



# The Social Customer

The world's best thinkers on CRM and customer service

Home Posting on this site FAQ Help About Us & Contact

Twitter Social CRM Reputation Management Facebook Customer Service Customer Loyalty Events

**TRENDING:** listening to customers Groupon customer expectations

## Your Business Culture Isn't Enough

Keywords: Community Experience Management company culture company values jim collins Process Integration Reputation Management rosabeth moss kanter Seth Godin zappos

0 comments Posted November 15, 2011 with 5 reads

 Share 0  0  0 

Posted by:

**deniseleeyohn**

[About](#) [Connect](#)

Perhaps it's because people think questionable business ethics are to blame for the recent economic collapses around the world. Or perhaps corporate belt-tightening has led to lean workforces which challenge leaders to figure out how to motivate and retain them. Or perhaps business is experiencing a spiritual awakening of sorts as Baby Boomer leaders reach the age where meaning becomes more important than money and as Millennials join the workforce with expectations of responsibility and significance for themselves and their companies.

Whatever the reason, business leaders are now inundated with exhortations to focus on the culture of their organizations. The New York Times bestsellers list is filled with books on the topic: Onward: How Starbucks Fought for Its Life without Losing Its Soul, Delivering Happiness: A Path to Profits, Passion, and Purpose, and Start with Why – the latter written by Simon Sinek who explains, “People don't buy *what* you do, they buy *why* you do it.”

Pundits like Seth Godin, Jim Collins, and Rosabeth Moss Kanter has amassed huge followers with perspectives on culture – the latter recently writing, “In organizations that I call ‘supercorps’ — companies that are innovative, profitable, and responsible — widespread dialogue about the interpretation and application of **values** enhances accountability, collaboration, and initiative.”

With such emphasis on culture, people might conclude that it should be a company's #1 priority – but they would be wrong. **Culture is not enough.**

Please don't misunderstand me. I am a huge believer in the importance of purpose, values, principles, and beliefs to organizations. A vital, vibrant culture unifies, aligns, focuses, motivates, and propels. But it is not enough to produce a profitable business. **Culture must be linked to, and pursued with the same rigor and vigor as, the customer experience.**

The contrast between Netflix and Zappos makes the point. People have held both companies in high regard for their emphasis on culture.

Back a few years ago articles like “Other Companies Should Have To Read This Internal Netflix Presentation” and “Netflix Does It Right” outlined the company's cultural practices — like not having a vacation policy (employees are encouraged to take the time they need) and offering employees high salaries instead of bonuses so they can decide how they want to spend the money.

The culture at Zappos has also been esteemed as evidenced by the piece in Booz Allen's strategy+business publication, “At Zappos, Culture Pays.” The popularity of the company's approach has led to many keynote addresses and interviews by CEO Tony Hsieh, tours of their headquarters by executives from around the world, and subscription-based content available through the Zappos Insights website.

While both companies have remarkable cultures, though, they differ in the integration of their cultures and the customer experience. **The culture at Netflix seems a separate endeavor from customer experience,**

while at Zappos the two are closely and clearly linked.

Netflix's "Reference Guide on Our Freedom & Responsibility Culture" reads like a human resources piece. Its first page declares, "Culture is How a Firm Operates" and asks "What practices give Netflix the best chance of continuous success for many generations of technology and people?"

In outlining the company's values, the document explains, "We Particularly Value in our Colleagues these Nine Behaviors and Skills..." including:

- **Judgment** – "You think strategically, and can articulate what you are, and are not, trying to do."
- **Communication** – "You listen well, instead of reacting fast, so you can better understand."
- **Innovation** – "You re-conceptualize issues to discover practical solutions to hard problems."

At first blush, these are indeed admirable qualities to seek in employees and to embrace as company values. But if you consider what it takes to make a successful business, they seem too internally-focused and almost academic – especially when compared to **Zappos' Family Core Values**.

Zappos' website explains the company has 10 core values "from which we develop our culture, our brand, and our business strategies."

- Number one is "Deliver WOW Through Service." "To WOW," the company states, "you must differentiate yourself, which means doing something a little unconventional and innovative...We are not an average company, our service is not average, and we don't want our people to be average. We expect every employee to deliver WOW."
- The link between Zappos' culture and customer experience is also explained in its value "Create Fun And A Little Weirdness." "We want the company to have a unique and memorable personality...One of the side effects of encouraging weirdness is that it encourages people to think outside the box and be more innovative."
- "Build Open and Honest Relationships With Communication" is another value the company embraces internally and externally. "We value strong relationships in all areas: with managers, direct reports, customers (internal and external), vendors, business partners, team members, and co-workers...It's important to always act with integrity in your relationships, to be compassionate, friendly, loyal, and to make sure that you do the right thing and treat your relationships well."

At Zappos the connection between culture and customer experience fuels the business. It may be that Netflix also applies its values externally, but the connection isn't obvious. And that can make all the difference.

In fact, the absence of that explicit link may be part of what caused the company's recent debacle. I haven't analyzed the situation closely enough to know this for sure, but I suspect if CEO Reed Hastings had applied the values listed above (i.e., clear articulation of intent, careful listening, practical solutions) to consumers and the customer experience — not only employees — the separation of the company's streaming and rental businesses of Qwikster might have been executed and accepted differently.

**It doesn't make sense for a company to develop purpose or values to inspire and engage employees if those aren't inextricably linked with how the company inspires and engages its customers.** Without the alignment and integration of culture and customer experience, at best you end up with employees who are well-meaning but don't produce the right results. At worst, you confuse employees as well as customers and cause both groups to question your integrity.

In a future post I'll introduce tools and approaches that successful companies have used to prescribe optimal customer experiences, but for now let me end with some of the remarkable results Zappos has achieved by integrating culture and customer experience:

- sales growth from \$0 to \$1BB in less than 10 years
- a rich acquisition by Amazon
- hundreds of thousands of loyal customers who pay price premiums and promote the brand
- employees who express their commitment to the company with comments like, "In one word, Zappos Culture is AMAZING!...Zappos makes us WANT to come to work. Every day is something different...I am proud to say that I work for this company and cannot wait to see what the future holds for us."

Original article

#### Other Posts by deniseleeyohn

Timeless Truths About Brand Loyalty - September 27, 2011