



John DiJulius On... How to Make Price Irrelevant Through Radical Customer Service

Steve Sanduski: Hello everybody, and welcome back to another episode of On Your Mark, Get Set, Grow. I'm your host Steve Sanduski, and joining me in the studio today is John DiJulius, John, it's great to have you here.

John DiJulius: It's great to be here, Steve, thank you so much.

Steve Sanduski: Well, John, it's great to have you, and you came out here with a new book called The Customer Service Revolution, and where I'd like to start is talking about that. When I think of revolution, I think of people fighting in the streets, and I'm sure that's not what you're talking about here, so what do you mean when you say customer service revolution?

John DiJulius: Well, you know, maybe a little bit like that, Steve, I want people fighting for change. We do have a definition, a customer service revolution is a radical overthrow of conventional business mentality, designed to transform what employees and customers experience, and the shift produces a culture that permeates into people's personal lives at home and in the community, which in turn provides businesses with higher sales, morale, grand loyalty and ultimately makes price irrelevant.

Steve Sanduski: So, how did you come up with this? Tell me a little bit about your background and what made you such an evangelist and an expert here in the customer service area?

John DiJulius: You know, I started my first business 23 years ago, a little 900 sq ft hair salon, and I wanted to be known as a great hair salon at customer service, and at first we were pretty good, because two of the four employees were me and my wife, so whether you had it or you didn't, you had to act like you got it because you worked next to us all day. But,

as we started having growth and we were opening up multiple locations and we weren't everywhere, our customer experience went backwards. I want to preface, we didn't want to be known as a great hair salon, we wanted to be bench marked against any experience you had, so then I started reading every book and listening to every presentation I could on customer experience, and it actually got even more frustrating, because everything I found were these warm and fuzzy stories about how the Nordstrom associate ran to Macy's, got you the pair of shoes that they didn't have, brought them to you and sold them. Love the story, but what it didn't do was tell me how you got that employee to think like that, do that, was it random that I just got that one employee, would it happen tomorrow if I got someone else, or if her manager wasn't there?

That's when I just started studying the giants, Disney, Nordstrom and the Ritz Carlton's of the world and figure out what's the secret, why do so few companies get it consistent while the rest of us struggle day to day with a much smaller team? That's how I got it, more of a necessity to build my first business, and then I stumbled on a formula that I didn't invent, but just codified.

Steve Sanduski: Okay, so let's talk about that formula, let's talk about some of the steps that you go through and the things that you teach in the workshops and consulting that you do, what would you say is the first step for a firm that really wants to ramp up their customer service experience?

John DiJulius: Everything starts with the service aptitude of the CEO to the janitor, to the person being interviewed that may start orientation next week or next month. The service aptitude is a person's ability to recognize opportunities to exceed customers' expectations, regardless of the circumstances. Now, here's the biggest lesson that we have to change the way that we think, especially entrepreneurs. No one had high service aptitude, Steve, you didn't and I didn't. Walt Disney didn't when they entered the work world, whatever schooling they finished with, and that's the problem, that people feel that service aptitude or customer service is innate or common sense, and it's the farthest thing from.

Service aptitude comes from three places: previous life experiences, so most of didn't grow up getting Mercedes Benz when we were 16, driving them and getting them serviced, we didn't fly first class growing up all the time, we didn't stay at five star resorts and we didn't get \$150 hair cuts. Yet, we hire employees, throw them on the front line, customer facing positions, and say, you know, be world class, that's just not practical.

The second place where service aptitude gets shaped is previous work experiences. Unless you have a direct pipeline to hiring people that just got done working at Disney, or Nordstrom, or Chick Fila, or any of those world class iconic companies, there's a really good chance every person that works for you, and every person that will work for you has worked somewhere else and it wasn't a world class customer service company, so they were trained to be paranoid, suspicious, the customer is out to take advantage of them, and we get them, and we can't believe they're making some decisions that would go against our philosophy. It's not their fault.

The first two we can't control, the third is the only one we can control and it's current work experiences. I always say do a test, think about how much training you give to any employee, I don't care if it's front line call center, consulting, whatever you've got. How much training do you give them before they're allowed to interact with a client, a customer, the public? Whether it's a week or six months, typically 97%, 99% is the technical aspects of the product knowledge, and prepare our stakes, whatever it may be, and less than 3%, if any, is the hospitality, the engaging, the experiential interactions, and that's where the best companies certify their employees on that just as much as how to do the technical aspect. The way I sum it all up Steve, is this is what everyone listening has to really digest. It is not your employees' responsibility to have high service aptitude, it's the company's to give it to them.

Steve Sanduski: Okay, so you're saying that people are not born with a great customer service aptitude, but they can be taught.

John DiJulius: Absolutely.

Steve Sanduski: Okay, great. So, how about, you talk about some of these companies that have this great customer service reputation, is that something that start from the top, is that the CEO that really sets the tone, do they have a vision for customer service just like they might have an overall vision for the direction of the company?

John DiJulius: Yeah, world class starts at the top, and you need two things: You need executive sponsorship, and that means every time they talk, if you ever read, watch, listen to an interview with Walt Disney Steve Jobs, Richard Branson, Tony Hsieh, going on and on, Howard Shultz, I don't care what the topic is, they bring it back to the customer experience, they are OCD about how it affects the customer experience. The second thing is service aptitude starts at the top, and how they treat and speak, and talk about the customer as a direct reflection. I get two types of questions from

audience, one is can we really do this? Can we really turn 400, 4,000 employees into this mindset? Yeah, absolutely. Eat it one bite at a time.

It's the second type of question that I really don't know how to answer, they say how do I get my boss, my CEO, my president, to buy into this? And I laugh and say have them come to the next presentation, buy her the book. What I'm really thinking is "You're screwed." If the top doesn't believe it, it's going to be flavor of the month, and that's all it's going to be. It's got to be there, you can tell the best companies at customer service why, you can also tell the worst companies and why.

Steve Sanduski: Okay, and are there any hard and fast trues, for example things that when it comes to customer service we should always be doing these things, or things that we shouldn't be doing, any specifics in that area that our listeners could really jump on here?

John DiJulius: Well, I mean, there's a ton, but crawl, walk and running, the first place, we have to create the service aptitude training, and realize it's our job to increase everyone's service aptitude, so how do you do that? The first place we like to start is create an empathy and compassion for the front line or everyone coming into contact with the customer, and in almost every business I've worked with and studied, the customer facing employee is not the customer, meaning I work with Anytime Fitness, and they're the fastest growing franchise in the world, #1 franchise in the world, 3,000 locations all over the world. Their average employee is a 23 year old male. Remember when we were 23, we were in good shape, we worked a few hours, they worked a few hours a day, and they don't know what to do with the rest of their time. They eat maybe a pizza or a doughnut and they still look damn good, right?

Their average customer is a 39 to 51 year old, little bit more female than male, so picture that, I'm 22 and just shoot down 4 donuts and busting out of my polo shirt, and I have a 45 year old female or male that comes in, and "How can I help you?" "Oh, I'm trying to lose 15 pounds." What am I thinking about? I'm thinking, "Dude, get to the gym more." What do I know at 22 what it's like to be a 45 year old where I don't know what to do with 12 hours a day? You, I and everyone in our generation needs 40 hours in a day, let alone 24, and the stresses that come with being in our 40's and balancing all the personal and professional, and the metabolism, and all that.

Every business has that dilemma, so the answer isn't changing who we hire, but what we do is we help companies create a day in the life of their customer, and what it does is we don't show them at our business, we

show Steve getting up in the morning, and trying to race off to work, and trying to put a pair of suit pants on that no longer fit him, and he's frustrated, throws them down, and there's a reunion card on his mirror, his 30th reunion is coming up or whatever, and all the stress coming at him, and all the things at work, and personal life, and all this and he's tired, his kid wants him to play catch when he gets home, and he's just exhausted. All the things, so what happens is now you see that potential member pull in to the parking lot or call up, and hopefully you have a different mindset of how much he really needs this and why, versus "Next."

We do with all our business we work with, and any company can do it, but it's what's going on in your client's life, and there's two things you look at when you're doing it, you can do this with pictures. We have our new employees act it out, and it's really compelling and they really get it. One thing is, I don't care what company we are, we can all share the side of the stress that everyone's facing. Your client, my client, the salon's client, they all have their personal health, and errands, and relationships. The second part of that story needs to be on how you come to the rescue for them, whatever it is, being that you're an accounting firm, a repair service, whatever it is that, man, you want to be the hero, and be present with them, and be the best part of their day, based on what could be going on.

Steve Sanduski: So, it's really about when that customer walks in, or when you have that conversation, or when you're talking to them on the phone, it's really trying to put yourself in their shoes, and understand that they may be coming off a really bad day, they may have just had an argument with their spouse or something, and then when you get them on the phone, you don't know where they're coming from, but you just have to be prepared for that, you have to be empathetic, and have the right mindset and attitude to be able to serve them.

John DiJulius: Right, be present and almost think worst case scenario for this person, personally and professionally, and every other person that they counted on today dropped the ball, and if nothing else you want to be that one company that can provide them with peace of mind.

Steve Sanduski: So, what are some basic things that companies can do to provide a great customer service experience? Today, we have so much technology and when you call a firm, for example, often times you're going to get some type of automated system that says "Press 1 for this, press 2 for that, press 3 for that," and then finally when you get to press 9, it's like, "Press 0 if you want to speak to someone live." Is there some basic things that in

today's world you say companies should do to really stand out in the customer service area?

John DiJulius:

Yeah, technology is great as long as we use it as an enhancement, take the tedious things off our plates, the redundancies that we have to ask you for your account number again and all that, great, lets get it out in an app, or a website or whatever, but then I can focus on really serving you. We have companies create simple always and nevers, and these are common sense, but they're not common. I'll just give you some examples, with the nevers and always, we kind of call them the customer bill of rights, and that you know when you deal with Disney, you would never experience this or always experience this, or would you ever expect to go to Disney and see a cast member on break in public, chewing tobacco and spitting on a paper? No, you know that wouldn't happen.

Would you ever expect to go to a Four Seasons hotel and say, "Excuse me" to someone in full uniform, "Can you tell me where..." and he interrupts you and says, "I work in housekeeping," and he walks away. No, you know that wouldn't happen. Well, that's what we need, low hanging fruit that are simple, in black and white. So, a couple things, never point, always show them. When we say that, we think of the hotels and restaurants, well, we have that on all our business to business companies that we work with, because typically in a business to business, 99% of the interactions are over the phone, via email or that, but we can easily point. You ask me for something, I say "You can get that off our website," or "I don't handle that, you can call Denise, she's off until Monday." Why am I making you do the work? I'll show you.

Never say No. In any of my companies, you cannot use that word "No." Doesn't mean everything is a yes, a lot of times it can't be yes, but just focus on what you can do, you just can't use the word no. Focus on what you can do. The most overused street slang term in our businesses is no problem. No problem is a big problem, #1 it's two negative words and we shouldn't be using any negative words with our clients, #2, if you ask me to get you something, more water, more whatever, towels, and I say no problem, that's implying to you, my customer, that it's not an inconvenience. When we're serving, it's not about inconvenience, it's about our customers. It's almost saying, "Steve, you're lucky that the water is only right here, because if it was any further, we'd be having a big problem."

Saying things like, "Certainly, my pleasure, absolutely, you're welcome," just things like that, and we have a list of 20, 30, 40 of these examples,

but what we recommend is companies to only come up with 8 in average, 8 always, they don't take any training, they're common sense, but they're not common sense to front line employees, and if you do nothing else but that, and you can say "You can come into my business, call my business, test us out, we would never do this, always do that," it would be light years ahead of what you're probably currently doing and your competition.

Steve Sanduski: Okay, so John, you got some great ideas here, what's the best way for business owners to incorporate these ideas, maybe turn them in to some type of system so they can be communicated throughout the organization and people would use them on a regular basis?

John DiJulius: Well, first, have a customer experience steering committee, besides some management. Key representation from each department, and front line even, because that's important, so you're getting them to buy into it. Then, there's always 5 steps to rolling out anything. The first one is create it, and while it needs to be created, well great, all that, that's the easiest. Creating it, we all have great things that are collecting dust on some shelf or that never made it, never got implemented. The second thing after you create it is sell it, and selling it is launching it company wide, that everyone gets it, and everyone's excited, and everyone understands the benefits to them, the customer, the company, all that.

But that still is the easy part. We can have fireworks and this and that, and everyone's excited, but within two weeks its going to be forgotten if we're not measuring it. The third thing is measure it, make sure that our people are doing it, and we're auditing them. The fourth thing is measure it again, but this way measure that is having an impact on the clients, our customer satisfaction scores and our intention, and whatever our KPI's, and then fifth is just the sustainability. We can't go away from it even though we're going to be introducing other things, we always have to make sure that it lives and its part of the new employee orientation, so the new generation of employees understand that that's our non-negotiable.

Steve Sanduski: Okay, now how about companies who are in, I'll call it professional services businesses, where they have deep relationships with their clients, maybe as a consulting business or some other business, CPA business, financial advising business, where they have good relationships with their clients, are there things that you train on in terms of what these types of organizations, the type of information they should be gathering about their clients, so that they can know them well, and they can provide this high level of service?

John DiJulius:

Yeah, so that's what we call Secret Service, which is the title of my first book, and it has really just taken on a life of it's own. Secret Service is the ability to collect and utilize customer intelligence, to get you to say "Wow, how they know that, how they do that?" Especially in a B2B world, it is so much easier than any other industry, because rarely are we talking to anyone that we don't have information of. Existing client database, it's Steve from Sanduski, I'm sorry, Wisconsin, and so, the Secret Service, we have it filtered, it shouldn't cost anything, it has to be easy to do, meaning it has zero impact on productivity, so we don't want the ability to collect and utilize Secret Service to add ten seconds to a call, a meeting, but ultimately it's a wow that customers aren't getting.

In our world today with this as lean as everyone tries to be, we treat everyone like a transaction. Next, you're my 10:30 call, and we have to make sure that we're building relationships. Everything we do with our clients and us, we always carry a customer intelligence pad on us or they're at our desk. I always ask people, Steve, do you have relationships with your customer? Yeah yeah, everyone does. I say, "well, you have to prove it to me. Just because you know me from calling regularly or whatever, you know my voice, you know my name even, doesn't mean we have a relationship."

How anyone proves that they have a relationship is they have to know two or more things of the acronym FORD. F-O-R-D like the car. And that stands for Family, Occupation, Recreation, and Dreams. If you two or more things of anyone's FORD, you own them, you own the relationship. That is what they want to talk about, that's what I want to talk about, my FORD, you want to talk about your FORD, everyone wants to talk about their FORD, but I even do this with my kids. If you meet my 13 year old, and I obviously I always ask kids what grade are you in, what do you do, he's trained to turn around and get your FORD, you don't know he's asking you your FORD, but it's taught to find out FORD, and we document, we put it in our CRM system, so when we circle back it could be as simple as "Steve, how's your three kids, did the one transfer to Wisconsin yet, the graduate, the other one," whatever we know about them.

A lot of times, you don't have to ask, it's not like you have to ask people that call in this stuff, that would be like a stalker checklist, right? But, even if you're a call center and you don't have the luxury of saying hey and shooting an ... Clients over share, even if they're booking an appointment and you say "All right, Steve, how about Tuesday at 4?" "No, no, no, I'm taking my son back to school," or "It's my daughter's recital that night," or "My anniversary." But most of us are so task focused, we

just go, "All right, how about Wednesday at 4?" And you say "Yes" and we book it, and we miss the customer intelligence you just threw right at us, and where we could circle back when we have that appointment or that call, or that meeting, you know, how was your daughter's recital? It's doing things like that, then for your VIP's, people you're consulting with, that you talk to regularly. "All right, Steve, we'll talk next Wednesday, same time like we always do," and you say, "No, I'm going to the Bahamas on vacation with my wife."

What we do and a lot of our good clients do is we'll say, "Oh God, Steve, where are you staying, I've always wanted to go there," "Oh, the Royal," or "Atlantis," "Oh great, have a great time." If it's a VIP, certain level or above, there's going to be something in your room waiting for you when you arrive. Bottle of wine, cheese tray, they wouldn't do that with everyone, but you get your employees focused on hearing the FORD, and man, that's what's important to everyone, and it extends the service from a commodity to making something that is price irrelevant and a company or a person I can't live without.

Steve Sanduski: Okay, so some really great ideas in there, I really like this idea of FORD, so Family, Occupation, Recreation, Dreams, so you've got that system there, it's a good acronym there that I think people can easily remember. Then, another thing you talked about is, really, you have to be able to ask good questions, so your team that is having contact with their clients, they always need to be thinking about what are some good questions to kind of draw out this information, and I know you mentioned you don't want it to sound like an interrogation, but you want people to be curious, like the example you just gave here, someone said "Hey, we're going to the Bahamas," and then you can ask, "Oh, where are you staying, I've always wanted to go there," so that's just a natural part of the conversation, you're gathering some new information, so I think that's important.

Another thing you talked about was, as you gather this information, you really need to have a place to capture it, so you need to have some type of CRM system or something online to capture this information, besides just having it inside our head, because we all know how our memory can fail us, and that's obviously a bad place to try and store this, so having that technology system I think is going to be critical, so that this information is available, not just to you, but to other people in the organization as appropriate.

John DiJulius: Correct, and most CRM systems we found have it or can be customized, but I also don't want to scare the listeners thinking that, "Oh, this guy is telling me to make all my employees to start going deep and we don't

have time and we have to be off the phones in three minutes," whatever, it depends on the model, but again, Steve, you're a client, you're calling in to place an order, I don't care what the model is, because you're an existing client, I know where you work, I know your home town, so I can be saying, "Hey, what is Milwaukee this time of year, because I got to tell you, Cleveland is beautiful, it's 60's, is Milwaukee..." now you're impressed because, "Wow, he knows me," or "I'm a VIP there."

It says right here on your profile where your business is at, right, but it's low hanging fruit that didn't take me any more time, I didn't have to go Google you, check you out in LinkedIn, it's right here on your profile, on your last order, what your home town is, whatever that may be. If it's a consultative professional service, insurance, accounting, yes, we do have a little bit more time in there to build relationships. I have a Call Center for the spas, and the phones are ringing off the hook, they have to deliver one secret service in that phone call, and that might just be, "Steve, did anyone notice your hair cut you got in April?" Because it's right there, it's not like you have to go digging, it's on the main screen, your last appointment or where you work, or whatever, so every time, one secret service has to be delivered.

Steve Sanduski: Well John, and I can vouch that you are walking the talk, because before we went live here, you were asking me some of these FORD questions, and it just felt a natural part of the conversation, like, "Oh, this is a really nice guy, and he's interested in me, and it makes me feel special."

John DiJulius: Right. And you know, Steve, we've all done this, it's helped me in our personal lives, we've had to go out with another couple, and it's our significant other's friend from work, and now I'm with this guy that maybe we have nothing in common, that's where FORD always comes back to me, because it might be your boss, and I'll be working on it, and I find that you like fly fishing, which actually probably in Wisconsin it isn't a stretch, right, I could care less about fly fishing, but I ask him everything he wants to tell me about fly fishing, and two things always happen, three things, one, I'm a champ because this guy is telling his wife, how great of a guy I am, so I earned some points there. Two, I really did learn something in the conversation that was interesting, I didn't think I ever would.

Here's the thing and I know you've had this happen to you, it seems like always, coincidentally or whatever we want to call it, always, within the next couple weeks, I will meet a potential client or be in his office, and I'll see this picture of fly fish or whatever the topic we talked about, and I'll say something smart, intelligent that will help build that relationship. It

always comes back to benefit you, so I utilize this. My kids, if they get into a cab we play a game, who could find out the most personal information about the cab driver, I know it sounds funny, but if we could help ourselves, our staff, to always be focusing on the other person, we won't end up talking about ourselves and losing opportunities to build that relationship.

Steve Sanduski: Yeah, and to me, I keep coming back to this idea of being curious, and that when you're working with someone, if you have this mindset of being curious and you want to know about them, and you're asking them a lot of questions, what's going to happen at the end of that conversation, that other person is going to think, "Man, you're just a great person to talk to," not because you shared anything great, it's just that you got them talking about themselves all the time, and everybody loves to talk about themselves.

John DiJulius: Right.

Steve Sanduski: Well, John, as we get ready to wrap up here, can you kind of pull this together? So, we're talking about Customer Service, what are some best ideas for business people to incorporate Customer Service training into their organization so they can really elevate the level of service that they provide throughout the whole organization?

John DiJulius: The first thing is, lets do a thermometer check on the service aptitude of everyone in our organization. The CEO, ourselves, the COO, everyone, do they really get it, or are they just paranoid and worried that somebody is going to try to take advantage of them? Then we have to build the service aptitude training into new employees hired, and it's just like no one with born with the ability to be an Accountant, or fly planes, or cut hair, or prepare steaks and great meals, they all had to get licensing, whether it be before they get to us or in our training. Well, it's the exact same thing in the customer experience world, of how we treat people, yet we discount that and we say, Steve, go be really nice to people.

We can't, one of the worst compasses for any company is to tell their employees to do the golden rule, treat customers how you want to be treated. I don't want any of my front line employees treating customers how they want to be treated. It's not their fault, but as we were talking earlier, Steve, we both have 20 year old, kids in their 20's. My 23 year old, he's a Senior in college and is the nicest kid you can meet. However, if you hired him tomorrow and said, "Johnny, I want you to greet, treat customers the way you want them to..." that would be the worst mistake you could do. If someone walked in, he'd give them, "Hey, what's up

dude?" And he'd give him a fist pump, and you probably have to tell him, "Hey Johnny, I need you to pull up those sagging pants," but that's Johnny's circle right now, nothing wrong with it, but you give Johnny 3-4 weeks or any kid or front line employee, 3 weeks of this is how we greet a customer, this is how we don't say no when we can't say yes, this is how we do this, whatever, he'll be a rock star, but too many of us think it's common sense.

I think the biggest take away here is if you could certify your front line employees, that they get it, give them a 25 multiple choice questions or scenarios, whatever it may be, but some type of training and that they're creating a day in the life of a customer so they can better appreciate the play, who they're going to be serving has, and it's just not an irritable man or woman, or someone who just wants to use me as a punching bag. If you probably knew what was going on, you'd be like, well I'd be 10 times as worse as them.

Steve Sanduski: Well, John, you've given us some great information here, and I recommend folks to pick up the latest book, The Customer Service Revolution, and John, thanks for your time, I appreciate it, and I wish you a great continued success.

John DiJulius: Thank you, Steve, my pleasure.

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