

Experience This! Show Podcast  
Hosts: Joey Coleman & Dan Gingiss  
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**Episode 99**

**Explore the Reward of Great CX and the Cost of Neglecting CX Completely**

Dan Gingiss: Welcome to Experience This!.

Joey Coleman: Where you'll find inspiring examples of customer experience, great stories of customer service, and tips on how to make your customers love you even more.

Dan Gingiss: Always upbeat and definitely entertaining, customer attention expert, Joey Coleman.

Joey Coleman: And social media expert, Dan Gingiss, serve as your hosts for a weekly dose of positive customer experience.

Dan Gingiss: So, hold onto your headphones. It's time to experience this.

Dan Gingiss: Get ready for another episode of the Experience This! show.

Joey Coleman: Join us as we discuss a memorable employee onboarding experience, insurance for your pizza, and the cost of poor customer experience.

Dan Gingiss: Training, explaining and draining. Oh my.

**[Dissecting the Experience] Deloitte University**

Joey Coleman: Sometimes, a remarkable experience deserves deeper investigation. We dive into the nitty gritty of customer interactions and dissect how and why they happen. Join us while we're dissecting the experience.

Dan Gingiss: About a year ago, my sister started a new job at Deloitte, the global audit and consulting company. As a new employee, she had the opportunity to attend Deloitte University, a completely immersive onboarding experience that convinced her, as it does thousands of others, that she had made the right career decision to join the company since she spoke so highly of it. Upon her return, I had to check it out. I spoke with managing director, Heidi Soltis-Berner, who runs Deloitte University, or DU do those in the know, and I wrote an article in Forbes about it. Joey, I kid you not out of 100 plus articles

I've written for Forbes, this article ranks number one in terms of views with nearly 35,000 as we're recording this episode.

Joey Coleman: Wow, that's awesome. I mean, obviously it made an impact on more than just Deloitte employees then.

Dan Gingiss: Exactly, which is why I wanted to share the story with our audience as well, but first some facts and figures. Deloitte University was the result of a \$300 million investment, the largest investment for employee development in the company's history.

Dan Gingiss: Every year it serves nearly 10,000 college graduates and 4,300 interns who participate in first year training. Others participate again at various career milestones, such as after a promotion, and that averages an astounding 50,000 employees every year. The 2018 Deloitte millennial survey found that 50% of millennials say opportunities for continuous learning are very important, and 80% say that professional development or formal training is the most important thing for them to be their best. And 90% of the sessions at DU are led by partners, principles, and managing directors, sharing real world experiences and simulating interactions with clients.

Joey Coleman: I mean, for lack of a better way of putting it, Dan, this sounds like a really fun school and a really big school, right? I mean, when you just think about the logistics of managing 50,000 employees going through training, 10,000 new employee college graduates, I also found it interesting that over 4,000 interns go through training there. I think it's, often when we think of interns, most companies are like, "Oh wait, we have an intern showing up today? Oh, what are we going to have them do?" And clearly Deloitte has decided to invest in these interns, who ideally most companies have interns to vet future potential employees. So it makes sense to make the investment early on.

Dan Gingiss: Exactly. And as you point out, this is a big and impressive facility. It is not your ordinary training facility. It's located in Westlake, Texas, an upscale suburb of Fort Worth. And it's five stories high in a quarter mile in length. There are more than 30 classrooms just on the first floor, while the other floors contain a total of 800 sleeping rooms, plus a restaurant, and a state of the art fitness facility.

Joey Coleman: Wait a minute. So it's like a dorm with the classrooms attached and restaurant, this is like one stop learning, eating, sleeping, everything all bundled together.

Dan Gingiss: It is all except it's more like a five star hotel than a dorm.

Joey Coleman: Nice.

Dan Gingiss: The floors with living quarters contained communal areas called city places. And I thought this was really cool. Each of the city places highlights a large Deloitte office around the world and they actually stock the city places with snacks and beverages that represent each one of those locations.

Joey Coleman: Oh, so it's like Epcot center but for corporate training and development.

Dan Gingiss: Exactly, exactly. And Heidi Soltis-Berner said that she tries to create her words, "A platinum level experience for employees," so it really is like a high end hotel. In fact, I got Heidi to record us some exclusive audio talking about Deloitte University, so let's hear from her in her own words.

Heidi Soltis-Be...: Deloitte University, or DU as we call it, is our 700,000 square foot state of the art leadership learning and development center located in West Lake, Texas. When we opened DU back in 2011 the idea of brick and mortar learning center went against conventional wisdom at the time. However, we made the bold decision to invest \$300 million because we believed in the importance of a facility like DU to enhance and evolve our culture and the development of our people. It was the single biggest people focused investment in our organization's history. Since 2011, we've delivered more than 6 million learning and development hours to our people, we've continued to invest in and evolve the DU, so it meets the needs of our professionals and the most pressing issues our clients face with innovations like our 5G partnership with AT&T and our digital hub, an example of the truly immersive experiences available.

Heidi Soltis-Be...: There are so many things that set DU apart, from our very focused intent on helping our people hone their soft skills in today's digital age, our commitment to wellbeing, and our commitment to sustainability. DU has exceeded our original vision as well as the expectations of tens of thousands of people who experienced DU every year. In fact, DU has become the cultural home of Deloitte, bringing together people of diverse backgrounds and experiences from every aspect of our business to share new insights and bold ideas. Deloitte University's global footprint now includes six campuses around the world, and above all DU is first and foremost about our people. As we look to the future, we are excited to see how the learning and development is taking shape. And we are proud to have been a first mover in this space. As the global business landscape continues to shift and change and new issues emerge, our goal is for DEU to continue to lead the way in developing a workforce of the future prepared to tackle tomorrow's most crucial challenges.

Dan Gingiss: Now one other thing that Heidi does is she continually monitors guest experience with post-training surveys, and she has sustained a rating of 4.8 out of five with overwhelming positive feedback from participants. So what I

think is so interesting about this, Joey, is that this sounds like it could be a independent for-profit college and yet it's actually part of this really big company.

Joey Coleman: Well, I think it's great that so many companies claim to care about the education and the growth and learning of their employees, but Deloitte has really invested. I mean \$300 million, that is not an inconsequential sum. But what I love about this, and we've talked about this in previous episodes, is the commitment to continuous learning. The commitment to creating a space and an environment that fosters learning and innovation. I love that they sleep, and eat, and learn all in the same building because as you know, as a fellow speaker, all too often the place where you have the ballroom, where you're giving the speeches might be in the hotel. But the second that people go to their rooms, nobody's talking to each other anymore. Whereas it sounds like in this model, you know that everybody who's "staying" at the facility is a deployed employee who has that point of commonality. And as a result I imagine there's some interesting conversations or as they refer to in the interior design world collisions between different employees walking through the facility.

Dan Gingiss: Yeah, and I think it starts with the fact that the first time you see this is as a brand new employee. And you talk about in your book about the first 100 days of being a customer and very similarly, the things that you experienced in your first few days at work are really going to set the tone for how you feel about working for the company going forward. And I've been multiple times, I've been at companies where they don't even have a computer set up for me on the first day.

Joey Coleman: Right.

Dan Gingiss: Right. Because IT couldn't get around to it. And that sets a tone and you're like, "Oh, okay, this is not really an organized company." Whereas Deloitte is taking these people to Texas to have this immersive experience where one of the things that happens, like with my sisters, they walk out saying, "Wow, am I glad to be here."

Joey Coleman: Yeah. And not only are they taking their new employees, they're continuing to bring back their veteran employees for ongoing education. And I imagine the ability to give that platinum experience reminds the employees of the experience that Deloitte wants them to deliver to their customers. We talk a lot about the fact that you can't ask an employee to deliver a remarkable customer experience if they don't know what one is. It sounds like the employees of Deloitte who have spent time at DU absolutely understand what that level of an experience should feel like.

Dan Gingiss: Yeah. And even a step up is, it's basically used as a form of reward, right? Is that when you get promoted or something big happens in your career, you get to go back and get this added training. And so it's something that they've realized that their employees want and so then they're offered, they're able to offer it.

Dan Gingiss: So one last thing to just point out here is you don't have to spend \$300 million to do this for your employees. Sure, you may not have the same five star hotel set up with all of the city rooms and their snacks. But the point is, is that Deloitte has their finger on the pulse of especially the millennial employee population and what they're looking for at work, and they're providing it to them and creating happy employees, which as you said, create happy customers. So think about how you can do that within the auspices of your own organization. How you can focus on not just having that one week of employee orientation that has the same online classes that everybody's taken for the last 15 years, but really trying to spruce it up, make it different, give people exposure to higher ups in the company, and really realize that that first week or two is going to set the tone for how they behave and act and work and commit to your company going forward.

### **[This Just Happened] Dominoes Insurance**

Joey Coleman: We love telling stories and sharing key insights you can implement or avoid based on our experiences. Can you believe that this just happened?

Dan Gingiss: So here's a fun fact about me, Joey.

Joey Coleman: Oh, I know a lot of fun facts about you, Dan. What's this one?

Dan Gingiss: Well, this is what I must confess. I often use in the two truths and a lie game. So if we ever play this, you're going to have to pretend like you don't know it.

Joey Coleman: I'm going to try to potentially avoid playing this game with you, Dan, but okay, I'll bite.

Dan Gingiss: It's a lot of fun. But anyway, the fun fact is that when I was in high school, I actually delivered a pizza to Michael Jordan.

Joey Coleman: Wait a second, the man, the myth, the legend himself, MJ? You, Dan Gingiss, delivered a pizza to him?

Dan Gingiss: Number 23 /45, yes I did.

Joey Coleman: Oh, I liked this /45 that shows that Dan is an actual fan. The 23 is an easy serve up folks, but the /45 is special. I like it.

Dan Gingiss: So it happened when I was working for Domino's Pizza, which I did for almost four years, mostly as a delivery boy. But I also got to answer the phone and make pizzas and in fact when Michael called one time I was able to do all three. I picked up the phone, talked to him, took his order, made his pizza, and delivered his pizza, which was pretty cool.

Joey Coleman: Door to door service from Dan the Domino's Man Gingiss, I love it.

Dan Gingiss: So I have always been fascinated by the Domino's brand story, which as you probably know if you followed, has really evolved over the years. And a couple of years ago the CEO publicly admitted that their pizza didn't really taste very good and they redid the recipe. And I will say objectively, if you have not had a Domino's pizza in a long time and you're still remembering what it tastes like when you were a teenager, try it again, it actually is pretty dang good.

Joey Coleman: Dan, no pun intended. I think I'll bite, I'll try that because I haven't had Domino's in a long time, and I do have memories of it being a very economic solution but not necessarily a gourmet solution, which is usually not what you're looking for when you're in college ordering pizza.

Dan Gingiss: Yes. And I'm not sure that I would go so far as to say gourmet, but they still do have... It is still a very good economic solution as well. But in any event, one of Domino's newest marketing initiatives is to actually offer insurance.

Joey Coleman: Okay, wait a second. We were just having a really nice positive conversation about pizza. I was salivating, I was getting excited about this, and now you mentioned the word insurance from a pizza company?

Dan Gingiss: Yeah. So I thought that too, but it may not be what you think.

Dan Gingiss: It started with what they called carry out insurance, and I urge our listeners to Google the TV commercial on, you'll find it on YouTube, it's actually really funny. And sure enough on their website they talk about the things that are covered by their insurance program. The headline says, "Yeah, we cover that," and it gives examples like, "I slipped on something slippery," or, "Rain, so much rain," or, "It got cold while I was stuck in gridlock," or, "I braked, it flew," or, "I was balancing it on my head and I don't have great balance." "My dog licked it." "A stranger sneezed on it," and so on and so forth. The deal is, is that if your pizza gets ruined or damaged in any way after leaving the store, you can bring it back and have it be remade for free. Now of course you have

to bring the whole pizza back, you don't get to eat all the slices but one and then claim that the dog licked it.

Dan Gingiss: So with the success of that program, Domino's recently added delivery insurance. According to their website, it says, "Whether you've invited the gang over to watch the big game or you're settling in for family movie night, Domino's creates made to order meals that satisfy everyone. Domino's stores do everything they can to make sure their pizza experts create your meal exactly the way you want it. Domino's delivery insurance program provides extra peace of mind. Something wrong with your order? Simply make a claim and dominoes will make it right," and they make it right by either providing a coupon for 20% off your next order or 60 rewards points, which is the equivalent of a free pizza redeemable in the next 30 days. Pretty cool, huh?

Joey Coleman: Yeah. This is actually an insurance program that I could get behind and what was funny is you were explaining the program, which I had not heard of before, I was reminded of the times where the pizza slid off the seat and the car because I broke fast and now the toppings are on the top of the pizza box instead of on top of the pizza, or where things did... I've thankfully never had a dog lick the pizza, but when you think about all the things that can go wrong and how frustrating that is because you've left to go get the pizza and come home and your family, or your friends, or even just you by yourself are excited to eat the pizza and now there's an issue with the pizza. What I really like about this is that it gives customers peace of mind and makes them much more likely to trust the brand.

Joey Coleman: I mean, when you think about how often something happens that would necessitate if you will, a claim on this insurance policy. It's not often enough that I think Domino's would be too worried about it, but diminishing those fears could be pretty significant. It also acknowledges that mistakes happen, but customers shouldn't be worried about it. I mean, I think all of us have had the experience at a restaurant where you walk away and you drop the drink and it spills and then you go back to have them refill the drink and it's like, "I just spilled this right in front of you. Can you just refill it?" And sometimes they're very gracious and happy to do that. Other times they're like, "Well you can buy another one." Finally, I like the fact that it eliminates a customer pain point of having to complain about a wrong order. Now they can just open the app or go to the website and report the issue and it gets solved and it gets solved in a good way, they get an entirely new pizza.

Dan Gingiss: Yeah, this is a far cry from back in the day where they had the 30 minute guarantee for delivery.

Joey Coleman: Yeah, I remember that.

Dan Gingiss: And I was a driver of back then and you know that may have caused a little bit of aggressive driving to make sure that I got there within the 30 minutes. But I like this because it's so customer friendly and it clearly understands the customer perspective. I mean, look, we've all had a case, whether it be with pizza or some other food where the order is wrong, and part of that is because human beings are making the order, and so human error is inevitable. For Domino's to come out in front of that and say, "Hey, we know this is going to happen," like when their CEO said the pizza didn't really taste good, it's genuine and authentic and that's what today's customers are attracted to. So I think this builds a lot of brand value.

Joey Coleman: I love it when a brand speaks truth or speak something that all their customers know. When the CEO of Domino's said, "Hey, our pizza doesn't taste very good," it wasn't like there were huge customers going, "Oh my gosh, no, it's the best pizza I've ever tasted," customers are like, "Yep, that's true. And we're excited that you know that as well." I think the same holds true for this insurance policy. It's like, look, things happen that aren't your fault and maybe even if they are your fault, it diminishes your experience of our brand. So we're going to be there to back it up and help you out.

Dan Gingiss: Yeah. Both of us know, I think a lot of our listeners know that self deprecating humor is usually very effective and it's why I try to get in front and tell all the bald jokes before anybody else can. Right?

Joey Coleman: I do the same with the lawyer jokes, it's totally fine.

Dan Gingiss: Exactly. So I think that's one of the things that Domino's has figured out, is they made this TV commercial, again, about the take carry out insurance is hilarious. This guy's literally trying to get his pizza home and all these things keep happening that are preventing him from getting there. And then the commercials message is, "Don't worry, we'll make you a new one. Hot and fresh."

Joey Coleman: Do you have to pay for the insurance or is it just a promotional program?

Dan Gingiss: Nah, it's just part of-

Joey Coleman: So it's just part of the marketing stick. It's not that [inaudible 00:19:54]. So I think what's interesting about that too is they're taking something that we all like but don't like to pay for. We all like the idea that our risk is mitigated with insurance, but it drives us a little crazy to A, pay for the insurance, and then B, worry about what things will be covered. They're eliminating the two parts of insurance that we don't like, paying for it and, "Oh, but we're only covering this weird random thing. Not all the things we know are going to actually happen."

Dan Gingiss: Exactly. So the takeaway here is that when you focus on your customer and understand both their needs and their worries, you can creatively approach those through marketing and your product offering. As you said, Joey, our guess is that Domino's probably doesn't pay out on this assurance very often, primarily because the vast majority of the time they do get the order right, but they've gotten a lot of mileage out of the advertising campaign across multiple channels, and in the process they've likely changed the minds of many of their consumers. Before we finish, I just want to say one more thing, to the customer that always used to order the small triple anchovy pizza, that's just gross.

### **[CX Press] The Cost of Neglecting CX**

Joey Coleman: There are so many great customer experience articles to read, but who has the time? We summarize them and offer clear takeaways you can implement starting tomorrow. Enjoy this segment of CX Press where we read the articles so you don't need to.

Dan Gingiss: Today's CXPRESS article comes to us from Benedict Clark, the content editor at acquire.io, which provides chat, video, and co-browsing solutions. The article is titled, The Cost of Neglecting CX.

Joey Coleman: Spoiler alert, folks, it's a big cost.

Dan Gingiss: Yes, you are right on the money there, Joey.

Joey Coleman: Oh, I see what you did there. All right, fair enough.

Dan Gingiss: Anyway, the article begins by stating a somewhat obvious but still startling fact, "You think it'd be easy for businesses to keep customers front of mind after all, they're the reason they exist in the first place, but sometimes the temptation to cut corners, minimize costs, and try to maximize immediate returns simply proves too strong to resist. Before you know it, your customer experience has been critically compromised. It just isn't a sustainable approach."

Joey Coleman: Clark goes on to identify four reasons why companies may neglect the customer experience. Number one, they don't have the right technology. Number two, they don't have the right culture. Number three, they don't have the right processes. And number four, they don't have the right strategy, which includes proper prioritization. So what are the actual costs of poor customer experience? Well, let's discuss them.

Dan Gingiss: Number one, and probably the biggest, is you lose sales. Vision Critical estimates the overall impact of bad customer experiences in the United States is more than \$537 billion.

Joey Coleman: That's billion with a B, right?

Dan Gingiss: [inaudible 00:23:00] billion.

Joey Coleman: Yeah, it's huge. It's a lot. Number two, your reputation suffers. 86% of buyers are willing to pay more for a great customer experience. And if you're not providing that, people will know and they will tell other people, who will then tell other people, and this is bad.

Dan Gingiss: And here's the other thing, folks, if you're not providing it, someone else will. And so it's not just that your customers are running away from you, they'll be running toward your competitor.

Dan Gingiss: Number three, you lose customers. A study by Temkin Group found that 86% of customers that received a good customer experience said they would buy from the company again compared to just 13% who received very poor customer experience. The stats here are clear. If you deliver a positive experience, people want to continue being your customer. If you deliver a negative one, they're going to find someone else to give their money to.

Joey Coleman: And last but not least, number four, you miss out on talented staff. More than 70% of US workers will not apply for a job at a company with negative press. What's more, companies with bad reputations often have to pay employees more in order to stay. Folks, this stuff feeds upon itself. A bad customer experience leads to a bad employee experience, which then leads to a bad customer experience, which then leads to more bad employee experiences.

Joey Coleman: So when we think about having A players, and the most talented staff, and the people who will really deliver, they are attracted to companies with positive press. They are attracted to companies that deliver remarkable customer experiences.

Dan Gingiss: One of the things I like about this article is that it takes what we say on this show and flips it on its side. It comes to the same conclusion, but we're always talking about why it's so important to create a great positive experience. And what is often not talked about is what happens if you don't, right? You and I, being in the business that we're in and working with the companies that we work with, we're used to being around people that agree with us that customer service and customer experience is something we should be focusing on. But this really takes a look at, "Okay, if you don't buy

this, if you want to just pretend that this customer experience revolution isn't happening, okay, go forward, but do so at a huge risk."

Dan Gingiss: And here's what happens if you want to ignore this trend, losing customers, losing sales, losing reputation and losing employees, I'm not sure what's left after that.

Joey Coleman: Well, and I think for all of our listeners who may have been in a situation where a boss, or a board of directors, or someone you report to ask you to justify the cost of a customer experience initiative, we all know that that's sometimes difficult to do. How do you put a price on success? How do you put a price on what that looks like to create those remarkable interactions? This provides some interesting opportunities to say, "Well, I may not be able to tell you how much it's going to improve our business, but I can tell you how much problem we're going to be able to avoid and how much loss we're going to be able to avoid by focusing on the customer experience."

Dan Gingiss: Exactly. And I think that that speaks as loudly to a finance department or to a CEO as the benefit that you can get from doing it. So it's a great takeaway for our listeners to say, "Look, sometimes it's difficult to calculate an exact return," although I will argue that you should harder because I think generally it is calculable, if you, or calculatable, what word is that?

Joey Coleman: Either way you can add the numbers up and it's bigger.

Dan Gingiss: Okay. Yeah. Calculatable I think I'm going to go with. You can calculate it because you can understand the lifetime value of a customer and the future value that that customer will bring by staying with you. You can also obviously estimate that same value if the customer walks out the door, and remember that when they walk out the door it's a double negative because you've lost them as a customer and your competitor has gained them as a customer. So it's like losing two.

Joey Coleman: Yeah. So it doubly hurts your bottom line because as your customer goes to that competitor, that competitor now has more revenue to work with, they have more profit to work with, they can start to compete with you in different ways, offer more technology solutions, offer more free things to the customer. And so to your point, Dan, you really are losing twice.

Dan Gingiss: So the article states that if you want to create a great customer experience, you should do three things. One, create conversations with your customers. Two, unite all of your departments. Man, is this one important to you? So tired of siloed departments.

Joey Coleman: Yeah, yeah. I say this all the time. As a guy who grew up in the Midwest in a farming community, silos are incredibly important and useful and valuable on

a farm. In a company, they are terrible, they cause all kinds of problems. And here's the thing I'm going to keep saying this until companies break down the silos in their organizations, because we've all heard it before, we've read it in the magazines, we've heard keynote speakers talk about this, and yet so many organizations, as soon as they break into their little fiefdoms or their departments or silos, it's as if they're competing against each other instead of competing against the competition to create great experiences for their customers.

Dan Gingiss: Right, we're all on the same team. We all have the same logo on our business cards. And number three is to be omni-channel, which is another way to say be where your customers are. So as with all CXPRESS articles, we'll include a link in the show notes at [www.experiencethisshow.com](http://www.experiencethisshow.com) if you'd like to read the entire piece.

Joey Coleman: Wow, thanks for joining us for another episode of Experience This!.

Dan Gingiss: We know there are tons of podcasts to listen to magazines and books to read reality TV to watch. We don't take for granted that you've decided to spend some quality time listening to the two of us.

Joey Coleman: We hope you enjoyed our discussions, and if you do, we'd love to hear about it. Come on over to [experiencethisshow.com](http://experiencethisshow.com), and let us know what segments you enjoyed, what new segments you'd like to hear. This show is all about experience and we want you to be part of the Experience This! Show.

Dan Gingiss: Thanks again for your time and we'll see you next week for more.

Joey Coleman: Experience.

Dan Gingiss: This.