

# THE CUSTOMER RULES

*by Lee Cockerell*

If you want to provide sensational service to your customers—or your patients, guests, passengers, clients, or even students—every single person in your organization needs to understand one basic principle: the customer rules. That means the customer is in charge; like a king or a queen, he or she sets the standards, establishes the tone, and in one way or another dictates policy.

Service is the order of the day in our era, and serving customers with excellence will be the core ethos of successful companies in the coming years. Leaders who understand this will see their companies thrive instead of just survive. Stephen Denning, author of *The Leader's Guide to Radical Management: Reinventing the Workplace for the 21st Century*, calls our present era the Age of Customer Capitalism, meaning that power has shifted from the seller to the buyer. “The advent of global competition, customers’ access to reliable information and their ability to communicate with each other through social media has meant that the customer is now in command,” he writes. “The shift goes beyond the firm paying more attention to customer service: it means orienting everyone and everything in the firm on providing more value to customers sooner.”

In this customer-driven world, organizations need more than good products, or good technical service, or efficient procedures, or even customer-friendly policies. They also need to serve their clientele through authentic, human-to-human connections that satisfy not only their practical needs but their emotional wants. Leaders who fully grasp this new reality and create a culture of service excellence will be rewarded with consumer dollars and customer loyalty. Here are some key service principles that I’ve found make all the difference.

---

## *Customers want to feel valued.*

---

### **Customer Service Is Not a Department**

It's not only more than a department name, it's also not just a desk that shoppers or clients go to with problems, and it's not a website or a phone number or an option on a phone menu. It's the personal responsibility of everyone in the organization, from the CEO to the lowest-ranking frontline worker. In fact, everyone in the company is a customer service rep, because in one way or another each of them has some impact on the quality of the customer experience.

No matter what business you're in, there are probably other companies that offer consumers pretty much the same product. If you offer that product *plus* personal service that exceeds expectations, you have a strong competitive advantage—one that costs very little, maybe even nothing. Don't just take my word for it; check out the research. Studies have found that customer service can be the best way to distinguish a company from its competitors. Customers want to feel valued. So make service excellence part of every employee's job description and the guiding light of your entire operation.

### **Great Service Follows the Law of Gravity**

The service ethos starts at the top, with the organization's leaders. From there, it works its way down to every other level, like a waterfall. When the people at the top of a company, a division, or a department are committed to superior service, they allocate the needed resources, establish the appropriate priorities, and set the right tone. Ideally, leaders should also serve as role models, demonstrating the qualities of authentic service with their every word and action, not just with customers but with suppliers, colleagues, employees, and everyone else whose actions affect the way business is done.

The law of service gravity begins at the top, and the top is wherever you are. No matter what official position you occupy, you have the power to spread the ethos of service in your domain and beyond. You'll be surprised how powerful your example is and how quickly your mind-set will spread. One of a leader's jobs is to instill the spirit of service in everyone he or she touches.

### **Serve to W.I.N.**

That's not a sports metaphor. W.I.N. is an acronym for "what's important now." It's a battle cry that reminds every employee to always focus immediately on the customer. I advise leaders to teach everyone that what's important now are the needs, wants, desires, and concerns of the customer. Nothing else takes precedence, not folding shirts left in a changing room, not cleaning a vacated table in a restaurant, not talking with a coworker, not doing administrative work at the cash register. I can tell you from personal experience as both a manager and a consumer, there is no bigger turnoff for a customer than being ignored, even for a few seconds. Customers are a lot like spouses. If you come home from work and immediately turn on the TV, that's not the way to score points in a marriage. It took me a few years, but I finally learned that the winning way is to first give my wife Priscilla a loving kiss, then ask how her day was and listen intently. Then I can turn on the TV in peace. Similarly, if you first take care of your customers' emotional needs and wants, you will win every single time.

At an airport recently, I was one of about 150 passengers waiting at the gate as takeoff time approached. Everyone was wondering why we hadn't started boarding yet, and many were trying to get the attention of the attendant behind the desk. She averted her eyes and kept talking on the phone. She obviously thought that phone call was important, and it no doubt was. But the nervous passengers should have been W.I.N. All she had to do was pause and give us a brief update, or even just hold up her hand and look people in the eye, and things would have calmed down. Instead, she made the passengers angrier and more frustrated, and I'm sure some of them will never fly that airline again if they can help it.

## Expect More to Get More

The most effective way to improve customer service is to set high expectations and communicate them with clarity and passion. Every leader, from the CEO down, should continuously let everyone know what is expected of them, so there can be no misunderstanding. Most employees want to be excellent performers. Unfortunately, they don't always understand exactly what their job is or how they are expected to perform it.

I often compare customer service to putting on a show. I tell executives to write a great script, hire the best cast to perform it, rehearse until everyone is razor sharp, and then give it your all when the curtain goes up. As a leader, you're the playwright, the producer, and the director, and you need to have Broadway-level standards to keep your show running to sellout crowds.

## Don't Get Bored with the Basics

At a recent family gathering in my home, the grownups were trading stories about companies that provide good customer service and those that don't. Out of curiosity, I asked my then 12-year-old granddaughter, Margot, what she thought was the most important rule for great service. Without a moment's hesitation, she said, "Papi, the first rule is 'Be nice!'"

Out of the mouths of babes! I've spent my whole adult life thinking about service, beginning with teenage stints working in a drugstore and a lumberyard in a small Oklahoma town and culminating in my last corporate position as executive vice president of operations at Walt Disney World, where I oversaw a workforce of forty thousand people at resort hotels with more than thirty thousand rooms, four theme parks, two water

---

*The service ethos starts at  
the top.*

---

parks, five golf courses, a shopping village, a nighttime entertainment complex, a sports and recreation complex, and even more operations. Throughout those 40-plus years, I never stopped searching for better ways to serve customers. Yet despite everything I learned from hard experience, brilliant colleagues, and mentors, I never heard the basic truth expressed as succinctly or as accurately as in Margot's two words.

Look up "nice" in a dictionary and you find terms like *friendly, polite, pleasant, appealing, kind, considerate, well-mannered, refined, and skillful*. Who wouldn't want to be surrounded by such qualities when doing business? Margot's first word, "be," is also profound. Great service is not just about what we do; it's also about what we *are*. You can have the best policies, procedures, and training in the world, but if the people who carry them out don't have what it takes—forget it. The quality of a person's being—his or her attitude, personality, demeanor, and other factors—is crucial in delivering superior service.

Of course, providing great customer service is a bit more complicated than "be nice," but the stuff that matters most is really pretty simple. It boils down to some basic principles that apply to every organization and every employee: salespeople and servers, tech support analysts and repair workers, desk clerks and ticket takers, delivery personnel and janitors—everyone right on up to the highest echelon of executives. Friendliness, cleanliness, professionalism, honesty, courtesy, safety—what could be more basic? And what could be more important to the customer? Unfortunately, common sense does not equate with common practice, and many leaders ignore the basics because they don't seem all that exciting. But they are the foundation of everything else the organization is trying to accomplish.

If you want to know how important the basics are, watch a good hospital staff in action. When Priscilla was in the hospital for 64 days, I sat with her in her room day and night. I noticed that every nurse carefully used the disinfectant hand wash each time he or she entered and exited the room. What could be more basic in a hospital than washing your hands? But it's a huge deal; the simple act of hand washing dramatically reduces infection rates, which speeds up

patient recovery and sometimes even saves lives. One small thing with a big payoff: healthy, happy patients and dramatically lower costs.

Here's another way to know what the basics are: Ask yourself, "What Would Mom Do?" Mothers know that the little things in life matter a lot. They teach their children to do the right thing; be honest; be fair; play by the rules; be considerate; be courteous; always keep your promises; always do your best; say "please," "thank you," and "I'm sorry" when appropriate; and treat others the way you'd like to be treated. Mothers repeat the basics over and over again and make the necessary course corrections, until the message sinks in and doing the right thing becomes as natural for their kids as eating and drinking.

Great leaders define what they consider the basics and communicate them so everyone in the company knows what the organization stands for—and what the leaders *won't* stand for. Your employees—especially those in direct contact with customers—are your brand. Make sure they always act like professionals. Their appearance, their demeanor, their body language, their facial expressions, their energy levels, their language and tone—all of it matters. You can train them impeccably in every procedure and every technical detail, but if they don't get the basics right, it's all for naught. Let the little things slide and one day you will discover that you have big problems.

The three men who founded the companies I worked for, Conrad Hilton, J.W. Marriott, and Walt Disney, had two things in common. First, they were not just interested in delivering sensational service, they were

passionate about it, and that passion showed in every action they took. Second, they demanded excellence from every employee in their organizations, and even more from themselves, because they knew that everyone was taking their lead from them.

It is no coincidence that those three companies are among the best at what they do, and they are still thriving decades after their creation whereas many other once-great organizations are long gone. Yes, all three companies have great products, but their real strength is providing excellent service day in and day out, year in and year out. Their founders knew that if they served their customers well, the customers would reward them with their loyalty. They focused on service, and the profits followed as naturally as night follows day. And the service cultures they established were so strong that subsequent generations of leaders have been able to keep it in place.

### You Win Customers One at a Time and Lose Them a Thousand at a Time

Many years ago, a mentor of mine said something I have never forgotten: "Lee, always remember: you gain customers one at a time, and you lose customers one at a time." He explained that in order to gain customers and not lose any, you have to focus on serving every single customer well. Someone doing business with you for the first time, he said, should be treated with the same care and concern as someone who's been a regular customer for years. It was good advice then and it's good advice now.

I would modify only one thing in what that mentor told me. Today, you still win customers one at a time, but you lose them a *thousand* at a time, maybe *many* thousands at a time. The power of social media is so strong that one customer who has one bad service experience with your company can go online and convince thousands of people not to do business with you. That's one of the reasons customers rule now more than ever; they have the power of monarchs in the age of royalty. They have the ability to make your organization thrive, and they have the ability to make your organization struggle to survive or maybe even die. Long live the customer.

---

*Common sense does not equate with common practice.*

---

---

## “What Would Mom Do?”

---

At the end of the day, everything a business leader does is in the service of customer service. That has always been the case, and based on current trends customer service will be even more crucial to your company’s success in the coming years. In today’s highly competitive marketplace, businesses need more than excellent products at competitive prices; they also need to connect with customers through authentic, human-to-human interactions that satisfy both their practical needs and their emotional wants. Cutting-edge technology is great, but it won’t suffice: just as you can’t raise your children with an iPad, you can’t serve your customers with computers unless you have caring, competent human beings ready to step in when things go wrong.

### The Chain of Excellence

In the end, customer service hinges on leadership. In the 1990s, I was part of an executive team at Walt Disney World® Resort that was charged with changing the corporate culture. At the time, the emergence of the Internet was a game changer in the resort and vacation industry because it leveled the playing field between huge multinationals and smaller companies with modest budgets for marketing and advertising. Led by company president Judson Green, we set out to find a new competitive advantage. Disney had always enjoyed a stellar reputation for customer satisfaction. Our goal now was to elevate the experience of our guests to an even higher level. How were we going to do that? By focusing on leadership. We were confident that cultivating great leaders at every level of the organization would lead directly to a strong bottom line.

We articulated that principle in what we called the Chain of Excellence. It looks like this:

Leadership >>> Cast Excellence >>> Guest  
Satisfaction >>> Business Results

The sixth president of the United States, John Quincy Adams, once said, “If your actions inspire others to dream more, learn more, do more and become more, you are a leader.” Those were the qualities we wanted our managers to have. We developed teaching and training methods built around the now-famous Disney Leadership Strategies. And our prediction that improved leadership would lead to greatly improved profits turned out to be spot on.

If you want satisfied customers, you have to treat them the way you would like your parents or your children to be treated. That requires hiring the right people and giving them the confidence, trust, skills, and resources to deliver sensational service. And that takes great leadership at every level, from top to bottom.



*Lee Cockerell is the author of *The Customer Rules and Creating Magic*. He is the former executive vice president of operations of Walt Disney World and has held executive positions at Hilton Hotels and Marriott. During his distinguished career in the hospitality industry, Cockerell earned a worldwide reputation as an expert on the customer experience. Cockerell currently travels the country addressing audiences at Fortune 100 companies; educational institutions and nonprofits; and government agencies, including the U.S. military.*