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Beyond the Numbers...



How Top CEOs Found Success Through Immersion



In today's fast-paced business world, it's important to stay close to your customers and frontline employees. Walking in the shoes of your customers and employees can help you make better decisions that ultimately improve the customer and employee experience.

A recent study showed that most CEOs only spend 6% of their time with their frontline employees and just 3% with their customers. This disconnect can cause problems and lead to bad decisions.

CEOs need to intimately understand the customer experience. Otherwise, they lose touch with the customer's demands, expectations, and ultimate experience.

Furthermore, it's just as important to understand the frontline employee experience and any issues their team faces. By spending more time on the frontline, leaders can streamline processes, build a positive workplace, and, ultimately, offer a better product or service to their customers.

In this document, we'll look at the experiences of three CEOs who've done exactly that. Their stories provide great lessons for leaders who want to understand their businesses better.

Airbnb CEO: Brian Chesky

Amid the pandemic, Airbnb CEO Brian Chesky made the unconventional decision to leave his San Francisco home and live exclusively in Airbnb rentals for six months. This immersion enabled him to experience the Airbnb platform from a customer's viewpoint and understand the inconsistencies and challenges that guests face.

During Chesky's journey, he came face-to-face with the variability in host rules and fees. From signing rental agreements and encountering substantial cleaning fees to performing chores before checkout, Chesky experienced the issues that Airbnb users encountered



every day. This immersion led him to a deeper understanding of the customer journey and helped him identify aspects of the service that needed to be improved or streamlined. One such change was the introduction of Airbnb Rooms, a more affordable alternative to whole-house rentals. Chesky also introduced a total pricing feature for transparency in costs, which came as a direct response to his personal encounters with hidden fees.

Starbucks CEO: Laxman Narasimhan

Starbucks CEO Laxman Narasimhan recognized the value of first-hand experience in understanding his company. As the coffee chain contends with increasing unionization efforts from its employees, Narasimhan decided to work barista shifts once a month.

This hands-on approach sent a strong message to his team, highlighting his commitment to understanding their daily challenges and enhancing their work environment. His involvement on the frontline helps ensure he is well-equipped to make decisions that reflect the realities of the stores.

Narasimhan's barista-based leadership also brings to light the challenge of addressing underlying tensions between management and labor. While his initiative has been generally well-received, some caution that the authenticity of his leadership will be judged on how he uses the insights he gathers from his time on the frontline. With that said, his time on the frontline provides invaluable data to help him foster a more connected, trusting culture within the global coffee chain.

Uber CEO: Dara Khosrowshahi

As the pandemic fueled a surge in the gig economy, Uber found itself grappling with an unanticipated problem: a shortage of drivers. To tackle this issue head-on, CEO Dara Khosrowshahi decided to get behind the wheel, adopting the alias "Dave K." and ferrying passengers around San Francisco in an otherwise nondescript vehicle.



His stint as a driver was part of a campaign geared toward improving the platform's experience for drivers in a bid to attract more to the service. However, the transition was far from smooth for Khosrowshahi, who found himself battling the very grievances many drivers had voiced - a clunky user interface, the practice of "tip baiting," and the nerve-racking anticipation of passenger reviews.

Despite the challenges, Khosrowshahi's venture into driving proved fruitful, with Uber reporting higher revenue and profits in 2022, marking the company's most significant makeover since 2009. By acknowledging the issues drivers face every day and making tangible changes, Uber appears to have embraced a "ground-up" approach where improvements at the driver level have contributed to a healthier bottom line.

Transforming hands-on insights into business strategies

The case studies of Chesky, Narasimhan, and Khosrowshahi underline the immense value of a hands-on, immersive approach to understanding a business. By personally experiencing their services as customers or employees, they were able to gain valuable insights that went beyond traditional market research.

These CEOs show us that there is no substitute for personal experience when trying to understand the intricacies of a business. The lessons drawn from their stories can be instructive to leaders across various industries: immerse yourself in your product or service, connect with your customers and frontline teams, and transform those insights into tangible business strategies. This is not just about enhancing the bottom line but about fostering an environment of understanding, empathy, and continual improvement.



Final Thoughts

The purpose of this document is to provide a brief overview and is not a substitute for speaking with one of our expert advisors. If you have any questions or would like to discuss more on this topic with one of our expert advisors, please contact our office. Our team is here to provide guidance and ensure compliance with this important legislation.



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