

# Foreword

So-called Customer Relationship Management prides itself on volume, on speed, on “efficiency.” This might sound good on paper, but what truly matters, what builds strategic value for a business, is loyalty: customer loyalty, employee loyalty. Without knowing the secrets to building these, even innovative companies struggle. They can massage data all they like; they can profile large groups of customers all they like. Do they empower their employees to use judgment in any real sense? If not, the employees will leave when they sense a dead end. Customers, shareholders, and other stakeholders will ultimately prove to be short-timers as well, no matter how innovative and admirable the products and services offered.

Actual service, from someone who offers a caring face and a helping hand, is a universal desire. Learning how to achieve it, though, is far from universally understood. The problem is that these principles are not always easy and often go against the grain of modern business practices, and you need someone to show you the way.

That’s where this book comes in. *Exceptional Service, Exceptional Profit* is the first book to describe comprehensively the principles that assisted us in winning two Malcolm Baldrige awards at The Ritz-Carlton and now guide us at our Capella and Solis hotel brands. These are the principles we also employ with our West Paces Consulting clients in a wide variety of industries, from food service to auto parts.

Also unique to this volume is the high-tech, bootstrapping twenty-first century perspective of Micah Solomon, known for his unusual achievements in entrepreneurship and service.

The principles on which we base our hospitality approach are

pulled from a rich background. Some reflect back to information as old as Adam Smith, most clearly in our feelings about employee relations and training. Many others reference well-established concepts—ideas from Deming, Juran, and Crosby—but in a new framework.

The way these concepts are molded together is groundbreaking. What you read here will allow you to recalibrate your business, on any scale, to replicate the exceptional but small-scale achievement of the idealized sole proprietor archetype: to truly know your customers and keep them coming back for more.

These perspectives are revolutionary. And they aren't for everyone.

When we say that the CEO should personally conduct orientation, we mean it. When we say it's deadly to cheapen your product in ways that matter to your customer, we mean it. When we say you need to take the customer's position quickly, or you might as well not take it at all, we mean it. When we say that you serve but you are not a servant, we mean it. These are revolutionary statements, and you will benefit from a service revolution in your own management world and in the bottom line. Thank you for reading.

Horst Schulze

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President and COO (retired) The Ritz-Carlton Hotel Company