

## Would you be willing to bet your business- or your career - on a single number?

Unlikely.

Yet thousands of businesses (and CEOs) gamble the future on a daily basis by going all in on Net Promoter Score (NPS). They're playing a high stakes game of chance based on a single number – are you? Like corporate croupiers, these leaders ask customers one self-administered question: "How likely are you to recommend our business, based on your recent experience?"

Then the real gambling begins.

In 2018, NPS was cited more than 150 times in earnings conference calls by 50 S&P 500 companies, according to a *Wall Street Journal* analysis of transcripts. Compared with the same organizations from five years earlier, that's more than four times as many mentions - a 400% increase in NPS chatter! In five years, nearly *three times* as many companies were focused on this single number, according to <u>transcript</u> analysis.

The same study went on to discover dozens of public companies also report NPS scores in securities filings, even tying NPS results to employee compensation. So: is that a fair bet?

A growing number of companies are going all in on a single square.

Like Ashley Revell, these organizations are betting the house on a single number.

How do you think that's going to turn out? (By the way, if you're interested in the outcome of Ashley's sensational spin, visit <a href="http://karenmangia.com/biggamble">http://karenmangia.com/biggamble</a>

## Listen Up! by Karen Mangia



Are you the Ashley Revell of your C-Suite? With all your company's assets riding on an outcome you're unable to predict, and unlikely to sustain?

Red or black.

Promoter or detractor.

Place your bets.

Are the odds really in your favor?

This corporate roulette game isn't the same. The house almost never wins. Because NPS is a bad bet for everybody involved.

When the results are revealed, how equipped are you and your senior leaders to discern the answers to these mission critical questions:

- · Why do you win?
- · Why do you lose?
- · How do you influence, sustain or change that outcome?

The challenge is: we're asking the wrong questions.

And we're asking the wrong questions of the wrong people.

How often do we – as human beings – do what we say we're going to do? Like when the dentist asks, "Are you going to floss your teeth?" – there's really only one answer.

But is it the truth?

The doctor wants to know if you're going to eat more vegetables. Of course, you and I say yes, because we only have the best intentions, right?



But intention is not action, and that's the issue with the NPS question. Asking, "how likely are you to recommend our business based on your recent experience?" is a measure of one key sentiment: *likelihood*. How LIKELY are you to floss? Eat better? Really do something to recommend my business...?

CEO Christine Marcus discovered the dangers of asking the wrong questions to the wrong people the hard way: by losing her largest customer. Talking backstage with her at a conference in Amsterdam, I had the chance to hear her story firsthand.

Having emigrated from Egypt with her family to escape religious persecution, Christine was no stranger to hardship. Her pre-arranged marriage at age 17 - a cultural tradition - ended in divorce. As a single mother, she needed to provide for herself and for her children. Like many female entrepreneurs, doing what had to be done was the motivation to <u>start her own business</u>.

And that's exactly what she did. Christine knew two things really well: food, and service. But not just serving food – she wanted to cook up something different. Something unique. A business that created delicious experiences. She built her B2B business around organizations that realize how the overall employee experience is a big part of attracting and retaining top talent.

Alchemista is a premier corporate catering concierge service, delivering creative food and brand solutions for high-growth businesses. Her customers are, according to Christine, "elite and specific". They believe they have to have an awesome office culture, with free meals as an employee benefit. But not just burgers and fries for her clients.

"We help companies compete with Google", she explains. "Food plus experience equals culture [for our customers] and that's where Alchemista comes in. We don't make any food – we're just really good at finding great stuff." Her company sources unique culinary choices - from fast to slow food. "And then," Christine adds, "we make everything better.

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"We're never going to have thousands of customers, that's not our approach. We have a short list of

clients." Hers is a subscription model – delivering onsite for most sites multiple days per week. Christine

clarifies, "It's hospitality service. Not food delivery."

As Christine's business grew, her growing leadership responsibilities resulted in fewer opportunities to

interact directly with customers. Like most founders, she trusted her account team with the task of

retention. On the surface, it seemed so simple: keep customers, by keeping customers happy.

Resting on residual relationships established earlier in her career, interspersed with occasional account

team conversations, she became removed from day-to-day client contact.

For her teams, she asked just one question: "How likely are we to retain this customer?"

Ah. A single, simple ask. Sounds familiar, doesn't it?

Which do you choose: Red or black?

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