignore how they treat faculty. Scrutiny from government agencies has never been more intense, and today's students approach colleges and universities with a consumer mind-set.

But the problem goes deeper. Higher education cannot continue to operate as it has. Costs continue to rise, while state revenue declines. Many local campuses do not control their tuition revenue. Some boards have implemented tuition freezes, while other institutions raise tuition to maintain quality, but this pushes the cost onto students. Students can no longer afford the increases, and although tuition discounting and financial aid reduce the real "sticker" price students pay, the level of student debt still soars, and tuition discounting rates cannot drop much further. The **situation is nearly unsustainable**.

The challenge to each institution depends on multiple factors: public versus private, large versus small, urban versus rural. A small private institution with a historic campus confronts issues quite different from those faced by a large land-grant university or urban community college. But while the specifics of the challenge are unique to each campus, overall trends hold across the industry.

The challenges push us to do better.

We who pursue the day-to-day work of running a college or university have to act now in whatever ways we can to make higher education a viable, valuable long-term proposition. That includes maintaining and enhancing our facilities. Higher education facilities organizations must act as **responsible stewards** of the buildings and grounds in their charge while seeking to ensure the long-term stability and preservation of the institution. In other words, we need to do better with as little money as possible. They've already shown themselves capable of meeting the challenge. Despite the financial impact of the recession and the simultaneous surge in enrollment, despite budgets that have remained flat even as the recession waned, and despite the challenges of maintenance backlogs, aging buildings, and changing pedagogies, facilities organizations have kept the lights on and the doors open. Very few institutions have had an interruption in programs or services because buildings failed. That is commendable in and of itself.

Facilities staff are **creative, innovative, and hard-working professionals**. Leaders have invested their budget dollars in data systems that allow them to manage their resources better. They've fought hard for preventive maintenance programs that extend the lifecycles of systems. They've found ways to stretch their staff and to control costs.

And we must do even more.

I was trying to get some information from the local cable company about my bill. I couldn't understand the different groupings of channels which had no explanation, just names like Extended Package. She couldn't explain it and kept naming the same channels in different groupings. I said, very politely, "I don't understand your explanation; is there someone else who can explain it to me so I will understand it?" She replied, "You're stupid." Then she hung up.

— *Quoted from Kate Nasser, "The 25 Worst Customer Service Stories to Train the Best CSRs," The Smart SenseAbilities Blog, www.KateNasser.com.*

Participants at the 2016 APPA Thought Leaders symposium believe higher education facilities organizations can do more. They can deliver an exceptional customer experience by engaging their staff and remaking their organization. They can create a culture of commitment to the purpose of the institution, one in which a focus on the customer and institutional mission drives decisions.

A tall order? Certainly. But not an impossible one, given a dedication to hard work, focused leadership, a systems approach to processes—with appropriate enabling tools—and training-enabled employee empowerment. Higher education facilities organizations are replete with fantastic individuals who step up and change the lives of their customers entirely on their own initiative. Organizations can and do **create cultures** in which the customer experience is prioritized. According to experts consulted for this report, outstanding service organizations create offerings, funding strategies, systems, and cultures that set their people up to excel *casually*.

Remaking the facilities organization with a focus on the customer experience will require institutions to look carefully at the culture they have created, since that's where the customer experience begins. Experts warn that starting with a list of customer service strategies is a short-term fix that almost inevitably fails. "I cringe when I hear an organization say this year they're going to put a new emphasis on customer service," expert Robert Spector, author of *The Nordstrom Way to Customer Service Excellence: The Handbook for Becoming the "Nordstrom" of*

Your Industry,” told APPA. “That’s like being in a relationship and saying, ‘This year I’m going to put a new emphasis on loving my partner.’”

Customer service shouldn’t be the next new management fad, the “flavor of the month,” Spector insisted. “Customer service is not a strategy. **It’s a way of life**,” he said.

Focusing on the customer shouldn’t be a program—it should be a culture shift. The good news about remaking your entire culture? The benefits extend **far beyond customer satisfaction survey results**. Facilities organizations with a customer-centric culture benefit in many ways, including streamlined processes, empowered and engaged staff, improved stewardship of campus resources, and loyal, enthusiastic customers who raise the status of the facilities organization on campus.

A woman’s 89-year-old grandfather got snowed in a couple years ago and didn’t have much in the house for meals. His daughter called several markets in the area to see if any of them had grocery delivery services, but the only one that said they did was Trader Joe’s. They don’t, actually, but were willing to help out this World War II vet. As the man’s daughter placed an order, the Trader Joe’s representative on the phone recommended other items that would be good for her dad’s low-sodium diet. An up-sell, you may be asking? Nope. They didn’t charge her a dime for the delivery or the groceries.

– Stacy Conradt, “11 of the Best Customer Service Stories Ever,” *mentalfloss.com*, December 15, 2015.

For the 2016 APPA Thought Leaders symposium, experts in customer service joined senior facilities officers as well as leaders in academics, finance, human resources, hospitality, and student affairs to analyze how the customer experience, both good and bad, drives customer loyalty. Participants sought to **identify the drivers behind customer service excellence**—to pull back the curtain and see what goes on behind the scenes at an exceptional customer-centric organization.

Participants then focused on the challenges facing colleges and universities and discussed the benefits a customer focus brings facilities organizations. Finally, the group examined the four core competencies of the facilities organization. They developed specific goals for **improving the customer experience and remaking the culture** in general administration and management; operations and maintenance; energy and utilities; and facilities planning, design, and construction.

The purpose of this report is both to inform readers and to prompt discussion on campuses. Senior facilities officers rely on the annual Thought Leader publications to generate new ideas about the built environment and institutional alignment. We encourage you to share this report widely across your institution and to discuss it within your department. We hope it sparks new ideas about remaking your organization to meet the challenges of higher education in the 21st century and encourages you to **create a culture that is customer-centric and engages your employees to deliver the exceptional**.

Author and business consultant Peter Shankman was getting ready to board a flight that was the last leg of a long day of traveling. It just happened to occur over dinnertime, and he knew he would be starving when he deplaned and headed home. So he tweeted, “Hey, @Mortons—can you meet me at Newark Airport with a porterhouse when I land in two hours? K, thanks. :)” Then he turned off his phone. Shankman said later, “Let’s understand: I was joking. I had absolutely no expectations of anything from that tweet. It’s like how we tweet, ‘Dear Winter, please stop, love Peter,’ or something similar.” Imagine Shankman’s surprise when he got off the plane to find a tuxedoed gentleman holding a bag that contained a 24 oz. Morton’s porterhouse, shrimp, potatoes, bread, napkins and silverware. Shankman noted that the tweet had to be noticed by Morton’s, someone had to get approval for the idea, a cook had to make his food, the food had to be driven 23.5 miles to the airport, and someone had to track down his flight information and figure out where he was landing to meet him at the right location. All while his stomach was grumbling on a 2.5-hour flight.

– Adapted from Stacy Conradt, “11 of the Best Customer Service Stories Ever,” *mentalfloss.com*, December 15, 2015; and Peter Shankman, “The Greatest Customer Service Story Ever Told, Starring Morton’s Steakhouse,” *shankman.com*, August 17, 2011.

Here’s the thing about great customer service: It doesn’t have to be as flashy as a guy showing up in a tuxedo and carrying a porterhouse steak, although that is impressive. It can be a genuine smile and a sincere thank-you. Great customer service can take the form of a supervisor listening to someone who just needs to be heard or a colleague

refilling a glass of iced tea on a hot day or a warm cup of coffee on a cold one. It can be a groundskeeper who takes pride in the roses or a custodian who makes the bathrooms smell fresh.

One participant at the Thought Leaders symposium told a story about the law school on his campus. The school has a tradition where the graduating class nominates an honorary class member who has made a significant difference in the lives of students. This individual is recognized at graduation and receives the same class ring as the students. Usually, the award goes to one of the law school professors. But one year, the class honored someone out of the ordinary: one of the custodians. The woman cleaned the law building, and she was a warm and welcoming presence to hard-working students. She had become “kind of the class mom,” the participant said. And at the end of the year, they recognized her for her contribution to the class.

That custodian took pride in her work, was empathetic, and was committed to these students and this institution. Undoubtedly, there are many more facilities professionals just like her going about their business in facilities departments across North America, delivering exceptional customer experiences every day. However, most don’t receive these sorts of accolades at the law school graduation. Yet they make an impact on the lives of students, faculty, administrators, and our campus communities.

Find those people within your organization. Nurture them. They are the flash point for transformation that will remake the facilities organization and create a culture of commitment and engagement that will withstand the challenges faced by higher education in the 21st century.

Section 3:

Understanding the Characteristics of the Best—and the Worst—Customer Service Organizations

Most of us immediately recognize excellent customer service when we experience it, but few of us spend enough time thinking about what goes into that experience. In fact, superior customer service doesn't happen by accident. It's the product of strategic decision making, smart policies, and targeted training by organizations that have discovered how to transform their cultures.

Senior facilities officers at higher education institutions must be part of the strategic thinking process that leads to decisions and policies that result in superior customer service. It's not enough to tell higher education facilities organizations that they must improve their customer service. Instead, senior facilities officers need a clear understanding of the elements of both good and bad customer service so they can implement the training, practices, and cultural changes that will create and reinforce service excellence and drive customer loyalty.

With this goal in mind, participants at the Thought Leaders symposium approached the concept of customer service from multiple angles. They drew on examples from their own experiences and from those of leaders in other industries. Then, they sorted through the stories and experiences for key lessons—lessons that were then validated with input from customer service experts. The result was a productive crash course in creating (and re-creating) exceptional customer experiences.

Bad customer experiences: Lessons learned from failure

Every consumer has endured bad customer service—service that annoys, offends, inconveniences, or even harms customers. Such experiences may be painful, but they are also instructive. That's why participants at the Thought Leaders symposium began their examination of improving higher education facilities organizations by analyzing

customer service failures. They looked at what goes wrong to understand what *should* go right.

What emerged from the discussion were four main characteristics of poor customer service:

1. Ineffective communication—both internally and externally.

When different departments and individuals within a company aren't communicating, it's the customer who suffers. One symposium participant told the story of trying to set up satellite TV service and getting different prices from different people in the company; what's more, he was accused of lying when he insisted on the price he had been assured he would get. Communication can also break down between customers and organizations, leaving customers feeling betrayed. For example, when an airline changed its policies without informing one Thought Leaders participant, he was left without recourse—and felt betrayed. "I told them I had been a loyal customer for 10 years, and their response was, basically, 'So?'"

Questions for Reflection:

How do you communicate with customers?

Who is responsible for customer communications?

How do you assess the effectiveness of your communications?

2. Rigid, inflexible policies.

Every organization needs rules and regulations to guide employees' actions, but some people get trapped by policies that just get in the way. This was the experience of

a symposium participant who was the victim of identity theft involving the U.S. Internal Revenue Service. Resolving the problem took months, and every path to a solution seemed blocked. “It was like being stuck in a black hole,” said the participant. “It was a nightmare—I felt so helpless.”

Questions for Reflection:

Do your employees understand the purpose of your policies?

How much do you empower your employees to interpret your policies to solve customer problems?

Data Point:

The importance of flexibility

How strict policies ruin the customer experience

How do you feel when you see a sign that reads “Absolutely No Returns”? When I see it, I take my business elsewhere. The sign tells me the company is inflexible and unwilling to take the time and energy to listen to my complaints.

I once exchanged a printer at an office supply company, only to find that it used different ink cartridges from the ones I’d bought for the previous model. I called and asked if I could return my unused cartridges. I was told I could, but when I got to the store, they said I could have only a store credit or a gift card. No cash. No credit card refund. Why? Because that’s their policy. And why is it their policy? The person at the desk had no idea, and that’s exactly my point. The shortsighted folks at corporate headquarters hadn’t given her the flexibility to stray from their rigid policy—even when it meant potentially losing a customer. They didn’t even give her the information to explain why she couldn’t.

— Lee Cockerell, *The Customer Rules: The 39 Essential Rules for Delivering Sensational Service* (New York: Crown Business, 2013).

3. Lack of a customer service culture.

Some organizations seem not to put a high value on the customer’s experience—and it shows. A straightforward purchase of an armchair dragged one Thought Leaders participant into a confusing and chaotic mess: weeks without communication, delivery trucks arriving at nine o’clock at night without warning, employees unable to communicate in the customer’s language, and phone calls unanswered by the original store. “The entire process was broken,” said the customer.

Questions for Reflection:

Are there processes in your organization that you know need fixing?

What is getting in the way of acting to improve those processes?

4. Lack of empathy, compassion, or concern.

When the family of one Thought Leaders participant gathered for a reunion, their enjoyment was cut short when one family member suffered a back injury and could hardly move. Being strangers to the city, all they could do was ask the hotel staff for help, but it seems the staff couldn’t care less. “We had no idea where to go for help, short of calling 911,” said the participant. “And no one at the hotel seemed to care. It wasn’t their problem.” What bothered the family the most, he said, was the lack of basic empathy for someone in pain.

Questions for Reflection:

Do your employees care about their customers? How do you know?

Excellent customer experiences: Principles of success

For most symposium participants, it was easy to bring to mind negative customer service experiences and much harder to recall positive ones. (This is a lesson in itself: Customers are more likely to recall bad experiences than good ones.) However, digging into the details of positive experiences can shed light on how organizations successfully satisfy their customers.

Participants identified three main characteristics of excellent customer service organizations:

1. The organization's culture and leadership prioritize the customer experience.

Some organizations have a well-earned reputation for prioritizing customer experiences. Nordstrom, for example, has remained successful by making its brand synonymous with customer service excellence. One participant at the Thought Leaders symposium experienced that excellence for herself when the store tracked down a dress that she had seen in a magazine. Nordstrom had sold out of the dress, but the sales staff located it from a competitor, bought it for full price, sold it to the participant for the Nordstrom sale price, and sent it straight to her door. "They've really got the customer service thing down," said the participant.

This sort of excellence only comes when companies build customer service into their entire operating culture. The importance of delighting the customer is emphasized at every level at Nordstrom, reinforced in training, and commended in company communications. So ingrained is the concept that when two customers showed up at a distribution center in Iowa, mistaking the center for a store, the staff welcomed them, sat them down at a computer with the Nordstrom website, and encouraged them to pick out what they wanted so it could be retrieved from the warehouse. "Those employees easily could have said, 'That's not our job. Good luck, go on your way,'" customer service expert Robert Spector told APPA. Spector, the author of *The Nordstrom Way*, has studied Nordstrom's methods for decades. Distribution center staff never interact with customers—their job is to ship merchandise around the country. But so deep is the commitment to service at the company that the distribution center staff found a way to satisfy their customers' needs.

Questions for Reflection:

Does your organization have a stated goal to make the customer happy, within the financial constraints that all organizations have? Could you make this a goal?

Data Point:

Questions raised by bad service

Why is service so bad?

Good service is still, for the most part, rare. In our experience as economic actors, in industry across industry, we're increasingly frustrated and disappointed. Customers, employees, owners—no one wants to deliver bad service, and no one wants to endure it. But that's the experience we continue to inflict on each other.

Why is that? . . . Why is service so hard to get right, despite the fact that we're wired for it?

Here's what we've learned: Uncommon service is not born from attitude and effort, but from design choices made in the very blueprints of a business model. It's easy to throw service into a mission statement and periodically do whatever it takes to make a customer happy. What's hard is designing a service model that allows average employees—not just the exceptional ones—to produce service excellence as an everyday routine. Outstanding service organizations create offerings, funding strategies, systems, and cultures that set their people up to excel casually.

— *Frances Frei and Anne Morriss, Uncommon Service: How to Win by Putting Customers at the Core of Your Business (Boston: Harvard Business Review Press, 2012).*

2. Policies and processes promote the customer experience.

It's not enough to promote good customer service; institutions must craft systems that prioritize the customer experience and minimize procedural roadblocks. One organization noted for its customer service ethos is the insurance company USAA. A symposium participant cited the company for its lack of bureaucracy—an unusual quality in an insurance company. In fact, USAA constantly looks for ways to adapt its policies to meet the needs of its customers.

Since the bulk of USAA clients are members of the military and their families, the needs of these customers are unique—but USAA understands them. It heavily discounts car insurance rates when clients are deployed overseas, for example, and was among the first adopters of mobile banking technology, allowing users to deposit checks by smartphone—an extraordinary convenience for troops stationed in Afghanistan or Iraq. The company has paid particular attention to customer service phone calls, one of the most frustrating experiences for most consumers. (One survey of 1,000 customers conducted by the Arizona State University W.P. Carey School of Business found that 68 percent reported feeling “rage” during a phone call with a customer service representative.) Call centers are driven by metrics, with most measuring call times down to the split second and imposing strict consequences for employees who can’t keep their calls short. For USAA, however, the only metric that matters is customer satisfaction.

Questions for Reflection:

When was the last time you reviewed your policies and procedures with an eye on their impact to the customer?

Could you ask your employees for their feedback on this topic?

3. Employees demonstrate key traits behind customer service, such as empathy, compassion, initiative, and flexibility.

Many of the most emotional stories about customer service experiences concern individuals who have gone above and beyond to help. One Thought Leaders participant described the behavior of the custodians in a university building that was being occupied by a student protest. Despite the tense situation, the housekeeping staff decided it was important that the building stay clean and functional, especially with the students sleeping on the floors and using the restrooms to clean up. The staff even came in over the weekend to keep the disorder under control. Those on both sides of the protest deeply appreciated the efforts of the housekeepers, who saw the protesting students not as troublemakers but as human beings who deserved clean restrooms.

Experts agree that customer service comes down to people interacting with people, and the people who represent your organization need certain traits for your efforts to succeed. Micah Solomon, *Forbes.com* contributor and author of multiple books on customer service—including, most recently, *High-Tech, High-Touch Customer Service*—highlights five characteristics:

- **Warmth** – Simple human kindness.
- **Empathy** – The ability to sense what another person is feeling.
- **Teamwork** – An inclination toward “Let’s work together to make this happen” and against “I’d rather do it all myself.”
- **Conscientiousness** – Detail orientation, including an ability and willingness to follow through to completion.
- **Optimism** – The ability to bounce back and not internalize challenges.

Solomon emphasizes that you can’t train staff to have these traits. “You can *sort of* teach people to smile, *sort of* teach them to favor teamwork. But it’s really hard if you don’t start with people inclined this way,” he writes in his *Forbes.com* article “How Hospitality and Customer Service Experts Hire for Customer Service Positions.” As the article title suggests, you must be deliberate about prioritizing customer service traits when hiring so you have the right staff on board.

Questions for Reflection:

If you are the senior facilities officer, how often do you interact with staff at all levels of the organization?

Do members of the organization at all levels have a sense that the senior facilities officer is engaged and involved in the department and is dedicated to encouraging staff to provide a great customer experience?

Have you included customer service traits in your repository of interview questions?

Data Point:**The Customer Experience***Showing customers you care*

About 15 years ago, I was staying with my family at a resort in Hawaii. My daughter lost her ring in the pool, and so I asked the pool staff to keep an eye out for it. I was pleased when I overheard the pool staff talking to the grounds crew asking them to look out for it as well. The next day, the staff called me by name (I had only given them my room number) and said they were still looking for it. They found the ring the next day and brought it to our room.

This was an example of great hospitality, and they seemed to really care about what could have been a minor thing.

—John P. Morris, Associate Vice President, Facility Services, Northern Arizona University, Flagstaff, Arizona

Best practices from different industries

Consumer experiences provide a basic framework for thinking about customer service, but for a richer understanding we can look to industries focused on consumer experiences. APPA is grateful for the unique insights of Michael Bills and William Blodgett, who provided subject-matter expertise at the Thought Leaders symposium. Bills is director of human resources at JW Marriott Desert Springs Resort & Spa in Palm Desert, California; Blodgett is director of hotel operations at JW Marriott Starr Pass Resort & Spa in Tucson, Arizona.

Know your customers, and pay attention when their needs and expectations change. Customer needs change, and organizations must adapt along with them, according to Blodgett. High-end hotels, for example, have long prided themselves on the personal touch—a smiling clerk at the check-in desk and a knowledgeable concierge who can help with reservations at memorable restaurants. However, Millennials, the generation born after about 1980, prefer to do things for themselves online and avoid these sorts of personal interactions. “They

don’t want to talk to the concierge. They want to check in online without talking to a clerk,” said Blodgett. “They want things on their terms, and they’re forcing us to innovate.” Marriott is listening to its customers and seeking to rapidly introduce new services that will appeal to this generation. “We have to be deliberate about innovating or risk being irrelevant,” said Blodgett.

The critical lesson is that organizations must understand their customers. USAA, for example, retains military customers because the company understands their unique challenges. In addition to hiring veterans and military spouses to bring first-hand knowledge of military life into the organization, USAA has introduced company training for new hires that includes donning Kevlar vests and dining on MREs (Meals, Ready-to-Eat), which troops consume in the field. The goal is for every employee to appreciate the pressures their customers face and to keep on top of changing needs.

Questions for Reflection:

How do you keep informed about the ever-changing student culture? Or the evolution of teaching strategies used by faculty?

Make smart use of social media. Social media has been a mixed blessing for customer service organizations. The Millennials in particular don’t hesitate to make their opinions known in the most public ways possible. “They will go on social media and slam you,” said Blodgett.

Organizations will live or die based on their social media strategies; what’s more, when they die, it’s public and humiliating. In one excruciating incident, pizza manufacturer DiGiorno tried to exploit the success of the Twitter hashtag #WhyIStayed, in which women explained why they found it difficult to leave their abusive partners. Women didn’t find it funny when DiGiorno posted, “You had pizza.” Also painful was the photo posted by an American Apparel employee on the Fourth of July. The employee thought it depicted fireworks; in actuality, it was an image of the Space Shuttle Challenger explosion that killed seven people in 1986.

One response to such customer service catastrophes is to ignore social media completely, but organizations do this at their own peril. Not only does this make them seem out of touch and unengaged, but they are also shutting off an invaluable line of communication with their customers. Some 23 percent of adults online currently use Twitter, a statistically significant increase compared to the 18 percent who did so in August 2013. Twitter is particularly popular among those under 50 and the college educated. In addition, 82 percent of adults online ages 18 to 29 use Facebook. Marriott relies on feedback from Twitter and Facebook as well as review sites such as Yelp and TripAdvisor. The company uses aggregation software that seeks out mentions and reviews and funnels data to staff such as Blodgett, who receives hourly updates. As a result, Blodgett knows exactly what his customers like and don't like. When his hotel tries something new, the feedback is instantaneous and hassle free. With social media, Marriott doesn't have to ask its customers what they want, the company just needs to be responsive to what customers are saying.

Questions for Reflection:

Is your facilities organization using Twitter?
Facebook?

How could an active and engaged social media presence help your facilities organization connect with students and other customers?

Fine-tune workforce development to promote customer service. Excellent customer experiences don't begin when the customer walks in the door. They start when new employees are hired and trained by their organization. Finding the right people to interact with customers and giving them the proper education is critical. **"As you develop a culture of service, don't leave anything to chance,"** said Marriott's Blodgett. In addition to seeking out employees with personalities suited to their positions (front-desk staff, for example, must be extroverts), Marriott conducts training that goes beyond the task at hand. "I'm teaching the technical skills of running a front desk, but I also need to teach what luxury service is like," Blodgett said.

Data Point:

Social media strategy

Be careful what you wish for

Many organizations have found success with social media campaigns that encourage customers to post photos or pose questions. When done well, these campaigns help organizations engage with their audience; however, when executed poorly, they're opportunities for embarrassment.

- The Chicago Transit Authority hosted a Twitter Q and A with the transit fare card company Ventra using the hashtag #AskVentra. The plan backfired when annoyed transit riders tweeted a barrage of disparaging comments about the system.
- A similar campaign with Sea World erupted into a firestorm when the company-sponsored hashtag #AskSeaWorld was overwhelmed with angry questions from animal activists.
- The New York Police Department public relations staff hoped to create good feelings about community policing when they asked Twitter users to post photos of themselves with NYPD officers under the hashtag #myNYPD. They were appalled when instead of smiling group shots, they received disturbing images of alleged police brutality.

The takeaway? Social engagement works when the organization has a good relationship with its audience. Simmering resentment between an organization and its customers can ignite into full flame by a poorly timed social media campaign.

For online retailer Zappos, hiring, training and workforce development are central to its customer service efforts, which are widely recognized as among the best in the business. Zappos rigorously screens employees, who must undergo two interviews, one for technical skills and one for company culture. If employees can't live up to the company's 10 core values, they don't make the cut—and Zappos is highly selective. (Zappos compares its hire rate to Harvard's acceptance rate—about 1 percent.) Once hired, all employees—and that means all employees, including senior management—must participate in

four weeks of training that emphasizes the company's unique culture and management approach. All employees are trained to answer customer calls and must work shifts at the call center, even if their job has nothing to do with customer service. So seriously does Zappos take the process that the company gives new hires the opportunity to walk away. In fact, Zappos will pay new hires around \$4,000 to leave if they don't feel they're a good fit for the organization. It's an unprecedented step for a company, but Zappos believes it's more important to hire staff who embrace the company's values than to "contaminate the culture" (the actual phrase used by Zappos) with employees who aren't fully committed.

Questions for Reflection:

Does your hiring process include an assessment of the "soft" skills needed to provide an exceptional customer experience?

What about your training process? Do you train new hires to interact with customers, understand customer needs, and provide a superior experience?

Identify and implement service standards to track and improve customer service. Some of the most successful customer service organizations place metrics at the heart of their efforts and have developed creative ways to track their customers' impressions. JetBlue, for example, was founded with the goal to "bring humanity back to travel," and the airline measures how well it's succeeding with a sophisticated survey system that asks customers to grade every aspect of their experience, from making a reservation to retrieving their bags. Survey results are correlated with operational data. This information is then channeled throughout the company, with the COO receiving big-picture analysis and flight attendants given feedback on customer compliments.

One of the greatest challenges in creating a measurement system is in deciding what to measure. Search online for "customer service metrics," and the first few pages offer articles with a bewildering number of metrics. In fact, each organization must determine the essential elements to measure based on its priorities.

Some organizations make the mistake of trying to measure too much, however. In their book *Outside In: The Power of Putting Customers at the Center of Your Business*, customer service experts Harley Manning and Kerry Bordine describe how FedEx created its customer experience metrics. The delivery company started by identifying the "touchpoints" where the organization interacts with the customer—for example, arranging for package pickup, checking expected delivery time online, and receiving a package at your door. FedEx initially identified roughly 250 customer touchpoints, far too many to measure effectively. The company had to focus in on the touchpoints used most often and with the most significant effect on the customer's experience.

Metrics can go beyond problem solving to significantly improving the customer experience. Zappos, for example, measures what it calls the "happiness experience" for all its calls, asking, "Did the agent try to make a personal emotional connection?" and "Did they provide a 'wow experience'?" Building these questions into the company's metrics allows Zappos to promote the enhanced customer experiences the company seeks to provide.

Questions for Reflection:

How do you measure the customer experience?

What standards are most important to your organization? How do you know if you're meeting those standards?

Empower employees to make decisions and take initiative. Few statements are more infuriating to a customer than an employee saying, "I can't do that." Clearly, sometimes employees can't do what customers want, especially if health and safety are on the line; in fact, the customer isn't always right. However, often employees are limited by organizational policies that get in the way of great service.

Organizations known for excellent customer service empower employees to meet customer needs. Nordstrom, for example, makes its policies as simple as possible. Its employee handbook states, "Use good judgment in all situations." That's it. Employees are allowed and encouraged to do whatever they consider necessary to

Data Point:**The Customer Experience***Hiring for commitment and willingness to get the job done*

The Air Force Academy has contractors in charge of the custodial needs of the largest residence hall in America—with more than 2,000 cadets. They repeatedly had poor service. Finally, they gave Goodwill the contract. More than 400 disabled people took over custodial duties.

They were the most responsible, loyal custodians ever, and the cadets loved them. They provided great customer service. The lesson is that it's dedication and willingness to do your best that makes the difference.

—A 2016 Thought Leaders symposium participant

satisfy the customer. This policy of empowerment has kept Nordstrom successful through the ups and downs of more than a century in business.

Questions for Reflection:

How much individual authority do your employees have?

Do any of your policies get in the way of empowering employees to provide exceptional experiences?

The big picture: Essential characteristics of excellent customer service organizations

Combining insights from personal customer service experiences with lessons learned from other industries, participants at the Thought Leaders symposium synthesized what they learned into a list of the essential elements of creating exceptional customer experiences.

Culture and leadership: The organization's culture and leadership make the customer experience a priority.

Data Point:**Employee autonomy***Why employee empowerment matters*

Employees selected, oriented, and reinforced properly, surrounded by peers of the same caliber, will thrive when given significant autonomy. Otherwise, they'll wither. There are dozens of studies to support this, inside and outside of business life.

You want customer relations to be on the shoulders of your employees. But as long as you're defining every little thing, and rewarding/punishing based on seemingly arbitrary and thus, inevitably, gamed criteria, you won't get them to carry that responsibility. Their viewpoint will soon resemble the jaded flight attendant's attitude on a big legacy carrier who told me the other day, "The more emphatically Management comes up with new i's to dot and t's for me to cross, the less seriously I take them. I know these rules will be gone within the year, and a new group of regs will take their place."

—Micah Solomon, "How Ritz-Carlton and Four Seasons Empower Employees and Uphold Customer Service Standards," Forbes.com, October 28, 2013.

An exemplary customer experience begins long before the first customer interaction. It starts with a core belief that customers matter, that their experience should be positive, and that making people happy is critical to the organization's success.

Key elements of this philosophy include the following:

- **Customer service culture starts at the top.** If senior leaders don't believe in customer service, neither will frontline staff.
- **The value of customer service is communicated—and communicated often—to all employees on every level.** It's not enough to say it once. The message has to go out day after day.
- **The institutional mission includes—or is consistent with—excellent customer service.** Organizations can have many goals—to maximize profits, create the best technology, or provide a first-class education. If the

user's experience isn't part of that mission, it will be difficult to make user experience a top priority.

- **Resources are available to support customer service efforts.** Employees know when a goal is all talk and no action: They see it in how the organization invests its time and money. If nothing is put toward improving the customer experience, employees will spend little effort on it themselves.
- **The organization knows who their customers are and what they want.** The most successful customer service companies know the ins and outs of their customers' lives, understand their problems, and appreciate their points of view.

Questions for Reflection:

How would you characterize your organization's culture? Is it truly customer-centric, or is the focus elsewhere?

How do you create a culture in which a highly skilled employee with decades on the job wants to create an exceptional experience for every customer, even the 18-year-old newly arrived on campus?

Policies and processes: The organizational structure and policies of the organization promote customer service. Core beliefs about customers are only beginning concepts; these beliefs are put into action with policies about hiring, management, and metrics. According to experts Manning and Bodine, effective organizations create a highly functional "customer service ecosystem"—that is, a web of relationships and touchpoints that determines the quality of all customer interactions.

Key elements of a successful customer service ecosystem include the following:

- **Customer service is emphasized from the beginning of the hiring process through training, mentoring, and professional development.** Remember the words of Marriott's Blodgett: "As you develop a culture of service, don't leave anything to chance." Start from day one to get the right people on board, and never stop training them.

- **Processes are in place to seek customer feedback and note customer experiences on social media.** It's impossible to know what customers are experiencing without asking them.
- **Employees are empowered to solve problems, encouraged to take initiative to satisfy customers, and rewarded for innovative ideas.** Successful companies trust their employees to use good judgment and reward them when they demonstrate ability and success.
- **Policies are transparent to customers and employees, and employees know when they can bend the rules and when the rules are firm.** Even companies with the greatest reputation for employee empowerment still have rules. Southwest Airlines may give its staff significant flexibility in handing out free drinks, but Federal Aviation Administration rules are fixed—and everyone knows it.
- **The organization keeps customer service in mind when planning for emergencies and develops crisis plans that include communication components.** A crisis can either expose an organization's weaknesses or shine a spotlight on its strengths.

Questions for Reflection:

Which policies in your organization are nonnegotiable, and which have more room for individual judgment? Do your employees know the difference?

Behaviors and traits: Employees demonstrate key traits behind great customer service. Training can turn a promising customer representative into a superb customer representative, but it can't work miracles. Without a certain level of commitment, efforts to improve service will only go so far.

That doesn't mean that every employee needs to be an extroverted service whiz. It does mean that employees should demonstrate at least these essential characteristics:

- **Ownership.** Employees take responsibility. They take pride in their work and in the mission of the organization.

Data Point:

Employee empowerment and commitment

Owning a problem to resolution

A woman customer was shopping at the Nordstrom store at the South Park mall in Charlotte, North Carolina. It was near closing time. She tried on some clothes, made some purchases, and went directly home. That night, before going to bed, she discovered that a 2.8-carat diamond from her wedding ring was missing. She assumed that she lost the diamond at Nordstrom.

The very next morning, she came to the store when it opened and headed over to the women’s department, where she had last been. She got down on her hands and knees, searching for the diamond.

Eric Wilson, the loss prevention agent for the store, noticed the customer crawling on the floor and asked how he could help. After she explained the situation to him, Eric got down on his hands and knees and joined the search. No luck. He took the customer’s contact information and told her he would follow up.

Eric then contacted two employees in building services, Bart Garcia and Tom Fraley, who joined in the search. Again, no luck. Perhaps the diamond was in one of the vacuum cleaner bags? They gathered the vacuum bags and began splitting them open and sifting through the dirty contents. Eventually, voilà! They found the diamond.

Clearly, Eric Wilson took the initiative. His job description did not include scrutinizing full vacuum cleaner bags. He could have told building services about the lost diamond and then moved on with his tasks for the day. But the customer wanted someone to find her diamond. Eric owned the situation. He figured the best approach to solving the problem and made a difference in a person’s life.

– Robert Spector and Patrick McCarthy, *The Nordstrom Way to Customer Service Excellence: The Handbook for Becoming the “Nordstrom” of Your Industry, 2nd ed.* (Hoboken, NJ: John Wiley & Sons, 2012).

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- **Initiative.** Employees feel empowered. They don’t ignore problems that aren’t specifically theirs. They think creatively about the operation of the organization. In the 1980s, Toyota revolutionized the assembly line by allowing any worker to stop production when he or she saw a problem. That level of trust enabled the company to significantly improve the quality of their final product while increasing employee morale. It’s a lesson every organization can learn.
- **Mission and stewardship.** Employees embrace the mission of the organization. They have a sense of stewardship toward the resources of the organization and make the most of the trust granted to them. Organizations need employees who embrace the mission and see themselves as part of the big picture.
- **Empathy.** Employees understand the perspectives of customers and other stakeholders and act with compassion and concern. Often, all a frustrated customer really needs is a sympathetic and heartfelt “I’m sorry.” Connecting on a human level takes customer service from rote interaction to meaningful exchange.

Questions for Reflection:

Do you consider the traits listed above when hiring new staff?

Do you emphasize these traits in your training?



Look for Part 2 of this series in the November/December 2016 issue of *Facilities Manager*. Download the full report at www.appa.org/bookstore.