



Profit Through People

Securing Your Bottom Line at the Frontline

 eNPS WHITEPAPER

When you run a service business, your frontline is your bottom line. Your people are your product, and if you want your customers to stick with you, you have to be sure they're getting the very best. If your team members are going to set you apart from other brands, it's essential to monitor how they're feeling and make sure they're getting everything they need to succeed. They're the face of your company, after all, and if that face isn't smiling, customers are sure to notice.

It's no secret that a happy person is more productive at work, but the scale of impact it has on your business may surprise you. Bain and Company, the creator of the Net Promoter System (widely considered the standard for customer feedback), has found that happy, engaged employees have a profound effect all the way through to the bottom line. Born from a desire to quantify this phenomenon, the employee Net Promoter system has quickly become the gold standard of measuring this employee engagement.

From Apple to Zappos, big brands are recognizing the value of eNPS and using it to sustain growth year after year. Businesses like Sport Clips and Arrow Exterminators use the system to ensure employees across all locations are getting what they need to deliver the exceptional service that built the business in the first place.

Employees who are properly engaged are supercharged. Researchers at Bain and Company have found that happy workers are not only more energetic and enthusiastic, but they are more ingenuitive and have more creative ideas. Productivity goes up, management runs more smoothly, and the overall attitude spreads throughout the staff. If your employees are radiating positivity and success, the others are going to notice, and studies show that they will follow suit. The old adage is true: smiles are contagious, but it doesn't stop with your employees.

Customers are satisfied when they purchase a great product, but an object doesn't have an attitude. Service and franchise employees affect the feelings of customers in a big way. The same research at Bain and Company shows that businesses with happy employees almost always have happier customers. Delighted customers spend more with your business, are fiercely loyal, and religiously refer new customers. They're also far easier and less costly to serve, and this starts a positive cycle within your organization.

Just as your happy employees make happy customers, the positive energy flows back into the system. When your staff sees praise and excellent feedback for your brand, it builds pride and morale. Higher morale means better service. Better service means more delighted customers. The cycle continues on and on, fueling growth and creating a noticeable change in profitability.

Bain and Company's NPS, the score measuring customer engagement, has proven to correlate with profits and sales growth. If it takes a loyal and fulfilled team of employees to create a delighted customer base, it's not a stretch of the imagination to think that eNPS should correlate as well.

At Listen360, we examined multi-location brands measuring both NPS and eNPS in an attempt to find a trend. Pacific Consulting Group analyzed our data on both brand and individual service area scales and discovered a strong correlation between customer and employee scores.

Brands and locations with high eNPS scores have a high NPS scores as well. This clearly validates the idea that happy employees make happy customers. And, as we've seen, happy customers make a happy bottom line. When all of these factors come together, your people are far more likely to stay a part of the team.

Employee turnover is a huge obstacle for growing businesses, especially in service industries and franchise systems. Estimates of the average damage are all over the place, but none of the news is good. Josh Bersin, founder of Bersin by Deloitte, pegs the cost of replacing an employee at 1.5-2x salary. The Center for American Progress reports that replacing a specialized position could cost as much as 213% of that person's compensation. Not only do you have to find, hire, train, and onboard new personnel, but many service employees will take their best customers with them, setting you back even further.

Identifying the biggest barriers and motivators for employees in your company culture is essential to retention. In the age of nap pods and catered lunches, many businesses are scrambling to follow the Silicon Valley model of fun in the workplace. While a flashy office and bean bag chairs might be a good recruiting tool, surveys with eNPS have found that the bells and whistles might not be the answer. Fun is fleeting, and retention needs sustainability.

Your employees want to feel that they have the tools to be impactful and build a career within the company. In Listen360's study with Pacific Consulting Group, we also compiled the eNPS feedback responses to find the biggest drivers and barriers in the employee experience.

The top drivers of happy employees were flexible hours, a family atmosphere at the office, and a sense of respect coming from management.

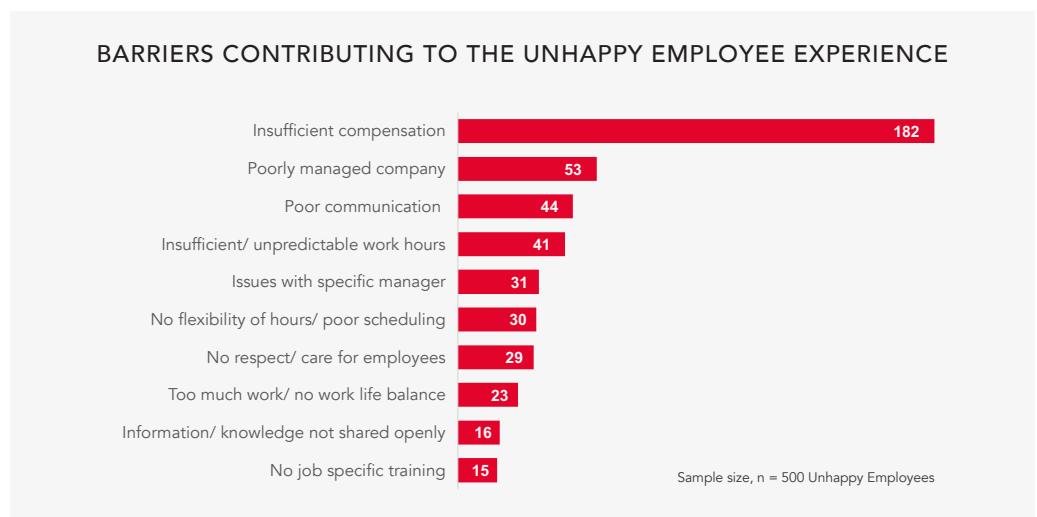


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Let's be clear, fun is great, but it's only one piece of the puzzle. Your business has a unique culture and specific needs. With eNPS, you can discover what the other pieces are and where they fit in order to see the bigger picture of a healthy employee relationship and reduce employee churn.

Apart from drivers, you can also recognize major friction points.

The biggest barriers for employees were insufficient compensation, poor management, and poor communication.

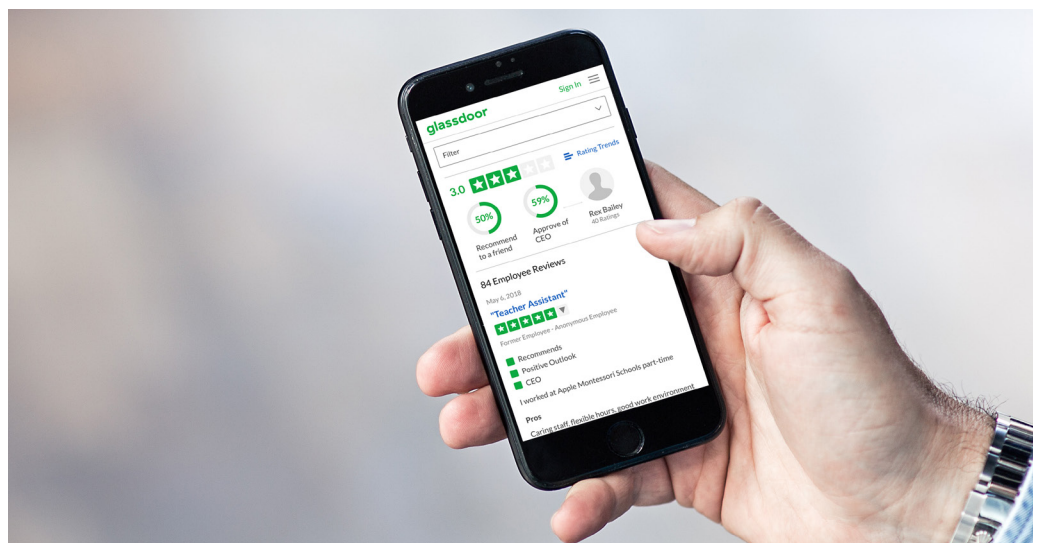


Coaching management to better train, onboard, and support their teams based on this information will make for a much better employee experience. Being transparent and candid about the whole process can improve morale in itself. By reporting your findings and outlining strategies for improvement to the whole company, you demonstrate a dedication to the well-being of your people.

With unemployment at a 10-year low, finding great talent is a constant challenge. To prospective hires, your current employees are the best indicator of your company's atmosphere. Online reviews have revolutionized the way people provide and access information about a work environment. Sites like [glassdoor.com](https://www.glassdoor.com) have made it easier than ever for job applicants to get what they think is the inside scoop on the employee experience.

Why are people on these sites in the first place? They're looking for a new job. Happy and loyal employees have very few reasons to visit these review platforms, so it is likely that most feedback is coming from dissatisfied employees looking to leave. While the issues of unhappy employees are noteworthy, they rarely ever represent the sentiments of the entire company. This creates a negatively biased picture for prospective hires doing online research on your organization.

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Through eNPS, you can not only diagnose the barriers frustrating the unsatisfied, but make sure the voices of your proudest employees are heard loud and clear. This bridges the gap between disloyal employees surfing through help wanted ads and those who are proud supporters.

When happy employees complete a Listen360 survey, they are prompted with an option to have their review posted on Glassdoor.



Help us spread the word by posting your review!

 **John Doe**
★★★★★

I've worked here for five years, and I can't say enough good things about this company!

[Post my Review to Glassdoor](#)

glassdoor

Overall	★★★★★	5.0
Culture & Values	★★★★	4.9
Work/Life Balance	★★★★	4.9
Senior Management	★★★★	4.9
Comp & Benefits	★★★★	4.9
Career Opportunities	★★★★	4.9

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ABOUT LISTEN360

Listen360 is an NPS-based platform for businesses who value better communication with customers and employees. With comprehensive solutions for monitoring customer and employee experience, Listen360 has identified over \$8.7 billion in at-risk business for more than 20,000 clients around the globe.