

AAHA Annual Conference

Developing a Gold-Standard Service Organization

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Creating a Great Service Company

“Great service companies build a *humane* community (the organization and its partners) that *humanely* serves customers and the broader communities in which they live”

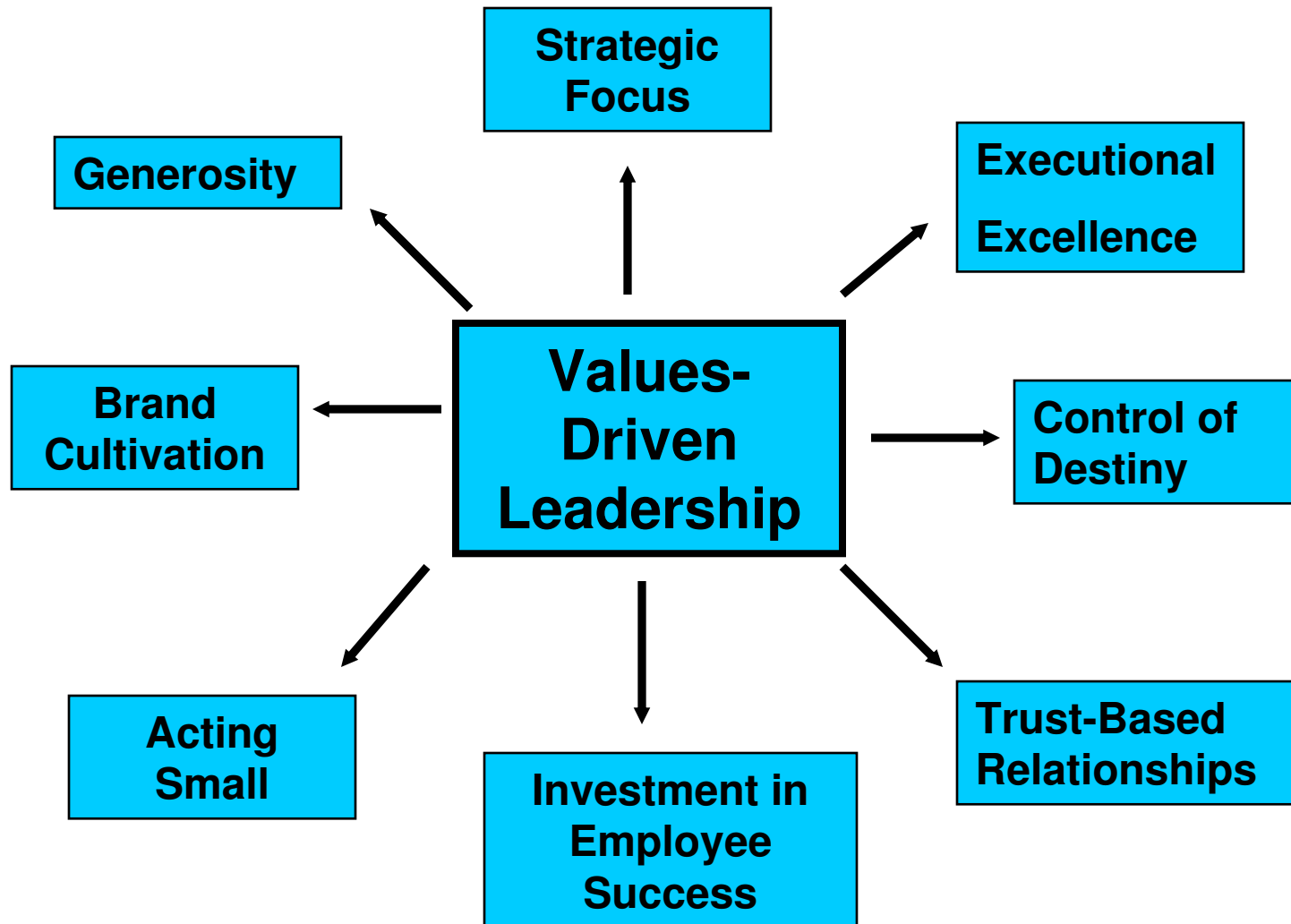
-- Leonard Berry

Discovering the Soul Of Service

Great Service Companies have two things:

- First and foremost, *Values- Driven Leadership*
- Second, recognizing and implementing the key drivers of a successful service business

Drivers of Success in Service Businesses



Let's begin by looking at Values-Driven Leadership



Key Elements of Values-Driven Leadership

- Excellence
- Innovation
- Joy
- Teamwork
- Respect
- Integrity
- Social Profit

What are the leadership qualities that sustain success?

- **Excellence**

- *Good* isn't good enough!
- Insist on exceptionally high standards
- Chick-fil-A and pot pies

- **Innovation**

- Successful companies *lead* change; they don't follow
- *“The best way to compete in the future is to create it”*

-- David Packard

Success-sustaining values

- **Joy**

- Investing in that which brings satisfaction, pride, and joy to service performers
- They in turn bring it to their customers
- i.e., Custom Research in MSP has pet day, winter indoor golf tournament

Sustaining Values

- **Teamwork**
 - Individuals collaboratively pooling their resources in pursuit of a common, ‘higher’ purpose
 - Recruiting “team players”
 - i.e., The Container Store employees unloading their trucks

Sustaining Values

- **Respect**
 - For the client
 - For the employee
 - For business partners
 - For the community
 - i.e., Ritz-Carlton – *“Ladies and gentlemen serving ladies and gentlemen”*

Sustaining Values

- **Integrity**

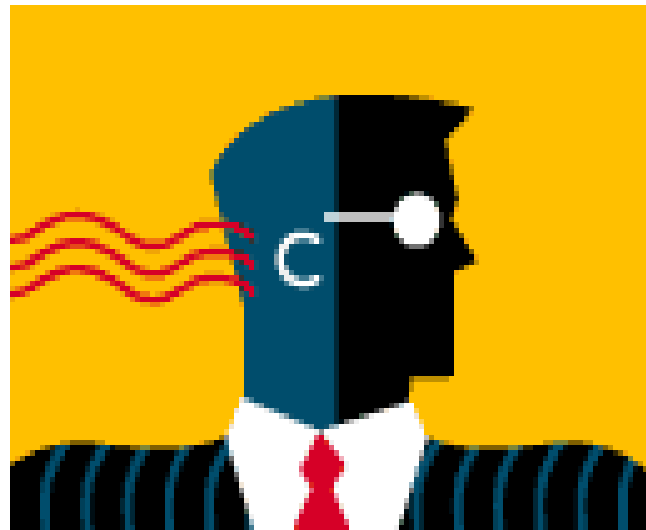
- **Honesty and fair play as the right way to compete**
- **Service intangibility heightens customers' sensitivity to fairness**
- **i.e., Dana Commercial Credit's decision to only do business with ethical companies**

Sustaining Values

- **Social Profit**

- When actions product net benefits to society beyond the marketing of goods and services and the creation of employment opportunities
- i.e., companies supporting social causes

So, how do leaders lead with these values?



Roles of value-driven leaders

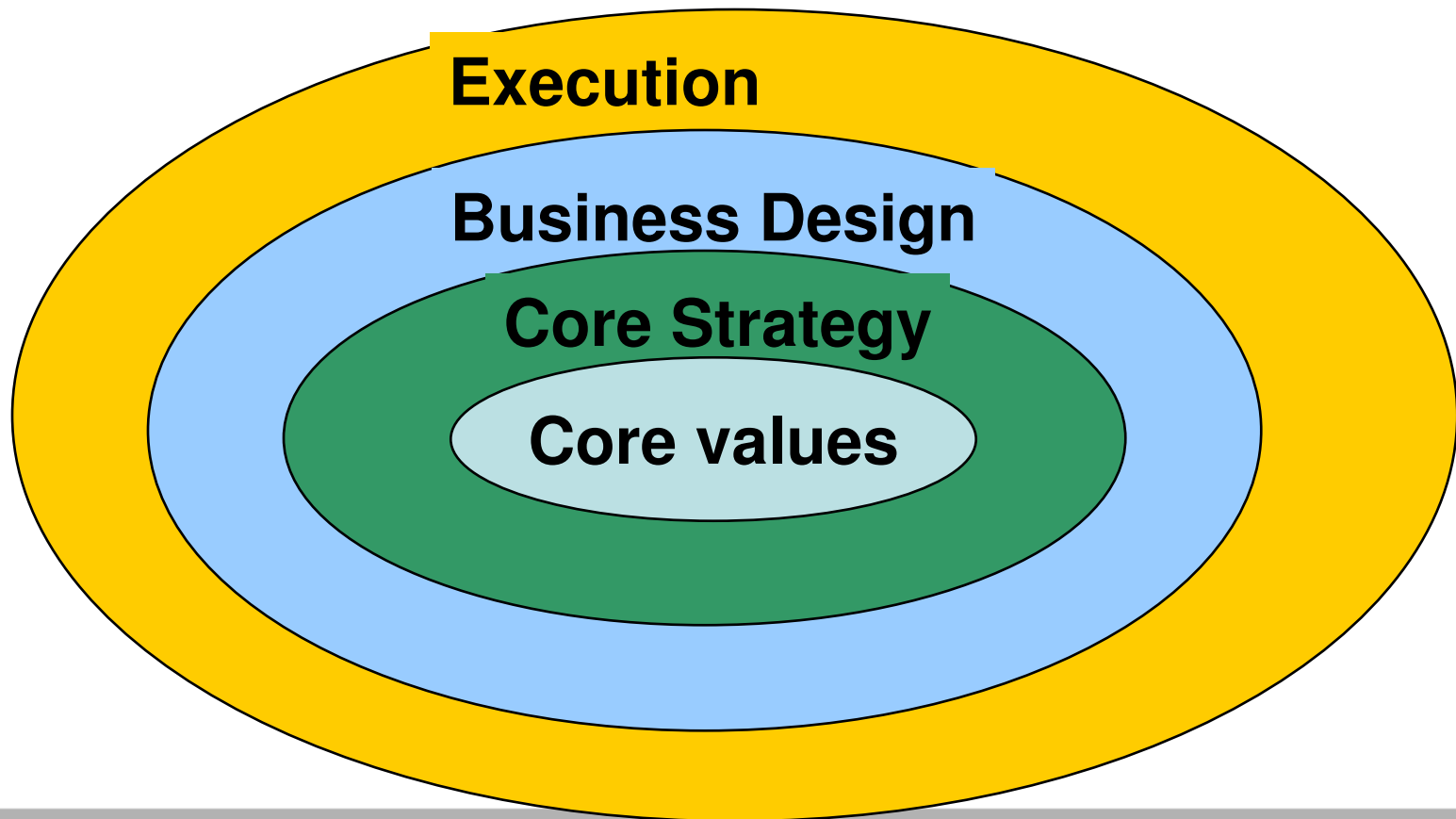
- **Articulate the vision**
- **Define organizational success**
- **Live the values**
- **Cultivate leadership**
- **Assert values in tough times**
- **Encourage the heart**



Having a Strategic Focus

- **Dial-A-Mattress?**
- **Strategy *stems from* and is *sustained by* the company value system**
 - **Mattress consultants offering no-hassle buying**
- **There is a crucial relationship between the values, strategy, and execution of the firm**

The Connections of Strategy



The Core Strategy

- Critical to focus on *servicing a specific market need* rather than marketing a specific product for that need
- Also need to focus on serving underserved market needs
- Serve your chosen markets in a superior manner
 - i.e., USAA Insurance Group

Business Design

- **Having a powerful idea is not enough**
- **Core strategy must be implemented through effective business design and effective execution**
- **The Container Store**
 - **“Bettering people’s lives by giving them more time and space”**
 - **Constantly serves for ways to do this better**
- **Also – constantly listen for innovation!**

EXECUTIONAL EXCELLENCE



Keys to Executional Excellence

- **First key: hiring the right talent**
 - i.e., Ritz Carleton
- **Excellent companies don't recruit – they compete for talent**
 - Have defined hiring practices
 - Are patient in their hiring process
- **Your clinic must develop a reputation for providing excellent service!**

Delivered by “RATER” criteria

- Reliability
- Assurance
- Tangibles
- Empathy
- Responsiveness

Other keys

- **Flexible systems**
 - ‘service customization’
- **Active listening**
 - From structured surveys to casual comments
 - Need to have a system for soliciting customer feedback
- **Structured Improvement**
 - Have a system for implementing improvements



CONTROL OF DESTINY



What does this mean?

- **Minimizing unwanted interference that distracts from your mission**
- **Not only chart a strategic direction but pursue it unfettered**
- **Senior leaders chart course – no one else!**
- **Leadership keeps organization focused on creating superior value for their customers**

And how do you do this?

- **Stress excellence over growth**
 - G.D. Ritzey's vs. Graeter's
- **Acting like a private company**
 - Enterprise Rent-A-Car
- **Controlling customer value creation**
 - The Container Store's distribution center
- **Competing against yourself**
 - The St. Paul Saints