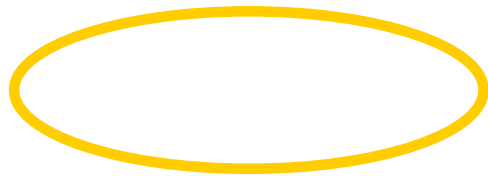


Chapter excerpt from Rich Gallagher's forthcoming book  
*The Perfect Company*

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# The Perfect Company

A Simple Four-Step Process for Creating a  
High-Performance Workplace

**Richard S. Gallagher**

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## Chapter 6. Perfect Communications

“Ah, my home turf ... the call center,” smiled Tom as Shelly Levine ushered him and Kathy into an auditorium-sized room, filled with the familiar din of voices emanating from banks of cubicles. “I can feel my stress level rising already.”

Kathy grimaced at Tom’s gallows humor, but Shelly didn’t miss a beat. “I can certainly understand where you are coming from, Tom. You are far from the only person who feels that customer support work is stressful. But believe it or not, here at The Perfect Company, it is actually one of our more sought-after jobs. We get to spend all day making people happy, and as Steven often reminds us, our team is the voice of our customers - the children - to the rest of the company.”

Tom, caught off guard by Shelly’s answer, slowly nodded his head. “You have a good point. That is the way a call center really should be.” He paused reflectively for a couple of seconds, and continued. “Ironically, I was originally drawn to this profession because I wanted to serve the public. I felt that a call center should be a place of personal growth, where you could develop your own life skills and career while helping others. But I’m finding that it is hard to reach that ideal with the kind of turnover and performance pressures we have to deal with nowadays.”

Shelly looked back at Tom sympathetically. “Believe it or not, the average tenure for people in our call center is measured in years. It is a stepping stone for some, but a lot of us - myself included - really feel like we have a home here.”

Their interest piqued, Kathy and Tom looked at each other, and Kathy spoke next. “You have no idea what we would give to say the same kinds of things about our own customer support center. Quite frankly, service failures and poor morale seem to be a way of life for us nowadays. What makes things work so well for you, Shelly?”

“Part of it is that we see this as a career and not just a job. There are opportunities for people to stay here for a long time and do interesting things - look around here, and you will see team leaders, training coordinators, phone skills coaches, and many other roles. But, honestly, I think the biggest factor is simply that we are really good at this. We look at how to communicate with customers very differently from the way most people do. As a result, we keep customers really happy, and that makes it fun to come to work here every day.”

“This is fascinating,” said Tom. “It almost defies human nature.”

“You already know how we feel about human nature,” said Shelly with a laugh. “But it might make more sense to you if you saw our people in action. How about hanging out with one of our support technicians for a few minutes, while I give Kathy a quick tour?” Tom nodded enthusiastically, and Shelly led him over to a polite, bespectacled young man in one of the cubicles. “Tom, this is Jim Swanson, who has been with us for a couple of years now. Jim, Tom is a visiting call center manager who wants to see how we work here.”

Jim shook Tom’s hand and said, “My pleasure. It’s great to meet you, Tom!” He then reached back into his desk drawer, offered Tom a spare headset and said, “Would you like to listen in on one of my calls?”

“Sure, I’m game,” said Tom, grabbing the headset and slipping it on.

Jim plugged in the headset, clicked the Ready button on his screen, and the next caller was on the line. “Thank you for calling The Perfect Company. My name is Jim. What can I do to help you today?”

“Hi Jim, my name is Nick Price. Today is my daughter’s Sally’s birthday, and the one thing she wanted more than anything was her own copy of *I’m the Hero*. But the CD just grinds endlessly in the drive when we try to load it on our computer. We’ve been trying to get this to work all day, Sally is in tears, and you’ve ruined her birthday! I’m really upset about this.”

“That is a terrible situation, Nick! First of all, I am really sorry that this had to happen, especially on your daughter’s birthday.

“Yes, it really makes your company look bad.”

“I certainly understand, Tom, and my first concern is taking care of your daughter. If it’s OK with you, I would like you to try a couple of diagnostics with me, so that we can try to resolve this as quickly as possible.” With a few more patient questions, he quickly assessed that the customer had a defective CD, noted the father’s address, and arranged for a replacement CD to be sent by overnight delivery. But his next question took Tom completely by surprise.

“May I speak with your daughter?” said Jim.

“Sure ... let me get her on the phone. Sally, a nice man from The Perfect Company wants to talk with you.”

“Sally ... my name is Jim, and I work for The Perfect Company. I understand that it’s your birthday today.”

“Yeth, it is ... an I really wanted to play *I’m the Hero* with my friends.”

“I am really sorry that your copy of *I’m the Hero* was broken, especially on such an important day. We are going to send your father another copy to arrive tomorrow. But since today is your birthday, I just wanted to ask if there is anything we can still do to make this a special day for you.”

There was silence on the other end of the line for a few seconds, and then, “Ummm ... could I get a letter from Jimmy?”

“You mean Jimmy, the host of *I’m the Hero*?”

“Yeth! I wanna get a letter from Jimmy.”

“Well, I’ll tell you what, Sally. Since I work at The Perfect Company, I do get to speak with Jimmy, and I will *personally* make sure that he sends you a letter for your birthday. Would that be OK?”

Jim could hear the clip-clop of little feet and Sally’s voice in the distance, “Dad! Jimmy’s gonna write me a letter! Isn’t that cool? Thank you Daddy!”

Her father quickly came back on the line, and said quietly, “What can I say - thank you. Really, thank you. You folks are nothing short of incredible.”

Jim replied, “My pleasure, Nick. Again, we are truly sorry that this happened to you and Sally on her birthday. I’ve already send a request electronically to Jimmy while Sally and I were talking, and your new CD is on its way as well. Is there anything else we can do for you today?”

“No - and again, thank you.”

“Take care, Nick, and tell Sally that we wish her a happy birthday. Have a great day!”

“Wow, that was incredible!” Tom exclaimed as he slipped off his headset. “You handled that situation perfectly.”

Jim replied, “We really try to handle every situation Perfectly. It’s part of our training.”

“That must be some training,” said Tom.

Jim replied, “Yes, it is pretty incredible training. You see, we aren’t just being nice people here. There was a lot of science going in that transaction, some of which you probably weren’t even aware of.”

“In other words, there was a process behind that call?”

“Absolutely, Tom. First, I called the customer by name as soon as possible, to build a rapport with him. Second, when he complained about our company, I didn’t defend ourselves - I empathized with how angry he felt, and agreed that it was terrible. Even if things turn out to be totally his fault, we can always agree - first - that the *problem* is terrible. Finally, I acknowledged the customer’s underlying agenda, namely that it was his daughter’s birthday. These are all techniques that we learn and practice.”

“But what about asking to speak with Sally? Did they teach you that too?”

“Well, in a way, yes. You can’t train someone how to react in the spur of the moment. But you can learn a philosophy behind how to handle those moments, so that good things can happen when they come along.”

“Even that bit about the letter from Jimmy?”

“Actually, Jimmy is real. We pattern the character after a live actor who works for us, and we do ask him to correspond directly with the children. In fact, it was Steven himself who had the idea of making him accessible to our call center by electronic mail.”

By this point, Tom was furiously scribbling notes as Jim was speaking. “I really like this. The way you handled that call was almost magical, and the idea that you can train people to act this way is very intriguing. But I have to admit, one thing is still crossing my mind when I think about our own call center - don’t extra efforts like these cost you on your productivity metrics?”

Jim shook his head. “In reality, it saves us time. We have higher productivity levels than the industry average. You see, when companies are too focused on getting people off the phone, studies show that they call back several times. But when you treat them Perfectly, they tend to go away happy and stay that way.”

Shelly and Kathy walked over as Jim was speaking, and sat down with the two of them. As Tom wrapped up his notes, Shelly turned to Jim and said “Another Perfect transaction?”

“What else did you expect?” smiled Jim.

“I couldn’t believe what I was hearing. We had a father with a bad CD that was his daughter’s birthday present, a daughter in tears, and by the end of the call, two extraordinarily happy customers,” interjected Tom. “And what was even more impressive was that Jim was following a process that he was trained for. I’d love to know more about this training of yours.”

“I agree,” Kathy chimed in. “While Shelly was showing me around, I was amazed at what I heard. No matter how difficult a caller’s problems were, these people managed to keep the atmosphere light and the customer happy. It sounded like they were speaking with 400 of their best friends.”

Shelly said, “That’s because, in a very real sense, we were. Every good customer transaction starts in your mind, in the way you visualize the other person. Here at The Perfect Company, we know that the people who are calling us are important and worthwhile people - either children, or people who are trying to keep the children in their life happy. So we see their calls as a sacred trust, rather than an interruption.”

“And it sounds like you have a few specific principles that help you treat your customers that way?” said Tom.

“Better yet, we have a system,” replied Shelly. “We use it to handle any situation that appears on the other end of the phone line. It’s what we call *Perfect Communication*.” With that, she handed a sheet to Tom and Kathy that read:

### Perfect Communication

Connection  
Action  
Respect  
Empathy

“I see that the letters spell C-A-R-E,” noted Kathy.

“That’s intentional,” replied Kathy. “But this isn’t just a cute acronym for words on a mission statement. Each of these represent skills, not just feelings - we teach everyone some very structured communications techniques, and practice them until they change that way that we interact with our clients.”

Shelly pointed to the sheet as she continued on. “Let’s take the first part - Connection. It is very important to us that clients feel we are connecting with them at a personal level. So here at The Perfect Company, we deliver information using a technique called *staging*, where we *introduce* what we are about to tell them, *explain* the situation, and then *empathize* with whatever they say in response.”

“So, instead of just telling them they have, say, a hardware problem, you educate and befriend them,” said Kathy.

“Exactly,” exclaimed Shelly. “As far as demonstrating Action goes, we use a technique called the *verbal receipt*, where we summarize exactly what will happen, and in what time frame, before we close a transaction. For showing Respect for a client’s agenda, we’re big on a technique that we call *phrase substitution*. Let’s say that you’re about to say ‘OK’ to someone. How much extra does it cost you to say ‘Absolutely - I sure can!’ instead?”

“Next to nothing,” said Tom.

“Correct. But it gains us happier callers, and for that matter, shorter, easier transactions. Likewise, for showing Empathy, we use what we call the *playback* approach, where we acknowledge a client’s feelings and frustrations, share common experiences, reaffirm the client’s own competence, and reassure their concerns.”

“This is great stuff, Shelly,” observed Tom. “But I’m sure that some of your callers are, let’s just say, less than Perfect. How do you handle, for example, someone who can’t stop talking, or gets angry with you?”

“We use a technique called the *acknowledging close*, where we enthusiastically acknowledge the last thing the caller says, and then jump in with polite yes-or-no questions to get things on track. It works like a charm. And as far as angry people go, you saw how Jim handled that father you mentioned earlier.”

“That’s a good point,” concurred Tom. “These techniques really do seem to make a big difference.”

“In a sense, you could boil down our entire system into one principle. And we feel so strongly about it that it’s on everyone’s desk.” Shelly said as she nodded in the direction of Jim’s cubicle. There, in the middle of it, was a handsome brass plaque mounted on a wooden base.

*Change your words and change your life.*

“This is another example of where we try to rise above human nature,” Shelly continued. “Most people feel that a customer’s response is governed by the situation - for example, if there is a problem with their software, that they will be angry. But in reality, what we say in situations like these almost totally governs how people will feel. So we teach them to say the right things.”

“That’s a good point,” noted Kathy. “I remember when I was eating out with my friends a few nights ago. The waiter did exactly what we asked, but he never smiled or acknowledged us. Even though the food was very good, I’d never go back there.”

“And conversely, I got a huge local tax bill a few months ago, and called the town offices about it,” said Tom. “The woman there was so nice about it, and did such a good job of explaining everything, that I was almost glad to pay it by the time I hung up the phone.”

“You both seem to know exactly what I’m talking about - the way people communicate makes all the difference,” nodded Shelly. “Ultimately, it all boils down to respecting your customers - and changing your words to change your life.”

“I can really see and feel the difference your system makes,” said Kathy.

“You see, most people feel that great customer service is all about hiring perky, happy people and constantly exhorting them to have a ‘good attitude.’ Here, we believe it revolves around teaching people the skills of Perfect Communication, and having them learn and practice it until it become part of who they are. And we find that it works equally well with people inside the organization as well as outside.”

“You make it sound like the way you communicate is as much a business strategy as a soft skill,” said Kathy.

“You’ve got that exactly right, Kathy. For example, let me give you an interesting example of how your approach to service truly changes your business. Have either of you ever shopped at a Nordstrom department store?”

Tom and Kathy nodded in unison, as Shelly continued on, “Once, one of our executives was on a road trip and discovered that he had grown, as he put it, a lot smarter and a little wider since the last time he had worn the shirt he packed. It didn’t fit any more, he had an hour left before he gave a speech, and he ran into a Nordstrom store to get a new shirt.”

“I presume he emerged with a new shirt.”

“And a great story. The clerk made him feel like he was the only customer in the store. He listened patiently to our colleague’s plight, asked him what clothes he would be wearing to the speaking engagement, personally went looking through every pile of shirts on the shelves for the right size and color - eventually going back to the stockroom to find it! - and then asked what else he could do to be helpful.”

“Sounds like a great service story,” nodded Tom.

“And a great example of communications skills,” continued Shelly. “This clerk at Nordstrom made eye contact, asked questions, and gave proactive feedback. But what really impressed my friend was what happened when it

came time to pay for the purchase. He instinctively started to reach for the credit card receipt, and the clerk held up his hand to stop him, pulled the receipt back, and slowly wrote "Thank you" on it. Then he walked out from behind the counter, handed him his shirt, and thanked him for shopping at Nordstrom."

"Wow. You don't get attention like that in many places nowadays."

"But here's what's really fascinating. When my colleague came back, he later shopped at a local department store where the clerks behind the counter kept him waiting while they gossiped about a co-worker, and then rang up his purchase without so much as saying hello. When he got back to the office, he couldn't resist checking the financial results between these two stores. Nordstrom grew from a 5-1/2 billion dollar per year retailer to a 6 billion per year one, while the other store's sales were off by nearly 10 percent - and a letter from the CEO on their website blamed it on everything from the economy to their debenture financing."

"But you and I *know* why they didn't do as well," smiled Kathy.

"Honestly - you change your words, and you change your life. We take that principle all the way to the bank."

"This is really amazing, Shelly. I have always looked at difficult customer situations as something to be endured. Now I see them in a totally different light. The way that Jim handled an angry father a few minutes ago, and sent him away happy, really stuck with me."

Shelly smiled knowingly. "Human nature sees angry customers as inevitable. We see them as something that's totally preventable. You never want people to have problems in the first place, but quite frankly, when something does go wrong, we see it as a chance to keep building a competitive advantage."

"I can't help saying this," chuckled Tom, "but if I were ever to purchase a defective software program, I'd rather purchase it from you."

While everyone was still laughing, Shelly excused herself and ran back to her desk to pick up a ringing phone. A few moments later, she returned with a surprised look on her face.

"This is great - I can't believe this. Steven wants to meet with both of you personally."

## Coming soon!

### The Perfect Company: A Simple Four-Step Process for Creating a High-Performance Workplace

by Richard S. Gallagher, author of *The Soul of an Organization*

The Perfect Company is a successful growth business named after its founder Steven Perfect, whose name has grown to become its mission as well. And for Tom Barnham and Kathy Wong, beleaguered managers at nearby PeopleFirst Software, a visit to The Perfect Company helps them see their problems in a light that they have never seen them before - one that ultimately transforms the morale and performance of their organization.

At The Perfect Company, Tom and Kathy discover four secrets that drive their operations: Perfect Teamwork, Perfect Coaching, Perfect Performance, and Perfect Communications. Above all, The Perfect Company's success springs from a greater core value that is central to its business as a children's software publisher - *think like a child* - and this principle that ultimately affects Tom and Kathy's company in ways that they never might have imagined.

This simple but powerful story will teach you the real secrets of creating a high-performance organization, by unlocking your own team's motivation to build self-sustaining levels of success that no amount of "rules" or business processes will ever create. Based on the real life best practices of leading organizations worldwide, The Perfect Company represents a clear game plan to create your own perfect company, in organizations of any size.

#### About the Author

Richard S. Gallagher is a critically acclaimed author of numerous books on business and management topics. An experienced customer service executive, speaker and corporate trainer, he has been called "one of the founding fathers of modern customer support" by one of its leading professional societies.

For more details on Rich Gallagher's books and training programs for improving the performance of customer contact organizations, visit Rich on-line at [www.rsgallagher.com](http://www.rsgallagher.com).