

Uncommon Practice

What do Virgin, The Banyan Tree, Harley-Davidson, Amazon.com, Carphone Warehouse, First Direct, Prêt A Manger and Richer Sounds all have in common? The answer is that their founders and many of their senior directors share an approach to business that is uncommon in industry today. We admire these organisations because they have strong brands, enthusiastic customers and employees and their own unique way of doing things.

Andy Milligan of Interbrand and I set out to find out what makes these brands unique and their directors 'tick'. The result is a book, called 'Uncommon Practice – People who deliver a great brand experience' which tells the story of nineteen unique brands in the words of their executives. We found that their approach to business is not the norm, that these companies often do things that are unusual and even defy conventional business wisdom, 'daring to be daft' to paraphrase Richard Branson. But what gives them the confidence to operate in this way and what is it that their directors do that is different?

Uncommon Practice not Best Practice

I was speaking at a large Customer Service Management conference recently. Senior executives from Disney, Southwest Airlines and Ritz-Carlton gave presentations and the audience were clearly enthralled with how these organisations operate. Perhaps it is no coincidence that these three organisations are often the first port of call for organisations wishing to benchmark in the US. Indeed they each offer public workshops to teach their best practices. Yet this is dangerous. One of the first principles of business strategy is to differentiate rather than be 'me too'. To attempt to copy these organisations runs the risk of being second rate at best, and totally inappropriate at worst.

For example, Julian Richer of Richer Sounds takes a very uncommon approach to creating a distinctive employment experience for his best performing "colleagues" by providing Bentleys for the weekend and trips on the company jet. Richer Sounds has the highest sales per square foot of any retailer in the world and yet, if most companies were to copy its approach to motivating employees they would probably fail. Why? Because Richer's approach to rewarding employees is fundamentally linked to a unique company culture. The issue is not **what** they do but **why** they do it? Best Practice assumes that what works for one company will work for another. In our view, it is far more important for organisations to first decide their strategy or value proposition and then decide how they can bring it to life through creating an aligned culture. Only then can internal processes and policies be designed to reinforce this. Having done all of this there *may* be a case for benchmarking against best practice processes, for example, but not before.

DNA not MBA

Many, if not most, of the leaders of the companies in our book do not have MBA training. Attitude and passion are the key factors that characterise these unique brands and they dare to hire for 'fit' more than 'wit'. For example Prêt A Manger recruits new hires (including directors) by paying them to work in a shop for a 'Prêt Experience' day. At the end of the day the front-line shop staff are asked to vote to decide if the person should be taken on. Only five per cent of candidates are ultimately hired. Most who fail do so because they do not demonstrate the passion for food, passion for people and passion for Prêt that is a cornerstone of the culture.

Customer Experience not Customer Service

There is probably not a large organisation today that does not feature 'satisfying customers' as a core value. Yet the sad fact remains that the experience most customers receive is mediocre and largely undifferentiated. Think of retail banking. Until First Direct entered the UK market the sector was defined more by its sameness than its service. To talk about 'service' is to focus on the company, to talk about the 'experience' is to focus on the customer. The difference between the way most executives talk about customers and how the Uncommon Practice leaders do is very different. It is not *one* of the things that they pay attention to it is the main thing they pay attention to. They are passionate about creating memorable experiences for customers to the extent of making, what would seem to most organisations, irrational decisions. For example, The Carphone Warehouse offering a free repair service to people who **have not** purchased their phone from the company. This decision was not taken as the best way to optimise profits; but because it is a great way to demonstrate to potential customers the Carphone Warehouse experience.

So, differentiating your business rather than copying others, hiring for attitude rather than qualifications and being more passionate about customers than profit. Common sense? Yes. But for most organisations it is still uncommon practice. Yet herein lies the opportunity. It is the challenge of leadership. easyJet did not become successful by following the British Airways model, First Direct took a different route to its parent Midland Bank and Virgin makes a virtue out of being different. Richard Branson told us; "Virgin loves to, we all love to, take industries and shake them up and make sure they're never the same again. We've done it to the airline industry, we've done it to the financial services industry, we will do it to the rail industry". Who will do it in your industry?

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