



The New Gold Standard

5 Leadership Principles for Creating a Legendary Customer Experience, Courtesy of The Ritz-Carlton Hotel Company

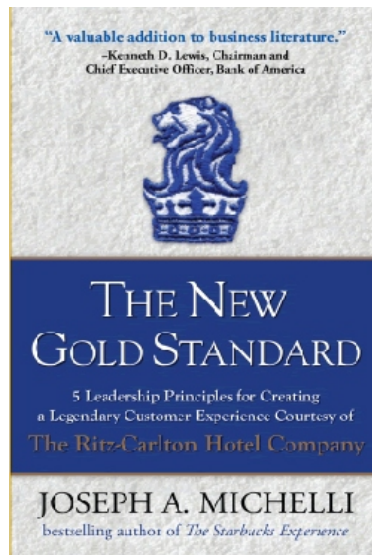
By Joseph A. Michelli, McGraw-Hill, 2008

When it comes to refined service and exquisite hospitality, one name stands high above the rest: The Ritz-Carlton Hotel Company.

Thanks to its ceaseless attention to every luxurious detail, the company has set the bar for creating memorable customer experiences in world-class settings.

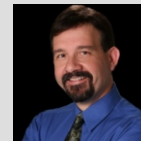
Now, for the first time, the leadership secrets behind the company's extraordinary success are revealed in this groundbreaking book.

For "The New Gold Standard", author Joseph Michelli was granted unprecedented access to the company's executives, staff, and award-winning Leadership Center.



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About the Author:



Joseph A. Michelli, Ph.D., is a world-renowned speaker, organizational psychologist,

and business consultant. He has been described as having the ability to "catch what is right in the world and playfully spark people and businesses to grow toward the extraordinary."

Dr Michelli is famous for his best-selling books about enduring business principles. Aside from this, he also hosted an award-winning daily radio program in Colorado for over a decade.

For more about Dr. Michelli: please go to: <http://www.josephmichelli.com/bio.html>

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Why You Need This Book

This book presents practical how-to advice, proven leadership tools, and the wisdom of experts to help you create and embed superior customer-service principles, processes, and practices in your own organization, similar to what the staff and management at The Ritz-Carlton Hotel Company have done at theirs.

We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience.

The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfils even the unexpressed wishes and needs of our guests.

Principle 1: Define and Refine

The Ritz-Carlton's success is ultimately rooted in well-defined Gold Standards and extraordinary discipline in keeping those Gold Standards alive in the daily lives of the Ladies and Gentlemen of the company.

These Gold Standards define the company, differentiate it from the competition, and serve as the beacon for sustainable service excellence.

THE CREDO

In its most elegant form, the Ritz-Carlton has defined the "ultimate guest experience" in three easily remembered stanzas:

The Ritz-Carlton is a place where the genuine care and comfort of our guests is our highest mission.

THE MOTTO

At first glance, The Motto of the Ritz-Carlton, "Ladies and Gentlemen serving Ladies and Gentlemen" may appear overly staid and outdated, lacking refinements to make it relevant to a modern workforce.

Yet packed into its formal language is a clear understanding of the relationship between, and implicit respect for, both the employee and guest.

THE THREE STEPS OF SERVICE

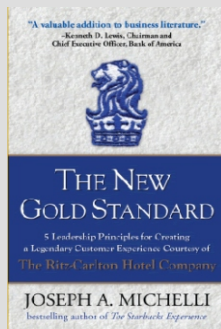
The leadership at the Ritz-Carlton weaves these three steps into the core of the culture:

1. A warm and sincere greeting. Use the guest's name.
2. Anticipation and fulfilment of each guest's needs.
3. Fond farewell. Give a warm good-bye, and use the guest's name.

Guests at Ritz-Carlton properties probably are not consciously aware that they are experiencing these Three Steps of Service. However, customers do express the emotional impact that these steps have on them.

Whether a company has established brand equity that it must reposition or is in its early development phase, leadership must define its culture and "always keep pushing" to refine the business's relevance to a changing

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marketplace.

While there is always a risk of pushing too hard for business refinement, more often the ultimate risk is complacency that emerges from past success. Once-excellent businesses have crumbled before their leadership realized that they had become irrelevant to the changing consumer.

Principle 2: Empower Through Trust

Each year senior leadership at Ritz-Carlton evaluates and revises, as necessary, the separate components of the five key factors that are essential to profitability in that 12-month cycle.

These five factors are then published on tabletop pyramids along with the Gold Standards.

Here is the Tabletop Pyramid for the Key Success Factors for 2008.

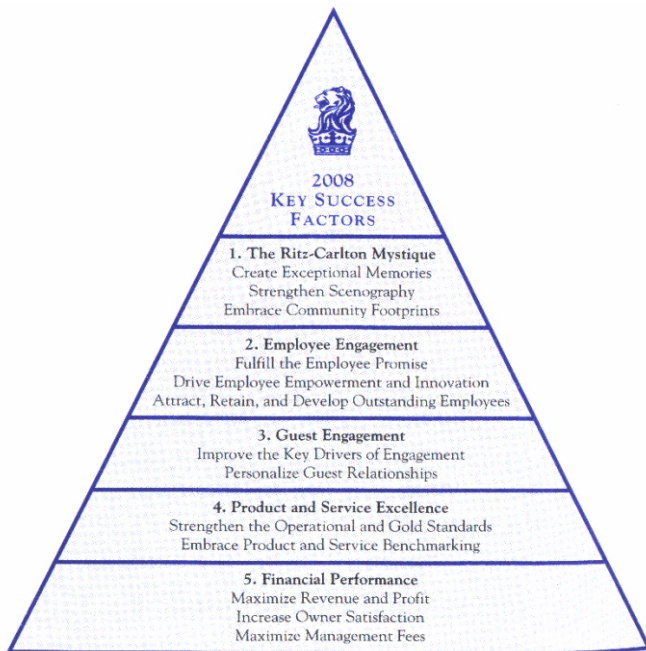


Figure 5.1

The Tabletop Pyramid for the 2008 Key Success Factors

At the core of the Employee Promise is a stated commitment to nurture talent for the mutual benefit of the individual and the company.

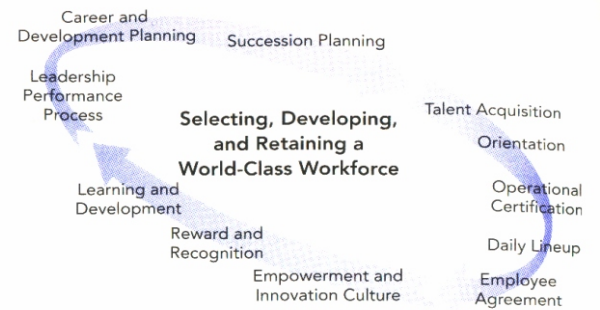


Figure 5.2

The Employee Promise Continuum

When leaders earn the trust placed in them, organizations see trusting behavior and team support migrate throughout their facilities.

However, when leaders can't be trusted, co-workers often work against each other in self-protective ways.

Corporate executives often talk about the importance of empowerment. Successful leaders, however, translate that talk by giving their staff tools to make immediate decisions on behalf of customers.

Ultimately, by offering their trust, those leaders produce companies that reap significant financial benefits and increased customer loyalty.

Principle 3: It's Not About You

The Ritz-Carlton has developed a new innovation model that is currently in the process of being deployed across all hotels.

Before implementation, the Ritz-Carlton evaluates a process under consideration to ensure that it is:



1. Part of a systematic approach for achieving the Key Success Factors
2. Driving employee empowerment and innovation
3. Embracing product and service benchmarking
4. Based on research of proven best practices
5. Transferable to Ritz-Carlton's culture
6. Effective in creating a culture of innovation

Great leaders understand the importance of measuring the engagement of their staff and strategically addressing ways to maximize the motivation and passion of their people.

They understand that while engaged staff do not necessarily cause emotionally engaged customers, employee engagement is a necessary condition for sustained customer loyalty.

Put simply, leaders, "It's Not About You." It's always about the customer and the employees.

While it may not seem fair at times, making it about those you serve derives the greatest rewards for you and your business.

From President Simon Cooper to Lobby Attendant Betty Lewis, creating the unique and memorable guest experience begins by taking the needs of the person offering the service out of the equation. It continues through a focus on the needs of the person you wish to serve.

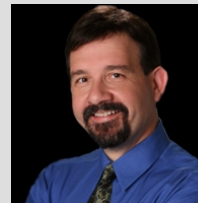
Leadership creates the environment for this service excellence by assisting staff members to fully attend to others, use all their senses, and ultimately place themselves in the situations of those they serve.

Principle 4: Deliver Wow!

Service can be memorable either because it delights a customer or because it leaves the customer sorely disappointed.

The importance of delivering a Wow moment at a guest's first point of contact is therefore a primary goal emphasized by leadership because of the impact on the customers.

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Through keynote presentations that explore ways to develop joyful and productive workplaces with a focus on the total customer experience, Dr Michelli transfers his knowledge of exceptional business practices. He encourages both leaders and frontline workers to invest passionately in all aspects of their lives.

In addition to his dynamic and entertaining international keynote presentations, Dr. Michelli also provides such services as CEO consultation, corporate coaching, group facilitation and team-building strategies, individual development planning, creation of open management systems, and customized management and frontline training programs.

Dr. Michelli believes his greatest accomplishment is his ability to learn from the laughter and humor of his children, Andrew and Fiona.

For more about Dr. Michelli: please go to: <http://www.josephmichelli.com/bio.html>



While unforgettable customer experiences come in all varieties, the initial impression formed by the customer, be that of delight or disappointment, sets the stage for trust or distrust that will color the remainder of the business relationship.

The steps involved in salvaging a bad experience (whether it is caused by your business or not) are fairly simple; yet all too often these steps are not followed:

1. Share a genuine and compassionate reaction to the person's distress.
2. Offer appropriate apologies.
3. Assure the person you will take care of the issue.
4. Individually, and through the resources of your team, see that the problem is taken care of in a way that meets the satisfaction of the customer and does not recur.
5. Go one step further to demonstrate that you want to try to compensate for the person's loss or frustration.

To this end, leadership at Ritz-Carlton emphasizes that every single individual can do what is necessary to create a Wow experience in the recognition of a customer.

Here are some good points to ponder as you try turning Wow into Action:

- Wow moments happen in every workplace. Collect and share those stories with all employees to generate an environment of top performance.
- Annual awards presentations are valuable, but regular, frequent recognition is necessary to sustain a culture of excellence.

- Reward excellence by publicly acknowledging the person who went above and beyond, to motivate others to emulate those behaviors.

- Look for ways to catch your employees doing something well!

- Whether you rent a small place to make someone's wedding happen on time or hand a soaked person a warm towel and hot beverage, it's the personal caring that will create lifetime customers.

- Help your employees to understand how much interpersonal power they have individually and collectively to positively affect the lives of their customers and the overall success of the business.

- Providing excellent service is a reward unto itself.

Principle 5: Leave a Lasting Footprint

Just as Citibank in Singapore has relied on the Ritz-Carlton Credo Card and line-up process as a springboard to create cultural enhancement, so too can you consider ways to take these Ritz-Carlton success generators and put them to work for you.

Specifically, you may wish to consider whether:

1. Your mission statement has been condensed in a manner like the Ritz-Carlton Credo that makes it clear and actionable for everyone in the organization.
2. You seize all available opportunities to hold conversations about the company's mission and values.
3. You align your corporate values with the financial objectives of your business and clearly show how living the values results in business success.



4. You create an environment of positive corporate storytelling that allows for people to see how they can deliver Wow experiences.

5. You view business as a two-way relationship through which leaders make and uphold promises to staff members, in as much as staff members are expected to live up to the expectations of leaders.

The degree to which your business addresses each of these considerations on a day-to-day basis will be the degree to which the culture of your workplace fosters an environment that allows individuals to shine.

It is that constant quest for excellence that not only transforms the guest experience but also transforms everyone who comes in contact with the company and its people.

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