

Delivering Great Customer Experiences During Service Interruptions



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Opening Remarks

It's good to be with you this morning—I appreciate your interest in what we do.

I lead Southwest's Proactive Customer Service initiatives, and Dennis asked me to share with you some insight about the way Southwest Airlines delivers great customer experiences during service interruptions.

Before we get started, I want to level set with you insofar as what you can expect from my presentation today. I'm going to explain "what" we do; but I'm not going to elaborate on "how" we do it. We could spend hours talking about how we do one or two things, and that's not what I've been asked to go into. And, how we do stuff isn't really a secret—most of it's based on The Golden Rule. What I've prepared is for the benefit of presentation brevity, or to put it another way, boredom avoidance.

My presentation will be about 15 to 20 minutes and is designed to introduce you to the fundamental approaches we take to evaluating service interruptions and the way we think about delivering great customer service when things aren't going as planned.

The topics I've prepared are designed to serve as thought stimulators for you about your organization—in other words, here's what Southwest does, are you interested in doing the same thing(s) at your company?

I've also built in time at the end for questions. So, if you're interested in knowing more about how we make things happen, I'm happy to go into the details—we can also explore any idea further during the panel discussion if you like.

Topics

So, here's what's on tap for today:

Basic Info About Fred (and, my Team)

Challenges We Share (as an airline and a power company)

Anticipating Problems (what we expect to happen)

Solving Problems (what we plan to do when problems happen)

Coping With Unusual Circumstances (the ugly things we prepare for)

Benefits (the reasons we do what we do)

My overall objective is to share with you the fundamental principles that Southwest follows to evaluate the customer experience during service interruptions.

About Fred

As Dennis mentioned, I lead Southwest's Proactive Customer Service initiatives.

I've been doing what I'm doing for over 11 years, and during that time, the work I've been doing has evolved from a couple of pet projects into what it is that my Team and Company does today.

I've been with Southwest over 15 years. I started as a Customer Service Agent at our Louisville station and was working my way up through the airport leadership ranks when I was invited by the Company President (now President Emeritus), Colleen Barrett, to develop what has become Southwest's Proactive Customer Service program.

I have the good fortune to lead a small (but mighty) Team of five, and we keep our collective fingers on the pulse of Southwest's operations 24/7/365. Through thick and thin, we're constantly looking for opportunities to provide better customer experiences.

In a nutshell, my Team is involved in multiple levels of Southwest's day-to-day ops and business planning, during heightened incidents, and if a significant event occurs.

Similar Challenges

Though our businesses may be different, we actually face some similar challenges:

1. Regulations (govern the way we operate)
2. (we have to) Keeping the Business Going (during disruptions)
3. (and, providing great) Customer Service (is a must when problems happen)

So, how is Southwest like a utility?

Regulations

The airline industry is heavily regulated. We have to comply with regulations before, during, and after a flight takes off.

What's regulated (at Southwest)? To name a few common areas: Safety, Maintenance, Flight Operations, Accident Procedures, and certain Customer Services such as Advertising, Denied Boarding procedures, and meeting the needs of Customers with Disabilities. Just this year, a new regulation was implemented that is directly associated with Southwest's proactive initiatives—flight time change notifications.

What's not regulated (thankfully)? Being nice and helpful, being humble, and being proactive. I'm glad there aren't rules around these things because that is an area where businesses need flexibility to make customers feel valued (if they choose to do so), and it's also an area that gives us an opportunity to exceed expectations.

We've always put safety first and service is a top priority. In this regard, we see regulations as starting points and guidelines, and we'll typically go above and beyond that to demonstrate our commitment. And, we don't let regulations stymie our desire to serve or use them as reasons to not help people.

Keeping the Business Going (during disruptions)

Just like it's important to keep the lights on (among other things), we're expected to provide flight service. Air travel these days is part of people's normal lives—just like taking the light rail or driving to work, many of our Customers fly us to get to and from work every week. Today, air travel is a key component of the nation's transportation and cargo logistics infrastructure.

As such, when disruptions happen, a business continuation plan is necessary.

The public depends upon air transportation to be reliable all the time.

And, even during the worst conditions, people expect us to operate.

In fact, one of the biggest lessons we learned (the hard way) is that the Customers who are indirectly affected need just as much help as the Customers who are directly affected. We learned this lesson by not continuing our business when there was an aircraft incident, and then subsequently hearing from the majority of people who were stuck in the terminal building waiting to go to/from the airport and not getting the service that they expected (from us). We fixed that.

Customer Service

Whether you work for an airline, travel a lot for business, or just fly when you go on vacation, we all feel the same way—we hate disruptions to our travel plans (of any kind).

People want to get moving as fast as reasonably possible.

People expect the company to have a plan that quickly restores (flight) service.

And, people expect the employees of the company to be empowered to help them during service interruptions.

So, just like a utility, we have to comply with the regs, we have to keep our business going, and we have to provide great service when things don't go according to plan. And, the bottom line on this is, no matter how tech savvy and self-sufficient people are, when there's a problem, they are going to need help. Thus, it's imperative that your company and your employees are ready to assist when problems occur.

Anticipating Problems

Being helpful starts with being ready. And, readiness is part of Southwest's DNA (it's always been that way for us).

Getting ready begins with having an appetite to know what could happen. And when it comes down to figuring out what's going on, we are courageous, intuitive, and proactive information hounds.

We want to know if there's a problem on the horizon or if we've messed up. We don't take an ostrich approach or duck the issues at hand.

We expect problems will occur and the playing field (that we're operating on) will likely change every two to five years (in some way, shape, or form).

We also want to know what our Employees and Customers think about the services we're providing, and encourage a healthy dialogue from each so we can check ourselves.

Southwest tries to stay ahead of the problems by creating information pipelines throughout our Company, being connected with our People, monitoring our operations, and plugging into our databases.

We are constantly evaluating what our Customers and Employees are saying through any and all channels available to us.

And, we actively look for trends so we can deliver better products and services.

What it all boils down to in this regard is: We have a mindset that believes disruptions are probable, and we do all we can to get our ducks in a row before that happens.

Solving Problems

Even though the circumstances of every situation, incident, and event will always be unique, we've learned that there are several common elements that help us successfully resolve problems.

First, we have to understand what is driving the incident. This starts with the basic question of what happened? Or, more importantly, what are the facts?

In my line of work, I need to know more than the facts. I also need to know what does the public want? How are they reacting to the situation, and what can we do to help them?

The second thing that's important to solving problems is having a positive outlook. When you deal with bad news all of the time, it can quickly bring you down if you, your leaders, and your employees don't think about these situations in a way that believes there's win/win solution out there.

From a purely fundamental point of view, you have to see problems as opportunities. Your company has to have the desire to exceed your customers' expectations. You have to constantly be looking for better ways to take care of your customers. And, for an airline (since we have flights in the sky every day of the week most hours of the day), we have to be committed to delivering great service at a moment's notice.

The third common element to that helps us solve problems is having a solid/trusted strategy. At Southwest, we have checklists, processes, procedures, and contingency plans for common problems and extreme events. Of course, my Team couldn't do what we do if we didn't have leadership championing our cause—thus, you also have to have the support and resources to build a solid infrastructure to deliver

proactive service. And, a strategy wouldn't be effective if you didn't quickly implement it and let your customers know about the options you've made available to them.

So, when it comes to solving problems, you have to know what's going on, you have to think positive, and you have to have the trust in and support to create your readiness plans.

Coping With Unusual Circumstances

This past decade, we have experienced some of the most unusual, unpredictable, and unexpected historical events. Some of these events have been very positive like, the development/utilization of the Internet, online commerce, social media, and mobile services. And, some have been terrible tragedies like, acts of terrorism, wars, and natural disasters.

And, just when you think you have it all figured out, some extreme disruption or service outage occurs that is a total game changer. Or, there's a huge swing in commodity prices. Or, a product failure happens.

For Southwest, 9/11 and Hurricane Katrina forever changed the way we do business. Since the beginning of the 21st Century, the price of a barrel of oil has tripled and doesn't show signs of returning to the prices they were 12 years ago. And, we all know the dire consequences caused by the disasters at Three Mile Island and Fukushima.

These are disruptions that change communities and negate consumer confidence. They have a lasting effect, and they will uproot your business plans, funding, and any forward progress you've been building.

So, if something like this happened again, is your business model flexible enough to survive? And, is your culture strong enough to uphold the core values of your company and adapt to the changing business environment?

This is heavy stuff to ponder; but it's necessary nonetheless to consider. One thing is for certain: An ideal company culture is based on a warrior spirit that sees change as an opportunity and a monumental event as a reason to rally.

Fortunately, Southwest has been able to survive because we have a Culture that, from the very beginning, is based on gritty determination, smart planning, and putting our People first. And, whether you are facing the most disruptive circumstances or just a typical inconvenience, when your people feel like they are a valued part of the organization, they will look for ways to contribute and they will treat your customers in the same way they would like to be treated. Conversely, if your employees feel like they aren't valued, they will retreat and lash out when your customers ask for help.

Benefits

The reason we anticipate, seek feedback, plan, and think about extreme circumstances is because we know going above-and-beyond is worth it.

Having a readiness mindset and a culture that's based on proactive service reduces confusion and mitigates frustration. And, when your customers understand what's going on, they are likely to be happier. Happy customers, of course, typically translate into repeat business. Happy customers also tell other people about the good service they have received. And, when you do things consistently better than your competition, the media notices that too.

There is one other benefit that became apparent to us as we proactively reached out to our Customers. From the gestures of goodwill that we send as a humble incentive to give us another try, we learned we were also generating a tangible return on investment. Based on the way our Customers were utilizing the LUV Vouchers we included in our apologies, they were also spending about 16% (above breakeven) on top of what we sent to them. This, of course, helps “quantify” the value of our Customers’ elations about the proactive services we are providing.

So, here’s what I can guarantee: All of the effort put forward to be informed, to be ready, and to consistently deliver proactive service will positively shape your company’s culture, create trust, and build brand loyalty. And, that’s why we do it.