

The Tim Smal Show - 26 April 2020 transcript

Rob Arnold, from RCA Consulting, talks about customer service and business culture.

Tim Smal (host): Hi everyone and welcome to the show. My name is Tim Smal and my guest today is Rob Arnold - founder and CEO of RCA Consulting in Cape Town. They operate as a customer experience consultancy to best-in-class brands across the retail and hospitality sectors. So Rob, welcome to the show.

Rob Arnold (guest): Hey Tim, great to be here.

Tim: Thanks for joining us today. Rob, I thought we could start off our conversation with you telling the listeners about RCA Consulting and what it is that you guys get up to.

Rob: Yeah, thanks for the opportunity Tim. Yeah, in a nutshell, we started this little mission about ten years ago in 2010. And interesting contrast to the time we find ourselves in now, because in 2010 I think we were all coming off the high of the Football World Cup and I think the economy was perhaps in a better state than it is now. But, be it as it may, we started this little endeavour – and when I say we, at that time it was really just me – started this belief that we could make customer experiences just a little bit better across initially retail and hospitality. And just try to make... or to enable people to make more impact on the customers they serve.

Because we all customers at the end of the day and we all have good and bad experiences. And I'm sure your listeners, you and I, can draw on both good and bad experiences that we've had as customers. And what I'm really fascinated in and what I'm really curious about is, what actually creates a good or a bad experience. The end result, which is the person smiling at you and having good product knowledge and engaging with you, is really just the end result. But there's a lot that actually happens on the back end, in the culture of the business and in the skill set of the staff, that actually enable that to happen more often than not. And really my mission in the last ten years has been, trying to understand what those secrets are. Ultimately how do you build a really consistent and strong culture in a business and therefore be of the optimum value to your customers. And I think if you can do that right, from a purpose level, you really do create something which people latch onto, which people love and people ultimately support in perpetuity.

So the last ten years has just been one 'trial and error' after the other, trying to work out how best to do this. And we've been evolving for the last ten years. If I think about where we started, we started by just working in the golf business. And we were training staff in the golf clubs because we identified that as the most needed area where there just was no training and no skills development at that time, in terms of customer experience. But yet they were charging a lot of money for customers to come and play golf or to be members of clubs. So we started there and things evolved. I guess we got a pretty good name in that space and then the demand came to get more into other areas where customer service is really important.

So yeah, today we've - up until 2020 - we've created an amazing client base which... clients we absolutely love to work with. We've built some really strong relationships with these guys and I always believe "You do business with people, you don't do business with companies." And the ability, or the learning, of how to build relationships over that time has been absolutely invaluable. And that's not to say that we haven't had some really challenging times along the way. We've made many mistakes, but the great thing about

those mistakes is that they've created a roadmap for us of where to improve and evolve.

I'm very proud of the team that we've built to the point where we've got a culture in our business which we're very proud of. A listening culture where it's not about 'who says it' but 'what is said'. I believe in this notion of an idea meritocracy, where the best idea wins rather than the person whose saying it or bringing the idea forward. And by doing that we've been able to quite quickly adapt and iterate what we do to suit the current need of the landscape of clients that we work with. And for that reason we've been able to jump across or learn from one industry and then take it into another.

When we started in hospitality, we learnt the hospitality game. We decided "Well, retail actually needs a lot more hospitality in it - especially the bricks-and-mortar retail." So we started training people in stores like we would train someone in a five-star hotel. And all of a sudden people that were coming into those stores were being treated like they were walking into 5-star hotel, rather than the transactional approach that you've become accustomed to in the retail space.

So I love that notion of challenging the status quo, of doing things differently and not accepting the norm. And this journey has been all about that - it's been about just looking at a problem and going, "How do we solve this better? How do we make a better go of this?" And I think I'm not the first person to say it, but "The more problem-solving you can be in your approach to business, especially as entrepreneurs, the more successful you will be."

Tim: Yes it's certainly a fascinating area of work to be involved in. As you mentioned in your example, where a customer goes to a company and they receive a smile from the person that is serving them – it really makes the customers day and they feel really connected to the brand, even from such a simple situation like that. But in order for the customer to actually have that profoundly positive experience, a lot has to go into the back end of the business. And it's really interesting to me how companies can spend a lot of money in certain areas and have certain aspects of their product focused on, but then of course when it comes to customer service, they somehow dropping the ball.

And I think of my own experiences over my lifetime, perhaps even travelling outside of the country to other areas of the world, like the United States, and just being really amazed at the dedication from some of the customer service representatives that I've dealt with and how I've actually felt really proud to be associated with that brand. So it sounds to me as if you're really focused on the psychology of delivering good customer service and all the effort that goes into that, which of course is a major need in South Africa. What has the response been like from companies that you've worked with?

Rob: Yeah Tim, it's a very good question and the answer is varied, in the sense that, our are model stays relatively consistent and I'll quickly delve into that just for the sake of context. We believe in three very key relationships, in terms of the successful establishment. And that is, the relationship that you have with your fellow colleagues, being number one. The second is the relationship that you have with your product, with the thing that you actually physically sell. And the third relationship is that you have with your customers or with your guests. If you can get those three dynamics right, you invariably create something of value to your end user, to your customer.

And I'll start very quickly with the first one. The relationship that you foster with your colleagues is so pivotal. If you think about walking into a retail store as a customer, if you

think about walking into a restaurant as a guest, you can immediately see the dynamic that exists within, or the culture that exists within those staff that work there. Are they happy? Do they communicate positively with each other? You can just see it in the body language alone - they don't even have to say anything. And that translates into the value you feel as a guest or as a customer. So to get that right creates more productivity, it creates a happier workforce, it reduces staff churn - it just creates a far more consistent culture. So we work incredibly hard at that first relationship.

The second is that of a product. And you might say, "Well, how can you have a relationship with a product?" But the reality is that, the more affinity that you have with a product - with an item that you sell, and the more that you understand how that fits into someone's life, the more you can connect the dots, so that product or item or service actually does add value to the end-user or your customer's life. So product knowledge, and I think you would attest to, is something which is very inconsistent in customer service. You find some people who have amazing knowledge of what they have to sell, but then they also just don't deliver it in the right way - they don't communicate the knowledge in the right way. So as a customer we kinda 'switch off' and we don't really listen to what they have to say. And then you might find someone who's got very low product knowledge, but very good empathy or EQ [emotional intelligence], so they can, kind of, navigate their way around what they don't know. But the point being is that, you've got to know enough about the product and you've got to know how to connect that with the type of person you speaking to. So we spend a lot of time - for staff being able to connect those dots.

And then on the third side, it's that customer, that human being you talking to. Because I think the one thing that I've learnt in these ten years is that, human beings are incredibly diverse. What we see as value, what we love, what we don't like - is really dependent on our personality. And yes, there are some common commonalities, I guess, between people. But you've got to have an affinity for the person that's in front of you. I always love an individual - a waiter, an attendant - whoever it might be... even someone giving me petrol at the petrol station - is someone who's willing to ask questions. Because "If you ask the right questions, you get the right information. And if you collect the right dots, you can connect the dots." And that's a philosophy that we've always believed in in our business: is teach people how to collect the dots, 'cos if you do that, you enable them to connect the dots and when they do that, they're of value to the customer.

So that's been our approach to - I think really trying to make sure that whatever we do with companies (and you asked me: how do different people or how do different companies latch on or not latch onto this), it really comes down to the culture that lives or exists within that business when we approach them. Is this someone or is this a group of people that are willing to listen and adapt to someone from the outside? Is it someone who realises that they truly need to be customer-centric and people-centric? Or is it just something that they do on a marketing side to make people think that they are. Because one thing I can tell you very honestly is that, there are a lot of companies out there that promote customer-centricity - but at the heart of it, they are nothing close to it. And I think what we're seeing at the moment during COVID-19, is we are seeing the true colours come out in a lot of companies. Where if they are truly customer-centric, if they are truly people-centric, now is the time that they showing it.

So it's very, very interesting times we are in at the moment, in that sense. But I can take the same model to two different companies and get two completely different results - just purely based on the intrinsic culture, which we ultimately try to change, and move towards more customer-centricity when we work with them.

Tim: So hearing you chat about your approach at RCA Consulting reminds me of a book that I read recently called 'Question-Based Selling' by Tom Freese, who's a salesperson in America whose had quite a lot of success with, not only his own sales career, but developing sales methodology. And he felt that sales is one of the areas that is not actually widely studied and he can't quite understand why, because there's, in his opinion, quite a lot that you can learn from really diving deep into the concepts of what it means to be a good salesperson. And of course, the name of his book says it all: 'Question-Based Selling'.

And if I was to summarise his whole approach, he said "Well, the best sales people in the world are good at two things: They're good at helping people and they're good at communicating well." And so really, what Tom is teaching is this concept where you are there as a salesperson to help the customer develop their needs by positioning your product and creating value for them. And so I just found that concept quite interesting, because obviously if you are a good salesman and you're good at communicating and you're there to help people - you are going to make an impact on the customer's life.

Rob: Absolutely Tim, I think you've really hit the nail on the head there. I've always believed, and the more I've been in this business, the more I believe it rather, is that: Great customer interaction is about anthropology - the people that are really brilliant in the space of customer experience or customer service, are the people that understand others the best. It's not just about understanding another person or another personality, it's also about actually understand what makes them tick and being willing to put their needs in front of yours. Because if you think about it, when you see bad service happening anywhere, if you define it, it is most often "an individual who is serving another, who is putting their needs in front of the customer or guest."

And I'll give you a very basic example: Let's say a waiter: A waiter is tired, they're at the end of a long shift... if they're putting their needs in front of the needs of their customers, they're going to show that tiredness, they're going to show that willingness to want to get off shift. And that's gonna come through in their body language, in their tone of voice - even how much product knowledge they actually offer. But if they are willing to put the guests need in front of their own, they gonna suck it up - they going to realise that by serving more people, they actually serve themselves. And by doing so, then actually come out the better. And you can use this analogy across any job or any profile, really. But if you are willing to put the need of the person you're serving in front of yours, even when you feel like your need is more important - those are the people that in the long run, I think, are more successful in the long-term.

Tim: And so with this approach to developing a healthy business culture, at RCA you have actually started a podcast called 'The Business Culture' podcast, where you are interviewing successful individuals from a wide range of backgrounds. Could you tell us more about the podcast?

Rob: Yeah, sure Tim. It's something which, as an avid podcast listener in the past and continually so, I've always been fascinated by the medium and by the fact that you can listen to something whilst doing another thing - whatever it might be that you doing from day to day. So I really wanted to get into that space and see whether we could create something and curate something which would be of value to our listener base. And what I realized quite quickly is that, we've built up a really good network of influences of people in various industries who can really add value through their story to listeners. The great thing

about podcasting is that there is also not a lot of capital investment necessary that has to go into being able to start it. So the risk is pretty low and I just thought “Why the hell not? Give it a shot – let's start interviewing a few of our associates and clients and friends, and let's see how we go.” And really what I wanted to do, was unlock their story. And through delving into their story, is actually try and listen to some of the - pick out some of the lessons that we could extrapolate and, sort of, unpack and see whether we could help others not make the same mistakes. I really believe that in all of our journeys we've been confronted with certain mistakes or failures that we've made and if we can if we can help the future generation to avoid some of those mistakes, I think that's of value to people.

But at the same time, I think story is such a brilliant way of bringing a message across. I mean, Malcolm Gladwell, etc. can obviously attest to the success of that. But I think, we called it 'The Business Culture' podcast and I think the idea there was to help individuals - whether they are employees within a culture or the leaders of a culture - understand what are the key elements that make up a brilliant business culture. And also enable people to be more self-motivated, to aspire to be better in their roles - to look to achieve what their potential is. And that's really been the overriding mission of it.

This season we're in season 2 and this season's all about impact. So we're interviewing... I actually got off an interview yesterday with an associate from the United States and it's all about how he's made impact in his career – how he started in South Africa and went over there in a completely new space. He was very nervous about it, but today he sits as one of the most successful managers and general managers of the global golf industry. So it's just amazing how many successful South African stories there are, which we don't tap into enough. You know, we so good at looking at the negative, but we don't realise how many positive stories are coming out of this incredible country.

Tim: Yeah, I'm really enjoying the podcast and I'm looking forward to the next episode, so keep up the good work on 'The Business Culture' podcast. Of course, for the listeners, they can find the podcast in any directory, so just go and have a look there.

But Rob, let's chat about what is happening now in the world with coronavirus and the lockdowns around the world. It's certainly had an impact on the economy. We, of course, are watching on TV all the world leaders chatting about when they should open up the economy and so forth. What are your thoughts on what's happening at the moment?

Rob: Yeah, Tim, it's such a pivotal time at the moment that we find ourselves in. You've got on the one hand this, sort of, humanitarian need of preserving life and the health of the population at large. And then at the same time, you've got this lingering issue of the economy and the longer that we stay in lockdown, the longer obviously that the economy suffers. And someone said it to me, I think, almost a week ago, maybe a bit more - they said that “It's not about trying to eradicate, necessarily, the pandemic. I think it's more about learning to live with it.” And I know that sounds much easier said than done, but I think if we get into an approach and perspective where we try and mitigate it as much as we can, and at the same time learn to live with it and get the economies up and running again in a, sort of, staggered process, then we doing the best we can. But I really feel for the leaders out there at the moment. I feel for the guys who have to make the decisions at the very highest level, because it's very unprecedented times and very unprecedented decisions that have to be made as a result of that. So there's really no secret sauce at the moment - it's trial and error to the large extent.

And I think the guys are doing a really incredible job. I actually saw something on

Facebook just now, before we came on the podcast. And it was a gentleman on a global scale that was sharing how well South Africa have done in our approach up to today. And there's so many people criticizing what we do in our country, but there are global people that are praising us. I think our president has done an incredible job so far and I think we can be very proud of it. There's still a long way to go, but I think we've mitigated this thing pretty well so far.

Tim: Yeah, and it's certainly an interesting time for people to start side hustles or entrepreneurial efforts, or perhaps even passion projects of a creative nature. Do you have any advice for the folks out there that are looking to level up and go to the next step during this time?

Rob: As you very rightfully say, it is a time where people are looking at different options and opportunities. The one thing that is always gonna be very important when you are doing that, is relevancy. And I think in order to achieve that, is having a very keen eye for what is truly needed. Someone once said to me, very truly that, "It's not about whether there's a gap in the market - it's whether there's a market in the gap." And I know at this time it's not, potentially, the right thing to be thinking about "how can you make the most money?" At this time, it's about "knowing how you can make the most impact." And as a result of that impact, generate the kind of funds that you require. So I think it's very, very important at this point in time to be thinking about "how can you make impact on a sustainable basis." And when you find that answer and when you find that there's a market in that gap, you can really find something which you can push on with.

But if I can just go back to my story in the last ten years. I mean, I've been paying school fees for the better part of those ten years, in learning and understanding how to scale a business, learning and understanding how to build relationships. If you are in entrepreneurship for a quick fix - I will tell you right now that you're wasting your time. Because there are, maybe less than half a percent of the people that have gone into entrepreneurship, and just made a massive success overnight. It's something which you've really got to put your head down - you've got to absolutely love what it is that you doing. And I know a million people have said that, you know, "you gotta be passionate about what you do." But more than passion, you've gotta just have an innate feel for it.

Tim, if you think about what you really passionate about, you could tell me about that subject for hours and days. Not because you find it laborious, but because you actually truly are interested in that subject. And therefore, when you are working on that subject, it doesn't feel like work. You know, my dad's a winemaker by profession and he said he's "never really worked in his life." He's just been doing something he is really passionate about. It doesn't feel like you doing an 8-5. And I think the hours that are required for entrepreneurship - you can't feel like you're doing an 8-5... you've got to feel like it's just something which you can't wait to get back to. And that's really why I love what I do, is I don't feel like it work.

Tim: Thanks Rob, a lot of useful information there. Some great thoughts to ponder on. Rob, thanks for joining us today and just to wrap up the show - do you have any resources that are available to the folks out there?

Rob: Yeah Tim, we've got a couple that I can share with you. We run a - obviously you've already mentioned it - the podcast is available on a number of platforms. And we also have a free resource and app, which if you go to rcaconsulting.biz you will be able to find the app on there. And we share numerous videos and articles, all these relevant topics on

leadership and management - on just being a more productive individual. And we've got a number of really cool courses that we've released during COVID-19 as well, which if you go onto learn.rcaconsulting.biz are available to the public there. And we just really trying to stimulate as much progressive thinking as possible, so that when we come out of this, people are ready to take the next step in their career. Because I think there's gonna be amazing opportunity once this thing blows over - is being ahead of the market, or ahead of the pack, as it were.

Tim: Great, well thanks for the inspiration. I'm looking forward to following your journey with RCA Consulting into the future, so all the best for 2020. And I guess, we look forward to chatting with you again sometime in the future.

Rob: Yeah Tim, thank you so much for the opportunity as I said. It's always great to chat to you and I wish your journey on the podcasting side every success as well.