



EXECUTIVE SUMMARY

NRC HEALTH EXECUTIVE NETWORK

# Customer Experience Collaborative

Keynote and tour given by Zappos.com

# Customer Experience Collaborative recap: Six takeaways from a visit to Zappos.com

Thanks to all of you for joining us in Las Vegas! We hope your time at Zappos's headquarters was edifying (and maybe even a little fun!).

We also commend you for coming. It's encouraging to see healthcare leaders so excited to get insight from outside the industry. While healthcare organizations are making great strides in serving their patients, non-traditional players are also bringing remarkable innovations to the field. A dialogue with them enriches all of us.

Though of course, the real value of trips like these is what you take back to your organization with you. So as you settle back into your workweek, here are six key takeaways that we learned over the trip—along with some important questions to consider.

## HIRING PRACTICES AT ZAPPOS: CULTURE FIT IS EVERYTHING

Zappos has a remarkably constructive work culture. From the moment the tour group arrived, the enthusiasm was infectious. Employees there loved their jobs, and were eager to tell us about it. What's the secret to keeping a workforce so happy?

One metric says it all. The average hiring time at Zappos is 84 days.

What do they do with all that time? They make sure the employee will fit into Zappos's culture.

Prospective hires are interviewed extensively, schooled in Zappos's organizational history, and vetted by the other team members they'll be working with. If the new hire passes muster—if they truly understand the culture—then Zappos makes them an offer: the applicant can either accept the job, or Zappos will pay them one month's salary to go and work someplace else.

That's how they make sure that new employees definitely want to be there.

It's an intense process, and probably not realistic for most healthcare organizations. But Zappos's results speak to value of the lesson—culture fit is everything.

*Reflection: How do we make sure new hires will fit into our organization's culture? How can we be more successful?*

## FROM RYO ZSUN: WHAT DO YOUR EMPLOYEES NEED?

As Zappos's "Culture Maestro," Ryo is one of the company's more vocal advocates. His personal story makes it easy to see why.

Ryo talked about his early days with the company. He moved to Las Vegas from California, bringing almost nothing with him when he started work as a barista on the Zappos campus. All he had were his clothes and his car when he moved; he didn't even own a bed. Every night he went to sleep on the bare floor of his apartment.

But Ryo's coworkers surprised him. When they found out about his situation, they spontaneously pooled some money together for a new bed, and personally delivered it to his apartment.

To this day, Ryo still gets a little teary-eyed when he talks about their generosity. He's also, unsurprisingly, fiercely loyal to his company.

The story illustrates how Zappos sees their employees not just as workers, but as real people with real lives outside their jobs. It's an instructive example for any organization.

*Reflection: What concerns, outside of work, might be preoccupying our staff? Might we be positioned to help them?*

**FROM JOE WOLFCALE, SVP CONSUMERISM AT PARKVIEW HEALTH: THE LOYALTY PROGRESSION**

During his sprint talk, Joe talked about the evolution of coffee.

By paying careful attention to customer demands, Starbucks has permanently transformed the way we consume coffee. The made-to-order specialty drinks, the light-jazz atmosphere, the handwritten names on every cup—all of these have elevated coffee from a humble commodity into an all-encompassing experience.

Joe would have us remember that such elevating opportunities exist in healthcare, too. Like Starbucks—and like Zappos—organizations should strive to find ways to transform transactions into interactions.

After all, it's the aggregate of these interactions that constitute a consumer's relationship with a brand. Perfecting these interactions, then, is the best way to ensure that the relationship is a positive one.

*Reflection: Where do we land, on the spectrum from transaction to interaction? How can we make our care feel more human, more like the start of a relationship?*

**FROM KEN KOZIELSKI, VP CUSTOMER EXPERIENCE AT ORLANDO HEALTH: QUALITY ALONE IS NOT THE ANSWER**

Ken brought some insights from his experience with the aviation industry.

He pointed something remarkable that airlines in the US have accomplished. From 1993 to 2002, there were 15.2 passenger lives lost per million flights. But from 2003 to 2012, there were only 1.5. That's a 10-times improvement in passenger safety.

Amazing as that is, though, there's another part of the story. During those same two periods, from 1993 to 2012, nearly all of America's major airlines went bankrupt.

Ken argues that for healthcare leaders, the implication is clear: quality and safety alone aren't sufficient to sustain healthy consumer volumes. To thrive, health systems will need to ensure that they offer an outstanding experience, too.

*Reflection: What feature, other than high-quality care, distinguishes our institution? How can we leverage that to better reach our patients?*

**FROM CHRIS SIEBENALER, REGIONAL SVP AND CEO AT HOUSTON METHODIST SUGAR LAND HOSPITAL: CREATE THE RIGHT ENVIRONMENT**

Chris recalled what was for him a moment of sublime customer-service perfection: a round of golf at Pebble Beach. That experience, he says, was so seamless, so perfect, that as a hospital executive, he meditated on it for weeks. How did they do that?

The epiphany eventually came. Chris realized that Pebble Beach had engineered its working environment to create impressive service outcomes. And he also realized that the same approach could work in a hospital.

To that end, Houston Methodist Sugar Land launched a number of initiatives to cultivate their workforce. These included culture-fit screening tools for new hires, ramped-up coaching and orientation processes, and service/experience incentives for all leaders and staff.

Chris encourages other leaders to think critically about the environment that they're creating at their organizations. Healthcare's a long way from golf—but many systems could learn a lot from Pebble Beach.

*Reflection: Does our environment ask enough of our team? Does it support our team enough? What changes could improve how our environment influences our staff?*



**FROM GLENN VAN EKEREN, PRESIDENT AT VETTER HEALTH SERVICES: "LOOK FOR THE GOLD"**

Glenn's outside-industry role model is also a giant of history: Andrew Carnegie, the founder of US Steel. For Glenn, the story of Carnegie's success is at least partially a story about selectivity.

While building US Steel, Carnegie made a point of surrounding himself with only the smartest people he could find. On his gravestone, even, the epitaph reads, "Here lies a man wise enough to bring into his service people who knew more than he." Carnegie's method for finding these people is just as quotable. He said it was just like sifting through tons of dirt to find the rare nugget of gold. "But you don't go in looking for the dirt," he said. "You look for the gold."

Glenn argues that healthcare organizations should internalize this wisdom. They should take pains to find the truly golden employees who will contribute to the culture they're trying to build.

It makes for a harder hiring process. But we only need witness what happens at Zappos and at Vetter to see the wisdom in this approach.

*Reflection: Are we settling for a "good enough" fit with our new hires? What strategies could we use to improve our selectivity?*

## Much more to learn...

You may recall that one of Zappos's 10 core values is to "Pursue Growth and Learning." That's what this Customer Experience Collaborative was all about.

But as the above makes clear, it wasn't just the trip to Zappos that made the Collaborative so inspiring. Just as important was the opportunity it gave us to come together and exchange ideas on today's biggest patient-experience challenges.

We invite you to deepen the discussion. Whether your organization's challenges involve engaging today's youngest healthcare workers, rallying a staff for culture change, or transforming notions of the patient experience itself, NRC Health's comprehensive Voice of the Customer platform is dedicated to uncovering the insights your organization needs to deliver happiness to patients.

In that mission, we wish you every success.

Thank you again for attending.

