



**Creating a
Shared-Language
Culture of Service
Excellence:
The Honeywell
Services
Leadership
Academy**

CENTER *for* **SERVICES**
LEADERSHIP

ASU W. P. CAREY
SCHOOL of BUSINESS
ARIZONA STATE UNIVERSITY

Honeywell

Creating a Shared-Language Culture of Service Excellence: The Honeywell Services Leadership Academy

CENTER *for* **SERVICES**
LEADERSHIP

ASU W. P. CAREY
SCHOOL of BUSINESS
ARIZONA STATE UNIVERSITY

Honeywell

Contents

Executive Summary	1
Introduction	3
Challenge: How to Compete on Service.....	3
Solution: A Teaching Environment Where Employees Could Learn the Science of Service.....	4
Results: A Shared-Language Culture of Service Excellence	5
Best Practices for Creating a Culture of Excellence.....	9
Bottom Line.....	11

Creating a Shared-Language Culture of Service Excellence: The Honeywell Services Leadership Academy

Executive Summary

This case study is written for business executives, managers, researchers, and others interested in how an organization comes to compete on service. In it, we explain the challenges that Honeywell faced, and the program designed to resolve them – a customized, large-scale corporate services education program delivered by the Center for Services Leadership at the W. P. Carey School of Business.

Challenge: How to Compete on Service

“It’s not enough to be adequate, you have to be great. In many industries, most competitors are at parity so the only way they can compete effectively is to increase the level of service and customer experience,” explains Nancy Stephens, Associate Professor of Marketing at the W. P. Carey School and Online Program Director at the Center for Services Leadership (CSL).

That was the rationale behind Adrian Paull’s push to increase the Honeywell Customer & Product Support (C&PS) team’s Net Promoter Score (NPS). Paull, who is Vice President of C&PS at Honeywell Aerospace, explains, “We were challenged to improve our NPS – to simplify and improve our

customers’ experience on an ongoing basis. We wanted to take customer experience to the next level. We wanted to be able to compete on customer service.”

But developing and maintaining a customer service organization that allows the company to legitimately compete – and win – on service requires developing an organization-wide culture of service excellence. Mary Jo Bitner, Professor and Executive Director of the Center for Services Leadership explains,

The Honeywell Service Leadership Academy at a Glance

Module 1

Designing & Delivering Service Quality

- 1 Designing Customer-Focused Service Processes
- 2 Delivering Service Quality at the Front Line
- 3 Understanding Service Quality (and Metrics)
- 4 Recovering from Service Failures

Module 2

Gaining Customer Knowledge

- 5 Understanding Your Customer and How Your Customer Competes
- 6 Understanding How Your Business Buyers Make Decisions
- 7 Segmenting Your Business Customers
- 8 Listening to the Voice of the Customer

“It’s easy for organizations to think that they can make a pronouncement that ‘customer service matters’ and then suddenly become a service organization, but it doesn’t work that way.”

Paull knew that competing on service would require that all 1,400+ of his Customer & Product Support employees across the world be a part of a culture of excellence – speaking the same language of service, operating on the same framework. Getting there would require a true teaching environment where all employees could experience the process of “learning-by-doing” themselves rather than simply being trained by rote to perform steps 1, 2, 3, etc. The act of understanding, experimenting, seeing the results of that experimentation, and then finding one’s environment changed as a result is a powerful learning reinforcement. It’s like the parable “Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.”

Solution: A Teaching Environment Where Employees Could Learn the Science of Service

Resolved to establish a culture of service excellence that would enable Honeywell to raise its Net Promoter Score and differentiate itself from its competitors, Paull – who is also a member of the Center for Services Leadership Board – began a conversation with Mary Jo Bitner about how the Center could help. In response, Bitner and her team, in collaboration with Paull and his team, developed a program that would advance service excellence and drive NPS improvements within Honeywell Customer & Product Support.

In March 2011 the Center for Services Leadership launched the first course of the

Honeywell Service Leadership Academy – a professional certificate program delivered completely online. Every month (except January and December) for three years, eight to nine groups of 50 Honeywell employees each completed a course. Every C&PS employee – from front-line customer service representatives to managers – was required to complete the program. By November 2013, 1,600 Honeywell employees had taken at least one course, and more than 1,000 employees had completed the program.

Best Practices for Creating a Culture of Excellence

- Have a strong, committed executive champion
- Get supervisors on board early
- Require full participation from all employees
- Have a point person on the company side and the university side
- Recognize service champions

The team of Center for Services Leadership faculty – 15 instructors, 14 with PhDs – with both expertise in service and expertise in teaching was critical to making the program one that would set a framework for Honeywell employees to work within, rather than work by rote. Dawn Feldman, Executive Director of Executive Education at the W. P. Carey School, explains, “In contrast to a consultant, who would explain how a particular problem should be resolved, in a true educational setting faculty can teach the science behind the concepts. It sets a framework for employees to figure out how to resolve challenges as they arise.”

Having that framework – understanding the science behind the service, rather than just

learning the steps – is key to cultural change. CSL's Nancy Stephens explains, "If you're trying to turn a battleship – change the culture of a large organization like Honeywell – you have to arm employees with the internal ability to change. They have to understand the rationale, the framework. They have to adopt it and live it as their own."

Results: A Shared-Language Culture of Service Excellence

The Academy did effect positive changes within Customer & Product Support, says Honeywell's Adrian Paull. "The Academy got employees speaking the same language of service, understanding the science behind service. They learned for themselves how to excel at serving the customer, and came up with some great ideas that we implemented in the organization."

Results of the Honeywell Service Leadership Academy included:

- A culture of service excellence
- An understanding of the science behind service
- A common language
- Implemented improvements

Introduction

This case study is written for customer service executives looking to take their organizations to the next level – to compete on service. In it, we explain the challenges that Honeywell faced, and the program designed to resolve them – a customized, large-scale corporate services education program delivered by the Center for Services Leadership at the W. P. Carey School of Business. We share best practices for companies looking to create a culture of excellence.

But this case study is not just about explaining the challenge, solution, and results delivered through the Honeywell Service Leadership Academy. It's also designed to provide valuable takeaways for anyone interested in services leadership. Additionally, it provides a clear picture of the difference between a program delivered by an educational, research-based organization like the Center for Services Leadership and a consulting or training-focused agency.

Challenge: How to Compete on Service

"It's not enough to be adequate, you have to be great. In many industries, most competitors are at parity so the only way they can compete effectively is to increase the level of service and customer experience," explains Nancy Stephens, Associate Professor of Marketing at the W. P. Carey School and Online Program Director at the Center for Services Leadership (CSL).

That was the rationale behind Adrian Paull's push to increase the Honeywell Customer & Product Support (C&PS) team's Net Promoter Score (NPS). NPS was developed

by Fred Reichheld, a Bain Fellow and founder of Bain & Company's Loyalty Practice. It is a measure of customer loyalty, based on the question "How likely are you to recommend our company/product/service to your friends and colleagues?" NPS is calculated by subtracting the percentage of detractors, customers who are least likely to recommend a company's product/service, from the percentage of promoters, customers who are most likely to recommend it.

Paull, who is Vice President of C&PS at Honeywell Aerospace, explains, "We were challenged to improve our Net Promoter Score – to simplify and improve our customers' experience on an ongoing basis. This was in the context of a multi-year strategic planning process. We wanted to take customer experience to the next level. We wanted to be able to compete on customer service."

Paull knew that competing on service would require that all 1,400+ of his Customer & Product Support employees across the world be a part of a culture of excellence – speaking the same language of service, operating on the same framework. Getting there would require a true teaching environment where all employees could experience the process of "learning-by-doing" themselves rather than simply being trained by rote to perform steps 1, 2, 3, etc. The act of understanding, experimenting, seeing the results of that experimentation, and then finding one's environment changed as a result is a powerful learning reinforcement. It's like the parable "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime."

Solution: A Teaching Environment Where Employees Could Learn the Science of Service

Resolved to establish a culture of service excellence that would enable Honeywell to raise its Net Promoter Score and differentiate itself from its competitors, Paull – who is also a member of the Center for Services Leadership Board – began a conversation with CSL about how the Center could help.

Honeywell Service Leadership Academy Certificate Details

- Not-for-credit certificate – but offering .5 continuing education units (CEUs) per course
- Eight CSL courses with 5 - 8 hours of student time required per course
- Courses offered on a monthly basis
- Employees had four weeks to complete each course
- Certificate awarded upon completion of all eight courses
- Quarterly recognition for excellent performance

In response, CSL – in collaboration with Paull and his team at Honeywell – developed a program that would advance service excellence and drive Net Promoter Score improvements within Honeywell Customer & Product Support by:

- Delivering foundational and advanced service excellence knowledge to all employees
- Encouraging employees to apply, develop, and implement ideas based on what they learn in the courses
- Creating and embedding a vocabulary of service excellence across the entire organization

In March 2011 the Center for Services Leadership launched the first course of the Honeywell Service Leadership Academy – a professional certificate program delivered completely online. Every month (except January and December) for three years, eight to nine groups of 50 Honeywell employees each took a course. Every C&PS employee – from front-line customer service representatives to managers – was required to complete the program. By November 2013, 1,600 Honeywell employees had taken at least one course, and more than 1,000 employees had completed the program.

A Framework for Customer Service, Grounded in Faculty Research and Expertise

Over the course of three years, the eight Honeywell Service Leadership Academy courses were delivered by 15 course leaders from the Center for Services Leadership's faculty network. Of the 15 instructors, 14 had PhDs and all had special expertise in particular areas of service. Faculty engaged with students even beyond the online coursework, adding their own expertise of the issues being discussed. "There's only one school in the world that could put together that kind of team," explains CSL's Nancy Stephens.

The team of faculty with both expertise in service and expertise in teaching was critical to making the program one that would set a framework for Honeywell employees to work within, rather than work by rote. Dawn Feldman, Executive Director of Executive Education at the W. P. Carey School, explains, "In contrast to a consultant, who would explain how a particular problem should be resolved, in a true educational setting faculty can teach the science behind the concepts.

University Education in a Flexible Online Setting

- Allowed employees to move at their own pace to earn their certificates in less than three years
- Required all employees to register for and complete at least one course in Year One, and earn their certificates by the end of Year Three
- Provided flexibility – via regular course offerings and one-month course timeframes – for managing workloads
- Enabled employees to review content individually but also benefit from interactive learning across the global C&PS network through discussion boards

It sets a framework for employees to figure out how to resolve challenges as they arise."

"Often in consulting engagements, employees are told what solution to implement but not how and why that solution was derived," Stephens says. "If you're trying to turn a battleship – change the culture of a large organization like Honeywell – you have to arm employees with the internal ability to change. They have to understand the rationale, the framework. They have to adopt it and live it as their own."

Results: A Shared-Language Culture of Service Excellence

The Academy did effect positive changes within Customer & Product Support, says C&PS Vice President Adrian Paull. "The Academy got employees speaking the same language of service, understanding the science behind service. They learned

Anatomy of the Honeywell Service Leadership Academy

Module 1

Designing and Delivering Service Quality

Objective: Learn cutting edge customer service tools and skills

Course 1

Designing Customer-Focused Service Processes

Goal: Give customers better experiences

Key Content:

- Design Factors to Consider
- Service Blueprinting
- Collaboration across Internal Groups

Course 2

Delivering Service Quality at the Front Line

Goal: Develop better relationships with customers

Key Content:

- Trust and Rapport Building
- Active Listening
- Approaches to Difficult Situations

Course 3

Understanding Service Quality (and Metrics)

Goal: Understand major elements of service quality

Key Content:

- Models of Service Quality (GAPS, SERVQUAL)
- Service Quality Improvement
- Service Quality Measurement

Course 4

Recovering from Service Failures

Goal: Learn how to keep the customer after mistakes

Key Content:

- Service Failure Analysis
- Customer Expectations in Failure Situations
- Profitable Recovery from Service Failure

Module 2

Gaining Customer Knowledge

Objective: Gain fundamental knowledge of customers and their business

Course 5

Understanding Your Customer and How Your Customer Competes

Goal: Develop customer focus & perspective

Key Content:

- Customer's Business and Business Model
- Customer's Industry and How the Firm Competes
- Goal and Objective Setting

Course 6

Understanding How Your Business Buyers Make Decisions

Goal: Achieve deep customer knowledge and understanding

Key Content:

- Models of Buyer Behavior
- Factors that Influence Buyer Decision Making
- Customer's Buyer Center and How to Analyze Roles in Decision Making

Course 7

Segmenting Your Business Customers

Goal: Focus on key groups of customers

Key Content:

- Bases of Business Customer Segmentation
- Strategic Use of Customer Segmentation Data
- Customer Value

Course 8

Listening to the Voice of the Customer

Goal: Learn how to listen thoroughly and creatively

Key Content:

- Methodologies and Techniques for Listening to Customers
- Responses and Reactions to Customers' Compliments, Complaints and Ideas
- Feedback Loops into the Organization

for themselves how to excel at serving the customer, and came up with some great ideas that we implemented in the organization.” Results of the Honeywell Service Leadership Academy included:

- A culture of service excellence
- An understanding of the science behind service
- A common language
- Implemented improvements

A Culture of Service Excellence

Developing and maintaining a customer service organization that allows the company to legitimately compete – and win – on service requires developing an organization-wide culture of service excellence. Mary Jo Bitner, Professor and Executive Director of the Center for Services Leadership, explains, “It’s easy for organizations to think that they can make a pronouncement that ‘customer service matters’ and then suddenly become a service organization, but it doesn’t work that way.”

“The Honeywell Service Leadership Academy got Honeywell’s C&PS employees on the same page, focused on the customer. Perhaps more importantly, the value Adrian Paull and his team placed on the program reinforced the belief that customer service is indeed critical to the organization. It is employees who create the service reality within the organization. So when Honeywell invests in employees’ development, it makes clear that service excellence is not just a talking point,” Bitner says.

Also important is the content that the Academy delivered. From understanding service gaps and service recovery to delivering service quality strategically and service blueprinting, the eight courses in the Service Leadership Academy program provided a framework for

employees to understand how and why to deliver excellent customer service.

An Understanding of the Science Behind Service

One of the most valuable outcomes of the Service Leadership Academy, says Paull, was that employees learned the science behind why they do the things they do. “It’s hard not to be pulled into the moment, especially when a customer is being unfair,” he explains. “But when you understand the science behind certain actions and reactions, you can then have a sort of out-of-body experience. You know to let the customer vent, then to use Neuro-linguistic Programming to engage the customer. The science allows you to be more effective in every aspect of the customer service role.”

“We’ve used consultants for customer service training in the past, and their mnemonics for dealing with intense situations – like Chill. Identify. Satisfy. – might work for entry-level customer service representatives, but we needed a program that would teach employees the science behind service,” Honeywell’s Director of Learning Pat Cramer explains. “The feedback from employees was ‘I get now why we’re supposed to do things a specific way. I get why certain things do and don’t work.’”

A Common Language

Because the Service Leadership Academy was online, and designed for the entire Customer & Product Support organization, it enabled employees to connect with, and learn from, their peers across functions and around the world. Specifically, two of the eight courses required students to work together with co-workers in different geographic locations and often distant time

zones. This proved in the end to be one of the richest experiences in the discussion interactions.

“At first, the employees really resisted being assigned to global teams with people they didn’t see and work with every day,” explains CSL’s Nancy Stephens. “But then they saw how beneficial it was and ultimately they were really grateful. They were able to solve real issues by working with colleagues from other offices, who faced similar issues.” That, says Mary Jo Bitner, was exactly the point. “The goal was to change the Honeywell C&PS service culture from one of command-and-control – i.e., do what the manual says – to one where everyone is on the same page, talking a common language, working together to resolve common issues.” It became part of the “spirit” of powerful customer interaction as opposed to just being correct intellectual use of a set of skills.

Honeywell’s Adrian Paull explains, “The Service Leadership Academy knitted the organization together in ways that wouldn’t have occurred otherwise. It gave employees a forum to deal with daily challenges – the discussion boards were a great asset to foster interaction. Employees got to learn about what their colleagues’ jobs entail, what others go through to take care of our customers. It got everyone on the same page using the same language to approach challenges and opportunities within the same framework.”

The results are apparent, Paull says. “The lessons are embedded within the organization now. I hear people saying things like ‘Is that how we blueprinted it?’ That’s how I know the culture changed – I can hear it in employees’ conversations. That’s why it’s so important to have everyone in the organization go through the program.

It demonstrated how committed we were to having everyone in the organization talking the same language as a foundation for a culture of service excellence.”

Implemented Improvements

The Academy was designed to engage students in discussions of how the customer service lessons they were learning might apply at Honeywell. “Each course had an active discussion board where the faculty member asked provocative questions about how students thought the material could be applied at Honeywell. Participation in the discussion boards was a course requirement,” explains Stephens. “Each course also required students to complete between two and four graded assignments in which they had to apply material to an issue they faced at work.”

Applying lessons learned to real-world problems extended beyond the course. Paull explains, “I received many unsolicited emails from employees telling me how they had put in place a service improvement based on what they learned in the Academy. They really are thinking about how to apply the tools they’re getting from the courses. They’re being more deliberate about acting based on what they’ve learned about the science and psychology behind service.” Importantly, Honeywell was responsive to employees’ recommendations for improvement. “When we received unsolicited ideas, we figured out ways to integrate them into our processes. It was important that employees see that the ideas they were generating out of the Academy were actually making a difference for the organization,” Paull explains.

Best Practices for Creating a Culture of Excellence

Have a Strong, Committed Executive Champion

The Honeywell Service Leadership Academy succeeded because Honeywell was fully committed to it, explains W.P. Carey Executive Education Director Dawn Feldman. “A committed champion within the organization is critical. Someone who can articulate – in alignment with the message coming from the university – why the program is important to the business.”

Service Blueprints in Action

When Honeywell recently went through its Honeywell Operating System process, it drew on the service blueprints employees out of the Academy had created. C&PS Vice President Adrian Paull explains, “Employees had already thought about the processes; the work they had done in the blueprinting course was a starting point for the Honeywell Operating System, which required having a clear understanding of what is value for our customers. It created a different way of thinking about how we optimize processes.”

CSL Director Mary Jo Bitner explains, “Adrian Paull championed the effort, endorsed the program, and made clear that all employees would be expected to complete it. He explained why it was important to him and to the business. He articulated to supervisors why it was important for their employees. And he reinforced those messages across the three years of the program in large group

Town Halls, meetings with managers, and even one-on-one discussions.” The new language was visible and ever present in employees’ daily lives.

Get Supervisors on Board Early

Ensuring that employees’ supervisors understood the purpose of the program and were committed to it was important for two reasons. First, for employees to be fully committed they had to have the support of their immediate supervisors. Second, it was important for supervisors to understand what their employees were learning about in the courses.

Honeywell’s Adrian Paull explains, “When it came to responding to and actually integrating employees’ ideas, at first employees were a bit ahead of their supervisors. It was important to ensure that supervisors were aware of what their employees were learning so they’d have context for the new ideas that employees were bringing up.”

Require Full Participation from All Employees

Requiring that all 1,400+ Customer & Product Support employees complete the program was essential to its success. CSL’s Nancy Stephens explains, “If you only send a few people through the program, that’s still a great benefit to them personally, but they’re not going to be able to effect a culture shift on their own. If you really want to change the culture, you have to send everyone.”

And Honeywell made it clear that employees were expected to fully participate. “It was clear that this wasn’t the kind of course that you could log in, check the box, and be done,” Stephens explains. Honeywell linked employees’ performance reviews

to participation in the program. And if an employee fell behind, the Center for Services Leadership would notify that employee's manager. "We didn't allow supervisors to see the discussion board – we wanted students to feel free to be open in their comments and observations – but we did give them visibility into students' progress," Stephens explains.

Have a Point Person on the Company Side and the University Side

Putting 1,400+ Honeywell employees around the world through eight online courses over three years was no small logistical feat. "The class itself is just the tip of the iceberg in terms of the work that is involved in running a program like this," explains Alicia Holder, Director of Business Partnerships at the Center for Services Leadership.

In addition to the faculty experts who created the courses and the faculty network who taught the courses, the team at the Center for Services Leadership included an online academic services team and a 24x7 technical support team to address students' needs across the globe within 30 minutes. And a dedicated project manager on both sides of the engagement to manage logistics.

At the W. P. Carey School, Holder and school leaders were able to work across units to bring together a highly effective support team. "Getting the right people from the Honeywell side and our side on a team together, building relationships, being able to talk to each other was critical. It didn't make sense for one person to be the intermediary for everything. So, for example, the IT person in charge of the project from the W. P. Carey side interacted directly with the IT person from Honeywell. Once those relationships were developed everything was easier."

Holder's counterpart at Honeywell was Jane Williams, Customer Support Program Manager. "We also needed a dedicated person here at Honeywell to manage logistics, communication, and administration; and that was the role that I took on." Williams explains. "Some of those things were big picture, impactful, but I also dealt with a lot of 'Where's my completion sticker?' or chasing people who weren't participating. But it was all important to keep employees engaged in the program."

Recognize Service Champions

All participating students received a milestone certificate to visually display in their office to help them track their progress for each course. In each course, the instructor recognized each student's outcome as either Distinguished or Completed; each student would receive a sticker to signify the different accomplishment rating. At each Honeywell C&PS Town Hall, Adrian Paull and his team recognized the Distinguished students individually and put them in a drawing for a prize. Then, among the students who were Distinguished in multiple courses – "Service Champions" – twelve were selected to travel to Phoenix and attend the annual W. P. Carey Center for Services Leadership Symposium with Paull.

"Recognizing the employees who were taking the courses seriously and working really hard at them was a great way for Honeywell to boost employee morale and to help employees see themselves as professionals," explained CSL's Alicia Holder. The really outstanding students – those "Service Champions" – are those who drove culture change in the organization, bringing their peers along with them.

Honeywell's Paull recounts, "There was this naturally occurring 'achievement orientation' – people were trying hard to get the Distinguished recognition. It was sort of like the Dean's List; employees would put the recognition stickers and certificates on their walls." By clearly making outstanding students very visible within the organization, Paull was reaffirming Honeywell's commitment to the program, explains CSL's Mary Jo Bitner. "It was affirmation that Paull expected more from employees than just showing up."

Bottom Line

At the end of the day, the Honeywell Service Leadership Academy did enable Honeywell to develop a shared-language culture of service excellence – because C&PS employees across the globe attended courses delivered by university faculty with expertise in services and in teaching, and because those courses were designed to create a framework for employees to figure out for themselves how to resolve challenges as they arise.

Employees learned, explains Honeywell's Adrian Paull, how to speak the same language. "They learned for themselves how to excel at serving the customer, and came up with some great ideas that we implemented in the organization." That is essential because, as the Center for Services Leadership's Nancy Stephens explains, "If you're trying to change the culture of a large organization like Honeywell you have to arm employees with the internal ability to change. They have to understand the rationale, the framework. They have to adopt it and live it as their own every single day."

CENTER *for* SERVICES LEADERSHIP



The Center for Services Leadership (CSL) is a research and education center within the W. P. Carey School of Business at Arizona State University (ASU) and serves as an outreach arm from ASU to the business community and the global academic community. The CSL was founded in 1985 to pioneer the study of services when business schools were focusing primarily on products and manufacturing enterprises. Since then, the CSL has established itself as a globally recognized authority on how to compete strategically through the profitable use of services.

PO Box 872106
Tempe, Arizona 85287–2106

480–965–6201 Phone

CSL@asu.edu Email
wpcarey.asu.edu/csl Web

twitter.com/WPCCSL

Copyright © 2014

For non-commercial research and education use only. Other uses, including reproduction and distribution, selling or licensing copies, or posting to personal, institutional or third party websites are strictly prohibited without the explicit written permission of the CSL.