

SALES AND SERVICE Excellence

THE MAGAZINE OF TEAM LEADERSHIP

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**Close
the Sale**

**Customer
Choice**

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Learn from Zappos
What Do You Uniquely Value?

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SERVICE/LESSONS

Learn from Zappos

Zap your leadership approach.



by Joseph A. Michelli

EXCEPTIONAL LEADERS PRODUCE businesses with extraordinary engagement, retention, and advocacy from their customers and employees. What does it take to generate *customer zealotry* (as evidenced by *consistent world class performance on loyalty metrics*) and status as an *employer of choice* (reflected in selection as a *Best Place to Work*)? How do you create rapidly climbing sales numbers, while retaining premium pricing even during periods of fiscally constricted consumer behavior?

The answer—*Learn from Zappos*, the Internet company that began offering shoes online and went to \$1 billion in annual gross merchandise sales in 10 years, with minimal advertising and an expanding scope of offerings. Leaders created an authentic, vibrant, somewhat eccentric culture and sold the business to Amazon.com for about \$1 billion.

While Zappos has achieved solid growth and status as a company to benchmark for customer service excellence and social media mastery, you might wonder what lessons you can learn from them. Try these five Zappos Leadership Lessons on for size.

1. Culture eats strategy for breakfast (lunch and dinner). If you haven't done so already, it's time to drop the customer service initiative and redirect your efforts to an honest and thorough assessment of your culture and values. *Most businesses fail to differentiate themselves from the competition because they never take the time to understand what they uniquely value or*

possess. Rather than emulating the core values of other business leaders, Zappos leaders asked their people, "What does it take to be a success here?" Unlike the aspirational values that typically are on the walls of companies, Zappos values sound different and authentically reflect the qualities of those who established the business. As such, Zappos values include such things as "Deliver WOW Through Service," "Be Humble," and "Create Fun and a Little Weirdness." Do your cultural values reflect what it really takes to



be successful in your business or is it time to re-assess their credibility, uniqueness, and relevance?

2. Select, defend, and account for values. Values aren't words on paper; they are a lens through which all business decisions must be made. Zappos leaders attract, select, onboard, train, strategize, and measure against their values. Even before applicants can access employment offerings, they are bombarded with messages about the company's values. Prospects then encounter a gauntlet of hurdles including video cover letters designed to assess whether they'll fit in the Zappos value-based workplace. Upon selection, new

hires begin a *month-long* orientation anchored to exposure and demonstration of the core values. This onboarding process culminates with every new hire spending about a week humbly answering telephone inquiries in the call center (the *customer loyalty team area*). After onboarding, new employees are given *the offer* so that they make one last self-assessment to assure that they truly fit with Zappos. Leadership offers cash (now \$4,000) to *leave the company* if new employees feel they are not a culture fit or won't commit to enhancing and defending the culture. Leaders maintain the focus on *culture enhancement* through *monthly* employee performance discussions. What can you do to more effectively and consistently select, defend and account for your company's values?

3. Get it right/make it right, easy, and quick. To sustain an advantage, as a leader you must *produce excellence in consistent delivery of service essentials*. Leaders at Zappos know that those basics include *accuracy, customer ease, and speed* (both in delivery and recovery). I refer to this grouping of operational skills as *service velocity*. This goes beyond *service speed* because you can have service that is so quick that it is inaccurate. In essence, *service velocity* is a function of *delivery urgency* in the direction of other desired customer outcomes, such as *ease of use* and *getting it right the first time*. Zappos leaders also acknowledge service breakdowns, make appropriate apologies, tirelessly seek fair resolution of service shortcomings, and passionately pursue systemic solutions to assure that service errors do not recur. These behaviors help staff members turn a

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service error into a chance to strengthen relationships with customers. How do you model and lead operational excellence in service velocity and recovery?

4. Lead PEC. Once you demonstrate and prioritize *getting it right* and *making it right* for staff and customers, you are likely demonstrating operational competency and generating employee and customer satisfaction. But satisfaction leaves your customer a coupon away from trying a competitor and your employees vulnerable to exploring alternative employment options.

Leaders at Zappos build on their platform of operational excellence by living and encouraging *Personal Emotional Connections* (PEC). By creating a workplace where distinctions between leaders and front-line employees are virtually non-existent (core value of *humility*, a CEO who accepts a salary of only \$36,000 per year and who works in a cubicle) and where managers are expected to spend time outside of work with their team members. Supervisors engage personally with staff who in turn are encouraged to forge personal connections

with their customers. Is your leadership team treating staff the way you want to see staff treat one another and treat your customers?

5. Play to win. *Work* and *play* should not be antithetical. Play without purpose is not a sustainable business approach and a workplace devoid of play is also not likely to fuel innovation and collaboration. Zappos leaders often use *playful activities* and a *spirit of abandon* to reward achievement. They do not *play to play* but they *play to win!* How silly will you be to incent extraordinary effort by your team?

At Zappos, you might see a leader dress up as garden gnome, sing karaoke, or lead an impromptu parade—all in support of productivity, community, and fun. *Companies that play together do stay and win together!*

What concept will you embrace to lead your team more meaningfully? **SSE**

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ACTION: Apply lessons from Zappos leaders.

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