



Lessons from the Nordstrom Way: How Companies Are Emulating the #1 Customer Service Company

by Robert Spector
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Discussion Guide for the “Leading Through Reading Program” by Joanne P. Roukens, jroukens@hrlc.org, New Jersey Library Association Professional Development Committee, November 2004

A “LEADING THROUGH READING” DISCUSSION GUIDE FOR NEW JERSEY LIBRARIES

Introduction

Nordstrom, the successful Seattle-based retailer, is famous for excellent customer service. The stories customers tell of the extraordinary feats of service delivered by caring, dedicated Nordstrom salespeople have become legendary. How can other organizations do the same? As the book’s flyleaf asks, “...what does it take to become the Nordstrom of your industry? What are the elements that go into creating a preeminent customer service organization?”

In *Lessons from the Nordstrom Way*, Robert Spector provides us with a step-by-step method of adapting Nordstrom’s management principles to create our own culture of customer service. This book is a sequel to his best-selling *The Nordstrom Way*, a history of the company and how its executives and salespeople shape its achievements, philosophy and success.

In library land, we like to say, “Well, it’s different for us. We are unique. Our products, challenges, opportunities, problems are like no one else’s!” True, sometimes. Often stuck in patterns of service that were set down decades ago, when we were the only game in town, many libraries aren’t taking advantage of newer ways of doing business. The sole reason your library exists is to provide service to your customers. If they can’t find the information and services they want, why should they use your library? Like any enterprise, we must adjust and respond to new market opportunities or we risk being marginalized. There is much we can learn and adapt from the business practices of other industries.

What makes this book so important and valuable is that Spector gives us ways that we can emulate Nordstrom and craft our own successful customer service strategies.

This book discussion guide will help us to:

1. Learn what the customer wants and needs
2. Apply good customer service principles
3. Commit 100% to customer service

About the Author

Robert Spector, a Seattle-based business writer and speaker, is an observer of corporate cultures. He is the author of corporate histories of an eclectic array of companies, including Chevron, Eddie Bauer and Kimberly-Clark. A native of Perth Amboy, NJ and a graduate of Franklin & Marshall College, (Lancaster, PA), Robert lives in Seattle with his wife, Marybeth, and their daughter, Fae. His website is www.robertspector.com

Robert has written on business for the *Wall Street Journal*, *USA Today*, *UPI International*, *NASDAQ Magazine*, *Customer Service Management* and *Corporate University Review*; on fashion for *Women's Wear Daily* and *Details*, and on civil liberties for *Parade*; and has been a ghostwriter for Dr. Joyce Brothers. He is best known for writing the national bestseller, *The Nordstrom Way: The Inside Story of America's #1 Customer Service Company*. The first and only up-close and personal look at how this company became the national standard of customer service. Robert is the only journalist ever given total access to the inner workings of the Nordstrom culture.

The Nordstrom Way spent 17 weeks on the *Business Week Bestseller List*, and was nominated for the Booz Allen Hamilton/*Financial Times* Global Business Award. It has been translated into Japanese, Korean, and Chinese. Tom Peters called *The Nordstrom Way* "a real winner," and *Business Week* said it "bubbles with customer service insights." Robert is an international speaker on Nordstrom's culture of customer service. His audiences have ranged from Cadillac to the Red Cross. His talks break down the elements of the Nordstrom philosophy and explain how they can be adapted for virtually every kind of organization. His new book *Lessons from the Nordstrom Way: How Companies are Emulating the #1 Customer Service Company* (Wiley), shows how companies of any size--and in any industry--are giving world class customer service. Barry Sternlicht, Chairman and CEO of Starwood Hotels & Resorts Worldwide, called *Lessons from the Nordstrom Way* "a blueprint for providing superior customer service. There are lessons here for people in every industry."

Structure of the Book

Set out in eight well organized, easy to read chapters, Spector systematically identifies the eight Nordstrom management principles that distinguish an organization providing excellent customer service. Each chapter ends with a table that sums up the chapter points and lists actions.

Questions for Discussion

Chapter 1

Provide Your Customers With Choices

- "The more choices you offer your customers, the more likely they will do business with you, rather than your competition." (pg. 1)
- Compare and contrast the Costco customer choices with those available at Nordstrom.

- In what variety of ways does the FirstMerit Bancorporation give its customers the opportunity of doing their banking business? Why is this significant?
- How does the St. Charles Medical Center educate the consumer to make intelligent choices? What benefit does this have?

What choices are we providing to customers? How can we add choices to their library experience?

Chapter 2

Create an Inviting Place

- Having created an inviting place and knowing that women were their best customers, what unique in-store service did Nordstrom pioneer? What can we offer that makes us unique?
- Some of the ways the St. Charles Medical Center makes itself more efficient and customer friendly are letting the patients wear their own clothes, providing valet parking and offering room service from a menu. What effects do these things have on patients and their families?
- The W Seattle hotel has comfortable beds, is friendly to kids and pets, has a great design, but the final ingredient that makes the W an inviting place is the employee. How do they make guests feel welcome?

How can we ensure that our library will always be an inviting place for our customers?

Chapter 3

Hire Nice, Motivated People

- According to Bruce Nordstrom, “We can hire nice people and teach them to sell, but we can’t hire salespeople and teach them to be nice.” (pg. 67) Nordstrom has no formalized training program. How do employees find out how to do their jobs?
- Mick Dahm of the Mike’s Carwash chain says he believes hiring the right people is the key to his company’s success. What is he looking for in an employee?
- The meeting planning consulting company, Concepts Worldwide, emphasizes the value of “mentoring unselfishly.” How would an employee mentoring program in the library help with customer service?

What do we look for in job applicants? How can we make sure “being nice” is one of the criteria we demand when hiring an employee?

Chapter 4

Sell the Relationship: Service Your Customers through the Goods and Services You Sell

- Discuss the phrase “measure both feet.” Why is this important?

- How does trust enable “selling” something to a customer?
- Every employee of FirstMerit is told that they can make a difference in the life of a customer. Why is this important?

Do we take the time to maintain relationships with our customers? How can we pay attention to what they want?

Chapter 5

Empower Employees to Take Ownership

- Take a look at Nordstrom’s inverted organizational pyramid. (pg. 124) What does this mean to Nordstrom employees?
- What role does recognizing the common sense and good judgment of employees play in empowering them to provide good customer service?
- Mike’s Carwash has a WOW Program to reward and recognize associates that provide outstanding customer service. What effect does this have on the company’s employees?

Do we feel empowered to think of the customer first? How can we reward employees for their WOW acts of service?

Chapter 6

Disregard the Rules and Be Innovative

- Customers don’t care about your rules or your bureaucracy. Have you ever been in a situation where you had to make a judgment call not based on the rules? How did you feel?
- Too many rules can stifle creativity. What can we do to encourage employees to think innovatively?
- When making a rule or policy decision, do we think about what effect it has on the customer?

Do we trust the judgment of frontline workers? If we don’t, why did we hire them?

Chapter 7

Promote Competition

- Individual goals and teamwork are identified as major elements in an organization’s success. Competition can be fostered in a variety of ways. How does a charity like Feed the Children use internal competition to meet organizational goals?
- Not every organization or part of an organization is involved with selling or working on commission. How does FirstMerit reward people for purely giving wonderful service?

- Celebrating accomplishments is a great way of thanking people for doing a good job. How can we acknowledge and reward on a small budget?

How can we promote healthy competition in the library? Are we setting individual and organizational goals and celebrating our accomplishments?

Chapter 8

Commit 100 Percent to Customer Service

- The core values of the organization and the people who work there are the foundation of customer service. What are your library's core values?
- It is repeat visits that keep an organization thriving. How do you ensure customers will keep coming back?
- Commitment to what you are doing is the indispensable element for success. How do we promote commitment at all levels of staff?

How can we foster a culture of commitment and customer service excellence? What must we do to become the "Nordstrom" of libraries?

Creating our own Customer Service Goals – Our Library's Action Plan

As a result of our discussion of this book, how can we adapt its principles to help us continually ensure and implement excellence in customer service?

The action plan model below is one example you may wish to use. This or similar concepts can be used to break out specific principles and set goals and objectives for a customer service plan. You may wish refer to the ideas generated by your colleagues in the NJLA document "Leading Through Reading – Lessons from the Nordstrom Way Program Brainstorming Sessions – Strategies for Action. November 3, 4, 2004", which is also available at the NJLA website.

"ACTION PLAN FOR EXCELLENCE IN CUSTOMER SERVICE"

Action Plan Subject: Providing choices	
Activity/ Measure	Install a "book drop" specifically for media
Purpose	Make returning media more convenient for customers
Task	Investigate models and pricing
Assigned to:	Joanne and Pat
Timeline	Installation to be completed by June
Partnerships	Contact Friends of the Library group and other local service organizations for sponsorship dollars