



the start conspiracy

THE ULTIMATE QUESTION TO

ASK YOUR EMPLOYEES

AN INTRODUCTION TO THE
EMPLOYEE NET PROMOTER SCORE



RIDDLE US THIS:

**IF THERE'S NO LONGER ANY DOUBT THAT EMPLOYEE
ENGAGEMENT HAS A PROVEN, MEASURABLE,
POSITIVE IMPACT ON THE BOTTOM LINE ...**

*... why do most companies have such a damned small share of
actively engaged employees – people who go out on a limb, stay
late, put in the extra effort, help their co-workers, or promote their
companies to their friends and family without being asked?*



A mere 30 percent of U.S. workers are actively engaged with their employers.

*The rest are costing U.S. business between
\$450 billion and \$550 billion annually.*



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And if you think you're going to build engagement on the backs of your top performers — *or use them as models for employee engagement* — **you need to think again.**

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Your high achievers are probably a lot less engaged than you think.

┌ **1 in 4** high performers
intend to change jobs
within a year

┌ **1 in 3** admit to not
putting in full effort

┌ **4 in 10** have little
confidence in their
co-workers or leadership



**Yet, over and over again, managers,
supervisors, and even C-suite executives**
assume their high performers are their
greatest promoters.

WHY? Because they lack a metric that provides insight into – and helps them drive – true employee engagement (which, by the way, means far more than being happy, satisfied, or even high-performing).



WHAT IF YOU COULD FUNDAMENTALLY TRANSFORM ENGAGEMENT BY REGULARLY GETTING A READ ON HOW YOUR EMPLOYEES FEEL ABOUT YOUR COMPANY?

What if you could do that in an efficient – and even easy – way that returned meaningful metrics that would not only help drive employee loyalty, but also lead to greater customer satisfaction?



"Employees first, customers
second, shareholders third."

– *Jill Dean, Brand Biology*



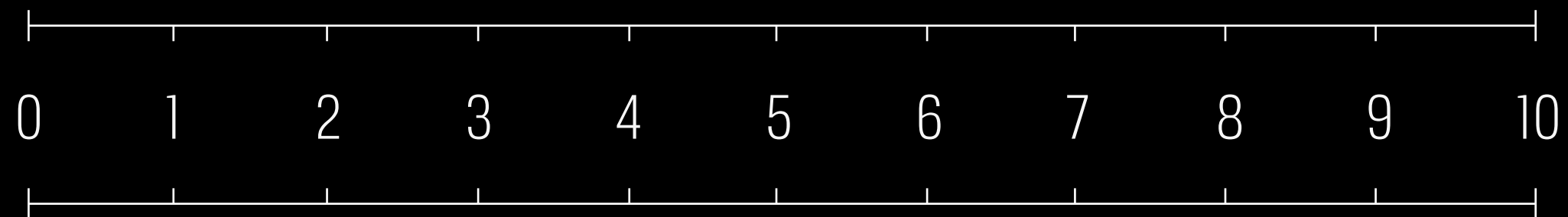
A DECADE AGO, FRED REICHHELD
INTRODUCED THE CONCEPT OF THE
THE NET PROMOTER SCORE (NPS).

*He said it's "the one number you need to grow" for
your business to succeed.*

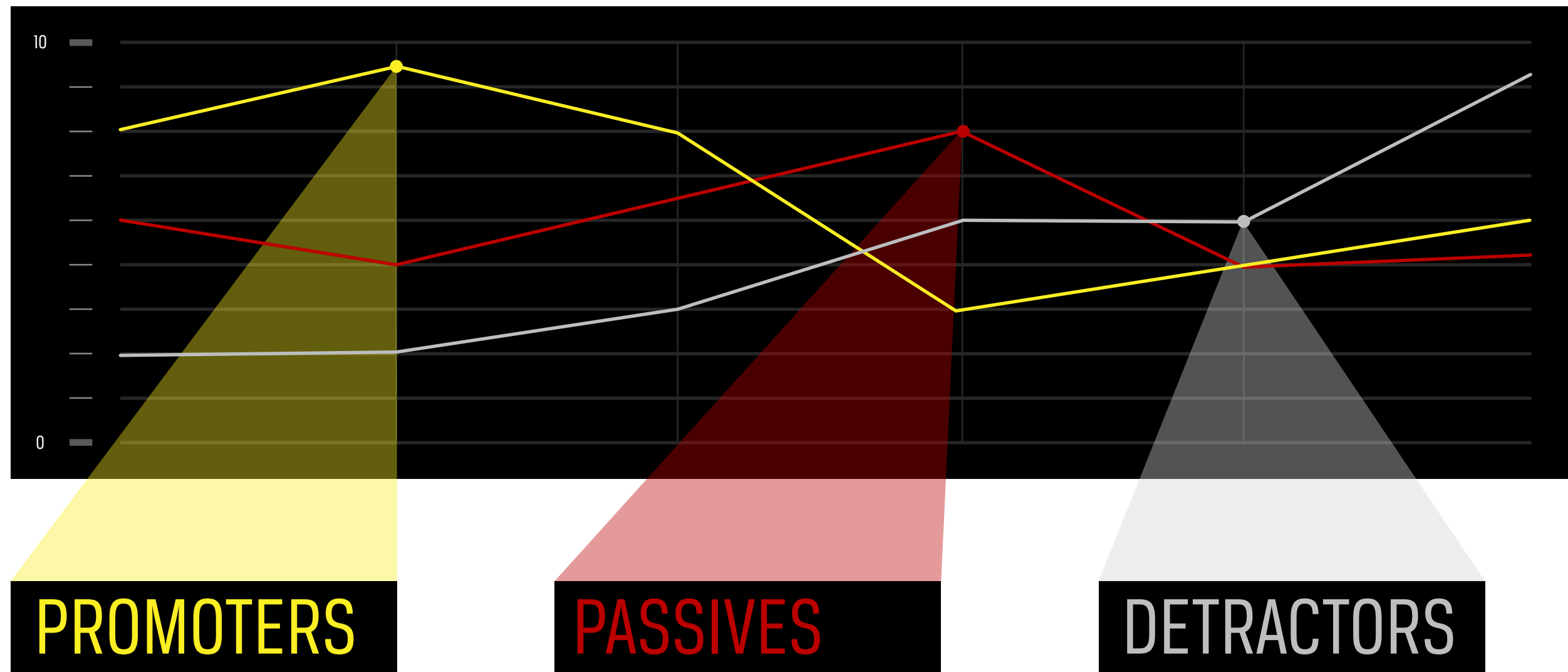


FRED'S HYPOTHESIS: *By asking customers and clients one simple question, you can determine the projected growth of any company.*

FRED'S SIMPLE QUESTION: *"On a scale of 0 to 10, how likely are you to recommend us to a friend?"*



RESPONSES ARE DIVIDED INTO THREE GROUPS:



PROMOTERS

9-10: zealots; your most loyal customers; your greatest potential cheerleaders and sources of repeat business and higher spend

PASSIVES

7-8: satisfied customers, but not raving fans; they may leave for greener pastures if opportunities from competitors present themselves

DETRACTORS

0-6: unhappy customers; they could hurt your business and tarnish your brand





*NPS data can be **sliced, diced, and applied**
in myriad ways to help guide business
decisions from the C-suite down to where
the rubber meets the road.*



The NPS system has proved its merit and been embraced by some of the most recognized brands in the U.S. and Europe.





The (Very Simple) Math to Determine Your NPS

$$(\% \text{ Promoters}) - (\% \text{ Detractors}) = \text{NPS}$$



LET'S ASSUME:

- ▶ **1,000 customers** *are surveyed and they all respond*
- ▶ **250 are Promoters** *(9-10 scores)*
- ▶ **600 are Passives** *(7-8 scores)*
- ▶ **150 are Detractors** *(0-6 scores)*

$$25 (\% \text{ Promoters}) - 15 (\% \text{ Detractors}) = \text{NPS of } 10\%$$



***By the way,** the average firm sputters along at an NPS efficiency of **only 5 to 10 percent.** Their promoters barely outnumber their detractors.*

Companies with the most efficient growth engines** – including Amazon, Rackspace, Harley-Davidson, Charles Schwab, Zappos, Costco, Vanguard, and Dell – **operate at NPS efficiency ratings of 50 to 80 percent.



WHAT IF YOU COULD DRAW THE SAME BEAD ON YOUR OWN WORKFORCE?

What if you had measurable, actionable data that would help you identify which employees are your most ardent supporters, which are on the fence, and which are most likely to bash you on Facebook or at the local bar?



*Based on the same principle as the NPS, the Employee Net Promoter Score (eNPS) does just that. With a single question, it measures the likelihood of your employees to engage with your brand, act as your ambassadors, and continue to help grow your business. **That question is:***

"On a scale of 0 to 10, how likely are you to recommend this company to a friend or colleague as a place to work?"



eNPS responses are divided into the same three buckets as the responses that customers give to the NPS question. The way we define loyalty among those three categories is similar to the way we define loyalty for customers.



9-10: PROMOTERS

Loyal, committed enthusiasts; they'll recommend your company as a place to work and are typically more engaged than other employees

7-8: PASSIVES

Satisfied but unenthusiastic employees; they may be looking for work somewhere else and could be lured away either by a competitor or another company

0-6: DETRACTORS

Unhappy employees (who may not even show it); they could undermine business growth, performance, and morale



*The eNPS has proved to be an **effective measure** of at least three key emotions that research has linked to workplace engagement and performance:*

Affective commitment
(an employee's emotional connection to their company): "I feel that I really belong to this organization."

Person-organization fit
(shared values between an employee and their company): "The things I value in life are very similar to the things my organization values."

Intention to leave (how motivated an employee is to jump ship): "I have no intention of leaving this company in the next three years."



**SO, IT'S NOT ABOUT THE SCORE
(THERE ARE NO WRONG ANSWERS).**

**AND IT SURE AIN'T ABOUT
BIG BROTHER.**



It's about listening to your employees the way you listen to your clients and customers – seeking insight without fear of reprisal. ***Who wouldn't like that kind of attention?***





It's about opening a
dialogue with employees
before they become disengaged.





*It's about identifying employees
who are promoters and supporting
them to become brand ambassadors
(rather than taking them for granted).*



It's about getting the pulse and temperature of your workforce in real time – at every level, across every unit, and related to every client, customer, or project.



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It's about listening ***proactively*** and
consistently, and **responding**
to ***what you hear.***



"Create a culture of continuous listening and be responsive to what you hear."

— *Rick Clancy, Covario*



Case study presentation. NPS 2014 Conference, Miami Beach. 2014.



In the end, monitoring and reacting to your eNPS is about driving employee engagement to create higher customer satisfaction and greater customer loyalty.

- ▶ *It's about the fate of your business.*
- ▶ *That's a lot of power in a single question.*



2014 CAN BE THE YEAR YOUR BUSINESS TAKES CONTROL OF EMPLOYEE ENGAGEMENT.

This can be the year you *concretely, measurably, and meaningfully* tie employee engagement to customer loyalty.



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It starts with asking your employees the ultimate question.



**READY TO LEARN ABOUT
WHAT THE eNPS CAN DO
FOR YOUR BUSINESS?**

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