sample chapter

The Service Culture Handbook
A Step-by-Step Guide to Getting Your Employees Obsessed with Customer Service

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Chapter 1: How Corporate Culture Guides Your Employees' Actions

The internal network at Rackspace went down and took the phone system with it. Customers suddenly weren't able to call. Employees couldn't even access the company directory to contact each other.

This was a potential disaster.

Rackspace provides computer hosting services for more than 300,000 customers. These companies run their websites, email, and internal computer systems on its network. It's all mission-critical stuff. When there's a problem, Rackspace customers need help fast.

A lone technical support agent sprang into action. He tweeted his personal phone number, letting customers know they could reach him directly if they needed help. Soon other tech support reps followed suit and tweeted their numbers, too. For the next four hours, they used Twitter and their cell phones to serve customers until Rackspace restored its phone service. The support team typically handles a thousand calls during a four-hour time frame, so their extraordinary service prevented a lot of unhappy customers.

The stakes were high, but nobody from management told these employees to tweet their personal phone numbers. It wasn't part of a carefully scripted procedure. No one even asked permission. They just did it.

How Culture Creates Hero Moments

Imagine the same scenario at nearly any other company. Employees would feel helpless. A few might lobby their supervisor to go home early. Most would just sit around and wait for the phone system to come back up.

The corporate communications department might post a message on the company’s website to let customers know the phones were down. Somebody might tweet an update on the
status of the phone system. That would likely be the extent of the company's efforts to alert customers to the problem.

Tweeting personal contact information would be unthinkable. Many customer service employees are fearful of giving out their last names, let alone their phone numbers. Employees at the average company would never take the kind of initiative that happened at Rackspace.

Rackspace isn't the average company, though. Stories of employees delivering over-the-top service are common. One rep ordered a pizza for a customer during a marathon trouble shooting session after she heard him mention that he was getting hungry. An account manager showed her appreciation for a visiting client by preparing a home-cooked meal.

The big question is why employees at Rackspace serve their customers in a way that's so different from the norm. It's too simplistic to say that Rackspace has made a company-wide commitment to provide outstanding service. Lots of companies make similar claims, but that doesn't mean they actually do it.

Their exceptional service isn't just a product of great training, either. Training works when you want to show someone how to use a specific skill or follow a particular procedure. Tweeting personal phone numbers, ordering pizza for a customer, and preparing a home-cooked meal for a client were all improvised moves. These actions were neither trained nor scripted.

The real secret to Rackspace's extraordinary service is their customer-focused culture. Employees are absolutely obsessed with taking care of their customers. They have created a unique identity, calling themselves Rackers, symbolizing the pride employees have in their company. They've developed a special brand of customer service called Fanatical Support® that promises customers they'll spring into action and do whatever it takes to help resolve any issue.
It's this obsession that leads to customer service hero moments like tweeting a personal phone number so customers can reach you.

A hero moment occurs any time an employee, a team, or an entire company rises to the occasion to provide customers with outstanding service. Hero moments aren't limited to over-the-top actions. They include everyday service encounters as well. In his book, *Be Your Customer's Hero*, customer experience strategist Adam Toporek defines it this way:

"It means being there when the customer needs you and making your personal interaction with the customer as memorably positive as possible."

Let's face it: the vast majority of customer-service interactions are unremarkable. They're neither amazingly good nor frustratingly bad. Think about the last time you went to the bank, bought a cup of coffee, or ordered something online. There's a good chance that nothing particularly extraordinary happened. It was business as usual.

A few experiences do stand out. We certainly remember the service failures. But we also remember the hero moments. Maybe you remember a kind bank teller who helped you avoid a fee. Perhaps there's a barista at your local coffee shop who makes you feel special every time he's there because he knows your name and your favorite drink. Or there may have been a time when you were shipped the wrong item, but the friendly customer service rep made the resolution so easy that you vowed to become a customer for life.

Every customer interaction is an opportunity for a hero moment or a service failure. Some businesses, like hotels, might have multiple interactions per day with the same customers. According to the Cornell Center for Hospitality Research, an average 250-room hotel has 5,000 daily guest interactions with valets, door people, bell staff, reception, restaurants, housekeeping, engineering, and other functions.
The largest businesses might serve millions of customers on a daily basis. For example, Domino's Pizza delivers more than one million pizzas per day, seven days a week. Imagine all the customer service interactions required to make that happen! About 500,000 of those orders are taken by an employee (the rest are taken electronically, via their website, smart phone app, etc.). Employees must also deliver those one million pizzas. That means Domino’s averages about 1.5 million hero or failure opportunities every day.³

Individual employees at some companies might personally serve dozens of customers per day. For example:

- A typical airline flight might have 150 passengers served by four flight attendants.
- A retail cashier might serve 20 customers (or more) per hour.
- A contact center agent might serve 10 (or more) customers per hour.

It's impossible for a boss, a policy, or a system to control all these interactions. Employees must exercise independent discretion at times. This is a scary reality for customer-service leaders, who worry their employees will do something wrong.

I've spoken to thousands of customer service employees over the years. Most want to do a good job and make their customers happy. The vast majority of these employees know how to deliver a hero moment, but they aren't actively looking for them. Sometimes the moment arises, but the employee doesn't feel empowered to spring into action. These are situations where the right corporate culture can encourage employees to make good decisions.

Culture creates hero moments on an individual level, where an employee strives to deliver the best customer service possible. That employee feels empowered to do what it takes to makes customers happy and takes pride in the company he or she works for. You see it in the
way the employee greets customers, solves problems, and goes the extra mile when the situation demands it.

Culture also creates hero moments on a team level, where a department works together to serve its customers at a consistently high level. Team members share a passion for service that's absolutely contagious. You see it in their pervasive can-do attitudes and in the way they support each other in a collective effort to make their customers happy. These employees take pride in their team, yet always push each other to do even better.

Culture can create hero moments on an organizational level, as well, where an entire company is dedicated to providing outstanding service. Strategy, goals, policy, and other corporate decisions are made with the customer in mind. You see the impact of this customer focus in the legions of loyal customers who go out of their way to do business with these select companies.

It's no wonder that culture is such a hot topic in customer service. So, what exactly is it?

**The Definition of Corporate Culture**

Corporate culture can be a nebulous subject. There's a lot that goes into it, like mission, vision, and value statements. But while those are some of its elements, a company’s culture is broader than that.

I turned to Catherine Mattice to get a clear definition. She's a consultant and trainer who specializes in helping organizations create a positive workplace culture. She's also the author of *Back Off! Your Kick-Ass Guide to Ending Bullying at Work*, and her research on the topic has made her an in-demand speaker at human resources conferences. Mattice has even served as an expert witness in court cases where corporate culture was a factor.
We met for coffee on a warm, sunny day. The coffee shop had a patio with just enough shade to make it comfortable. I thought it might be a short conversation, but we ended up talking for several hours.

We discovered that the challenge in defining culture is that there are so many valid perspectives. When Mattice helps companies end workplace bullying, she does so by focusing on their culture. I, too, focus on culture when I work with companies to help improve customer service. And when another colleague helps companies with their branding, she begins her efforts by focusing on their corporate culture, as well. It seems that so many things companies do can be boiled down to their culture.

Mattice and I agreed that while corporate culture can refer to an entire organization, it can also refer to a business unit, location, or individual team. It's not unusual for groups in different parts of a company to share some common characteristics, yet also have their own unique identity. You can't easily change the entire corporate culture if you're a store manager for a retail chain, but you can influence the culture within your particular store.

Mattice shared this definition, which puts it all together:

"Corporate culture is the way an organization’s members think, act, and understand the world around them."

Let's use Rackspace as an example. Rackers certainly think, act, and understand the world around them differently than employees at most companies. When faced with an unexpected challenge, such as the phones going down, Rackers think, "My customers need me. I have to find a way to help them." They act to do something about it. Rackers do this because they understand how critical their services are to their clients' businesses.
Contrast this to the customer service most of us receive every day. Many employees think about their job solely in terms of their assigned responsibilities. They act in accordance with company policies and procedures, but rarely take initiative. They understand their role, but may not understand the company’s goals. Or, employees might understand the company's goals, but not care about helping to achieve them.

All organizations have a culture. It doesn't have to be something intentionally created. In most organizations, culture organically develops over time through corporate strategy, the decisions of its leaders, the way employees interact with each other, and many other factors.

It's natural for a group of people to develop a certain amount of collective thinking. When you hear people say, "That's how we do things around here," they're referring to their company’s culture. A few elite companies, like Rackspace, intentionally strive to cultivate a positive, customer-focused culture.

That intentionality is what’s missing in many organizations. According to Mattice, most companies have policies that tell employees what they should not do. Companies with positive cultures help employees understand what they should do. Mattice explains that without clear guidance, "People don't know how else to act."

But you can't tell employees specifically what to do in every situation; there are too many variables. Instead, an intentionally-guided culture acts as a compass that consistently points employees in the right direction. That culture is reinforced when employees encounter a hero moment and make the right decision.

Inside Rackspace's Customer-Focused Culture
Rob La Gesse is the Vice President of Social Strategy at Rackspace. Most corporate executives in publicly traded companies are hard to contact. Not La Gesse. I got his phone number when he sent it to me via Twitter.

I asked La Gesse why he shares this information so freely. His explanation was simple: "I'm in the people business. I want people to find me."

He's not kidding. La Gesse published his cell and home phone numbers on his blog in 2009. It was 2013 when the Rackspace technical support rep tweeted his own cell number in order to be accessible to customers in need. Sharing a personal phone number via social media wasn't a scripted move, but it was embedded in the company’s organizational thinking and exemplified by its leaders.

Accessibility is just one illustration of how Rackspace creates a customer-focused culture. Another is how it hires employees. According to La Gesse, the company hires many people who don't have technical backgrounds. They come from hospitality, medical, and similar professions that attract people with natural empathy.

La Gesse shares an example of the type of people they like to hire at Rackspace. He was attending an offsite meeting at a hotel. The meeting ended for the day, and the attendees headed off to the hotel's bar. There were only three bartenders, who were working like crazy to keep up.

La Gesse ordered a frozen margarita but received a margarita on the rocks. He was deep in conversation with a colleague and saw the long line at the bar, so he decided not to bother with getting his order corrected.

A few minutes later, the bartender approached La Gesse with a frozen margarita. He apologized for the error and told La Gesse that both drinks were on the house.
La Gesse was impressed. Mistakes can and will happen, especially during busy times. But it takes a special kind of person to recognize their mistake and go out of their way to fix it when the customer hadn't complained.

He waited for the bar to calm down a bit and then approached the bartender. La Gesse handed him his business card and said, "You need to be a Racker." The bartender was eventually hired by Rackspace. Although he had no experience working with computer networks, he turned out to be a perfect fit. He now has a successful career in technical sales.

"I can teach anybody [the computer operating system] Linux," said La Gesse. "I can't teach them to actually care."

Rackspace specifically looks for people like this, who fit the company’s customer-focused culture. Here's a passage from its Fanatical Support Promise:

*We cannot promise that hardware won't break, that software won't fail, or that we will always be perfect. What we can promise is that if something goes wrong, we will rise to the occasion, take action, and help resolve the issue.*

This isn't just something that's tucked into an employee handbook and then forgotten. This promise is a way of doing business at Rackspace. It's how Rackers think, from executive leadership all the way to the employees on the front lines of customer service.⁴

Fanatical Support is the first of the company’s six core values:

1. *Fanatical Support® in all we do.*
2. *Results first. Substance over flash.*
4. *Passion for our work.*
5. *Full disclosure & transparency.*
6. Committed to greatness.

What truly makes these values special is that they're ingrained in hiring, training, and all aspects of guiding the employees’ work. The company even has a "Culture" page on its website to explain it all:5

"Our Core Values came from us, the employees. They are our collective thoughts and beliefs encompassed by six values. Our leadership had no input or vote in them. We wouldn’t even let them spell check our values. Luckily for us, our bosses are smart enough to know that telling employees what to think and believe is a complete waste of time, and just a bad idea all the way around."

These values truly represent how Rackspace does business. You see this in an employee tweeting his cell phone number to be accessible to customers in need. You see it in a bartender who gets hired after going out of his way to fix a drink order. In fact, you see examples of Fanatical Support® reinforced every single day at Rackspace.

"You have to constantly work at it," said La Gesse. "You have to constantly talk about."

The Dark Side of Corporate Culture

What leaders constantly work at and talk about has a profound impact on a company’s culture. It shapes how employees think about, act upon, and understand service. Focus on the wrong things, and a company can unintentionally develop an anti-customer culture.

Comcast provides a clear warning. It’s generally considered to have some of the worst customer service in the country. It was rated the worst internet service provider in the United States by the 2015 American Customer Satisfaction Index, and third and fourth worst respectively in subscription television and phone service.6 Comcast also ranked dead last in the 2015 Temkin Customer Service Ratings.7
Comcast has been known to attract national media attention with its epic service failures. One particular example happened in July 2014. A Comcast subscriber named Ryan Block called to cancel his service. The customer service agent inexplicably stonewalled his request. Block was ten minutes into the call when he decided to record it.

The recording lasts for approximately eight minutes. On it, you can hear the Comcast employee repeatedly badgering Block about his decision to cancel. Block politely asked the agent to cancel his service multiple times, but the employee continuously tried to talk him into retaining his account.

Block posted the recording online and it quickly went viral. Major news outlets reported on it. Tom Karinshak, Comcast's Senior Vice President of Customer Experience, issued a statement apologizing for the incident:

"We are very embarrassed by the way our employee spoke with Mr. Block and are contacting him to personally apologize. The way in which our representative communicated with him is unacceptable and not consistent with how we train our customer service representatives."

It's convenient for companies like Comcast to blame a rogue employee for an embarrassing service failure like this. However, a closer look reveals that the employee's actions were completely reflective of Comcast's corporate culture.

Canceling an account with Comcast in July 2014 was a difficult task. The instructions weren't easy to find on its website. Even searching "cancel account" failed to point customers to the desired result.

Customers who did find the cancellation instructions were instructed to call customer support. They could do almost anything online, including adding services, but Comcast wanted them to call to cancel.
Customers who called to cancel their accounts were transferred to someone called a "Retention Specialist." These employees were given training on step-by-step procedures they were expected to use to discourage customers from canceling. They received a bonus based on how many customers they could talk out of canceling their service. The employees received no bonus if too many customers insisted on canceling anyway.

The Retention Specialist on Ryan Block's recorded call summarized the role perfectly. He said, "My job is to have a conversation with you about keeping your service."

Comcast designed its entire cancellation process around trying to convince customers not to cancel. This philosophy was embedded in its process, and it was integrated into employee compensation. Retention was what these employees worked at and talked about.

It's not hard to understand why Comcast is infamous for its poor service. Let's go back to Catherine Mattice's definition of corporate culture: the way a company thinks, acts, and understands the world around them. Comcast thinks about its customers in terms of revenue. It acts to do whatever it can to retain or increase that revenue in the short term. It understands that a lost account equals lost revenue. None of this focuses on serving customers.

In an interesting twist to the story, Comcast announced in May 2015 that it was implementing a multi-year plan to create a new corporate culture focusing on exceeding customers' expectations. It seems that even Comcast, at some level, understands the importance of having a customer-focused culture.

Comcast is hardly the only company whose actions create a culture of poor customer service. In my first book, Service Failure, I uncovered many examples of how a company’s culture can lead to poor service.
In one story, a hotel associate deliberately provided her guests with poor customer service because she was afraid of being ostracized by her co-workers if she went out of her way to be helpful. The hotel's poor culture made it uncomfortable for her to provide great service.

Another story involved a bank employee who signed off on 400 home foreclosures per day without actually verifying that the homes met the criteria for foreclosure. He never stopped to consider the customers who owned those homes because the bank had a culture that encouraged employees to follow its procedures without question.

A customer service representative at yet another company told me he routinely lied to customers because he was instructed to do so by management. He had recently gotten this job after being out of work for a long time, and he was worried that he’d be out of work again if he didn't comply with management's directives. The company's leaders created a culture of fear, intimidation, and dishonesty.

I discovered something else while researching these stories. We would like to believe that we wouldn't act the way those people did if we were placed in a similar situation. The truth is, most of us would.

We naturally take behavioral cues from the people around us. Some are conscious, like the customer service employee who lied to customers so he could keep his job. Others are unconscious, like the bank employee who mindlessly signed off on home foreclosures. They're both examples of corporate culture at work.

Getting Culture to Guide Employees' Actions

People see how employees are obsessed with customer service in a company like Rackspace and think, "Of course! That's how it should be!" That's what makes creating a customer-focused culture so maddeningly difficult. It seems like it should be easy, but it isn't.
The challenge is that culture isn't attributable to just one thing. There's no single initiative that will magically get your employees to consistently make customer service a priority. Culture is the sum of all the things we do in an organization.

Here are just a few examples of questions whose answers influence how culture shapes employee behavior:

- Are employees given clear guidance on the company's culture, or are they expected to just figure it out?
- Are employees invited to help shape the culture, or are they disengaged?
- Are strategic decisions driven by culture, or are they made without regard for customers?
- Are goals and metrics aligned with the culture, or do they encourage shortcuts?
- Are business processes customer-focused, or do they put employees in awkward situations?
- Are employees empowered to deliver outstanding service, or are they constrained?
- Do leaders reinforce the desired culture, or do they contradict it?

Addressing these questions isn't easy. It takes time, energy, and resources. Building a customer-focused culture is a never-ending journey that tests the entire organization's commitment and dedication.

So before showing you how to build a customer-focused culture in your company, I've written the next chapter to explain why so many customer service culture initiatives fail.
Notes:

1 Adam Toporek, Be Your Customer's Hero (New York: AMACOM, 2015).


4 The full text of the Rackspace Fanatical Support® Promise can be found on the company website: http://www.rackspace.com/managed-hosting-support/promise.

5 Learn more about the Rackspace culture here: http://www.rackspace.com/talent/culture.

6 The American Customer Satisfaction Index publishes annual ratings for Comcast and many of its major competitors on its website: http://www.theacsi.org.

