PART I

Great Expectations

CHAPTER 1

You're Digging in the Wrong Place

> Everyone thinks of changing the world, but no one thinks of changing himself.
>
> —LEO TOLSTOY

The customer. It's any person or group receiving a service from an individual or organization. If you run a company, it's the person buying your T-shirts, pizza, or software. In healthcare, it's the patient. In education, it's the student. The customer in a not-for-profit may be the child in a remote village who receives food and medical care. In any case, the customer is the reason every organization exists—the reason people have a job to come to. So why are so many organizations (and people) doing such a terrible job giving the customer a wonderful experience?

We're not talking about *you*, of course. Or maybe we are. Because most organizations have the same problem: They are desperate to win their customers' loyalty and affection, but don't know how to do it. Bribery with discounts doesn't work. Innovation doesn't work, because their competitors just out-innovate them. So they spend fortunes and waste years fishing for something that does work—and usually fail.

Still, a comparatively few organizations are getting it right. They win their customers' loyalty and affection. They build brands that seem impervious to harm. What's their secret? It's right in front of them, and it's right in front of you, too. It's your *employees.* They are the secret to thrilled customers who boost profits, provide referrals, and who keep coming back. The trouble is, you're probably not treating your employees as though this were true. We're going to show you how to change that and, in the process, change everything.

But first, it's time for a gratuitous pop culture reference.

CX (NOT INDIANA JONES) IS KING

If you read our book *MAGIC: Five Keys to Unlock the Power of Employee Engagement*, you know we're not above using examples from TV or movies to make a point. In that book, we cited the film *Office Space* as a memorable example of a completely disengaged workplace. At the risk of going to that particular well once too often, join us for a brief interlude in Cairo, the setting for an early part of the classic film *Raiders of the Lost Ark.*

In the scene, Indiana Jones and his friend Sallah have taken the golden headpiece of the Staff of Ra to a white-haired mystic, hoping he can decipher markings that will lead them to the Ark of the Covenant. When the old man translates the markings into instructions for the staff's height, Indy and Sallah realize simultaneously that the staff the Nazis are using in their search is too long, thus giving them inaccurate information about the location of the Ark. They look at each other delightedly and in unison utter the memorable line: "They're digging in the wrong place."

When we began writing this book, we couldn't get that phrase out of our heads. As we've watched hundreds of organizations obsess over Customer Experience (CX) and burn billions in their efforts, we couldn't help but think "They're digging in the wrong place." It's not that CX isn't important; on the contrary, it's absolutely crucial to profitability and growth. In fact, a 2015 report from Forrester illustrates this unambiguously.[1] According to the findings, a one-point improvement in an industry's Average CX Index™ Score is worth huge revenue increases to the companies within that sector.

We're talking about $65 million in extra annual revenue for an upscale hotel chain, $118 million for a luxury auto brand, and a whopping $175 million a year in new revenues for a wireless service provider. To drive the point home, look at *Harvard Business Review*'s analysis, which asserts that a 1.3 percent improvement in customer satisfaction scores equals a 0.5 percent jump in revenue.[2]

No wonder everybody's talking about the Customer Experience. You probably are. Your organization might even mention your commitment to improving CX on your website or in your mission statement. It makes sense, and we agree. Your customers should be the focus of your business, because without them, you don't have a business. Sam Walton of Walmart fame said it best: "There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else." That's precisely the reason so many organizations are putting so much time and effort into redefining and redesigning the Customer Experience.

> Despite customer satisfaction being rocket fuel for the bottom line, organizations are burning billions in fruitless efforts to create a profit-boosting CX.

YOU CAN'T GET THERE FROM HERE

Intuitively, each of us understands what it means to be disappointed by a poor Customer Experience or delighted by the employee who goes above and beyond the call. Given the potential upside, dumping man-hours and resources into CX seems like the no-brainer of all time. But is it, really? Can you engineer a superlative CX by throwing resources directly at the customer or by demanding that your downtrodden employees deliver service with a smile? Is it that simple?

Corporate leaders certainly seem to think so. One 2014 report forecasts that the market for CX management services and technology will grow from $4.36 billion in 2015 to $10.77 billion by 2020.[3] That's real money. Companies are spending lavishly on comprehensive CX strategies and building or buying high-tech systems in order to mine what they see as untapped veins of growth. And the data insist that this preoccupation with CX is justified: A report by the American Customer Satisfaction Index showed that leaders in customer service outperformed the Dow by 93 percent, the Fortune 500 by 20 percent, and the NASDAQ by a whopping 335 percent.[4]

However, the methods that many organizations are using to try to duplicate those glowing figures just aren't delivering. According to *The Consumer Conversation* report, only 37 percent of businesses surveyed said they were "able to tie customer experience activities to revenue and/or cost savings."[5] That means the majority are, in effect, just spending money and keeping their fingers crossed. Meanwhile, an Accenture report concluded that, despite ambitious plans, about half the surveyed companies' CX initiatives actually did little or nothing to retain customers or grow global revenues.[6]

What about outside the traditional corporate world, say, in healthcare? The news there is no better. A survey by PricewaterhouseCoopers of more than 2,300 healthcare patients found that only half were satisfied with their overall experience as healthcare consumers. Ominously (for insurance companies, anyway), many were willing to try nontraditional sources for health insurance, including large retailers (40 percent of respondents) and digital companies like Amazon (37 percent).[7]

Despite customer satisfaction being rocket fuel for the bottom line, organizations are burning billions in unproductive efforts to create a profit-boosting CX. That's what we mean by "digging in the wrong place."

THROWING YOUR EMPLOYEES UNDER THE BUS

Consider the Chicago Transit Authority (CTA). In 2013, the CTA spent $454 million to transition its 1.7 million daily riders from its own proprietary fare collection system to a third-party system owned and developed by a company called Ventra.[8] But rather than saving money and time, the CTA only succeeded in enraging tens of thousands of Chicagoans.

The CTA's mistake was that it focused on improving CX by increasing efficiency but did so without taking into account its employees—you know, the people who best knew its customers' behavior, who knew that they were happy with the current system, and who would be on the front lines of customer anger and frustration. It was a costly miscalculation.

For example, buses were redesigned so that riders boarding through the front door would be automatically charged by electronic sensors as they passed by. No swiping cards—great, right? Sure, until you realize that on a crowded city bus, riders tend to use the fastest, most convenient exit. Unfortunately, the CTA didn't talk to its bus drivers before installing the expensive system. If it had, it would have learned that many riders also exit through the front door. After the new system came online, many riders were inadvertently charged twice. Whoops.

Technical problems plagued the new system, and the CTA dropped the ball by making customer service available only between 7 a.m. and 8 p.m. on weekdays. Since many people ride the trains and buses in the evenings and on weekends, this decision left huge swaths of time that passengers couldn't get help from a real person. In some cases, the customer service issues were tragicomic, including the experience of one passenger who started getting email after email telling him his new Ventra card was on the way, followed by a blizzard of mail: 91 envelopes, each containing a new card. The comedy of errors didn't stop there. "The next day, 176 more [cards] arrived, each one, he later discovered, canceling the last. 'You have to call and activate it,' the rider told *Crain's Chicago Business*, 'but I've been afraid to do that.'"[9]

Eventually, the CTA had to go back to selling its former magnetic stripe cards while it figured out what went wrong, which was something its employees could have pointed out before the costly move to a new system.[10] Meanwhile, as riders became more and more fed up and indignant, the agency threw its employees—pardon the pun—under the bus. In December 2013, one call center worker lost her job after the *Chicago Tribune* published a letter in which a frustrated customer recounted his repeated attempts to get a Ventra card. But customer support calls were routed to a call center in San Francisco, so call center workers had no firsthand knowledge of the city or the system. The sacked worker was merely the last service rep the customer had spoken to, and she had been working for eleven days straight. Nevertheless, she was sent packing—on her birthday—for "bringing bad press to Ventra."[11]

The CTA's greatest blunder wasn't choosing faulty technology or dealing with incompetent partners to fix a system that wasn't broken. It was failing to work with its greatest asset, its employees, to understand and improve its Customer Experience.

DIGGING IN THE RIGHT PLACE

It's clear that in the quest for a stellar CX and the profits it yields, we have become seduced by the hype without really understanding what creates a positive revenue and service-enhancing Customer Experience in the first place.

Part of the problem is that there isn't even agreement on how to gauge CX's impact. How can you directly attribute growth or revenue increases to an improved Customer Experience? By definition, the term is a catchall for every interaction the customer has with an organization: first contact with a company's website, an interaction with the clerk at the Department of Motor Vehicles, or your wait in the emergency room while your weeping child cradles her injured wrist. Who's to say that one small sliver of the overall CX—caring service by a kind and helpful call center service rep, for example—might not be responsible for 80 percent of a company's CX-related revenue spike, rendering the other CX measures mostly meaningless? Teasing out cause and effect can be maddening.

So we're not going to try. Instead, we're going to dig somewhere else and introduce you to a company that's been doing things differently. Back in 2002, healthcare staffing firm CHG Healthcare Services was average. Growth rates were average. Sales and revenue figures were average. Employee turnover was—you guessed it—average. But the executive team had no interest in simply being average.

CHG wanted to be the largest and best healthcare staffing company in the country. However, its lukewarm corporate culture was restricting growth, and its turnover rate of 48 percent made it virtually impossible to hire and train employees fast enough to grow substantially. At that time, the CHG culture was similar to that of most companies: Communication was mostly top-down, divisional cultures differed, and HR focused on general administrative practices. It was a "good place to work," but few employees were passionate about what they did.

CHG's transformation started as an initiative to reduce turnover by understanding the issues that caused it. Leaders chose to focus on the value of their people, which led to a "Putting People First" program. They also decided to collect feedback from their employees and implemented an annual employee engagement survey, among other sources of communication. The feedback from employees was sometimes painful for the executive team to hear, but it provided many opportunities for improvement.

Gradually, CHG built a culture of feedback. Accountability and trust improved. Employees knew that their feedback was heard and acted upon. Today, CHG's leaders regard the company's employees as its strategic advantage. "Putting People First" is the defining organizational value, and it influences every decision. Employees rave about how much they love their jobs. CHG is at the top of our list of engaged organizations and has ranked as high as number 3 on *Fortune* magazine's "100 Best Companies to Work For" list, in the same league as titans like Google and SAS.

During the weekend following the announcement that CHG had taken the number 3 spot on the *Fortune* list, dozens of employees were so proud of the accomplishment that they gathered for the better part of a Saturday—unbeknownst to management—to record a YouTube music video entitled "Three Is Our Magic Number."[12] For CHG, "Putting People First" was more than just a catchy phrase that served as a clever double entendre to their missions of placing candidates in healthcare positions and taking care of employees. Engaged employees, who were clearly the top priority at CHG, created engaging Customer Experiences.

As for results, CHG is the most profitable company in the healthcare staffing industry. Turnover has dropped to less than half the industry average, and the company even managed to grow revenue and profits during the 2008 to 2011 recession while industry peers saw profitability plummet. CHG knew where to dig.

EX = CX

Organizations like CHG understand that you can't build a transformative Customer Experience directly, solely by throwing resources at CX initiatives. You can redesign stores, roll out cool new products, and engage customers on social media; there's nothing wrong with those steps. But without employees who care about customer service, a beautiful store is just a pretty shell. Without people incented to take risks, where are those cool innovations coming from? Don't even get us started on the dangers of having jaded or clueless staffers meeting customers on Twitter. In other words:

> To create a sustainable, world-class CX, an organization must first create a sustainable, world-class Employee Experience (EX).

It all begins with your employees. In the next few pages we'll define what we mean by EX, and we'll lay out a framework to build the right EX for your organization. For now, think of it this way. Creating a wonderful, profit-boosting CX is like gardening. You can't order up the results you want—healthy plants—just by waving your hand. Gardening is a process-based activity; you attend to the components that create the desired outcome and then hope for the best. That means using soil amendments, watering, and weeding. The gardener can't do much more than that, but if he or she does it well, the odds of a strong, plentiful harvest are high.

Growing an organization works in the same way. Success comes through quality products, sensible pricing, strong customer support . . . and employees who care personally about delivering an extraordinary experience every time. When an organization creates a top-notch EX, the likelihood of a superior CX increases exponentially. When EX is poor, chances are the customer will see the effects. So, here's the bottom line:

EX = CX

Your employees are the soil and nutrients in which your Customer Experience grows. If you have a workforce of engaged people who feel respected and appreciated, and if they trust their leaders enough to take risks and invest emotionally in the organization, your CX will take care of itself.

Conversely, if you don't have that foundation of great people who care about providing a terrific experience and making customers' lives better, all the technology and systems in the world won't keep your CX from being a money-losing mess.

> Engaged employees are the soil and nutrients in which your Customer Experience grows.

CONGRUENT EXPERIENCE

Despite this, too many organizations try to dash past EX in favor of CX. Why doesn't it work? For starters, CX is an *outcome.* For decades, managers have treated customer satisfaction as though it were something they could conjure out of procedures, perks, and pricing. Wrong. That's like deciding to lose twenty pounds by taking weight loss pills while ignoring a healthy diet and exercise. Even if you get results, they won't last—and you will waste a lot of money in the process.

A winning CX is the direct result of the attitudes and behaviors of your employees. Employees should come first, with results to follow, not the other way around. Think of it this way: When you went through your most recent customer service trauma, did you ask yourself: "What type of experience are we providing for the employee(s) who were involved in the problem?" Probably not. But was the crisis a direct result of someone failing to step up to keep a promise, identify and resolve a concern, or provide one small extra bit of service? We'll bet it was. The point? For most organizations, their awareness of the EX does not match up with the important role it plays in determining the CX.

Employees are the face of your brand. They're on the front lines and in direct contact with your customers. Sure, customers are also seeing your website, marketing, and real estate, but those do not outweigh a salesperson who goes out of her way to solve a problem or a school counselor who stays late to help a student with college scholarship forms. Consumers are human, and humans intuitively respond to human interactions more than they do slogans, packaging, or discounts.

That's why the Employee Experience (EX) has far more potential than the CX to move the needle for your organization, by whatever metric you choose: revenue, growth, retention, customer satisfaction scores, number of students registered, patient satisfaction, and so on. But putting EX before CX also serves as a way to prevent your organization from diving down expensive, time-consuming rabbit holes.

Think about the costs, financial and otherwise, of implementing a CX management program where employees' hearts and minds aren't fully engaged. Some organizations spend a fortune on elaborate customer service safety nets designed to keep employees from damaging the customer relationship. Why? *Because their employees don't care.* They're having a lousy experience, so they're not motivated to provide anything more than that to the customer. We call this the Law of Congruent Experience.

THE LAW OF CONGRUENT EXPERIENCE

Employees will deliver a Customer Experience that matches their own experience in the organization.

Indifferent employees mean indifferent customers. Angry employees put in minimal effort to take care of the customer. Customers respond in kind. In contrast, employees who are engaged and trust their employers will provide a great CX because they *choose* to. You don't need call scripts or a patients' bill of rights to keep them from damaging your brand. You can turn them loose, knowing that they will solve problems on their own, increase value, and breed customer loyalty. A terrific EX equals a superb, loyalty-winning, profit-creating CX.

DEFINING THE EMPLOYEE EXPERIENCE

We've been clear that in order to create a superior CX, an organization needs to first take care of its EX. But what, exactly, is the "Employee Experience"?

Some mistakenly confuse the EX with popular terms like "Talent Management," "Human Resources Development," or "Employee Engagement." While EX is certainly related to those terms, it's not synonymous with them. EX is much broader in scope. So, for our purposes, here's how we define EX:

> The Employee Experience is the sum of perceptions employees have about their interactions with the organization in which they work.

In the introduction to this book, we mentioned a trend leading many HR executives (and even marketing departments) to take on titles like "Chief Employee Experience Officer." On one hand, it's wonderful to see because it makes us think they get it. But then we ask them to describe what "Employee Experience" means, and they bring out charts and models that are really describing the Employee Life Cycle (ELC).

While it certainly is a part of EX, the ELC is distinct, made up of all the steps or processes in which an employee participates during his or her relationship with the organization. An ELC is chronological and sequential, and assumes a beginning and an end. For example, the ELC includes important events and processes like recruiting, onboarding, employee development, promotion, and exit interviews. The ELC is an important part of the human resources process, because it takes into account the steps that occur from an employee's first contact with the organization to the last interaction after termination. However, the ELC differs from the EX in two very significant ways: *perceptions* and *expectations.*

Consider this. Two friends, Ingvar and Edvar, start new jobs on the same day with the same company. For the first year, they are assigned to the same boss, work in the same manufacturing facility, and have similar job responsibilities. Their compensation is identical. In fact, nearly every step of the ELC is identical. Yet their EX is very different.

Ingvar has two children, both involved in football. When he joined the company, one of the things he found most attractive was that the company touted the importance of work-life balance, which was important to him because he wanted to support his children's athletic events. Edvar is single. He's all about the late-night party scene, so he finds getting to work before 9:00 in the morning (at least with a clear head) challenging, particularly on the nights he plays guitar in the band.

Fortunately for Ingvar, the company has some flexibility in how early employees leave in the afternoon, as long as they begin at 7:00 a.m. sharp and finish critical projects before heading out for the day. Ingvar finds this a real plus. Edvar, however, feels constrained by the 7:00 a.m. start time. It simply doesn't meet his needs. He also thought that "work-life balance" meant he would have some flexibility that facilitated the "life" part of the equation as much as it did the "work" part. No such luck. In fact, last time he brought it up to his supervisor, he was told to "go read the policy manual." He had also understood that he could be fast-tracked to a management position if he showed promise, which, in his mind, he clearly has. But he's still in the same role he was in when he started with Ingvar over a year ago. He begins looking for new employment.

Two employees. Identical ELC experiences. Very different EXs.

EX depends largely on perception and expectations. (We'll cover the expectations part in more depth in the next chapter.) The perception portion dictates the outcome of the experience. The EX is based on the employee's perception of what it going on, not always on the reality of what occurs. This is why Ingvar and Edvar can have identical experiences yet their EXs can be vastly different:

$$\text{EX} = \text{Experiences} + \text{Expectations} + \text{Perceptions}$$

A positive EX, then, isn't just a factor of what the company throws at the employee. Rather, it's a result of how the employee perceives those experiences, and whether or not they meet her expectations.

Most organizations fail to understand this concept. They believe that creating a stellar EX is a matter of tossing out a few perks that they believe to be universally appealing (seriously, who doesn't like Taco

EGGHEAD ALERT!

Field Theory

Developed by psychologist Kurt Lewin, the concepts of "life space" and "field theory" are now important parts of social and organizational psychology. Lewin taught that behavior (B) is a function (f) of personal (P) and environmental (E) factors:

$$B = f(PE)$$

Lewin defined "life space" as a combination of the factors that influence an individual at any point in time. These factors could include life experience, memories, needs, personality, health, desires, and others. As these factors differ from person to person, each individual's life space differs from that of another individual. The field, then, is the environment that exists in the individual's (or group's) mind. This field changes over time and with experiences. Field theory explains why two individuals (or groups) may encounter a nearly identical situation but may interpret that situation differently.

Tuesdays or a tube slide from the third floor down to the lobby?), then calling themselves "great places to work." Yet their workers are still unhappy, and they move on to places where their EX is better aligned with what they're looking for. After all, in today's environment, employees have choices.

ENLIGHTENED SELF-INTEREST

In our definition of EX, we aren't simply trying to capture how an employee "feels" about the organization. EX is broader in scope. We are looking at whether an organization's EX attracts the right people and then provides them with an environment that helps them do their best work. In turn, this results in success for the organization. Your job as a leader is to design, build, and maintain the right EX so that the sum of your employees' perceptions, whether across your organization, division, or team, encourages and produces the very best in your people.

We're not advocating that you create a workers' utopia or spend all your resources making workers happier. Just because employees are happy doesn't mean they're performing at a high level. Employee engagement is about people doing meaningful work in a way that makes them feel that they are growing and their expectations are being met. Difficult, challenging, and even exhausting work can be engaging—and employees can love doing it—if you as the leader create a framework that understands and meets people's expectations and rewards their contributions.

For instance, teaching is one of the most grueling professions around: long hours, budget cuts, pressure from parents and administrators, and the monumental challenge of trying to shape young minds of all backgrounds and aptitudes. Talk to teachers and it's rare to find one who doesn't find the work draining—and most would never do anything else. Teaching always ranks on the annual *Forbes* list of happiest jobs. Why? Meaning and impact (two of our MAGIC keys). For these teachers, their EX is exactly what they wanted. For many, teaching is also connected to *enlightened self-interest,* where serving others is, ultimately, good for oneself as well.

Having engaged employees is good for your company, school, or nonprofit. An engaged workforce translates to high customer satisfaction scores, high customer loyalty, stronger growth, better patient care, and higher profits. It means lower turnover and lower recruitment costs. It even means less workplace stress and reduced healthcare costs. Our own research, as well as studies by other researchers, shows that that engaged employees lead healthier lifestyles, have fewer chronic health issues, and are more likely to get involved in company wellness programs.[13] If employees are also happier, smile more, and have better personal lives, that's a bonus (and not an insignificant one).

A great example of this is SSL encryption (the link between your web browser and servers that safeguards your private information) company DigiCert. When you call DigiCert for support, you won't be transferred. Every phone support person is empowered to solve your problem from beginning to end and has discretion to make refunds or award billing credits. DigiCert built its business on web security, search engine optimization, and crazy-good customer support. It doesn't do much additional marketing because it doesn't need to. The company mantra is that you should never put the customer on hold or tell them you will call them back. Employees strive to solve all support issues on the first call.

DigiCert employees love this, and the company treats them like gold, including paying for an annual vacation. In fact, many employees won't even think of leaving, partly because they can't imagine losing their "DigiTrip." You might think that the company perked its way to an engaged workforce, but that's not it. This is a company culture based on empowerment and service. Employees are loving their EX, so they make sure their customers do, too. Everybody wins.

Oh yeah, DigiCert has been on Deloitte's Fast 500 list, which ranks the fastest-growing North American companies in the technology, media, telecommunications, life sciences, and energy tech sectors, every year since 2010. So, do you think this approach is working for the company?

> Difficult, challenging, and even exhausting work can be engaging if you create a framework that understands and meets people's expectations and rewards their contributions.

THE AGE OF THE EMPLOYEE

People agree to give their time and energy to their employer hoping for such exemplary, or at least reciprocal, treatment. They trust that the employer will reward them for their hard work, give them a reasonable degree of job security, and fulfill reasonable expectations—basically, keep its word. So it seems like common sense that employers should take reasonable steps to create a fulfilling and engaging EX, right?

Unfortunately, we don't live in that ideal world. Historically, the employer-employee relationship has been more adversarial than collaborative. In general, employees assumed that companies would exploit them and break every promise they made, while employers regarded employees as liabilities and layabouts who, if given an inch, would take a mile, cheating and stealing as they went. Ouch.

That model, however, is changing. Some leaders haven't figured it out yet, but we're already in the Age of the Employee. This doesn't mean that employees have all the power. They simply have more options than ever. That means it is harder to find and keep those employees who might be the difference between slow, struggling growth and sector-leading celebrity.

Progress stalled during the recession that began in 2008 because people were afraid to leave their jobs for greener pastures. But with the world economy improving, employees are feeling empowered. Indeed.com, the world's largest employment website, released the results of a 2016 study that showed 50 percent of U.S. workers thinking about making a career change.[14] And we're seeing similar sentiment throughout much of the world. That's tens (or hundreds) of millions of people feeling pretty confident about their skills and opportunities. They're feeling that way because they know that talent, not capital, is the difference-making resource in any organization.

Sir Richard Branson gets it. The mercurial Virgin Group founder, who famously got his first taste of the aviation business when he and his wife were stranded in Puerto Rico and he chartered a plane to carry himself and other passengers home, puts his employees before his customers. Branson believes that it should go without saying that when employees are proud of their jobs, are given the right tools, and are looked after, the result is a positive customer experience. In an interview with *Inc.*, he explains why:

> [My] philosophy has always been, if you can put staff first, your customer second, and shareholders third, effectively, in the end, the shareholders do well, the customers do better, and [you,] yourself are happy.[15]

As we mentioned, during the past five years we have gathered more than 24 million employee survey responses—the largest database of its kind—in order to understand the relationship between the Employee Experience and the Customer Experience. This research shows that, while most would say they are engaged in their jobs, only a small minority of employees consider themselves "fully engaged" at work. Turns out that those entrenched policies that treated employees like interchangeable parts who were lucky to have a job in the first place were terrible for morale, retention, and customer satisfaction. Scary thought if you're relying on those people to manufacture your pacemaker or teach your child.

Try this exercise. Imagine that someone asked you about your organization right now. Where would you begin your story? Its history, maybe? Revenue growth? Number of students enrolled in your programs? Average patient wait times? Market share? You probably wouldn't start by talking about your employees. You're not alone. When we look at the engines that drive organizations to success, the people who make things go every day are usually an afterthought.

That's backward and dead wrong, morally and fiscally. After years of genuflecting before the customer while treating employees as expendable, we're finally starting to see that we've been watering the leaves, not the roots, of our organizations. If you want an extraordinary business, hospital, nonprofit, school, church, or sports team, you need an extraordinary EX that creates that band-of-brothers feeling and makes people feel cared about, inspired, and respected.

YOUR PEOPLE ARE YOUR BRAND

Since we're on the edge of corporate blasphemy, let's jump in with both feet. What we're really talking about is your brand: what your organization stands for and how it makes people feel. Brand is the Holy Grail of business; we're always growing, maintaining, repairing, or defending it. But your employees *create* it.

Not your marketing department. Not PR. Not products. If your brand is a promise, then your employees are responsible for keeping that promise. If you have fully engaged employees who care about making customers happy, you can have a second-rate logo, an out-of-date website, and awkward advertising and not dent your brand. Just ask the employees at Men's Wearhouse, the discount suit chain that thrived despite cheesy TV ads featuring founder George Zimmer saying "I guarantee it" and has floundered ever since Zimmer's board forced him out in 2013. Many would argue Zimmer's belief that employees (tailors, in particular) come first also left with him.[16]

Your employees are your brand. It lives through the performance, interactions, and genuine care of the people who bring it to life on the front lines every day. We're not saying that you shouldn't work on building an exemplary Customer Experience; that would be bad practice. We're simply asking you to do it in a different way, understanding the most important factor in shaping that experience: the people on your payroll.

In other words, start digging in the right place. Let's talk about how.

CHAPTER 1. YOU'RE DIGGING IN THE WRONG PLACE: THE CHAPTER EXPERIENCE

- Organizations are digging in the wrong place for an outstanding Customer Experience (CX). It's found by first building an exceptional Employee Experience (EX).
- The Employee Experience is the sum of perceptions employees have about their interactions with the organization in which they work.
- Customer satisfaction clearly impacts profits, but you can't create it directly.
- Employees know more about what customers want than anyone; understand that and use it.
- Fostering feedback, transparency, respect, and appreciation improves engagement, retention, and the bottom line.
- You can have a transformational CX only if you first have a transformational EX.
- The Law of Congruent Experience: Employees will give customers an experience that reflects their own.
- EX is not about making employees happy, but about fostering engagement that grows your bottom line.
- We're in an era (The Age of the Employee) when employees have more choices and influence than ever.
- Your employees are your brand.