From ***Even Monkeys Fall From Trees***

Chapter 6: Attitude #2: Being <u>improvement oriented</u>, (Lessons From Disney)

Striving for continuous improvement; Don't "rest on your laurels."

The next key attitude you need is being <u>improvement oriented</u>, which means you are always ready to learn and do whatever you can better and better.

Unfortunately, in some companies, leaders and employees have a "take it or leave it" or "take us as we are" mentality. When this accept-us-regardless attitude is combined with a sense of we-know-best superiority, this becomes an elitist, "we are always right" mentality that can backfire and cost you customers, no matter how good your product or service. Over time customers will start leaving, since they resent this better than you are approach, such as when customer service reps might think: "Listen, Mr. Customer, if you don't like the service, there's the door. We have plenty of other people clamoring for our product, so we don't need to take time to deal with a few complainers like you." The only trouble is that as this attitude gets repeated in multiple contacts with customers, you can start subtracting more and more of these customers.

In effect, you have a "sacred cows" attitude that needs to be changed for an improvement oriented approach, based on realizing that every company has things to learn. So you need to put this sacred cows attitude out to pasture, because it conveys a tone of snobbish arrogance by managers, sales people, or customer service reps. They regard customers with questions, problems, or complaints as an annoyance and treat these customers as if they should consider themselves fortunate to do business with the company. Needless to say, customers find this approach offensive and demeaning.

Most commonly, this attitude occurs in businesses selling a product or service with snob appeal or where a company has a monopoly or near monopoly on a currently desirable product or service. For awhile, customers may put up with this "better than thou" attitude, if they value the product or service enough. But they won't for long, because many customers will feel so upset at how they have been treated that they will leave for other companies, leading to the company's demise if this arrogant approach doesn't change.

The business history books are full of company has-beens that rose to glory on some innovation, thought they owned the market, and treated their customers arrogantly. But they soon faded into oblivion, typically when competitors sprung up offering a similar product or service with a smile. "Sacred cows" aren't limited to attitudes, they can also be products, policies, or people that have enjoyed a certain amount of success and the respect that comes with it. Yet, if left alone, sacred cows often turn into untouchable icons of the past. Even with some success, a company can fall into this know it all, we don't need to learn attitude. So then this "if it ain't broke, don't fix it" mindset turns into an "even if it's broke, don't mess with it because it's been around for a long, long time" mantra – which paves the way for an outdated dinosaur product or company.

I experienced a dramatic example of how this attitude can undermine a company, when I worked with the Walt Disney Company during the late 1970s and early 1980s. Due to developing a self-satisfied attitude, Disney nearly collapsed before its mid-1980s rescue. The near disaster happened because even though Walt Disney often admonished the troops to "never rest on your laurels," Disney's employees began doing precisely that. Increasingly, they came to take the customer for granted with a "we know what's best" arrogance. Their thinking was that Disney had been the leader in family entertainment for decades and had no competition. So the top managers started cutting costs in areas they thought "didn't matter."

At Disneyland, for example, top management got rid of the mountain climbers on the Matterhorn, thinking they didn't add much entertainment value or return on investment relative to the cost of their salaries and liability insurance. For the same reason, after the original Tinkerbell retired, the company decided not to hire a replacement. As a result, while Disneyland remained a safe, clean, enjoyable place to visit, it lost more and more of its magic.

Unfortunately, this loss of magic, due to Disneyland's belief it was securely on top, led other companies to recognize Disney's weakness. They began whittling away at Disney's customer base, and new forms of competition came from areas never before considered a source of competition. An example of this was the development of the giant shopping malls, which were turning into entertainment centers, with lots of free window shopping and no parking and entrance fees. Some malls even offered fun rides for kids. Given these new attractions, families eagerly responded to these lower-cost recreational opportunities close to their homes rather than trek to Disneyland. So year-by-year through the late 1970s and early 1980s, attendance declined.

Meanwhile, the top management of the Disney Studios in Burbank, California, was oblivious to the growing challenge as they continued to look back to the past rather than ahead. They continued to make creative decisions by asking: "What would Walt Disney think?", since they so honored his legacy. But by being stuck in the past, they stopped being truly creative, since they stopped paying attention to what customers wanted and stopped taking risks, which was the hallmark of Walt Disney's approach. Repeatedly, he pushed creative limits with new forms of entertainment, such as being the first to create animated features with sound. But now, the Disney Studios floundered with two unimaginative and unsuccessful approaches to film making. First, they repackaged old successes and turned out tired sequels to movies like *Herbie the Love Bug*, using older actors no longer popular with the younger generation. Second, they produced new films like *Tron* and *The Black Hole* to attract a new generation of viewers, but the films lacked interesting plot lines and innovative special effects. Yet, even with these box office bombs, the Disney management for several more years through the 1980s refused to recognize Disney had lost its competitive edge and was no longer at the forefront of the entertainment industry. Rather, while Disney took the safe, conservative route, a new breed of filmmakers with a more edgy attitude and awareness of customer interests, such as George Lucas and Steven Spielberg, were experimenting with creative, new approaches. They worked with more daring themes and explored technological breakthroughs, leading to blockbusters like *Star Wars*, *Raiders of the Lost Ark*, and *E.T. The Extra-Terrestrial*. These new films pushed the competition to new heights and Disney couldn't meet the challenge.

The underlying problem was a cocky arrogant attitude, based on thinking that anything with the Disney name on it would sell – an attitude which cascaded down the ranks to front-line employees. For the most part, employees didn't realize there was a problem in Disney's attitude, while those who did sense a problem were afraid to rock the boat by raising any questions.

For example, when I was at the Disney University, I experienced this arrogance when I submitted a request to management to attend a leadership seminar organized by a leadership training company. I said I wanted to attend an "outside" seminar to stay up to date on the latest trends in training at other companies and in other industries. But my request soon came back "Denied," on the grounds that I needed no training. As management put it: "We're Disney, they ought to learn from us."

Other front line employees were negatively affected by this arrogant attitude in other ways. For example, since Disney hadn't had a blockbuster film in many years, there was a lack of new products at Disney theme parks in California and Florida. That's because a successful film is a springboard for new toy and clothing lines and new parades and rides based on the plot of the movie. But since there were no box-office hits, Guests at the Disney theme parks saw the same old tired rides and merchandise, and they often complained about this to the employees in the shops.

In short, Disney was now following a formula for failure. Management and employees were armed with an attitude of arrogance and not willing to innovate, while the company suffered from an aging product line and disgruntled customers. So Disney was gradually becoming a dinosaur, a relic of a past age, and increasingly losing market share. It was only saved by a series of complicated financial dealings that took the company to the brink of collapse. First, on two different occasions, corporate raiders shook up Disney's management by buying millions of dollars in Disney stock, threatening to take over the company, then break it up by selling off individual divisions. But before the breakup occurred a member of the Disney family, who was also tired of seeing the decline of the company his family founded, attracted a group of investors, a so-called "white knight" group that was interested in keeping the company intact. The investor group began by buying back the shares of stock from the raiders for a multi-million dollar "ransom". They then instituted a huge management shake-up that brought in a new CEO, president, and management team with entertainment industry know-how and the willingness to take the risks to remain competitive.

Such an arrogant, self-important attitude that nearly brought down Disney is destructive for employees in any company. It can undermine not only myopic managers who believe they are invincible, but the front-line employee who thinks that he has so much important information or that his performance is so superior that no one will ever fire him. Steeped in these delusions of grandeur and being irreplaceable, such an employee is apt to treat even coworkers like lowly juniors beneath him, while completely ignoring underlings unless giving orders. Commonly, other employees soon dislike such an employee and hope he is fired, which is likely to soon occur – often when a supervisor finds a way to replace him.

In short, as these stories illustrate, this typical process of decline due to arrogance occurs because, quite simply:

Arrogance Leads to Complacency which Leads to Eventual Failure Unless Changed

It's an inevitable result because this "we're great and invincible" attitude undermines both the individual and the company, since it not only inspires a negative reaction from others but stymies growth. It gets in the way of a commitment to improving, because when you have this arrogant attitude, you think you are already great, so you don't need to do anything more. You just want people to acknowledge and honor you for your presumed greatness based on past achievements. But, as described, that requirement quickly turns people off and soon undermines any claim to greatness. This attitude, in effect, keeps you stuck in a movie reel loop that keeps replaying and replaying, until the film finally breaks, because it has just gotten too old and frayed. Or to take another analogy, when you have an arrogant attitude, you quickly wear out your welcome, even if you were once a favored guest. You are abrasive or become "the same old, same old" yesterday's news – great for lining cat boxes, but no one wants to read you anymore.

Exercise: Checking Your Own Company or Department for Arrogance or Complacency

Do you or your company suffer from not being improvement oriented, because you think you're great the way you are? Have you or your company become arrogant or complacent, the two big improvement killers? These are killers, because together, they mean you no longer strive to improve, which is the essence of the critical improvement-oriented attitude. To make sure you aren't falling into the complacency-arrogance trap, take a look around your business to spot any place these attitudes might be undermining the need to be improvement oriented. To help identify problem spots and determine how well you are doing, ask yourself a few questions:

<u>You've got problems…if you say yes to any of these:</u>

- Does any employee feel he or she has earned his spot and doesn't need to work to maintain it? Does any department feel this way?
- Do you see customer service providers showing any evidence of customer neglect by their actions or attitude?
- Do you see any signs that employees think: "We're doing great, so we don't have to do any better."
- Are any successful product lines getting outdated <u>and</u> you're not taking steps to replace or upgrade them?
- Do employees refrain from criticizing products, policies or people for fear of upsetting the "Sacred Cow"?

<u>You're doing well…if you say yes to these:</u>

- Do you and your staff seek to continually learn and improve? How?
- Do you and your staff continually assess the competitive and user-friendliness of your current policies and procedures for dealing with customers?
- Are you and your staff keenly aware of the competition and the possibility of losing market share? What are you doing to keep this loss of share from happening?
- Do you remember to adapt your approach to customers from different backgrounds?
- Are you getting feedback from customers with different backgrounds and using it to adapt your product lines, approaches to services and policies to better respond to

Examine your answers. There are no right or wrong or "good" and "bad" answers, since you are assessing where you are now and what problems you need to overcome. If you or your team answered "yes" to any of the items in the "problem" column, examine how that negative attitude is affecting teamwork, employee relations, product quality and, of course, customer service. Think about ways to improve your product, service or teamwork and don't just *think* about possibilities. Additionally, get out and start talking to your customers, employees, vendors and subordinates to learn what *they* think needs to be improved. This way you get off your pedestal and go back to the grass roots of customer service through finding out what your customers really want, including what they would like to see changed and improved. The next step is to deliver what they want.

A key reason to constantly think: "Improvement" and "Watch Me Improve!" is that people have short memories, so you need to develop a strategy to combat it. The key to a *short memory strategy* is to let customers know you are continually changing and improving. Even if you and your company have been great in the past, you don't have a mystical "right" to customer or employee loyalty, since no person or organization is assured a competitive superiority forever. Rather, you and your company have to keep working to keep that greatness. You have to keep earning it again and again. And to keep earning you have to keep learning. You must be willing to constantly assess your quality of service, then make the necessary changes to improve, if you have fallen down anywhere to survive.

Thus, it's best to change early on, as soon as you notice new trends in your industry or that customers are starting to want something more, since making the changes later on is usually more expensive and painful. That's because then you are like the farmer who has lost everything and has to rebuild his barn and fences and get a new horse, after his horse has kicked his way out of the barn and then broke down the fence on his way to a greener pasture.