



DESIGNER'S GUIDE

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CUSTOMERS:

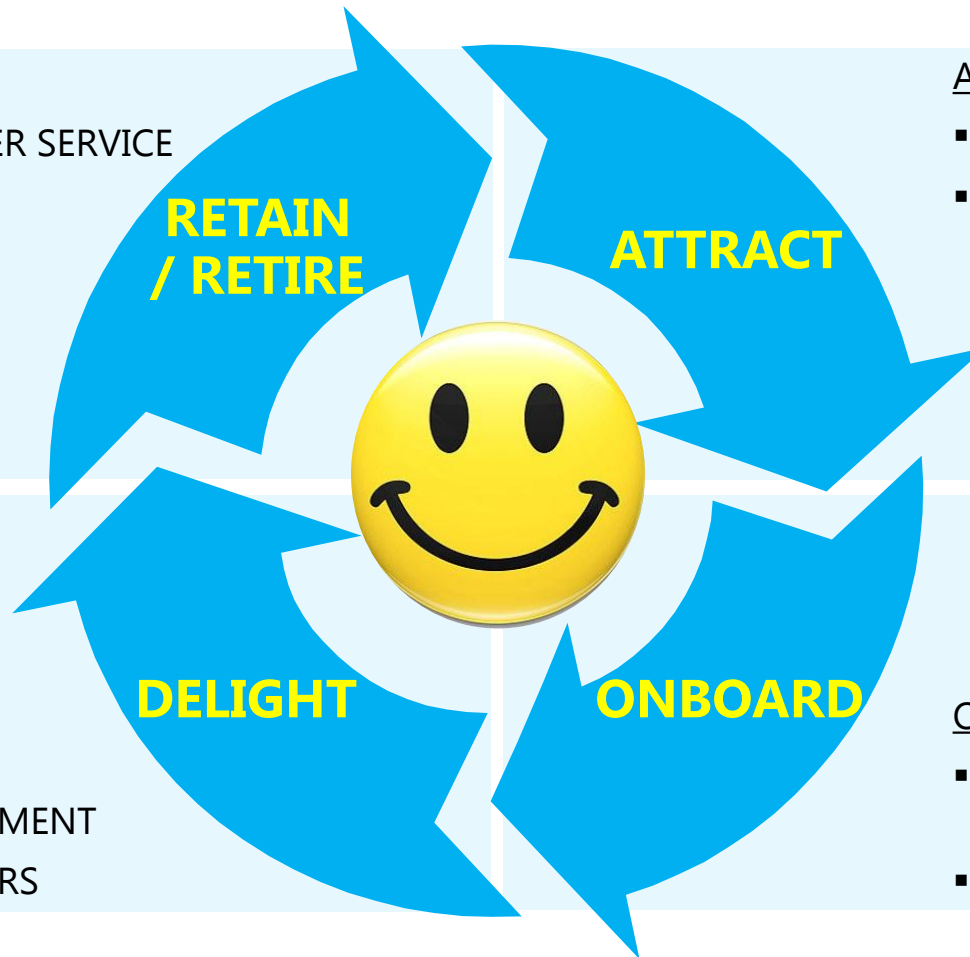
HAPPINESS HOW-TO'S

RETAIN / RETIRE

- MANAGE CUSTOMER SERVICE
- APOLOGIZE
- FIRE CUSTOMERS

ATTRACT

- DESIGN THE MESSAGE
- USE SOCIAL MEDIA



DELIGHT

- MAINTAIN ENGAGEMENT
- REWARD CUSTOMERS

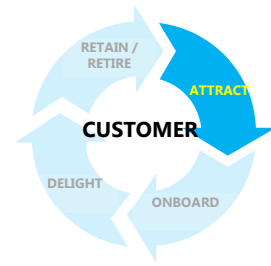
ONBOARD

- DESIGN FIRST USER EXPERIENCE
- SET EXPECTATIONS



HOW TO:

DESIGN THE MESSAGE



STEP 1:

RECALL YOUR VALUES AND HIGHER PURPOSE

REASONING:

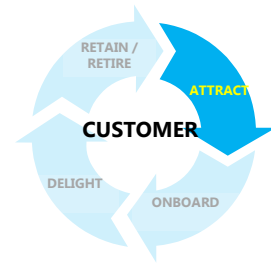
Values alignment and aiming for meaning can generate feelings of happiness for both customers and employees

EXAMPLE: STANFORD GSB "CHANGE LIVES..."



HOW TO:

DESIGN THE MESSAGE



STEP 2:

SIMPLIFY YOUR MESSAGE

REASONING:

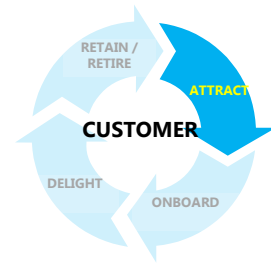
Clear, simple messages are memorable and help to effectively convey the brand's higher purpose

EXAMPLE: NIKE "JUST DO IT"



HOW TO:

DESIGN THE MESSAGE



STEP 3:

CONVEY THE MESSAGE THROUGH YOUR CUSTOMERS

REASONING:

Happy customers are your best press, and happiness is contagious

EXAMPLE: ZAPPOS NPS

Zappos' Net Promoter Score



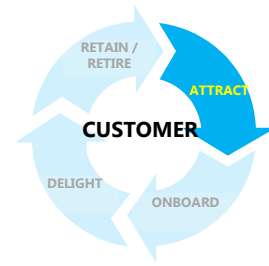
After studying Zappos, is it little wonder that their Net Promoter Score (NPS) is among the highest I have seen in my years of following *The Ultimate Question*:

Email surveys: 83%

Phone surveys: 90%

HOW TO:

USE SOCIAL MEDIA



STEP 1:

FOLLOW A UNIFIED MESSAGE

REASONING:

A consistent vision, aligned with the company's values, can create a meaningful, cohesive social media presence that helps to clearly convey the company's higher purpose

EXAMPLE: NIKE'S COMMITMENT TO ATHLETES OF ALL FORMS

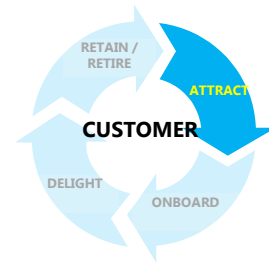
Nike 
@Nike



If You Have A Body, You're An Athlete.
Beaverton, Oregon <http://www.nike.com>

HOW TO:

USE SOCIAL MEDIA



STEP 2:

DIFFERENTIATE OPPORTUNITIES FOR ENGAGEMENT

REASONING:

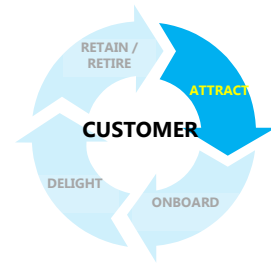
Diversifying engagement opportunities increases reach and potential quality of meaningful connections with customers, catering to happiness of different people

EXAMPLE: COCA-COLA'S PRESENCE ON FACEBOOK, TWITTER, YOUTUBE



HOW TO:

USE SOCIAL MEDIA



STEP 3:

BUILD VIRALITY THROUGH FOCUS ON MEANING

REASONING:

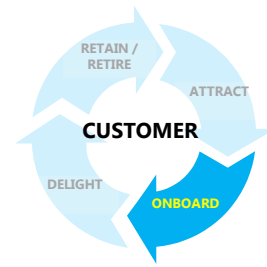
A meaningful message is more likely to engage users and promote viral sharing to other users, multiplying happiness

EXAMPLE: P&G "THANK YOU MOM"



HOW TO:

DESIGN FIRST EXPERIENCE



STEP 1:

COMMUNICATE AND PROVIDE TRANSPARENCY UNTIL PRODUCT IS RECEIVED

REASONING:

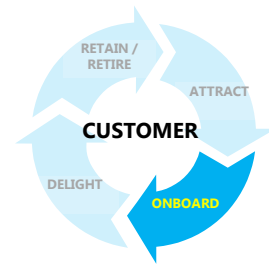
Companies can set expectations and increase anticipation by sharing expected ship or release dates

EXAMPLE: NETFLIX EMAIL NOTIFICATIONS



HOW TO:

DESIGN FIRST EXPERIENCE



STEP 2:

CREATE AN INTUITIVE, EASY-TO-USE PRODUCT AND REDUCE "STARTUP COSTS"

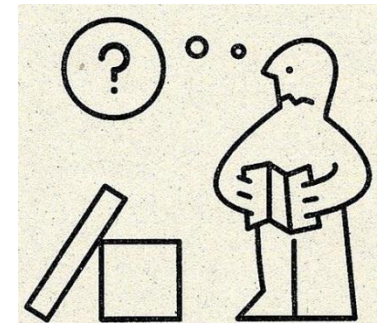
REASONING:

Users' expectations are to buy a product, open it, and use it immediately. High initial costs, like complex instructions or mandatory power charging, do not meet these expectations and end up disappointing customers

EXAMPLE: APPLE IPHONE VS. IKEA INSTRUCTIONS

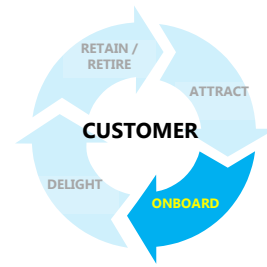


VS



HOW TO:

DESIGN FIRST EXPERIENCE



STEP 3:

SEND A THANK YOU TO NEW CUSTOMERS

REASONING:

People appreciate being acknowledged and feeling heard

EXAMPLE: **BONOBOS WELCOME EMAIL**

BONOBOS

ninjas@bonobos.com • [877-294-7737](tel:877-294-7737)
or reply to this email

Enoch Shih!

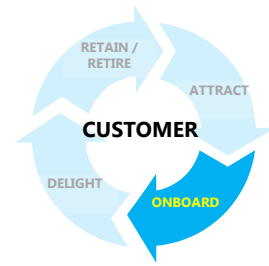
As a **Bonobos** customer, you're helping us change the way people shop for clothes online— a challenge that starts with treating everyone involved with courtesy, respect and just a touch of awesome. If at any time you feel we haven't lived up to your expectations, I'd love to hear about it. Always feel free to reply to this email and be straight with me.

Respectfully yours,

Andy Dunn
CEO and Founder

HOW TO:

SET EXPECTATIONS



STEP 1:

CLEARLY AND ACCURATELY ARTICULATE THE BENEFITS OF YOUR OFFERING

REASONING:

*Happiness equals
Reality minus Expectations.*

If expectations are too high,
happiness decreases

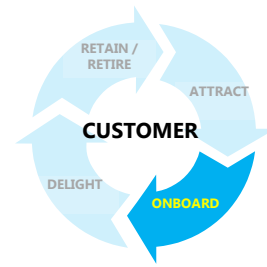
EXAMPLE: STATE FARM MOTTO



*"LIKE A GOOD NEIGHBOR, STATE
FARM IS THERE"*

HOW TO:

SET EXPECTATIONS



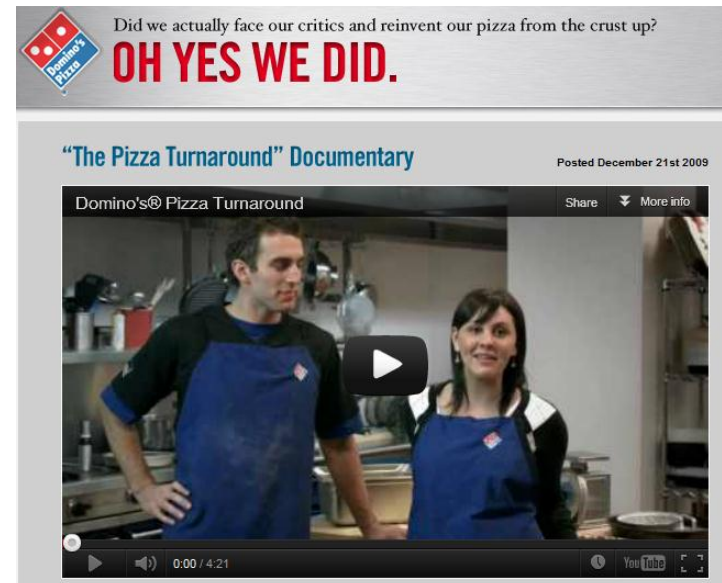
STEP 2:

IDENTIFY AND RECTIFY POINTS OF CONFUSION AND FRUSTRATION

REASONING:

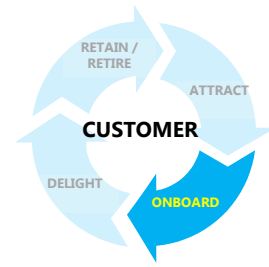
Customer dissatisfaction results when companies overpromise and under-deliver. It's essential to address gaps between customers' beliefs and companies' promises

EXAMPLE: DOMINO'S "OH YES WE DID"



HOW TO:

SET EXPECTATIONS



STEP 3:

SURPRISE AND DELIGHT YOUR CUSTOMERS

REASONING:

Unanticipated spot rewards offer an effective way to exceed customer expectations and increase satisfaction

EXAMPLE: HARRAH'S TOTAL REWARDS



"ENJOY A FREE NIGHT ON US"

HOW TO:

MAINTAIN ENGAGEMENT



STEP 1:

CREATE INCENTIVES FOR ENGAGEMENT

REASONING:

Engagement that results in positive, happy feedback incentivizes repeated engagement

EXAMPLE: SOCIAL ACKNOWLEDGMENT ON FACEBOOK



HOW TO:

MAINTAIN ENGAGEMENT



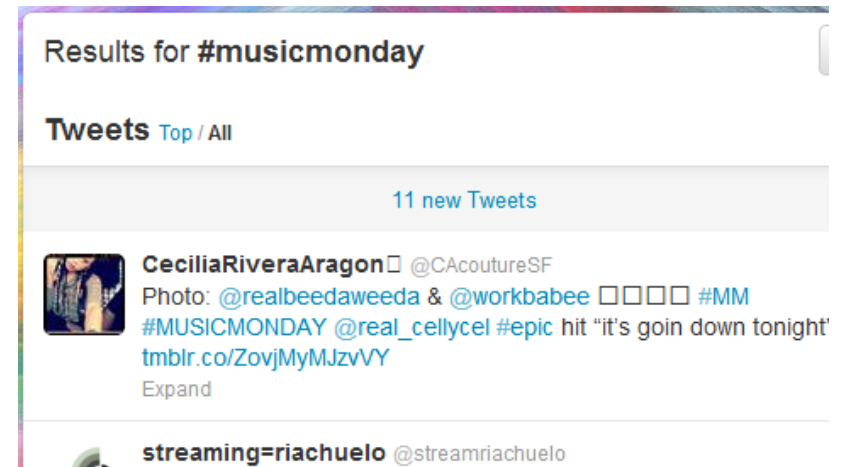
STEP 2:

BUILD A DYNAMIC EXPERIENCE

REASONING:

Users will be more likely to stay engaged with and enjoy products that deliver a unique experience even after repeated engagement

EXAMPLE: TWITTER LIVE FEED UPDATES



HOW TO:

MAINTAIN ENGAGEMENT



STEP 3:

ADD "GAME-IFICATION" ELEMENTS

REASONING:

Game-ifying engagement for non-game experiences can create happiness and motivate further engagement

EXAMPLE: **FOURSQUARE MAYOR**



HOW TO:

REWARD CUSTOMERS



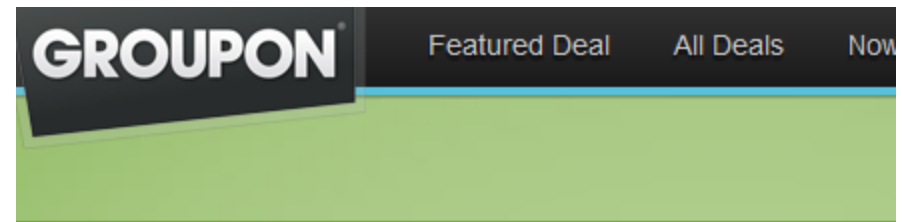
STEP 1:

REWARD SPECIAL USERS

REASONING:

Rewarding early adopters, heavy users, ambassadors, and others for engaging creates a link between the brand and customer happiness. Customers also enjoy being acknowledged

EXAMPLE: Groupon "REFER A FRIEND"



Refer a friend and earn
\$10 in Groupon Bucks!*

You can earn \$10 in Groupon Bucks whenever you refer a friend to Groupon and they buy their first deal.

HOW TO:

REWARD CUSTOMERS



STEP 2:

CREATE REINFORCING REWARDS

REASONING:

Rewards that enhance the primary experience will reinforce associations of happiness with the brand

EXAMPLE: DROPBOX FREE SPACE OFFER



Hi Diana,

You can now earn **twice as much** free space by inviting your friends!

For each friend that installs Dropbox, you'll both get 500 MB of free space. You can earn up to 16 GB.

HOW TO:

REWARD CUSTOMERS



STEP 3:

CREATE PERSONALIZED, INDIVIDUAL REWARDS AND PERKS

REASONING:

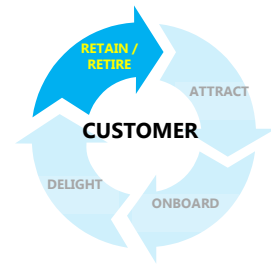
Acknowledging customers on a personal basis results in a more meaningful reward and can drive increased use of your product

EXAMPLE: VISA'S PERSONALIZED CREDIT CARDS



HOW TO:

MANAGE CUSTOMER SVC



STEP 1:

ENSURE IMMEDIATE RESPONSE

REASONING:

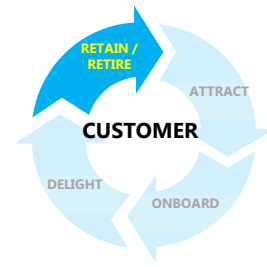
Guaranteeing and delivering a minimum response time reassures customers and creates a sense of trust in the brand

EXAMPLE: AMAZON CONTACT RESPONSE TIME METRICS



HOW TO:

MANAGE CUSTOMER SVC



STEP 2:

PRIORITIZE LONG TERM CUSTOMER RELATIONSHIPS OVER SHORT TERM PROFITS

REASONING:

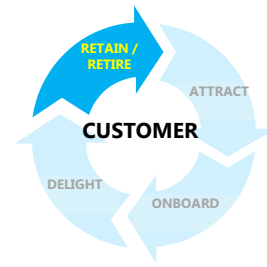
Delivering service even at the expense of profit generates long term trust and loyalty, making for happier customers

EXAMPLE: ZAPPOS LEAP-YEAR RETURN POLICY

The screenshot shows the Zappos website interface. On the left is a navigation menu with categories: SHOP WOMEN'S (Clothing, Shoes, Accessories, Boots, Denim), SHOP MEN'S (Clothing, Shoes, Eyewear, Boots, Denim), SHOP KIDS' (Girls' Clothing, Boys' Clothing, Girls' Shoes, Boys' Shoes), and NEW ARRIVALS. The main content area features a large blue banner for 'leap year birthdays' with the text 'THEY ONLY CELEBRATE ONCE EVERY 4 YEARS... MAKE IT MEMORABLE!' and a 'SHOP GIFTS' button. Below the banner are three calendar-style date pickers for FEB 28, FEB 29, and MAR 01, each with a Zappos shoe box image. To the right of the banner are three promotional boxes: 'New ARRIVALS' (New Outfits & Trends! SHOP NOW), 'swim SHOP' (SWIM ESSENTIALS SHOP NOW), and 'Subscribe to our emails' (Email Address input field). At the bottom right is a social media widget for Facebook with the text 'Do You Like Us?' and a 'Like' button showing 232k likes. A footer bar at the bottom contains the text: 'WOW! Free Shipping Free Returns Free 365 Day Return Policy 24/7 Customer Service Happiness'.

HOW TO:

MANAGE CUSTOMER SVC



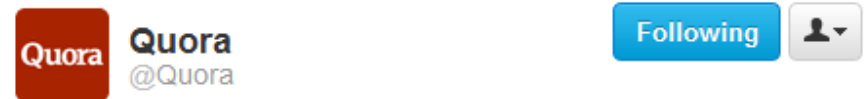
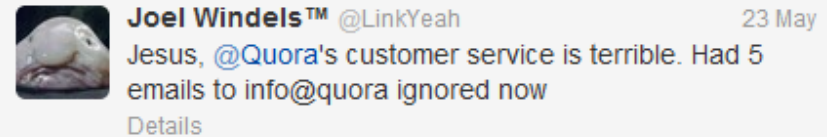
STEP 3:

ESTABLISH MANY CHANNELS FOR COMMUNICATION

REASONING:

Making service a priority across media channels communicates a broad commitment to service and responsiveness, aligning with company values

EXAMPLE: QUORA CUSTOMER SERVICE THROUGH TWITTER



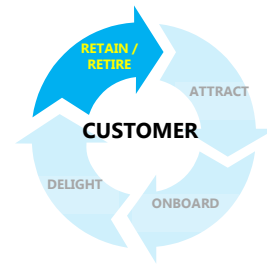
@LinkYeah Sorry you haven't received a response yet. Can you please send us a DM with your IP address?

← Reply ↻ Retweet ★ Favorite

10:01 PM - 23 May 12 via web · Embed this Tweet

HOW TO:

MANAGE CUSTOMER SVC



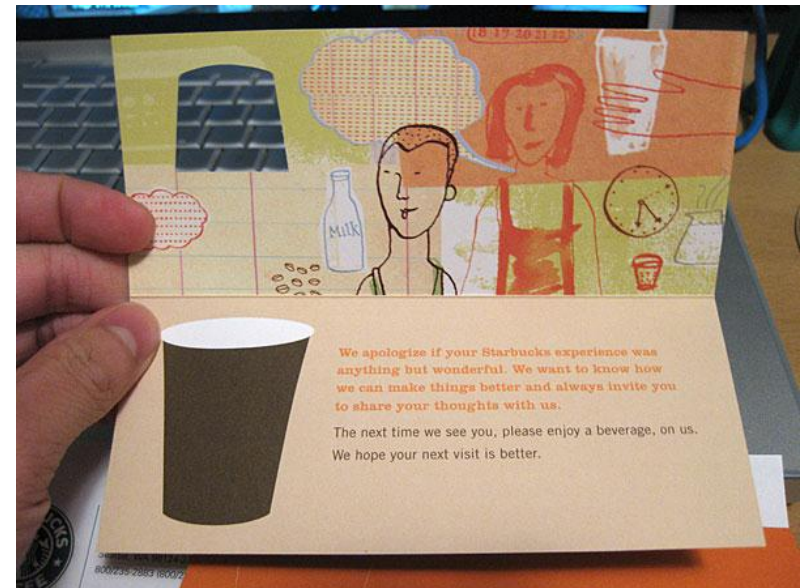
STEP 4:

OVERCOMPENSATE WHEN APOLOGIZING

REASONING:

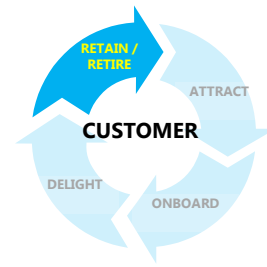
Genuine apologies demonstrate a commitment to delivering the best service and reassurance for customers' future interactions with the brand

EXAMPLE: STARBUCKS APOLOGY GIFT CARD



HOW TO:

FIRE CUSTOMERS



STEP 1:

CLEARLY COMMUNICATE YOUR REASONS FOR LETTING THE CUSTOMER GO

REASONING:

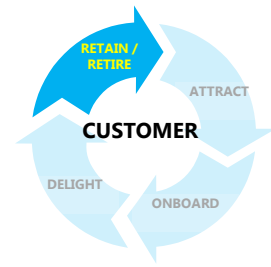
Uncertainty can be a source of stress. If a customer does not know why you no longer work with them, they are likely to be unhappier

EXAMPLE: SPRINT CUSTOMER DISMISSAL LETTER



HOW TO:

FIRE CUSTOMERS



STEP 2:

OFFER THE CUSTOMER AN ALTERNATIVE PRODUCT OR SERVICE

REASONING:

Dropping a customer without offering them a suggestion for another solution could lead to resentment


EXAMPLE: PROGRESSIVE VS. OTHER INSURERS

A graphic titled 'Car Insurance Showdown' comparing Progressive and Nationwide. It features the Progressive logo (DRIVE Insurance) and the Nationwide logo (On Your Side) separated by 'VS.'

Car Insurance Showdown

PROGRESSIVE
DRIVE Insurance

VS.

 **Nationwide**
On Your Side

EMPLOYEES:

HAPPINESS HOW-TO'S

RETAIN / RETIRE

- MANAGE PERFORMANCE
- LAY OFF AN EMPLOYEE

**RETAIN
/ RETIRE**

ATTRACT

- RECRUIT
- SET VALUES
- COMPENSATE

ATTRACT

DELIGHT

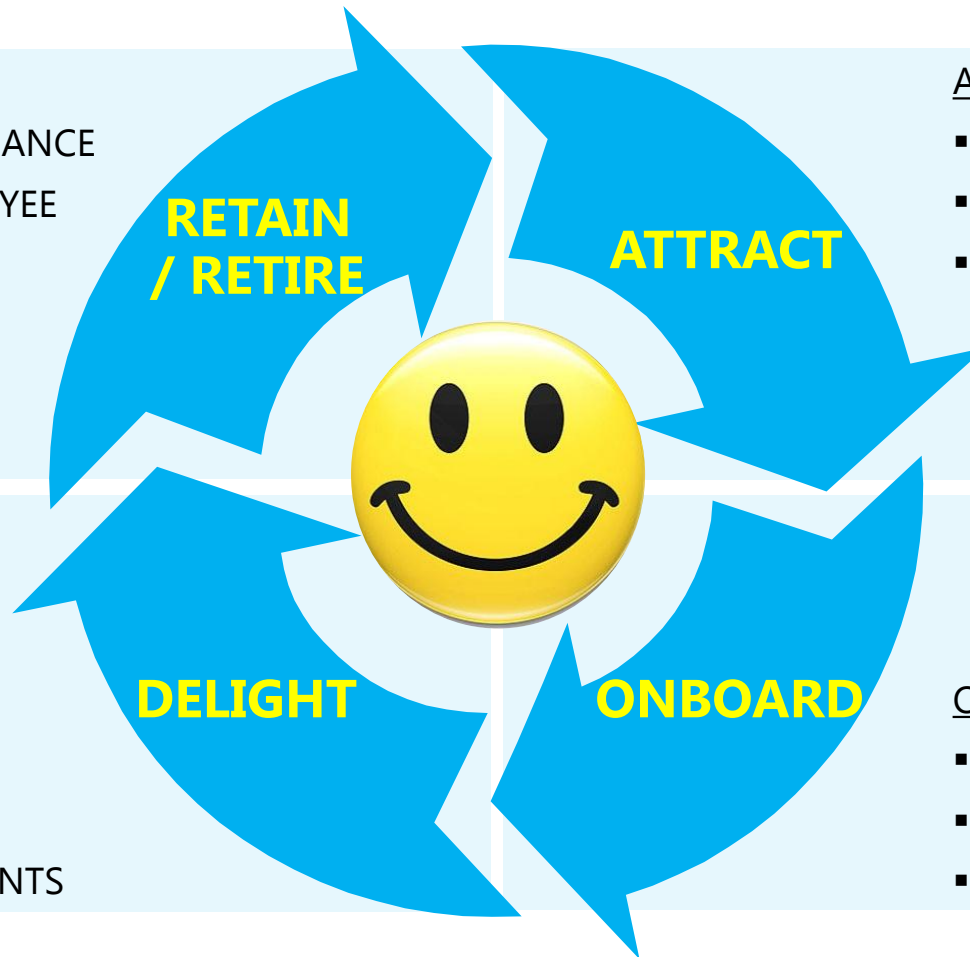
- MAKE WORK FUN
- REDUCE CHORES
- CELEBRATE KEY EVENTS

DELIGHT

ONBOARD

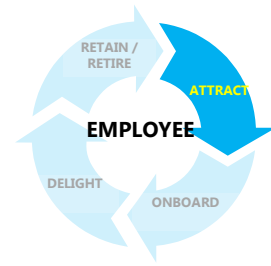
ONBOARD

- ONBOARD
- CREATE ENVIRONMENT
- TRAIN AND DEVELOP



HOW TO:

RECRUIT



STEP 1:

ALWAYS BE RECRUITING, NO MATTER HOW HIGH YOUR POSITION IS

REASONING:

People are the most important aspect of companies, and it is people that create happiness within an organization

EXAMPLE: CONSULTING FIRM PARTNERS STILL RECRUIT

McKinsey&Company

BCG

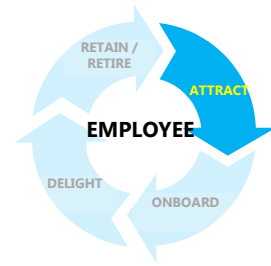
THE BOSTON CONSULTING GROUP

BAIN & COMPANY



HOW TO:

RECRUIT



STEP 2:

RECRUIT FOR VALUES BY SPENDING TIME OUTSIDE WORK WITH POTENTIAL EMPLOYEES

REASONING:

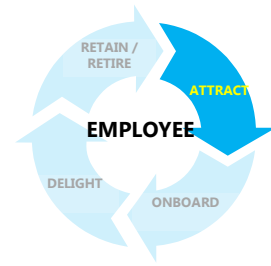
Hiring people who fit the culture will lead to them being happy at work and will add to others' happiness

EXAMPLE: ZAPPOS INTERVIEW PROCESS



HOW TO:

RECRUIT



STEP 3:

USE EMPLOYEE REFERRALS

REASONING:

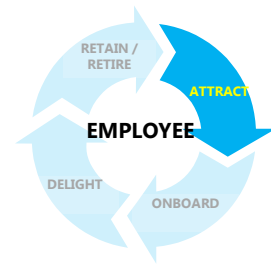
Existing employees know the culture, and hiring their friends will make them happier

EXAMPLE: WILDFIRE EMPLOYEE REFERRAL PROCESS



HOW TO:

SET VALUES



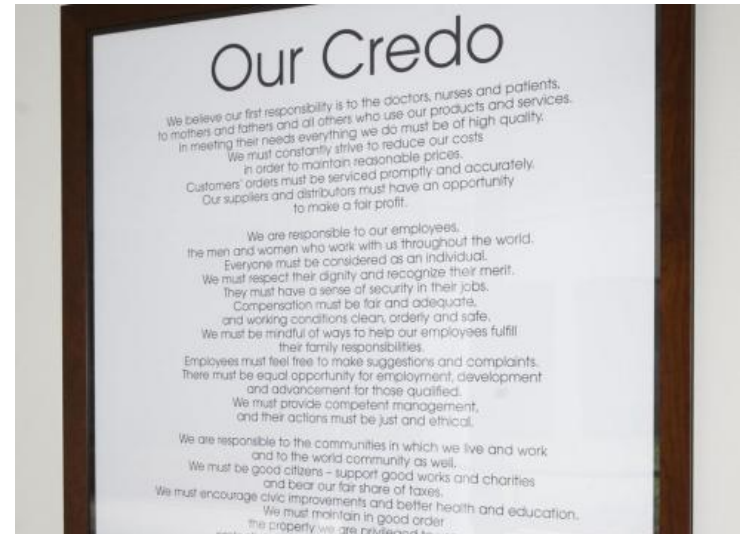
STEP 1:

IDENTIFY VALUES THAT ARE CONSISTENT WITH YOU AND YOUR BUSINESS

REASONING:

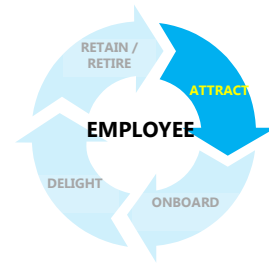
Exactly what your values are matters less than that you have values at all. Values help employees aim for meaning and create alignment

EXAMPLE: JOHNSON & JOHNSON
"CREDO"



HOW TO:

SET VALUES



STEP 2:

DETERMINE YOUR PRIMARY HAPPINESS DRIVER: HIGHER PURPOSE, AUTONOMY, PEOPLE, OR IMPACT

REASONING:

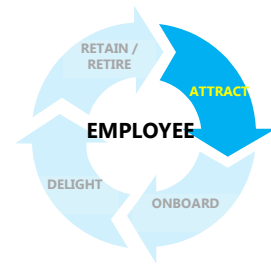
Knowing your happiness driver can help you better convey and deliver happiness to customers and employees

EXAMPLE: WHOLE FOODS' HIGHER PURPOSE



HOW TO:

SET VALUES



STEP 3:

COMMUNICATE THROUGH STORIES

REASONING:

Stories humanize and convey meaning on a personal level; they provide color to words and illustrate how you implement values on a day-to-day basis

EXAMPLE: AMIT GUPTA NEEDS A DONOR

AMIT GUPTA
NEEDS YOU

Amit

you

amit's match

Amit Gupta, a man who has touched the lives of so many, has been diagnosed with leukemia and is relying on us now. **His best chance or survival is you** running drives to find his match. These are the hard facts, but let us not be discouraged by the odds and instead be inspired by the possibilities of this collective movement.

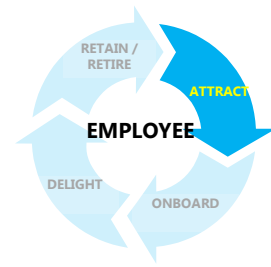
With urgency we must: [Register](#) [Act](#) [Inspire](#)

We'll take you through the process step by step. If at any point you have questions or recommendations for how to improve the kit please email nicole.heinl@gmail.com. Thank you and good luck!

NEXT

HOW TO:

SET VALUES



STEP 4:

COMMUNICATE YOUR VALUES RELENTLESSLY

REASONING:

Being consistent shows that values are important and not just a fleeting thing

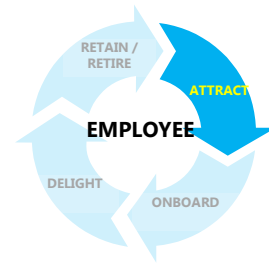
EXAMPLE: WAL-MART COMPANY CHEER



Chronicle / Eric Luse

HOW TO:

COMPENSATE



STEP 1:

ALIGN YOUR COMPENSATION STRUCTURE WITH YOUR CORE VALUES

REASONING:

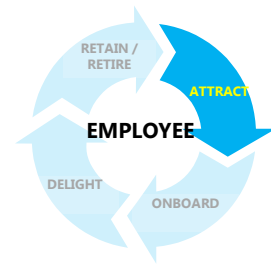
Linking pay to core values encourages employees to spend time working on a higher purpose, being autonomous, helping people, or generating an impact

EXAMPLE: REMAX COMMISSION STRUCTURE



HOW TO:

COMPENSATE



STEP 2:

MEASURE ONLY THOSE METRICS THAT ARE IMPORTANT TO ACHIEVING YOUR VALUES

REASONING:

You get what you measure, and measuring non-core metrics leads to employee frustration

EXAMPLE: ZAPPOS MEASURE OF CUSTOMER DELIGHT VS. CALL LENGTH



HOW TO:

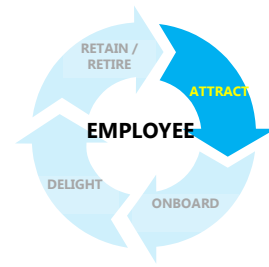
COMPENSATE

STEP 3:

OFFER NON-MONETARY PERKS IN LIEU OF HIGHER SALARIES OR LARGE BONUSES

REASONING:

After a certain point, increasing earnings does not correlate with increasing happiness; instead, employees become happier with non-monetary compensation

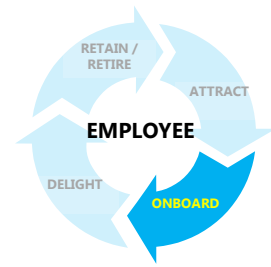


EXAMPLE: FACEBOOK HACK-ATHONS



HOW TO:

ONBOARD



STEP 1:

GIVE EMPLOYEES A LETTER OUTLINING THE COMPANY'S CORE VALUES

REASONING:

An introductory letter helps employees understand the meaning and impact of their work

EXAMPLE: APPLE ONBOARDING LETTER

There's work and there's your life's work.

The kind of work that has your fingerprints all over it. The kind of work that you'd never compromise on. That you'd sacrifice a weekend for. You can do that kind of work at Apple. People don't come here to play it safe. They come here to swim in the deep end.

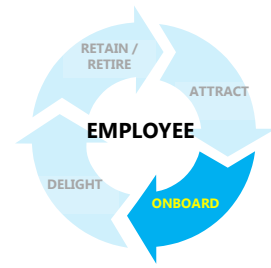
They want their work to add up to something.

Something big. Something that couldn't happen anywhere else.

 Welcome to Apple.

HOW TO:

ONBOARD



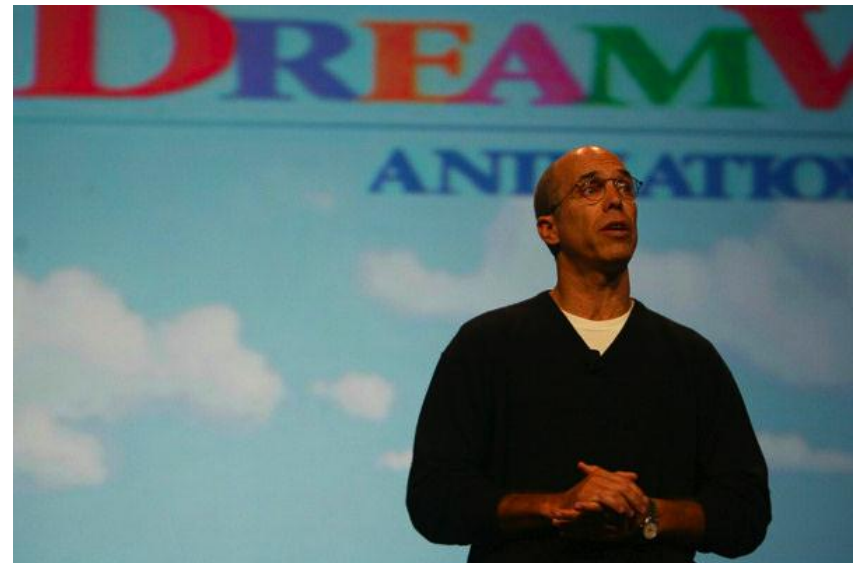
STEP 2:

CELEBRATE EACH EMPLOYEE'S START WITH AN ANNOUNCEMENT AND CELEBRATION

REASONING:

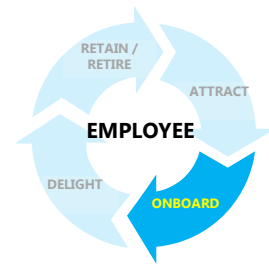
Recognition and social interaction help new employees quickly feel like a contributing member of the team

EXAMPLE: DREAMWORKS CEO PERSONAL WELCOME TO NEW HIRES



HOW TO:

ONBOARD



STEP 3:

OFFER NEW EMPLOYEES MEANINGFUL TASKS THAT THEY CAN COMPLETE QUICKLY

REASONING:

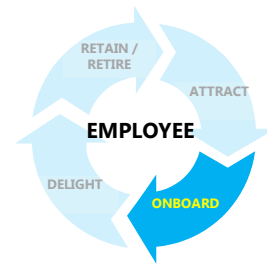
Finishing tasks can be uplifting, especially in a new environment where an employee's competence has not yet been proved

EXAMPLE: FACEBOOK NEW EMPLOYEE PROJECTS

```
Facebook Home Page Code
include_once $_SERVER['PHP_ROOT'].'/ht
include_once $_SERVER['PHP_ROOT'].'/lib
include_once $_SERVER['PHP_ROOT'].'/lib
include_once $_SERVER
[PHP_ROOT].'/lib/feed/newsfeed.php';
```


HOW TO:

CREATE ENVIRONMENT



STEP 1:

DETERMINE THE ENVIRONMENT TYPE MOST APPROPRIATE FOR YOUR COMPANY'S WORK

REASONING:

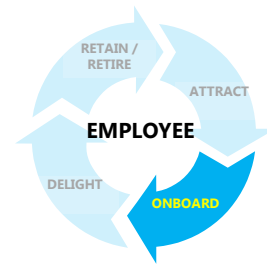
An optimal work environment can have many productivity and happiness benefits, but what's optimal varies by company type and culture (e.g. explorers/exploiters, flat/hierarchical, and so on)

EXAMPLE: ZAPPOS LAS VEGAS OFFICE



HOW TO:

CREATE ENVIRONMENT



STEP 2:

SOLICIT EMPLOYEE INPUT AND PARTICIPATION

REASONING:

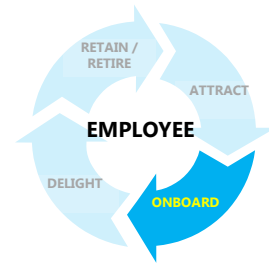
Listening to employees' ideas leads them to feel more empowered and in control

EXAMPLE: FACEBOOK BOTTOM-UP CULTURE



HOW TO:

CREATE ENVIRONMENT



STEP 3:

REGULARLY REFRESH THE ENVIRONMENT

REASONING:

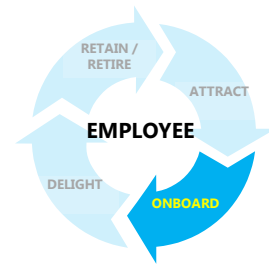
Continually making changes to the environment keeps things fresh and exciting, and it decreases the likelihood that workers will experience hedonic adaptation

EXAMPLE: GOOGLE CONTINUALLY ADDING NEW DECORATIVE INSTALLMENTS



HOW TO:

TRAIN AND DEVELOP



STEP 1:

DETERMINE THE SKILLS MOST IMPORTANT TO THE JOB

REASONING:

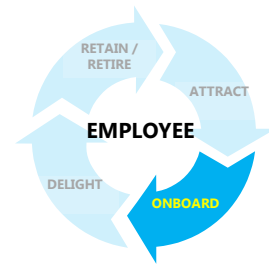
Rather than waste time and money providing standardized training to all employees, focus exclusively on skills that are most relevant to each individual's responsibilities

**EXAMPLE: DIGITAS'S
CUSTOMIZED TEAM-SPECIFIC
TRAINING**

DIGITAS

HOW TO:

TRAIN AND DEVELOP



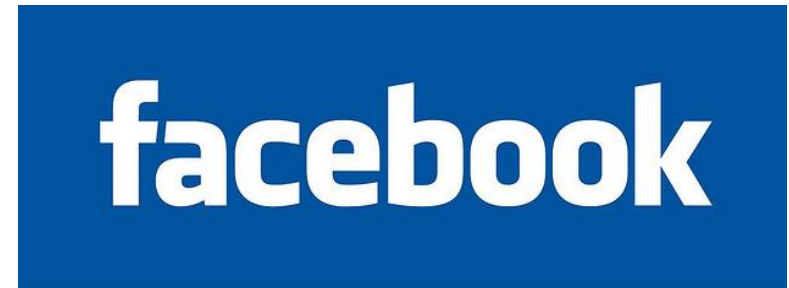
STEP 2:

PLAY TO EMPLOYEES' STRENGTHS

REASONING:

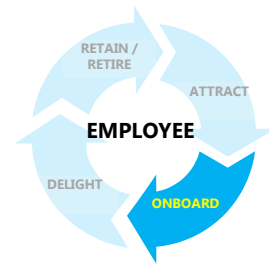
Feelings of efficacy are correlated with happiness. Focusing on one's strengths simultaneously leads to feelings of happiness and distracts from weaknesses, preventing feelings of unhappiness

EXAMPLE: FACEBOOK'S PERFORMANCE EVALUATIONS ARE NARROWLY FOCUSED ON A FEW RELEVANT CORE COMPETENCIES (NOT BROAD, GENERAL SKILL SETS)



HOW TO:

TRAIN AND DEVELOP



STEP 3:

LISTEN TO WHAT EMPLOYEES WANT

REASONING:

When short- and long-term goals are aligned, happiness increases. Understanding employees' long-term ambitions should inform decisions on project selection focus areas for training

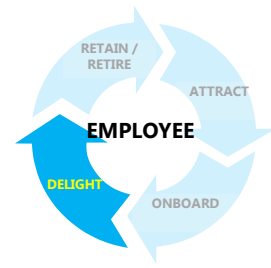
EXAMPLE: GOOGLE
"INNOVATION TIME OFF"

A screenshot of a video thumbnail. At the top, it says 'Eel3channelinsider'. Below that, the title '25 FACTS YOU SHOULD KNOW ABOUT GOOGLE' is displayed in a grey box. The background features a collage of 'Google' logos in various colors and sizes. In the bottom right corner, the Gmail logo is visible, with the text 'by Google' underneath it. A large number '6' is in the bottom left corner of the thumbnail.



HOW TO:

MAKE WORK FUN



STEP 1:

ENCOURAGE BREAKS

REASONING:

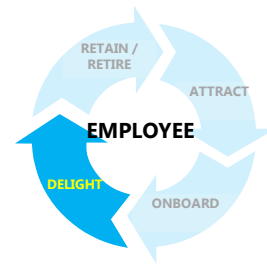
Short breaks—particularly when coupled with deep breathing exercises—reduce stress and increase happiness

EXAMPLE: LULULEMON'S YOGA CLASSES



HOW TO:

MAKE WORK FUN



STEP 2:

ENCOURAGE INTER- AND INTRA-DEPARTMENTAL COMMUNICATION

REASONING:

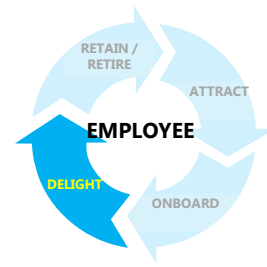
Employees are more likely to help each other when they communicate frequently, and pro-social behavior increases happiness

EXAMPLE: MICROSOFT CHANNEL9 DEVELOPER VIDEOS



HOW TO:

MAKE WORK FUN



STEP 3:

OFFER EMPLOYEES THE CHANCE TO ROTATE DEPARTMENTS

REASONING:

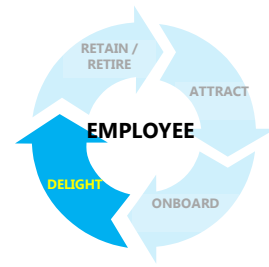
Learning new skills leads to feelings of efficacy, which are tied to feelings of impact and meaning

EXAMPLE: INTEL'S ROTATIONAL PROGRAM



HOW TO:

MAKE WORK FUN



STEP 4:

SET ASIDE TIME FOR EMPLOYEES TO WORK ON THEIR PET PROJECTS

REASONING:

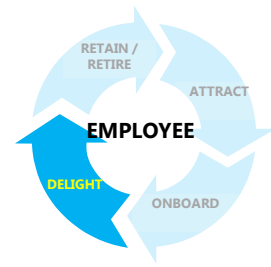
Employees are likely to work on projects that help them meet their own happiness needs

EXAMPLE: GOOGLE LEGO HACK-A-THON



HOW TO:

REDUCE CHORES



STEP 1:

IDENTIFY KEY PAIN POINTS FOR YOUR EMPLOYEES

REASONING:

Each company's pain points will be different; solving these pain points will help employees feel happier (especially if the solution is unexpected)

EXAMPLE: BOX'S "OFFICE SLIDE"



HOW TO:

REDUCE CHORES



STEP 2:

PROVIDE MEANINGFUL PERKS SO THAT EMPLOYEES CAN FOCUS MORE ON WORK AND HAPPINESS

REASONING:

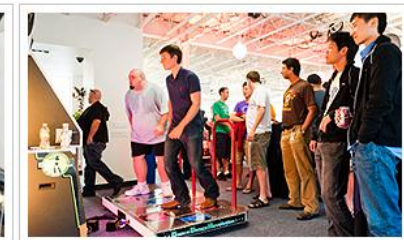
Eliminating areas of incompetence and annoyance increases happiness

EXAMPLE: PALANTIR'S PERKS

Making Life Easy

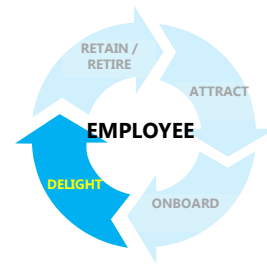


Making Life Fun



HOW TO:

REDUCE CHORES



STEP 3:

MAKE THE COMMUTE MORE PALATABLE

REASONING:

In our class, words and locations related to commuting were the least happy words. Improving this experience can help employee happiness

**EXAMPLE: GOOGLE'S
COMMUTER BUS**



HOW TO:

CELEBRATE KEY EVENTS



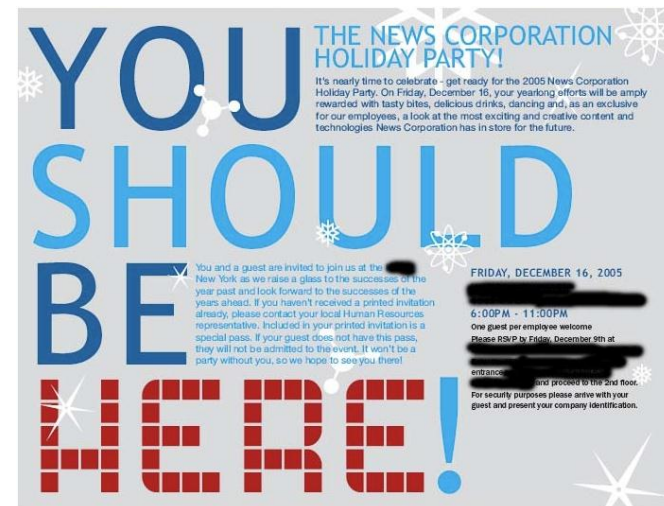
STEP 1:

ANNOUNCE EVENTS IN ADVANCE

REASONING:

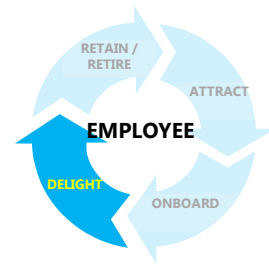
The anticipation of a pleasurable experience can often lead to as much happiness as the experience itself

EXAMPLE: NEWS CORPORATION'S CALENDAR OF UPCOMING EVENTS



HOW TO:

CELEBRATE KEY EVENTS



STEP 2:

DESIGN FOR STICKY MOMENTS

REASONING:

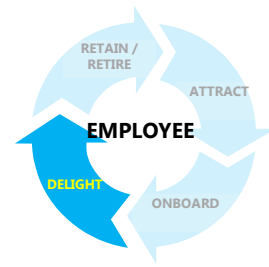
Special events, if framed and branded appropriately, can lead to enduring happiness that lasts long after the event is over

EXAMPLE: FACEBOOK IPO



HOW TO:

CELEBRATE KEY EVENTS



STEP 3:

CHANGE IT UP

REASONING:

To make happy events more memorable, and to appeal to a broader set of happiness palates, make each event unique

EXAMPLE: TURNTABLE.FM'S SXSW FAN APPRECIATION CELEBRATION



HOW TO:

MANAGE PERFORMANCE



STEP 1:

PROVIDE CONSTANT FEEDBACK INSTEAD OF WAITING FOR PERFORMANCE REVIEWS

REASONING:

Being surprised with negative news can lead to significant stress and unhappiness

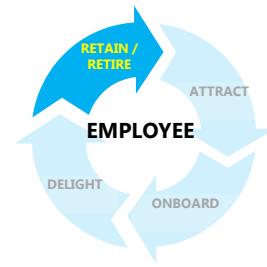
EXAMPLE: GENERAL MOTORS CONTINUAL FEEDBACK MODEL

	People development/ employee satisfaction	Product initiation	Operations	Marketing sales and service	Retail customer satisfaction	Shareholder satisfaction	Total
Corporate	3	8	5	7	5	9	38
Group	7	8	7	9	5	6	32
Divisional/ SBU	12	12	7	9	6	6	52
Plant/field	12	11	13	3	5	1	45
Department/ cell	12	8	8	-	1	1	30

Source: Adapted from [117]

HOW TO:

MANAGE PERFORMANCE



STEP 2:

MAKE MENTORS AVAILABLE TO HELP EMPLOYEES FOCUS ON AREAS OF STRENGTH, NOT WEAKNESS

REASONING:

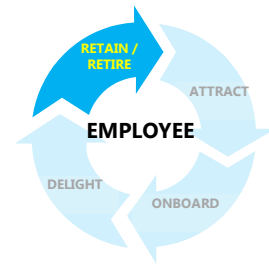
Building upon strengths and eliminating areas of incompetence increases happiness

EXAMPLE: ZAPPOS LIFE COACH



HOW TO:

MANAGE PERFORMANCE



STEP 3:

KNOW WHAT EACH EMPLOYEE'S LONG-TERM GOALS ARE, BOTH IN AND OUT OF WORK

REASONING:

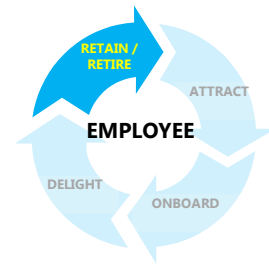
Tasks framed in alignment with an employee's long-term goals allow the employee to feel that she is making progress on her whole life, not just her work

EXAMPLE: GENERAL ELECTRIC FINANCIAL WELLBEING SEMINARS



HOW TO:

LAY OFF AN EMPLOYEE



STEP 1:

DETERMINE WHETHER THERE IS A MORE APPROPRIATE ROLE FOR AN UNDERPERFORMER

REASONING:

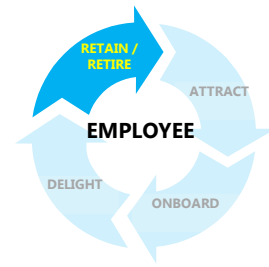
Poor performance is often a result of a mismatch between one's skill set and one's responsibilities. There may be another role in which a poor performer would thrive

EXAMPLE: WAYFAIR TRIES TO PLACE STRUGGLING PERFORMERS THAT SHOW POTENTIAL IN OTHER ROLES



HOW TO:

LAY OFF AN EMPLOYEE



STEP 2:

ELIMINATE POOR PERFORMERS QUICKLY

REASONING:

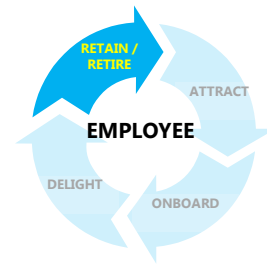
If there is no other appropriate role for a poor performer, lay him off before there are negative effects on other employees. Unhappiness is contagious

**EXAMPLE: SOCIÉTÉ GÉNÉRALE
AND JÉRÔME KERVIEL**



HOW TO:

LAY OFF AN EMPLOYEE



STEP 3:

WHEN MASS LAYOFFS ARE NECESSARY, MAKE ONE DEEP CUT

REASONING:

Making it known that there will only be a single round of layoffs reduces the anxiety and unhappiness of employees who remain after the layoffs

EXAMPLE: ZAPPOS LAY OFF

Update

by Tony H. CEO on Nov 6, 2008 in CEO and COO Blog

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The following email was sent to our employees today:

To all Zappos employees:

Today has been a tough, emotional day for everyone at Zappos. We made the hard choice of laying off about 8% of our employees. The layoffs will affect almost every single department at Zappos. In addition, we are also looking at closing some of our brick and mortar outlet stores in Nevada and Kentucky.

This is one of the hardest decisions we've had to make over the past 9.5 years, but we believe that it is the right decision for the long term health of the company. The rest of this email will explain why...

We feel fortunate that we have Sequoia Capital as an investor who had the foresight to see the ramifications of the tough economic times that lie ahead for all of us. On October 7, Sequoia held a meeting for all of their portfolio companies (including Zappos), with one very clear message: Cut expenses as much as possible and get to profitability and cash flow positive as soon as possible.