



# The New Gold Standard THE SUMMARY

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## ABOUT THE AUTHOR

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## Chapter 1: The Ritz-Carlton Experience

The award-winning hotels and resorts of The Ritz-Carlton Hotel Company have been consistently recognized for unwavering commitment to service excellence and unmatched quality since the original Ritz Paris Hotel was opened in 1898 by Cesar Ritz.

*The New Gold Standard* reveals the specific leadership behaviors that produce the Ritz-Carlton's exemplary corporate culture, exceptional staff empowerment, and extraordinary commitment to its customers. Each principle presented in the following chapters not only offers insight into service, hospitality, and creating a luxury lifestyle experience but also provides opportunities to increase excellence in *all* aspects of business and personal life.

## PRINCIPLE 1: DEFINE AND REFINE

### Chapter 2: Set the Foundation: Communicating Core Identity and Culture

There is a fine line between being a fan of something and being fanatical about it. When it comes to the Gold Standards, Ritz-Carlton leaders and frontline staff alike can appear to be teetering toward the fanatical.

While many companies have finely worded statements of vision, purpose and values, few business leaders can rival Ritz-Carlton when it comes to keeping those roadmaps and cultural anchors at the top-of-mind of their staff. One of the most basic strategies for keeping this information front and center for employees is a trifold pocket card—

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identified as part of an employee's uniform—that defines the “ultimate guest experience” in three easily remembered stanzas under the title “**Gold Standard**”:

- *The Ritz-Carlton is a place where the genuine care and comfort of our guests is our highest mission.*
- *We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed, yet refined ambience.*
- *The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpected wishes and needs of our guests.*

This pocket card—referred to as the Credo Card—also includes “**The Motto of Ritz-Carlton**” which imbues a timeless sense of pride in the service professions and offers a magnitude of esteem:

*“Ladies and Gentlemen serving Ladies and Gentlemen.”*

Finally, the Credo Card lists “**The Three Steps of Service.**”

1. *A warm and sincere greeting. Use the guest's name.*
2. *Anticipation and fulfillment of each guest's needs.*
3. *Fond farewell. Give a warm good-bye, and use the guest's name.*

Along with the Credo Card, Ritz-Carlton has established guidelines for providing consistent service the Ritz-Carlton way—12 values that encourage “ways of being” as opposed to “ways of doing.” From a customer perspective, these “Service Values” enable staff members—referred to as “the Ladies and Gentlemen of The Ritz-Carlton”—to focus on desired outcomes for individual guests rather than applying a one-size-fits all script to every guest and every situation.

Beyond the dissemination of Credo Cards, Ritz-Carlton leadership gathers their service teams for daily “lineups”—20-minute pre-shift conversations about creating exceptional customer service. These huddles involve repetition of values, common language, visual symbols (including the Credo Card), face-to-face communication, positive storytelling, and modeling by leaders (which includes the active daily presence of all leaders).

For Ritz-Carlton leadership, the bedrock of its success lives in well-defined Gold Standards and extraordinary discipline in keeping those Gold Standards alive in the daily lives of the Ladies and Gentlemen of the company. These Gold Standards define the company, differentiate it from the competition, and serve as the beacon for sustainable service excellence.

So how do leaders decide which aspects of their business *can't* change and which components *must* evolve to retain preeminence in their industry and consistently deliver a high-level—and relevant—experience to their customers? Successful leaders, like those at Ritz Carlton, *define* the pillars of enduring excellence they believe are fundamental to

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their original success and longevity, and then, and only then, do those leaders *refine* the strategic changes that they believe will fuel growth and evolution.

### **Chapter 3: Be Relevant**

As important as it is to establish a framework of values to guide an organization's culture, it's equally crucial to reevaluate mission statements to ensure they are relevant to the evolving needs of customers.

Ritz-Carlton leadership selected a marketing partner that specializes in the luxury consumer to help identify their changing consumers. Twenty-five years ago Ritz-Carlton lobbies were filled with older men in suits; these days guests are incredibly diverse—by race, gender, attire, and families.

Research revealed that 21 percent of their guests were “classic status-seekers” (“It’s a Mercedes; what else do I need to tell you?”). So they kept their highly valued emblem of the lion and crown. But twice that, 49 percent, were new customers—“discerning affluents” (“It’s a Mercedes; it’s the safest car in the world, and they patented crash testing!”)—who value time and collecting good memories over money. Ritz-Carlton used this information to retain the excellence of the guest experience while refining their hotel design and services to broadly address the needs of both types of consumer.

Refining your business to be relevant to your target audience takes many forms. At Ritz-Carlton, this relevance includes ensuring that the company focuses on the unique needs of diverse market sectors. What a business traveler, who arrives at 11 o'clock at night and leaves the next day at 7 a.m. wants from a stay is vastly different from the needs of a leisure traveler in the summertime staying for three days with his or her family.

While there is always the risk of pushing too hard for business refinement, more often the ultimate risk is complacency that emerges from past success. Once-excellent businesses have crumbled before their leadership realized that they have become irrelevant to the changing consumer.

The spirit of continual improvement for sustainability goes beyond the design and positioning of Ritz-Carlton hotels. Ritz-Carlton leadership is committed to “evolution and not revolution.” To achieve the desired outcome of delivering service as the guest wants to be served, leadership helped craft a set of guiding principles that focused staff members on what was needed in guest interactions, while ultimately entrusting them to creatively improvise in the context of the guidelines.

#### ***Service Values: I Am Proud To Be Ritz-Carlton***

- 1. I build strong relationships and create Ritz-Carlton guests for life.*
- 2. I am always responsive to the expressed and unexpressed wishes and needs of our guests.*
- 3. I am empowered to create unique, memorable and personal experiences for our guests.*
- 4. I understand my role in achieving the Key Success Factors, embracing Community Footprints and creating The Ritz-Carlton Mystique.*

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5. *I continuously seek opportunities to innovate and improve The Ritz-Carlton experience.*
6. *I own and immediately resolve guest problems.*
7. *I create a work environment of teamwork and lateral service so that the needs of our guests and each other are met.*
8. *I have the opportunity to continuously learn and grow.*
9. *I am involved in the planning of the work that affects me.*
10. *I am proud of my professional appearance, language and behavior.*
11. *I protect the privacy and security of our guests, my fellow employees and the company's confidential information and assets.*
12. *I am responsible for uncompromising levels of cleanliness and creating a safe and accident-free environment.*

## PRINCIPLE 2: EMPOWER THROUGH TRUST

### Chapter 4: Select—Don't Hire

In order for staff to continually and subtly act in ways that not only satisfy but delight customers, leaders must understand the importance of identifying talent and developing methods for selecting top candidates. The Ladies and Gentlemen of Ritz-Carlton come from exactly the same labor force, backgrounds and quality of life as other hotels. So how does Ritz-Carlton consistently find men and women who exceed customer expectations?

To truly understand the success of Ritz-Carlton, one must understand their approach to the staff selection process. They assess the strengths of a prospective candidate through a comprehensive process that involves multiple interviews, identifying the right qualities and requirements for each position, and searching for individuals who take pride in providing service. They believe excellence occurs by starting with the right raw talent instead of attempting to manage employees to overcome talent deficits. They are looking for those with “*true strengths*” to consistently deliver luxury service—a strength being something you do well, and a true strength being something you do well *and* enjoy.

After investing the time to patiently assess prospective job applicants—which increases workforce loyalty, decreases turnover, and offers competitive service advantages they feel more than offset the initial costs of selection—Ritz-Carlton requires staff members complete their full two-day orientation covering hotel philosophies and service excellence before they can start learning their specific job tasks.

While formal training programs are in place, more informal and relationship-based development opportunities are also encouraged. New managers who are not passionate about mentoring and pursuing ongoing career discussions with their team probably will not be successful at Ritz-Carlton.

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Employees who leave companies typically do so after about a year, but according to recent research, 90 percent make the decision to stay or leave within six months of employment. With a firm understanding of the speed with which employees can become disillusioned and disengaged from their work, Ritz-Carlton has established “Day 21.” On the twenty-first day on the job, after becoming certified in the operational standards of their positions, staff members are given a forum to freely discuss the positives and negatives they have encountered in their first three weeks. They can talk openly about such things as whether they have been given all the tools they’ve needed to achieve success, the quality of their job trainer, and whether the culture described to them at orientation is present in the employee’s day-to-day experiences. Day 21 becomes an opportunity to listen to the needs of the newly hired Ladies and Gentlemen, solve problems, and reenroll staff members before they have an opportunity to disengage or become toxic to the workforce.

Keeping specific comments anonymous, leadership takes their issues and concerns to the guidance team at the hotel to get the issues addressed, and then goes back to the Ladies and Gentlemen so that they know how their issues were resolved. It is important not only to listen but also to make sure they are apprised of the outcome.

Leaders who pay attention to details of concern to their staff members and who take action on those details ultimately model the impact that detailed attention can have on the customers their staff serves.

Ritz-Carlton also has a built-in process to celebrate the hire date of each employee, called “Day 365.” By highlighting that day, leadership shows appreciation for and celebrates the contribution of that individual, and it also serves as an opportunity to refresh a staff member’s skills against operational certification standards.

Ritz-Carlton leadership selects the right talent, develops that talent, listens to their needs and celebrates them—the Ladies and Gentlemen do the rest.

### **Chapter 5: It’s a Matter of Trust**

Ritz-Carlton Service Values encourage staff to do what it takes to reliably care for the guest. To meet these fairly lofty objectives, the employees need to know they can trust leadership.

At Ritz-Carlton, leaders foster trust by first creating a financially viable business that affords staff members the materials and training they need to be successful. Without compromising culture, corporate executives must make fiscally sound decisions that create sustainable employment.

Staff members trust leadership to make staffing decisions that protect employee interests over the long term. This trust is fostered as leadership makes company financial goals clear and understandable, and staff are encouraged to give input on how they can drive business success.

Each year senior leadership identifies the components of the key success factors they feel are essential to profitability during that 12-month cycle and initiate staff discussions.

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Ritz-Carlton leadership believes that even greater trust can be fostered through a formal set of promises made by employers to employees—which is also printed on the Credo Card:

### ***The Employee Promise***

- *At The Ritz-Carlton, our Ladies and Gentlemen are the most important resource in our service commitment to our guests.*
- *By applying the principles of trust, honesty, respect, integrity and commitment, we nurture and maximize talent to the benefit of each individual and the company.*
- *The Ritz-Carlton fosters a work environment where diversity is valued, quality of life is enhanced, individual aspirations are fulfilled, and The Ritz-Carlton Mystique is strengthened.*

In addition to anecdotal reports from guests and employees, Ritz-Carlton systematically analyzes levels of staff trust and engagement through formal surveys conducted by third parties such as Gallup. Additionally, they assess turnover data, information derived from exit interviews, and monthly surveys conducted with guests.

From these qualitative and quantitative methods, it is clear that respectful and genuine treatment of employees engenders a trust for leadership that is essential to move their business forward. Unless employees know that they are truly valued, they often don't invest the extra effort needed to exceed customer expectations and arrive at innovative service solutions.

In distrusting work environments, it's common for frontline workers to say, "I will have to get my manager's approval on that." In the culture of Ritz-Carlton—"I am empowered to create unique, memorable, and personal experiences for our guests" and "I own and immediately resolve guest problems"—the choice to shift responsibility to someone else is not an option. Every employee is empowered to use his or her judgment, without seeking permission from a supervisor, to spend up to \$2000 on each guest each day. While some might think this is ill advised or irresponsible, Ritz-Carlton has found that staff tend to be very cautious with company money. (And leadership has come to learn that the least costly solution is the one that happens immediately.)

Service breakdowns will occur in all businesses that are vulnerable to the inevitable shortcomings of humans. But trusting environments encourage staff to quickly circumvent blame and move constructively in the direction of problem resolution.

Ritz-Carlton's emphasis on frontline empowerment and service recovery is validated not only through the anecdotal reports of guests but also by bottom-line results. Company research shows that a guest who is actively engaged with Ritz-Carlton and its staff spends 23 percent more money than one who is only moderately engaged. When employees produce a 4-percentage-point increase in customer service engagement scores companywide, the Ritz-Carlton achieves an extra \$40 million in incremental revenue.

Corporate executives often talk about the importance of empowerment. Successful leaders, however, translate that talk by giving their staffs tools to make immediate decisions on behalf of customers. Ultimately, by offering their trust, those leaders produce companies that reap significant financial benefits and increased customer loyalty.

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### PRINCIPLE 3: IT'S NOT ABOUT YOU

#### Chapter 6: Build a Business Focused on Others

To keep its sight on the customer, Ritz-Carlton leadership looks beyond daily operational concerns to garner data that can be used to benefit all customers, employees, managers, business partners, and stockholders. Rather than focusing on incremental improvements in existing internal processes, corporate leaders pay attention to the voice of their customers, the wisdom of world-class businesses, the ideas and feelings of their Ladies and Gentlemen, the input of their business partners, and the wishes of the hotel owners.

Instead of building from the “inside out”—developing a plan and imposing their will on the company—the leadership of Ritz-Carlton seeks feedback from many teachers as they go about continually and responsively adapting and improving their customer-reaching processes. In the end, by making Ritz-Carlton not be about the leaders but instead about those the leaders serve, the company has greatly prospered.

Ritz-Carlton leaders understand the value of seeking out the best of the best to continually take their business to the highest level possible. For example, when leadership realized that Ritz-Carlton lacked a well-defined process for designing new products and services, they directly implemented the Xerox Corporation's **Six Steps to Quality Improvement**:

1. *Identify and Select Problem*
2. *Analyze Problem*
3. *Generate Potential Solutions*
4. *Select and Plan Solution*
5. *Implement Solution*
6. *Evaluate Solution*

Before implementing any new process under consideration, Ritz-Carlton evaluates it to ensure that:

1. *It will contribute to achieving the Key Success Factors*
2. *It will drive employee empowerment and innovation*
3. *It embraces product and service benchmarking*
4. *It is based on research of proven best practices*

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5. *It is transferable to Ritz-Carlton's culture*

6. *It is effective in creating a culture of innovation*

The Ritz-Carlton's **4 Step Innovation Process** was inspired by business practices in other industries:

1. *Inspire Vision (which includes Providing Recognition)*

2. *Foster Environment (Promoting Benchmarking; Encouraging Risk)*

3. *Stimulate Ideas*

4. *Test Ideas*

The success of Ritz-Carlton is largely dependent on a highly engaged workforce creating a highly engaged customer base. Great leaders understand the importance of measuring the engagement of their staff and strategically addressing ways to maximize their motivation and passion. They understand that while engaged staff do not necessarily cause emotionally engaged customers, employee engagement is a necessary condition for sustained customer loyalty.

To assess the engagement of a staff member, Ritz-Carlton asks 12 questions developed by Gallup to determine if that employee is engaged, unengaged or actively disengaged. ("I know what is expected of me at work," "I have the materials and equipment to do my job right," etc.)

Customer engagement is similarly measured by 11 questions developed by Gallup. ("How likely are you to continue to choose Ritz-Carlton?" "If a problem arises, I can always count on Ritz-Carlton to reach a fair and satisfactory resolution," etc.) Gallup secures 33 interviews with guests per hotel per month, which totals over 19,000 responses on an annual basis.

Building loyal and engaged customers starts with a culture of listening.

Listening does not ensure that situations will always go smoothly, but ultimately it is the path to mutually acceptable solutions in challenging times.

### **Chapter 7: Support Frontline Empathy**

Anticipating the customer's unstated needs is the goal of every employee, and each fulfillment of a need should be as individual as the customer. In essence, much of what happens at Ritz-Carlton is an extension of the way people would treat family members and other loved ones, as opposed to the way they might treat complete strangers. The intimacy of interpersonal caring and the art of anticipation are critical aspects of Ritz-Carlton service culture. In fact, they are the secret sauce of the Ritz-Carlton mystique.



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In order to create a memorable experience, a service provider has to connect with a guest's individuality and deliver service customized to that guest's preferences. Many businesses do this using customer relationship management software as a way of tracking guest preferences, but few have used this type of technology more effectively than Ritz-Carlton.

While not every employee in the Ritz-Carlton system has open access to the company's customer relationship management database, aptly named "Mystique," all Ladies and Gentlemen are provided "preference pads" on which they are encouraged and trained to observe and jot down guest preferences, which are soon entered into the Mystique system.

Property-level guest relations staff disseminates highlights from information about arriving guests through channels such as lineup—why the guest is coming, anniversaries or celebrations, unique needs or expectations, etc.

While database information can provide historical details about a customer, it is important to keep that data valid and relevant to the customer's current needs. Ritz-Carlton guest relations staff members typically call a guest prior to an approaching stay to gain some basic information about the upcoming visit. They wouldn't repeatedly call a businessperson who comes in every week, but they do make a concerted effort to speak to most of their guests.

One of the great risks to asking guests their preferences is that it sets up an expectation that those preferences will be acted upon. So that's why Ritz-Carlton likes to pick up as much as they can by direct observation, and not draw too much attention to those moments when they specifically seek out preferences.

The Mystique system also provides a method to track operational problems that the guest has encountered. Research shows that if a problem is handled quickly and well, you might get a more loyal guest than if there was no problem at all.

The role of the senior leader is not to "lead quality" in an organization, but to help influence a "quality culture." Leadership creates an environment for service excellence by assisting staff members to fully attend to others, to use all their senses, and ultimately to place themselves in the situations of those they serve.

### PRINCIPLE 4: DELIVER WOW!

#### **Chapter 8: Wow. The Ultimate Guest Experience**

Recent research has shown that customers who are only "satisfied" with a company's service are far less likely than customers who are "extremely satisfied" to remain loyal to that business. Specifically, customers who reported they were "extremely satisfied" with a business were two and one-half times more likely to make future purchases from that company when compared to customers who rated their overall satisfaction as "average."

But what does it take to move customers from the "satisfied" to the "highly satisfied" range?

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Operating from an understanding that customer engagement is linked to the customers' wanting to "feel a rush," Ritz-Carlton leadership calls this desired memorable and emotional connection a "Wow experience" and encourages staff to personally affect guests to achieve this level of emotional intensity by delivering service that appeals to both the thinking and the feeling aspects of the consumer.

The importance of delivering a Wow moment at a guest's first point of contact is a primary goal emphasized by leadership because of its impact on the customers. Taking the time to make a strong first impression, genuinely inquiring about a guest's needs, delivering on those needs, and mastering subtle details, all play a role in differentiating between acceptable and memorable service. From the outset, these actions stand out to guests by communicating that they are appreciated and valued.

While it may seem inconsequential or trivial, developing strategies to help staff learn and remember a customer's name and needs makes a business memorable to that customer. Research validates the universal importance of "attentiveness" and "friendliness" among hotel staff as most valued by hotel guests. People are genuinely wowed when others make a concerted effort to take care of their needs, particularly when the situations that produced the needs are not directly the responsibility of the person offering assistance.

Some of the greatest opportunities for wowing customers occur when breakdowns happen. The steps to salvaging a bad experience are fairly simple:

1. Share a genuine and compassionate reaction to the person's distress.
2. Offer appropriate apologies.
3. Assure the person you will take care of the issue.
4. Individually, and through your team, see that the problem is taken care of in a way that meets the satisfaction of the customer.
5. Go one step further to demonstrate that you want to try to compensate for the person's loss or frustration.

In a world where customer opinions are archived on the Internet and where people are more likely to share a negative experience, the lasting impact of delayed service recovery can negatively affect prospective customers. With the ease of instant worldwide communication and popularity of social networking and customer reviews, companies can't just practice service recovery but must instead execute *immediate* service recovery. The sooner customers are satisfied, the less likely they are to share a negative review that may have damaging consequences.

Ritz-Carlton has created the expectation that its business will be the standard-bearer for customer service and memorable customer experiences. Well-selected and trained staff make it happen at all touch points of customer interaction . . . one guest at a time.

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### **Chapter 9: Turn Wow into Action**

Ritz-Carlton has designed ways for their “Wow stories”—remarkable examples of extraordinary service exhibited by their Ladies and Gentlemen—to be used to reinforce existing service excellence and to propel future extraordinary acts. In fact, Wow stories are one of the most important vehicles that the leadership uses for communicating the values they see as critical to the success of the company. A crucial component of the daily lineup, where employees at all levels meet to hear updates, is the sharing of Wow stories, which are linked back to the core values of the business as a way of demonstrating how extraordinary service lives in their culture.

Ritz-Carlton understands the power of defining excellence through example. The strategic nature of Wow story selection is best demonstrated by how such stories reflect all levels of employee behavior that are valued by leadership. Wow stories are organized by the three categories of Ritz-Carlton service values—Functional, Engagement, and Mystique.

Many of the Wow stories are over the top—almost sounding too good to be true—but leaders also select stories that are less heroic in nature. In an effort to help every individual make the line-of-sight connection between how what he or she does can wow guests and advance the business, leadership also shares everyday examples of a single individual doing the small acts of kindness necessary to make a guest’s stay memorable.

Stories that highlight effective partnerships are also shared, so that perceived psychological boundaries between departments are torn down. Often these stories demonstrate how two or more people working together have been able to deliver a greater Wow for the guests than each person working independently.

Ultimately, the sharing of Wow stories must be understood in the context of the objective it achieves—namely, helping leadership identify and communicate desired guest outcomes.

## PRINCIPLE 5: LEAVE A LASTING FOOTPRINT

### **Chapter 10: Aspire, Achieve, Teach**

In the competitive world of business today, corporate leaders are looking for opportunities to maintain the relevance and sustainability of their established brands. One key strategy for achieving this outcome is to broaden product offerings to meet evolving needs of their customers—products that they would expect them to sell, that fit well with their brand, and are a natural extension of the expertise they already provide.

For example, Ritz-Carlton’s research revealed that they were an important part of the lives of many of their customers, and many of their guests wanted Ritz-Carlton to play an even bigger part of their lives. This led to the Ritz-Carlton Club concept—deeded fractional ownership, merging personalized hotel services with the exclusive benefits of vacation property ownership.

The brand was further extended into day-to-day lifestyle offerings in the form of the Ritz-Carlton Residence concept—privately owned residential properties, overseen by homeowners’ organizations, and professionally managed and served by the Ladies and Gentlemen of Ritz-Carlton. Services enjoyed by property owners include housekeeping, valet, concierge, and gourmet dining, all of which are offered in a “five-star” environment. These Residences are developed adjacent to Ritz-Carlton hotel properties in highly desirable areas.

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In the spirit of innovative and market-responsive brand extensions, Ritz-Carlton is also working with developers to create an even more exclusive resort concept called “The Reserve”—designed as singular boutique resorts that elevate sophistication while adding seclusion. In essence, the Reserve reflects the well-defined Gold Standards of service provided at all Ritz-Carlton properties, while refining the design and experiential aspects to appeal to the changing wishes of their customers.

Ritz-Carlton also extended its brand and the overall reputation of the company in its response to internal and external training needs by developing two training arms—The Global Learning Center (which is internally focused on staff education) and The Ritz-Carlton Leadership Center (which is externally directed to share the best business practices of Ritz-Carlton with other companies).

If you operate from the perspective that The Ritz-Carlton Hotel company is in the business of creating experiences, it logically follows that they would expand the lasting impact they have on the business landscape by producing more services designed to uplift vacation, resort, and homeowner experiences. Further, Ritz-Carlton leadership logically continues to enhance the capabilities of those who seek their expertise by the transformative power of knowledge in the areas of leadership. They seek to add value to people’s lives through uncompromising service and an unwavering commitment to quality, and by steering their business into opportunities that are true to those strengths.

### **Chapter 11: Sustainability and Stewardship**

Increasingly, businesses are judged for the lasting nature of the footprint they leave on individuals, communities, and other businesses. Myopic companies focus on short-term profitability instead of ecological sustainability, or they prioritize advertising over efforts to train and grow their people. Ritz-Carlton, from its inception, wanted to be a truly great company—to be known “as a positive, supportive member of the community” and “sensitive to the environment.”

Leaders understand that socially responsible efforts are difficult messages to communicate. If too much is said about a company’s socially responsible behavior, it can quickly be perceived as propaganda. On the other hand, a dearth of information leads to criticisms that a company is not concerned with broader social issues.

It is critical, then, to create a well-thought-through approach to communication concerning the breath of socially responsible and environmental offerings and to make sure that those programs emerge naturally from the core values of the business.

Customers—and prospective employees—are assessing whether businesses “walk their talk” and if they achieve their stated community objectives. Research has demonstrated that corporate social and environmental performance influences consumer trust. That trust, in turn, is linked to the future purchase behavior on the part of those consumers.

Ritz-Carlton does not leave their social responsibility program to chance. They developed their Community Footprints program to integrate corporate and property level community involvement. By dedicating human and capital resources and coordinating engagement across all Ritz-Carlton properties, efficiencies of scale are achieved and the impact of philanthropic efforts is maximized. These leaders understand that the success of corporate social responsibility is achieved by enacting the same strategic and operational practices necessary for a business’s overall profitability.

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By their nature, social giving programs are designed to enrich the lives of individuals who are often not the identified customer market for a business. But in addition to the positive emotions that come with volunteerism, the return value of corporate efforts include team building, cohesion, employee pride, and the development of staff with specific skills such as project management abilities.

Great businesses strengthen communities often by their mere presence. They move communities forward in many ways, including through the lasting impact of increased property values, job creation, pride, and the improved standard of living they afford their employees.

### **Conclusion: A Lasting Impression**

A process of inquiry is essential to excellence. Service in the Ritz-Carlton culture is little more than delivering a product the customer wants without defects, delivering the product when and how the customer wants it, and providing the product with genuine care and concern for that customer. While these three aspects of service are fairly simple and timeless, the complexity of this seemingly uncomplicated formula requires constant listening to customers and staff as well as disciplined execution.

### **The Communicator's Corner**

#### **Cancun**

As guests at the Ritz-Carlton Cancun went to bed on a Tuesday night hearing that Tropical Storm Wilma was going to pass by them only producing choppy waves, they awoke the next day to hear that the largest hurricane ever recorded was approaching Cancun. News reports encouraged visitors to leave the island immediately.

One guest of the Ritz-Carlton Cancun reports, "After a mass exodus to the airport, there were no available flights left, and we were stranded. The Ritz-Carlton staff accompanied us to a hotel further inland in downtown Cancun where we stayed as the hurricane hovered over Cancun for three days. While at the other property, the Ritz-Carlton staff provided food, water, and amazingly enough, constant streams of mouthwash and towels, while providing excellent service and smiles during the horrific ordeal.

"After the storm passed, we found out the Cancun airport was closed indefinitely." Amazed, the new guest adds, "At its own cost, Ritz-Carlton chartered a tour bus that took us to the closest airport, in La Mirada, where they made arrangements to charter a plane that took us to Mexico City. While I would never wish such a horrible experience on anyone, I will say that I am now a Ritz-Carlton customer for life." (pp. 179-180)

#### **Kapalua**

Maria Alvarez, who was then weddings manager at The Ritz-Carlton, Kapalua, had been working for an extended period of time with a bride-to-be to ensure that her wedding would be the celebration she desired. The event involved thousands of dollars in flowers, stringed quartets, limousines, and sumptuous food presentations. On the day of the wedding ceremony, an accident closed the only highway that connects Central and West Maui. Because of the accident, the minister and all the vendors, including the entertainers, the florist (and flowers), and the sound and light technicians (and equipment), were stranded with no way to get to the Ritz-Carlton. The ceremony looked as if it would need to be cancelled.

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Scott Doran, a meetings and special events manager, told all of the vendors to get out of the traffic immediately and head back to Central Maui. He called a local helicopter company to fly the vendors to the hotel, only to realize that a helicopter would not be big enough to transport them all. Because the event was scheduled to take place in two and a half hours, Scott secured two airplanes at the hotel's expense and had all of the vendors, equipment, florists, and flowers picked up at the Kahului Airport in Central Maui. One hour before the event, both planes landed at the private airstrip in Kapalua, where they were met by Scott, Maria, and the wedding team, who then assisted them in loading everything onto resort shuttles and other hotel and personal vehicles. The wedding was not only a success, but given the continued traffic snarls, the hotel took the extra step of providing the entertainers, minister, and florist rooms for the evening and ground transportation the next morning. (pp. 193-194)

### **San Juan**

Numerous members of The Ritz-Carlton San Juan Hotel, Spa, and Casino staff responded to a late-coming request for dinner reservations for five and an accompanying birthday cake to be presented to the guest's son. Concierge Emily Vallejo immediately found a way to get the dinner reservation confirmed, in an otherwise full restaurant. Emily also called a local baker to prepare the cake because she knew the turnaround time was too short to have the cake prepared in-house.

The guest mentioned in the conversation with Emily that his son, Dayson, was turning four years old and loves Spiderman; therefore, Emily sought a Spiderman design or figures to decorate the vanilla cake. Then came the significantly playful twist: Emily contacted a company to have the cake delivered by a man wearing a Spiderman costume. Maria Castano from the concierge department looked for Spiderman pictures from the Internet and created a superhero coloring book and brought balloons to the festivities. A staff member related, "You should have seen Dayson's face as Spiderman approached the table. He couldn't take his eyes off him."

When Dayson blew out the candles, the whole restaurant started clapping. Dayson's mother tearfully and joyfully watched the event. Dayson was not only impressed with his visitor but was also heard to say, "Spiderman even knew my name." Emily and Maria sent the guests off with framed photos of the event. (p. 203)

### **Exemplary Service**

Overheard at The Ritz-Carlton: "The answer is yes; now, what is the question?"

### **Customer Engagement**

One of the eleven questions used in Gallup's Customer Engagement Metric to quantify hotel guest's emotional engagement: "I can't imagine a world without Ritz-Carlton." (p. 132)