



RAMSAY ROCKS

...and other surprises from the European Conference on Customer Management, 2005.

Phil Dourado encountered a few surprises at this spring's European Conference on Customer Management, organised by eCSW.com. He shared a few of them with Stakeholder Magazine.

The first surprise was just how good fiery chef Gordon Ramsay is. Beneath the carefully-crafted media persona there's a sharp business brain with a very clear idea of the importance of the customer. Ramsay's keynote session was packed with celeb-watchers expecting (and getting) a few choice unprintable words. They were highly entertained. But, running through all the anecdotes, you could also detect a strong customer-centred message.

Take this one, for example, showing the lengths to which Ramsay goes to make sure he stays ahead of the competition: "If there's a buzz in our industry about a new restaurant opening anywhere in the world, there will be a booking made for a table for six within 48 hours of the restaurant opening," said Ramsay. "Those six will be my staff - three waiters from front of house and three kitchen staff. They'll be there to learn and to report back. That's how we keep up with competitor innovation and stay abreast of what's going on."

Ramsay also explained his fiery outbursts - the ones that aren't just put on to play up to the cameras, that is: "If I seem abrasive it's because I have to engrain in every member of staff that we are not more important than the customer. I am demanding perfection on behalf of the customer. Part of getting that message across is we insist that staff put themselves in the position of the customer.

"I had a talented young chef who insisted on making impressive little towers out of his dishes - you know the way chefs make your food into an architectural statement. I asked him to keep them flat and simple on the plate. He was very reluctant to.

"One lunch time I noticed him constructing a lamb cutlet tower of Pisa-type thing on a plate, ready to send out to

the customer. I came up to him and said 'Put on an apron that doesn't have food stains on it and follow your food into the restaurant to see what happens.' He wouldn't. I, er, insisted.

"So he creeps out as quietly as possible, not wanting to head out of his territory, and follows the food to the customer who had ordered the lamb. The customer immediately dismantles the tower so they can eat it. The young chef is crestfallen. But he gets it. The customer is there to enjoy the flavours, not marvel at an art form. From then on he always lays the lamb out flat on the plate. Because it's about the customer, not about your precious work of art."

★ Talking of food

Another surprise at the European Conference came from the Swedish economist Kjell Nordström, who told us how BMW put just as much effort into the way their cars smell as Ramsay does into the way his food tastes. Yes, that's right, they design the way their cars smell. Here's a snippet of what Nordström said:

"BMW's chief designer, Christopher Bangle, was walking me around BMW's main development centre. We walked into an enormous room full of car doors. It went on for ever, like an aircraft hangar, door after door after door. 'This is the door room,' said Chris Bangle. 'I thought it might be, Chris,' I said. 'But why do you have a door room?'

'Our engineers here work on the sound of the car door,' he said. 'Our customers tell us the door has to shut with a certain 'Thunk' - a particular BMW 'Thunk'. We have a number of people here, including two submarine engineers, working on building the right sound into the doors.'

"Then he took me into a laboratory. 'And

here,' he said, 'we work on the smell of the car. Our customers tell us that an essential part of owning a BMW is the smell inside the car. It makes them feel good. So we work here on getting the smell just right.' "

Wow. So, BMW even knows what it should smell like to please its customers.

★ The empty chair

There was so much going on at the conference - including a one-day loyalty seminar this year- that there's only room here for a taster of the learning, tips and inspiration that were flying around. I liked this anecdote, in particular, from Bill Price, Amazon's first Customer Service VP, who now runs Driva Solutions. Bill called it The Empty Chair:

"It's our first staff meeting at Amazon: Twelve of us are crammed into a stuffy room. Yet, as the cramped room fills up, Jeff (Bezos) keeps his hand on the seat of the chair next to him so no-one can sit there. There we are jammed together and this seat is kept empty. As he starts the meeting Jeff says 'I'm keeping this seat





GORDON J. GORDON

empty for our customer. Everything we talk about in this meeting over the next hour has to be about the customer.'

"So, even if a subject started off not being about the customer - stock control policy or something - we had to bring it around to be about the customer before moving onto the next item. It was so powerful, I took the 'empty seat' idea back to my own team

I also liked this other story from Bill about Amazon founder Jeff Bezos: "Every time Amazon launched a new store Jeff (founder Jeff Bezos) sat down with a couple of staff to construct an email from himself - jeff@amazon.com - telling existing customers about the new store. In 1999, when launching two new stores, Jeff insisted on adding a rider at the end: 'Tell me what you think of these new stores.' Eight million emails went out. He got one million emails back in the next 48 hours.

"Over the next 18 months, we worked through them and all our subsequent launches came from those emails. About a third of them had said 'Good stores, but what I really want from Amazon is...(jewellery or clothing etc.)'. Every customer who recommended a store that we eventually opened was remembered. And, we wrote to them when we did it: 'Remember that store you asked for 18 months ago? Thanks for the suggestion. We've now opened it.' "

Now, that's what you call a customer-obsessed CEO. Would that all company bosses were as determined to lead the capturing and wading through of the masses of input that customers give and use that to help shape the company.

Most insightful and 'business impactful' moment of the conference? There were just too many to choose from. With a line-up that included Stephen Covey, Fred Reichheld, Ricardo Semler, Kjell Nordström, Pret a Manger's Sinclair Beecham and others, the insights just came too thick and too fast. Louis

Gerstner, IBM's turnaround chief, made it slightly easier since he banned all journalists from his session and only paying delegates could get in.

★ Conference funnies

But I do have two candidates for funniest moment of the conference for you. The first came from the impromptu question and answer sessions that the organisers put on for the first time this year with the keynotes. In his 'Off The Record With...' session the maverick Brazilian entrepreneur Ricardo Semler was asked:

Q: Has anyone tried to copy your methods and got it wrong?

"Yes", said Ricardo. "The Amsterdam Police. They adopted one of the customer service programmes we developed at Semco (Semler's group of companies in Brazil). Part of it involved canvassing customers and making changes in the way we operate in response to what the customers said. But their customers were criminals so it didn't quite work - The customer requests were things like: "We should have 30 seconds to put a joint out before we are taken into a police station for questioning."

I'll leave you with one of the other candidates for funniest moment, a letter to the Times spotted by Clive Humby, the man behind much of Tesco's customer strategy which has them walking all over the competition. Clive used the letter to illustrate the importance of detailed segmentation instead of hitting customers with irrelevant messages that actually erode customer capital:

To: The Editor, Times of London

Sir,
I have received an insurance company leaflet which suggests that I could save £200 on my car insurance. The small print then explains:

"All price savings comparisons included in this leaflet are based on a 44-year-old



Phil Dourado was a co-founder of eCSW.com, which puts on the European Conference on Customer Management, and which is now a division of IIR. He is also the co-author of Seven Secrets of Inspired Leaders, published by Capstone, an imprint of John Wiley & Sons. It's available on Amazon.co.uk and in all good book stores.

female living in the Darlington area, with comprehensive cover and zero No Claims Discount, driving 12,999 miles per year in a 2002 Rover 25 1.4 litre model."

If she would like to get in touch with me I will pass the leaflet onto her.

Yours,

Mr D O R Mossman

SOURCE:: The Times letters page, January 19, 2005. Quoted by Clive Humby, a speaker at the European Conference on Customer Management.

The European Conference is still, I'm pleased to report, the most impressive customer-themed conference this side of the Atlantic, even though it's been taken over by IIR/ICBI instead of being run out my old offices in the little village of Bloxham, North Oxfordshire, where I live. If you missed it this time around, it's back in the spring of 2006. If you can't wait that long, some of the keynotes (Gerstner, Nordström, plus Clayton Christensen, author of the Innovator's Dilemma, and Tom Peters, who wasn't at the European Conference this year) are coming back to London in October for a related event, Leaders in London. More information on www.leadersinlondon.com 