

Corporate Behavior Analysts, Ltd.

Tactics and Tips

LEADERSHIP IN AND OUT OF A DOWN MARKET

In the first issue of our new newsletter, we discussed how *Staffing for Profit* could correctly position your agency in a down market and help you prepare for the market's recovery.

In *Staffing for Profit*, we discussed how an operational measure like Orders per Full Time Employee (FTE) can be used to make early, and timely, staffing decisions.

Since labor expense is the single largest expense category in any Title agency, it should be apparent that lowering salary expense is a key strategy for returning to profit when orders are down.

Methods for immediately reducing salary expense include:

- Eliminating unnecessary / nonessential staff,
- Eliminating unproductive performers,
- Eliminating redundant positions,
- Reducing staff in all positions,
- Reducing staff hours, and
- Reducing salaries.

Salary expenses also can be reduced by early retirements combined with not replacing retiring staff and centralization or consolidation of functions or facilities combined with the redesign of work systems.

Each approach can have positive and negative consequences and needs to be considered carefully before they are implemented.

Given the dramatic down turn in real estate in 2008, it is likely that you have already taken several of these steps. Reflecting on what you did and how it went, it is important to consider what you would do differently in the future, and how your experience reducing staff will shape how you increase staff when the market recovers.

The approach you take in the future will depend on a number of variables, including: the staff you have in each position, key employees, the structure of your service delivery system, the number of offices you have and their locations, your management structure, technology, and your financial resources and goals.

[Continued on Page 5](#)

CBA'S WOW CUSTOMER SERVICE TRAINING

By Chris Hanson

In the 1990s, CBA offered a seminar on customer service based primarily on the books *At America's Service: How Your Company Can Join the Customer Service Revolution* by Karl Albrecht and *Raving Fans* by Kenneth H. Blanchard and Sheldon Bowles.

In our training, we emphasized getting the basics right and recognizing moments of truth, those moments where

a service failure will cost you a customer. As successful as our training was, we felt that it lacked some key element, something to connect all the different ideas on exceptional service at the time. It was not until my wife and I were dining at one of our favorite restaurants in New York City, Union Square Café, that the missing element became clear.

My wife and I had eaten at Union Square Café (USC) on several previous occasions. We knew the restaurant was known for great food, had won many awards, and was very popular, but so were many other restaurants in New York at the time. On this night, something happened that set Union Square Café apart and solidified our loyalty.

[Continued on Page 3](#)

*Finding the Right Path
to Your Business
Success*

ARE
YOU
PREPARING
FOR THE
MARKET
RECOVERY?

Inside this issue:

TOPIC	Page
Leadership in a down market	1
CBA's WOW Customer Service	1, 3,4
CBA Workshops in 2009	2
Managing Staff	5-7



NEW CBA WORKSHOPS IN 2009

In addition to CBA's existing leadership, management and staff workshops, we are offering five new topics for 2009

Recruitment Interviewing and Hiring Practices

As the market starts to recover, and you start planning to add new staff, you want to make sure that you make good hires who can hit the ground running and are a good fit with your current staff and company. We can help you develop a successful interviewing and hiring process that will ensure you do not take any false steps or waste valuable time and resources.

Putting Great Customer Service back into the Equation

During this recession, many title agencies have seen customer service levels suffer due to reduced hours of operations and staff reductions. It is time to start planning for how you can raise customer service levels, throughout your company, to attract and retain new customers and ensure loyal customers do not look elsewhere. CBA's WOW Customer Service Training provides a step by step process for managers and staff to put customer service back into the equation for staying competitive in the market place.

Developing New Sales Strategies and Tactics

Now is the time to start targeting new sales opportunities and tactics for 2009. Improved interest rates and the freeing up of credit will mean that your customers will once again begin to see greater opportunities in the market and you need to be first in line to help them. CBA can help you develop a simple but thorough sales plan that will target your sales opportunities and detail what sales actions are needed to meet your revenue goals.

Using Performance Measures to Make Management Decisions

It is critical that you have a process in place to track your monthly performance and that enables you to make timely management decisions. As order volume increases in 2009, you need to be able to change staffing levels at points where profit and productivity levels merit adjustments. CBA will help you install and manage a set of performance measures that will help you stay on top of the critical financial and operational decisions you need to be making.

Building a strong Management Team

Your people are one of your most important resources and successful companies in the 21st century need strong leadership teams to help steer staff in the right direction. CBA can help you evaluate your management bench strength and provide training to develop a management team that works well together. Building a strong management team will be one of the most important steps you can take to make your company successful.

New CBA Workshops in 2009

1. **Recruitment Interviewing and Hiring Practices**
2. **Putting Great Customer Service back into the Equation**
3. **Developing New Sales Strategies and Tactics**
4. **Using Performance Measures to Make Management Decisions**
5. **Building a strong Management Team**

*Finding the Right Path
to Your Business
Success*

Other CBA Workshops

MANAGEMENT

- Executive Leadership
- Unit Management
- Supervision
- Coaching
- Managing performance
- Setting business goals
- Measuring performance
- Employee evaluation
- Employee profiles
- Achieving goals
- Team management
- Team development
- Implementing change

SALES AND SERVICE

- Basic sales
- Customer interviewing
- Customer profiling
- Market planning
- Sales planning
- Sales in the 21st century
- Sales management



CBA'S WOW CUSTOMER SERVICE TRAINING

Union Square Café is wedged in what looks from the outside to be a small storefront at 21 East 16th street. Only steps away from Union Square, the café opened its door in 1985. Inside, the restaurant is warm and inviting with a large dining room steps below the street level. After being greeted and seated by the upbeat front room staff, our waiter promptly delivered menus and said he would be back in a few minutes. Sitting in the smaller front section of the restaurant, I was quietly studying the dinner selections when my wife, Cheriann, said to me "I am so disappointed, the polenta crusted sea bass is not on the menu tonight. It is one of my favorites and I was looking forward to it." Acknowledging my wife's disappointment, we discussed the menu selections for that evening. Minutes later, our waiter returned, and asked if we wanted to order drinks and did we have any questions on the menu? Since there were a number of great items on the menu, neither one of us mentioned the missing item from the menu that had so disappointed my wife. However, not long after our drinks arrived our waiter reappeared carrying a warm dish that he set down on the middle of our table between us. To our surprise, he announced that he had overheard my wife's disappointment about her favorite dish, and had asked the chef to prepare a special appetizer for us containing many of the same ingredients from the missing menu item. We both looked at each other with big eyes and huge smiles and said "WOW!"

Months later, I read an article in *Gourmet* magazine by Bruce Feiler that talked about how the owner of Union Square Café, Danny Meyer, trained his wait staff. It turns out that the staffs in each of Meyer's restaurants are trained in dozens of ways that will create an exceptional experience for customers, for example even practicing how to put out a fire at a table when birthday wrapping paper is exposed to too many birthday candles.

For us at CBA, it was the idea of creating a system of little surprises and service WOWs that was missing from our training. Using the concepts discussed in the article on the USC, we developed the idea of WOW customer service training for Title agencies. The core idea that we started with was training Title and Escrow staff in a dozen or more service WOWs, critical moments designed to WOW a customer.

In 2006, Meyer explained his philosophy of leadership and management in the book, *Setting the Table: The Transforming Power of Hospitality in Business*. In the book, he makes a distinction between service and hospitality. According to Meyer¹, "Service is the technical delivery of the product. Hospitality is how the delivery of that product makes the recipient feel. Service is a *monologue*-we decide how we want to do things and set our own standards of service. Hospitality on the other hand, is a *dialogue*. To be on a guest's requires listening to that person with every sense, and following up with a thoughtful, gracious, appropriate response. It takes both great service and great hospitality to rise to the top."

Meyer² goes on to say, "Hospitality cannot flow from a monologue. I instruct my staff members to figure out whatever it takes to make the guests feel and understand that we are in their corner." Just like the experience with the waiter bringing my wife a special dish, from the customer's perspective, the net effect of several WOW experiences is a lasting impression that results in more sales and glowing recommendations to other potential customers.

In Meyer's restaurants, people are hired because they show a number of critical personal characteristics that exemplify Meyer's vision of hospitality. Once hired, the wait staffs are trained in every aspect of exceptional service, but more importantly, they are taught to listen and create a dialogue with customers. After their training, they are able to deliver dozens of exemplary service actions, designed to fit the particular situations with which they are faced on a day-to-day basis. Even after working in the restaurant, staff continues to receive training and feedback on their performance. In monthly staff meetings and daily pre-dinner discussions, they are encouraged to introduce new ideas, always with the goal of making the customer's experience a WOW.

Since 2002, CBA has offered WOW customer service training for Title agencies that focuses on teaching title staff and managers how to develop and implement customer service actions that will WOW customers on a repeated basis.

Continued on Page 4

Finding the Right Path
to Your Business
Success

WOW

"Service is the technical delivery of the product. Hospitality is how the delivery of that product makes the recipient feel."

"Service is a monologue, we decide how we want to do things and set our own standards of service."

Hospitality on the other hand is a dialogue."

1. Meyer, Danny. *Setting the Table: The Transforming Power of Hospitality in Business*. New York: Harper Collins, 2006, 65.
2. Meyer, Danny. *Setting the Table: The Transforming Power of Hospitality in Business*. New York: Harper Collins, 2006, 67.

CBA'S WOW CUSTOMER SERVICE TRAINING

In our workshops, we draw a comparison between Title companies and restaurants. In both, you schedule a table over the phone, greet the customer in a lobby, and take the customer to a table. In both cases, a customer places an order that requires a largely unseen professional staff to prepare a product. Then a separate staff delivers your product to the customer. In both examples, the service staff interacts with the customer, and at the end, there is a bill for the product and services. In our experience Title companies could learn much from the innovations seen in some of the great restaurants in the last 20 years. Naturally, the comparisons break down at some point, for example tipping is frowned upon in the Title Industry.

In our WOW training, we highlight *critical points of customer contact*. Moments throughout the transaction process, where staff have the opportunity to make a strong, lasting, positive impression. In the workshop, we stress that instances of exceptional service cannot make up for poor basics. Therefore, the training starts with an emphasis on the service basics from order entry, to title production, to closing, and policy production. In America, for many customers, simply offering reliable, consistent good service, will feel exceptional.

Here are the learning outcomes staff and managers achieve in an all day WOW workshop:

1. The status of customer service in the United States today.

2. What is good basic customer service, in general, and in the Title industry?
3. What is poor customer service in the Title industry?
4. The distinction between service and hospitality.
5. How to determine customer expectations.
6. How to "WOW any customer."
7. WOW action ideas designed for Title and Escrow customers.
8. How to design and implement a WOW service system in your Title agency.

In our WOW workshop, we present a number of WOW ideas that have been gathered from Title agencies throughout the United States.

Using brainstorming techniques, we work with each agency's staff to develop additional WOW ideas designed to fit with specific markets and for specific operations and customers. The workshop includes breakout group sessions where staff focuses on developing WOW ideas for the specific functions, departments, or units within their agency. The workshop ends with a sharing of all the WOW ideas developed throughout the day and a discussion of the next steps.

Following the WOW workshop, we recommend that a company form a steering group (WOW team) to plan and map out how the WOW program will be developed and implemented.

In developing a WOW system, the WOW team has to make an honest appraisal of the company's current performance, from basics to

examples of service excellence, answering these questions:

- Where are we strong?
- Where are we weak?
- What is the reputation of key staff?
- How do different customer groups perceive us?
- What is our reputation overall?
- How do we stack up in the Market?

The system the WOW team designs has to impact customers and the marketplace significantly. They have to make sure the basics are being delivered reliably before they start delivering the new WOWs.

It is our belief that great basics and occasional WOWs will build and strengthen a company's reputation among customers. Repeated WOW experiences will have your customers talking about their WOW experiences with your company and referring your agency to others. In the end, a WOW service system can set you significantly apart from others Title companies.

Ever since that night at Union Square Cafe, I have been telling my USC story in training session and at professional meetings. It is an example of great customer service; service that went beyond what was expected and made a lasting impression on me. Since then, I have had several new and different WOW experiences at Union Square Café, but that first WOW was so memorable that I tell the story and recommend the restaurant to anyone who will listen.

END

*Finding the Right Path
to Your Business
Success*

FOR MORE
INFORMATION
ON

CBA'S
WOW
WORKSHOPS

Or
INFORMATION
ON
DESIGNING
A WOW
CUSTOMER
SERVICE
PROGRAM

CONTACT:

Chris Hanson
crhanson@cбалtd.biz



MANAGING STAFF LEVELS

In general, if you are planning to reduce staff, employment consultants recommend that you make one deep cut rather than making a series of small cuts. A series of small cuts can have a very negative effect on staff morale. It will be better to make staff cuts in a systematic way that does not belabor an already difficult process by slowly stretching the cuts out over a long agonizing period.

Our recommendation is to know what your labor ratios need to be to meet both your financial goals, and your customer service requirements, (see the CBA newsletter volume 1 issue 1) and then to make the necessary staff cuts in a timely way that does not prolong the psychological stress the reductions will have on the staff that remain.

In most Title companies, the first step to reducing labor expense is to eliminate non-essential, unproductive, and problem employees. This action should be taken regardless of the economy or the success of the company and we continually urge owners and managers to evaluate employee performance so that they can identify non-performers and take appropriate action. Of course, in hard times, owners and managers have a tendency to ignore or work around employees that are not performing up to standard, particularly if the employee has a long history with the company. In our opinion, good times or bad, non-performing employees have to be released for the good of the larger team.

In our experience, the productive employees welcome this type of action because they feel the unproductive or problem employee is hampering the rest of the team and setting a bad example. Overall employee morale can suffer when employees see there is a team member who is not doing his\her fair share.

We have worked with a number of Title agencies helping them develop and implement a performance review system whose purpose, in part, was to establish performance ratings for the different positions in a company. These systems typically require the agency to set minimum performance standards for employees.

In good times, when an established employee is inconsistent in his/her performance and occasionally performing below an established performance standard, the company should follow a prescribed set of Human Resource steps (those specified in the company's policy manual). For example:

- Provide performance feedback and set a prescribed time line for improvement
- Provide remedial assistance or training
- Give a final warning and set a prescribed time line for improvement
- Terminate

Likewise, when an established employee is consistently performing below a set and understood performance standard, the company should take more immediate action, provided it has pro-

vided performance feedback and set a prescribed time line for improvement. In bad times, these employees should be terminated.

When considering any staff reductions, you should first determine which positions are essential, and which employees are essential in those positions. Your goal in evaluating people is to identify a core group of strong employees who you believe will be most instrumental in helping you weather the storm and achieve success for the future.

We have already stated that if you are going to reduce your labor force you should follow the one deep cut philosophy, but we need to add a second word of caution. Sometimes in making staff cuts, an owner or manager will follow the last in first out strategy, eliminating the most recent hires and entry-level staff, people with the least training or experience. Typically, these new and entry-level employees represent the smallest percentage of a company's total salary expense. As hard as it is, an owner has to critically evaluate every job and every employee, carefully looking at each person's performance and the impact of eliminating his/her salary. This means eliminating any high salaried employee who does not meet your performance standards.

In eliminating the newest, least experienced, or lowest paid employees, a company also runs the risk of letting go a new talented employee who may be much better suited or skilled to meet the company's future.

*Finding the Right Path
to Your Business
Success*

**Is it time to
implement a
performance
management
system?**

**Are you ready
for an easy to
use, online
employee
appraisal
system that
takes the
mystery out of
evaluating
performance
and writing
employee
reviews?**

**Let CBA show
you how you
how we have
customized and
implemented
state-of-the art
employee
appraisal,
performance
management
systems, in
other Title
Companies.**

**FOR MORE
INFORMATION
CONTACT**

**ROGER
LUBECK**

Continued on Page 6

MANAGING STAFF LEVELS

A systematic way to evaluate which employees are critical for your future is to rate them across several skills or competency dimensions that pertain to the future success of your business. This process should be systematic and fairly assess every employee, but it does not need to be difficult or cumbersome.

We recommend evaluating all title and escrow employees using a core set of 9-12 dimensions. Managers, sales staff, and administrative staff may need to be evaluated on additional or different dimensions.

Table One presents examples of ten key evaluation dimensions for employees. Each of these dimensions can be evaluated using a five point rating scale and the results can then be compared within positions and across employees. Omitted from the example are length of employment and salary.

In our opinion, each employee should first be evaluated on their job performance using these dimensions and then salary and length of employment comes into play when evaluating the poorest scoring employees in each position.

Table Two presents examples of key evaluation dimensions for supervisors and managers.

Evaluating your work force on a simple set of performance dimensions can become one component in your annual evaluations of employees.

It is important to balance having the right staff in place for the present with having the right people for the future. If you are considering a staff reduction, it is essential to consider managers and supervisors in addition to line staff.

If a title or escrow manager is a mediocre manager, but a great performer, you may be better off eliminating their management responsibilities and salary, but keeping him or her on the work team.

When a manager is personally unproductive or his/her team is unproductive, you face a different issue. If the person is a good people manager, he or she may simply need stronger performance goals or more accountability.

When a manager demonstrates poor people management, has poor personal performance, and poor team performance, it is time to let that manager go.

Table Three presents examples of key evaluation dimensions for sales personnel.

Contact us:
Roger C. Lubeck, Ph.D.
CBA, Ltd.
686 Carriage Hill Lane
Sugar Grove, Illinois 60554
630-466-3812 Phone
630-466-3813 Fax
rlubeck@cba ltd.biz



Table 1

EMPLOYEE EVALUATION DIMENSIONS
Job knowledge
Quality of work
Productivity
Customer service
Team work / people skills
Integrity\ethics
Dependability
Adaptability/flexibility/ Initiative
Computer / technology skills
Communication

Table 2

MANAGER EVALUATION DIMENSIONS
Leadership
Achieves results
Operational management
People management
Decision making / judgment
Business and financial knowledge and ability
Sales and marketing ability
Sense of urgency
Strategic thinking
Organizational savvy

Table 3

SALES EVALUATION DIMENSIONS
Customer focus
Achieving sales goals
Product knowledge
Problem solving\analysis
Interpersonal skills
Listening skills
Negotiation skills
Sales planning
Team work
Territory management



MANAGING STAFF LEVELS

As the market recovers, a good sales person will be positioned to quickly take advantage of the new opportunities that he/she has nurtured. Sales staffs who spend a disproportionate amount of time on maintaining existing customers and fail to develop new opportunities are not putting you in the best position for the future.

Companies with a small number of employees face a different situation from companies with a large work force. Likewise, companies with one location and a large work force divided into departments or functions may have to make different decisions when compared to companies with multiple offices and a duplication of functions in each office.

In companies with one location, a long-term approach to lowering staff expense may be cross training and combining staff responsibilities where possible. In companies with multiple full service offices and a duplication of staff positions in each office, centralization of production functions may be a viable alternative to consider. Functional areas like order entry, customer service, title and policy production and certain aspects of escrow processing are all suitable for centralization.

Besides a reduction in salary expense, centralizing a workforce needs to result in more efficient and productive work. As a part of any effort to centralize key functions within a title company, it will be critical to examine and redesign the workflow being centralized.

In many Title companies, the title production staff is already centralized whereas the escrow staffs are not. Simply moving your escrow processing staff in one location and then letting them perform work the way they always have is very likely a formula for disaster.

If done correctly, centralizing a work force allows you to eliminate redundant positions, where as the redesign of workflow will result in greater efficiency and productivity gains by eliminating extra steps in the production process, reducing errors that cause re-work, and increasing or improving uses of technology.

If you eliminate non-performing, redundant, and non-essential staff and your labor expense is still too high, your most immediate approach will be reducing staff hours or staff pay. This is especially true if you have reached the tipping point where product quality or service levels would suffer from further elimination of individuals or positions.

If further staff reductions will lead to a significant decrease in your abilities to produce a quality product or adequately service your customers, then reducing paid hours spread systematically throughout the company should be considered. The key in reducing hours is to stagger who works fewer hours and when. To the extent possible, your customers need to continue to experience a fully functioning operation.

If your company has one office with a small staff, for example, with one person in each core position, it may be impossible to do anything but reduce hours or salary.

Throughout the period of time when staff reductions are occurring, communications regarding what is being done and why are critical. Communications should be direct, honest and hopeful about the future. The management staff need to be on the same page in terms of providing a sound rationale for staff reductions and providing necessary details. Some communications can include e-mail notification, but any plan to reduce hours or salary should be communicated in a face-to-face meeting where employees have the opportunity for questions and answers. All communications need to include positive statements about how the agency is preparing for the future and a recovering market.

When the time comes to return hours, reverse salary changes, or add new staff, the same care needs to be taken in communicating to employees. Ultimately, your leadership out of a down market must continue to be driven by the staffing levels that are necessary to meet your labor ratio and financial goals and an undying eye toward providing support and direction for your most important resource, your employees.

END

*Finding the Right Path
to Your Business
Success*

Contact us:

Christopher R. Hanson, PhD.
CBA, Ltd.
623 North Dunton
Arlington Heights, IL 60004
847-749-2348 Phone
847-749-2349 Fax
crhanson@cbaltd.biz

