

# BUILDING a Strong Service Culture

By Tammy McInturff Appel

**Delivering exceptional customer service requires a clear vision, a strong service culture and a commitment to exceeding the customer's expectations.**

**T**he insurance industry has a lot of challenges right now, with pressure on interest rates, profit margins and a constantly changing technology. Change within the industry continues to accelerate. Pressure and expectations for better and faster service are driven from within and outside the industry. Customer service is becoming more important than ever as a strategic differentiator for insurance companies. Achieving great customer service starts with your company's vision, culture and commitment to getting everyone moving toward the common goal of service excellence.

That is the consensus from this year's LOMA Customer Service Conference, where speakers discussed the psychology and science behind delivering a great customer experience and how important the company's leaders, the company's culture and communication are in this process. This year's conference included a variety of speakers from inside and outside of the industry, including training and development expert, Jim Knight; workplace performance, customer service and leadership expert, Jason Young and U.S. Army Black Hawk pilot, Elizabeth McCormick.

## Creating a Differentiated Experience

A training and development veteran for over 30 years, Jim Knight discussed how to revolutionize your company's culture to achieve superior service. Knight started his career in the hospitality industry working for Olive Garden and Hard Rock Café. At Hard Rock, he eventually became the head of the School of Hard Rocks, running point on all training and development functions for Hard Rock International. He is also the author of "Culture That Rocks: How to Revolutionize Your Company's Culture," a how-to business book designed to amp up a brand in any industry.

Knight shared some best practices to help companies differentiate themselves and deliver sustainable results by offering superior service. "What can you do in your industry to differentiate yourself? That is the key," he said. "What can you do completely different than your competitors? If we are all going to do the exact same thing as every other company, then we are going to expect to get the exact same results."

"The most successful companies in the world have a shared mindset amongst everyone that works in the organization," Knight said. "I have been very fortunate to work with a few Fortune 500 Blue Chip companies in my world, and one of the things that I have noticed that they do better than most is they really emphasize communication. Internally they are all about communication. They have more staff meetings, more small department meetings, more one-on-one meetings and these meetings are both formal and informal. They share information because they know how powerful it is. These companies do not just talk about their service philosophy once at a new employee orientation and then never bring it up again; everybody is on the same page."

Knight stressed the importance of having a shared mindset. "Successful organizations with great customer service know where the compass is, they know the direction they want the company to go in and they don't focus as much on the clock as they do on the direction that they are going," Knight said. "Individual agendas produce random actions and creates a culture of confusion and dysfunctional results. Having a shared mindset among everyone produces aligned actions and allows organizational productivity and sustainable growth. Remember that efficiency is good but effectiveness is way better in long term standard results."

Knight also cautioned companies not to get caught up in focusing heavily on budget. "No matter how the budget gets decided whether it is dictated or agreed upon as a team, if you get some crazy budget I'm convinced I can absolutely hit it but I will do silly stupid things, like cut training costs," he said. "How many years can you get away with that? Over focusing on budget won't get you the continued results that you are looking for, you have to focus on getting everyone on the same page and going in the same direction. It is all about communication. You cannot over communicate."

## Being Customer-Obsessed

Knight also said that to be a service leader companies have to, "rigorously embody a customer-obsessed purpose to their work." According to Knight, this starts with creating a strong, clear and concise mission statement. He gave examples of several great mission statements from some very successful companies like Southwest Airlines, Starbucks, Lego, Zappos and Hard Rock Café. "Southwest's mission statement is, 'to provide the highest quality of customer service, delivered with a sense of warmth, friendliness, individual pride and customer spirit.' Lego's mission statement is, 'to inspire and develop the builders of tomorrow.'" Knight noted that all of the mission statements from these companies are customer focused.

“Not one talks about their product,” he said. “These mission statements are about the journey. They are aspirational and they are simple and easy to remember. What does your mission statement look like? If it is too long or if it isn’t aspirational and inspirational and about the service and the customer, you are doing it wrong. It has to be inspiring to people.”

## Creating Differentiated Service

As the insurance industry continues to change at an accelerated pace, customer expectations are continuing to change as well. “That disruptive change is going to happen,” Knight said. “People hate change, but if you hate change, you are really going to hate extinction. You cannot give them the same-old, same-old that everyone else gives them. You have to absolutely rock their world. If you want to hang your hat on your products and your price, you can, but at some point that will become transactional. You cannot treat every customer the same way. You have to personalize, customize and individualize the experience with every single one of them.”

“The way to create differentiated service is through personalized and customized attention to your customers and developing emotional attachments with policyholders,” Knight said. “Do something different to surprise and delight your customer. With every single person we have to find a way to somehow figure out what are their buttons, what could I do to make them feel special.” He gave examples of how he started conversations with his customers when he was a host at the Hard Rock Café in Orlando back in the 1990s. Instead of simply saying, “welcome to Hard Rock, smoking or nonsmoking,” he looked for ways to start a real conversation with the customers. If they were wearing a shirt with a sports team or a cowboy hat or if they were looking at some piece of memorabilia in the restaurant, he used that information to start the conversation.

People crave differentiation. Knight said if you want to avoid four letter words, like fine, okay, and good, to describe your service, then you need to deliver something different. “You have to make sure that the people that you are hiring into your organization have the right confidence and character to deliver an individualized customer experience to your customers,” he said. “Remember that all the training in the world is not going to help a bad hire.”

Knight showed a training video that Chick-fil-A shows their new hires on their first day on the job.



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The video called “Every Life has a Story,” is set to music and shows Chick-fil-A employees interacting with customers in a typical Chick-fil-A restaurant but there are subtitles next to each Chick-fil-A customer describing what they are going through at that moment. One customer has been fired from his job and is worried how he will provide for his family, another customer just received her American citizenship, and one customer has battled cancer for years but is now cancer free, the video is filled with emotionally touching subtitles about what the customers are currently going through in their life. “This is a very powerful training tool,” Knight said. “This video will affect you one way or another. It may have a new hire thinking this exactly where they need to be or it could have them thinking that this is not the place for them.”

Knight noted that Chick-fil-A has alienated some people in recent years due to something that their CEO said about three or four years ago. “No matter how you think about Chick-fil-A, one thing you cannot stomp on them for is the people they hire,” Knight added. “They are the right people for their ultimate position. What Chick-fil-A is basically saying with this video is, ‘we get it, you have stuff going on,

we are here to amp up your life; this is going to make your day a little bit better and oh by the way we sell chicken.’ It is not an afterthought, but that is not the most important thing that they are trying to do. They are trying to enrich your life. Chick-fil-A doesn’t even compare themselves to other fast food chicken

restaurants, they compare themselves to any organization that is stealing market share from them. Chick-fil-A right now generates \$3.7 million on average, per location per year and they are not open 24 hours and they are closed on Sunday. Their closest competitor, McDonalds generates \$2.6 million per location, per year.”

Knight said that any company can deliver service excellence but it requires thinking differently. He used the examples of the online shoe company, Zappos and Pike Place Market. “If you had told me 15 years ago that an online shoe company would have one of the greatest service cultures out there, I would have laughed,” he said. “Also, if you have ever been to Pike Place Market in Seattle you have to be amazed at what they have done. It is the number one tourist destination in Seattle and they sell fish. They are famous because they deliver something different. If Pike Place Market, a fish market, and Zappos, an online shoe store, can do it anyone can do this in any industry, including the insurance industry.”

“People need different, it can’t be fake; it can’t be prepackaged and it can’t be preprogrammed because at some point people will see right through that,” Knight said. “At the end of the day we need agents who are unapologetically authentic in their customer obsession. That means having attention to detail, a sense of urgency, responsiveness, follow up and genuine care.”

Constantly reinforce that you are in the memory making business. “No matter what industry you are in, if you want raving fans you have to be making memories,” Knight said. “If you don’t believe that way, then you are selling a product and you are in the transactional business. If you are in the transactional business, at some point someone is going to come along and do it better or cheaper. You have to deliver something spectacular that wows your customer. Value matters but memorable experiences help justify price and sustainability.”


## The Ultimate Customer Service Experience

Jason Young, an expert in workplace performance, customer service and leadership and a former senior-level manager at Southwest Airlines, discussed how a company can deliver a transformational service experience with each and every customer encounter. Young is the author of “The Culturetopia Effect” and “Servicetopia—The ultimate customer service experience.”

Young explained that Servicetopia is an environment where all employees are aligned with the mission and the vision of the company and every day they go to work committed to providing exceptional service to every customer.

“They understand their purpose in the organization,” Young said. “They perform their duties with passion as they seek to meet every customer’s needs. They are professional and work to build customer loyalty. They carefully follow an outlined process to ensure customer satisfaction and eliminate pain and frustration for customers. They also add a little something more to surprise and delight the customer.”

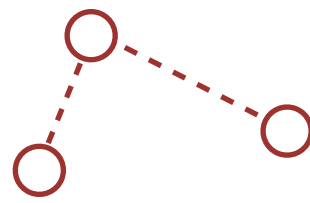
The hallmarks of Servicetopia are purpose, passion, professional, process, and pizzazz. According to Young, these are the behaviors that are required for delivering exceptional customer service. He said that part of the idea of having a Servicetopia is that when you see someone moving out of this Servicetopia mindset you can reach out and help pull them back to in. “Have you ever been around somebody that is so down it is like they have a foot on their chest and they can’t breathe? They are not fulfilled and they are not serving and you reach out and ask them what is going on or how you can help them and all of a sudden it is like they can breathe again,” Young said. “That is inspiration.”



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Young gave the example of a situation he inherited with an employee after taking a new job. The employee was about to lose her job because she was repeatedly late. Young had a meeting with the employee and asked her why she was having trouble getting to work on time. It turned out that she had car battery issues but was too embarrassed to tell anyone because she didn’t have the money to replace the battery. “Everyone pitched in a dollar and bought her a new battery and she was never late again,” he said. “We were able to breathe life back into the situation. These opportunities are all around us if we look from them but we have to be willing to pull people back into this space.”

According to Young, what really drives this idea of Servicetopia is how well we are functioning together. It is all about this idea of team work or relational coordination. “This idea of relational coordination comes from Jody Hoffer Gittel’s book “The Southwest Airlines Way: using the power of relationships to achieve high performance,” Young said. “Relational coordination means we are functioning in a coordinated effort.



## “Passion comes from this idea of creating an environment where people are motivated.”

Hoffer Gittell thought of this term when she was researching performance related topics and she found that relational coordination had a direct impact on performance. She got the idea of studying relational coordination when she was delivering her first child and she noticed the amazing relational coordination between doctors, nurses, the transport lab, the pharmacy and various other different departments that had to function in a coordinated effort for there to be a healthy delivery. As she began to study, she found the higher the relational coordination, the better the performance. She studied the legal environment with attorneys, secretaries, paralegals, etc. She also began to study the airlines at Boston’s Logan Airport and ultimately studied Southwest Airlines as part of her research.”

Providing great customer service means you are in the relationship business not a transactional business. “You have to find a way to maximize the power of relationships,” Young said. “Hoffer Gittell found that there is task or service tension, which is everything that you have to do to execute great service, service tension is healthy tension that is what we want to spend our energy on. People tension on the other hand is anything that can distract us and that could get in the way of delivering that great service. Hoffer Gittell found that if you have high people tension then service tension goes down. If you can lower people tension in your organization, you can greatly improve your team’s performance.”

Always be willing to learn. “Most insurers have a deep-rooted culture but we can’t lose sight of our people,” Young said. “What you do is about people and that is the whole basis of this service mindset. If we are going to continue to invest in this culture that we have built, we are going to add things but we don’t ever want to lose sight of our internal customer or our external customer.”

### Purpose

When discussing the idea of purpose, Young shared Southwest Airlines’ vision. “The vision of Southwest Airlines is dedication to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride and company spirit,” he said. “This vision statement is really well done and it speaks to how they are going to interpret these values into action. Right up front they say it is dedication to the highest quality customer service. This idea of Servicetopia is built into the DNA of who they say they are; but it is not just dedication to the highest quality customer service, there is a tone there, a feeling that we want to put with that, a sense of warmth and friendliness. They want to have individual pride and they want that to be evident so that employees are happy and they are proud to be a part of that. There is a sense of company spirit.”

Creating a stable work environment for our employees is an essential foundation for delivering exceptional service. “Southwest’s statement to its employee is, “we are committed to providing our employees a stable work environment with equal opportunity for learning and personal growth. Creativity and innovation are encouraged for improving the effectiveness of Southwest Airlines,” Young said. He gave examples of how some of Southwest’s employees are innovative and creative in their approach to their work. “Sometimes flight attendants will sing the inflight safety briefing, there is even a flight attendant who raps the inflight safety briefing. Southwest has created an environment where it is fun; they free people up to be creative and innovative. I think we should do that. Life is serious enough as it is, I think we can lighten it up a little bit.”

“People who are positive, fun, energetic and enthusiastic are the kind of people we all want to work with,” Young said. “I was flying out of Burbank from the Orange County Airport and there is a noise abatement law from that airport that says you can’t fly out too early or too late in the day and when you do fly out you have to take off really steep. It is a very stressful start to the flight. The flight attendant of this Southwest flight I was on knew that and so she takes the basket that she puts peanuts and pretzels in and fills it up with snacks and puts it in the aisle and when the plane starts to rotate that basket starts sliding down the aisle. She made an announcement, “ladies and gentleman please grab your snacks as they go by,” People loved it they weren’t thinking about how stressful that climb out was they were focused on getting snacks. Why not do something creative and innovative that can impress or excite your customers. I think we have some room to do it.”

“Southwest also believes that above all employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest customer,” Young said. “This is their value statement and I could see evidence of these values in the behavior on a daily basis. I have worked with a lot of people who have a great statement but they don’t do it.

Southwest knows that the level of service you give externally will only be as good as the level you give internally.”

“Passion comes from this idea of creating an environment where people are motivated,” Young added. “A lot of times it is just about being creative in what we do and how we give feedback. Take an hour a day and just find people who are doing things right and verbalize it. People are starving for that kind of praise and recognition. You also want to get people using their talents and strengths.”

Young concluded by discussing some best practices to ensure Servicetopia success. “We need to clearly define expectations and provide the tools and training to ensure success,” he said. “We also need to get people using their talents and strengths and give frequent recognition and praise. Also, we need to show care and concern for each other and encourage continuous learning and development. Be consistent and also put a little pizzazz around your service. It could be just a nice gesture, something different that is going to surprise and delight your customer. Get the right people in the right jobs, using their strengths.”

### Soaring to Success

Elizabeth McCormick, a U.S. Army Black Hawk pilot who flew command and control, air assault, peacekeeping, and top-secret intelligence missions and transported high-level government VIPs discussed her experiences and the lessons she learned along with way and how you can put these lessons into immediate action. She also relates these lessons in her book, “The P.I.L.O.T. Method: the 5 Elemental Truths to Leading Yourself in Life.”

McCormick discussed how she ultimately made the decision to join the military. She was an unemployed military wife, stationed at Fort Polk, Louisiana. Although she had a newly earned college diploma, the job opportunities at Fort Polk were very limited. She was working at a pizza franchise feeling very unfulfilled when she realized that change wasn’t going to just happen for her. “I had to make it happen. I had to make it happen, starting by acknowledging my own potential,” she said. “When you can’t change your circumstances, focus on what you can change within you. Every single one of us has potential. I guarantee that, wherever you are in your life, your career, your education, you have more in you. Your potential will not be realized if you do the same things you’ve already been doing.”



McCormick said she made the decision to make a change not yet knowing what that change would be. After thinking it out on paper she thought, “if my husband can be in the military, why can’t I?” She said the decision wasn’t without doubts but she researched and talked to other women she knew that were in the Army to get a better idea of what it was like to be a woman in the military. She also asked other officers in the military what they would do differently and what job they would pick if they could have any job in the Army. She said over and over she heard officers say they would be a helicopter pilot. “I thought, ‘why not, if I joined the Army, why couldn’t I be a pilot?’”

### Mission of Excellence

McCormick said it all started with a decision to change. “If you don’t make the decision to be open to the opportunities around you, they will pass you by before you ever see them,” she said. “When you believe in yourself and your abilities it builds your confidence. When you are more confident inside, you show up more competent. Then when you take that and you bring just a little bit more, a little bit more time or attention, or duration, just a little bit more then you did the day before, that is a mission of excellence. We all want a mission of excellence because we are all tired of the average that we see way too much of.”

McCormick offered three strategies to be more confident. The first strategy is all about the words we use and what we say. “The words we choose affect everyone else around us,” McCormick said. “Your brain is so powerful that when you say you can it believes it and when you say you can’t it believes it, so it actually manifests itself in the body as a physical response.

Being more aware of the language that you use can make a difference.

How you show up at a meeting makes a difference. It affects the other people around you.”

“When you get on a negativity loop think about whether there is anything useful you can learn from that negative thought,” she said. “For example, thinking, ‘I’m not smart enough,’ if you have that thought, then think of all the strategies that you can do to feel smarter, like read a book, take a class, watch training videos etc. once you have every bit of useful information

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out of that negative thought then it no longer serves you. If it doesn't serve you, does it deserve to have the real estate in your brain? No, so delete it. Visualize yourself deleting that thought three times. By visualizing this it takes the pathways of your brain in a different direction. Strategy number three is when you delete a negative thought you should replace it with positive affirmations. You are responsible for setting up your day, no one else.”

McCormick said she had the vision and the belief but really no idea what to do with it. “Often, we let doubts get in the way of believing in our own potential,” she said. She recalled walking into the recruitment office and telling the Staff Sergeant that she was there for the Warrant Officer Flight Training Program and being told ‘you can't do that.’ She remained persistent in her pursuit giving him reason after reason why she was qualified. At the end of the conversation she realized that part of the Sergeant's objections to her applying for the program were that he did not know how to do the paperwork.

“Imagine if, when I had first walked in, I had believed that recruiter more than I believed in myself,” she said. “I might not have expanded my potential. I may not have become a helicopter pilot. My whole world changed because I was willing to question. I was willing to ask, why not? Belief is the foundation to leading yourself and then others. Belief builds our confidence and allows us to handle situations that challenge us. Ultimately I ended up doing the paperwork for him. I did his job. Here is one of the biggest lessons that I learned, your future and your career are your responsibility. It is up to you to make it happen. Be fully vested in yourself and your abilities.”

When things get hard it makes a difference how we show up and that we show up. McCormick described her challenges while in flight school, particularly dealing with an instructor who did not believe that women should be flying helicopters. He made it very hard for McCormick by yelling



at her and intentionally trying to intimidate her. McCormick said she refused to give up. Then, during a week that her original instructor was on vacation, a substitute instructor was able to teach her how to fly and how to hover. “The substitute instructor went on to teach me more in a week than the other instructor had taught me at all,” she said. “Think about that. Who are the ones that try to bring you down and who are your champions? We all have them. Which ones are you going to listen to more when it comes to your own personal power and your career. Be your own champion. Think about what role you are playing for other people are you bringing them down or are you their champion.”

### Practice Makes Permanent

“How you practice is how you will perform,” said McCormick. “How we practice is how we show up. How we live our life and how we work our job every single day matters. The things we choose to do and the things we choose not to do matter. Everything has an impact. Everything has an influence because practice makes permanent.” McCormick said to think about this when considering how you do training at your company.

“We need to go back and be a little more single minded when it comes to focusing on the important things,” she added. “When you do that you will get more things done at a higher attention level and quality.”

### Leadership

According to McCormick, there are three pillars of leadership. “The first one is communicate,” she said. “Think about how you could communicate more. The second one is aviate, meaning take action. It doesn't do any good to communicate that you are going to do something if you don't do it. Lastly, navigate, know what you are working towards. Know what your objectives and goals are. All your communication and all your action should take you closer to a goal and if not, it takes you further away. Everything you choose to do or not to do has an impact. You are in the pilot seat. Everything you do matters. We all have a capability and a responsibility to lead from where we are. You cannot wait to be asked, promoted, elected or for someone else to do it first. It is up to you to rise up and lead. No matter what it is you do, you are in the pilot seat. It is up to you to fly and when you do that you will soar.” ❖

## 2017 Customer Service Conference

The 2017 LOMA Customer Service Conference will be held March 29-31 in Las Vegas, at the Red Rock Casino Resort Spa. The theme will be, “Hitting the Mark on Exceptional Service.”

The race to provide customer service that is second to none never really ends. But it is the one true goal that your company should strive for. And as you race toward that goal, your efforts in turn raise customer satisfaction, increase sales and strengthen your bottom line.

The 2017 LOMA Customer Service Conference will help you in that never-ending race toward unrivaled service excellence. Come examine new strategies and technologies that will enable your firm to stand head and shoulders above the competition. The exciting lineup of speakers and topics is carefully designed to deliver only the best to you: the best information, the best strategies, and the best tactics that will help you reach that ultimate destination. Visit the events page of the LOMA website, [www.loma.org](http://www.loma.org), for more details.

## LOMA Brief on Service Operations, Initiatives

A recent LOMA Information Center Brief discussed “Service Operations and Initiatives at Life Insurance Companies.” Resource is summarizing this brief, LOMA members may access the entire brief at the LOMA website, [www.loma.org](http://www.loma.org), or email the center at [infoctr@loma.org](mailto:infoctr@loma.org).

A few years ago, LIMRA released research predicting the imminent necessity of an omnichannel strategy—one that offers a seamless customer experience across all channels instead of one that merely provides a few separate, siloed avenues through which a customer can reach a company.

This service imperative is driven by the simple reality that consumer empowerment and expectation have increased as more platforms (mobile, social media, etc.) and better experiences (Amazon) have become available to them:

But “omnichannel”—as the name implies—covers a lot of ground.

Insurers' service operations areas are acutely aware of this—they're often the ones executing and supporting the projects connected to these various channels (phone, digital, paper-based, etc.).

So, in this world of anywhere, anytime service, what initiatives are these service operations prioritizing?

In the second quarter of 2016, LOMA committee members submitted freeform comments about current and upcoming key service projects and operations priorities.

These comments vary in their focus and level of detail. Some companies note broader strategic aims within their service operations, and others list the tactical priorities that they're currently executing.

Still, the responses are illuminating in that they reflect the spectrum of operational concerns that service areas are often dealing with concurrently—everything from the high-profile (digitization) to the mundane (correspondence improvements) to the infrequent-but-uncomfortable (integration of an acquisition).

Though these comments are freeform and wide-ranging, there are a few items that stand out:

- As one might expect, the digital customer experience is frequently cited. LIMRA's latest industry predictions report notes that executives identified “becoming digitally agile and capable” as one of the top four challenges facing insurers.
- The pursuit of a direct-to-consumer (D2C) strategy was mentioned more than once, reflecting the pressure on the industry to provide simpler, more streamlined products and processes that appeal to consumers looking for a quick, straightforward interaction.
- Systems integration, simplification and consolidation issues remain on the agenda—as they have for years.

