



EAB

# Out-of-Sector Lessons to Drive Innovation

Four Lessons on Culture and Customer Service from Zappos



Carla Hickman

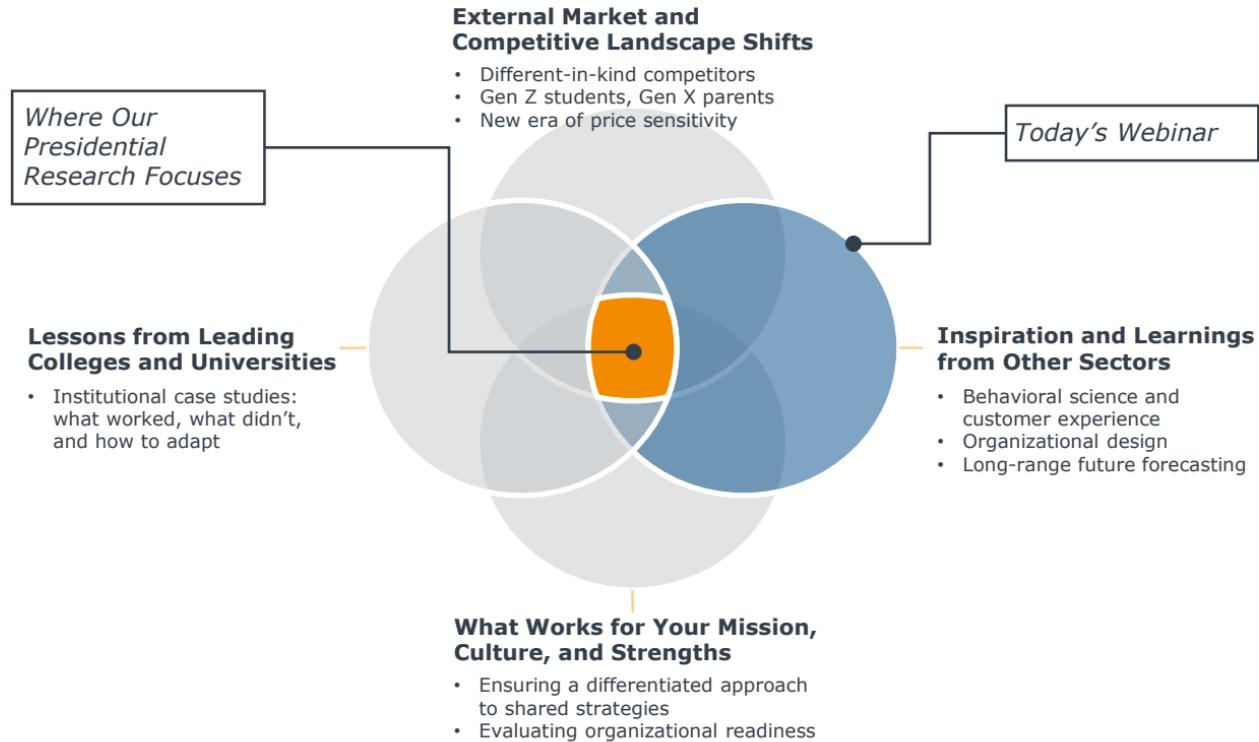
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Higher Education  
Strategy Forum



# EAB Approach to Helping Set Frontier Strategy



# Lessons for Professional Ed from Financial Services

## What Does Banking Have in Common with Professional Education?

Too Easy to Circumvent Branches (and Personal Interaction)



*Professional education analog: over 80% of applicants now stealth*

Infrequent, Large Purchases Around Life Changes



Starting a family



Buying a home



Retirement

## How the Financial Services Industry Responded

**1** *Fostering Repeat "Lifelong" Purchase Behavior*

**2** *Focusing on Positive "Word of Mouth" Referrals*

**3** *Designing Interactions Around Life Events, Not Products*

### YOUNG WORKERS STRATEGY

#### **Old Way – Sell Financial Products**

- Checking account
- Savings account

#### **New Way – Support "Moments of Need"**

- Travel Advice for Vacations
- Home and Car Purchase Advice

*Professional education analog: focusing on the career change, not the credential*

*Let us know if you'd like us to send you related EAB research.*

# Presidential Experience Labs

## Value of the Experience Lab

Immersive experiential learning opportunities to translate out-of-sector insights to higher education

**“**It's long past time for higher education to learn from other sectors. We can't solve all our problems if we only look and learn within the ivory tower. **”**

## Confirmed and Potential Future Destinations



## Inaugural Experience Lab at Zappos

**Wednesday, November 28, 2018**

Welcome Reception

Networking Dinner

**Thursday, November 29, 2018**

The Transformational Experience:  
Four Out-of-Sector Lessons for Higher Ed

Private Group Tour of Zappos Headquarters

Zappos Keynote Speaker and Q&A  
*Alex Genov, Head of Customer Research*

Networking Lunch

Bringing the Lessons Home: Small Group Breakouts and Forward Action Planning

Closing Remarks

# Why It Matters to Get Culture Right

## What Does Culture Mean for an Organization?



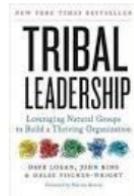
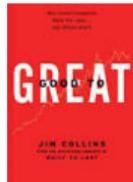
Tony Hsieh  
CEO, Zappos



"Our whole belief is if you get the culture right, then most of the other stuff, like delivering great customer service or building a long-term brand or business, will just be a natural byproduct."

"Personally I cringe at the word "leader." It's more about **getting people doing what they're passionate about and putting them in the right context or setting.**"

## Beyond Startups



*What separates great companies from mediocre ones for long-term performance?*

- Strong cultures
- Purposes beyond money

# Four EAB Takeaways from the Zappos Experience



## 1 Customer Experience

*Applicability to  
student  
experience*



## 2 Employee Development

*Company  
culture  
underpinning  
the customer  
experience*

## 3 Team Engagement



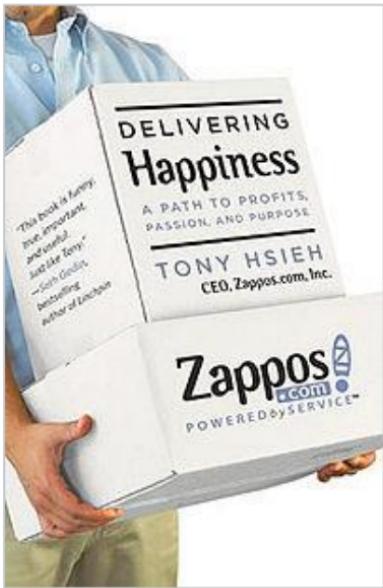
## 4 Community Revitalization

*Extending  
organizational  
values*





# 1. Customer Experience



"We believe that **customer service** shouldn't be just a department, it should be the entire company."

"Looking back, a big reason we hit our goal early was that we decided to invest our time, money, and resources into three areas: **customer service** (which would build our brand and drive word of mouth), **culture** (which would lead to the formulation of our core values), and **employee training and development.**"

# 1. Customer Experience

**90%**

Sales are online

**8,000**

Phone calls annually

EN Customer Service ▾ Available 24/7 at (800) 927-7671

## Unique Call Center Approach



You have the customer's undivided attention for five to ten minutes, and if you get the interaction right, what we've found is that the customer remembers the experience for a very long time and tells his or her friends about it."

- Tony Hsieh, *Delivering Happiness*



Q. Search for shoes, clothes, etc.

SEARCH

 <p>Phone number at the top of every webpage</p>	 <p>No scripts, sales quotas, or call times</p>	 <p>Empowered to take care of customer needs (even if not Zappos-related)</p>	 <p>24/7 warehouse; no waiting for orders to pile up</p>
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## Post-Tour Discussion: Applying Zappos Principles to Higher Ed

- New technologies can enable personalization at scale to promote employee and student success on campus, and give opportunity to use in-person interactions for areas where face-to-face is most helpful
- Empowering advisors and others focused on student success could increase responsiveness to student needs
- Long-term customer loyalty is vital to help institutions build sustainable lifelong learning networks

## 2. Employee Development



### Onboarding

Every employee, regardless of department or title, goes through same training as a call center rep – four-week training program, including on the phone for two weeks



### Career Pathing

In-house life coaches; Zappos U (classes on different business skills and functions across the company)



### Cultural Mindset

Make at least one improvement every week that makes Zappos better reflect its core values (50K of small changes by end of year)



### Hiring

Decline talented hires, even those who can have immediate impact on bottom or top line, if they are not a cultural fit

### Post-Tour Discussion: Applying Zappos Principles to Higher Ed

- Training rotations in student-facing positions help create better understanding of the key issues and functions across the university
- Instilling greater ownership over the success of the institution encourages employees to build their careers there and promotes retention
- Developing and promoting cross-divisional career paths can help retain employees who may be unsatisfied or uninspired by the traditional progression paths in their current role

### 3. Team Engagement

## **Encouraging Connections**

Wishez—internal website  
to make a gift or grant a  
wish



# Sharing Passions

Employees can propose to teach their own classes (e.g., how to change a tire)



## **Recognizing Good Work**

Co-worker bonus;  
in-house currency (Zollars)  
for taking classes or  
volunteering

**Post-Tour Discussion: Applying Zappos Principles to Higher Ed**

- Low-cost initiatives, such as colleague appreciation forums, can be simple ways to build a positive culture
  - Not every culture-building activity has to be campus wide; different ideas may work better for certain audiences or departments

## 4. Community Revitalization



\$350M

CEO Tony Hsieh's own dollars invested in the **Downtown Project**, to revitalize downtown Las Vegas



\$200M

Real estate investments within 60 acres of land

\$50M

Small businesses

\$50M

Tech start-ups, especially those relocating to LV

\$50M

Arts, education, and culture downtown

1,571

Permanent jobs created or supported

### Post-Tour Discussion: Applying Zappos Principles to Higher Ed

- The private sector is increasingly taking on "public good" activities traditionally associated with higher education
- Companies can be valuable partners to colleges and universities in stimulating and sustaining regional economic development

# Zappos Principles in Action



## Institution-Wide Proclamation Puts Students at the Center



University of Colorado  
Denver

Chancellor's Letter to Campus Declares  
**2019 Year of the Unparalleled  
Student Experience.**

"I had the opportunity to visit online retailer Zappos' headquarters... **there is much we can learn from a company like this...**

...the company believes its "secret sauce" is making a personal emotional connection...That too is our goal — to **create a student experience that replicates this kind of personalized attention ...**

## Everyday Operational Changes at Many Member Institutions

### 1 A "no hand-off" rule for all student-facing staff

Staff cross-trained and empowered to solve student problems on-the-spot—may not simply pass off to the next administrator's office

### 2 Net Promoter Score Introduced as Standard Survey Metric

Used to assess quality of both current and prospective student experiences

### 3 Staff Challenged to Make One Small Change Each Week to Reflect Core Mission

Includes tweaks to language in email communications, redirecting minor budget line items, small revisions to staff job descriptions

# Learning about the Future of Work

In Partnership with San José State University and LinkedIn



**January 30-31, 2020**

*Strictly limited to college and university presidents*

## **Day 1: LinkedIn Headquarters**

Sunnyvale, CA, 11:30am start

- ▶ Private group tour of headquarters
- ▶ Behind-the-scenes look at LinkedIn's ecosystem and future roadmap with LinkedIn Executive Team
- ▶ Perspectives on the future of work from the Economic Graph, LinkedIn's digital representation of the global economy
- ▶ Showcase of how LinkedIn is engaging the ever-changing workforce
- ▶ Overview of LinkedIn & SJSU's Data Project Initiative
- ▶ Facilitated small-group discussion session with EAB experts

## **Day 2: San José State University**

San José, CA, 1:00pm adjournment

- ▶ EAB Expert Perspective: Reflection on translating out-of-sector lessons to higher education
- ▶ Case study of innovative partnership between LinkedIn and SJSU that reimagines higher education workforce development
  - Career development pathways that enable students to build portfolios tailored to high-profile companies and specific jobs
  - Using Skills Match Index and LinkedIn Talent Insights data to boost student career outcomes
  - How self-empowerment on the LinkedIn platform drives student success



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