



Wladimir R. Palermo, Managing Director - Persona Global Brasil

wladimir@personaglobal.com website www.personaglobal.com

With this new edition of our Newsletter we are adopting a new and a quite different design.

Our intention always will be to offer to our readers some updated articles about business management, treating these subjects with the view point of our many partners around the world..

From now, each edition will start with our NEWS and EVENTS.

1. PERSONA GLOBAL INTERNATIONAL CONFERENCE

This year our International Conference will be in Paris from August 28 to 31, at Hotel Napoleon - www.hotelnapoleonparis.com

During the Conference we Will launch two new surveys:

- Leadership Equity Analysis – LEA – The LEA Survey, and debrief/coaching process, originated in Denmark based on a very extensive research project by the Gallup Organization. Based on Gallup's research Marcus Buckingham, in his tremendously successful book: First, Break all the Rules, distilled and brilliantly transformed Gallup's research into 12 singularly relevant practices that the best Leaders/ Managers perform. In a world where many companies feel that they suffer from "survey fatigue", LEA is surprising simple to administer with just 12 key questions.
- 360° Multi Rater Competency Survey - online multi rater assessment framework that allows clients to select from 46 core, managerial, and leadership competencies. The assessments can be administered in 360, 180, or 90 degree format. 5 core areas, 46 competencies, 230 behavioral descriptors. Any combination of the 46 competencies is possible (maximum 16)

2. WORLD EXPANSION

After the certification processes with the new partners from Dubai, Romenia, Servia and Latvia, Persona Global is a 50 countries organization with programs available in 36 languages.

3. PERSONA GLOBAL BRAZIL

- Persona Global Brazil registers operations in São Paulo, both directly and together with Potencial RH-IMD International, in the Northeast Region with Gomes de Matos Consultoria, in Santa Catarina and Paraná States with Dimensão Consultoria and now, with the new partner, Sebben Consultoria, in Rio Grande do Sul State.
- During August, in São Paulo, Brooklin River Side Hotel: The Persuasive Communicator One Day Workshop, sponsored by Potencial RH, IMD International and Persona Global Brazil. This workshop is specially oriented to T&D and HR managers. Potencial RH will send the invitations soon...
- Our partner Potencial RH/IMD, developed a new program, "*The On Board Coaching*", based on *Social Styles* from *Persona Global*. The program Will be launched during this June.

ARTICLES

1. **Empowerment as a Human Resource Management Tool in a time of crisis.**
2. **Front-Line Personnel: The Ultimate Driver of Service Quality & Customer Experience**
3. **Winning the customer loyalty – KINGSPAN success case**

Empowerment as a Human Resource Management Tool in a time of crisis.**Lucia Sebben, President – Sebben Consultoria – Rio Grande do Sul.**

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lucia@sebbenconsultoria.com website www.sebbenconsultoria.com

It is known that to talk about The World Economic Crisis is to talk about Innovation and Creativity. It is also known that innovating and creating means CHANGE and that this can only be achieved with the help of committed, motivated and empowered people

Imagine a company located at an industrial region with the most modern equipments and the most qualified products, but where there is no single creative soul identified with their job. What it means? Just a big amount of *stuff*... no meaning, no value... just *stuff*...

Imagine now a small company with no technological resources and average quality products and machinery, suddenly run by committed, motivated people, strongly identified with their jobs. This is an EMPOWERED company. Its success and growth chances are infinitely higher. It seems obvious, doesn't it? But to what extent is this "obviousness" practiced by the managers?

In a time of World Crisis, more than ever, downsizing seems bound to become the first option when thinking of cost reduction. However, the onus brought about by this apparent bonus is certainly not assessed: a tense atmosphere, scared and non motivated employees, consequent failures in the quality process and a highly shaken image inside and outside company's doors. Managers feel guilty and uncomfortable. Teams feel fragile and scared.

Well, so far we understood what moves organizations and the world: PEOPLE. In order to have effective goal-achieving people, objectives must be well defined. That is when POWER becomes so necessary. Not the insatiable power conceived in the capitalist society, but that which leads us towards our desires simply because it makes us feel competent and capable.

There is no better place to build up this power than our workplace. So we ask: how can we gather more power? Or even: how can we empower people more and more? To do so, we need to understand how this power works. It works on a solid and well-structured self-respect basis. People, who know each other, accept each other, are proud of themselves, even in their own limitations, but always willing to overcome their selves every day, these are empowered people. They become unshakeable and promote changes without hesitation, because they believe in their own adaptability and competence.

So we are talking about empowerment, through personal power which is born with self-esteem and produces results with the daily attitudes in an uncertain world in constant transformation. And this personal power expands as people notice that within their companies there are conditions for them to make true their human potentials. Similarly, companies need to see in their staff the necessary conditions to obtain the desired results. We finally come to a convergence point: Why do not bring together organizational objectives and personal objectives? This is, thus, the formula to EMPOWERMENT.

According to Diane Tracy (2004), there is a paradox in this aspect: if you try to obtain power only for yourself, you will have to move away from other people's paths. So, focus on your teams, develop them and pursue ways to endow other people who work with you with empowerment. You will see your power growing with and by them. It is a sharing relation, a two-way route which rewards results which are achieved even in times of crisis.

Through Team Management we can plan the empowerment by generating means to assign responsibilities and make them clear to all, delegate authority, share decisions, set excellence standards, train and enable people by making use of constructive feedback, recognizing talents and potentials, trusting and allowing mistakes.

Only by doing so, according to Diane Tracy (2004), will we be building a Pyramid of Power which is highly effective in its result generation, thus strengthening teams and eventually the company as a whole.

Front-Line Personnel: The Ultimate Driver of Service Quality & Customer Experience



Paolo Guazzotti, Partner, Master Team* – Italy

pguazzotti@masterteamsrl.com

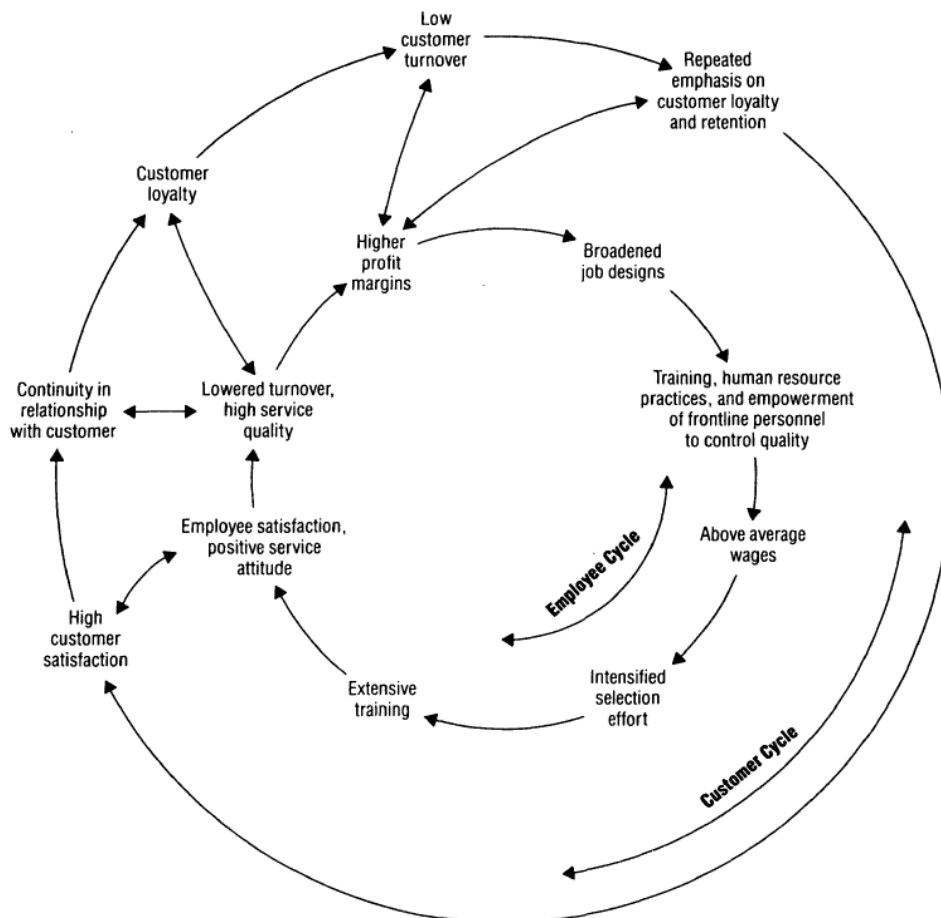
website www.masterteamsrl.com

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The Moment of Truth:

A couple of words that, at first sight, seems to evoke a western films by Sam Peckinpah, was in fact a metaphor conceived by Richard Normann to represent the decisive moment when front-line personnel meets the customer, during service delivery. The service can be perfectly designed (in accordance with the best practices) but is in the moment of “meeting with the customer” that the company tests its ability to keep the promise

For this role, the front-line stands in the “core” of the cycle of success (Fig. 1).



Source: L. Schlesinger & J. Heskett: *Breaking the Cycle of Failure in Services*, Sloan Management Review, MIT Boston, February 1991.

This concept is not only applicable to “high-contact” service companies (to those whose service is built through a high involvement between front-line and customer (e.g. in consulting, tourism services, etc.) but even more in standardized “low contact” services (Retail, Food Services, for ex.), where the front-line performance become more and more the most important competitive driver.

In this context, it seems necessary to support a non-contingent approach (the success of all service industries is linked to soft elements such as front-line personnel performances).

Accordingly, the retail & distribution company (Auchan, IKEA, Le Roy Merlin) historically a low-contact service company, must move towards a culture of incentives for their first lines, aimed at the quality of service and its internal redesign.

In a time of bitter competition on the price of products, logistics, promotions business, investing in front-line personnel is the key to enable the large-scale retail businesses a real competitive acceleration, based on a wider content of service delivery and on continuous improvement and redesign of the customer experience. In this context the company can move towards a real customer experience company by investing on their front-line also in terms of “marketing internal sensor & customer needs redesign” and not only in terms of better delivering performances.

To move to this new “state of mind” we need first of all to invest in the following capabilities:

-Problem-Solving & Decision Making: the ability of analysis, diagnosis and summary of causes, including creative solutions to deploy, within the path traced by the objectives and operating procedures for service delivery (lateral thinking, creative decision making).

-Communication: ability to communicate effectively with customers and with the back office, moving with precision and clarity not only the information related to the service but also paying attention to the ways in which they are transferred, the empathy, the ability to understand the customer bearing in mind the objectives of the company.

-Flexibility: ability to interpret their role, even under exceptional circumstances, within the provisions of the objectives and procedures

-Initiative and Proactivity: the ability to capture weak signals relative to the expectations and problems of the client, to anticipate their needs, to transfer inside the company, the service improvement suggestions and to help to redesign service based on the customer experience.

-Integration: the ability to work with other organizational units, balancing company objectives with customer expectations.

So that these capabilities are really realized, we must look to a system of incentives and rewarding that is not exclusively based on fixed compensation but that starts with some different assumptions:

- Rewarding the successful demonstration of the listed capacity towards the customer by monitoring and promoting the “quality side of performance” and not just the quantity, also referring to metrics and customer satisfaction surveys (Not only “how many services did you deliver?” but also “how did you deliver this specific service?”).

In this sense, the customer experience has become the *cornerstone* of the whole system.

Some Guidelines

- Articulate the system between the monetary and non monetary components, because very often the first is a hygiene factor, that is not sufficient to satisfy the front-line needs of involvement, integration, growth and to stimulate the self-empowerment behavior, in order to improve the service quality towards the customer experience.

- Connect the incentive part on the global results of the company, in order to stimulate the integration and a sense of belonging.

If, as often happens, there are no miraculous recipes, it's from these guidelines and this "state of mind" that it's possible to be prepared for a more and more frequent "moments of truth" of the competitive challenge in services. Building a real customer experience company is possible only if we put the front-line personnel in the centre:

- of service quality delivery cycle
- of the service improvement & redesign process, services & products.

Winning the customer loyalty – KINGSPAN success case.



Janusz Kamiński, Partner, Executive Conversation Polska*

j.kamienski@e-c.com.pl website www.e-c.com.pl

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Introduction

The problem with customer satisfaction is that the level of service that satisfies customers usually fails to make them loyal. If you are looking for growing number of profitable customers, look for unique expectations of your most profitable customers and manage your company in order to offer them desired experience

Situation:

Kingspan Polska is the Polish subsidiary of the Irish producer of insulated panels. Although, thanks to considerable investments in Leadership development, efficient management, and high employee commitment, the company managed to establish a strong market position at the beginning of this decade, the position could easily get undermined. In mid-2006, the company possessed 22% of market share, yet it faced a serious challenge from two new competitors' intent on waging price war the next year. With two sales managers, we have developed in the late 2006 a strategy that helped to maintain customer loyalty by investing in delivering the desired value and experience to customers.

Solution

The key issue for Kingspan was to get a correct understanding of the company's customer expectations. First, Kingspan conducted in-depth qualitative research with selected most profitable customers in order to uncover their future expectations. The interviews were not geared to measure current satisfaction levels, a manner of uncovering what did not work in the past, but to give customers an opportunity to describe how they would ideally like to see the whole Kingspan industry.

The results presented to the Management Team proved to be very interesting and, sometimes, surprising:

Everyone believed that customers expected on-time delivery and that was as a matter of fact confirmed by the survey. However, it turned out that those customers who mentioned on-time delivery actually expected flexibility of delivery time. They would be happy if products were not always delivered on time, but with a delay of several or more days, depending on possible delays on the construction site.

Customers – contrary to earlier expectations – did not actually value the shortest possible delivery times of less than 1-2 weeks and were perfectly happy to wait 2, 3 or even 4 weeks.

What is more, the findings supported the arguments of those in the company who had already put customer care first, but had not always been given attention. Before the survey, the belief that customers mainly went for low costs had been prevalent in the company. However, it turned out that cost considerations (not even price itself) were only mentioned in 11% of all the answers! Customer intimacy issues (70%) and product quality (19%) topped the list of key expectations.

Actions:

Having identified the most important expectations of the key customers, Kingspan managers have developed the company's brand platform and designed the desired customers' experience. It has involved the following steps:

Choose the strategic brand direction. Kingspan Polska managers, having analyzed the conclusions from the customer expectations survey, chose customer intimacy (focus on establishing excellent customer relations through individual approach and superior service) to be the strategic direction for the Kingspan brand. The company decided to channel 50% of its energy in that direction, 35% towards product leadership, and 15% towards operational excellence.

Choose the value drivers. Based on the customer expectations audit and a choice of customer intimacy as the brand strategy, Kingspan selected and defined the four appropriate value drivers:

CLOSENESS: "We see and understand your needs, and take actions to satisfy them."

QUALITY: "We fulfill desired quality standards of our products and services."

INNOVATIVENESS: "We deliver innovative solutions."

PUNCTUALITY: "We act according to our promise and we are flexible to meet our customers' needs."

Such value drivers are the starting point to create the brand promise.

Define the brand promise. The brand promise is a detailed description of the value drivers. It needs to make employees understand what behavior is expected from them in order to meet customers' expectations.

Define the customer-brand touch-points. In order to turn the brand promise into future customer experience and employee behaviors, Kingspan managers identified the situations when customers may verify the company's promise against the reality (that is why they are called the moments of truth). For this purpose, they have specified how customers see Kingspan at each step, from the first until the last touch-point with the brand.

Define desired customer experience at the touch-points. Having a clear perspective of the points in which the customer is currently in touch with the brand, planners need to include into these points a vision of experience that the company wishes to deliver in order to meet uncovered expectations of the key customers. It can be said that the customer experience might really sound common sense and states the obvious. True enough, however, it was just a starting point for Kingspan to introduce customer-oriented changes.

Planning for change in Products, Processes and People behavior. Based on customer insight and designed customer experience, the main change Kingspan managers planned was to shift the company's focus from investing in shortening delivery times to reallocate resources in order to increase preferred delivery flexibility. Of course, at the same time it maintained its ability to meet contractual delivery time obligations.

Kingspan managers have also designed a Customer Relationship Process (CRP). Once the phases of the process were agreed upon, the next step was to create a matrix of behaviors aligned with the

Kingspan brand promise. It listed specific behaviors and guidelines for the employees of all departments at each phase of the customer relationship process.

Results:

The year 2007 brought Kingspan an unpleasant surprise. Contrary to previous expectations, three – rather than two – new players entered the market. The price pressure rose dramatically. In the meanwhile,

Kingspan Polska stubbornly tried to avoid thinking about price cuts and consistently consolidated all employees around delivering to customers the value that they desired. In consequence, only the other players lost their market shares as a result of the strong competitive attack.

What is more, in the years 2007-2008, compared to 2006, Kingspan strengthened its position and increased the market share in to 25% thanks to customer loyalty and a high level of customer satisfaction.

Summary:

Designing and implementing desired customer experience can really produce effects. In order to achieve them, managers need to be fully consistent in protecting and developing the sources of their brand value. Particularly in the situations when the hard times and the market slump provoke cost cutting in those positions of the income statement that are the easiest to explain to the investors. While cutting costs, managers needs to remember, not to limit their ability to deliver experience expected by the most valuable customers.