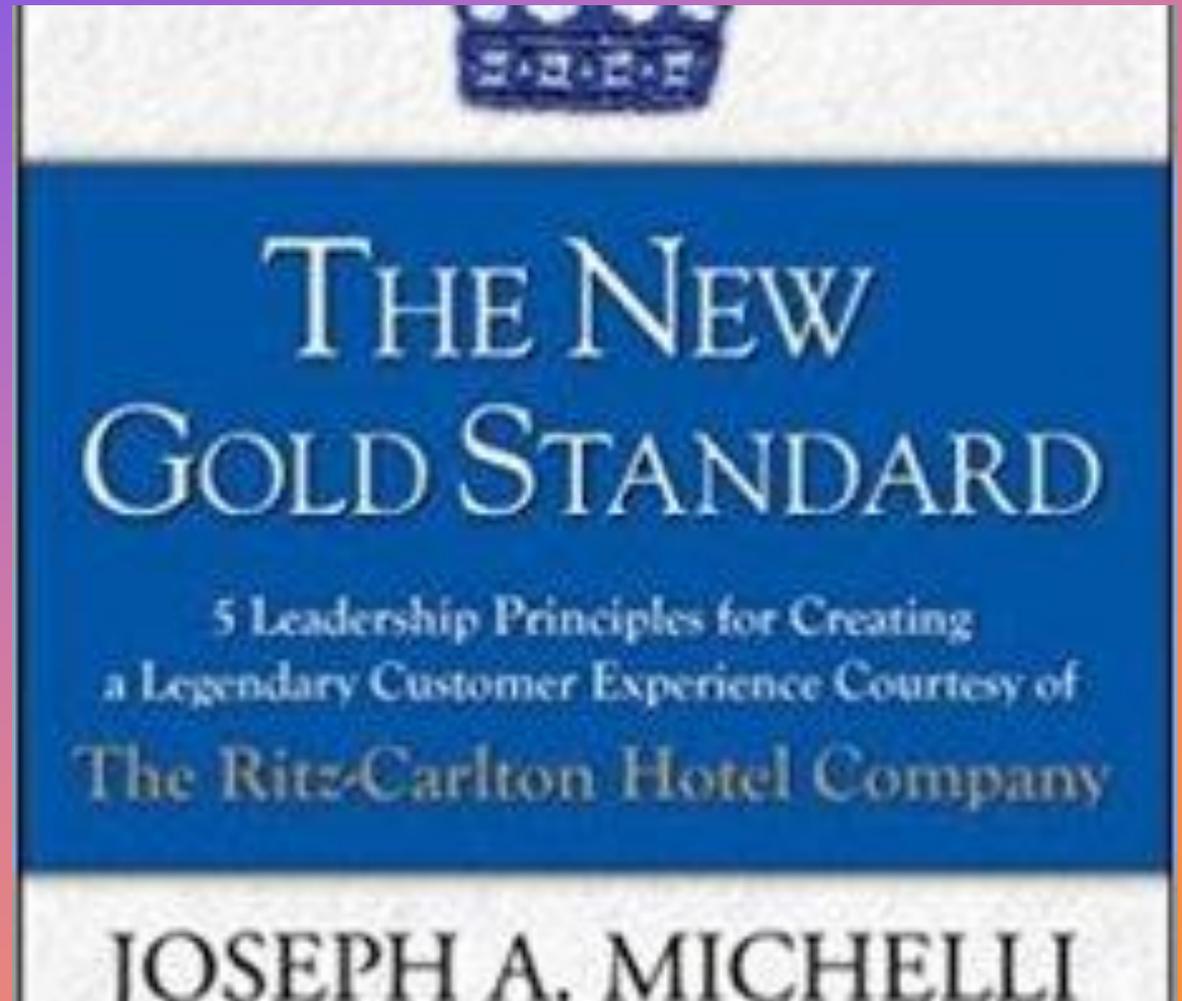


THE NEW GOLD STANDARD

Ritz Carlton's Legendary
Customer Service



Ritz weaves
three steps
into the
core of its
culture

A warm and sincere greeting
using guest's name.

Anticipation and fulfillment of
each guest's needs.

Fond farewell. Give a warm
goodbye and use the guest's
name.

In the food and beverage business, an informational type of lineup is very common.



If your doors open at 6, it's routine at 5 you have a huddle and get the entire waitstaff together. The sous chef might come out and say *'tonight we have fresh mahi-mahi that was just flow in. In fact, I've prepared one'*, and there'd be 12 forks for the 12 waitstaff to taste it.



However it was uncommon to do that in non-food environment. So Ritz decided to use the same culinary lineup, which is very similar to stand-up meetings, in business setting.

Ritz Service Values: I Am Proud to Be Ritz-Carlton

- I build strong relationships and create Ritz-Carlton guests for life.
- I'm always responsive to the expressed and unexpressed wishes and needs of our guests.
- I'm empowered to create unique, memorable, and personal experiences for our guests.
- I understand my role in achieving the key Success Factors, embracing Community Footprints, and creating the Ritz-Carlton Mystique.
- I continuously seek opportunities to innovate and improve the Ritz-Carlton experience.
- I won and immediately resolve guest problems.
- I create a work environment of teamwork and lateral service so that the needs of our guests and each other are met.
- I have the opportunity to continuously learn and grow.
- I'm involved in the planning of the work that affects me.
- I'm proud of my professional appearance, language, and behavior.
- I protect the privacy and security of our guests, my fellow employees, and the company's confidential information and assets.
- I'm responsible for uncompromising levels of cleanliness and creating a safe and accident-free environment.



**Ritz leadership
never hesitates
to roll up their
sleeves and get
their hands
dirty.**

+ One of the doormen put it this way, “I appreciate my company because a supervisor is never too important to drive a car down for me, the doorman.

And the hotel manager assists men in carrying luggage without my saying a word, in short, it's a place where leaders show you that we're all one, where leadership isn't saying it, but doing it. And I mean in all areas of the hotel.”

Ritz goes an extra mile to break every customer expectation.

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 - o • When the guest lost his or her ring, it's good enough for most hotels to go through the laundry. But Ritz refuses to stop there. In one instance, they went to great lengths by taking the washing machine apart and searched for the ring down into the drain. And they succeeded as they found the ring in the catchment area of the drain.

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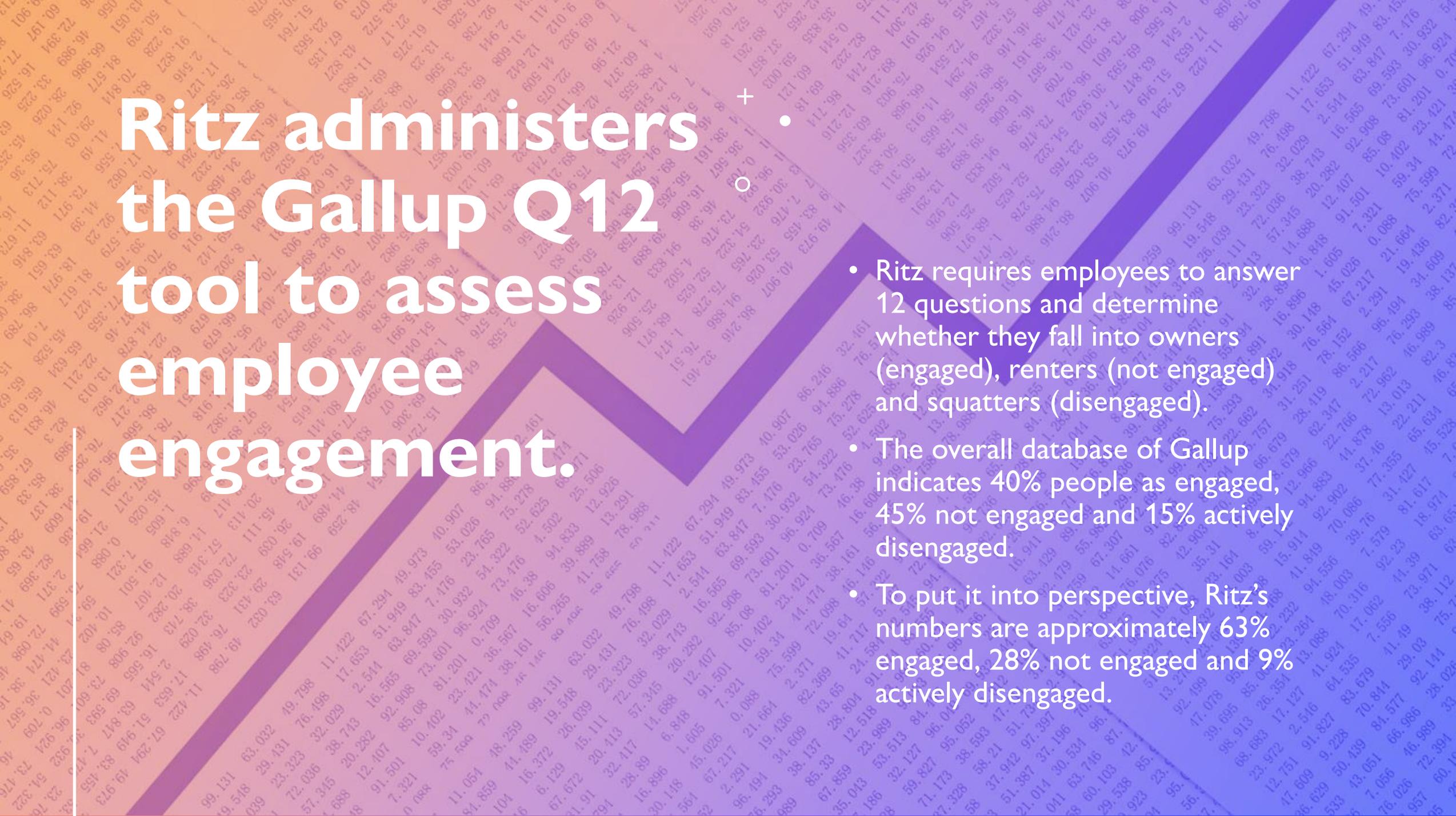
- **Ritz refuses to give average training, even if there's a slight chance of their talents being lured away by competition.**

- While it's less than desirable to train service members who are then sought by your competitors, management at Ritz would rather face that challenge than hold onto less-developed talents. By developing and empowering their employees, Ritz allows them to do their best work at all levels.
- Leadership exercises the patience and respect to step back and let the front line find their own ways to offer guests a memorable experience.
- Every staff including a member of housekeeping is empowered to use judgement, without seeking approval from supervisor, to spend up to \$2,000 on each guest each day! It's all possible because the leadership at Ritz-Carlton has done a fantastic job in educating their workforce the importance of fiscal responsibility.

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• Ritz learns from the elites and act upon the best practices.

- Over the years, leadership at Ritz has 'closed gaps' in business processes by imitating from the best practices of other trends-setting organizations. For example, realizing Ritz lacked a well-defined process for designing new products and services, leadership directly implemented the Xerox's 6-step approach to quality improvement.
- FedEx's systematic ways of service delivery was deployed at Ritz. The \$2,000 -per-day empowerment originally comes from studying Zyrtec corporation and Solectron corporation.



Ritz administers the Gallup Q12 tool to assess employee engagement.

- Ritz requires employees to answer 12 questions and determine whether they fall into owners (engaged), renters (not engaged) and squatters (disengaged).
- The overall database of Gallup indicates 40% people as engaged, 45% not engaged and 15% actively disengaged.
- To put it into perspective, Ritz's numbers are approximately 63% engaged, 28% not engaged and 9% actively disengaged.

Gallup's Employee Engagement Metrics

I know what's expected of me at work.

I have the materials and equipment to do my job right.

At work, I have the opportunity to do what I do best every day.

In the last 7 days, I've received recognition or praise for doing good work.

My supervisor, or someone at work, seems to care about me as person.

There's someone at work who encourages my development.

At work, my opinions seem to count.

The mission/purpose of my company makes me feel my job is important.

My coworkers are committed to doing quality work.

I have a best friend at work.

In the last 6 months, someone has talked to me about my progress.

This last year, I've had opportunities at work to learn and grow.

- + • **Ritz also**
- **uses Gallup model to assess customer engagement levels.**

- There isn't a GM who sleeps the night before the day results come out. Although, rewards and incentives for everyone at Ritz are linked to a variety of factors, they're heavily weighted in the direction of showing improvement in customer engagement scores.

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And...

- When a hotel meets their brand performance marker, it's performing around 97th percentile in Gallup's global competitive database. And that hotel would be considered truly world class and that puts the hotel in Ritz's yellow-zone category. The green-zone hotels are performing around 98-99th percentile and red-zone comprises Ritz hotels that are not performing at their promise. A red-zone hotel is around 94-95th percentile. Some might say 94th percentile is pretty darn good, but it simply misses the mark for Ritz-Carlton

Gallup's CE Metric

How satisfied are you with the company?

How likely are you to continue to choose the company?

How likely are you to recommend the company to a friend?

The company is a name I can always trust.

The company always delivers on what they promise.

The company always treats me fairly.

If a problem arises, I can always count on the company to reach a fair and satisfactory resolution.

I feel proud to be a company's customer.

The company always treats me with respect.

The company is the perfect thing for people like me.

I can't imagine a world without the company

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• **Ritz is
always on
the lookout
for its
unwelcomed
guest
MR.BIV.**

- In a playful spirit, Ritz has identified one guest it doesn't want at its properties: MR. BIV. The ladies and gentlemen are constantly on their toes to track down the presence of MR. BIV, an acronym for
- Mistakes
- Rework
- Breakdowns
- Inefficiencies
- Variations

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Ritz emulates the home of a loving mother.

- Guests want things to be done without having to worry whatsoever. Think about it. When something went wrong at your home as a young child, you told your mother about it. She wouldn't say "I'd check with someone else". She just takes care of it without any excuses and better yet, without requiring you to follow up constantly. When you open the fridge in you home, you find whatever you like without having to play a role in how it got there. The light bulbs got changed and you never have to think about who did it. Ritz understand their service is not only about fulfilling requests, also about noticing and anticipating underlying needs of every single guest.

**Ritz knows not
everything
goes well, and
they
understand
how to turn
around a bad
service.**

Whether the problem is caused by your or not, you can use 5 simple steps to turn the tides.

Share a genuine and compassionate reaction to the person's distress

Offer appropriate apologies.

Assure the person you'll take care of the issue.

Individually and through the resources of your team, see that the problem is taken care of.

Go one step further to compensate for the person's frustration.

Ritz practices immediate service recovery.



- With the rise of social media and customer reviews, companies can't just practice service recovery. They must practice immediate recovery, because the sooner the customers are satisfied, the less likely they will go rant on the Internet.





Ritz would rather over-communicate than under-communicate.

- Ritz would rather over-communicate their customer WOW stories and underlying service values that drive them, than under-communicate. You can talk abstractly about great service, but when you hear 10 stories about people who deliver it, everyone including new employees can get the texture of what's expected of them. Put it another way, the leadership team can talk all day about Ritz culture, but the difference came when the frontline shared how they lived it.

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