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ENGAGED!

Outbehave Your Competition to Create Customers for Life

THE SUMMARY IN BRIEF

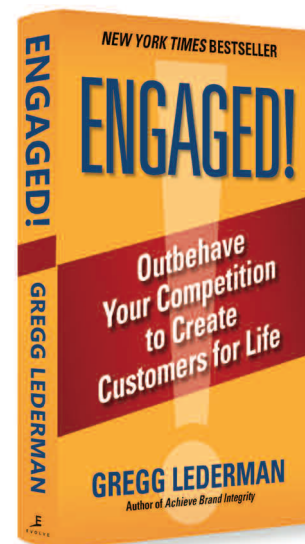
While the great majority of companies want to be good at delivering the customer experience, very few are investing the necessary resources to create the systems to define the experience and ensure it is consistently brought to life. As consumers, we are fed up with tolerating employees in companies who act as if they are doing us a favor by providing ... well ... customer service.

In *ENGAGED!* you will see why world-class companies have fiercely loyal customers who proactively recommend them to others and who buy more and more often. These companies all have one thing in common — engaged employees who are motivated and committed to act in the company's best interest. ENGAGED customers fall in love with your company, are more loyal, proactively tell others about you, and buy more of your company's products and services (and do so more often). As you will learn, the benefits of engaging your workforce and customers are easy to see and difficult to refute.

ENGAGED employees Live the Brand to help their company Achieve Brand Integrity. To Live the Brand means you KNOW the mission, values, brand positioning, guiding principles, etc., that your company has announced to the workforce and marketplace, and you know how to DO them in your day-to-day job.

IN THIS SUMMARY, YOU WILL LEARN:

- Eight principles to help you get more engaged employees and customers.
- How to design and implement a sustainable customer experience.
- How to communicate expectations for Living the Brand.
- How to create a Living the Brand system rooted in behavior.
- Approaches for defining a profitable mindset and experience.



by Gregg Lederman

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THE COMPLETE SUMMARY: ENGAGED!

by Gregg Lederman

The author: Gregg Lederman is the founder and CEO of Brand Integrity, an experience management company focused on delivering branded experiences to increase customer loyalty and profitability. A respected thought leader and highly sought-after speaker, his message of “Managing the Experience” has transformed the culture in many of today’s leading companies. More than 60 percent of Brand Integrity’s clients are recognized as “best places to work.” Lederman is also an adjunct professor teaching Executive MBA students at the Simon School at the University of Rochester.

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PART 1: DEFINE A LIVING THE BRAND SYSTEM

Principle 1: Get Every Employee on Stage, Delivering the Experience for Customers

Leaders in the companies you love to do business with understand that KNOWING the brand and DOING the brand lead to stronger work cultures and more profitable customer relationships.

Employees in these companies you love recognize they are on stage orchestrating an experience. They appreciate that they have the ultimate responsibility and opportunity to deliver an experience — to perform an experience that makes customers happy. And in most cases, it makes them happy, too.

At work, all employees (everyone who gets paid for doing a job at the company) are on stage responsible for delivering a branded experience to coworkers and customers. That means that no matter how far removed your role is from the actual customer, you are still responsible for delivering an experience that helps those who do interact with the customer. All employees are on stage!

Get Everyone Focused on Your Company’s Purpose

When I ask audiences, “What is the purpose of your company,” inevitably, the majority of responses are that the purpose is to make a profit. While this view may seem obvious, it fails to take into consideration what companies need to get there. While profit is the funda-

mental objective for every company, companies can’t achieve it without creating and keeping customers.

A challenge many companies face is that they spend so much time trying to get new customers that they lose focus on the tremendous efficiencies that can be created by delivering a better experience to existing customers.

Customers Who Love You Will Spend More

According to research by Harris Interactive, consumers not only want a better experience, but also they will pay more for it. Even in a negative economy, 60 percent of consumers say a better experience is a high priority and one that they are willing to pay more for (either most of the time or always). On the flip side, another study found that 91 percent of unhappy customers will not willingly do business with your company again.

There has never been a better time to ENGAGE employees with the delivery of a well-orchestrated customer experience. Now is the time to make sure you have a Living the Brand System in place. This is an approach for defining, reminding others about and quantifying the branded experience employees can orchestrate at critical points of interaction. Customers want to love you. You are on stage. Start performing! ●

Principle 2: Make Happy Employees to Create ENGAGED Customers

Most companies have a vast reserve of untapped employee performance potential where managers struggle to build emotional connections between employees and the company’s success. The evidence is irrefutable



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— most workforces are filled with disengaged workers who are not willing to put in the extra discretionary effort that owners and managers want. The research tells us that 70 percent of workers are “not engaged” or are “actively disengaged” in their work, meaning they are emotionally disconnected from their workplace and are less likely to be productive.

Whether your company is in retail, manufacturing, distribution, health care, professional services or some other unique niche industry doesn't matter. The level of employee engagement has a profound impact on the experience your customers will have with your products and services. And a lack of employee engagement is expensive!

The Five Levels of Being Engaged

Where does your workforce, team or department fall within the Five Levels of ENGAGED?

Level 1: “I’m not ENGAGED.” Level 1 employees typically have an “I don’t care” attitude, distrust management, provide inconsistent customer service (usually due to lack of process and training), and do not see how they make a difference every day at work.

Customer Experience Result: Bad experience; low retention; no consistency = no loyalty; not ENGAGED.

Level 2: “I’m somewhat ENGAGED.” These employees may have some understanding of your company’s values, brand, and promises to customers; however, a lack of appreciation and recognition helps fuel uncertainty regarding whether the workforce is really committed to taking care of customers.

Customer Experience Result: Unreliable experience; not satisfied or loyal; low retention; not ENGAGED.

Level 3: “I’m ENGAGED.” Employees at this level begin to understand how their actions make a difference in the company’s overall success. They understand performance expectations and have walked a mile in the customer’s shoes, yet they still distrust management somewhat and lack confidence in the company’s ability to deliver a consistent customer experience.

Customer Experience Result: Inconsistent experience, which sometimes leads to frustration; somewhat satisfied but still not loyal; not ENGAGED.

Level 4: “I’m very ENGAGED.” Employees here clearly understand the branded experience being promised. They are focused on what to do for customers and are becoming more committed to performing the branded experience. These employees feel empowered and properly trained on how to *do the right thing*.

Customer Experience Result: Consistent, above average experience; sense of belonging that leads to moderate loyalty; somewhat ENGAGED.

Level 5: “I’m extremely ENGAGED.” These are your star performers who are passionate advocates for your company’s branded experience. They love working for your company, and they tell people about their experience. They feel appreciated for their efforts and are confident in their ability to provide consistent, above average and sometimes even WOW experiences to customers.

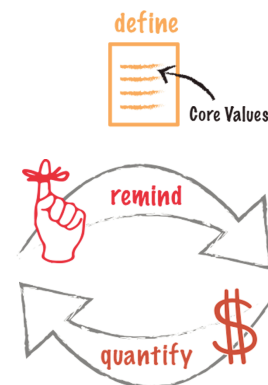
Customer Experience Result: Extreme brand loyalty, which leads to increased referrals; customers here feel as if they are “members” of your brand, that is, a part of your cult following; ENGAGED.

The Living the Brand System

There is one system that works across all the systems in your company — a Living the Brand System. No one person or job function owns it. A company must do three things to implement a Living the Brand System:

1. Clearly DEFINE the branded experience.
2. REMIND employees about the delivery of the experience — clearly setting expectations, communicating and holding everyone accountable.
3. QUANTIFY the experience, and link it to financial results.

Living the Brand System



When it comes to implementing an employee- and customer-focused branded experience, your success as a company (and as a manager) will be determined 1 percent or less by the training provided to the workforce and 99 percent or more by the ability of management to remind them. ●

Principle 3: Don't Just Announce Your Culture, Make It Visible

Your mission, values, brand positioning, guiding principles, etc. are invisible unless your employees know specifically how to act them out through their day-to-day behaviors. To do that, employees must have the right mindset to guide the behaviors that bring a branded experience to life.

Let's refer to your mission, values, brand positioning, guiding principles, etc. as your core values, or your brand. For employees, your core values are the important beliefs that power a common mindset — making them actionable and enabling employees to Live the Brand and outbehave the competition. To customers, your core values set the expectation for the experience to be delivered.

Make your core values and brand messaging meaningful by clearly defining a mindset and making them behavior-based. Begin to think of them as verbs, not nouns. So instead of saying Integrity, call it Delivering Integrity, or instead of Accountability as a core value, try stating it as Being Accountable for Our Actions and Results. You must go beyond the names of your core values and determine the actions everyone can and should do. Those actions are the behaviors that power the branded experience.

The Power of Mindset

A culture is not something you announce. It is created by an intense focus on the mindset and behaviors that bring the branded experience to life. Culture is quite simply “the way we do things around here.” It is behavior-driven, and it is rooted in beliefs that guide a common mindset for employees through the company.

Our mindset drives what we think about. It is driven by deeply held values and beliefs you hold to be true. You can't see what others are thinking, but you begin to see their mindset through their attitudes (somewhat visible) and eventually through their behaviors (very visible).

Every company has the daunting task of either influencing what employees think or leaving it up to chance.

Making the Invisible Visible Big Idea #1: If you don't define your company mindset, employees will use their own.

Build Behaviors that Make a Branded Experience

Behaviors must be clear and managed. Otherwise, all you are doing is marketing your brand. In essence, you'll have done what I've coined as “branding for the

neighborhood.” You've painted the white picket fence, planted a terrific landscape, painted the house, installed beautiful new garage doors and added a nice asphalt driveway. You've created amazing curb appeal; your house looks great to the neighbors. What happens when reality sets in? Will your workforce fulfill the marketing promises? If the answer is no, you've probably got some work to do to make the brand visible and create a culture that is intensely focused on the right mindset and the right behaviors.

Making the Invisible Visible Big Idea #2: If you're not managing behaviors, you're not managing your brand.

If you as a leader in your company are not willing to define what success looks like behaviorally (regardless of how elementary some of the behaviors are), then don't expect employees to deliver your branded experience consistently because they won't!

The branded experience is a result of well-orchestrated behaviors by employees. It is what we witness as consumers of a product or service. As employees, the experience is what we witness day in and day out when we come to work.

Making the Invisible Visible Big Idea #3: The experience is the marketing. ●

Principle 4: Sprint from Culture Talk to Culture Change

If You Don't Have It, Build It

Too often the marketing in the marketplace is filled with lies. Well thought-out messages without ENGAGED and empowered employees acting out the promises made (through behaviors) become nothing more than empty promises with a lot of hope behind them. Culture change happens by changing the way people behave. Anything less is a bunch of happy talk (culture talk). When getting your workforce on stage to deliver a branded experience, behaviors are what matter most.

Behaviors driven by a common mindset will enable any company to sprint from culture talk to culture change.

If your company is like most companies, there are probably certain behaviors that employees do sometimes to almost never that you wish would happen always. To make always (or almost always) a reality, you must first document the behaviors and, second, make sure everyone in your workforce knows they are nonnegotiable.

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Nonnegotiable means that they are required for everyone to do if they want to remain employed.

Use the Five Dimensions of Brand Integrity to build Company-wide Basic Behaviors:

- Culture and Team
- Operational Strength
- Lead by Example
- Products, Knowledge and Expertise
- Customer Service

It is rare that I review a list of core values within a company and don't find at least one of the Five Dimensions missing or combined into something more complex. For instance, Operational Strength tends to be left out even though from a behavioral perspective, it is something that every company "values."

Word of caution: Don't let just any behavior make it into your Company-wide Basics. Show conviction to make sure that the most important to the branded experience culturally and for customers make it to the top.

Define Job-Specific Behaviors

In defining job-specific behaviors for service-oriented jobs, you are in essence defining the actions you want employees to do in their specific role to create an experience for the customer. You are designing the customer experience. Here is a high-level overview of the Customer Experience Design process using the example of a server job in a restaurant at the point of initial greeting.

Step 1: Explore Customer Desired Outcomes. A Desired Outcome is what customers want as a result of doing business with your company and its products or services. A Customer Desired Outcome at the Server Greeting touchpoint would be a genuinely warm and welcoming greeting.

Step 2: Uncover Experience Obstacles. An obstacle is what gets in the way of an ideal customer experience. Obstacles can be ways employees drop the ball before, during or after a customer interaction. An obstacle may also be something that is out of your control. An example of an Experience Obstacle at the Server Greeting would be it takes too long for the server to come to the table.

Step 3: Craft the Experience Mindset. The Experience Mindset is a short description that sets the tone for how you want employees to think with respect to customers. It is not a marketing tagline. For our restaurant example, an Experience Mindset to guide the actions and interactions of the entire workforce could be, "You are our special guest."

Step 4: Draft Job-specific Behaviors. Job-specific Behaviors are the actions that should be done 100 percent of the time at the point of interaction with the customer. They are the non-negotiable "must do to keep your job" behaviors. In the restaurant scenario, an example of this could be sharing what you love about certain menu items.

Step 5: Uncover Above and Beyond Opportunities. Above and Beyond Opportunities are situational behaviors that employees can do to deliver a great experience. At the Server Greeting, an example of this would be to remember customer names and use them.

Step 6: Prioritize Processes. Inevitably, you will uncover a series of processes that are either needed or already in place but not followed consistently enough. If a behavior is dependent on a process, then the process must be addressed. An example of a process that would be critical to the Server Greeting might be to limit the number of tables for each server in order to make sure they are able to provide the necessary time and attention to the customer experience.

Visit <http://engagedbook.com/dl> to download the full Customer Experience Design Exercise. ●

PART 2: IT'S TIME TO MEASURE AND MANAGE THE EXPERIENCE

The 360° View of the experience includes customer-focused metrics, employee-focused metrics and the impact on financial metrics that matter most.

The 360° View will help keep the branded experience high on the radar as one of the most critical drivers of success for your business and not some initiative that has a start and stop point.



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The 360° View provides the evidence that Managing the Experience is driving a quantifiable gain for your company — true, measurable results that get the attention of any leader who cares about bottom- and top-line growth.

If you are not going to prove the success of your efforts or where you are falling short, it will be hard to keep your managers or executives engaged with efforts to improve the culture or the customer experience.

Metrics That Matter Most

Leading companies are passionate about quantifying the success of their business and, in particular, what the impact is of the experience on driving that success. Following is a list of measures that leading companies use on their pathway to more profits.

Revenue Generating: repeat business per customer, average sale per customer, profit margin, customer retention, number of referrals, average sale per top 20 percent of customers, cross-selling/up-selling, hours billed (utilization), inventory turns, billing cycles and conversion rates.

Cost Reducing: employee turnover, unwanted employee turnover, quality issues, product returns, employee absenteeism, legal expense, marketing expense, training expense, safety issues, time to fill a job and employee theft.

Take a minute to review these metrics, and choose the ones that are most applicable to your business. If you think of others, make note of them. Highlight the metrics that matter most.

Visit <http://engagedbook.com/metrics> to download a copy of the *Metrics That Matter Most*. ●

Principle 5: Quantify Your Culture to Turn Common Sense into Common Practice

In today's work environment where 65 percent of employees are either somewhat or totally unsatisfied, you better believe they are willing to speak up and share why or why not.

Too many companies are focused on ineffective ways of gathering employee satisfaction and engagement data. Many collect piles of random culture survey data not knowing what to do with it. Others experience gaming activity by managers in order to drive up satisfaction scores.

The only true employee-driven measure of whether the workforce is living the brand is the viewpoint of others.

The best (and maybe the only) way to find out from the workforce how consistently the branded experience is being delivered is to get the perspective of “others in your work area” and to gather the information in a rock-solid, confidential way. Asking for employees' perspective of others they work with is the best measure because it is what employees know — it's what they experience. However, it must be confidential, or all bets are off with respect to validity.

The Living the Brand Assessment

The Living the Brand Assessment provides the most valid indication of current alignment, engagement and overall behavioral strengths and weaknesses for a company. But once again, this only happens when confidentiality is preserved.

Exhaustive surveys result in mounds of data that HR (and most managers) cannot quantify or compare to key financial metrics. The Living the Brand Assessment approach puts an end to this frustration because it takes the onus of sharing the results out of the domain of “HR only” and makes it every manager's responsibility to review, observe and communicate to the workforce.

The Living the Brand Assessment is made up of a series of indicators that are grouped into three visibility metrics:

1. Know It Score: Do employees KNOW the branded experience? This score is a percentage that measures employee alignment with individual and company performance expectations with regard to company goals and objectives, the customer experience, and whether others are contributing to a strong culture. The Know It section asks employees for their point of view of themselves as well as those they work with.

2. Do It Score: Do employees DO (behave/perform) the branded experience consistently? This score is a percentage that measures how consistently employees deliver the behaviors that make up the branded experience. If your company has gone beyond just announcing the culture and has documented and introduced its Company-wide Basic Behaviors, then of course you'd want to measure how consistently the workforce is doing them.

3. Employee ENGAGED Index: The ENGAGED Index is an indication of employee commitment and motivation to act in the best interest of a company. The ENGAGED Index provides a window into how employees in any individual job category, department, division or geographic location are thinking and feeling about the work culture, which in turn provides a sound indication as to the impact on the customer experience.

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The ENGAGED Index is made up of four simple questions that have solid, predictive power. Here are the four ENGAGED questions that are rated on a 0-10 scale:

1. I am motivated to go “above and beyond” what is expected of me at my job.
2. I would stay with my organization if offered a similar job elsewhere for slightly higher pay.
3. Assume that a friend or family member of yours is currently looking for a job and qualifies for an open position at your company. How likely is it that you would recommend it as a place to work?
4. Assume that a friend or family member is interested in your company’s products and/or services. How likely is it that you would recommend them?

Find out how ENGAGED you and your workforce are by visiting <http://engagedindex.com> ●

Principle 6: Any Monkey Can Survey, Start Building Relationships with Customers

In this day and age, you have access to a plethora of technology and tools that allow the automation needed to do amazing things with respect to connecting with customers. But that doesn’t mean you should use it to annoy customers with survey requests. All surveys should be kept to three minutes or less.

Having Quality Conversations with customers enables you to learn firsthand about when your company is Living the Brand and outbehaving the competition (and when it is not). If you play your cards right, a healthy customer relationship and a well-planned conversation will enable you to get referrals that drive more sales. The two most important questions you can ask your customers are, “What else can we do for you?” and, “Who else do you know that would benefit from the experience we deliver?”

Quality Conversations Drive Results

The ultimate goal in surveying customers should be to create ENGAGED customers more than to collect data for analysis. Why? Because an ENGAGED customer rewards your company with retention and advocacy.

When you have a quality conversation with a customer, at least one of the following outcomes will occur: You can **FIX** a problem, you can **SHARE** learnings from customers with employees, or you can **RING** the cash register. All companies have a register to ring. You can ring it more if you can achieve more up-sell

and cross-sell opportunities or get more referrals to new customers. This happens through conversing more with customers. ●

Principle 7: Put the Carrots Away, Rewards Don’t Work the Way You Think They Do

A strategic recognition program that facilitates the capturing and sharing of successes and best practices on a daily basis is a great way to replicate what your best employees are doing. Unfortunately, a gap exists between what research has proven in regard to the science of recognition and what managers actually do when implementing recognition/reward programs. Most programs fail because of low participation, too much focus on rewards, too little focus on driving business results, and lack of leadership buy-in to recognition as a strategic management discipline.

The reality is that employees get much greater value from the power of recognition and much less from the actual rewards. Therefore, rewards and recognition do not need to go together to be optimally effective.

Manage and Measure Through Strategic Recognition

Remember, 1 percent of your company’s success in Managing and Measuring the Experience will come from documenting and training it. Ninety-nine percent of your success will come from the daily, weekly and monthly reminders that are put in place and acted upon.

The Living the Brand Assessment and Customer Engagement Program are two powerful ways to REMIND others about and quantify the branded experience. Another way to reinforce what success looks like and make the branded experience part of day-to-day conversations is a Living the Brand Strategic Recognition Program.

A Living the Brand Strategic Recognition Program is usually an online or mobile device-based program where employees submit stories (captured successes) of others who they work with delivering the branded experience, going above and beyond, or demonstrating a best practice. The captured successes are then reviewed by managers and posted on a homepage dashboard. *For more information on this visit www.potentialpoint.com.*

Managers who are willing to develop their skills in recognizing others have a great opportunity to leverage it as an effective way to Manage the Experience and REMIND employees to Live the Brand.

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Put the Carrots Away; Use What Really Motivates People at Work

Going back to the 1940s, studies have shown that what motivates people most at work includes understanding how they make a difference and feeling recognized and appreciated for doing a good job. If you throw “relationship with my boss” into the mix, you also have what are typically the top three reasons why someone is loyal to his or her employer.

Avoid getting tricked by vendors in the reward industry who pitch their offering as a culture-changing program. Stop thinking about your company’s recognition program as a “thank-you” program, and start thinking about it as a program to replicate what the best employees do by capturing and sharing the best practices and experiences that enable positive growth.

A well-designed strategic program not only provides powerful reminders but also helps meet the growing need for immediate and consistent feedback at work. When done well, recognition enables managers to do three responsibilities extremely well: set expectations, strategically communicate, and hold themselves and others accountable. ●

Principle 8: Manage the Experience to Build Trust in You as a Leader

Are You a Trusted Leader?

To achieve a highly ENGAGED status among employees depends on your ability to earn their trust. It depends on their confidence that you as their manager (and leader) will Live the Brand, not simply try to hold them accountable for living it. Employees need to trust that you understand the branded experience, passionately deliver it each day, and ensure that others are doing the same. You’ll earn more trust as a “manager of people” when you learn to effectively and consistently Manage the Experience.

Most leadership models tend to pose a common yet fundamental role of the leader: to inspire others. Inspiration enables leaders to influence others to have an impact on the way they think and act. And an employee’s willingness to be influenced wholeheartedly depends on whether he or she trusts the leader.

When it comes to creating a culture that is Living the Brand — one that KNOWS the branded experience and DOES it consistently — you can try and demand compliance, but what you really must do is earn adoption and commitment through trust.

If you are an executive, you may not see it as your role to be managing the day-to-day. You may feel like the responsibility of Managing the Experience should fall solely on your team of supervisors and managers. However, your company is counting on you to lead the experience.

At a minimum, there are three habits you must develop to enable a consistent performance of the branded experience:

1. Live it: Don’t for a moment think that the non-negotiable behaviors are for others and not for you.

2. Be aware of the numbers: Pay attention to the important numbers, and make sure others know them as well — Know It Score, Do It Score, ENGAGED Index, Customer Loyalty Index, strategic recognition program participation, etc.

3. Make the experience part of the conversation: Seek out and act on daily opportunities to mention the experience in group and one-on-one conversations.

Think about the number of times every day, week, month and year that you have the opportunity to REMIND others and ENGAGE them with the branded experience. You may be surprised at how frequently you can spark conversations that help reinforce the importance of Living the Brand.

Managing the Experience is Not “Another Thing”

Some people may feel as though employees in their work area are already ENGAGED and delivering a consistently awesome customer experience. Or some may feel as though all this “branded experience” stuff is simply another thing they need to focus on. This will be particularly the case if your company has been guilty in the past of flavor-of-the-month-type activities — starting and stopping initiatives with a lack of “stick-to-it-iveness.” In any case, it will be critical to get the following message across:

Managing and delivering our company branded experience is not another thing to do. It’s the thing we do. ●

RECOMMENDED READING LIST

If you liked *ENGAGED!*, you’ll also like:

1. *Can’t Buy Me Love* by Bob Garfield, Doug Levy. Garfield and Levy show where authentic customers relationships come from, what they look like, and how to build them.
2. *The Thank You Economy* by Gary Vaynerchuk. Learn how businesses can turn the changes and challenges of social media into profit and growth.
3. *Enchantment* by Guy Kawasaki. Kawasaki shares tactics you need to prepare and launch an enchantment campaign to enchant your customers.