

Brief

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'Moments of truth': move quickly from principles to action

Engaging leaders and employees in making progress – more focused and faster

How do you move an organisation from principles to action, faster? One under-used approach is 'moments of truth', a concept made famous by CEO Jan Carlzon as he turned around SAS Airlines in the 1980s. Using the moments of truth concept is particularly useful if you are driving rapid changes in strategy, values and behaviour. It helps leaders and employees move fast to clear and practical actions that will make a difference.

Moments of high emotional energy

A moment of truth is a key interaction between an organisation and a customer, employee or other stakeholder, where the emotional energy is at its highest and handling it well can create a high emotional bond. The experience of that moment will either increase loyalty or damage it. A well-known moment of truth for banking customers is the loss of a wallet with cards. The experience which follows – how easy it is to contact the bank, how empathetic they are to the situation you are in, how they promise to deal with it – all significantly build or damage loyalty to the bank. A typical moment of truth for an employee is a performance appraisal in a new job - what it really tells you about what the company values and how it works.

All companies use scenarios or 'typical situations' to make decisions, develop plans and tell stories. With moments of truth, you can focus down on the few that make a real difference.

Moments of truth are used in two ways: to help determine what needs to change with practical solutions and priorities; and to engage people in enacting a new strategic decision. Either way there are three main steps:

1. **What are the moments of truth?** What are the interactions with a customer or employee with high emotional energy invested in them which significantly shape their commitment and loyalty to the organisation and what it does?
2. **What is required at that moment, from the perspective of the customer or employee?** What experience will provide an emotionally satisfying and intelligent outcome?
3. **What do you need to do to deliver such an outcome?**

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One US bank studied the 50% difference in results between high performing retail branches and low performing ones. It concluded that it was the handling of moments of truth that made the difference. In contrast, a European bank which invested heavily in high quality online and automated banking services that were very efficient and trouble-free, still found low levels of loyalty, because it was the 'routine', low-emotion interactions that were being improved.

In the 1990s Southwest Airlines became the best US airline, in the view of consumers, by ignoring many standard services and instead focusing on the areas with the biggest emotional trigger: reservation quality, baggage handling, punctuality, and customer information about flights and delays.

To deliver exceptional moments of truth requires employees to know *what* they are supposed to do (in terms of the purpose of the company, its strategy and its services), and *why* (the emotional and subconscious benefits being delivered).