

What The Leader Needs To Know: Model Your Brand Or Your Employees Won't Deliver It

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The Opportunity

A company's financial performance is the lagging indicator of its competitiveness. It tells us that competitiveness has already changed for the good or the bad. Therefore, many executives focus on customer loyalty. Clearly an important metric, if you carefully and thoroughly look at your customer segments¹. Customer loyalty information is critically important for crafting your strategy. It also tells you how your customers are about to behave. Will they increase their purchasing? Will they cross-buy other products and services? What proportion of your customer base is at risk for switching to a competitor? But it doesn't tell you how to improve your execution. Execution is what brings sustained profitable growth.

What about employee loyalty? That's further upstream – is that the right place to focus to assess execution? Actually, employee loyalty information can give you a very clear sense for the type of experience your customers are receiving, or are about to receive. It tells you how you are executing – but not how to immediately improve execution.

So what's the right metric to focus on to improve execution? The answer is Leadership Behavior. Leadership Behavior at all levels drives or inhibits the execution of your strategy. All the other metrics are important to track and understand. But Leadership Behavior is the leading indicator of how well your strategy is being executed.

You have financial, customer and employee metrics – do you have leadership metrics? Are they the right metrics to drive the execution of your strategy?

Are your resources limited? Then focus on Leadership Behavior first. If you have 500 retail stores with 100 employees each you have 5,000 employees. Factor in turnover and you may have closer to 10,000 a year. Think about the leaders you have. Perhaps you have 7 Regional VPs, 50 District Managers, 500 Store Managers, for a total of 557. Factor in turnover for this group and it's approximately 600. Clearly the ideal solution is to focus on your employees and your leaders. If resource limitations prohibit a comprehensive approach, focus on your 600 leaders. Research has shown that Leadership Behavior is responsible for 60% of the effectiveness of any business strategy. Put your resources where the leverage is.

Whether you deliver products and services through retail stores, call centers, field sales and service or professionals such as attorneys and engineers – leverage Leadership Behavior for fast, reliable execution.

¹ See Flanagan, L. [What The Leader Needs To Know: Does Your Market Research Drive Action?:](http://www.FlanaganConsultants.com) www.FlanaganConsultants.com; January 2004

How To Leverage It

1. Set & Communicate Your Brand Strategy

Strategy is about making choices – really tough choices – and sticking with them. Many executives get caught up in rethinking their strategy on an almost constant basis. For example, in one company in four weeks, there were four presentations from the CEO and CFO. Each presented a different definition of the company's brand strategy. The cause was a stream of new announcements from competitors. The result was confusion even among the most senior leaders of the organization.

In contrast, four years ago another CEO determined that delivering a very clearly defined, differentiated and valued branded service was the best strategy to pursue. Since then he has relentlessly communicated this message at every opportunity. The message is always the same: "Our brand stands for the delivery of a differentiated service valued by our customers. Competitor moves will not cause a change in our brand promise." As a result every leader knows where to focus resources – especially Human Resources. They focus on their two primary responsibilities: 1) Personally demonstrating client focus by spending time with clients and ensuring they receive the promised service; and 2) Coaching every employee to be client focused and to deliver the specific type of service for which the brand stands.

To enable your leaders to execute your brand strategy set it, stick with it and communicate it relentlessly. Charge each and every leader with the responsibility of communicating and clarifying the brand strategy with all your employees.

2. Model The Behavior You Promise

Most companies are not able to reliably and consistently treat their customers as they have promised. The few exceptions are The Ritz Carlton, SouthWest Airlines and ...? So your employees have little personal experience with the type of consistent, intentional treatment that leads customers to be fiercely loyal to a brand. Their experience is one of advertised brand followed by broken promises.

Consequently when you tell employees how critical consistent customer focus and service are, it doesn't fit with their real world. For employees to understand the value of differentiated, consistent, i.e. branded, service – you have to deliver it to them first.

For example, let's say one of your brand values is responsiveness. The specific behaviors included in responsiveness are: speed, focusing on specific needs, and providing realistic solutions. To model that for employees, leaders should: act quickly when an

employee asks for help; listen carefully and understand not only the employee need but their situation as well; and, finally, offer solutions that the employee can realistically implement. The leader has to respond to an employee request as quickly, thoroughly and effectively as they would to a customer's request.

Leaders sometimes delay responding to employees because "the customer comes first". To the employee, this behavior can look like "when you are overwhelmed – it's okay to ask somebody to wait". Putting employees second, gives them permission to delay serving customers if demands are high. That's permission to break your brand.

Leaders have to deliver your brand to employees before employees can and will deliver it to customers.

3. Make Work Rewarding

There are a lot of rewards that are important to provide to employees – money, health insurance and personal recognition among them. One reward is too rarely focused on: the reward of doing great work itself.

Your brand promises consistent, differentiated value. Your products or services improve the customer's quality of life. Your brand gives something that nothing else can. Shouldn't being one of the people who delivers that be a source of pride and enjoyment, i.e. reward, to your employees?

If it's not, take a careful look at Leadership Behaviors. Do your leaders look forward to working with customers? Do leaders talk to employees about the value of their work to the customer? Do leaders take pride in the value provided to customers?

Recently there was unusually high call volume in a call center. In addition, a number of customer service representatives were out ill due to the flu. The general manager and his leadership team of 6 held a 3 hour meeting to decide what to do about the suddenly increased call waiting times and abandonment rates. Seven leaders meeting about a critical customer service problem - not one handling calls. The messages to employees: 1) they can't handle this either; and 2) they'd rather be in a meeting than working with customers.

In contrast, at another call center when customer calls spike leaders jump in to help handle the volume. When they are done handling calls they talk about how rewarding it was to directly help customers. They ask employees to give them feedback on how they handled challenging calls. The messages to employees: 1) handling customer calls is challenging and your expertise is valued; 2) serving customers is energizing; and 3) leaders respect and enjoy serving customers.

A leader we know says "My employees are the river that delivers value to our clients. My job is to get the rocks out of the river so it flows fast and pure." Do your leaders focus on enabling your employees to

consistently and confidently deliver your brand to your customers? Or do they constantly demand heroic efforts to meet customer expectations?

A brand is about delivering uncommon value. The hard work to deliver that promise can be the most appreciated reward if it's valued and supported.

4. Smile Confidently

Is smiling a Leadership Behavior? You bet it is. Smiling – or the lack thereof - sets the tone for the organization. It is a powerful way for a leader to communicate confidence, value, respect and fun.

The Leadership Behavior of smiling can transform even the most tense, literally life and death environments. Think of the typical emergency room: often frantic, serious, barely under control. How does this make the customer/patient feel? Apprehensive at best, threatened at worst.

Now look at the Southwestern Vermont Medical Center² ER. From the moment a patient arrives until they leave staff members greet them with a smile. The smiles convey confidence and competence. Smiles put the patient at ease. Making them easier to communicate with and treat. This simple behavior transforms the experience of emergency medical care. It also transforms the work experience of the staff. Their work is challenging and rewarding. Not incredibly stressful and frustrating.

5. Measure Branded Leadership Behavior

Leadership Behavior is the leading indicator of the execution of your brand strategy. Measure it and act upon your findings. Keep the measure to 10-12 questions. Questions about how leaders: communicate and clarify your brand strategy; behave consistently with your brand; enable employees to deliver your brand; enjoy working with customers; and smile and create a positive environment. Administer these as an employee survey; perhaps only to your top performing employees. This is the group you should invest in and that will have the most credibility with your leaders.

The survey is short so administering it quarterly is practical and recommended. Most importantly share the results as quickly as possible with your leaders. Demand an action plan within 5 days of sharing the data and hold them accountable for implementation.

About The Author

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² SVMC is one of the leading hospitals and ERs in North America.