

Hello. This is Wayne Rivers at The Family Business Institute. Thanks for tuning in. Don't forget about bootcamp, and as always, we value your comments in the section below.

Today I want to talk to you about a terrific book called *The Experience Economy*. It's by Joseph Pine and James Gilmore. Well worth reading. It's really kind of regulatory in my mind. And why is this important?

We all are trying to carve out a brand and a niche for ourselves, and more importantly, avoid commoditization of our companies. And this is a terrific book to help you avoid commoditization. They talk about the evolution of economic output and, originally there were commodities. People grew grain in the fields and use that for trade and barter. And then after the economy developed over a period of years, people produced goods. So, they took commodities and they made finish goods like a shoes or things like that, clothing. And then eventually services came about legal services, accounting services, banking, services, all those kinds of things. And finally, they talk about this fourth wave in the evolution of the economy, and that is the experience economy.

So, what are they even talking about? About five or six years ago I was talking to a neighbor and it was holiday time. And we were just making conversation. And I said, "So what is Santa Claus bringing you this year?" And she is about my age, empty nester and all that stuff. And she said, "We don't give gifts anymore in our family. We give experiences." So they were taking a family trip together over the holidays. And that really struck me.

In our society today, we're pretty affluent as a society. We have enough stuff. We have enough clothing, we have enough bling, we have enough automobiles. We have a beach whatever. How much of an impact does another gift really make in terms of the quality of our lives? But what if we can have an experience with our family or our friends, or both something that you're going to remember and treasure 10 or 15 years from now versus another book for me to read and talk about in a blog.

My peer group met at one of our member companies down in Florida. And there's a place in Tampa that is just renowned. I never heard of it, but it is a legend. If you ever are in Tampa, go to Bern's Steak. That's B-E-R-N. Bern's Steakhouse. Now I've to a lot of steakhouses. I've been to a lot of business meetings over the years. So, you can imagine I've been to all the top end chop houses in all the various cities around the country.

So, I'm thinking, "Okay, great. We'll go and we'll have a nice drink. We'll have a nice meal. It'll be fun. I'm with my peer group, that's the main thing." Holy moly, this blew us away. Bern's is much more than a steakhouse. It's an experience. If you ever go there, I guarantee you'll never forget it in your whole life. The wait staff is really professional. The meal is what you expect is really, really good. But it's what happens after the meal. The wine cellar tour, the kitchen tour, and then they take you into an entire separate part of the restaurant for the most elaborate dessert menu you've ever seen in your whole life. I'm telling you just block off the whole night. You're not going to make it to the movie. It's going to be an experience. And that's what these folks are talking about.

So now how can a contractor turn putting up a building or paving a highway into an experience? Well, that's where you have to be creative and you have to get your marketing brains engaged here. But let me give you an example. They talk in the book about a kitchen remodeler that says, "Okay, at this point in the schedule, you have to go and pick out plumbing fixtures and things like that." They don't just say to the folks, "Go out and spend your Saturday." They send a limousine.

They send a limousine to the people's home. And the limousine already knows which supply houses to go to help them facilitate their choices so the project can get done.

When we did our own kitchen renovation, it was the difference between the typical home remodeler contractor that kind of doesn't write anything down and tries to remember everything. And everything's done sort of on the fly or using a peer group member, actually. Not our peer group member, but a peer group member of mine's peer group member that presented us with a book, a schedule, what had to happen by what dates. Had a project manager managing the entire project, managing my wife's expectations and my expectations throughout the process. It was night and day different. Night and day.

So, you can imagine that could easily be applied to commercial construction. If you're having a topping out event, what about sending a limo to pick up the owner or to pick up the... If it's a medical office building, you pick up the medical team and bring them and have them celebrate with you. But you have to engage your creative brain to figure out how you can make purchasing your product or service different and memorable from other people.

So, there are three keys to doing this. The first and probably the most important is how can you eliminate negative experiences? How can you eliminate choke points, points of friction in the process? And why would we ask our customers to settle for discomfort at all in our delivery process? We've got to figure out where those points are and do everything we can to eliminate them.

The second key, measure your customer satisfaction. We're obsessive about this, and you should be too. For every project, for every customer experience, there should be some way for you to measure that because you want to see that trend going up. You don't want to see it staying flat, and you certainly don't want to see it going down. But if you're going to know your customer experience, you have to have a way of measuring it formally.

And the third key is investing time upfront with your people, doing intelligent research, doing intelligence surveys and things to figure out what your customers' aspirations are going into a project, precise aspirations and expectations, of course. And then more important, where are their fears and concerns? And to the degree you can allay those, then obviously you're going to have a better customer experience.

So, get the book, read it. It's terrific. You'll enjoy it. It does veer off into sort of the Disneyfication, where it talks about customers as guests and all that. So, there are some parts that aren't 10 on 10-point scale, but as far as the overall message, it really is a terrific book. And I think it will help you as you develop your services and cut yourself out from the crowd in terms of the construction experience.

This is Wayne Rivers at The Family Business Institute. Thank you.