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Trim the Sails by Joseph Michelli

It's been said that "we can't direct the wind, but we can adjust the sails." In this difficult economy it is challenging for association leadership to gauge the swirling winds, let alone trim their strategic sails. Many professional and trade associations have experienced gusty headwinds fueled by a slumping global economy, corporate cutbacks, and widespread industry consolidation. Given financial stresses linked to reliance on decreased conference revenues, insufficient cash reserves, and reduced membership revenue, association cost-cutting is often inevitable, but many leaders reflexively carve into core elements that directly affect the experience of members, volunteers, and staff.

While researching my recently released book *The New Gold Standard: 5 Principles for Creating a Legendary Customer Experience Courtesy of The Ritz-Carlton Hotel Company*, it became clear that great leaders, be they in business or associations, find ways to avoid becoming commoditized even in cost-sensitive times. Such leaders maintain a commitment to cost efficient quality improvement coupled with an understanding of the role service professionalism and staff empowerment plays in the development of team and member loyalty. To that end, I defined 5 key principles that contributed to the success of The Ritz-Carlton through economic upturns and downturns since its creation by Cesar Ritz over one hundred years ago. A synopsis of these five principles is offered for you to benchmark your association leadership approach against concepts that are in play at The Ritz-Carlton.

Define and Refine: Simon Cooper, president of The Ritz-Carlton Hotel Company notes, "You can't put the veneer of quality on an organization that lacks a sound foundation. The Gold Standards, and the disciplined business practices that emerge from them, create the platform for the achievements of our company." The Gold Standards referred to by Mr. Cooper are found on a pocket-sized card carried as part of the uniform of Ritz-Carlton employees. The standards reflect the service values, credo, motto and three steps of service each employee uses as guidelines for the care they are to provide one another and those they serve. These values are reinforced worldwide for every employee in a process called daily "line-up." Not only does leadership at The Ritz-Carlton DEFINE their culture, but they REFINE their products and service delivery methods in accord with their customers' changing needs. This is evidenced by modernized hotel designs and a shift in service delivery from more formal to more personal.

Empower Through Trust: Leadership at The Ritz-Carlton creates an environment of trust that begins with a methodical selection process to assess the talents of prospective employees. Once selected, leadership trains new hires not only in operational aspects of their jobs but in the desired outcomes they want their employees to produce for customers. Once a new hire understands those outcomes (e.g., memorable guest experiences and customer engagement), leadership steps back and allows the frontline to innovate. This stepping back process is evidenced in the \$2,000 per day, per guest authority given to every staff member. This financial empowerment allows staff to do whatever is necessary to enhance a guest's stay or recover service – without seeking the approval of a supervisor.

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It's Not About You: Since the early 1990s, executives at The Ritz-Carlton looked outside their business to drive internal process innovation. Ritz-Carlton leadership not only benchmarked other businesses, but they invested heavily in systematic listening to their staff, customers and investors. Extensive data from these sources and metrics of guest and staff engagement are used to guide business strategy. Leadership understands that the more they listen to the needs of those they serve, the more likely their staff will be to listen to the needs of the guests.

Deliver WOW: Ritz-Carlton leadership defines the desired memorable connection of a guest as a "Wow" experience. As such, staff members are encouraged to personally affect guests to achieve this level of emotional intensity. Twice weekly, "Wow stories" are presented during the line-up process. These stories reflect herculean efforts and more subtle yet equally important small acts of care and concern. At The Ritz-Carlton this "Wow" service is used to demonstrate that well-defined values come alive through the collective efforts of staff each and every day. Leaders celebrate and cement culture by the stories they tell and retell.

Leave a Lasting Footprint: From the onset, leadership at The Ritz-Carlton sought to build a company that would have an enduring legacy. To that end, corporate social responsibility was a component of The Ritz-Carlton's early mission statements. In addition to formal corporate giving programs, the Ritz-Carlton developed the Leadership Center which provides training programs in quality focus and service excellence to individuals from businesses both large and small.

While no organization can be protected from the strong headwinds of this economy, consistent application of key leadership principles have led to legendary customer service and memorable and transformational experiences at the Ritz-Carlton. In the process, companies like The Ritz-Carlton continually adjust their sails to set a New Gold Standard of leadership excellence. How can you exceed that standard for your association's membership and staff?

Joseph A. Michelli, PhD, is an internationally sought-after speaker and business consultant. In addition to his book *The New Gold Standard*, Dr. Michelli also authored the best-selling book *The Starbucks Experience* and *When Fish Fly* (about the World Famous Pike Place Fish Market in Seattle, Washington).

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