Q & A

BIG INTERVIEW
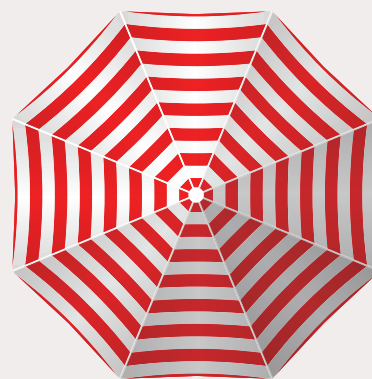
DOING IT THE DISNEY WAY!

In an exclusive interview with People Matters, **DOUG LIPP,** a renowned international consultant, former head of training at the Disney University and the author of best-selling "Disney U" talks about his career trajectory, the pivot on which Disney operates, creating cultures of significance and what it takes to capture the hearts and minds of customers and employees alike

By **Suparna Chawla Bhasin**

GUEST COLUMN

Dr. Paul Marciano
Author of the best-selling book: "Carrots and Sticks Don't Work: Build a Culture of Employee Engagement with the Principles of RESPECT™"

INTERVIEW

Ritesh Rana
VP-HR at Britannia

"I learned a valuable lesson while at Disney and I like to pass it along to my audience in every program I lead. Unless we continually strive to improve our products, service or leadership style, we automatically concede defeat to the competition; no one is ever too good to stop improving."

– Doug Lipp

D oug Lipp is an eminent speaker, author and a distinguished business consultant. His career at Disney began in 1978 as an intern and he eventually trained visiting Japanese executives before Tokyo Disneyland (TDL) opened. For two years, Doug helped manage both the construction and operations phases of TDL, including hiring and training more than 4,000 Japanese employees. The first of eight books titled the Success of Tokyo Disneyland addresses the effects of culture on business and is rooted in the institutionalizing of TDL. After completion of TDL in 1983, Doug returned to Disney's headquarters to lead corporate training initiatives. Doug established his own training and consulting firm G. Douglas Lipp & Associates in 1993. After his career at Disneyland, Tokyo Disneyland, and the corporate headquarters at the Walt Disney Studios, Doug decided to leave the Walt Disney Company to pursue his passion for researching and analyzing successful global corporations.

In this interview, Doug Lipp shares with us what it takes to redefine service and leadership excellence, creating engaged, loyal and customercentric employees, simplifying the complex, popcorn empowerment and the power of having contrarian thinkers around you.

Q You have over 30 years of combined experience of working at Disney, and as an international consultant, author and speaker. So from the very beginning to the present, tell us about what your journey has been like.

A When I reflect on my journey, it's the combination of three things — passion, persistence and preparation. And if I think about working with clients around the world and coaching executives around the world, if you don't have passion, then any kind of a headwind can stop you. Even with passion, if you are not persistent and have not broken doors down, you're going to fail. And likewise, even if you have all the passion and persistence, but if you have not prepared well for what is going to happen or might happen, then you are not going to make anything of it.

My journey started with the passion for learning the Japanese culture, and a passion for being a trainer and a teacher. So when I look back on 30 plus years of work within Disney and with other organizations, its always been about education and passion; it was never about what is my career going to be as far as making money or travel, or what kind of office I will have. Any career journey in my perspective should revolve around what one is passionate about, how persistent one is when competition comes up, and if one is prepared in face of any competition.

Q You credit Disney with having "the world's most engaged, loyal and customer-centric employees". Tell us how Disney does this and what does it take to create the happiest place on earth and a recognizable brand? How can companies today adopt the fundamentals of how Disney operates?

A A lot of organizations around the world have tried to copy Disney's culture. In fact, Disney has a forprofit organization called Disney Institute wherein they invite companies to come in and learn the Disney way. And what I find fascinating about this is that more often than not, organizations read about or use their money to research Disney but only look at the strategic level. They are looking at "how do you copy this" and then take it to a tactical level of training their employees; but before you have the strategies and tactics, the thing that they need to determine is their value set, and how often the organization or its leadership lives, breathes and reflects those values. Quite frankly, anybody can copy Disney's ride systems, technology, software or strategies; but no one can copy or steal Disney's organizational culture. It's the creation and the maintenance of the culture that is the hard part; the application of strategies and tactics is easy.

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Unfortunately, a lot of organizations go after the easy things as opposed to going after the hard ones, which are the values and the culture. And that's what differentiates Disney — there's a rock solid set of values and crystal clear priorities which revolve around safety, courtesy, show, and capacity. The values and priorities have been in place in Disney theme since 1955, and they are still alive and well today; certainly they have evolved over six decades, but they are still the same set of words.

Q In your book Disney U, you talk about pulling back the curtain on the two worlds of Disney — "on-stage" and "backstage". Tell us about this and what it means for companies attempting to make most of their service and their customer experience?

A Onstage and backstage are decidedly show business terms which my mentor Van France, who started the Disney University and created the onboarding and training programs for the Disney cast members, used. Backstage and on-stage refer to back of the house and front of the house. What happens in the backstage areas that support the show, for example what happens in the warehouses, kitchens, or break rooms, and how we treat each other in the back of the house (during meetings or where customers don't see us) ultimately will openly wind up on-stage and in customer-facing places. And let's be clear, on-stage is wherever one comes into contact with customers, whether on the Internet or face-to-face. Unfortunately, what happens is that many organizations don't delineate between backstage and on-stage behaviors and customers are subjected to employees who are bringing backstage stresses on-stage. Disney calls this "bad show," (as opposed to "good show") and every cast member knows the difference. Organizations need to look at the delineation between backstage and on-stage and help employees develop regimens to transition from "breakroom behavior" to "customer-facing" behavior. For example, at Walt Disney World in Florida, when cast members leave backstage break rooms they approach a full length mirror just before going on-stage. In addition to viewing the condition of their costume, they also see a sign posted above the mirror asking: "Are you stage ready?" Both are powerful reminders to be physically and psychologically ready to interact with guests.

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Q You have spoken extensively about capturing the hearts and minds of customers. Tell us how can companies capture the hearts and minds of customers by first capturing the hearts and minds of their employees?

A Consistency of words and actions by leadership is what makes a difference. To give you an example, when I was in charge of the Disney University, we would often times show to our newly hired employees a picture of Walt Disney picking up a piece of trash or rubbish on the ground. And we told them that everybody, all staff, including Walt, needs to take the role ofbeing a janitor. During the training, when I showed the picture, I knew I was just capturing the minds of these trainers. And at this point, they haven't really absorbed the idea. But when we took these newly-hired employees on a tour of Disneyland during business hours, our primary goal was to help them see with their own eyes multiple examples of non-custodial personnel—executives going to and from meetings, or hourly cast members—walking across the park picking up trash. And instantaneously, the picture of Walt picking up trash, and our message of teamwork that we shared with them hours earlier during the training becomes sincere … believable, and the message gets absorbed by their hearts. They no longer "buy" the message but "believe" it, enthusiastically embrace it, and can't wait to bring it to life. That's how you capture hearts and minds, by making sure that your spoken words or written words are alive and well.

Q Another focus in your book is on "simplifying the complex". But we live in radical times where organizations use complex technologies or processes that can sometimes act as barriers to many things, even customer service. So how can organizations "simplify the complex" when it comes to providing customer service or taking care of employees?

A It is very true and our world has become so complex, but the key is for the executives, employees and owners to walk in the shoes of the service recipients and from their perspective, see how easy it is to use "us" – i.e. our products or services. And that's exactly what Van France challenged me with. He said that Disneyland is massively complex factory with thousands of moving pieces in the form of customers, and what we have to do is to make sure that they have a seamless experience and that we don't complicate their lives. To ensure this, we trained our employees over and over so that they understood every aspect of operations and guest service. We provided cast members a specific set of priorities to assess—and solve—every possible challenge our guests might face. By simplifying the complex, we metaphorically changed the complex

"giant pot of stew" that is called "operations" into a simplified "bouillon cube" that every cast member understood. I challenge all of my clients to assess their own "essence" and whether or not they have developed the crystal clear operations priorities that still set Disney apart from the competition. Sadly, most organizations do not provide their employees with the "bouillon cube" of operations expectations and clarity; priorities constantly change and employees are befuddled by constantly moving targets and to much complexity. Yes, the world has become more complex, but the best leaders know how to simplify.

Q One of the many intriguing themes in your book is the theme of "popcorn empowerment". Tell us more about it?

A Empowerment is a word that a lot of organizations use, but unfortunately, too few organizations really have an empowered workforce. "Popcorn empowerment" is a clever word but it also relates to something we did very successfully at Disney theme parks. When organizations say that they want a more empowered workforce, I always look at 2 things, and usually one of the two is missing. If you want empowerment, you have to have trained employees; but you also need to have an environment or organizational culture of trust. When you have a culture of trust, and you combine that with appropriate employee training and constant development, then you have the opportunity for a more engaged and empowered workforce.

So, in my opinion, trust plus training equals empowerment. So, why popcorn empowerment? At Disney theme parks, we realized that popcorn is the most common thing families buy. But all too often, as soon as a child receives their popcorn, the unfortunate occurs; the child gets bumped and spills their beloved popcorn. Now the child transforms from gleeful bundle of joy to screaming uncontrollably. In some cases, the parents get angry at the child, and onlooking families become sad watching this scene unfold. So instantaneously, Disneyland gone from being the "magic kingdom" to the "tragic kingdom!" Thus, we empowered our cast members to give away popcorn, and to do so in a friendly, engaging "good show" fashion using onstage techniques that we introduced during training at Disney University. So when a child is crying, our employees would go over and say something like "Mickey Mouse told me he saw you spilled your popcorn and knows you're really sad right now. And Mickey Mouse wants to know if you would like this big, fresh box of popcorn."

And within three or four minutes, we have our employee who has improved the day of many customers just by giving away a box of popcorn that really costs nothing. But the investment that we made in training that

employee—to properly give away the popcorn—pays for itself many times over in the course of a summer season or few months of work. Popcorn empowerment signifies an organizational culture that is crafted diligently and methodically. Again, trust plus training equals empowerment.

If the inputs from contrarian thinkers stop, then you run into complacency

Q What can be the core differentiator for leaders in today's world?

A I think it's how leaders react when faced with competition. I think anybody can look good when there's no competition. But how leaders react when the market changes or when new regulations are created by the government—whether leaders stand up and shine, or they run away crying—is the differentiating factor. A Walt Disney quote that exemplifies this is "I've been up against tough competition all my life and I wouldn't know how to get along without it." So when you have a leader who gets up in front of a bunch of employees, leads by example, recognizes competition and doesn't become a complaining "victim"—that is the leader who creates a very loyal following.

Q **You have mentioned somewhere that "Success breeds arrogance, and arrogance breeds complacency". Do you see leaders or organizations doing this often?**

A Success does tend to breed arrogance and if we become arrogant then we might rest on our laurels a little bit. And what I write about in my book Disney U is the power of having truth-tellers in one's organization — people who are contrarian thinkers and who challenge our beliefs. For leaders in particular, the higher we go organizationally, often times, it is more difficult to get honest feedback from people who report to us or work with us because they all want to please us and say things that make us happy. So when I work with leaders around the world, I ask them "Who is the equivalent of your truth teller?" If the inputs from such contrarian thinkers stop, then you run into complacency and your days are numbered.

Q **Tell us about how organizations can create cultures of significance – the preeminent factor driving business success.**

A Cultures of significance can be created by having a set of values, crystal clear priorities, and by leaders who walk the talk. Most importantly leaders need to act and behave as the posters in their buildings say. Often, I see posters that say many things—"integrity," "honesty," "quality is #1," "safety first," and the like—, but the actual practice of leaders doesn't reflect these words. When behavior and words are in alignment, consequences are very clear, and when you hold people accountable, you create a cuculture of significance that is resilient and sustainable.