

BUSINESS ACTION GUIDE

Leading at the Intersection of People & Profits

GET TO HIGH PERFORMANCE

Enabling Better Individual Decisions: Zingerman's

Businesses with great customer service cultures provide a clear framework



MAGGIE BAYLESS,
MANAGING PARTNER

for how business is done, and then allow and enable individuals to make good decisions within that framework. To learn more about how to enable better individual decisions, we spoke with Maggie

Bayless, Managing Partner of ZingTrain in Ann Arbor, MI. ZingTrain is part of the Zingerman's Community of Business (ZCoB), a collection of food-related businesses including a deli, a bakery, a creamery, a coffee company, a candy manufacturer, a catering company, a mail order company, and a training business (ZingTrain). Altogether, ZCoB has 600 employees.



Zingerman's started as a deli back in 1982. Ten years later we decided to grow by launching a number of related small businesses. ZingTrain offers training both inside and outside of ZCoB around Zingerman's principles of great customer service and other successful business practices. Starting ZingTrain forced us to get more systematic about clearly defining our values, operating principles, and specific learning objectives. We already had the 3 Steps to Great Service, and we built from there. Now we also have the 10 Rules of ZCoB Finance, the 4 Steps to Productive Resolution of Differences, the 5 Steps to Effectively Handling Customer Complaints, and many others. Quite a few of these are documented in co-founder Ari Weinzweig's Guide to Good Leading series such as *Zingerman's Guide to Giving Great Service*. These contain rules of thumb to help employees in specific situations, but even more importantly, they give us a common vocabulary. From this foundation we have created a shared cultural framework in which employees are empowered and expected to make good individual decisions. These are some key lessons we have learned in the process:

ZINGERMAN'S GUIDING PRINCIPLES

1. Great Food!
2. Great Service!
3. A Great Place to Shop and Eat!
4. Solid Profits!
5. A Great Place to Work!
6. Strong Relationships!
7. A Place to Learn!
8. An Active Part of Our Community!

1. Communicating the framework

Within the first 90 days of employment at any Zingerman's business, every employee attends the "Welcome to the Zingerman's Community of Businesses (ZCoB)" orientation class. It's always taught by one of our founders, Paul Saginaw and Ari Weinzweig, who share the history of the company and our vision for where it is going. Paul and Ari are passionate about great food and great customer service, and they share that passion with every new employee. They also begin to share the framework for how we operate, including both the systems we've developed and our culture of positive appreciation.

For every area of our company culture, we follow a five step process: teach, live, define, measure, reward. We started thinking this way around customer service, which has always been important to Ari and Paul, and we then extended this approach to everything we do. To teach, you have to define your expectations; then you live those expectations day to day, measure whether or not you are living up to them, and provide rewards and recognition for the people excelling at meeting the expectations. Rewards

certainly include the financial, but a big part of our culture centers around appreciating people for work well done.

New employees receive a training passport outlining all the classes they need to take within the first 90 days, and it is their responsibility to sign up for those trainings in the allotted time. We have a training compact in which the trainer agrees to give clear performance expectations, provide training resources, and recognize and reward performance. The trainee, in turn, agrees to take full responsibility for learning what they need to know to be effective in their job. Longtime employees are also incentivized to go back and take some of the training classes as a refresher in our systems and culture. All of this training helps communicate to employees the framework in which we operate.

2. Customer service focus

Our mission is to bring a positive "Zingerman's Experience" to everyone we come into contact with – customers, suppliers, peers, and neighbors. It's not enough to just make sandwiches, bake bread, or crunch numbers – we get to make positive experiences happen.

The 3 Steps to Great Service are to find out what the customer wants; get it for him or her accurately, politely, and enthusiastically; and go the extra mile, which we define as doing something for customers that they didn't ask for. Within this framework, employees use their best judgment about how to best serve customers.

I believe that empowering staff to do what it takes helps us recover from mistakes that inevitably occur. Ari says in his book that a customer is more likely to be loyal if they have a bad product experience paired with a good customer service experience than a good product experience paired with a bad customer service experience. But it can take a while for employees to realize they really are empowered. We bring in panels of experienced employees during training and new folks ask if it is really like that. They answer, "Yes, I was skeptical and didn't believe it, but they really do. You are entry level, but people care about what you think." No one has ever gotten fired for doing what it takes to make it right for the customer.

Ari and Paul are great examples of the "living it" part of our process. They are always actively looking for ways to help and give service. For example, Ari often fills water glasses at the Roadhouse restaurant in the evenings to stay in touch with customers and the everyday realities of the business.

3. Open-book management

Another way we empower our people to make good decisions is through open-book management, which

Zingerman's began practicing in the mid-1990s. Open-book management is about giving every single employee in the business, from hourly staff up to the CEO, the tools, education and information they need to think and act like owners.

Everything starts with the long-term (15 year) vision, which defines where we are going. Rather than focusing on what's wrong, we ask ourselves "what would success look like, and what do we need to do to get from here to there?" Every year we do a strategic plan that includes financial targets, non-financial targets, goals, and action steps. There's a clear process, and each individual business customizes their plan. There are opportunities for people at all levels to get involved.

Departments meet in weekly huddles to look at key numbers, which are tracked on a scoreboard. Individuals take responsibility for line items on the scoreboard; we report last week's numbers and forecast where we are going for the rest of the month, where we will end the year, and what are we doing to make sure we get there.

There are some really concrete money savers with open-book management. For example, the food cost at the Roadhouse was really high, so we looked at ways to bring it under control. A dishwasher said "I'm throwing away tons of french fries," so they began to decrease the portion size, but offer free refills. This was very effective in saving money while still providing great service.

FINAL WORDS OF WISDOM

You can't over-communicate. People need to hear something many times to really take it in, and different people take things in differently so we use multiple methods – posters, emails, signs by the timeclock. All this communication pays off when people understand what they need to do and are able to make good decisions based on the information. Since most of our businesses are hitting their goals, this tells me we're doing things right.

HOW DO WE LEARN MORE?

[Inc. Magazine: 8 Tips for Empowering Employees](#)

[About Money: Top 10 Ways to Make Employee Empowerment Fail](#)

[Maggie Bayless: Essential Guide to Staff Training](#)

[Ari Weinzeig: A Lapsed Anarchist's Approach to Building a Great Business](#)

[Kenneth R. Thompson et al: It's My Company Too: How Entangled Companies Move Beyond Employee Engagement for Remarkable Results](#)

Other companies that excel at enabling better individual decisions include Zappos, New Seasons, and Tasty Catering.

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