



Best Practices

Set goals that inspire learning and performance.

“Give me a 10 or I’ll lose my bonus.”

There’s nothing more off-putting than having someone press you for a high survey score. You might walk away shaking your head about the faux feedback you’ve been asked to offer, the guilt you feel when you avoid the survey, or the wasted time and money the company spends on the feedback program. Employees who use this tactic care about getting high scores, but do they strive to deliver a great customer experience?

See beyond the score.

Many managers think of goal setting only in terms of easily quantifiable outcomes, such as sales, retention, complaints, or customer experience scores. They’re valuable as performance indicators, but focusing solely on the score can lead employees to strive for numbers over learning and improvement.

Companies that learn and improve continuously can achieve tremendous results, but creating a learning culture is exceptionally difficult. Our most successful clients set goals to maintain and reinforce a relentless focus on improvement. Here are the approaches that they use.

Create a healthy foundation with learning goals.

If your program is new or has undergone significant change, focus on learning goals to build the right processes and organizational competencies. For example, one Medallia client sets goals based on process improvement actions. Every quarter, each functional leader develops an action plan to improve the customer experience based on feedback, then works with operational teams to implement the plan and assess its effectiveness. By focusing on the action plans rather than the score, the company builds the underlying capabilities to achieve better results.

Other clients establish learning goals based on the number of customers with which they close the loop. For example, a company might ask every frontline manager to complete closed loop training within the first month on the job and close the loop with at least ten customers per week. Rather than evaluating managers based on scores, the company asks managers to resolve problems and learn how to fix underlying issues.

Continue using learning goals until organizational habits around customer experience are strong, as indicated by consistent achievement of aggressive targets (e.g., 95% of detractors receive follow up within 48 hours) and high employee engagement (e.g., 80% of frontline employees log in weekly).



At a glance.

What?

Choose the right learning and/or performance goals for your customer experience program.

Why?

Create a culture of relentless improvement and learning to drive success.

Best Practices

- ✓ Focus on learning objectives before setting score-based performance goals.
- ✓ Ensure that performance goals are effective by choosing metrics that can be tied directly to specific behaviors.
- ✓ Set goals on making ongoing improvements, rather than one-size-fits-all targets.
- ✓ Provide a way for high performers to transfer knowledge and practices to others.

Set challenging and actionable performance goals.

Once your organization masters the necessary skills and habits to improve, set goals based on customer experience performance. Ensure you have one to two years of high quality data as a baseline for goal setting.

1. Aim high. Identify one or more stretch goals, such as “achieving brand NPS® of 60 by 2018.” Stretch goals should align with organizational aspirations, such as becoming the highest-rated brand in an industry. These goals may not be achievable in the near-term, but they keep your company striving toward increasingly higher levels of performance. To develop them, benchmark your performance against peer companies or internal teams with the highest customer experience scores.

2. Gauge performance based on improvement. To evaluate your company’s progress, set performance goals that “close the gap” between current performance and stretch goals. Develop more granular goals for employees, teams, locations, or other units that roll-up to support corporate performance goals.

When you are developing goals at the employee, team, or location level, set different improvement targets based on current performance. Low performing units typically are able to improve by a greater absolute amount than are high-performing units.

3. Choose actionable metrics. Choose performance metrics that are transparent and actionable. One retailer discovered through customer feedback that satisfaction and spending were strongly correlated with customers being greeted by associates and offered assistance. By retraining employees and setting actionable goals that corresponded with survey questions (e.g., “Were you offered assistance?”), the company reinforced the actions frontline employees needed to take to meet targets.

4. Leverage a learning culture. To drive toward a single organizational goal, some companies use high-level metrics that are consistent across departments but not directly actionable by employees. To ensure that this approach is effective, department heads must connect the high-level metrics to specific actions that teams can take to influence the customer experience.

One Medallia client with industry-leading customer experience scores sets brand-level NPS goals and asks each team to identify the actions they will use to drive NPS improvement. Thanks to the company’s strong learning culture, employees understand how to turn high-level targets into actions specific to their team and role.

5. Develop mentoring goals for high performers. For exceptional locations, teams, or employees, develop mentoring goals so that they share best practices throughout the organization while developing new skills. Ask these high performers to coach lower-performing colleagues. Doing so will facilitate long-term success and further enhance your culture of continuous learning.

Example goals in retail.

Learning goal. Use customer feedback to identify one key area for improvement each quarter and implement a corresponding action plan.

Stretch goal. Achieve brand NPS® of 75 and 90% top 2 box satisfaction with purchase by 2016.

Performance goal. Expect a store with a current score of 70% on staff helpfulness to reach 75% the following year.

Mentoring goal. Ask the manager of a store with a current score of 95% to coach an underperforming store so that they it improves from 55% to 65%.

Gold’s Gym sets and meets goals.

At the company’s annual conference, Gold’s Gym’s president set aggressive NPS targets for the entire organization. By setting goals at a high-visibility event, Gold’s united the organization around a common mission and propelled individuals to act.

Each day, gym locations posted NPS statistics and customer comments in break rooms. In morning meetings, frontline teams reviewed feedback from customers. On a monthly basis, members of Gold’s Gym’s C-suite cold-called locations and asked the staff member who picks up the phone: “What’s your NPS?” That activity, which took executives less than an hour per month, reinforced the importance of acting on feedback and improving customer experience.

The results: Over a six-month period at the initiative’s height, Gold’s increased NPS by seven points.