

The Business Composition

The
Business
Composition

*How to compose, conduct and perform
business that moves customers
and delivers results*

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Contents

| | | |
|----------|--|------------|
| | Before we start | vii |
| 1 | Compositions in business | 3 |
| | The striking similarities between the worlds of music and business | 6 |
| | One striking difference | 8 |
| | The Business Composition construed | 11 |
| 2 | Why you may benefit from the Business Composition approach | 15 |
| | What music does to listeners is what business wants to do to customers | 15 |
| | What can go wrong without a business composition | 17 |
| | Turning from value disciplines to customer effects | 25 |
| 3 | Linking mission, strategy and culture to execution | 29 |
| | Mission vs composition | 29 |
| | Strategy vs composition | 31 |
| | Concept vs composition | 33 |
| | Business composition as medicine for the pains of change | 37 |
| 4 | Your organization as an orchestra | 43 |
| | Size does matter (to a certain extent) | 44 |
| | Professional attitude and teamwork | 46 |
| 5 | Creating strong business compositions | 51 |
| | It is all about creating experiences | 54 |
| | Origins of compositions | 56 |
| | Powerful business compositions | 59 |
| | Transformation by title | 61 |
| | Compose for involvement | 66 |
| | Short vs sectioned compositions | 68 |
| | Score and orchestration | 71 |
| | Applying business compositions for innovation | 72 |

Putting together the repertoire 74
Key questions for business composers 77

6 Creating compelling performances. Every time 83

How strict should it be? 83
Inspiration versus routine: the power of repeatable uniqueness 89
Possibilities and limitations of arrangements 93
Choosing the right instruments 95
Designing the setting 99
Facing the customer 108

7 Getting and keeping everyone involved 111

Roles instead of jobs 111
The producer's role 112
The composer's role 115
The arranger's role 117
The conductor's role 118
The orchestra member's role 125
The section leader's role 131
The soloist's role 132
The audience's role 135
The backstage role 140

8 The result 145

Maintaining the value balance 145
Efficiency and impact 147
Preference and profit 150
The power of commitment 152
The drive to perform 153
Shaping the shared passion 155
The fruits of the shared experience 157

9 Back to the soul of value creation 163

Before you leave 167

Sources 169
About the author 173
Index 175

Before we start

Just to be sure: this is *not* a book about music. It's about business. But it presents some remarkable insights from how music is created and performed that businesses can use to reach the hearts of their customers. And to build better value from that. For their customers and themselves at the same time.

I was intrigued to discover what became the contents of this book. I have never been more than a casual listener to modern and classical music. Only occasionally do I attend concerts. I don't read music and never listen to any when I work. It distracts me. But something changed when I read Jan Brokken's book about the life of the young Russian concert pianist, Yuri Egorov, in the 1980s. It struck me that what this talented performer ('the poet among the pianists') did and experienced with compositions, orchestras, conductors and audiences offers many parallels to what business leaders, managers and their teams do and experience when performing for customers. It gave me a totally different perspective on what it takes to create something that is truly moving for others. And I came to realize that this is what many people seek in business as well: there is more to business than making money. Most responsible people in business want to make a good living by taking part in the creation and delivery of things and experiences that are valuable to others.

What struck me even more was that, among all music metaphors already in use for business purposes, practically none focus on the role of the composition. Conductors as a role model for leaders? Yes. Musical styles in relationship to models of business control? Certainly. Tools of music as metaphors for change management? Indeed. Improvisation as an approach to unpredictable circumstances? Sure. Teamwork? Of course. But a lot seems to be left out. Agreement on what is going to be performed? Ehhh... no... Composing for customer effect? Ehhh... no...

Bringing different specialists together into one harmony? Ehhh... no.
Alternating solo and support roles? Ehhh... rarely.

This is what brought me to dig into this matter for almost a year. To read about the world of music, to talk to musicians, conductors and composers and listen to interviews. To verify whether the metaphor would hold true for business as I had presumed. And after that I decided to write this book. You do not need to know more about music than an average listener to be able to appreciate the insights and knowledge you will come across. You just need to be interested in creating business value for your customers, and for your company as a result. If you do have more than an average understanding of music, you will no doubt find that a lot of aspects that make the world of music so endlessly rich and lively have been left out. I have made a selection that serves business organizations to discover and use a refreshing approach to creating value. But this selection should bring recognition at the same time (of course I have seriously researched and checked every music related element). If you do find omissions, I would appreciate it if you could let me know.

In any case: enjoy reading!

PART I

Exposition

Compositions in business

Music has a natural capability that most businesses try hard to master: it can reach the heart instantly. And the same magic can work over and over again: repeated exposure does not bore customers, it often makes emotions even stronger. Particularly – but not exclusively – in live performances. In most cases this is the result of minute preparations and execution on the part of the performers. They are out to move their audiences every time.

For business organizations, too, it is crucial to move their customers time and again. And in business, equally, there are many live performances. Especially in the service sector – by far the biggest in modern economies. Then why do we hear so often that customers are left unmoved – or even irritated – by performances of companies they do business with? In many sectors average customer satisfaction ratings hover around a mediocre level of 6 to 7. Why is it often so much more difficult to ‘move’ customers in business relationships? Why is it that so many businesses are convinced that to satisfy their customers they need something new every time, where musicians mostly focus on a strong performance of pieces that are (mostly) already familiar to their audience? Of course, there is a difference in consumer interest between experiencing music compared to many daily business transactions. But that – and the effect of cut throat competition in changing markets – cannot take all the blame. In business relationships, too, emotions are omnipresent and can influence results to a great extent; for customers and consequently for the organizations they choose to do business with.

The way music organizations (from orchestras to ensembles and bands) select, prepare, coordinate and perform their music can be a source of inspiration for many businesses. Not just when it comes to their organizational structure, but far more in the way they focus on what is to be accomplished. In all of the activities they undertake,

the composition to be performed plays a central part. A part that is often, and too easily, taken for granted – probably because it is so common. But all accomplishments start here, in almost any kind of music. It is the composition through which a composer aims to express a meaning, message or emotion. It is on the basis of this effect that a composition is selected by – or for – a (group of) performer(s). Once selected, the composition is shared by all, at least for a period of time, or for a certain occasion. If there is a conductor, he will study the composition first, to form his interpretation of it. The strength and setting of the orchestra are then tuned to it. All members of the ensemble accept it and aim to excel in performing it, personally and as a group. In some cases they choose to perform as rehearsed, others prefer more varied or even improvised performances. But even in the last case there is a prior agreement on what they will improvise on. And last, but not least: the composition serves as a reference for the audience when judging a performance and comparing one orchestra's interpretation with others.

For all participants it is clear from the start which composition has been selected. And all play an indispensable role in the achievement of the unique – and yet repeatable – experience of performing it. Still, consecutive performances of one composition often vary, even if minutely rehearsed: a sensitive ensemble will adapt its performances to the atmosphere and circumstances of every occasion.

On the other hand, an orchestra does not play the same composition at every performance. All professional musical organizations have a repertoire of compositions from which they can select, depending on occasion, situation and – yes – even customer demand. Their repertoire ensures they can react to a variety of external circumstances. Internally, being able to refer to (a shared repertoire of) specific compositions enables the ensemble to change and adapt its actions quickly and throughout the whole group simultaneously. And what's more: the fact that a change of composition requires players to adapt their individual contributions – sometimes even their position and/or way of performing – is taken not as a sign of personal dysfunction, but as a challenge to show their flexibility and readiness to change.

Strangely enough, in many business organizations the equivalent of clear, binding and inspiring compositions is missing, or its potential to find or adjust focus throughout the organization is overlooked. Many companies and workers view themselves as inseparable from their familiar daily activities. They refer to their jobs simply as ‘this is what we do’, ‘this is the way we work over here’, or ‘we’ve always done it this way, why change?’

The business vision and mission often stress that type of perseverance, although they should serve a different purpose. Mission and vision are intended as the moral and strategic compass on a corporate level, mostly captured in a compact statement. Vision, mission, strategy and goals define the reasons for being, perspectives and ambitions of a company and the ways it plans to make them come true. As such, they align and inspire management. But when it comes to execution, that ‘creative framework’ is translated step by step into less inspiring and more practical and concrete targets, budgets, guidelines and protocols. Gradually, the inspirational part seems to get squeezed out. It gets ‘delegated’ to specific innovation or quality projects. While, down the line, many individual managers and team members/associates no longer feel that kind of inspiration on a daily basis. They tend to perceive their jobs more in terms of coordinating and executing targeted efforts for their customers – or their superiors.

This ‘missing inspirational link’ can be filled by what I call *the Business Composition*: the detailed assignment that motivates and directs all actions by a leader and his/her team in the course of a specific time-frame, or for a specific use or situation, focused on a desired effect at the customer end.¹ Such an assignment could convince all performers to push their limits, just as it does for music ensembles where players of different kinds come and work together to create a shared result. And just like an orchestra, a company (or separate teams or divisions within a company) may define and work with a repertoire of business compositions under one single business mission and strategy.

1 See extended definition in ‘the Business Composition construed’, page 11.

The striking similarities between the worlds of music and business

To explain why and how the composition metaphor will work as a bridge of inspiration between music and business, let's look at some characteristics of the world of music and match them to the world of business.

Musicians and their audiences

Anyone with a voice can sing. Anyone with an instrument can make some sort of music or rhythm. But generally that is not sufficient to ensure a memorable – let alone moving – listening experience for a paying audience. The best music performances are those in which professional musicians concentrate on putting across the essence of a composition. This composition may be the creation of an independent composer (contemporary or classic), as is the case for most orchestral performances. Or the performer and composer may be the same: singer/songwriters and many bands write and perform their own music. This is a remarkable phenomenon: apparently music can be rewarding (for performers and audiences alike) regardless of whether it has been conceived by the performer him/herself or by someone else who is not even present during the performance. Yes, a Beatles composition is still only real when it is the Beatles you hear. The same goes for Michael Jackson, Dire Straits and Adele. But how about Mozart? Or Bach? Andrew Lloyd Webber? And how about the many talented artists who cover songs from others in their own special way – like Joe Cocker's interpretation of the Beatles' song 'With a little help from my friends'?

There is no need to make a choice between those categories: all combinations can be appreciated on their own merits. What is important to recognize, however, is that quality and value, in all cases, stand on two legs: composition and interpretation. One will not work without the other. Doing exactly what has been written on paper does not result in a moving piece of music. On the other hand, and equally true, working purely on intuition leads to inconsistency and instability between performances.

There are many performers – and continually new ones – who are able to put such strong emotions into their interpretations of music

composed by others that vast audiences are deeply moved, time and time again. Look at this more closely and you will find highly specialized and minutely organized musical ecosystems² that facilitate this outcome. Let's take a classical concert as an example. On stage is not only a performing soloist, but a whole orchestra, led by an inspired conductor, all concentrating on the same composition, after having delicately tuned their instruments to the environment and each other. They are there because some producer took care of organizing the event. Once on stage they wait for the audience to be ready – knowing that there is an organization to take care of their reservations, hang their coats, serve their drinks and guide them to their seats. And trusting the conductor to not only lead the orchestra but also help the audience to concentrate. At the same time, the audience knows how to behave, even without strict orders: at what time to be there, when to be silent, when not to applaud and when to cheer. It is in their own interest to do so. So there is a constant hypersensitive interaction. All participants have two simultaneous responsibilities: to perform to the best of their abilities and to enable – and even stimulate – the others to do the same. This not only applies to those on stage, but also to all facing the stage. In other genres of music this picture is not very different. The number of performers may be smaller, the setting more informal, the sound more amplified, the audience less disciplined, but the mechanism works just the same.

So how similar is all this to our modern business economy? To a large extent, as we shall see.

Businesses and their customers

As in music, a lot of daily activities can be carried out as 'do-it-yourself', if you wish to do so. But that seldom leads to a result that matches what professionals do.³ As soon as a customer decides to do business

- 2 It is called an ecosystem to mark the difference from organizational *architecture*, as it includes elements which are essential for the end result, without being designed.
- 3 For many professional services, like health care, law, accounting, and in most business-to-business situations, there is not so much of a choice but rather a necessity to work with outside specialists, but the point remains.

with a professional company, there are expectations with regard to the performance. Even in the Do-It-Yourself sector, companies give careful thought to how they can guide and help their customers on their way to a satisfactory end product. The professional company has, de facto, created, practiced and promoted a composition that has attracted the customer. From that moment on, each performer in this company has to know his or her part in that composition. Each performer in the team has to be aware of – and adopt – the interpretation his or her leader (conductor) expects. And has to know how to play together, how and when to interact with members of the ‘audience’ to get to the desired result. Like professional musicians, many skilled business professionals have had an extensive education and training to perform at top level. Doctors, consultants, software developers, teachers, accountants, nurses, technicians and many more work with protocols they did not invent themselves. They, too, put creative energy into their interpretation. For his part, the leader has to be sensitive with respect to the type of guidance and leadership the performers need in order to excel in their performance. The producer has to be prepared and able to organize circumstances in such a way that the performance can take place in conditions that enhance the desired effects. And even the customers need to be willing and able to participate in a constructive way.

One striking difference

The paragraphs above illustrate that both in music and business there are different roles, each with its own perspectives on, and contributions to, quality and value. In both worlds, from the customers’ perspective, the performance is judged by its total effect, even though there may be individually recognizable contributions, for instance by a soloist/account manager, or a famous conductor/business leader. In both worlds there is a specific frame of reference for cooperation within the organization and between organization and client. But whereas in music the composition is a widely accepted and commonly understood frame of reference for each performance, in business a similar performance related frame is often disregarded. In more than a few relationships between companies and customers it is not very clear what effect is to be achieved by the company’s performance in specific

situations. Sometimes changes are made during the performance, without the proper exchange of information between all participants. Frequently, performers are left in the dark with respect to the effect they are expected to achieve for the customer. Or they receive conflicting instructions. Regularly, individual players choose their own interpretation without being aware how that impacts fellow performers or customers. All too often protocols are overlooked or put aside as they are perceived as obstacles.

Issues like these are at the root of many mediocre customer satisfaction scores of individual companies and sectors as a whole. And since the introduction of the Net Promotor Score we know that a customer satisfaction and recommendation rating of 7 is not enough to ensure growth. Unmoved customers just turn away. Internally, the issues mentioned above are at the root of a great deal of unrest, which is not an atmosphere that fosters inspiration, innovation and improvement.

WHAT EFFECT IS TO BE ACHIEVED?

National railway companies in Europe actively promote the use of their expanding high speed networks for international travel. One offering consists of an arrangement for unlimited international travel for five days. But tourists wanting to take up that offer find that it is not as easy as foreseen. Arrangements for online reservations are restricted, to prevent fraud. It takes two days to get an online booking confirmed. Visiting a service desk in person does not make it easier.

Not all railway station service desks are able to book international arrangements. And not all bank or credit cards are accepted for international bookings.

Inspired by Annemarie van Gaal, *Het Financieele Dagblad*, June 10, 2014.

Box 1: Railway services

Studying the potential of compositions for business use can help solve and prevent these kinds of issues between companies and their

customers (in consumer as well as in business-to-business relationships) and between departments, disciplines and individual workers within all sorts of enterprises. This book aims to contribute to that result. How to implement the lessons depends on your perspective, position and involvement regarding the composition and its performance. As a reader of this book you may be close to one or more of the roles mentioned above, depending on your situation. Maybe you are the ‘conductor’ of a business, intrigued by different approaches in leadership. Or you are working on an innovative ‘composition’ of a new offering, to start a new business. Or you are a ‘soloist’ responsible for key customer accounts, looking for ways to improve your Net Promotor Score. Or you are a client of a consulting firm, expecting expert advice – while your consultants need your cooperation to be able to do that. From any of these perspectives your contribution to the final performance is different, but crucial.

That is why it is not enough to review and describe what is needed to write a strong business composition (chapter 5). It is just as important to analyze what it takes to bring such compositions to life on a consistent basis (chapter 6). And to look into the roles, perspectives and contributions of all parties involved in the whole process of creation, organization and performance (chapter 7). Reviewing the various roles is also relevant as, no matter from which position you act, you will always get to work with – or at least be aware of – the other roles. What are their contributions? What concerns and challenges face them in their efforts? What can make them successful? How can you add value to their effort? What do others need and expect from you? And what do you need and expect from other contributors? Besides, you may find yourself in several of these roles depending on changing situations. During the day you may take care of very demanding clients. In the evening you may be a demanding client of a service provider yourself. Or you may move from one to another when changing jobs. Possibly your job description is a combination of several of these roles.

In the following chapters we shall look into all relevant aspects of creating, organizing and performing strong business compositions – including a review of the results delivered to both customers and businesses.

The Business Composition construed

The notion of compositions is not restricted to the context of music and art. It has also been applied in science, languages, mathematics, IT and law. In such a variety of contexts one and the same expression can have different meanings. It can be used in an active or a passive sense. It may refer to an act of creating or to the result of creation. But there is a common factor in most definitions: the deliberate sequence and/or mixture of elements to bring about a desired result or effect. The composition in itself is the ‘design part’, put into a written formula, description or coded notation. It needs to be executed, applied, produced or performed to arrive at the desired result or effect. In other words: the composition itself is not the end result. But it is essential to create the end result. Without a composition, everything is improvisation: the effect can be awesome, but you’re never sure. And it is hard to repeat.

In the context of music, the desired effect is to please the ear, as some put it. A bit deeper is the notion that, through the ear, music is meant to touch, move, engage, relax, excite, amuse, comfort, support or even condition people. Composers, in most cases, have a specific intention when writing their work, although sometimes a composition is the unforeseen result of a creative process. Whether the audience experiences a piece in the same way the composer intended is something else. Contemporary composer Leo Samama⁴ recognizes that individuals may listen to and interpret the same piece of music quite differently. And he accepts that: *‘I want to make heard what I have in me. But it is not my task to push my emotions into your head.’* In other cases, a composer may have an articulate idea of just what effect the listener should experience, for instance, when composing film music.

When applied for business use, the notion of ‘composition’ refers to the design of coordinated activities by (a group of) professionals, to create a desired effect or result at the customer end. In other words: the business composition is aimed at pleasing the customer. The deeper

4 Leo Samama (1951), musicologist and composer was interviewed during the preparation of this book, in March 2014.

notion here is that business activities, too, are meant to touch, move, relax, excite, amuse, comfort, support or condition people. But as the variation and scope of business is much broader than music, the scope of possible effects is as well. Pleasing the customer in a business relationship may refer to benefits and/or values that music is unable to provide, like cure, protection, development, prosperity, freedom, expansion, power, economization, etc. The aim can be a permanent (removal of a tumor) or temporary effect (a fitness program); the result may be concrete (developing real estate) or abstract (education); the benefit may be rational (earnings) or emotional (recognition). But in any dimension, the customer should be able to relate the outcome to a relevant, attractive and somehow measurable form of value, worth its offer in price. The implication is that the value of what a business composition delivers is finally judged by the customer, not by the business that performs it. This is also what sets the *business composition* apart from concepts like *business process redesign* and *organizational change*, where the aim, in most cases, is efficiency improvement at the company end.

Because the notion of composition is used in different contexts and senses, it makes sense to clarify the definition of the business composition that is the reference for this book.

DEFINITION

A business composition is a detailed assignment that indicates, motivates and directs all actions by a leader and his/her team in the course of a specific timeframe, or for a specific use or situation, focused on a desired effect at the customer end. It is an assignment in terms of meaning that awaits realization. When realized there is always a degree of interpretation by the performers that will influence the effect of the composition.

Box 2: Business composition defined

Through the lens of this definition, the business composition can be seen as a guiding structure for every member of the performing team (in music: orchestra, soloists, conductor; in business: team of employees, account managers, director) and – in many cases – even the audience (the customer), to contribute to and to bring to life together. It serves as a reference for all – including the customer – to judge the outcome. Is the composer's message perceived as relevant and attractive in the circumstances of the customer? Does it come across consistently? Are there no dissonant, distracting or conflicting elements in the performance? Has it succeeded in moving the customer? Does it do so every time? Is it compelling enough to attract more customers?

Why you may benefit from the Business Composition approach

The film documentary *Springsteen and I*⁵ presents an intriguing selection of short interviews with statements from Bruce Springsteen fans all over the world. Each one explains what influence the artist and performer has had on his/her life. The impact of Springsteen's live performances is one of the most compelling aspects of many interviews. For a good understanding: in many of these interviews fans are referring to one of the large scale stadium concerts with tens of thousands of paying spectators. And although no two concerts in a row were exactly alike, Springsteen was mostly performing familiar compositions. People knew what they were coming for. Still, one visitor to such a concert reflects on the impact many felt, quoting his wife as 'at a certain moment it felt as if Bruce was playing just for me'. Others explain how the artist and his music have touched and changed their lives profoundly, although there never has been any personal contact with the artist.

How many companies would have customers like that? Does yours? Isn't this the effect that every business should be able to achieve for its customers?

What music does to listeners is what business wants to do to customers

The Bruce Springsteen example shows that even mass-produced products and services can be perceived in a highly personalized way by individual customers. Customers attach the offering to their own lives

5 *Springsteen and I*, directed by Baillie Walsh, produced by Ridley Scott, released 2013.

– provided it strikes a chord that is relevant and appealing in a certain way. It does not matter that the offering has not been tailor-made for them. It is their perception that *makes* it personal.

How can it be that reproducing familiar music – not only contemporary popular music, but even pieces that have been around for hundreds of years and have been performed thousands of times – can still lead to such strong emotional effects? What can businesses do to achieve a similar effect?

This is where the power of interpretation comes in. For a truly valuable performance every composition needs to be interpreted while being performed. It is the interpretation that is finally judged by the customer. Experienced customers have come to expect a specific style of interpretation by a specific performer, ensemble – or business. What makes it so hard is that the interpretation is probably the most difficult part to manage, if it is not intrinsically attached to a person. For most organizations it is not. Arriving at and maintaining a distinguishing interpretation is therefore what poses the real challenge for organizations, their leaders *and* their performers. At the same time that creates a vast potential for differentiation between competing organizations and their brands – just as it does between musicians and musical ensembles. The same composition can lead to extremely different interpretations. Each can be attractive to specific audiences. As soon as – and as long as – a brand succeeds in defining and maintaining a specific interpretation style, it succeeds in marking its competitive position. Let the interpretation style slide and the brand starts to slide, too.

Branded interpretations

Some brands can differentiate on the personality of their performers, attracting customers who want to experience the interpretation of a known composition by specific individual talents. In music this is the case when people are eager to hear Kiri te Kanawa sing a Verdi composition. In business this is what happens, for instance, in the world of consultancy, health care and personal services, when clients, patients or customers prefer to be treated or served by individually selected professionals. In cases like that, the personal relationship between customer and professional can greatly influence the perceived value

of the performance of the company. It may seem that the composition itself is just an excuse. But in the background it still maintains its normative function. When things go wrong, it is the composition both parties refer to, to determine what is at stake and what was to be expected.

Other brands can choose to differentiate on the basis of a predictable sequence in their offering of compositions (like a series of Sunday morning concerts). The compositions do not need to be all new every time – there may even be value in the fact that proven successes are offered repeatedly. But they need to be performed convincingly and energetically every time. This is, for instance, what happens (or should happen) in tourism (formats for trips and holidays), in the hospitality sector (different formats for receiving and entertaining guests) and the fashion market (a sequence of collections, presentations and events in different seasons).

Still others can decide to establish an iconic quality level in everything they do, and attract customers on that basis. This may lead customers to accept a new offer more easily than they would otherwise: if it is from this specific band (or brand), it must be good. In music, some classical orchestras have reached that status, like the London Philharmonic and The Royal Dutch Concertgebouw Orchestra. In contemporary music it happens, for instance, when iconic bands like the Backstreet Boys and the Rolling Stones return with a new concert tour. In business, this is the realm of Apple, BMW, Singapore Airlines and McKinsey.

In all these cases, however, the basis is formed by a set of compositions the organization focuses on.

What can go wrong without a business composition

Reflecting on issues like this helps to make clear that in many businesses and markets frictions are caused by a lack of any composition at all, a failure to keep the repertoire of compositions up to date in a changing environment, or a lack of commitment when it comes to performing a given composition.

When a composition is missing

Many organizations employ highly trained and specialized professionals. Think of health care, financial services, IT, telecoms, engineering. As service and product offerings get more complex, more and more enterprises implement a horizontal process oriented approach ('the value chain') instead of traditional division structures. As a consequence, their professionals are expected to connect their expertise with others, in changing constellations of insourced and outsourced specialized functions. To many professionals, this is not a natural habitat. Most have been trained with a focus on their own specific field. From this background they tend to define their contribution on the basis of their own standards and terms – instead of on what an integrated process approach requires of them to arrive at the desired effect for the customer. This is where the composition metaphor comes in handy: just like integrated business processes, compositions are structured in terms of parallel and sequentially arranged activities by different players. What the composition adds to the objective elements of process design and control tools like blueprints, reliability and productivity scores is meaning and intended effects for the customer. In doing so it helps team members to tune in and add a little more to the desired total effect than they would by just doing their jobs.

From a customer's point of view it is often instantly clear when corporations operate without a strong composition. For instance, when the repair man starts blaming headquarters for not supplying the right spare parts. Or when promised delivery dates are not met – without any warning or excuse. Or when different customer service reps propose different solutions – or even contractual arrangements – for one and the same customer need. Or when online promotions are unknown in the company's own stores. Or when one department alters procedures without foreseeing consequences for other departments that are dealing with customers. Or when customers or patients need to answer the same questions and supply the same documents at different stages of a business relationship or health treatment.

Issues like this can be solved in two ways: superficially or fundamentally. The superficial way is to train staff members to treat customers in a friendly way and react with empathy when confronted with irri-

tated or angry clients. This leads to customer service that is perceived as friendly but not necessarily helpful: it is great to know your anger as a client is understood, but as long as there is no simple and sound solution, you're left hanging. The fundamental way for business is to (re)conceive all activities that shape the customer experience and (re)write them into a business composition aimed to create the effect you wish your customers to experience. After that, well trained customer service reps (and not just them) will be able (and happy) to truly excel in the eyes of the customer.

FRIENDLY BUT UNHELPFUL SERVICE

A frustrated customer of a telecoms provider calls their service center to complain about mishandled changes and malfunctioning services after moving to a new address. After the annoying but usual waiting period he is served by an attentive representative. The young man clearly goes to extremes to find a solution, but fails as he cannot reach the proper department. After twenty minutes he is forced to admit he cannot solve the problem and needs to refer the customer to a different department. Which requires a second call to a different service number, as a transfer is not possible. At the end of the conversation there is an automated three-items evaluation questionnaire, featuring these intriguing questions: 'how would you rate the customer friendliness of the person who just served you?' – *very good*. 'Would you, on the basis of this telephone conversation, recommend us to your relatives and friends?' – *impossible to answer!* Without considering the overall effect on the customer, it is no use evaluating individual performances. What is obviously missing is a sense of relevance of a business composition as a whole.

Box 3: Friendly but unhelpful services

As a composition is conceived in terms of effects to be achieved for and with the customer, it will help all contributors to see, judge, prepare and execute their share, knowing who else will be involved before, in parallel to and after them. And how to react in the event of changes elsewhere in the process.

THE IMPACT OF A MISSING COMPOSITION

An unfortunate sixteen-year-old boy suffers from a severely developed stage of bone cancer in one of his legs. He is treated in a well known academic hospital. After several doses of chemotherapy the doctors decide the only remedy left is removal of a part of his thigh bone and replacing it with a 3D printed artificial bone. Printing the bone segment to fit exactly to the healthy parts is a revolutionary technique that can presently only be practiced by one foreign laboratory. The operation needs to be scheduled well in advance and immediately after conclusion of the last planned chemotherapy. Different departments in the hospital are involved. But each retains its own scheduling procedure. When the operation needs to be postponed because the 3D printing process takes longer than planned, there is no connection to the planning process for chemotherapy. As a consequence the quality of the total medical treatment gets a blow, the patient and his family lose confidence in the hospital and rescheduling treatments causes unnecessary costs – and damage – for the hospital and the patient.

This lack of communication may seem a detail. But seen through the eyes of a composer, details like this are vital to creating the desired total effect for and with the customer.

Box 4: Impact of a missing composition

When a composition is outdated

The first decade of the twenty-first century has shown more than a few examples of businesses and sectors disrupted by startups with revo-

lutionary new concepts. Established market positions and customer relationships of leading providers did not prove strong enough for some of them to remain successful – or even to survive. They may have been good at what they did, but customers found out that that was no longer what they wanted, given new alternatives. Some examples are well known: free online news sites challenging the subscription models of traditional newspapers; web shops changing people’s habits of going to town; e-books rendering the traditional publishing model more and more obsolete; music subscription models overthrowing much of the traditional music recording business; low cost airlines challenging many flag carriers; unmanned gas stations forcing big oil companies to adapt their profitable formulas; online taxi reservation services with an integrated rating and selection system driving traditional taxi operators to the wall; tablet computers and smartphones that influence the lives of people in such a way that their need for personal and laptop computers changes dramatically; online booking sites that have made travel agents all but disappear, etc.

In most of these cases, established companies considered their style of doing business as inseparable from their essence, instead of as one composition in a changing repertoire. As Clayton Christensen demonstrated in his breakthrough book *The Innovator’s Dilemma*, corporations that are confronted with challengers like this at first tend to deny the potential danger, as the newcomer starts small and focuses on a segment of the market that seems unattractive in terms of volume and profit potential. In refraining from reaction, they allow their new competitors to grow, develop their skills, get stronger and finally drive out the formerly established companies.

Now suppose an established firm were to consider its activities in terms of compositions within a repertoire. Then it would be more natural to review the attractiveness of the repertoire regularly, not just on the basis of profitability, growth or competitive position, but also on the basis of intrinsic relevance and attractiveness to different audiences that find themselves in changing circumstances. It would open up more possibilities to experiment with different concepts and gradually improve the flexibility of the total company.

No enterprise can do without continuous efforts to increase productivity and lower its costs. But at a certain point a further increase in process efficiency (achieve the same – or better – business results more economically) will start influencing outcome value (the effect to be accomplished at the customer end) negatively. In composition terms: when the orchestra itself is gradually reduced to such an extent that it can no longer perform the same pieces without the audience noticing the difference. At a certain moment customers will experience that the original composition has ‘morphed’ into something else, without anyone – at least from the company – confirming it has. This is, for instance, what is happening in online retailing, where customers are increasingly confronted with changing conditions and procedures for returning merchandise. It is what has been happening over a long period of time in financial retail services, with regard to customer relationship management: from personal contact in branch offices, to distant account management by telephone and e-mail, to full scale online banking, to a revival of branch office services. It is what is happening in health care where more and more service elements are being restricted and/or transferred to e-health platforms.

Such changes are not bad by definition, but they should be treated more fundamentally. Instead of just changing conditions and presuming customers will follow automatically, companies should approach the challenge of increasing productivity and lowering costs similarly to the creation of new compositions, or at least special arrangements of existing musical compositions. A new arrangement requires a deliberate design effort, in which internal considerations (for instance: smaller teams, different instruments, changing setting, lower cost structure) are paired to the desired customer effects (for instance: simplified procedures, quicker service, easier choice, wider availability). In doing so, the arranger creates a new piece, inspired by the existing one, but with different accents – and a different proposition for the customer. This enables the customer to judge it in relation to his/her changing situation and needs/wants. Including different pricing, if needed. That is a more effective way to get used to a new frame of reference. We shall explore this in more detail in chapters 5 and 6.

AN OUTDATED BUSINESS COMPOSITION

Most countries take pride in their own national ‘bureau of statistics’. Founded well before the age of the internet and even automated computing, these institutions have been the most credible and comprehensive sources of quantitative information for governments to base their policy on and for business to base market analysis on. Okay, it took ‘some’ time for the bureaus to come up with their statistics and projections of future developments. But with no alternative, who cared? Delivery even got faster, along with growing computer capacity. But in the 21st century, showing rapid growth of ‘big data’ that can be analyzed quicker and better by individual companies and (government) agencies, the question arises if national bureaus for statistics have not reached the end of their life cycle. Or is it their business composition that needs rethinking?

As professor Jaap Koelewijn of Nyenrode Business University points out, the problem is not that the national bureau of statistics employs stupid or lazy people. His suggestion is to put their people’s talents to a different use. There may be new value in shifting focus from collecting and analyzing information on a large scale (resulting in delayed reports) to building a new repertoire of reports based on speed. Bundling existing, but as yet unpublished, information from other collectors – such as individual companies – may be a key to that.

Why shut down an able company, when they could also change their repertoire?

Source: Jaap Koelewijn, ‘The end of the information factory’, *Het Financieele Dagblad*, February 22, 2014

When there is a lack of inspiration

At management level it is relatively easy to find new challenges every time, either internally, in market strategy or at the level of mergers and acquisitions. But inside many organizations, for the people who take care of customers every day, things look different. When working with customers turns into internal problem solving or uninspired routine, customers notice. Even when nothing goes wrong, no mistakes are being made, contractual terms are being met, customers sense whether they are being served with or without full attention. Most instruments that measure customer satisfaction do not sufficiently recognize this aspect. Understandably, by the way, as it is difficult to measure quantitatively. But a change in 'experienced level of attention' could be an early warning sign for customers defecting in the future. As with experiencing a musical performance: although the audience expects to hear pieces they can relate to – either because they already know them or because they are prepared and willing to hear something new – appreciation of the performance is greatly influenced by their judgment of how inspired and committed the musicians were. An uninspired performance will get negative reviews.

If it is inspiration that matters most, you might conclude that it is of little importance what composition is being performed. But consider this: when a performance *is* inspired, where does the inspiration come from? It is the composition that provides the source for the performers to find, tune and show the blend of inspiration that will convey exactly the emotions they want their audience to experience. The most difficult task for management is not to have the composition executed accurately, but to get and keep their teams at a level of commitment to demonstrate their full attention to customers on a daily basis. To illustrate this, think of funeral services: the best companies in this field probably have a repertoire of possibilities families can choose from to compose the right farewell for their departed loved one (whether they refer to it as a composition or not). Some will be 'creative'; others are traditional. They can be frugal and short, or dramatized and lengthy. But in all of these contexts, it is the way funeral service staff act it out that is decisive for appreciation. When preparing for each funeral service, the team not only studies the scenario, but also envisions the

occasion and what would be required of them to make it a memorable experience for this ‘audience’.

Turning from value disciplines to customer effects

In some sectors of the economy, business compositions are not that far-fetched, as illustrated before. Some organizations in hospitality (like hotel chains) and air travel already come close. This is where a shared sense of competitive urgency for taking good care of customers (‘if we don’t, someone else will’) is combined with the systematic design, preparation and execution of flawless service delivery processes. In sectors like this, a systems approach is the only way to ensure quality in great numbers. Some succeed in creating highly personalized experiences for their customers (whom they prefer to address as ‘guests’), coming close to the Bruce Springsteen effect. But many other sectors are stuck between ‘operational excellence’ (continuous improvement of efficiency in systems and procedures to improve company performance and service customers reliably) and ‘customer intimacy’ (focus on tailor-made solutions and strong long term customer relationships).

Reframing operational excellence

Since it was coined by Treacy & Wiersema in 1997, operational excellence in particular has drawn a lot of management attention for over more than a decade, as it presented a comprehensive approach to improving internal efficiency and bringing down costs. Although Treacy and Wiersema stressed the essence of this discipline in terms of ‘customer value’, many organizations turned out to apply it primarily to simplify and rationalize their own operations and save costs. In more than a few cases at the expense of customers and employees. Only recent research indicates that a shift is occurring towards improving customer and employee satisfaction.⁶ Although this shift should be applauded, the systems approach is an indication that customer satisfaction will still be measured as an outcome instead of a purpose. Chances are that the attention of management will largely remain on

6 *A new Perspective on Operational Excellence, results international operational excellence survey 2013*, by Eurogroup Consulting, The Netherlands.

internal processes instead of customer effects, as the customer always seems one step further away than the workplace. This means managers are not stimulated to think in terms of delivering customer effects through careful compositions, but to redesigning internal systems primarily.

Reframing customer intimacy

The other value discipline mentioned above, customer intimacy, by many regarded as the opposite of operational excellence, is often mistakenly understood as the need for personal relationships with customers. More than a few health care institutions, for instance, claim they operate on the basis of customer intimacy. In fact most of their clients or patients get a selection of preconceived services. The single fact that clients are being served personally is not enough to make a business concept customer intimate. That would also call for a high degree of individually tailored services, for customers who are willing and able to pay the right price. In a true customer intimate business model, the company would allow its staff to compose a tailor-made composition for each client. But that is seldom the case. Sometimes because too few employees (or account management teams) are empowered enough to be a composer, director and playing team member alternately, often because the client is not prepared to pay the premium price that comes with a proposition that takes tailor-made solutions seriously.

Furthermore, since the introduction of customer intimacy as a value discipline, many markets and business relationships appear to be developing in the opposite direction: they are more and more dominated by strict service level agreements and tenders forcing suppliers to follow strict guidelines. Without the shared reference of a strong business composition, it will be more difficult to combine all efforts towards a compelling and repeatable customer experience for a price clients are willing to pay. As the Bruce Springsteen example has shown, creating such an experience can be on a large scale, provided it is carefully planned, executed with commitment, and based on a composition that is inspiring to both performers and all individual members of the audience.

CUSTOMER FOCUS AND ORGANIZATIONAL OBSTRUCTIONS

When you observe one or more of the following signs in your organization, be aware that the customer is probably not first priority:

- when internal regulations make it difficult to get the customer solutions s/he desires,
- when departments are unaware of what other departments contribute to the final customer offering, leading to inadequate promises to the customer,
- when departments do not cooperate with each other,
- when there are disputes about who 'owns' a customer,
- when colleagues do not support each other when serving a customer,
- when there are conflicts of competence in project teams, causing lack of progress,
- when KPIs and workload keep workers from investing time in innovation,
- when opportunities behind customer demands and remarks are not recognized,
- when internal assignments get top priority over customers.

Although several of these obstructions also involve concern for the customer, dealing with these items inevitably fuels internal struggles. Then customers easily get adversely affected: they notice a lack of interest, are no longer 'moved' or motivated by the business relationship and start spreading discontent.

Box 6: Warning signs for lack of customer priority

Focus on customer effect

This is why approaching your business in terms of compositions and repertoire will make it easier to connect external situations, opportunities and challenges to internal competences, possibilities and constraints. Working with business compositions will help to shift focus from business process improvement to customer effect improvement. It can help businesses establish a powerful cohesion between all disci-

plines concerned, clarify what is needed in the joint performance and make the difference between average and excellent success that will be recognized and valued by customers and in the market.

Linking mission, strategy and culture to execution

As today's management toolbox is already filled with a considerable collection of instruments (some of them metaphoric in their own sense), it may help to position the business composition in relationship to the most important tools business leaders and managers frequently work with.

Mission vs composition

There is a distinct difference between a business mission and a business composition. The business mission and vision (the company's reason for being and the desired future it envisions) are mostly developed at management or corporate level. As such they are of crucial importance for the overall strategy of the organization and its coherent behavior. But having a business mission still leaves a lot of choices to be made and executed on the way to the market place. Based on one single business mission a company can address different markets and customer groups, offering a wide variety of products and services. Think of the Virgin group, offering music recordings, airline services, soft drinks, financial services and much more. Each of these offerings is in need of a clear and compelling set of principles and guidelines in order to make it work: business compositions. Without those, it would be impossible to assign staff, means and budget for their realization. And it would be difficult to judge their market performance.

A recent study by KPMG⁷ concludes that many hospitals experience difficulty in achieving and maintaining 'high reliability' care, or high quality delivered systematically. To a large extent this is attributed to the great

7 *Global Perspectives on Clinical Governance*, KPMG International, 2013.

variety of processes that hospitals need to manage and control. This means there is a lack of focus and concentration – not at the individual level, but where professional teams come together. In most hospitals multiple teams of professionals (medical, nursing, technological, and supporting staff) are responsible for various results in operating rooms, research labs and therapeutic programs. But, contrary to what may be expected from the outside, the single fact that they all work in the same hospital does not guarantee they also share and ‘live’ the hospital’s vision and mission. Beyond what patients usually observe, they are often treated by specialists who run their own businesses. These specialists do not necessarily cooperate with other disciplines or departments to provide the patient with the best total experience. To the possible detriment of the patient and the hospital.

Now suppose independent teams and their associates were to recognize they perform shared compositions *and* are part of a repertoire that includes compositions which other teams are performing. Then they may retain their independence and still cooperate in creating a great total performance from the viewpoint of the patient and the hospital. As with soloists with too big an ego, it goes wrong when one of the specialists is eager to attract as much attention (and income?) as possible, disregarding the roles of others in the composition – and certainly overlooking the overall effect this type of conduct will create for customers.

What this means is: organizations first need to be aligned on a single business mission, either at the corporate level, or at the level of divisions, business units or departments. Once their mission is clear and shared, teams can – and should – set themselves to decide on the repertoire of compositions they need to comprehensively serve their customers. Following that, they should work on each of their compositions. The implication is that all compositions performed by one organization – be it in music or in business – should be aligned with its mission.

This also shows that in business too, there are singer/songwriters: many companies compose and perform their own songs, themes or symphonies and do not turn to specialized outside composers, like consultancy

firms. In both cases it is important to realize that composing is a separate task that should not be mixed with conducting or playing what has been composed. The same person (or team) may be composer and conductor, or composer and performer, but not at the same time.

Just as in music, a business composer may have one single, lifelong personal (or corporate) mission as a source for a constant stream of inspiration for many compositions. Such as the range of 200 cantatas and passion music that Bach composed: the Matthew Passion, the Johannes Passion, the Christmas Oratorio, the Eastern Oratorio. Each of them very powerful and unique compositions, all of them based on the same religious ‘mission’ that Bach fulfilled throughout his life. At Apple, Steve Jobs had his own life-long mission, leading to a stream of innovative concepts – which we might call compositions.

Strategy vs composition

A popular picture of leadership is the conductor in front of his orchestra. It shows how a leader can – and should – inspire and influence his team through vision and action. But something essential is missing in that picture. It is not just about personal vision and behavior. There is something else conductor and orchestra share: the composition they have agreed to perform. As we have seen, this is not equal to the corporate vision or business mission. In comparison the composition is a much more detailed assignment that dominates all thoughts and actions of leader and team for a specific period of time or in a specific situation. Although this comes close to the meaning of strategy, there are some distinct differences.

The term ‘strategy’ is also originally a management metaphor, borrowed from the military. Following the often quoted nineteenth century German general and author Von Clausewitz, strategies are conceived to conquer markets, to defeat competitors, to launch offensives, to win pitches. They are voiced in terms of warfare, with campaigns, offensives, targets and target groups, ‘must win battles’ (and presented in bullet points). Apart from the fact that this is strange in free markets (why should you wage war to win customers?

Customers do not like to be compelled to do the will of companies.⁸ Most customers hate to be sold to. It leads them to expect to be tricked into an ambush. In response they develop psychological defense mechanisms, trying to give in as little as possible), strategy is at its best

STRATEGY VS COMPOSITION

A cable TV customer finds the antenna connector in her home defective and calls her provider's customer services. After having been transferred three times, each time having to supply the serial number of her connection, the fourth service rep tells her the repairman will be there in two days. When the customer objects that she has to work all week and prefers a repair the week after, a problem arises for the service rep: company policy obliges her to help all clients within one week. The only solution she can suggest is to make an appointment for the next day, and ask the client to call back and cancel it. Only then is she able to book a new appointment in her system for a week later.

This is what happens when execution directly follows strategy. If strategy had been followed by a composer's mindset, the approach would have been different. It would have started with a notion of what effect needs to be established with the customer. The composition would have foreseen what is needed to put a troubled customer at ease and would have addressed the different roles and instruments in the orchestra of the company. It would have provided for individual performers to excel when they have to deliver their solo-part. Instead of leaving them to improvise against official policy.

Box 7: Strategy vs composition

8 Von Clausewitz used several definitions of war, one being: 'War is thus an act of force to compel our enemy to do our will.' (From Wikipedia, lemma Carl von Clausewitz, accessed December 2013).

when applied to long term goals, describing the preferred way for the company to reach them. Seen as such, strategy provides guidelines for the repertoire of compositions the company will need to move in the desired direction – possibly ‘grouped’ under several service concepts and brands (see below).

From that moment on, compositions should be conceived for their strength: to move people. To draw them near and to establish emotional bonds – which lead to mutually fruitful interactions. That is why, as opposed to strategy, compositions are voiced in terms of harmony, sequences, cooperation, enrichment of life. In many cases composers explicitly describe what sort of mood and emotion their piece is intended to induce.

Concept vs composition

While the business mission serves as a formulation of purpose for the entire company, its service concept defines with what kind of business it wants to achieve its purpose. One company may choose to operate one single concept (like Harrods – one single luxury department store operated at a well selected location with impact around the world); another may be convinced a diversified group of smaller concepts is better (like Accor Hotels – who operate a variety of hotel brands around the world, each brand featuring its own characteristics as a service concept). In both cases it is the business mission that feeds strategy. Strategy feeds the variety of service concepts needed. In its turn each service concept will define the repertoire of compositions needed to attract and bind customers. Each composition harmonizes operations for a specific purpose. Novotel will have separate compositions for facilitating business conferences, hosting wedding parties and receiving private guests. Under the Novotel brand the same compositions can be expected at every location. But it is each customer’s selection of compositions that will define his experience and judgment. The same goes for airlines: economy, business and first class can be considered as separate compositions under one and the same branded service concept and company mission. Each will (or should) have its own coordinated set of activities and interpretations to address different

service situations. It also serves as a reference for the performers. In an airplane with different sections for economy and business class, cabin crew need to know what is expected of them in each section. The difference in described compositions allows them to change performance every time they cross the curtain. At the same time there should be some form of mutual reference: customers should be able to recognize the same composer (i.e. brand) in all of the compositions. Like in the symphonic version of *The Four Seasons* by Vivaldi.

CONCEPT AND REPERTOIRE DECISIONS

An interesting strategic question arises here: what if a retail company operates a chain of physical local stores and a national web shop? Does management see this as two separate service concepts or as one integrated proposition? This decision will influence the creation of the repertoire of compositions needed. The team of composers may be briefed to write one single composition consisting of intertwined motives, or to write separate business compositions, each focusing on a specific effect.

Using the composition metaphor helps to envision the desired effect and the setting that is needed to arrive at it. Does the company intend to offer a choice of two different experiences to the same audience, or rather to offer one symphonic experience in several parts, or are there two entirely different audiences to please? As soon as there is strategic logic for either standpoint, the briefing for a suitable business composition becomes clear. And still keeps the company flexible with regard to future repertoire decisions.

Box 8: Concept and repertoire

This makes the business composition into a 'document' that is positioned right in the middle between business mission, long term strategy and consistent daily execution. If market conditions change, it is not always necessary to alter the business mission or strategy. But the

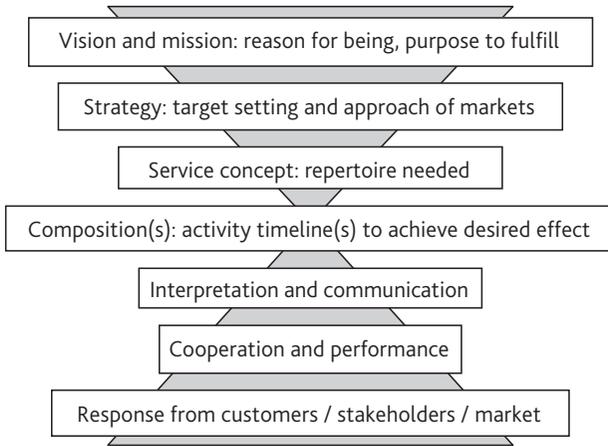


Figure 1: The business composition in relation to other tools of management

choice of compositions to perform within a given strategy and set of service concepts can more easily be adapted.

How does that work in practice? An example helps to see how these tools relate to each other. We'll look at the renowned Royal Concertgebouw Orchestra next to the growing international cosmetics brand of Rituals...⁹

| | <i>How it works for an orchestra like the Royal Concertgebouw Orchestra</i> | <i>How it works for a business like Rituals...</i> |
|---------------------------|---|---|
| Vision and mission | Performing orchestral music at the highest level, on the most important stages of the world, led by the best conductors. Offering their audiences emotional and intellectual enrichment and persuasion to commit and be loyal | Turning every day personal routines into beautiful daily rituals that create a little extra happiness |

9 Products for 'home and body care' with 300 shops in more than 12 countries in 2013.

| | | |
|--|--|---|
| Strategy | Expanding reach by frequent performances in the Amsterdam Concertgebouw and leading concert halls around the world, partnerships with broadcasting companies, operating proprietary recording label and online app | Building a strong international brand in retail, wholesale, e-commerce and presence in travel (hotels, airlines), without the use of mass media |
| Service concept(s) and repertoire | Full size symphony orchestra performing long lasting concert traditions like the Christmas Matinee, festivals like Art and Music Several ensembles like 'Brass of the Concertgebouw Orchestra' and 'Camerata RCO' (chamber orchestra) | Branded shops present products by ritual related theme and serve as platforms for sharing and demonstrating the brand vision Product packages for airlines and hotel chains |
| Compositions | A wide selection of the best orchestral music, selected by and for each of the ensembles separately, to fit concerts, matinees, festivals and recordings | Shop-in-shop in department stores Different rituals composed as distinctive 'slow shopping experiences'; with tea servings, massage of the hands. New rituals lead to new compositions |
| Interpretation | The orchestra maintains its unique sound, which clearly stands out among thousands of others | Sales staff select which ritual(s) will be presented to individual customers |
| Cooperation and performance | Orchestra members combine high individual caliber and a great sense of mutual trust and confidence | Attention to detail in customer contact Teamwork on location is decisive for customer experience |
| Response | High reputation among concert-goers and critics around the world | Repeat shop visits, increasing brand and product preference |

Table 1: Examples of business compositions in relation to other management tools

Business composition as medicine for the pains of change

For decades now, research has drawn attention to the fact that many organizational change programs fall short of delivering their intended result. The major cause being resistance from existing cultures within organizations. This indicates that change programs are often perceived to be hostile to corporate culture by the people who live and share that culture. Which is quite understandable. As long as change programs imply that the problem lies with the existing organizational culture, and focus on convincing people to change behavior, this will activate counter forces aimed at retaining existing culture. The hidden question is: is it true that corporate culture needs to change in order to meet new organizational challenges? Or should a professional culture in a company be able to welcome new challenges and bring them to success in a changing environment?¹⁰ This is where the use of business compositions can be helpful: they help organizations – and their members – to focus on the realization of new effects for and with the customer, instead of on internal positions and forces.

A professional orchestra would not be able to function without a culture that celebrates such adaptability. It is the foundation on which a new composition or even repertoire is presented to any professional orchestra. The musical director and conductor have such high esteem for their orchestra that they trust its members to be able to work with changing compositions – under their inspired leadership, of course. Professional performers take pride in their ability to adapt their skills to new situations. This type of pride is anchored in the mission of the orchestra. No orchestra is meant to keep playing the same pieces throughout its entire existence. All members of an orchestra know and appreciate that there will be frequent changes – and even surprises – in the repertoire they are going to perform in the future. These changes

10 Peter Drucker recognized this phenomenon when he wrote ‘Don’t change your culture. Use it.’ Edgar H. Schein, author of *The Corporate Culture Survival Guide* (Jossey Bass 2009) agrees: ‘Always think first of the culture as your source of strength.’

are not perceived as dangers, inconsistency of management or personal attacks, but rather as integral parts of their profession.

From this viewpoint, framing a new organizational challenge in terms of a new composition – or even a whole new repertoire – will place professionals in a position to welcome new challenges and stimulate them to push their limits, in order to make the new composition work. Introducing the business composition as a metaphor enables business leaders to make a distinction between targets that need to be met by the organization in the future (on one hand) and the professional talents available to meet those targets (on the other). It reduces the risk that employees feel they are blamed for the fact that they did their best in a setting that is going to be out of date.

The other side of the coin is that the choice of a new or different composition or repertoire should be more than an efficiency measure. It should be about new ways to touch customers – more efficiently if needed, but touching it still ought to be. With the aim of posing a professional challenge to all team members. In practice, however, all too often cost cutting seems to be the sole motive. If it truly is, then the composition(s) to be performed should be reviewed as well. It is easy to decide to perform a given piece with a somewhat smaller orchestra. Or to decide to refrain from live concerts and only do studio recordings. That will no doubt be cheaper. But what happens to the impact on the customer? What happens to the reputation and attractiveness of the orchestra? This angle of reflection shows that an orchestra is primarily viewed as a community of talents that in itself is worth preserving and even investing in. Efficiency is not the overriding principle, but impact on the customer is (we shall go into this aspect in chapter 8). A growing number of authors¹¹ is drawing attention to the notion that it is not the shareholders who have the biggest stake in a company (they can – and usually do – get in and out quickly and easily with a minimum of conditions), but the employees. Employees pass severe tests to join the organization, are monitored, managed

11 Ha-Joon Chang, *23 Things They Don't Tell You about Capitalism*, Penguin 2010, p. 20-21; Arie de Geus (author of *The Living Company* (1997)) in several interviews; Andy Mosmans, *Ondernemingssucces*, Kluwer 2004.

and trained to develop their skills and contribution to the company and have the most to lose when it comes to leaving the company. As companies recognize that their personnel are their greatest asset, they could put more effort into creating relevant and attractive new business compositions both for their people and their customers and create growth as a result. KLM Airlines adopted an approach like that when it agreed with labor unions to retain staff as much as possible in exchange for their willingness to be transferred and retrained for different jobs within the company, following evolving needs. It helped the company to win the prestigious Best Employer Of The Year award in 2013.

If efficiency measures cannot be avoided, the best thing to do is rewrite the (repertoire of) composition(s) altogether. The assumption that an unchanged composition can be performed by a smaller 'orchestra' with the same effects on the customer is dangerous. Rewriting the composition itself means the total customer experience is going to be reviewed and the desired effects on it can be recomposed.

PART II

Development

Your organization as an orchestra

Not all musical ensembles are suitable to perform any kind of music. There is a relationship between the two. In our metaphor it therefore makes sense to recognize differences between various types of musical ensembles, just as there are vast differences between enterprises. In the world of music we find full size symphony orchestras, chamber orchestras, jazz and rock bands, marching bands, combos, trios or duos of street musicians and DJs composing and performing on digital equipment. Just like businesses of different sizes, cultures and generations, they each have a specific character and are organized and managed differently. And each focuses on activities that match their strengths. There are some intriguing characteristics that illustrate the consequences of these differences, which will be looked into in more detail in the following chapters:

- **Leadership.** Some ensembles don't need formal leaders. Organizations like chamber orchestras and jazz bands work without a conductor. Sometimes one of the playing members is recognized by all as their leader – although he will act as a 'first among equals'. In other situations leadership shifts from one player to another, depending on specific skills required for specific segments of a piece. In many cases players just work on the basis of consensus and constantly watch each other to keep in harmony (which is quite something else compared to watching each other, in defense of one's own position). This means that the size and character of your company is linked to a vision on leadership itself. Whether you need a formal leader or not is a different question than what type of competencies are required for leader(s) in your company.
- **Specialization.** Some ensembles choose to specialize in one or a limited set of instruments, like strings, wind, or voices. Others deliberately encompass a large selection of different instruments, and thus bring very different specialists together. There are distinct consequences for the way the players work together, how they relate to each other, whether or not different segments are formed,

to what extent they need to focus on different elements of the composition.

- **Remuneration.** Musicians in an ensemble are all focused on the effects they create together. As a consequence they are also paid together: ensemble musicians are generally not rewarded for their individual contribution or for the number of notes they play; rather they share the results of their combined efforts. Apart from obvious and regulated differences in compensation according to seniority, only soloists who attract audiences on their own merits will qualify for a personalized reward.
- **Preparation.** In a jazz band, improvisation often is more important than composition – although even an improvising ensemble generally starts with an agreement on tonality, chords, tempi, and solos to use as a framework for their performance. Even improvisation is practiced to a large extent: each player is aware of the cues on which to act and knows what is expected when his/her turn arrives. The others do, too: they know when and how to support, resting assured that their turn will come.
- **Range.** There is a link between the type of orchestra and the type of music performed. That works both ways: an existing orchestra will select compositions that fit its size and structure. But when a specific occasion calls for a certain type of composition, the orchestral setting will be adapted – or even created – to fit the performance that is needed. Composers often keep in mind what sort of ensemble is at hand – or required – to perform their work and adapt it to that end.
- **Circumstances.** One ensemble needs a concert hall, another is at its best in a club, at a festival or in a parade. In all cases there is a different kind of interaction with the audience and between members of the ensemble. In some cases the total setting around the performance is just as important for the customer experience as the musical performance itself (think of dance festivals).

Size does matter (to a certain extent)

So along with the question what it means to be a member of an orchestra comes a second question: what kind of ensemble are you (or do you

want to be) a member of? In other words: what kind of orchestra would typify your organization best? To get to the right answer requires some serious reflection. To begin with: there is quite a difference between asking this question when you are about to form or join a new company (what type of orchestra would fit your challenge and ambitions best, what do you aspire to?), when you are reviewing the present situation you are in (what kind of orchestra resembles your company or business unit the most?), or when you are working on a new assignment within an existing organization. There may be combinations of several forms within one company. In a temporary project team different objectives apply than in a traditional business unit. Just like in some orchestras; members of a large symphony orchestra may form one or more smaller ensembles who play together at different occasions. Their interaction, their work, their performance changes along with the setting in which they play.

Maybe your enterprise is best typified as a group of independently performing small ensembles, like Starbucks or McDonalds, with a multitude of fairly independently operating local ‘shops’, or airlines with multiple planes in the air working as separate units simultaneously, as a highly specialized ensemble (focused on a specific type of music / business, as can be recognized in IT services), or as a highly flexible project focused group, like a catering company. In some cases, like chain stores, this leads to reflections concerning the perspective from which you are looking: are you a playing or supervising member of one of those teams, or servicing – maybe leading – the group?

To get to the best fitting model, you may want to ask yourself questions like:

1. **Capacity.** To what kind of audiences do we appeal primarily? Large or small groups? Experts or casual ‘listeners’?
2. **Flexibility.** How big and varied are the activities we want to deploy?
3. **Sophistication.** What kind of performances do we aspire to? Complex and high value, or simple and flexible?
4. **Reach.** Are our customers used/willing to travel to come to special locations, facilities or sites, or should we try to be where our customers are?

5. **Appeal.** In what kind of situations do we engage with our audiences? Do customers come to us specifically and deliberately, or are we part of a bigger picture (like a festival – or shop-in-shop in a department store, or strategic alliance)?
6. **Customer relations.** What kind of relationship do we seek with our audiences? Loyalty-driven or event-driven?
7. **Infrastructure.** How far in advance do we need to plan and prepare our actions, to be sure we can deliver the desired customer effects?
8. **Investments.** What kind of investments are needed and attainable in the field we want to act in? Or can and will we pull it off in a different, experimental manner?

Following the answers you may come to the conclusion that a formation of small and autonomous ensembles is better than one full size symphony orchestra. Subsequently this decision has implications for other organizational aspects, like vision on and style of leadership and the breed of professionals needed, which will be reviewed later. But it certainly will have implications for the type of compositions you will be able to perform convincingly for your audiences.

Professional attitude and teamwork

Whereas the corporate world has seen a rising popularity of individualized performance measurement and compensation, in the world of music, team performances have remained the dominant force. But that does not imply that in musical ensembles there is only harmony, even in personal relationships. In musical and in business organizations alike there is often some level of rivalry or envy among colleagues.

- There will be star performers and lesser gods who may not have a fruitful working relationship. Some team members will be modest, some bold. Despite these differences, they not only need to get along well, but even be willing to support each other in order to deliver a valued performance to the customers they all serve.
- There will be differences between seniors and juniors, between the veterans who know all the inroads and the newly hired who bring in fresh views, do not take everything for granted and ask inconvenient questions.

- You may find hostile feelings between members of different departments (just like between sections in an orchestra), when one department considers itself more important than another, or feels neglected or overruled by others.
- When there is a chance for promotion (which is not limited to business organizations: in orchestras some musicians aspire to get promoted to 'first desk' or concert master) there will always be more people who end up disappointed than there are rewarded. If strategy or regulations are unclear in such an event, unrest is stirred up even more.
- Companies that take pride in employing top talent often find that these gifted experts come with an ego. In some cases such an ego gradually gets to dominate too large a part of the total performance, overvaluing their solo contribution. In doing so, they diminish the contribution of other performers and get in the way of a well balanced customer experience. That may even create a threat to the company as a whole, when customers no longer feel well treated.
- In organizations with a respected history and stable labor relations there is bound to be a group of talented workers who do not get the right opportunity for further growth, due to already filled positions higher up in the hierarchy and/or more senior workers who get priority. The ones who would deserve but do not get promotion could get less motivated – even when keeping within the range of required quality. Undoubtedly these disappointed talents will be less open to innovation, less inclined to 'go the extra mile' and less inspiring to work with. In fact, it would be better for themselves and their organization if they decided to leave. But many of them don't because of risk avoidance.

Circumstances like this can last for quite some time. You may think this type of unrest can be kept out of sight of the audience – or customers, but that is a dangerous illusion. It may work for some time, but it is bound to come out, probably when it is least convenient, as Murphy's Law predicts. Think of this important principle in services management: the customer will not be treated better by your associates than your associates are treated by your company. Harvard researchers James L. Heskett, Thomas Jones, Gary Loveman, W. Earl Sasser, and Leonard Schlesinger developed their Service Profit Chain theory in the 1990s,

based on the reversed link between profitability of services > generated by extremely loyal customers > created by above average value delivered > made possible by committed, satisfied and loyal employees > who are stimulated and empowered by attentive and inspiring leaders.¹² Popular examples (maintenance workers who complain to clients about the poor quality of the products of their own employer) illustrate that this interdependence also works the other way round: when things do not go well internally, staff members have a tendency not to stir up more dirt in their own pool; instead they shove dirt in the direction of the customer. Resulting in customers who turn their back on your company without even complaining, seemingly defecting without a clear reason. Research has shown that unhappy customers often will not actively report or even mention their disappointment or irritation, because they find it difficult to explain and do not want to engage in a discussion.

A company like Amazon acts innovatively on insights like these. Amazon actively offers workers in its us fulfillment centers a financial bonus of up to \$5,000 to leave (no questions asked), in order to help unhappy workers take the leap. As it is not known to management to whom to address this message specifically, they extend this 'Pay to Quit' offer to all associates, while urging them not to accept it. *'The goal is to encourage folks to take a moment and think about what they really want'*, Amazon CEO Jeff Bezos said in a letter to shareholders in 2013. *'In the long run, an employee staying somewhere they don't want to be isn't healthy for the employee or the company.'*¹³

What can team members do, when conditions are not supportive to delivering the best possible contribution to the desired customer experience? There is an abundant amount of literature on conflict handling, which will not be reviewed here. But some remarks from a musical perspective can shed a different light on handling foggy situations within a team that is up for high quality performances.

12 Heskett, James L., Jones, Thomas O., Loveman, Gary W., Sasser, W. Earl, and Schlesinger, Leonard A., 'Putting the Service Profit Chain to Work', *Harvard Business Review*, (March-April 1994), p. 164-174.

13 [http://www.usatoday.com/s\(...\)pay-to-quit/7560259/](http://www.usatoday.com/s(...)pay-to-quit/7560259/)

A professional attitude for members of such teams includes a considerable degree of resilience with regard to catching blows. Overcoming difficulties is part of the job. But some team members reach their limits sooner than others. Often, this is not immediately clear to them, let alone to colleagues or supervisors. To prevent this harming performances, individual workers can be stimulated to reflect regularly on the total effect their team is meant to create for the customer. And to phrase their personal contribution in relation to that outcome. In musical terms, these effects may be in terms of atmosphere, mood, emotions, state of mind during and after the concert. In a business context the desired result may be in terms of rapidly fixing problems (Quickfit), providing family pleasure (Disneyland), saving time (Car Glass), taking effort out of purchasing (Zappos), removing stress or hassle (Achmea insurance group), or making the most of your time (Mercure Hotel's Business Point M). If, from that perspective, an employee is asking for attention to something preventing a targeted customer outcome, s/he is acting in your company's interest even though it may seem a personal complaint. By treating it as a shared professional search for essence and meaning, it is possible to prevent it turning into an argument or conflict. It may not be easy to find the right moment, the right setting, the right tone of voice to open this kind of conversation. But most likely issues like this, presented by one employee, are experienced by several workers few of whom have the courage to admit it openly.

Creating strong business compositions

In the world of professional music – classical or modern – there usually is someone who has provided a composition – although for improvised performances and jam sessions the reference may be as limited as a theme or set of chords.¹⁴ The vast majority of music, however, is not improvised but interpreted. This means most musicians do not just play as they please, but concentrate on translating the essence of the piece in front of them, or a reference agreed upon beforehand, through their instruments or voices.

Although we are looking at business through the lens of music and musical compositions, in fact a similar mechanism is at work in other domains as well: when stage actors act out a play, when a film is shot on the basis of a script, a ballet is danced following choreography or a building is constructed according to the design of an architect. That makes it all the more interesting to look into possible lessons. In all these cases there is a team of highly skilled professionals who take pride in executing a scheme created by someone else. If you stop and think about that for a moment, you'll find it sounds contrary to what many believe to be true for management in professional organizations: professionals seem to need a fair degree of 'professional autonomy' with as little management interference as possible. Then why is it that professionals in music accept a seemingly submissive role like that? Why are they happy to perform along the (sometimes strict) instructions provided by the score and the conductor? This seems contrary to

14 This is sometimes referred to as 'the jazz mindset' (Frank J. Barrett, author of *Yes to the Mess: Surprising Leadership Lessons from Jazz*, Harvard Business School Publishing, 2012) or the 'improvisation mindset' (Karl E. Weick, 'Improvisation as a Mindset for Organizational Analysis', in *Organization Science*, Vol. 9, No. 5, Sep. – Oct., 1998).

the working conditions that most professionals require. The well known Dutch management guru Mathieu Weggeman famously stated: ‘Want to lead professionals? Don’t!’¹⁵ In his view professionals preferably don’t want to be commanded. But is complete autonomy the alternative? Apparently professionals do want to be inspired by a collective ambition: the joy and excitement of bringing a composition to life together, exploiting the professional challenge offered by the composition and the agreed interpretation, compensate for a loss of individual autonomy. When doing so they can excel in their specific skills and create a result together that they would never be able to achieve on their own.

An integral part of this professional challenge is that they are not supposed to just routinely, like robots, carry out instructions. They have room for interpretation and are supposed to use it, in coordination with their team members. It is their interpretation skills that set them apart and make them admired masters in their trade. Although the composer, playwright, scriptwriter, choreographer or architect mostly delivers a detailed and annotated plan, it is still in the minds and hands of the performing professionals to (re)make it into a coherent and powerful work of art. This is the essential difference between carrying out orders and performing on the basis of a composition.

This difference has far-reaching consequences. Almost always, in any field, routinely carrying out instructions leads to uninspired, often unfitting and sometimes even bizarre results. Just listen to music from North Korea. Look at the atmosphere in international airports today, more precisely at customs and safety check ins. Think of often complex bureaucratic procedures to solve relatively simple problems. Think of the plumber who does not pay attention to the tiling pattern in your bathroom when drilling a pipe hole. This is the domain of ‘friendly but unhelpful’ services.

On the other hand, when skilled people put effort into expressing the intentions behind their instructions, they are far more likely to produce

15 Mathieu Weggeman, *Leidinggeven aan professionals? Niet doen!* Scriptum, 3rd edition, 2008; English language edition: *Managing Professionals? Don’t!*, Warden Press, 2014.

satisfied audiences, clients or customers. In the creative world this is not a subversive or hard fought over liberty, but an essence of the production ecosystem. In musical history, there have been episodes in which very strictly regulated compositions, with very little liberty for interpretation, were leading. Later developments in musical taste and experience have proven that compositions challenging performers to express their own interpretation often leave the greatest impression.

However, when we transfer this to the world of business and particularly professional services, we see either a lack of room for interpretation (including organizations that put penalties on not following orders or protocols), or the opposite: a disdain for any type of prescribed behavior. Here prescriptions tend to be considered as restricting professional autonomy. Many professionals hate to work in environments that use scripts. Instead of being inspired by a script or composition, they prefer to ignore it and create individual routines. There are exceptions, of course, mostly where a specific and indisputable safety level is required. Like in hospital operating theaters and in airline services: in both cases highly trained professional crews are expected to perform according to detailed procedures during – at least important parts of – their service. They risk severe consequences if they don't. Other sectors demonstrate a keen combination between detailed procedures and personal room for interpretation. Top hotel and restaurant chains have sophisticated rules of engagement for their customer service staff. A key element of success is the mental switch these performers are able to turn on: instead of regarding the scripted behavior as a limitation, they consider it as a stepping stone to excellence. They take pride in their ability to make the service composition into a memorable experience for their guests, time and time again. Nevertheless, many people do not consider these types of jobs as high profile careers – and enterprises do not position them as such. The question is why. Creating memorable customer experiences is one of the most challenging and demanding jobs conceivable. And of the most strategic importance for a business. Should enterprises decide to compensate this kind of jobs better, they might become more attractive to talents that are asleep in the labor market right now, and open up new prospects for growth employing them.

WHO STILL NEEDS A BUSINESS COMPOSITION IN THE AGE OF UNLIMITED TECHNOLOGY?

Some visionaries claim that within the next decade technology will be so advanced that every company will be able to serve every consumer to individual preferences. Standardized serial production to reduce costs will no longer be needed. Will that not make seemingly rigid business compositions redundant? That is a rather one-sided view. As long as customers have to find their way in rapidly changing markets with new offerings and competitors, there will still be a need for overview and simplified choice. Research has shown that the majority of customers prefer the 'default option' when offered a range of alternatives to choose from. Because it felt good enough and saved time, energy – and anxiety, too. Formula services like fast food, chain restaurants and hotels, parcel services, proved to be among the most successful business concepts during the recent crisis years because of their easy choice mechanism and predictable quality. Compositions favor formula type businesses for yet another reason: writing a business composition means entrepreneurs are stimulated to think in advance of the sort of bond they would like to establish with their customers. When building their company, the composition helps to communicate and maintain a clear line to their staff and customers simultaneously.

Box 9: Business compositions and technology

It is all about creating experiences

The effect Bruce Springsteen has on individual members of a concert audience (see the example in chapter 2) demonstrates that relationships between performers and audiences can be complex and rich, even if there is virtually no direct personal contact. It is worthwhile to stop and think about this for a moment from a business perspective, and try to understand what kind of relationship we are talking about. And what can be learned from that in the context of other business relation-

ships. Because, like it or not, visiting a music concert, too, is a business relationship. Or is it? Maybe, from the viewpoint of an individual audience member, the performer is so strongly associated with a personal relationship that it is special enough for him to be willing to pay to keep it alive. What would it be from the perspective of the performer? Making recordings and albums, setting up world tours consisting of a series of large scale stadium concerts, requires a very entrepreneurial spirit and considerable investment that has little to do with individual fan relations. In short: it is a business. Springsteen needs to make money out of it, not only to cover all costs, but also to be able to continue. And he does. Still: making (as much) money (as possible) is not the overriding purpose of his music or concerts. Springsteen is in it to make contact with his audiences worldwide and radiates that attitude all along – not only during his concerts (he is recorded to have concluded one of his concerts by saying ‘it’s been great to be alone with you this evening’), but in his artistic life as well. His fans recognize this. One of them stated it this way: ‘*it doesn’t matter how great and famous he is, he is still one of us.*’¹⁶ Again: how many companies and brands would have customers like this? How many does your company have?

Springsteen happens to be performer, composer, arranger and conductor all in one. But in his performances there is a separate place for each of those roles. His fans come to concerts to hear compositions they already know – possibly alternated with some new material. It is the compositions (melody, instrumentation and lyrics) that bind all elements together, while Bruce’s personal and situational interpretation each time makes for the strength and endurance of the relationship he is able to create with his ‘customers’. Each concert is an emotional event that succeeds in sparking energy between performer and audience, making it into a unique experience. But make no mistake: it is a delicately conducted show. All compositions and arrangements, including their sequence, are rehearsed. Precisely because of that there is room for variation during each performance. All members of the band, all sound and light technicians know how to adjust, as soon as an exception occurs, and all recognize the cues to return to the preset

16 From the film documentary *Springsteen and I*, by Baillie Walsh and Ridley Scott, 2013.

scheme. In this way the repertoire and compositions of the concert serve as the backbone of the performance.

Strangely enough (from a marketing point of view) performers like Springsteen are not concerned with any market research to find out what kind of songs (compositions) they need to write. It is the other way round: fans see their own lives, situations, views and emotions reflected in what they hear, in a way they could never express themselves. That is what they appreciate. This implies that the composer/performer must have some kind of vision of his/her own that resonates with the audience they perform for. See a link with Steve Jobs here?

Origins of compositions

That brings us to the question of where an inspiring composition should come from. Just how essential is a resonating vision as the source of a composition? A lack of it does not necessarily lead to bankruptcy. Copycats sometimes do very well. Uninspired compositions may even lead to memorable performances, if you know what to expect. But it seldom leads to a strong market position or substantive customer preferences. One thing is certain: the most compelling compositions stem from visions that resonate with their audiences. Visions that address issues which are relevant, attractive and credible to the audience.

Where does a strong vision come from? For a composer or artist this may seem simple (although some have been known to struggle for new motives). It may be pure fantasy. It may be an assignment, such as composing musical arrangements for films. Or it may be a reflection on a mood or daily observation. In this respect a business composer is in a more demanding position. As mentioned, a business vision needs to resonate with potential clients or customers. This may very well coincide with a personal inspiration of the composer. A lot of the most successful business compositions have built their leading position precisely on that. A case in point is Steve Jobs' claim that he did not trust market research. His own preferences were his guideline and vision when creating new products. In hindsight he proved to be ahead of his customers. A clear vision may therefore be more of a predictor

of future demand than a reflection of actual preferences. Look at the rapid development of computer games, mobile navigation apps, home delivery services, low cost air services, or online education. Some of these were able to create new markets in a short period of time; others disrupted markets that looked quite conservative and fenced off until these newcomers started.

In this respect there are limits to the metaphor of music: new musical compositions do not by definition need to solve a customer problem, in many cases they just need to entertain. Business compositions, on the other hand, do need to address some sort of customer issue in order to become and remain relevant, attractive and credible. Visions for business originate where there is a – previously undetected – problem, or at least an intriguing observation about reality on the part of the customer or on the part of existing solutions. The best visions start by asking one basic question, to stir curiosity: why is the world/market/customer situation like it is? That inevitably leads to the next question: why can this not be made better, simpler, quicker, easier, stronger, more compelling, less irritating, more impressive, longer lasting, more rewarding? Pick your challenge. Simon Sinek touches on this subject with his concept of the ‘golden circle’: ‘start with why’. The more clearly you know why it is that you set yourself to work, the better you will be able to select and judge what is helpful for your purpose (i.e. the creation of a new business composition).

Why it helps to wonder why

In business we sometimes see the devastating effect of the absence of vision, for instance when we look at the rapid decline of many bricks and mortar shops. Most have not developed an effective vision to oppose the recent growth in internet shopping. Not because there is no opportunity. More likely because the habitual way of doing business prevents a clear view of new possibilities. Traditional shops and their business owners have never had to think of their competitive position opposed to disruptive ways of acquiring products, as these were not practically available. Mail order was too small a niche, as were weekly markets or seasonal fairs, to be a serious threat. But now that online shopping is rapidly growing to maturity, it is not difficult to sum up ten circumstances that discourage people from physically going shopping

– apart from a price difference. It is surprising that these barriers get so little attention by people who are in a position to change them – the business composers. At least some of these barriers should be easy to turn round and make physical shopping more attractive in comparison to online buying.

- Why do shoppers who visit several stores have to keep carrying all their bags throughout their shopping expedition?
- Why can't shoppers choose to have their merchandise home delivered right at the checkout counter?
- Why don't more stores offer cloakroom and locker services, so that shoppers can walk around more relaxed (museums do this matter of factly)?
- Why are staff in shops so often unfriendly, unhelpful and unknowledgeable about sizes, materials, specifications? Research shows that shops that train (and pay) their staff better make considerably better sales per labor hour.¹⁷
- Why don't more shops separate the wrapping service from the cash register so that people just wanting to pay don't have to wait and people wanting a gift wrapped get more attention?
- Why are fitting rooms often so uncomfortable?
- Why is there so little personal assistance around fitting rooms for people wanting to change sizes, colors and matching articles they took to try on the first time?
- Why are arrangements for returning goods so often so miserable?
- Why keep so many shops concentrating on selling to customers with already fully stuffed closets, instead of changing their customer relations to usage oriented exchange?
- Why do so many shops stick to traditional opening hours in a time when the working habits of customers are changing rapidly?
- Why are shops not working more closely together for more flexibly adjusting available staff to peak shop traffic?

In short: traditional shops should – and can – rethink how to make shopping a really enjoyable experience, instead of a stressful one. All the elements mentioned above are challenges in the field of services, many of which are suitable to be used as elements of innovative and

17 *Harvard Business Review*, Jan-Feb 2012, p 125-131.

appealing new shopping compositions. Creating a lot of new room for interpretation at the same time.

There are some examples, such as a blend of clothing boutique and coffee shop, where visitors can easily wander from one part to the other. Or a toy shop that cleverly combines a wide selection of toys for kids from 0 to 12 years old with a program for birthday parties and breakfast, and coffee and lunch facilities for their parents. The strange thing is: they are still exceptions.

Powerful business compositions

What makes a powerful business composition? Before we can answer that question, we first need to make clear what a powerful composition is.

As introduced in chapter 1, powerful compositions can go to the heart immediately. Immediately? Well, not always. Some compositions need time to get used to. In music as well as in business. Before being able to appreciate a certain new type of music people need to establish some form of reference. Remember the first time you heard a piece of ‘new wave’ classical music, for instance by John Cage? Remember when you first heard about the iPhone 1 – a mobile phone connected to the internet? To many people it felt like: what is this? Why should I need this? Only after some consideration, talking it over with others, understanding and acceptance grew. Sometimes a couple of months will do it. Sometimes it takes years. There is ample literature about the innovation adoption curve that explains this phenomenon. We will not go into that here. What is essential, though, is to be aware of the importance of helping people make a connection with the world as they know it, if you want your new composition to be accepted.

To be successful you have to help people see what contribution you make to their world that they do not have already and that adds a new kind of value. The idea behind the concept you are introducing is vital. It often takes the form of a story that reveals a new kind of relevance in the life of your potential customers. The most memorable pop/

rock songs ever tell compelling stories: ‘Hotel California’ (The Eagles), ‘Bohemian Rhapsody’ (Queen). The most renowned classical works do, too: *The Four Seasons* (Vivaldi), *Fireworks* (Händel), *The Blue Danube* (Strauss). Sometimes it is a specific use that adds meaning to a composition, like Beethoven’s Fifth (allied victory in the Second World War). This is what audiences are most likely to relate to. The same mechanism can be traced in successful business concepts. Apple has been credited for its ‘think different’ story, Starbucks for changing America’s coffee culture, Richard Branson for his battles against long standing market leaders in a number of markets.

RETAIL COMPOSITIONS

Many retail brands are struggling to find their way successfully in a changing environment, with the growing influence of online shopping. To address those changes they need a flexible approach to their presence in different situations. Doing so they run the risk of losing focus and creating confusion among their customer groups and employees. These brands could expand their repertoire of compositions when adopting ‘formulas’ for different circumstances. Take Rituals (cosmetics and care products for home and body), a brand that is rapidly expanding internationally and into adjacent platforms. Rituals could benefit from business composition principles to formulate clear guidelines for their parallel presence in premium department stores (shop-in-shop), their own chain of brand stores, business partnerships with hotels and airlines, and management of their city spas.

Box 10: Retail compositions

There are three dimensions to take into consideration when looking for a storyline like that:

The natural need for variation. Your composition does not always have to be completely new in every aspect. Your audience has a natural need for variation. Originality may be just in a different tonal-

ity, or choice of words. How many love songs have been written in recent history alone? Aren't there enough? Apparently not. Every year there are new ones. And every year some of them succeed in breaking through. The ones that do somehow manage to strike a chord that resonates. Conclusion: it is not always the subject that needs to be innovative, a new treatment of a familiar theme may equally lead to a breakthrough. As long as it treats the theme in a fresh new way.

One step at a time. Innovation is challenging. But the more you change compared to the familiar, the more difficulty you will find in getting your innovation accepted. So if you present a change, focus on one dimension at a time and leave the rest on a par with what your audience knows – or be prepared to take the long way home. In one of the most influential books on innovation – *Blue Ocean Strategy* – the authors explain that an essential part of innovation is in the question of whom you are comparing your offer against. By making a radically new comparison (different markets, different customer groups, different trends, different functions or emotions) you can create a totally new offering that will be valued in a different way in the market.¹⁸

Relate to a familiar situation, emotion or itch. Compositions that 'stick' successfully relate to some element that people can recognize in their own life or activities. It may be just something that people have experienced and they feel can occur again in the future. But a stronger effect can be provoked when the story presents a relevant and attractive solution to some itch, irritation, nuisance in life that people have grown accustomed to so that they accept it as a part of life – just until your solution presents a way to get rid of it.

Transformation by title

Living in the early ages of neuroscience, as we are these days, there is still a lot to be learned about how the human brain works. But we do already know a thing or two about the powerful role of 'condition-

18 W. Chan Kim, Renée Mauborgne, *Blue Ocean Strategy*, Harvard Business School Press, 2005.

ing' (influencing people's perceptions or way of thinking in such a way that they are likely to react predictably to certain situations), 'priming' (using stimuli to bring about a predetermined response at a chosen moment) and 'framing' (presenting an issue in such a context that it is interpreted in a preconceived way). For our purpose it is relevant to know that these phenomena can work in two directions: it is not only the audience that can be conditioned, primed or framed, but the composer as well. By setting a specific target as a briefing, the composer is able to focus more sharply on the effects his or her composition is meant to bring about. The examples in the paragraph above illustrate that a storytelling vision can be closely linked to the title the composition receives. Sometimes the title comes first. Sometimes it starts with a vision that receives a title only afterwards. Händel's assignment to compose a concert for the royal fireworks was a direct inspiration for the atmosphere, tempo, instrumentation and effects he needed. In any case, by first being aware of the title of the concert, audiences attune their listening and their appreciation of what they hear. Only as soon as you know you are listening to Joseph Kosma's 'Les Feuilles Mortes' (Falling Leaves) do you start recognizing how autumn leaves are swirling down on a quiet day in fall. If it were the first time you heard this composition, without knowing its title, it would appear as an abstract piece of classical music. Knowing its title is therefore the start of a transformation process in the minds of all who are concerned with a composition. From composer to director to performer to audience. This not only holds for classical music. Even in present day genres a title serves as a strong frame of reference. Think of Dire Straits' 'Private Investigations', Amy Winehouse's 'Rehab', Fleetwood Mac's 'Albatross', Pharell Williams' worldwide hitsong 'Happy'.

In other forms of art the same mechanism occurs: just look at how many museum visitors first look at the title sign before appreciating a painting. Apparently people look for some guidance in their confrontation with a piece of art or music. Many works of art do not adapt to the audience, but rather the audience adapts to the artwork – and is kindly invited and guided to do so.

**EXAMPLES OF STRONG BUSINESS COMPOSITION TITLES
(IN *italics*)**

KLM: *City Hopper* – Short haul air flights between European cities, clarifying simplified services, low fares, rapid connections, easy accessibility.

Insinger De Beaufort: *Shoebox* – Simple accountants' service for private banking clients, indicating they just need to drop every piece of financial administration in a shoebox, which the bank will come to collect monthly.

Shurgard: *Hotel for your belongings* – With a title like this it cannot be just any self storage. A special sense of service (for the owners of the belongings) rings out clearly.

Curvink: *a better life for your bottles* – This international supplier of printing machines for glass bottles realized it is protecting bottles from harm during production and filling process and giving bottles their final personality. This business composition saves beverage industries a lot of broken bottles and increases their earning power with better looking bottles.

Effactory: *discovering your company's hidden potential* – Employee surveys aimed at finding untapped strengths within organizations. It is not just the survey, but also taking care of internal support, communications, treating findings and keeping track of developments.

Rituals...: *slow shopping* – The cosmetics products and retail chain words its intention to turn every day routines into daily rituals, extended to the composition of the shopping experience, with tea servings and hand massages.

Box 11: Examples of strong business composition titles

Briefing power

Why do so few businesses use the power of titles to condition their composers', workers' and customers' attitudes? If the vision behind business operations is summarized in an imaginative title it can help customers to interpret what is seen, heard, delivered and experienced. When creating a new composition for music or business – either as an independent composer or following an assignment – a clear vision, worded in a title, can serve as a powerful briefing to keep in mind. It can not only be a driving force for the creative process, but later on help to direct execution, design, structure, tone, speed and effects towards one total result.

Choosing the right title as a starting point is, therefore, extremely important in several respects:

- as a briefing and guideline for the composition of a business or service concept,
- as a description for performers of the desired effect on the audience or customers,
- as a frame for the customers to attune their expectations, attitude and evaluations.

It certainly is more difficult to arrive at a directive title for a business composition in comparison to a title for a piece of music, but the rewards in terms of creating coherence in efforts and recognition of the result can be tremendous.

How does one choose a title that serves best for these purposes? There are some considerations to keep in mind.

1. **Intended effect.** The title of a business composition is not by definition the same as the brand name of the company. The primary purpose of the composition's title is *not* to create awareness and distinction opposed to competing brands, but to be as clear and inspiring as possible about the intentions of the composition itself and its intended effects for the customer. Sometimes the business composition's title can be attached to the brand name as a separate, even temporary, 'label'.
2. **Relevance.** Attach the title to at least one basic emotion, concern or field of interest of your audience. Like joy (adventure) or sorrow

(security), contemplation or motivation, relaxation or activation. For business-to-business different concerns apply than for consumer customers.

3. **Imaginative.** It is wise to select a title that has the power to paint a picture of the desired state in the mind of – ultimately – the customer after experiencing the composition. Make it visually or sensually strong.

Once the title is clear, you can put yourself or your composer(s) to work. Keep in mind that your composition needs to address some specific issue that is of interest to your customer. This means you need some (preferably a lot of) insights into your customers' interests, motivations and concerns. The field from which you can choose is large. You can select either positive or negative elements, subjects to reinforce or reduce, to activate or to put to rest.

Traditional marketing has brought us the Unique Selling Proposition (USP): that which makes a product or brand unique in comparison to its competitors. Preferably something that is hard to copy. This has led companies and brands to a rational and technical search for new features and benefits: faster, cheaper, quicker, easier, etc. Looking at it from the music metaphor, however, we learn that it is not so much the unique competitive difference that brings customers close, but the sense that you touch something that is dear to them. As long as you do it 'your way' it will have some sort of uniqueness anyway. So take time and make enough effort to define what concern or emotion it is that you want to touch in the life of your audience (or customer).

Titles vs slogans and labels

The business composition's title is neither a slogan a brand uses to differentiate and position itself vis-à-vis competing brands, nor is it a label such as many brands use to present their range of products or services. But it is a little of both.

- It is not a slogan, as a brand can operate with several compositions (and titles) at the same time. Each title holds a promise, just like a slogan. The difference is that a slogan conveys a unique promise about the brand as such, whereas the business composition's title is a description of one sequence of activities aimed at a customer

effect. The business composition's title may just be used internally. Although it can serve a good purpose in communications with customers (in terms of managing expectations), it may do its work equally well as an internal briefing: the results speak for themselves.

- It is not a label attached to a product line or service concept operated by a brand. But it does indicate to customers what to expect from a specific and labeled service. The difference is that a label is a positioning tool, whereas the business composition's title is a reference for composers, conductors, performers and customers to attune their parts in making it work. It can work on brand level, on sub-brand level or on label level, depending on the composer's intentions. But it does not need to be printed alongside one of them to be effective.

Ergo: the business composition and its title do not belong in the brand architecture of a company, but add meaning to brands and labels, existing and new. Where brands and labels serve as stable and visible beacons that help customers to make a choice in a complex marketplace, business compositions focus on daily customer experiences. Strong compositions – and their titles – may be used for a long time, but any brand and label that uses them is able to decide periodically on a change of composition(s) without any consequence for its profile, image or positioning. Unless it intentionally decides to reprofile or reposition. In that case a new (repertoire of) composition(s) is able to materialize the desired new position.

Compose for involvement

A true concern or emotion is always attached to a timeline – as music is. It is a timeline that tells some sort of story with a dominant motive. If your aim is – as it should be – to compose a solution to a concern, your business or service should take customers along on a trip, with a beginning, a middle section and an end. During this trip a clue should unfold with a build-up of patterns and changes, tensions and reliefs in a well designed sequence, leading to a desired outcome and effect. It involves craftsmanship, experience and practice to arrive at that result.

Recent developments in marketing have provided companies with service design techniques, like ‘the customer journey’. This is most often defined as a description of the tour the customer makes with the company through a sequence of so-called ‘touch points’. The assumption is that when you design each touch point to satisfy your customer, s/he will become a happy – and loyal – customer. Although this technique is very helpful in (re)designing the customer experience with your company, products or services, it overlooks one crucial element. Apart from asking yourself where your company starts and finishes its business with the customer, you would do better to ask: when, where and how does the concern of the customer start and finish in relation to the issue we are addressing? This may be well before – respectively after – the traditional start and finish of your services. This second question, although seldom asked, will give you a unique perspective to think of when and how to let your own business composition commence. The chance of finding formerly untouched elements in your customer’s concerns or emotions and coming up with a new service structure will become much greater. So, in fact, the innovative concern is not composing the customer’s journey with your company, but the company’s journey with your customer:

- when, where and how can you come into your customer’s life?
- what emotional tour can you make with your customer that will make him/her feel moved?
- what state of mind should your service leave behind in your customer’s life?

In all three of these stages it is not just you who can set the course. At the same time the customer needs to be in a receptive and interactive mode to make it work. As in the theory of music, some experts state that a composition is as much a creation of the composer’s as it is (re)created in the minds of the audience. You, as the composer, may be the one to think ahead of the desired structure, but it is the audience that will make it work – or not. So you have to take the concerns, emotions and evolving state of mind of the audience into consideration during the composing process. By ‘foreseeing’ how the customer’s state of mind will most likely evolve during his/her interaction with your company, you will be better able to recognize crucial phases in your composition, in which you need to address specific customer concerns.

In recent years new research methods like observation, shadowing, contextual interviews, ‘a day in the life’ have opened up new possibilities to recognize previously unnoticed cues on the part of the customer that cause unrest, uneasiness, irritation or joy, and can lead to innovative service elements.¹⁹ This approach, for instance, is what brought IKEA to foresee that clients, when buying a new kitchen setup in their store (for which they need to provide measurements to a service rep) sometimes appear to have forgotten some details. It brought them to instruct software designers to create the possibility of storing a partly filled out form for a couple of days, to protect the customer from the hassle of having to start all over again at the return visit.

Short vs sectioned compositions

Not all compositions will – or are even meant to – have a ‘life changing’ impact. Undergoing a surgical operation may indeed, but buying a sweater online probably won’t. Accordingly, compositions should be designed to fit a suitable impact on the customer. Although there will always be three stages in the customer’s timeline (before – during – after customer/company interaction), in some cases all three will take place within an hour, in other cases they may take several months or even years. In music, some compositions make a three minute song, others a three hour concert. A similar variety applies for business compositions. For ‘fast services’ a composition should produce satisfied customers in half an hour. Here, customer experience will be subject to speedy and hassle free treatment. In a different setting, like physical therapy, the experience is subject to almost the opposite: haste free and concentrated personal attention takes time. But the same three phase buildup remains in the business composition that the customer can relate to: discovering – addressing – resolving his/her need.²⁰ Each phase brings its own characteristics to make it work. First you have to

19 More on this subject can be found in *This Is Service Design Thinking*, by Marc Stickdorn, Jacob Schneider and co-authors, BIS Publishers, Amsterdam, 2011.

20 In some fields it makes sense to compose in more phases, depending on the timeline the customer will go through in connection with the service you provide.

establish a working relationship with your customer. Next you interact and apply your expertise, solve problems, take care of concerns, treat, educate or move your client. Then you help your client apply your solutions and integrate these into his/her life and/or work.

From customer journey to customer timeline

Many products and services tend to just think about the middle part: the actual interaction between company and customer. In young and expanding markets businesses are likely to start with a simple proposition – and are able to grow by just concentrating on one phase. In developed and highly competitive markets that is no longer enough. Your customer's concerns start earlier and last longer – even when it all takes place in a relatively short period of time. To make a truly impressive business composition, identify and follow the customer's timeline from the (often indistinct) appearance of a need, through the process of fulfillment, to the moment its solution dissolves into the normal life of the customer. That may be long after the last bill has been sent and paid. Compose as many sections as you see fit – and compose them along the development of your customers' concerns. From a composition point of view the analysis should start at the moment the customer becomes aware of a need or problem – even if s/he does not yet realize your company will later emerge as a suitable – or even preferable – problem solver. And it should stop no sooner than when the customer need has been resolved. This analysis is better referred to as a 'customer timeline' than a 'customer journey'.²¹ The customer *journey* concentrates on 'touch points' during the formal customer relationship with the company. The customer *timeline* provides a broader overview of opportunities for the business composition to address relevant and mutually connected issues for the customer. And may create new touch points.

Sectioning the composition

By dividing the business composition into sections it is easier to follow (and reshape) the development of the customer's need with the design of the service. Three sections are basic:

21 Customer journey can be defined as a technique to sequentially describe all contacts and interactions, big and small, a customer has with an organization during the course of a sales and/or service process.

1. **The first part** – like a prelude, overture, or the exposition part of a sonata – is concerned with the first stage of customer awareness of a problem arising in his/her life. In traditional marketing literature the focus is on ‘brand awareness’ (how to create awareness of your brand in the mind of the consumer). But here it is opposite: the company has to become aware of the life of its customers, to find out how their needs emerge. It is ‘customer problem awareness’ that is at stake. In this stage the business composer can already be of value, by creating meaningful and recognizable messages – which should be more than communications alone: messages should be aimed at helping customers recognize and treat their own situation in a better way than they could on their own.
2. **The second part** – the suite or development part of a sonata – is concerned with the phase of actual interaction between company and customer. In terms of music we might call this the equivalent of the performance itself. In a business context the performance may take a lot more time than just one evening. Think of a client working with a solicitor through a difficult legal dispute, think of the student enrolling in a three-year MBA course. A business composer should not focus on the administrative or relationship side alone, but follow and redirect the emotional development of the typical client during the whole of the formal relationship. The composition’s essence is its power to touch the life of the customer. It is not just business processes that you compose; you compose to make a difference, solve concerns or create excitement for the customer.
3. **The third part** – the reprise part of a sonata, or coda – is concerned with how the customer translates the results or effects of part 2 into his/her life. It can be partly ‘wrap up’, partly implementation, partly (financial) settlement.

Just as in the best musical compositions, there should be some form of repetitive pattern from beginning to end that makes this specific composition recognizable. In business it is precisely this pattern that makes for brand signature.

Score and orchestration

In music, compositions are almost always translated into a ‘score’: a written or printed representation of the work that describes in detail how the composition is to be performed: how the orchestra needs to be formatted, what the instrumentation needs to be, when and how each of the instruments is expected to come in and behave. Without it, every participating musician would be playing from the same book, making the concert sound like an overcrowded monotone legion of football fans. It is the difference in accents and the intelligent use of each instrument’s characteristics that will make a composition into a memorable concert. This means it is the composers’ task not just to design the total sound, but at the same time to think of how the essence of the composition can best be translated to fit the conditions, possibilities and circumstances of the performers and performance.

Sometimes there are different orchestrations for the same composition: one for symphonic orchestra, one for chamber orchestra. There are examples that prove that a composition can be translated into a different format by someone else: a different composer (arranger), conductor or even a (group of) performing musician(s).

In a business context we see a similar mechanism. Providing services is also dependent on conditions and circumstances that may vary over different countries, different events, different seasons, different customer situations or different customer groups. Airlines need different orchestrations for intercontinental flights and short haul flights in smaller planes. They perform differently in business class than in economy class. But the essence of their branded composition needs to remain recognizable in both settings. But not all adaptations are made from a composition perspective. Supermarket chains adapt their composition to different locations, neighborhoods or floor surfaces. These are not adaptations with the customers’ concerns or emotions in mind, but logistical and financial considerations. A much more customer oriented approach is followed by supermarket chains that adapt both composition and score to, for instance, commuters (small stores in railway and subway stations – Albert Heijn ToGo) and urban

professionals (compact supermarkets with a high ‘traiteur component’ in city centers – Carrefour Express).

Applying business compositions for innovation

Although the concept of ‘the business composition’ is new, it is also part of an evolutionary process in which focus is shifting from short term profit orientation to value generation. Looking at the world of business through this lens brings into focus several examples of companies that have been applying composition principals for quite some time, either intuitively or as a result of other methods of concept development. Nevertheless, systematic application of the principles described here also shows how to strengthen concepts further, solve some of the frequently occurring management dilemmas and concentrate the energy of all on a singular, clear and motivating purpose.

COMPOSITIONS FOR CROWDFUNDING

One example is the rapidly growing sector of crowdfunding. Several young companies are exploring the possibilities of developing digital funding communities and new financial infrastructures at the same time. But bringing such concepts to success involves more than just publishing a business idea and providing opportunities for investors to join in. To be able to attract greater audiences, provide higher levels of security and trust and build a credible and attractive track record, adopting the business composition approach could open up more possibilities to differentiate within the sector, focus on specific segments and communicate more clearly about procedures and benefits.

Box 12: Compositions for crowdfunding

BUSINESS COMPOSITIONS IN OPERATION

One example of a business composition ‘avant la lettre’ is Hertz Car Rental services. Members of the Hertz no 1 Club are involved in a three section composition: the orientation and reservation part, the actual period of driving the car, and the return and financial settlement part. In all three parts Hertz shows it follows customers’ concerns to the best of its ability. The overall connection to the concerns and emotions of the customer is clearly visible: transforming the uncertainty and hassle of car rental arrangements into a smooth and pleasurable enrichment of traveling. From that reference a stream of – not just innovative but rather – relieving services has been composed.

1. Exposition: Orientation and reservation

Hertz first positions car rental in the life of the customer by addressing several events that might interest the customer and suggests solutions, before starting to sell. The selection of cars is renamed from the widely used compact – mid size – full size – luxury classes, to more usage oriented categories like: green collection – fun collection – family collection – prestige collection – standard cars.

Booking is made exceptionally easy online, as Hertz recognizes its club members and fills out familiar details.

Two days before booking the customer is reminded of the reservations made and invited to add any possible alterations.

2. Development: Collection and driving

Once booked online, there are no surprise add-ons in insurance, taxes or other regulations, unless asked for by the customer. One signature is enough.

Extras like navigation tools are easily available. But there is more to the composition than just the driving experience. It is about pleasurable travel.

So, starting in selected countries, Hertz cars are equipped with a WiFi zone, to save customers the cost of international roaming.

Special arrangements for certain countries, like compulsory alcohol testers in France, are supplied by Hertz.

3. Reprise: Return and settlement

Returning a rented car is often in a stressful context of haste and attention to other travel arrangements such as being in time for a flight. Hertz recognizes this customer stress by making car return as simple as possible: just hand in the car key and sign off, all other procedures are taken care of. When you open your e-mail at home, you will find your receipt in your inbox.

Box 13 (continued): Hertz car rental as a business composition

Putting together the repertoire

No matter how compelling it may be, no musical ensemble or artist would survive very long performing one single composition. Professional ensembles assemble a range of compositions to choose from, depending on what different events call for. Including special wishes from customers and business partners. Equally, few enterprises survive on just one single offering. They, too, need a repertoire. Creating a strong composition is distinctly different from putting together a strong repertoire: while compositions focus on creating a desired effect with and for the customer, a repertoire is focused on addressing a range of situations in which the organization is likely to meet and serve its customers. Putting it together is a separate responsibility that mostly lies with the producer, the musical director and/or the conductor. Composers can be involved but they do not always need to be. Once the purpose of a repertoire has been established in terms of the situations that need to be 'covered' in the near future, compositions can either be selected from what is already available, or can be commissioned for creation by a composer.

REPertoire IN THE CATERING BUSINESS

Most of us are familiar with the way restaurants go about creating their repertoire. Just look at their menu: it usually starts with the ‘à la carte’ section: a collection of special dishes minutely composed by the chef. Right behind the à la cart section you probably will find a section with two or three set menus. These menus mostly consist of a selection of somewhat simplified – but still appealing – dishes for a reduced price. Now study how most restaurant guests behave when going through the menu: after having studied the à la carte section carefully, between 50% and 75% of guests finally opt for one of the preset menus (the ‘default option’). And they still experience this as a treat. Of course the special menu price is part of the joy. But not having to make a set of complex choices is, too.

The structure of the menu card can be considered as the repertoire of the restaurant. The compositions within it will undoubtedly change every season, so the chef will know in advance what his assignment for next season will be: compose a new collection of à la carte dishes and compose a new range of simplified yet attractive set menus.

Box 14: Repertoire in the catering business

The repertoire structure is helpful in two ways: it *prepares* companies for future demand situations and it *conditions* demand to a large extent. The difference is interesting: in some business relationships the customer will initiate a transaction by posing a question, problem, desire or need s/he wants to be addressed, in other cases it is more likely that the performer will propose a program to a curious – or at least receptive – customer.²² Practice has shown that in business, too, presenting a repertoire of options often helps customers to describe their needs and preferences. As a consequence, customer demand

22 In a later section of this book we shall see that the customer in musical settings is not just passively receptive, but also actively involved in performances.

becomes a lot more predictable, without giving customers any impression of limited choice.

In the best customer oriented business organizations this insight is given great attention. While each composition focuses on a specific effect for the customer, preparing the repertoire of compositions reveals how well the company adapts to a range of interrelated customer needs. The right repertoire will make customers feel more comfortable in an earlier stage of the service process, even before the actual consumption starts: selecting the solution that best fits his/her situation. In doing so, a company can reduce or prevent the stress of choosing at the customer end.

Helping customers to make the right choice

Just how relevant and ‘unsolved’ is this problem? Most companies already offer a repertoire of services that varies from full service to basic, enabling clients to choose from a range of options. But the question is: how well are customers able to come to a selection that really works best for them? What can be done to help customers evaluate different aspects of a range of offerings – and not simply turn to price? As illustrated above, many restaurant owners experience that the majority of their guests – after attentive consideration of the à la carte section – finally prefer the weekly menu and are content with it. But in other sectors it may not be that easy. For instance: being one of the contenders in a tendering process frequently leads to more fundamental dilemmas. Do the conditions of the tender prescribe a composition that is merely in need of suitable performance? Or is the real question to propose a new composition? If it is the former: does the prescribed composition really address the underlying customer needs sufficiently, or could we propose a better arrangement? Would that be appreciated at all? If so, on what criteria would that be valued? If it is the latter, is the customer’s interest served sufficiently by a single new composition or should we present a repertoire as a basis for future flexibility on the client’s behalf?

Pre-arranged product and service combinations that suit the needs and preferences of specific customer groups can make customers feel more comfortable, if they truly recognize their own situation in at least one of

the combinations. How does one develop the skill to create such combinations?

In their book *Nudge*, Richard Thaler and Cass Sunstein explain how ‘choice architecture’ can help customers make better decisions in their own favor.²³ They propose to implement ‘nudges’ to that end. The aim is to present available alternatives in such a way that customers are inclined to prefer a certain option. A nudge, as they put it, ‘*is any aspect of the choice architecture that alters people’s behavior in a predictable way without forbidding any options or significantly changing their economic incentives. To count as a mere nudge, the intervention must be easy and cheap to avoid. Nudges are not mandates.*’ Think of a school canteen that presents ‘healthy choices’ (fruits, salads) prominently, appealingly and within easy reach, instead of the ‘unhealthy choices’ (fried food), but still offers both categories. This will influence the selection students make, without forcing them.

Some object to the use of these nudges. Thaler and Sunstein point out, however, that there will always be some way in which choice presents itself to people, designed or not. Any ranking of books in a bookcase will influence which ones you see first. Any ranking of food on a self-service buffet will influence your selection. Any ranking of names on a voting form will influence the choice of voters who enter the ballot without a clear preference. In all these examples someone has decided how to present the alternatives – even if it is in alphabetical order. By putting more thought and analysis into finding out what constitutes preferences of (potential) customers, putting together the repertoire of possible choices – and arranging them properly can be enhanced. This is a concern that particularly addresses the issue of putting together the right repertoire.

Key questions for business composers

Essentially, applying the principles of business compositions is a process of innovation. It involves creativity to get to the desired result. But it

23 *Nudge: improving decisions about health, wealth, and happiness*, by Richard H. Thaler and Cass R. Sunstein. Yale University Press, 2008.

is ‘applied creativity’: there is a purpose to be reached, a (customer) problem to be addressed. This is a different starting point compared to a free ideation phase followed by idea selection and conceptualization. Business composers should take a customer driven approach when composing. There is a set of ‘key questions’ that needs to be answered for a productive composing process.²⁴

1. **The challenge.** How can you describe the business challenge or ambition that needs to be addressed, both in qualitative and in quantitative terms? There are great differences between setting up a new company or business unit, solving a customer need better, faster or more cheaply, experimenting with a new technology or getting into contact with new markets or audiences. This description identifies the status and scope of the intended innovation, the assignment. But however ambitious the assignment may be, many examples have taught the wisdom of starting small scale. Although composing for a new business concept limits the risks of leapfrogging into the unknown, mistakes are bound to be made. By keeping the initial scale of execution down, making mistakes in the beginning remains affordable.
2. **The performers.** What type of organization will take on that challenge? Is this a ‘given’ condition or can you influence the orchestration? If it is a given precondition, does the organization have the potential to turn in another direction, or is it a project like many others it has already mastered? Possibly one or both of the elements needs to be adapted to some degree. It is important to address this at an early stage, as this will shape expectations with regard to the performance.
3. **The core customer.** Is there a profile of the ‘audience’ you need to convince? What is known about their concerns you wish to address and the context in which these concerns mostly occur? If there is more than one type of audience, which of these audiences is most crucial for the successful execution of your challenge? Use

24 Adapted from the approach described in *De Onmisbaarheidsfactor* (The Indispensability Factor) by F. Hurts, Thema 2006.

this group as a focus ('core customer') for your composing efforts. Concentrate all composing efforts on this core customer, to avoid confusion or delusion of the composition. Once the composition has been made convincing for the core customer, you will find it easy to rearrange it for other customer groups or situations.

4. **The issue.** Picture the core customer's life in relation to the concerns you wish to address. Make sure this is done in such a way that you understand what takes place sequentially in the life of the customer and what are the causes of the concerns the customer may experience. Most companies discover they already know a great deal about what keeps their customers awake at night, but use only a small portion of that knowledge to improve their services. It therefore makes sense to activate existing customer insights and map these on a 'customer timeline'. The results of this exercise help to identify possible blind spots, lack of understanding or conflicting views with regard to customer behavior – which are excellent starting points for additional customer research.

5. **The effect.** What perception or effect do you want your composition to create in the eyes of the customer? Translate this into a clear title for each composition to be created. This title will serve as a briefing for your next steps.

6. **The composition.** For writing the composition there is a subset of five issues:
 - a. *What steps* are needed to address the core customer's concerns in response to the sequence in which these occur? How can the composition improve his/her quality of life in relation to these concerns? Describe these steps in as much detail as possible, sequentially ranked on the customer's timeline, from three points of view:
 - which actions and interventions does your company envision to perform,
 - at each of these: how does your company envision the interaction with the customer,
 - for each of these interactions: what could the customer's responses be and what follow up should be available?

The aim is to improve the course of events the customer is used to, offering an alternative that creates the effect described at point 5.

- b. *Which sections* should the composition consist of? There should be at least three: *exposition* (how to help the customer become aware of his/her need and decide on the right solution), *development* (how to provide the customer with a valuable and attractive solution) and *reprise* (how to help the customer benefit from the solution provided).
 - c. *Which effect* should each section achieve in the perception and experience of the customer? Translate this into section titles that build on the title of the composition as a whole.
 - d. *What kind of performers*, instruments and settings are needed to execute each step on the quality level that is needed to delight customers?
 - e. *Which role* will you yourself – or your team – play to translate the composition into convincing and repeatable performances? Just the composer's role? Or will you be the conductor in a later phase? Will you be 'in the orchestra'?
7. **Rehearsal.** How can your orchestra be trained 'on the job'? Some kind of rehearsal will be needed to find out what works and what needs rearrangement. Either to ensure the desired customer experience or to harmonize cooperation between members of your orchestra. Consider a series of 'trial performances' for this purpose: actual performances for a small group of customers. This can be compared to rehearsals any orchestra needs to get to grips with a composition. It enables you to find out who needs what, to fulfill his/her role (including the customer), seek fine-tuning in the interpretation of the composition. Check whether customers value their experience to such an extent that they are willing to pay for your performance. Possibly you will need several rounds before there is an optimum between performance and payable perceived value. If so, rest assured, you are not alone.
8. **Performance.** Can you test the setup with core customers and translate it into one or more business case scenarios? The shape and size of both depend heavily on the subject, your company's ambi-

tion and the urgency of progress. If only slightly possible, establish a small reference group of core customers and invite them to review the new composition before it is commissioned for engineering and production. At this point the composition should be reviewed in relation to the customer insights identified earlier.

To benefit from applying business composition principles systematically, the questions above can easily be adapted for companies in different sectors. For instance in health care, financial services, education and training, maintenance, (online and offline) retail, business-to-business services.

BUSINESS COMPOSITIONS FOR FINANCIAL SERVICES

In the aftermath of the financial crisis that started in 2008, many governments have taken severe measures to restructure and regulate financial markets. As a result a lot of long established 'product lines' (business loans, mortgages, insurances, retirement plans, investment services) needed to be redesigned, compensation practices reset and relationships with customers redefined. To get to a new equilibrium and broad understanding of the new code of conduct, designing new services based on business composition principles could help financial institutions solve several of those issues simultaneously. One example is the post-crisis development of internal stock exchanges, in which cooperatives, partnership-companies and family owned businesses facilitate the trading of shares within a well defined group of their stakeholders. Presently this is kept within the company. Apart from the technical and contractual side, there is a range of concerns and practical matters that worry these (potential) shareholders, like decisions on frequency of trade, whether or not to allow outsiders onto the platform, how to judge share value, etc. This is where new business compositions from financial institutions can help address new groups of customers and create new value.

Creating compelling performances. Every time

In his book *Yes to the Mess, surprising leadership lessons from Jazz*, Harvard management scholar and jazz pianist Frank J. Barrett explores the benefits of an improvisational ‘jazz mind-set’ for twenty-first century business leadership.²⁵ His position is that conditions in most markets today are so volatile and unpredictable that any prepared business plan is bound to fail. According to Barrett a better solution would be to develop the ability to improvise in close cooperation with team members. Other authors have elaborated on the power of improvisation as well.²⁶

This may seem a vision diametrically opposing The Business Composition. But our intention is not to cover all problems in business relationships by prescribing the desired performance in detail and having teams practice and execute it under the strict command of a conductor.

How strict should it be?

In rapidly changing economic and societal circumstances, each company will have to find a balance between planning and agility. Choosing the right ‘mindset’ is not a dichotomy. It is choosing a position on a scale from free improvisation at one end, via multiple degrees of interpretation, to confined indoctrination at the other end. Different situations and conditions call for different positions.

25 Barrett, F. J. *Yes to the Mess, surprising leadership lessons from Jazz*, Harvard Business Review Press, 2012.

26 Weick, K.E. (1998) ‘Improvisation as a mindset for organizational analysis’, *Organization Science*, Vol 9 No 5, pp. 543555.

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|-----------------------------------|---|--|
| FREE | GUIDED | CONFINED |
| Improvisation | Interpretation | Indoctrination |
| Idea ... | Theme ... | Format ... |
| Composition ... | SLA ... | Script ... |
| Protocol ... | Ritual | |
| Initiate & react | Conduct | Manage |
| Command | | |
| <i>new ventures</i> | <i>festivals & fairs</i> | <i>holiday resorts</i> |
| | <i>hotels, insurance, telcoms, health care, etc</i> | <i>mainten- nance services</i> |
| | <i>call centers</i> | <i>pre-flight check, operating rooms</i> |
| | | <i>ceremonies</i> |

Box 16: *The Composition Interpretation Scale*

The Composition Interpretation Scale illustrates that, for example, in hospital operating rooms a different approach is required than for holiday resorts. Even in today's developed markets, serving educated customers, there is still room for very strictly enforced protocols and rituals. We should not think too lightly of these. Some sectors owe their reliability to a large extent to strict adherence to protocols. Research after train or airliner disasters, for instance, often brings to light the fact that regulations or protocols were not followed prior to a severe accident. Recently, a group of Dutch hospitals adopted an extensive checklist procedure²⁷ to verify all quality aspects concerning operations. The purpose being to limit the occurrence of avoidable mistakes and risks of improvisation. The checklist, to be applied at regular intervals before, during and after all operations, came with the commitment that a next step could not be taken if even one single box on the list of the prior step could not be ticked. After a six month test period the mortality rate after operations had nearly halved, the proportion of patients with one or more complications decreased by one-third. An astonishing result, considering the relative simplicity of the new procedure, after decades

27 SURPASS or SURgical Patient Safety System, results presented in *New England Journal of Medicine*, November 2010.

of medical and technological improvements and innovation in hospital operating rooms.

Industry differences

Obviously not all sectors or business concepts require the same approach. On the left side of the scale innovations can be stimulated by removing protocols and other limitations. In between there is a range of possible mixes of prescribed and interpreted programs. The area in which the principles of business compositions can be applied is not just in the middle, but practically everywhere between completely free and totally confined. But the type of business composition will vary according to available competences, market situations, competitive challenges and specific customer demands. And so will the degree of freedom for improvisation the composition may leave the performers. Each position leads to corresponding 'composing tools'. Depending on the preferred position on the scale, working on the basis of a business composition will not eliminate all room to maneuver. But it will regulate maneuverability, in response to unpredictable developments that companies have to deal with.

Less or more strictly applied in accordance with circumstances and risks, the interpretation by the performers will make or break connections with the customer. The latter is not always disastrous, as long as there are no life, health or other seriously threatening circumstances to consider. As pointed out earlier, even in highly detailed compositions subsequent performances can vary greatly under changing circumstances. This calls for a high sensitivity of all participants on stage: with regard to each other, conductor versus orchestra, performers versus audience and the conditions of the setting. Be aware that even in highly improvised performances there is a shared theme, rhythm and/or tonality that guides all members of the ensemble during their performance. This is where the jazz mindset meets the business composition. In both views there is a certain level of interpretation; in both there is also a theme or format that the performers use as a reference. The difference is the extent to which interpretation turns into improvisation. For many businesses their ability to deliver constant and predictable quality is pivotal to their relationship with customers – particularly if they deal with professional customers. For composers the need to

provide detailed instructions is positively correlated with the demand for predictable effects.

Market maturity differences

While improvisation may lead to innovative new business concepts – or compositions – once a new composition is brought to market, quality criteria tend to change. Increasingly, companies are bound by contracts like service level agreements, in which reliability rates, response times, accuracy percentages and other measures are set, including severe penalties for missing any of these targets. All this is not in favor of high levels of improvisation.

This illustrates that a business can start off on the basis of improvisation, but as it grows, activities will need to be formalized step by step into a composition. In such cases the composition will be written and refined only after the first performances and customer experiences. For ‘change managers’ this will sound familiar. But whereas it is a natural phenomenon that growing organizations develop from informal to more formal structures, attention is often focused on efficiency, less on formalizing the desired effects on customers.

Differences of approach

To put things in perspective: even in the world of music not everyone thinks alike when it comes to room for interpretation. Up and coming young classical singer Nora Fischer, a finalist in the prestigious Dutch Classical Talent Tour 2013, was kicked out of conservatory because she refused to adjust to what she calls ‘the corset’ of classical music: *‘I love classical music very much, but I had a different esthetic ideal. I thought: this is an education in art, isn’t it? Should it be this way? But there was no room for personal interpretation, for your own idea... We should not forget that the performer is an artist, too, and herself has something to say. ... Sometimes people say to me they don’t like classical music, but they do like how I sing. Would that make composers turn in their graves? I don’t think so.’* Fischer, too, takes compositions as her frame of reference. But on stage her aim is to move people by making it *‘fun and exciting’*.²⁸

28 Interview NRC *Next*, December 17, 2013 (translation FH).

A counter-intuitive insight into the role of composition with regard to improvisation is offered by jazz composer and guitar player Pat Metheny. Commenting on his 2014 album *Kin*, featuring a colorful and orchestral kind of jazz music, he says: *‘For the free solos I did add some compository elements after all. So we can break out of the composition totally and take a wobbly and unpredictable path.’* The first 15-minute track *‘may seem improvised jam, but there is 40 pages of rhythmic material we have added. So you do not just play what you want, you have to take those instructions along.’*²⁹ Apparently, even for improvisations, the composition provides a basic structure and reference for all members of the band, including the soloist: the ‘supporting musicians’ know when one is taking a detour; the soloist knows to what he eventually needs to return.

Considerations for choosing position

Are there any criteria that can assist organizations in choosing their position on the Composition Interpretation Scale? Based on practical examples and experience from the worlds of music and business (little research on this subject is available) the following considerations may help:

1. **Customer expectations:** the more defined and explicit these are, the less room there will be for improvisation. This means that in existing markets offerings will develop towards ‘more guided or confined’. But as markets keep developing and changing, this leads to increasing demands for more innovative forms of guided service: at a certain stage of development even exceptional customer demands need to be foreseen and built into more responsive systems and service culture. Think of supermarkets that develop their offering to serve special dietary niches. At the same time, however, new space will open up for disruptive concepts and compositions at the ‘free’ end of the spectrum.
2. **Potential risks** for the customer: the more risks customers run – possibly without them being aware of it – the higher the need for protocol and frequent practical checks. Think of airlines, hospitals,

food preparation. The challenge is to avoid bureaucratic overload and compose protocols in a customer driven way.

3. **Size, complexity and independence of operational teams:** the smaller, simpler and more independently teams can operate, the more room there will be for interpretation and improvisation. The countervailing power needs to be a very clear and shared understanding of the purpose of the organization and the effect(s) intended to be triggered at the customer end.
4. **Degree of influence on the circumstances in which interaction with the customer takes place:** the less predictable the circumstances in which organizations (need to) service their customers, the higher the degree of improvisation needed. The implication of this is that the professionals in charge of serving the customer need to be sufficiently trained and empowered to use their mandate in unpredictable circumstances – without the need to obtain permission for every action.
5. **Degree of dependence on fixed systems:** humans are capable of interpreting and improvising. Systems and machines are not – at least, not yet. The more dependent a company and its customers are on non-human (most often IT) systems, the less room there is for interpretation and improvisation. When, nevertheless, human interpretation or improvisation is needed in order to respond to unforeseen customer situations, extra information needs to be fed into the automated system manually. If that is not possible, or too time consuming to carry out, there is a great risk later that gaps will appear between recorded and factual customer conditions, resulting in more problems and miscommunication for both the customer and the organization. Think of companies that use standard service level agreements attached to automated deliveries and billing, but account managers grant some customers special exceptions. There are three solutions: compose the non-human systems in such a customer driven way that such exceptions can easily be accommodated, make human interference unnecessary by more flexible and adaptive automated systems, or apply choice architecture in such a way that customers can happily choose between the options provided.

BRAND PREFERENCE FOLLOWS PERSONAL INTERPRETATION OF BRAND PROMISE

After buying some fresh – thus perishable – food from French hypermarket chain E.Leclerc we discover that the refrigerator at our holiday home has broken down. Repair cannot be sooner than a hot autumn day later. We return to E.Leclerc with a cool box to look for a bag of ice cubes. Not in stock. We notice that in the fish department the catch of the day is displayed on ice flakes. After explaining our situation to the department assistant, she agrees to fill our box with fresh chips from their ice machine, to conserve our food until the next day. No charge. We even get an extra plastic bag filled with ice. This exception (the first we needed in about 10 years) really builds our loyalty to a level above convenience.

Lesson: it is not the concept that distinguishes a brand, but the interpretation of its rules by staff that makes the difference. Just as in (classical) music: everyone knows Beethoven's Fifth symphony. But not all orchestras are able to move the audience to the same level when performing it. The difference is in the interpretation.

Box 17: E.Leclerc, interpretation of brand promise

Inspiration versus routine: the power of repeatable uniqueness

All this means that, when choosing a position on the Composition Interpretation Scale, it is crucial to realize that improvised quality is hard to maintain at a predictable level when the ensemble – or business – grows bigger and bigger, gets decentralized, or the business process gets more complex. Improvising on a high level means that all performers need to be constantly aware of each other. If that can no longer be the case, some sort of coordinating scheme becomes necessary. This is what a business composition and the score derived from it provide.

A second consideration is that improvised quality is difficult to repeat. A performance may be at high level, but if it is different every time, it is hard for customers who operate their own business and may depend on accurate delivery to keep attuning their practice to it. Although the world is indeed full of unpredictable circumstances, it is still an important and unavoidable challenge for businesses and their leaders to design and operate service systems that can reduce and handle those uncertainties and the risks involved for themselves and their customers. The challenge of the business composer is to compose in such a way that performers can handle these, with the suitable level of flexible interpretation.

How restrictions foster creativity

The score in particular – in its detailed notation of how to perform a composition – can help all involved to arrive at and maintain the right balance between repetitiveness and adaptability. According to the Belgian professor of musicology Mark Delaere there are four characteristics that define the powers and limitations of the musical score. Each of these can easily be adapted to the context of business:

1. **The score is incomplete.** It means that, however detailed you write your composition and score, there will always be room for interpretation. Not every detail can be described. As we have seen earlier, this should not be treated as a weakness to conquer, but as a strength to be handed over to those in charge of performance *sur place*. You may even challenge your performers to make their best local interpretation, knowing that you are not the ultimate judge of their result, but it is the audience that will make its judgment known.
2. **The score makes the composition repeatable.** By putting the score on paper, there is a reference that can be recreated over and over again, in time and in multiple places simultaneously. This provides the business composition with a growth mode. Well known brands like McDonalds have already proved the power of this mechanism, so you might conclude there is little to be learned here. Partly true, but the value is still great for new companies and businesses after their start-up phase. Many young companies struggle to transform

from a phase of enthusiastic round-the-clock improvisation into a phase of getting the composition and codification of their services right. Without this transition, a disarray of conflicting agreements, arrangements and procedures will keep growing, with an all too real risk of bankruptcy. Without denying the obvious power that can be generated from the 'jazz mindset' in which improvisation is the leading principle, repeatability remains important in many business environments. Why?

- Because in the modern networked economy many customers need and expect predictable outcomes of products and services provided to them. For instance when a product or service is part of a bigger offering provided by another department or company. Predictability is the main ingredient of reliability. Many customers feel strongly about avoiding risks. Italian train builder AnsaldoBreda faced several cancellations of contracts from railroad companies based on issues of inconsistent and unreliable quality.³⁰
- Because in many cases quality of service is not judged just by timely delivery, but also on strictly applied procedures. A clear example is curative healthcare. Hospitals are scrutinized for strict adherence to a number of crucial checks and procedures prior to, during and after operations. The ability to repeat processes at a certain quality level frees the minds of performers to take their performance to an even higher level. The need to improvise – in the sense of finding on-the-spot solutions to unforeseen problems – would take up more mind space to maintain the minimum level of quality.
- Because many products and services distributed (inter)nationally under one brand and proposition meet the same customers in different locations. Customers enter a second location easily based on experiences and expectations created by the

30 Both Belgian and Dutch national railroad companies canceled large orders in 2013, before and after high speed trains had been delivered, based on inspection reports and performance problems. AnsaldoBreda launched formal protests against these cancellations. The issue here is not who is right, but the fact that uncertainty with regard to reliable quality can lead customers to refrain from doing any more business.

first. You do not like to be confronted with different procedures and quality levels at every single train station, hotel site or fast food restaurant of the same brand. The Best Western brand provides such assurance to international travelers by placing their independent hotel members in one worldwide classification system.

3. **The score promotes innovation.** This may seem a contradiction in terms: innovation by providing a limiting framework. But suppose there was no written score in your business. That might work very well, for a while. In a stable and well trained team, a written code of conduct is not always necessary or even desirable. But at the same time it places a great responsibility on each team member to communicate any change in procedures or customer interaction, to prevent misunderstanding and quality failures due to lack of coordination. When all team members can refer to a common document that describes proceedings and customer interactions, there is also a common ground to train, discuss, research and improve elements of the composition, to arrive at even better outcomes. While the essence of the composition remains, it gives the performers and their director a frame of reference for experimentation. We can see this in music as well as in business. Even in the twenty-first century there are awe-inspiring performances of classical pieces. And leading brands with established service concepts like Singapore Airlines and McDonalds keep innovating within the limits set by their composers. This is a crucial finding: innovating with the essence of your composition in mind means you keep searching for better interpretations. If you stick to the original plan too much, then you will find your future is limited. Examples of this are abundant in this age. Look at the trouble traditional publishing companies experience. This particular industry grew and flourished in an age in which gathering, selecting, improving and distributing information was possible only on paper. Gradually, publishing became synonymous with printed media. What this industry lost out of sight was their essence: it was not printing and selling printed volumes, but the enrichment and reader-driven packaging of information that was (and still should be) its source of inspiration. That could still be a valuable source of innovation. It may lead to new

compositions, and at the same time to new interpretations of very familiar compositions in the world of media.

- 4. The score has an impact on the imagination.** By writing the score of your business you will force yourself to create a lively picture of the desired end result. Even before the performance such a description is often a great help in establishing who and what is needed to bring it to life, to judge what is right and wrong and to come to a joint understanding of this method of judgment. This perspective takes credit from the method of blue printing (describing business procedures, systems and responsibilities in detail, often as a reference for software development). But there is a difference. Making a score for business along the metaphor of music means you take into consideration the need for interpretation by the performers. It is not a harness you are creating, but a guideline. By doing so you will create and preserve essential space for professionals to excel in. The ones left with a problem, then, are the systems designers. They won't like too much room for interpretation, as it leads to malfunctioning in automated systems. At the same time it is a strategic challenge for software developers to come up with systems that facilitate multiple interpretations during the performance. This is not just an idle dream. Steve Jobs made a considerable mark in this approach by insisting on intuitive operation for the iPhone: the customer should not be bothered with the programs in the tool to get what she wants. It is the tool that should understand the customer. You can get results through different approaches. He created a breakthrough technological platform.

Possibilities and limitations of arrangements

Sometimes an existing theme needs to be adapted to different occasions. In contemporary music, 'unplugged' versions of well known songs are arranged differently to maximize the effect of limited means. It takes careful reconsideration to get to the right approach. Some symphonies can be rearranged for performance by just a string quartet. The arranger has to decide how a limited combination of performers

and instruments can best succeed in maintaining the essence of the piece. Upward rearrangements occur as well. There are notable examples of simple songs rearranged for a symphonic orchestra. The same can happen in business. A rearranged business composition can help a company to expand its repertoire while maintaining a common theme. The essence of the original composition needs to be captured and presented in such a way that the unique capabilities of the performers will shine out.

Simplifying. The most difficult part in rearranging for a smaller scale is deciding what to leave out and how to transform dramatic elements that exist in the full scale version to a simplified setting. In business this task lies, for instance, with tender managers (how to put together the best combination of product and service elements that convey the unique strengths of the company, fitting the specific demands of the prospective client, for the best possible price), client service managers (how to serve customers in such a way that company resources meet customer needs optimally) and even customer service representatives (how to solve problems rapidly and effectively).

Sometimes simplification is a solution that facilitates reductions of costs and prices. In the year 2000 a disruptive new Dutch fuel brand (Tango) introduced unparalleled low prices on a basic offering of fuels at unmanned stations. No shop, no extra services, no loyalty program, automated bank and credit card payments only. After this appeared to be successful, major oil brands followed by introducing so-called 'Express' stations as a rearrangement to their traditional self service gas stations.

In other markets, simplification is used to address different customer needs. When the French hypermarket chain Carrefour – known for its large scale suburban shopping magnets – decided to develop a small scale city center shop-and-go concept under the name Carrefour Express, it needed to reduce its offering to a minimum. The selection was based on the lifestyle of a different kind of customer. The leading Dutch supermarket chain Albert Heijn (part of Ahold) introduced AH ToGo at railway stations to cater to commuters in need of basic daily supplies. In these examples it is not price that dominates the rearrange-

ment, but presence and convenience for a customer group that was not served before.

Intensifying. Rearrangement can also be used to change the role of the customer in the performance. Not to make it cheaper (as in ‘do-it-yourself’), but to intensify the customer experience by a more prominent and active involvement. Avicenna Academy for Leadership, a young leadership development institute, won a prestigious tender from a big government agency by proposing a three wave arrangement in which it presented the essence of its ‘normal’ composition innovatively. In the first wave it would train a group of high potentials in the client’s organization to lead the second wave. During the second wave it would provide mentorship for these new leaders. In the third wave the new leaders would become mentors themselves for a new group of high potentials. The proposal brought leadership directly into the development program for the first time. The program was enthusiastically continued after the third wave, recommissioned to the same institute.

Enriching. When rearranging for performances on a bigger scale, the challenge is not just to make the same thing bigger, but to analyze which elements in the original will add the most value for the customer, if enriched. That may be in the exposition phase, i.e. before the main part of the business (development), or after it, in the ‘reprise’ phase. Extending specific elements in a composition may have a stronger effect than extending all elements equally. Which resembles the recurring theme that makes music compositions easy to recognize and remember. Think of theme parks that offer hotel facilities carrying the same theme.

Choosing the right instruments

Of course, being able to deliver compelling performances every time is linked to the professional abilities of the performers, the quality driven culture of the ensemble and the suitability of the composition and its arrangement for each occasion. Less obvious is the fact that professionals can be very picky when it comes to choosing their tools and instruments. With the development of their skills comes the ability to

recognize and value the characteristics of different types, makes and versions of instruments at their disposal. In many cases professionals do not have just one instrument, but a collection, from which they choose depending on the situation and desired effect. It is at their discretion to do so and they would feel restrained if someone were to keep them from that privilege. Think of guitar players who change instruments for every song.

Where a professional is obliged to work with an instrument provided for her/him, s/he will thoroughly inspect and possibly test it before the actual performance. Think of the piano soloist whose success – maybe even career – depends on the sound the concert piano produces, even though he has had no say about the instrument he finds on stage. In many cases the soloist is – rightfully – particular in her/his demands for a piano tuner to be present during rehearsals. There are even piano soloists who insist on bringing their own instrument – by helicopter if necessary.

How does that work in business? In some cases similarly. Think of carpenters who bring a box of personally selected tools – in which box they carry several of the same type of tools. Think of cooks who take meticulous care of their own set of knives that no one else is allowed to touch.

When the instruments empower the composition

In certain areas of business, too, professionals are obliged to work with instruments they cannot choose themselves. Think of the airline business and the routine that pilots go through before taking off – not only working through their extended checklists on the flight deck, but also by making a tour of inspection round the plane, checking engine cradles, landing gear and condition of the aircraft. If they find something wrong they are in a position to order a repair – and postpone the flight if necessary. This may seem quite an extreme example, as lives may depend on this kind of action. Still there are other areas with similar risks, but not with the same culture of meticulous attention to potentially life threatening conditions of instruments. Think of surgery, electrical installation, industrial processes.

Conclusion: the ‘instrumental side’ of business can be more demanding than just selecting instruments on the basis of the right criteria and the lowest possible price. It can mean the difference between the success and failure of performances. In the construction sector, for instance, a growing proportion of large projects is no longer contracted on ‘the lowest quoted price’ of construction, but on guaranteed operational availability for use during 15 to 30 years. Under a so-called DBFMO contract (Design-Build-Finance-Maintain-Operate) the initiating party does not contract a construction party to deliver a building or object for a fixed price. Instead it pays a monthly fee to an enterprise or consortium that is and remains responsible for all aspects the abbreviation stands for over an extended period of time. As a consequence, practically all considerations and calculations concerning the design and quality of the object change fundamentally. For example: in a traditional construction contract, costs of installations will be calculated on the basis of minimal purchasing costs, to retain as much margin as possible – after all, the buyer will end up paying for maintenance and operations. But when the construction consortium remains responsible for all that, it will prefer installations with minimal ‘costs of ownership’ and maximum reliability and durability. Purchasing costs suddenly become far less dominant. The example illustrates that instruments can even have a more lasting influence on performances than individuals: people can come and go more easily than some hardware.

When the instruments empower performance

The relationship between performers and their instruments is complex. In the hands of their ‘players’ or operators, instruments tend to acquire aspects of a personality. They can influence one’s temper. They can disappoint or stimulate. And they turn into subjects of vivid discussions. In many ‘service encounters’ workers complain to customers about malfunctions of their instruments. In doing so they damage the total customer experience more than they realize – or do they? In fact they may deliberately be ‘punishing’ their employer for making them work with inadequate materials. Because they feel they cannot reach or influence decision makers in their own company, they hope customers showing disappointment may have a bigger impact. They might, in fact, but probably in a different sense: customers simply defect instead of complaining.

INSTRUMENTS NEED TO BE EMBEDDED IN BUSINESS COMPOSITIONS

In 2014, one of the leading Dutch banks (ING) came forward with a plan to experiment by using refined customer data analysis on a commercial basis – subject to customer consent. After an explosion of public protest ING withdrew its plans partially. It will continue in terms of serving customers better, for instance by sending automated warnings by text when a client's credit card is being used abroad. But it will not offer aggregated customer data for sale to business partners. The high public impact of this issue illustrates that the use of innovative instruments without a clearly embedded role in a customer driven composition runs a great risk of backfiring.

At the same time, an innovative new banking firm called Knab approaches clients with a subscription model: for a monthly fee customers can choose between several levels of personalized services, for which this bank has pre-designed sophisticated customer data analysis tools. Knab's composition clearly demonstrates that it is on the side of the customer and is valued for its customer driven approach.

Box 18: Embedding instruments in business compositions

When the instruments empower innovation

Naturally the design of instruments determines their use and effect. It is in the realm of both composer and conductor to decide which instruments in what quantity are needed to create a desired outcome. But in some cases the limitation of instruments can also prevent a certain outcome. Here business has an advantage compared to music: businesses have more opportunities to design their own instruments and train their performers to use them. But how creative are they? In modern supermarkets the check-out process has become a distinct part of the total shopping experience, with impulse item displays, courtesy and bonus systems and a choice for customers between standing in line or using DIY scanners. Surprisingly, however, both systems are still

merely used for settling payment after shopping. It would be relatively easy to attach a formatting service to the receipt, sorting all items bought into categories that could help customers get an overview: fresh food, frozen food, alcoholic and soft drinks, household materials, etc. By not doing so, the company prevents its staff from performing to a higher standard. Looking at it from this perspective, the choice, design and invention of instruments can be either a source or limitation of innovation in business compositions and customer experience.

Designing the setting

The same can be said for the physical setting in which compositions are performed. In most classical theatres there is a clear structure that regulates and predicts practically all parts of the performance. There is a strict division between performers and audience, preventing casual interaction between members of these two groups. Regular visitors to concerts are used to this and do not even wish to question it. Most orchestras probably do not either. But some do: the renowned conductor Jaap van Zweden, when interviewed on conducting the Boston Symphony Orchestra, said *'the hall is the orchestra's greatest instrument'*.³¹ That leads to an observation and a question.

The observation: apparently the hall is not just the accidental location for the orchestra and the audience to get together, but itself can have a major impact on the quality of the performance. The Amsterdam Concertgebouw, the Sidney Opera House, the Boston Symphony Hall and London's Royal Albert Hall are all locations that have the power to draw audiences practically on their own merits. For musicians, equally, it is often a dream come true when they get to perform in one of these legendary theatres.

The question: in how many cases is the setting of hall and stage a subject of deliberate choice for a specific performance? And if it is, how wide a variety of alternatives is reviewed? From how wide a variety of

31 A Conversation with Jaap van Zweden, recorded by Boston Symphony Orchestra, February 2, 2012.

settings can an orchestra choose at all? Maybe the stage can be made a little bigger or smaller. Or the number of seats can be varied. But the size of the orchestra alone limits the choice of halls with different capacities and atmospheres. A chamber orchestra can hardly perform in a stadium. A symphony orchestra does not fit in a bandstand. But what happens when the setting is changed more fundamentally to suit the demands of a specific performance? In some theatres the stage can be removed altogether. There is no fixed floor plan to arrange seating. In such a theatre, musicians can be placed in the middle of their audience. Chairs can be replaced by cushions. Then a completely different interaction process takes hold of both the audience and the orchestra. A different attitude is needed – and expected – from all participants. It changes the experience as a whole.

In how many cases can the setting for a business composition be specially designed, chosen or adapted? Let's explore.

The business scape

In marketing literature this subject is labeled as 'the service scape'. American marketing lecturers Booms and Bitner defined a service scape as 'the environment in which the service is assembled and in which the seller and customer interact, combined with tangible commodities that facilitate performance or communication of the service'.³² In the context we are examining here, I suggest broadening this to 'business scapes'. There is a growing body of research that illustrates the importance and influence of the design and use of business scapes on the behavior, preference and total experience of customers – and workers as well. But it has also become clear that in many cases customers, companies and workers do not share the same standards when judging the setting in which they do business. Is it primarily a workplace that should be as cost efficient and failsafe as possible? Is it a place where working people can feel comfortable doing their daily work? Or is it a place of welcome for customers that should facilitate and stimulate valuable and profit-

32 Booms, B.H.; Bitner, M.J. (1981). 'Marketing strategies and organization structures for service firms'. In Donnelly, J.; George, W.R. *Marketing of Services*. Chicago, IL: American Marketing Association.

able relationships? To solve this potentially troublesome contradiction of views, organizations need to look into the DNA of various elements:

- **Customers as visitors.** To what extent do customers and company representatives share the same physical facilities? In production locations the chance of this will be small. Except when a factory is being used as a demonstration site as well, to show how much care is put into producing quality goods. Wine makers often do this. Brands like Mercedes and BMW invite clients who have bought a new car to come and collect it at the production site. They receive special treatment including a tour. This means the factory is a production site and a theatre at the same time, with clear implications for the cleanliness of machines, floors, materials and the behavior of factory workers. Many people working in offices consider their workplace or cubicle as their second living room – understandably, as they spend a lot of time there. But what impression would visitors have if they walked through the corridors on their way to an appointment in the building? Should just the reception area be designed and kept to be representative of the company image? Or should the whole building and all its work spaces?
- **Professional distance.** In most business relationships it is quite clear who is the customer and who represents the firm. But sometimes that is not enough to guarantee smooth cooperation between the two sides. Where money or other delicate transactions are concerned (banks, social service desks, jewelers), or when a difference in authority needs to be maintained (air travel, security services, police work), the design of the business scape needs to clarify and reinforce the separate territories of both the client and the service provider. And it needs to do it in such a way that customers accept this as a natural, predictable and plausible element of the interaction. Several sectors could benefit from rethinking this aspect of their compositions, like education, sports, retail, public services and more. Designing business scapes as such involves creating communication solutions as friendly voiced ‘manual[s] for desired customer behavior’. It includes ‘expectations management’ with regard to the flow of activities the customer will be involved in. For instance: seating customers at a desk makes them expect more extensive treatment than meeting them standing at a console.

- **Quality reinforcement.** What do customers see as crucial for a valuable business experience? How much reassurance would they need to feel safe (sometimes literally) and comfortable with a company as their preferred supplier? What does that mean for the design of physical surroundings in which transactions take place and relationships are being established and reinforced? This is also – and increasingly – relevant for the digital world. Increased public awareness of the potential dangers of sharing information online makes customers more attentive to cues regarding the safety of doing business online.
- **Working behavior.** To what extent is the design of the physical surroundings able to influence the conduct of workers, associates, specialists, service reps, and other team members who perform for customers on behalf of the enterprise? There is scientific evidence to show that architecture is able to change the behavior of inhabitants and users of buildings, hospitals and neighborhoods. The use of space, color, materials and lighting conditions in working environments is able to influence productivity and even culture in working communities. Clean spaces induce neat behavior. The French multinational outdoor advertising company JCDecaux demonstrated that if ‘street furniture’ (like bus shelters) is well designed and well kept, damages are repaired quickly, broken glass is replaced within a day, graffiti removed straight away, this leads to reduced occurrence of new vandalism. In other words: users can be influenced by the quality of the surroundings they perceive.
- **Brand image.** What kind of image does the company or brand want to maintain as an umbrella over all its performances – and what are the consequences of this strategy for the physical surroundings in which it meets its customers?

Considerations like these call for extensive and sensible elaboration and possibly research. Identifying these elements is not merely a matter of adding up desires and critical remarks from customers. It should also involve observation and creative thinking about behavioral aspects of customers and staff members in certain situations. Once these are identified: how can they be designed and managed for secure, actionable, efficient and profitable execution?

Online innovation leads to off line innovation

When comparing settings for business and music we see a similar division between settings of strict and 'classical' arrangement versus more flexible conditions. In most areas of business there is a majority of classical arrangements (most bricks and mortar shops and warehouses, most restaurants, most consultancies, most hospitals, most office buildings, most gas stations) and a smaller – but increasing – segment of organizations that use more experimental settings. Think of supermarkets and warehouses that expand online ordering and home delivery services. In health care there are many new settings that aim to have a more than accidental influence on the wellbeing and recuperation of patients and clients, by arranging and refurbishing care units and recreational units in a different way, inviting interaction with elements of nature in and around the building and providing for online information sharing throughout the premises. Office buildings evolve from a collection of rooms, cubicles and/or 'desk-landscapes' aimed at undisturbed individual productivity to a mixed and lively landscape of interaction areas and personal concentration. IKEA was one of the first to let shoppers stroll through their inventory department and collect their own items. Staff and visitors mingle more easily. Work stations (instruments) are placed at cross points of customer traffic. They are designed as a true service tool (directly connected to the online catalogue, items, prices and inventory numbers combined neatly, customer orders can be stored and retrieved the next day for customers who cannot decide right away). In the United States, chain stores like L.L. Bean (outdoor and recreational gear) have been early innovators in designing stores enabling customers to test and use items before buying.

When the setting serves branding

A fairly recent development in the design of business scapes is the implementation of so-called 'flagship stores' by premium brands. Among a rapidly expanding multitude of distribution channels through which their products and services are being sold – often in conditions beyond their control – they feel the need to design and arrange specific locations that are fully under control and that radiate an ideal situation for perfect performances. Although not the inventor of this phenomenon, Apple can be seen as an extreme example of how a flagship store (the Apple Store) enforces Apple's brand image, the way products are

displayed, demonstrated, experienced, sold and serviced. This also illustrates that the physical store design was paired with a new – what we might call – composition of the relationship Apple seeks with its users: associates are stimulated to focus on service impact instead of sales; sales targets have been abandoned. A different example is provided by the Dutch national railways. In Holland, a number of central railway stations have recently been redesigned and rebuilt to high architectural standards. Some have turned into new local and even national attractions people come to visit on purpose, not just improving the image of the Dutch national railway company, but radiating a new and appealing face of travelling by train. This phenomenon being successful, it could be expanded to more commercial settings, like office buildings and shopping areas. It means that it is not just the efficiency and accessibility of the site that are decisive for its commercial success, but the atmosphere as well – possibly to an even higher extent.

When the setting dominates the business composition

In terms of flexibility, the world of music is at an advantage over most business compositions. In the world of business, a composition – however revolutionary it may be – is usually far less easy to vary than the setting of a flexible theatre. This may seem logical: most musical performances are only temporarily available. After a day, a week or at most a couple of months, the orchestra playing in the theatre – and the repertoire that comes with it – changes and so does the setting. Most businesses, by contrast, operate in their own permanent theatres. They do not need to accommodate a new orchestra regularly.

The lesson is: the more fixed a setting is, the less flexible the company becomes with regard to performing different, or changing compositions. This is a phenomenon that can hit hotels, for instance, hard. Refurbishing a hotel – including conference facilities – is a costly affair. Although the quality of services is pivotal to customer satisfaction, top level service alone will not prevent business customers changing hotel locations when they feel that physical facilities have gone out of style. This means businesses that receive clients in their establishments should not only consider when and how to refurbish, but also give ample attention to the question of how settings or scenery can

be more easily transformed without major refurbishments. Here too, IKEA is an example of how effective this can be: it manages to set up regularly changing mini exhibitions with a specific theme or subject, like ‘small space living’, ‘outdoor living’, kitchen design, etc. The same regular changes can be seen at garden centers that arrange and change expositions according to seasons and different leisure activities. Some wholesalers for the food and beverage sector create a kitchen setup in their facilities for training and demonstration sessions for their clients. Some homes for the elderly experiment with small-scale, household-like living communities, or recreation rooms furnished in fifties style. Financial institutions experiment with branch offices that look like showrooms. The risk is that, once installed, these changes tend to remain largely untouched for a number of years, due to the immense investment involved in creating them. As a consequence people – both staff and customers – get accustomed to the new situation and develop their habits around it. Customer experience becomes customer routine again.

But routine is not always the enemy. Certain compositions are so specific and powerful that a specially designed setting is needed for the whole lifecycle of the performance. The successful Dutch musical *Soldaat van Oranje* (Soldier of Orange) illustrates this: a compelling true story of a Dutch student who chose a role in the resistance during World War II, managed to escape to England and return under cover to occupied territory as a special agent to the queen, is magnificently performed in a specially-built round theatre at a former air force base. The audience is placed on a circular and revolving platform that slowly turns towards different scenes on the circular stage surrounding them. This allows for a scene on a sandy beach, with real water and a hangar door to open, showing a real airplane with running motors outside, from which the queen descends. The theatrical setting is key to the total effect of the musical, not only because of the scenery, but equally because of the effect on the audience. If the musical is ever to go on tour, a similar theatrical setting will need to be recreated elsewhere.

When the setting is the business composition

In a business context there are customer experiences that are equally dependent on their setting, like the Eiffel Tower, Harrods of London, the

Bilbao Guggenheim museum, the Louvre in Paris, Amsterdam Schiphol Airport City. In these cases it is very difficult to make major changes in the setting – other than maintenance. Other businesses combine a little of both. They attract customers for what they are and still need a regular review of their setting in relation to changing compositions and/or performances. Theme parks like Disneyland fall into this category: they regularly need to install new attractions to retain their appeal to large audiences. Seasonal changes can be found in fashion and department stores. In a third category of businesses the setting is mostly beyond control. Think of police work, that is directed towards any possible scene in society. Although the setting has a major influence on the effectiveness of performance, it is not always under control.

Control vs impact of business settings

So the relevance and impact of business settings on performance and total customer experience do not by definition go together with the amount of control a company can exercise. These factors can be ranked as follows:

Low or potentially negative impact

Medium or neutral impact

High or explicitly positive impact

High control (setting is 100% proprietary)

- | | | |
|---|-------------------------|----------------------------|
| ■ Traditional bank branch offices | ■ Most supermarkets | ■ Theatres |
| ■ Traditional office buildings | ■ Most restaurants | ■ Theme parks |
| ■ Some search engines (with dominant advertising) | ■ Most hotels | ■ Top restaurants & hotels |
| ■ Queuing situations | ■ Traditional schools | ■ Department stores |
| | ■ Most railway stations | ■ Airlines |
| | ■ Most shops | ■ Modern schools |
| | ■ Most hospitals | ■ Premium websites |
| | | ■ Fairs/dance festivals |
-

Medium control (setting is partially proprietary, partially in the customer's realm)

- | | | |
|---|------------------------|-------------------------------|
| ■ Vending machines | ■ Security services | ■ Roadside emergency services |
| ■ Some shopping malls (like traditional furniture boulevards) | ■ Maintenance services | ■ Business consultancy |
| | | ■ Social security services |
| | | ■ Travel services |
-

Low control (setting is a consequence of outside factors)

- | | | |
|---------------------|---------------------------------------|--------------------|
| ■ Crowd management | ■ Conservation of natural environment | ■ Policework |
| ■ Crisis management | ■ Delivery services | ■ Adventure travel |
-

Table 2: Control over business settings in relation to impact of setting on customer experience

The value of a matrix like this lies not so much in the ability to fill all cells, but rather in stimulating debate within organizations, with regard to where it is situated and where it wants to be in the customer's perception. The amount of control a company can exercise over its business settings may turn out not to be a given, but a variable factor. What can be done to improve the impact of an existing business scape on customer experience? What can be done to gain more control over the setting(s) in which business performance takes place? Or: what can be done to improve performance impact in settings that are beyond control?

Apart from the obvious guidelines concerning real estate investments, selection of locations and objects, growth perspectives and the need to remain flexible, the following are some of the lessons to be learned:

- **Impact on interactions.** The setting and scenery in which a business composition is performed plays an important part in its total effect on customers. The setting is more than a physical location to receive customers. It guides, regulates, stimulates or limits the intensity and character of interactions, both among customers and staff members, and between these two (groups of) participants.
- **Diversification.** To decide on the role the setting needs to play, companies first need to have a clear view of the (volume and sequence of) compositions they would want or need to accommodate during a certain period of time – either allowing for different groups of customers, addressing different customer interests, focusing on different themes of seasons, or otherwise.
- **Variation.** To continually stimulate customer experience, businesses should work out what level and frequency of variation is needed in the settings and scenery of their compositions. This serves as a briefing for setting designers: they should not just make a floor

and decoration plan, but should propose a modular approach that allows for regular changes.

Facing the customer

Part of the setting is the stage itself. This is the symbol of the position and visibility of the various players relative to each other, to the conductor and to the audience. Even if there is no physical stage (like in online concepts), there will still be a place from where the performers operate and interact with customers. In any situation this is an element of consideration that will influence the total performance and customer experience. Although there is a design part to this, which is in the realm of composer and producer, once the basics have been set it is the conductor who will have the greatest influence on the execution. It is his ultimate responsibility to place his team members in such a position that he can communicate with them and they can have suitable communications with him, each other and the audience. In most business settings there are (or should be) similar considerations. Only in the case of business are there more alternatives for interaction:

- **Visual contact** – can performers observe customers’ reactions right away? Can they see and reach each other for support if needed? Can they send and receive each other’s visual signals?
- **Audible contact** – can performers hear each other and send and receive audible signals from each other and the customers right away?
- **Distant contact** – can performers find and send information right away (either by telephone or on screen) to coordinate and improve the total desired effect on the customer?
- **Codified contact** – when customers interact with systems: are the ones responsible for design and servicing of the systems able to codify in such a way that customers feel serviced instead of frustrated? Although interactive voice recognition and chatbot technology have come a long way, they are in fact still ‘under construction’. From a customer point of view it is still too often systems like this that provide incorrect, incomplete or incomprehensible answers.

From a purely communications oriented view there are many more media and reasons for interaction. Like for branding, promotion, recruitment. But on stage, all communications are directed towards the customer and directly related to the performance. All other types of communication should be considered on a different level. Written instructions should be considered as a part of the composition – either as a reinforcing, or a confusing element. Background information about the ensemble and the performance is a part of the performance itself. Once on stage this is a ‘given circumstance’.

HEALTH CARE COMPOSITIONS

Health care institutions could benefit by approaching different tasks according to composition principles. Michael Porter and Thomas Lee suggest that health care providers, like hospitals and clinics, should organize into ‘Integrated Practice Units’(IPUs). Each IPU should focus on ‘a medical condition or a set of closely related conditions (or around defined patient segments for primary care)’ and should take ‘responsibility for the full cycle of care for the condition, encompassing outpatient, inpatient, and rehabilitative care and supporting services (such as nutrition, social work and behavioral health)’. Installing these IPUs reflects the importance of creating a harmonized, effect-based customer experience. The design of IPUs could be facilitated by Business Composition principles like the decisions around the structure of the orchestra, a clear view of the effects to be reached for the patient, the three part structure of the composition, score description, arrangement, orchestration and definition of instruments.

Box 19: Health care compositions

On stage, everything should add to the desired total effect on the customer. This implies that all other members of the company should refrain from any interventions during performance, as that may spoil the concentration of the performers. In fact, all secondary communica-

tion channels should be designed (composed) in such a way that the final performance can be at peak level – every time. In many organizations, however, secondary processes take so much time and effort from performers that it distracts them from what they have to create and maintain for their audience – or customers. This does not mean that performers have no responsibility at all for other organizational aspects or results. Surely they need to supply regular feedback internally. But secondary processes should be composed to interfere least with primary processes. David Neeleman, founder of JetBlue Airways in the United States of America, stated the desired working conditions in his company unmistakably as *‘at JetBlue we have only two kinds of staff: people who serve customers and people who serve people who serve customers’*. It makes JetBlue’s business composition all the more clear.

BETTER TIMING OF CHANGING REGULATIONS

In sectors like education, health care, taxation, law, security many organizations that serve customers are forced to deal with external entities like state departments and government agencies that send out a constant stream of amendments and new regulations. The result is that often organizations need to change their composition during a performance, lacking time to rehearse and test, and unable to give attention to the effects on the customer. As a result customer expectations lag behind changing circumstances they themselves have not asked for. The chances are that companies get blamed for this kind of change. To prevent this, suppliers should press for well timed changes in regulations. And regulators should realize they are not simply changing rules, but influencing the credibility of compositions as a whole. For performers, arrangers and conductors, it takes special preparations to translate that into a convincing performance, starting with actively managing customer perceptions at the exposition phase.

Box 20: Timing of changing regulations

Getting and keeping everyone involved

Having considered the concept and potential power of the business composition, the typology of organizations in comparison to musical ensembles, the main principles of composing business and the essentials behind compelling performances, it is time to look into the roles and contributions of the most influential parties involved in – and needed for – the actual creation of ‘moving customer experiences’. Here, too, we can draw from the world of live music, as the variation of roles and talents needed for a moving musical experience is highly comparable to the ones needed for moving customer experiences in business. Starting with the typologies that most of us will recognize from the world of music, we can illustrate their effect on the overall performance, on each other and on the audience. It would go too far to list all the functions in a complex professional music performing organization. We shall focus on the most essential influences that offer lessons for business.

Roles instead of jobs

You may look at the impact of a business composition from different viewpoints and find that every viewpoint brings its own accents and offers different opportunities, pitfalls and responsibilities. A ‘business composer’ will approach an assignment differently from a director who arranges talents and tools needed for sound execution. Someone responsible for coordinating efforts will look differently at challenges compared to the performer doing business with customers. A member of that customer ‘audience’ may define quality and result differently from what the composer intended. From every angle there are different points of attention, different skills needed to succeed and different

scales on which others judge the quality and impact of your contribution.

Although these roles are very different, one and the same person is able to fulfill several of them, even within one organization – but not at the same time. Different situations call for different behavior. And sometimes for changing positions. This approach may seem close to ‘situational leadership’: the ability to change leadership style from directive to coaching to supporting to delegating, depending on the circumstances. The difference is that in this case we are not exclusively looking from a leadership perspective. In the community of talents needed to create moving customer experiences we not only see situational leadership, but situational followership and situational ‘soloism’ as well. Successful ensembles need all members to be responsive to directive and supportive situations, although there may be clearly set differences in seniority and functions. To make it work, leadership, followership and soloism shift from person to person according to what a composition and performance situation asks for. In a growing number of business situations similar situational changes occur. In many more there is a need for more flexibility of this kind. Therefore the aim of the next paragraphs is not to look into functions or jobs in a team, but into several roles that any member of a team may fulfill in a certain situation.

The producer’s role

In the world of culture and music the producer is often like the spider in the center of its web. Successful producers have a vision of their own. They are initiators. They want to bring compositions to life and make a living out of that. Some have such a powerful vision and drive that they are able to create new types of events, performances and even genres. But they rarely make compositions themselves, nor are they the ones who perform. Yet some have a major influence on composers and performers and can be involved in productions in a detailed manner. Nevertheless, they concentrate on bringing talents together and providing everything that these talents need in order to create the desired result. At the same time, the producer is the one with the calculator, spreadsheet and diary – who may plan several years ahead.

He attaches heavenly compositions to earthly conditions. He is the one who invests and/or seeks other investors. His talent is the ability to recognize the talents of others and opportunities to create experiences by using these. The best producers are sometimes considered a pain in the ass by creative people. That is because they get out of their offices and mind every detail of the whole show. But they know how to bring out the best in their team as well. They push. They motivate. They convince. They build focused teams. They see risks that others prefer to overlook or ignore. They feel when more effort is needed. But they also know when to say 'enough'. And when the show has finally come together they take care to share its success with all concerned.

Sometimes a producer is triggered into action by a talent, a new composition (or idea or script) that is presented to him/her, or an opportunity that becomes available. Sometimes it starts with an idea that forms over dinner with friends. But it takes a business initiative to start a chain reaction. Apparently many gifted composers and performers do not have the ability to make that happen on their own. The same can be observed in business: not all inventors make great business people.

As a business producer you need skills to see, quantify and judge the potential of people and visions – either your own or others' – in terms of feasibility. You will need to recognize and activate the powerful influence of committed and focused teams. As Jim Collins concluded in his book, *Good to Great*,³³ bringing together the right people will make the difference between a plan that looks good on paper and great execution. So 'people skills' will be just as important as organizational skills. You are most likely the one who has to figure out and come up with the initial financial investment. So you will be the one with most interest in a sound business case. But the business case and vision that bring it about are not just for the executive suite. These can and should be used to motivate all participants.

Interestingly enough, many successful producers put their focus on inner quality and meaning. Their first interest is seldom called 'money'.

33 Jim Collins, *Good to Great*, Harper Business, 2001.

They are driven by a challenge and commitment to create something unique and meaningful. Beyond that, they know it will only work if and when translated into a feasible business plan. According to Jan Raes, general manager of the Amsterdam Concertgebouw Orchestra, you have to let the professionals go after their ideals and do everything in your power to remove any obstacles. Only in the gravest cases do you need to step in and say no to an idea if it is not within business reach: *'The artistic comes first. Being the one responsible for the organization, you have to know enough about it to be able to weigh business aspects. Hence my musical background.'* But on stage, chief conductor Mariss Jansons is in charge. *'Jansons must be able to make his artistic dreams come true, but sometimes I have to say no. Performing Schönberg's Gurrelieder we cannot easily fund, due to the enormous capacity required.'*³⁴

Many successful and legendary entrepreneurs cited similar motivations. They started their businesses because they saw an unsolved issue in society they wanted to solve (TomTom navigation systems), believed they would be able to deliver a better product or service than was available in the market, or wanted to 'make a dent in the universe' (Steve Jobs), wanted to prove they could survive independently, or show that they were able to win against long odds. As Virgin founder Richard Branson put it: *'I am more fascinated by learning and discovering things than by being rich and powerful. For me doing business successfully is about having fun doing what you do, creating something that is distinctive and that everybody is proud of.'*³⁵

This does not imply that these producers and entrepreneurs are unsuccessful in terms of business. It is the other way round: being successful in their business serves as proof for them that they have succeeded in their original challenge. By focusing on excellent quality they are able to attract quality in the market as well. Customers and sponsors (compare these to shareholders) are often more willing to pay/contribute as they, too, enjoy the non-monetary value of this type of excellence. Steve Jobs proved this by setting a price for most of Apple's products far above

34 *Het Financieele Dagblad*, November 2, 2013, p 12, 'Lieu de Mémoire'.

35 Interview in *TheOptimist.nl*, 29 June, 2013.

market averages and attracting a mass of consumers and investors as these products were considered of superior quality.

The composer's role

As we have observed, in the world of music the composer is often, but not always, a separate and distant figure. He or she can be the same person as the performer. In business there are many successful examples of entrepreneurs who were able to switch from the role of composer of a service concept to the role of producer and conductor. Think of Richard Branson (Virgin), Howard Schultz (Starbucks), Frits Goldschmeding (founder and longtime CEO of staffing agency Randstad), Jean-Claude Decaux (founder of JCDecaux outdoor advertising). If the business is to remain stable when detached from the person, he or she should promote the transcription of his/her way of doing business into some form of composition that can be reproduced.

One thing remains clear, however: it is hard to compose and direct or perform at the same time. First you compose, then you direct or perform. After which you may return to the drawing board to refine the composition. Or you perform first and try to capture your creation in a composition afterwards. Recording techniques are abundant. This pattern of changing roles can last for quite some time. If you mix these roles the result is improvisation. But if you are looking for sustainable – i.e. repeatable – quality, some form of ‘transferable composition score’ will be needed. Either way, the goal is to come up with a plan, a grid, a model, a guideline or a composition – any position on the Composition Interpretation scale is available – for others to base their collective interpretation on.

As a composer of new concepts you have a lot of liberties. But uncertainties at the same time. You are the spring that hopefully is the beginning of a large stream. But how large the stream will become remains to be seen. It is your vision that you need to translate into a composition that inspires others – not only conductors and performers, but also audiences and reviewers (critics in the media), possibly even investors. But even when you work with your own orchestra – or business – you

may note there are differences when your performers are inspired, compared to situations where they just do their jobs routinely. You may blame it on their talent. You may blame it on the conductor, if you work with one. But at least you should ask yourself whether the composition you created is (still) powerful enough to inspire those who have to work with it.

The combination of talents that sets composers apart is their ability to see or recognize issues that deserve new or different treatment, to sense what sort of treatment would make it interesting and viable for customers and performers, to translate that into a prescribed timeline of actions and interactions aimed at moving customers, and to foresee what performers are going to need to bring it to life. That includes the degree of freedom of interpretation the composer allows performers – knowing s/he will not have absolute power to control the way performers will ‘exercise’ that freedom. The combined result of these talents shows the power of compositions.

There is some sort of sequence in this combination of talents. The creative process starts with ‘the ability to see or recognize issues that deserve new or different treatment’. What sort of issues? Chapter 5 goes into that in more detail. In essence: subjects that should at least be relevant to a specific group of (potential) customers. These may be new discoveries or existing ones that can be treated differently for the customer. Sometimes it is a personal insight that ignites the creative process, sometimes it is an assignment that sets it into motion.

If it is not the composer who comes up with an interesting – or preferably even intriguing – new vision or approach to an issue relevant to a specific audience, no one else will. For creative minds it is difficult to understand that others do not see what they see. For those others it is easier to accept that only a few have the talent to create new concepts. Those others are interpreters and performers – vital for a stream of powerful performances, but rarely capable of changing direction or coming up with new perspectives once they are committed to a given composition. This may be an explanation for discontinuity in successful company leadership, when there is a change at the top. Steve Jobs earned most of his credits as a composer of unprecedented technol-

ogy products and platforms. His successor seems to excel more as a conductor. That these two strong men were able to work productively together is an indication that they complemented each other. It does not necessarily prove Tim Cook is equally capable of taking over the role of composer.

The arranger's role

As illustrated earlier, compositions sometimes need to be 'rearranged' for specific uses. In contemporary music styles this is what an arranger takes care of. His primary role is to focus on the needs or requirements of the performers at hand and, if needed, the views of the conductor, producer or musical director. The arranger makes sure that every aspect of a musical piece is well harmonized, from the instruments down to the tempo. Arrangers must be able to work in a collaborative manner. Often, the artist, producer or musical director sets certain guidelines on how a composition or song should be treated. A good arranger listens and works within these guidelines but is also able to make adjustments that will make the piece more effective for a specific use.³⁶

In a business context an arranger may or may not be needed to adapt compositions to a variety of situations, such as different customer assignments or projects, or to different market segments or customer groups. His or her talent is to know and understand the guidelines that define the essence of the brand, while being able to innovate the way in which the brand serves its customers.

As an arranger your task can be compared to a 'choice architect':³⁷ it is up to you to decide how to orchestrate the available means in such a way that customers experience maximum benefits (in their own view) from what your company has to offer. This is the tricky part: some may

36 Adapted from About.com, 'The Music Arranger', by Espie Estrella, cited January 2014.

37 As described by Thaler and Sunstein, in their book *Nudge: improving decisions about health, wealth and happiness*, Yale University Press, 2008.

be tempted to influence clients' choices in a way that seems more favorable to the company than to the client. The perils of an approach like that have become increasingly clear during the recession years following 2008. It results in customers losing faith in companies and institutions that do not act in their best interests. They simply stop doing business, or distribute their favors in another direction. What business arrangers can learn from top musicians is that focus on the best performance brings more performers and audiences together for a longer period of time. In other words: it creates better business.

Compared to the composer, the arranger mostly works with a more limited set of variables. Developing a new type of hotel – like Citizen M, a highly trendy but low cost metropolitan hotel concept – is more likely to be the assignment of a business composer. Making this concept work in specific local situations would be the task of a business composition arranger. Their tasks differ, but each fulfills an important role. Sometimes these roles come together in one person. In that case it is essential that the difference between these roles is understood, not only by the person involved, but also by those who work with him or her.

The conductor's role

If one ranked the performers of a cultural event on the basis of their impact on the total experience, the conductor would probably rank high. Peculiar. Because the conductor is in fact little more than the one translating the composer's instructions on behalf of the performing musicians. He does not produce a single sound himself. But somehow, in most organizations, his role cannot be missed and is even highly valued. This does not mean that there always needs to be a distinct and separate function. In some cases (when the ensemble is as small as a chamber orchestra or rock band, or is used to improvising) the conductor's role is taken by one of the team members. Why is the conductor's role still often so vital? As early as 1779 the German author Biedermann expressed it in a way that holds true to the present day: *'If an orchestra is positioned in such a way that all musicians are able to see and hear each other, if those musicians are able to work efficiently, if the composer has attached sufficient instructions, if everyone knows the right tempo*

*and if there have been enough rehearsals, then no conductor will be needed. Then the work will conduct itself and it will run like clockwork.*³⁸

For use in business this statement can be interpreted in several ways:

- The bigger the organization, the less likely is it that all members will be able to interact with each other. In smaller teams this will be easier, so there will be less need for supervision, the other conditions being met.
- Employing professionals is not enough: they also need to be able and willing to work efficiently as individuals and as a team. This sheds some light on the cultural part of the organization. If a team consists of too many soloists by mentality when a combined effort is called for, self-government is bound to fail.
- ‘Sufficient instructions’ does not mean ‘as many instructions as possible’. The composer needs to be aware of the conditions in which the work will be performed. Such conditions may call for a high degree of situational adaptation, i.e. for a level of flexibility in execution. For instance, in highly decentralized organizations. Next to a set of directives describing what customer effects need to be achieved, conductors may need guidelines and empowerment to maintain the right balance between interpretation and improvisation.
- Even musicians experienced in playing improvised music acknowledge that teamwork requires preparation. A set of basic rules needs to be mutually agreed and maintained. In many cases this is also rehearsed, so that during the performance all players are comfortable in varying (improvising) their contributions, knowing that their fellow team members will understand and follow. This basic understanding also helps them to handle unexpected moves, as everyone knows the framework they eventually need to return to. This mechanism can be observed in business as well: improvisations work best when all team members know the underlying theme and what it takes to support each other in unforeseen situations.

One element needs to be added: in many of today’s organizations (orchestras and businesses alike) a considerable proportion of workers

38 As cited by Niels Le Large in *Orkestraal Verhaal*, 1992, J.H. Gottmer.

is employed on a flexible or temporary basis. That means they are less involved in the cause of their temporary employer and consequently in the effects intended for the customer. To guide this temporary workforce as effective members of the total team, extra effort may be needed from the conductor.

Experienced orchestral musicians have clear views on the role and contribution of a conductor. Working with one specific conductor can lead to frustration when musicians are addressed as pupils who need to be disciplined. While working with another inspires great enthusiasm, when conductor and orchestra members work together to ‘materialize’ the conductor’s ideal. Mutual trust and respect are crucial for successful cooperation. This explains why in more than a few orchestras the musicians have a say in the selection and appointment of their conductor. A similar approach in the corporate world is exceptional. Would leadership in business be more effective if people who are to be lead have an influence on the selection of their leader? Examples of self governing teams and organizations indicate it could.

Leadership requires preparation

The conductor’s influence is greatest during the preparations for the performance. This is the unglamorous phase when he or she explains his/her view on the composition to members of the orchestra and works with them to translate that into exactly the desired musical interpretation. There is a great example on YouTube of Herbert von Karajan standing completely still in front of his orchestra, except for facial gestures, demonstrating his trust the orchestra will recall his intentions exactly.

Before the first rehearsal, the conductor has spent a great deal of time studying not only the composition, but also the intentions of the composer. Apparently the conductor needs to envision the essence of the piece personally, to know how to treat it and how to conduct the orchestra. Why not just hand the score directly to all members of the orchestra with the assignment to do exactly as the composer has prescribed? Because every musician will form his or her own opinion. Even when played flawlessly, there will be no truly shared and conveyed emotion. This was clearly demonstrated in 2005

when the German conductor Liebreich was permitted to teach North Korean students in Pyongyang how to lead a North Korean orchestra to perform Mahler and Hartman. In ten days he was able to change a mechanical approach into a far more lively and emotional performance.³⁹

To be able to perform, a shared understanding of what it is that is being performed is essential, but not enough. What is needed on top of that is a distinctive interpretation. The unique way in which a specific team executes the selected piece. This is what builds and maintains the orchestra's reputation and 'earning capacity'. And it is here that the role and authority of the team leader (conductor) are – or should be – at their peak. As a violin player in a symphony orchestra explained during an interview in preparation for this book: *'We had rehearsed for our next concert a number of times and felt it was well within our reach. Then, a week before the first performance, the soloist we had contracted came to rehearse with us for the first time. After listening to us he asked for a break and talked to our conductor. After a while they explained to us they wanted a different approach and illustrated their new interpretation. It sounded quite absurd to come up with this at such short notice, but we tried anyway. After a while the whole orchestra became engulfed in a new kind of energy. We were playing the same notes, the same tempi. But the music came to a totally different expression. It was quite remarkable for us all. And I am sure it made a lot of difference to the audience at our performances.'*

This quotation illustrates several elements at the same time:

- A team can function correctly 'on automatic pilot', objectively doing nothing wrong, but still not deliver the desired effect.
- The leader can make the difference by explaining and demonstrating a specific vision, which is not always the same as directing his/her team to follow the notes.
- The leader can be influenced by others and decide to change course at a certain moment. This is risky, and implies the leader is picky about whom he decides to listen to. It probably should not happen

39 TV documentary *Pyongyang Crescendo*, March 21, 2006, Dutch TV program *Het Uur Van De Wolf*.

too often, but clearly it is not just the obedient followers who get ‘the president’s ear’.

- It is not just ‘the (changing) vision of the leader’ that makes the difference. Mutual commitment still rests on the unchanged composition. There is an important difference between a leader changing the interpretation of the composition at hand, versus a leader changing the composition while he is on the stand. This is not a ‘black and white’ difference: there are shades in between. When a conductor decides to take out the wind section, it seriously affects the essence of the composition, which is more than just a change of interpretation. A business example is eliminating the customer service desk and referring all customers to online chat sessions. This will change customers’ perception and valuation of the composition itself.
- The other way round can also cause a great deal of confusion. When a leader is convinced to switch to a new composition, while customers see little more than a different interpretation of the same old tune. For instance, when a hotel, restaurant or supermarket is being refurbished, or a company switches to a new house style or website. This may result in a mismatch between expected and actual customer satisfaction ratings after refurbishment.

The business equivalent of the conductor could be the leader of any organizational unit: an enterprise, company, business unit or team.⁴⁰ In that role there may be several compositions – a repertoire – that need your attention. Depending on the type of organization, the market(s) you are in and the variety of customers you are serving, there may be one solitary composition throughout the company, or a repertoire of different compositions spread over separate departments or units. In any case a leader/business conductor should be able to distinguish between all available compositions and choose which one applies in every situation – if only as a reference for improvisation. For each composition you also need a personal understanding of its essence in order to conduct your team. Being able to refer to a specific composition within a known repertoire will help team members to attune more rapidly to different situations.

40 This indicates that within an organization there may be several conductors, each in charge of his/her own team.

A BUSINESS CONDUCTOR'S DILEMMA

One senior manager at a multinational company is troubled by this: ‘We have got a new vice president and I am not happy about it. My feeling is that our team gets good results despite, instead of thanks to, this person. I don’t know yet what his vision is and in my opinion he is in our way sometimes. I am considering just drawing our own plan and waiting for this person to disappear again. What else can I do?’

(Het Financieele Dagblad, column Sheila Struyck, January 18, 2014)

Looking at this through the lens of the Business Composition leads to the conclusion that there is a perceptual mix-up between the roles of conductor, producer and composer. This transcends formal job descriptions. As long as a department performs well, there is no need to ‘double’ the conductor’s role. Should the vp adopt a role as producer and communicate as such, s/he might be more effective. Defining roles like this could also help the senior manager – as conductor – ask the right questions or ask for the kind of help that s/he feels would be productive.

Box 21: A business conductor’s dilemma

The metaphor of the conductor in front of an orchestra is frequently used for management and business leadership. In training sessions managers get to conduct an ensemble of musicians to experience first-hand what the effect is of leadership behavior – and hearing feedback from the ones directed. But it is not just a question of leadership style. Even more important is the notion that a conductor needs to have in mind what result he/she intends to create with his/her team – and for the internal or external customer. It is not just what happens when you stand before your orchestra/team but, even more importantly, what happened before that. Which composition did you choose – or which one was assigned to you? What essence do you see or recognize in it? Does it inspire you? What do you want the customer to experience – and what should you do to invite and motivate your team to work with you towards that end?

Leading others who are better than you

As a business conductor you need skills as an interpreter and motivator. You will be coaching and guiding people, stimulating and commenting on team efforts. To be able to do this effectively, you need personal skills to establish a very clear view of the effects you want to achieve. You are directing not only your team, but also yourself. And your audience. You are in it together. The hidden question here is: is your team ready, willing, able and proud to bring you success? Do you trust them to be up to the challenge? Your judgment will affect your position, communication and body language. That will be noticed. And that will in turn influence the attitude of your team with regard to the challenge you put forward. Are they really behind your goals? Or are they just going through the motions as long as you are in sight? One thing is certain: the audience – your customers – will sense the difference at any point or moment of contact with your team.

From the world of musical ensembles we know that conductors do not necessarily have to be at an equal level with their musicians in playing any of the instruments, but they do need to be extremely knowledgeable in what it takes to create powerful performances out of a composition. This means that in many cases the conductor is leading professionals who are better in their trade than s/he is. His/her value is that only s/he can put all individual contributions into an integrated and coherent total effect. Sometimes simply because only s/he is in a position to overhear all (as a member of an orchestra what you hear mostly are the instruments of those next to you). The better the conductor is in putting across his/her intentions about the total effect – and what that means for each musician's contribution – the higher the esteem s/he will receive. This is why the best conductors put so much effort into preparing their view on a composition. Only then will they be able to put it across and judge the results.

The orchestra member's role

Using the orchestra as a metaphor for a business organization, a lot can be said for the thesis that playing members of an orchestra are the most important stakeholders of the entire organization. According to

Peter Benoiel, chairman of the board of the Philadelphia Orchestra Association, *'The players stand at the core of the enterprise. Without them one does not have an orchestra and a product to offer audiences. Of all the stakeholders, they are the ones that tend to stay for a career lifetime, while the others – volunteers, staff, and audiences – come and go. Of all the stakeholders, the musicians are most affected by the success or the failure of the enterprise.'*⁴¹

Similar views can be found for the corporate world. Economist and author Ha-Joon Chang, lecturer at Cambridge University, presents a somewhat controversial but thought provoking perspective in his book *23 Things They Don't Tell You about Capitalism*: *'... despite being the owners of the company, shareholders are the ones who are least committed among the various stakeholders to the long-term viability of the company. This is because they are the ones who can exit the company most easily – they just need to sell their shares, if necessary at a slight loss, as long as they are smart enough not to stick to a lost cause for too long. In contrast, it is more difficult for other stakeholders, such as workers and suppliers, to exit the company and find another engagement, because they are likely to have accumulated skills and capital equipment (in the case of the suppliers) that are specific to the company they do business with. Therefore, they have a greater stake in the long-run viability of the company than most shareholders.'*⁴²

For investors the value of human capital that constitutes organizations and brands is a serious issue. Companies are frequently bought and sold, on the assurance that their operations continue and can be expanded. Should associates decide to quit and just leave the hardware after their company has been sold, the buyer would be left with an empty shell. Recent history has shown that this is more than a hypothetical danger. Cultural differences are considered as one of the dominant reasons why so many corporate mergers and acquisitions fail.

41 Barbara Nielsen, 'Musician Involvement in the Governance of Symphony Orchestras: Will it Increase Organizational Effectiveness?' Polyphonic.org, February 23, 2008.

42 Ha-Joon Chang, *23 Things They Don't Tell You about Capitalism* (Penguin 2010), p 12.

When key people leave after a merger or acquisition, the foreseen future of the company is at stake.

At the same time, even highly professional workers need to be aware of the changing world around them. Shifts and changes in technology and society may render some forms of expertise less useful or obsolete. But new forms of expertise are bound to evolve and grow. By regularly agreeing to study and perform new and innovative compositions and even different instruments, professionals are challenged to remain adaptive – and relevant.

Professional attitude

How do orchestra members get to know what kind of behavior is expected? Let us start by stating that orchestra members are selected because of their professional skills: they are valuable. At the same time, being a professional requires a specific attitude. Professionals know they are able to deliver high quality. With that comes the obligation to actually deliver that kind of quality every time. And to be constantly working on further development. That means as a professional you need to be your own worst critic. The best professionals are never really satisfied about their own performance, except perhaps immediately after a successful event. This can be observed in sports, acting, science and music alike.⁴³ Therefore one of the most essential workplace conditions is a constant stimulus for professional development. Professionals appreciate coaching, on the condition that it is given at peer level. They have a right to be proud of past performances but cannot claim a right of position for the future solely on that basis. They are aware that delivering quality in the next performance requires continued training. Consequently they can never be sure of a secure future. That is why team atmosphere is so important: a good working atmosphere is a counterweight to enduring uncertainty.

43 Former Harvard Business School professor and management consultant David Maister studied professional behavior in many sectors and service firms. He stresses the importance of a professional mentality in business, including continuous pursuit of excellence, in the interest of the client. Source: David. H. Maister, *True Professionalism*, The Free Press, 1997.

Individualists in a team

Professionals should be able to rely on mutual respect among their peers and leaders. In some organizations such respect comes with a senior or leadership position. In most professional organizations however, leaders do not automatically earn credit because of their position. For conductors, managers, coaches or CEOs to be taken seriously, they are expected to bring with them relevant knowledge and experience. Only from respected leaders are professionals willing to accept guidance. But whereas in many organizations professionals tend to claim a certain level of individual autonomy, in an orchestral setting musicians need not only to be top professionals, but team players at the same time. As the Dutch Royal Concertgebouw Orchestra put it: *‘the Royal Concertgebouw Orchestra is made up of 120 players hailing from over twenty countries. Despite its size, the orchestra actually functions more like a chamber orchestra in terms of the sensitivity with which its members listen to, and work in tandem with, one another. Indeed, this requires both a high individual caliber and a great sense of mutual trust and confidence.’*⁴⁴

One of the most crucial lessons an orchestra can provide for business organizations is the overriding importance of team effort. While each player contributes his or her individual talent – and sometimes also personal drive to become a star – it is the total result of the orchestra that will be judged by the customer. And by each player as well: what counts in the background is their conviction that this specific setting (being member of this orchestra, performing this composition, under this conductor) will add to their own fulfillment and success. That motivates each player to remain aware of his/her role, including issues of timing, tempo, harmonization with others, and interpretation that come with it. This applies to those on stage (including performers with a more individual task such as soloists), but also to support staff, as will be described in the following paragraphs.

Irrespective of the type of orchestra, in it you will constantly be aware that you are a member of a team that is highly dependent on its ability to share. This limits your personal freedom to do your work as you see

44 www.concertgebouworkest.nl, cited June 2014.

fit. There are others around you who have a stake in what you do, and when and how you do it. You are expected to perform your task and to coordinate carefully with those next to you and the one 'leading' the orchestra / your team.

As a member of the orchestra – or business team – you therefore need to maintain and develop two types of skills at the same time. One is the application of career long learning in your field of expertise. This is what should come naturally to true professionals. The other has to do with building sensitivity in cooperating with others, both inside and outside your team. As in music, creating unique business experiences for customers in most cases is a delicately coordinated team effort. If one player is inattentive to his or her role in the performance, that will affect not only his/her own position, but the total performance at the same time. Then both the orchestra and the audience suffer.

As an orchestra member you may conclude that 'instilling' this cooperative attitude is the sole responsibility of the conductor. But in fact both parties take an active position. If the orchestra members do not value or appreciate the approach or vision of the conductor, or – to some extent – the selection of compositions to work on, they may even refuse to cooperate and perform. That is a second reason – next to mutual trust, mentioned earlier – why in many orchestras musicians are consulted on the selection of new colleagues and even the conductor who will lead them. How is that in your company?

Players of different kinds

Many playing members of an orchestra are aware of the fact that, even when they are together on the same podium, they cannot properly perceive what all the other players are doing. The instruments closest to one's own position and the distance from others make that virtually impossible (depending on their position some players even wear protective earplugs). Ergo: even as a professional you need to accept that you are not always the best judge of the effects of your efforts in the context of the whole performance. Even when you are among the top in your profession, someone else may be in a better position to guide and correct your contribution. Most likely that person will be the conductor. But not always. Depending on the circumstances you may

need to accept – and even invite – resonant information from other players in your team.

Adding to the delicate nature of this is the fact that not all players in a team are in the same position, nor do they play the same instruments.⁴⁵ Some always operate as a smaller section within the team (think of the string sections in an orchestra, that carry the melody and put in volume). Such players are constantly aware of each other and even rehearse their parts together, separately from the total team. If one member of such a section misses a note, that may not be all that devastating. But other players have alternating team and individual roles to play (think of a flute player in an orchestra, who fills specific accents at precise moments in the melody, while joining fellow musicians in other parts). If such a musician is not ‘right on cue’ this will inevitably be noticed. If you are in a position like that you can exercise considerable influence on the performance: the conductor and the orchestra rely on you to do what is expected. If at that moment you decide to do otherwise (like changing tempo or volume), the audience may not notice, but your team members certainly will. The performance may be valued by the audience – at the expense of trust within your team. That may turn out to be a high price.

In still other segments of the orchestra we find players who have more of a background role (think of the percussion section in an orchestra): they set the pace, but do not add to the melody. Missing a beat may not be as bad as a badly timed beat. In business this equates to the notion that you are not always at liberty to set your working pace: your sensitivity to what others (need to) do has a clear influence on customer experience. The equivalents of these characteristics for business should not be difficult to recognize. They can be found in front versus back office players, between specialized customer service reps and sales assistants, between cabin crews and pilots on a flight, between the team of waiters and the sommelier in a restaurant.

45 This is where the metaphor of teamwork in sports falls short for business.

Some of the lessons from the world of music are:

- Even if and when you are valued as a top professional, you may not be in the best position to judge your contribution in the context of the total performance the customer will experience. That means someone else, with more overview (but not necessarily someone who is better at what you do) is going to interfere with how you contribute. Do not interpret this as disrespect for your expertise or as an offence against your judgment or position. If you are not willing to accept and use that interference, reconsider whether you made the right decision to join this organization, at least for this role.
- Do not take the fact that, from your physical position, you cannot perceive what (some) other team members contribute as a pretext for undervaluing their contribution to the total performance for the customer.
- Being able to work together sometimes implies also taking into account that what you do may influence colleagues in different departments or at different times (in music: earlier or later during the performance; in business: at different stages or next shifts); people you will possibly not observe directly in their work, but the audience will.
- As a playing member of a team you may be required to change roles from supporting others to taking the lead, and vice versa, depending on the composition you are performing as a team. However it is not at your discretion to decide which role to perform when. It follows from the composition and the conductor's vision for performing it.
- Some team members have opportunities to play a more individualistic role before the customer. When they take that over the limit on a regular basis, without consent from their colleagues and conductor, that may undermine trust within the team, and as such harm internal working conditions. In the end, performing a group composition implies willingness to contribute to one shared interpretation. For the sake of the customer.

The section leader's role

Having looked from the perspective of an orchestra member, it makes sense to stop and think about the influence of section leaders or first desk players: the chairpersons of the various sections of instruments (strings, wind, percussion). Their equivalents in business organizations being managers of departments or teams. In some cases they are also members of the management team or executive committee. These middle managers have a special responsibility when it comes to a number of crucial executive tasks: translating company strategy to their specific departmental function, coordinating efforts within their department and taking care of the concerns of their team members.

Not all departments are equally large or are structured in the same way. Some work as closely integrated teams – think of the string sections in an orchestra or the administrative and operational departments in business organizations. Some others need to be able to switch instantly and frequently from combined to individual performance – think of the wind and percussion sections, as described in the previous paragraph, or customer service departments. This is reflected in both the capacities of the players and their team leadership structure: sections that frequently operate on an individual basis do not always have separate section leaders. Some performers report directly to management.

At any rate section principals share the conductor's task of bringing his/her interpretation of the selected composition into practice. This means they need to know and understand this interpretation and resonate it to their team members. Which is not the same as literally handing over instructions from the top. Section principals need to envision for themselves and their teams what should be their best possible contribution to the overarching interpretation and what that takes in terms of internal efforts, coordination and individual accents.

It is a delicate comparison. In business it sometimes seems easy to set your own team apart from other teams and define your own targets, whereas in the setting of an orchestra a lack of balance between strings, wind and percussion would directly be noticed by the audience. But in fact the same thing happens in business relationships: custom-

ers notice a lack of coordination and imbalance between departments or even individuals. A vital responsibility of department managers is to install and keep alive a mentality and culture that all efforts have an impact on the customer – even from angles where staff members cannot directly see the customer. This also implies that all departments realize they should not be playing their own tune, but are there to fulfill a specific part of a greater performance, facilitating the total customer experience. To arrive at and maintain a level of high quality, departmental managers often combine performance tasks with responsibilities that resemble the conductor's, within their own departments.

The soloist's role

In his novel *In the Poet's House*⁴⁶ Dutch author Jan Brokken paints a lively and extensive portrait of Russian concert pianist Youri Egorov. Egorov fled from Soviet Russia to the West and built a successful career as a soloist on the most prestigious podia of Europe and America from 1976 until shortly before the fall of the Iron Curtain. Brokken provides a rare insight into the fascination, effort, stress, liberties and responsibilities that a soloist experiences.

The soloist is invited to perform for audiences that others bring together. In some cases the soloist is effectively the only musician on stage, but in many cases there are also an orchestra and conductor. They realize a 'Gesamtkunstwerk', that needs coordination, preparation, rehearsal. Although a lot of what applies for the orchestra is also valid here, the soloist has a unique position in terms of influence on the total performance. While the conductor instills his/her greatest influence *before* the concert, the soloist needs to peak *during* the event. While the members of the orchestra enjoy the support of each other's simultaneous effort (just like people who are marching together feel that walking is 'lighter'), the soloist is constantly in the spotlight. S/he can make or break the performance, not only for him/herself, but for the whole crew. This can cause an enormous amount of stress anxiety and even fear prior to performances, regardless of how experienced

46 Jan Brokken, *In het huis van de dichter*, Atlas Contact, 2008.

the soloist is. This is not a sign of weakness or lack of experience – it comes with the job. In the world of music this is a recognized and respected phenomenon. In the world of business it seldom is: many soloist performers in businesses (like account managers, ‘rainmakers’, tender managers) are left to themselves when dealing with similar kinds of stress, sometimes resulting in alcohol and drug abuse. In fact, the company should recognize that severe stress can come with certain positions, and help performers to deal with it effectively.

Just like the conductor, a soloist studies the composition to be performed extensively and strives to put across exactly the emotion s/he envisioned. Although there is coordination between soloist, conductor and orchestra, they remain largely independent of each other. They work together at a distance. Although in theory the conductor runs the show on stage, in practice it is the soloist who is equally decisive for the total customer experience. Unlike the example of the rebellious orchestra member mentioned earlier, the soloist is more or less expected to take his/her individualistic contribution to the limit.

Soloists need supporters

This single fact places a huge responsibility on the shoulders of the soloist. The soloist has the freedom to choose his/her arena, but once chosen s/he is obliged to deliver to the max of his/her ability. All the time, every time. How does one handle the stress and anxiety that comes with this? As said above, it is part of the job. No manager (or conductor) will be able to take this away completely, although their personal relationship is sometimes of considerable influence. In the best relationships the conductor – and all others on and backstage for that matter – do their utmost to create and uphold all conditions needed for the soloist to be able to peak. On and backstage great conductors are not leading but supportive with regard to the soloist. The famous Dutch conductor Jaap van Zweden illustrated this in an interview, referring to the preparations for a concert by the Dallas Symphony Orchestra and the German baritone Matthias Goerne: *‘He took so many liberties on stage during performance, I told him: you should be able to do what you want, our orchestra should be so flexible that you should be able to drive a sports car on stage and go left, go right,*

*go slow or fast. The orchestra responded beautifully.*⁴⁷ In other words, sometimes even a large team needs to realize it is one individual they need to back. But it would be a misunderstanding to conclude that this backing role is unimportant. A baritone on his own on stage would not be able to produce the same effect on the audience. Music soloists are aware of this and share credits with all the performers on stage.

How about business soloists? Looking at recent bonus upheavals, one would suspect there are business soloists who think they deserve all the credit, irrespective of the support machinery that enabled them to excel. How well and wide are credits shared in your company?

In the context of business, the soloist's position can be applied to all situations where the responsibility for a customer rests with an individually identifiable service representative. He or she may be an account manager, doctor, accountant, lawyer, teacher, designer, consultant or even an individual waiter or salesperson. In any context where the customer is led to focus on an individual service performer, all soloist principals come alive. In most cases s/he is not in charge of the company, but on a daily basis s/he is in charge of the customer's well-being – i.e. the company's future.

If and when you are a business soloist, you should be aware of your liberties and of what is expected of you at the same time. You are expected to take the initiative as you are – in many cases – the one closest to the customer. But only after having reassured yourself of the readiness of the team behind you. As a soloist you can take a sidestep from the code of conduct (or 'score') more easily than a member of the orchestra can. But when you do, you also need to know how to get back into harmony a while later. If you do this well, it will add to the excitement of the customer. If not, the whole composition will fall apart in the customer's perception. From the customer's point of view it is the company as a whole that performs, not just the soloist.

47 Classical conversations with Paul Robinson, April 15, 2012, interview with Dallas Symphony Orchestra conductor Jaap van Zweden, Youtube.com.

As a business soloist you are expected to lead the customer through a process that you know better than your customer does. So you are at an advantage. The customer will at first be apprehensive and willing to give you credit. You are in an exceptional position – better than the orchestra – to influence the customer’s perception of the service as a whole. For example, the way the doctor interacts with the patient is the tipping point for the image of the total hospital; how one lawyer – your lawyer – handles your case determines your perception of the law firm; how a single customer service rep handles your complaint can be decisive for the rest of your relationship with a company.

Therefore, there is a fundamental question that needs to be answered, which will influence your way of working as a soloist: does your company consider you (and do you consider yourself) to be the company’s representative towards customers, or the customer’s representative towards the company? Your intuitive position will be sensed and reflected by the customer. Either they welcome (or tolerate) you because they think highly of your company, or they think highly of you and put you in charge of fixing everything your company promised – including everything that has gone wrong. To answer this question at least look at what the composer has said about the essence of the business composition: what effect on the customer should be created and maintained? And is that in line with what you can do from the position you are in?

The audience’s role

Being a member of the audience seems the easiest and most comfortable role of all. Just buy a ticket, show up, sit back, enjoy the show and judge it afterwards. But few realize that the audience has a major effect on the quality of the performance itself. This is probably the most overlooked and undervalued effect – both in theatres and in business arenas. Many performing artists have stated that they can be inspired – or put off balance – by the audience for which they perform. Apart from the obvious effect that the audience is a (the?) source of income for performers, and without an audience there would not be a performance at all, audiences have the power to stimulate, encourage, give direc-

tion, drive effects to the max – or the opposite. Not only in the ‘encore’, but also during the whole performance. The audience can influence the tempo and force of a performance, the duration of pauses, concentration in the orchestra. Some performers interact actively with their audience.

Jan Brokken describes this ability of the young Russian concert pianist Yuri Egorov as: *‘He could bring his vision, his temperament and his emotion across to the public and hear the reaction immediately ... He caught the reactions of the listeners, their silence, their attention. When an audience gets under the spell of the music, you can feel the electricity in the hall ... If it went right, he reinvented old music; if it went right, he brought dead notes to life again and erected something unforgettable in interaction with the audience.’*⁴⁸

This influence even extends beyond the actual performance. Once an audience has shown appreciation of or dislike for certain parts of a concert, this influences the mental energy of performers in similar concerts to come. After critical reviews of a Schubert concert given by one of the most famous concert pianists ever, Vladimir Horowitz, in New York in 1953, this maestro got so depressed that he did not perform live for twelve years afterwards.⁴⁹

Customer influence on performance quality

In the context of daily business relationships there are ample examples of customers who actively influence the quality level of service, through specific behavior vis-à-vis their service rep. Most customer service employees naturally (but not always intentionally) react to the state of mind of various customers. Friendly behavior by the customer increases the willingness of staff to put in a little more effort. The opposite is also valid: if a customer does not behave in a consensual way, his/her service rep may be inclined to be just a little less responsive. To a large extent this is a subliminal process that takes place within nanoseconds. Attitudes change only slightly, officially remaining within ‘contrac-

48 Jan Brokken, *In het huis van de dichter*, p. 176-177.

49 Jan Brokken, *In het huis van de dichter*, p. 128-129.

tual limits'. But they will still influence the quality of experience and customer relations.

Consensual customer behavior

How does one bring about such a consensual customer attitude and behavior? Consensual behavior depends on the situation. When going to a classical concert a different type of behavior is expected compared to visiting a sauna, a library, a bank branch office, a hotel, a self-service gas station, an airport or a fashion web shop. But it is clear that in all cases there is a – sometimes quite considerable – set of rules for customers. Customers with little experience may go through a period of anxiety before they get to know what is expected of them – and how to get what they want for themselves.

Some organizations deliberately require their customers to behave in a certain way, like some restaurants and clubs using a dress code. At successful events like Sensation White only people dressed in white are permitted. Attendees consider that they are part of the event by complying and joining in the overall excitement as soon as they see that all the others have joined in, too. But sometimes it is a more implicit form of bonding: even without strict codes, concert visitors often dress and behave in such a way as not to disrupt the total setting of the event.

More common is the use of 'house rules' for customers. But these are seldom formulated and applied in such a way that customers feel comforted and supported. A statement of dos and don'ts mostly does not create that kind of comfort. One exemplary exception is IKEA. This award collecting chain store communicates with its clients in a very consistent, relevant and friendly way, not only in advertising, but – more importantly – all through their store, starting at the parking lot. All visual communications IKEA uses to influence consensual customer behavior combine four elements:

- **Benefit.** They are formulated in such a way that customers recognize relevance and benefit,
- **Logic.** In many cases messages are combined with background information, explaining the 'reason why',

- **Timing.** They are placed precisely at positions where and when they are most relevant in the customer's journey and the customer is most likely to be aware of them,
- **Tone.** They are never formulated in terms of restrictions or prohibitions (unless direct safety is concerned), but rather as suggestions.

Another exceptional attitude is displayed by the American low fare airline company JetBlue Airways, by providing its 'Customer Bill of Rights', instead of general conditions.

For business leaders and their teams it is a daunting challenge to stimulate customers to adapt to the business environments, both in their and the company's interests. There are two sides to this coin:

1. To what extent can you expect (actual and prospective) customers to use their observation and communication skills with regard to the business situation they are in and adapt their behavior accordingly?
2. How does your company communicate with (actual and prospective) customers with regard to behavioral requirements before, during and after doing business with you?

In the company's interest

From their perspective of 'choice architecture' Thaler and Sunstein⁵⁰ would consider adding 'nudges' to (what we would call) business compositions: stimuli that mildly induce customers to behave consensually, without making it impossible for them to do otherwise. As Thaler and Sunstein focus their mechanism on influencing choice, there is a difference compared to the issue at hand here: it is not choice that is at stake in this case, but customer attitude and behavior in the context of a business relationship. Still, principles of nudging can serve a good purpose when one is designing all aspects of the relationship a business seeks with its customers. Nudges, for instance, can help to:

- let more customers show up in time for appointments,
- avoid process obstructions caused by customers who forget forms, test results or documents,
- improve friendly cooperation during interactions,

50 See their book *Nudge: improving decisions about health, wealth, and happiness*, Yale University Press, 2008.

- put available facilities to better use by making them easier to find and operate by customers,
- reduce waste of materials, time and money because of carelessness,
- show customers how and when they can add to the quality and impact of the performance.

These examples illustrate that nudges are not merely external communications items, but can be elements of a business composition itself. They may also influence the design and sequence of actions by the company and its staff.

In the customer's interest

Nudging customers to consensual behavior is also in the interest of the customers themselves. When preparing nudges as a part of their compositions, companies can focus on

- helping customers to be more aware of how the service delivery process works and be prepared to adapt to it. Once they do, they will also recognize opportunities to get the most out of the service system. Which in turn will strengthen the business relationship,
- stimulating customers' willingness to adapt to the way they are approached by the company (either in person, during telephone contact or online contact). Improving interaction quality includes showing appreciation for the customer's effort – which provokes reciprocity. Research has shown that a sincere and well placed compliment works better than negative remarks to change behavior. The best service providers know this and use it to their advantage (remember when you received a compliment from the waiter for your excellent choice from the menu and/or wine list?). Why would this not work both ways in a service relationship? Nudging customers not only to complain when things fall short of expectations but also to compliment at a moment that is pleasing can improve the atmosphere internally and improve customer relationships.

Does the customer's influence on service quality also work in electronic (online) service surroundings? It does, but in a different way. When people interact with machines they presume there is a logic that fits their personal way of communicating/searching/shopping/working. If

this does not fit naturally and ‘first time right’, many people lose interest and tend to stop interacting altogether. This means the design of electronic interfaces has to foresee much better what barriers customers may encounter.

A LITTLE EXPERIMENT

Next time you are in a restaurant try this: see what happens when you compliment a waiter for his attentive service – not just by tipping when you leave, but by a compliment between two courses. It may improve your total dinner experience and may even bring you a coffee ‘on the house’. Positive energy that is shared builds stronger relationships. Stronger relationships create more value for both parties.

Box 22: A little experiment

The backstage role

A professional orchestra is supported by a technical and administrative staff (consider also the team of ‘roadies’ that supports rock bands) without which it would be impossible in practice to carry out a performance at all. This can be an important lesson for some businesses: not all departments have the same direct contact with the customer. Not all employees even see any customer during their working hours, nor do all managers. In a position like that one can easily be tempted to wonder what one’s department’s impact on customers actually is (would there be any difference, would anyone out there notice if we took a little longer to handle our tasks?). But even non-playing team members ‘backstage’ have a distinctive influence on the total performance. Although they are not an official part of the orchestra and do not share the joy of applause and ovations, they nevertheless contribute to the total result, through all stages of planning, preparation, execution and settlement of performances.

Equally, in business organizations not all employees work directly for the customer or even see one ever. Therefore, they may not need to be aware of the structure of the composition that is being performed. But they do need to be involved in what effect each performance is intended to have on the customers, in order to adapt their contribution to further strengthen this effect – and to prevent the doing of things that harm or weaken it.

Backstage team members can have a lot of responsibilities. From booking and arranging performances to taking care of HR, IT and finance. From PR and customer relations to facilities management. Naturally, tasks like this relate to the type of activities of the organization. One of the backstage (or back office) responsibilities may be to establish relationships with different types of customers. In the world of music it is becoming ever more evident that survival cannot be guaranteed by one group of customers. Customers are not just those who show up at concerts, but a variety of stakeholders who contribute in a variety of ways. For any professional orchestra it is crucial to establish strong relationships with all these beneficiaries and constantly make it clear that they are appreciated and valued for their contributions.

Developing and maintaining a variety of sources of income is a lesson for other cultural organizations and even specific business sectors. One consequence is that not all benefits for stakeholders can be – or need to be – translated into monetary gain. (Re)building trust, for instance, has proven to be crucial for many companies in the financial services sector and other industries following the recession since 2008. From that perspective, purposes like rebuilding trust can be handled as part of growing business relationships. Which is a concern for both on stage and backstage members. But backstage, a lot can be done in terms of exploring and establishing new relationships in society.

PART III

Reprise

The result

In the Western world we live in an affluent society. Despite the economic downturn that started in 2007, most of us are used to a level of prosperity that is unprecedented in world history. Even in recession times, the daily concerns of most people in the Western world did not drop to the level of physical survival and the struggle to find food and shelter, although for some maintaining or protecting the level of expenditure they had grown accustomed to has been challenging.

On the other hand the recession has shown that relentless pursuit of (financial) growth and profits can be detrimental. There is a dark pool of corporate collapses, bankruptcies and costly saving operations of formerly highly valued corporations to substantiate this point. It is slowly becoming clear that defining success solely in terms of financial growth and profits is a paradigm that has met its limits for people, businesses, economies and societies. But the opposite, shying away from all financial motivators in business, is not a desirable solution either. Making (enough) money remains essential for continuity and success by any definition. That goes for the world of music as well: bankruptcies have also occurred in the world of music. And for many highly valued orchestras it is a constant struggle to perform equally well in terms of appreciation and financial returns. Yet, in terms of defining and improving results, the worlds of music and business may benefit from a balanced approach to value.

Maintaining the value balance

Why bring up this issue at this moment? Because it is needed to close the loop between personal drive at the start of business, via the ability to move customers, through creating conditions for continuity and development, to feeding the personal drive needed to keep organizations vibrating, resilient and motivated to adapt to changing circum-

stances and new opportunities. To be able to create and maintain success, the ‘emotional’ and financial paradigms should be in balance. The emotional value loop⁵¹ by itself does not lead to serious business. The financial value loop by itself eventually wears enterprises out. Only if both loops are used to reinforce each other does long term and gratifying success remain within reach. Successful music ensembles prove that it is possible to thrive regardless of economic cycles by maintaining this balance. Even in times of recession great numbers of people remain willing to spend large amounts to attend great performances. They substantiate the power of the principle that ‘money follows content’.

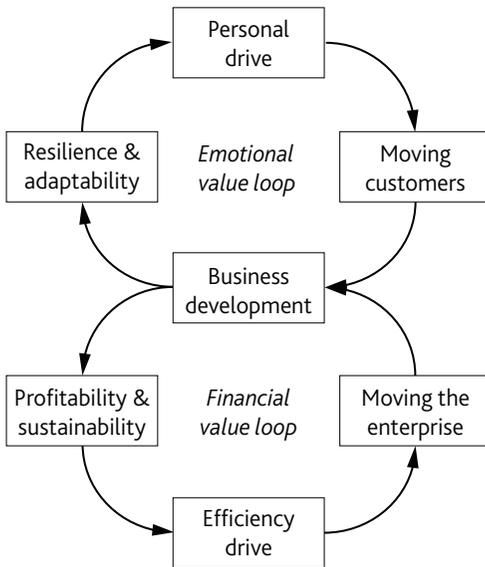


Figure 2: The eight track of emotional and financial value loops

In the figure above, following either one of the two loops leads to frustration and exhaustion, whereas following the figure eight leads to emotionally and financially rewarding business.

51 This is meant to be in line with what psychologists refer to as ‘terminal values’: that which people ultimately find important in life.

The twenty-first century so far has brought severe disruptions in many sectors of business, in two ways. New technologies and the increasing power of the internet and mobile communication networks keep turning out innovations. New enterprises experiment with an array of new business models. The contribution of the Business Composition could be to keep a productive balance between value creation for the customer and value creation for the business. By rephrasing the question from ‘how do we create most value for our company’ to ‘how do we create most value for our customers’,⁵² the outcome will not only interest more customers, but at the same time provide a constant challenge to all members of the organization and a stimulus for teamwork. The use of this approach may also lead to a different selection of measures to define success, such as the role of ‘efficiency’.

Efficiency and impact

How efficient is a musical performance? Why should the most famous and successful orchestras in the world employ 80 to 120 individual musicians? Why would a band like Take That need an immense automated steel human figure to rise up in the middle of his stadium audience to make an impression? Is that efficient? Could it not be done with less? It is immediately clear that this type of questioning does not fit when it comes to creating impactful customer experiences. The difference in reasoning (efficiency vs impact) can be explained by two different perspectives used to judge organizations:

- If financial result is leading (the financial value loop), margins and returns come up as key performance indicators. This leads to management concepts that emphasize continuous efficiency drives and innovations in terms of productivity, purchasing power, automation and standardization. Management decisions stemming from this

52 For many hospitals value is (partly) a result of the volume of operations carried out. For patients it is likelihood, degree and speed of recovery, through an operation or otherwise. These two perspectives can easily be in conflict with one another. But not necessarily. The opportunities for care providers of following the customer’s definition are outlined by Michael Porter and Thomas Lee in their article ‘The strategy that will fix health care’, *Harvard Business Review*, October 2013.

orientation are not by definition in the best interests of customers. If that is the case, how long can this approach be successful? In his thought-provoking book *Obliquity*, British economist and professor John Kay convincingly illustrates that unequivocal efficiency measures, aimed at improving profit margins, can lead to a gradual destruction of value for the customer and consequently to a loss of market share, turnover and the evaporation of profits altogether.⁵³

- If customer experience is leading (the emotional value loop), companies tend to concentrate on more qualitative performance indicators, like internal coordination, customer satisfaction and customer delight, loyalty and Net Promotor Score. Then the pivotal question is: what do we need in order to create and enhance customer experience, and how far can we go so that (more) customers are willing to pay for the exercise? The overwhelming popularity and success of dance festivals proves that – even in times of recession – many people are willing to pay high prices to attend a performance and event that creates a unique value for them. For the producers of these festivals, efficiency was not at the top of their agenda.



For a series of stadium concerts Take That used this immense steel figure that slowly rose from a crouched to a standing position. © Darrensharvey | Dreamstime.com - Take That Progress Tour Live Photo

53 John Kay, 2010, *Obliquity*, Profile Books Ltd.

In the present service dominated economy, more and more businesses discover that some of the trusted principles developed in and for the industrial age have limited validity when applied in service sectors. Economies of scale tend to have more impact in production and purchasing than in working with customers. Savings in that field sooner or later lead to diminishing impact on customer experience, impoverishing the business relationship. In the world of music this can easily be demonstrated: suppose a symphonic composition were to be performed by an orchestra that automated the rhythm section, or reduced its number of musicians by 10%: the result would immediately be noticed by the audience. Efficiency measures like this result in a diminished customer experience, weakening the attractiveness of the orchestra. In the corporate world many banking organizations have found that there are limits to automated customer service. For one thing, even revolutionary technology has, so far, not been able to take over all five dimensions of service quality that customers care about.⁵⁴ Today, branch offices are being redesigned to meet customers through responsive and empathetic personal conversation. This is not just a matter of providing for more 'comfort'. It also leads to better and more natural spotting of unspoken customer needs. Costs may go up, but the perceived value of customer relationships will, too. Ergo:

- efficiency improvement should focus on processes with low emotional value.
- experience improvement should focus on processes with high emotional value.

Having said this, changing circumstances in markets, organizations, technologies and trends may also lead to new forms of business in which a totally different cost structure facilitates an innovative approach. A symphony orchestra may not be able to reduce its staffing

54 The ServQual model identifies five dimensions on which services are judged by customers. Not all are equally important. In order of impact: 1. RELIABILITY (ability to perform the promised service dependably and accurately); 2. RESPONSIVENESS (willingness to help customers and provide prompt service); 3. ASSURANCE (knowledge and courtesy of employees and their ability to convey trust and confidence); 4. EMPATHY (caring, individualized attention the firm provides its customers); 5. TANGIBLES (physical facilities, equipment, personnel, and communication materials).

(although it will certainly review its mix of contractual relations), but at the same time individual DJs have been at the basis of a completely new and very successful form of musical entertainment called dance festivals. One performer and a lot of technology do it. As a reaction, inventive orchestras are open to joining this development by creating shared performances.

The lesson to be derived from this is that if efficiency interventions in a performance are likely to be noticed by customers, the chances are that they will perceive it as a different experience. In that case, to remain impactful, the composition itself needs to be rearranged or rewritten in order to rebalance all elements and arrive at a new customer experience. Therefore, from a composers' point of view, economizing on one aspect may lead to reconsideration of other performance aspects. Depending on the degree of change, this may result in a new composition, different effects for the customer, and thus maybe even a new title. This path of innovation leads customers on the way to changing experiences, instead of sticking to a promise that loses credibility.

Preference and profit

With respect to the balance between performance quality and financial returns, professional music organizations resemble many family and privately owned companies, where financial results are defined in relation to overall customer preference. Even in commercial markets the powerful effect of this approach is obvious. For instance, in comparative ratings of customer preferences between competing brands per sector, companies that rank highest often turn out to be privately owned. Eight out of ten top ranking companies in the 2011 Dutch Customer Performance Index were not at all or only partly traded on any stock exchange.⁵⁵ Similar results can be found in other countries.

Professor John Kay offers an explanation for what he calls a direct and an indirect approach to success.⁵⁶ Using a variety of examples of well

55 Dutch Customer Performance Index report 2011 and 2012.

56 John Kay, 2010, *Obliquity*, Profile Books Ltd.

known enterprises, Kay illustrates that companies that have stated they pursue maximum growth and profitability are frequently less profitable than comparable organizations that focus on delivering consistent quality and value to their customers. Apparently continuity and success are better served by a focus on intrinsic quality and value than by explicitly striving for financial gains. Although companies like Apple, Johnson & Johnson, Virgin, who concentrate on delivering meaningful products and services, are also financially successful, they see this as a result, not as a purpose in itself. In fact, these driven entrepreneurs prove that following the ‘eight track’ of the emotional/financial loop model can be rewarding in both instances. Walter Isaacson, the editor of Steve Jobs’ memoirs, quotes one of the early members of the Macintosh development team at Apple:⁵⁷ *‘the goal was never to beat the competition or to make a lot of money. It was to do the greatest thing possible, or even a little greater’*. Loek Winter, successful pioneer in setting up and restructuring health care institutions as business concepts in the overly regulated Dutch health sector, is motivated by the tensions of ‘the game’ of acquiring medical institutions, with all discussions, arrangements and smart constructions involved. He puts it like this: *‘I like to figure out solutions to complex problems and [to see] that it even gets better, too.’*⁵⁸ Much like music performers striving to excel at a difficult composition and experiencing the reward of making it work in front of an enthusiastic audience.

Putting value in a different perspective

The underlying assumption is that if performers can reach and remain at the top of their combined ability, financial results will follow – by being able to attract more paying visitors, by being able to raise ticket prices and by becoming a more attractive party for business partners and sponsors.⁵⁹ It does require a keen combination of talents to bring that about, but those responsible for the financial aspects of ‘running

57 Walter Isaacson, 2011, *Steve Jobs*, Little, Brown, p. 123.

58 *NRC Weekend*, December 21, 2013, p. 33 (translation FH).

59 Alexander Osterwalder and Yves Pigneur (*Business Model Generation*, John Wiley & Sons, 2010) refer to these as ‘multi sided platforms’, in which different sources of income – from paying audiences, sponsors, contributors and media fees add up to the total earning capacity.

an orchestra' are certainly not helped when the artistic quality is less than top level. Even in challenging economic times the best and most active and creative orchestras prove to be more successful in keeping a balanced score in various sources of income. Could that same mechanism work in your business? It seems to work for others.

A case in point is the success of Jamie Oliver: from a clear view on the benefits of fresh food in our daily lives and an attractive composition that brings this vision to customers who were not accustomed to preparing and enjoying fresh food, he has been able to build a gastronomic empire that is also sound in financial terms.

Another example from the hospitality sector is the French multinational catering specialist Sodexo. This company has shown consistent growth over a long period of time, based on principles of hospitality and relentless service quality. By focusing on customers' desired results and keeping profits within the company, Sodexo managed to build and retain full financial independence and power to expand into facility services. Sodexo is a preferred supplier to many businesses on the basis of quality delivered. Of course, it cannot afford to charge prices above a level corporate customers are willing to accept, but it is more essential that they are able to offer their clients a 5 to 15% reduction in facility costs without competing on price, by harmonizing different services (next to catering: technical maintenance, energy management, cleaning and hosting services, etc.). Their composition is called 'mastering services that improve working life'. It is about harmonizing and delivering highly specialized value.⁶⁰

The power of commitment

The emotional value loop draws attention to the importance of continuous commitment from all members of the organization. As soon as boredom starts creeping in, quality – and thus the ability to move customers every time – starts leaking out. The difficulty is that no professional organization can function without routines. And routines

60 Articles from *Management*, March 2008, *Het Financieele Dagblad*, July 24, 2013.

tend to breed boredom. By looking at routines through the lens of the business composition, companies can instill pride in their workforce for being able to perform routines every day as if that day is going to be the best performance ever. This implies that all levels of management agree and advocate that routines are (sometimes extremely) difficult to excel at, and are worth taking extremely seriously. It takes a deep understanding of their meaning and continuous practice to make it work for the customer. And regular improvement to keep customer relationships lively. For that performers need a certain drive.

The drive to perform

As we have seen, many successful musicians, composers and conductors define their drives and rewards in terms of the satisfaction it brings to be able to generate recognition, enthusiasm, excitement and commitment in their audiences. They find a surprising number of successful entrepreneurs at their side. Sociologists who studied human motivations have defined lists of motivations and drives that lead people to favor certain activities. Only fairly recently some researchers have focused on what drives entrepreneurs. One of them is Insead assistant professor Hongwei Xu. His research from a population of 60,000 at Stanford University⁶¹ led him to conclude: *'Non-pecuniary motivations are more important than monetary motivations for people to start a new business. One is autonomy: people want to be their own boss. The other is identity fulfillment, which is more about people having a vision about a product or a service. But their employers do not give them the freedom to develop within the company structure. That is a key driver.'*⁶²

61 Hongwei Xu, Martin Ruef, 'The myth of the risk-tolerant entrepreneur', *Strategic Organisation*, volume 2, issue 4, November 2004, p 331-355.

62 Alvin Lee, 'The entrepreneur's motivation: Not what you think...', May 17, 2012, <http://knowledge.insead.edu/innovation>, accessed July 2014.

The following overview, derived from a variety of interviews,⁶³ is in line with these findings. It gives a range of intrinsic (when a person feels doing something is important) and extrinsic (when a person chooses to do something because it is rewarded) motivations and drives that all fit in the upper loop of the model presented earlier in this chapter:

- **Freedom.** The stimulating freedom to create according to one's own ideas.
- **Excellence.** The inner motivation of reaching a rare level of performance quality.
- **Improvement.** The feeling of getting better all the time builds confidence.
- **Exploration.** The flow of energy created by continuously building a lasting portfolio of quality work (from which everyone can choose favorites).
- **Sharing.** The joy of experiencing the effects of excellent teamwork.
- **Contribution.** The satisfaction of contributing to the quality of life of others.
- **Admiration.** The challenge of striving for one's own high standards and the joy of seeing how others (audiences, customers) appreciate that effort.
- **Reputation.** The sense of pride brought by reputation among one's peers (who may also be members of the audience, i.e. clients).

The common denominator in these drives is the link between economic value created for clients, audiences, customers (sometimes even society) on the one hand and (emotional) value created for the entrepreneur on the other. It is fascinating to create a result to be proud of – or at least to be part of that creation process. Apparently, this can be a strong motivator. And it can be found in the worlds of music and business alike.

All this helps to explain why there is often such a continuous and pressing commitment to perform. Harpist Lavinia Meijer (Korea, 1983; cum laude at the Amsterdam Conservatory, winner of the Dutch Music Prize 2009) reflects on her preparations for a concert as follows: *'I have to perform, that word is repeated in my head all the time. To me, perform-*

63 Results from a series of observations, interviews and literature reviews by the author.

*ing means going on until you cannot go any further. Then you get to the highest achievable level.*⁶⁴ In the context of live music there is always a concrete, present and actual 'due date' instead of a never ending stream of business activities. As a consequence, awareness of a concrete goal is present more than in many other businesses. And that goal is necessarily shared by all who take part in the performance. This setting stimulates the shared effort to impress, surprise and bind audiences, customers or clients systematically. In many cases the effort to realize the shared goal consumes so much energy and concentration that performers have little room left for attention to efficiency and financial results. Otherwise, the quality of their performance would probably suffer. Therefore, business planning is left to the director or 'producer' and his/her team, while the performers concentrate on delivering the desired effect of their performance. By doing just that, they provide their director with the strongest possible proposition for the market.

Shaping the shared passion

It will be clear by now that successfully moving customers as a team or organization requires keen coordination between individual members or different departments within a company. In practice this is an issue that often causes severe problems. In business literature there is an array of terms to address this issue: alignment, employee ownership, employee engagement, orchestration, performance management. Businessdictionary.com defines corporate alignment as: *'Linking of organizational goals with the employees' personal goals. Requires common understanding of purposes and goals of the organization, and consistency between every objective and plan right down to the incentive offers.'* Some relate alignment in business more specifically to IT or communications. Others, like Kaplan and Norton, view the subject of alignment as a top-down management process that features a cascade of corporate guidelines, strategies, priorities and measures that get more detailed at every stage down the organization.⁶⁵

64 NRC *Weekend*, December 21, p 37 (translation FH).

65 Robert S. Kaplan and David P. Norton, 'Managing Alignment as a Process', 24 April 2006, article on hbswk.hbs.edu.

How SMART is a passion?

Looking at these business approaches, a common paradigm emerges: all are aimed at pinning down goals, people, efforts and results on SMART criteria. These mostly work top down. What is missing is the part that motivates all efforts: the passion for creating unique, shared and repeatable experiences for customers. You can set goals and targets, measure progress, set time limits, coordinate efforts, but if the only corporate motivation is (financial) growth, there will be a leak of human energy and motivation in the organization. Resulting in a lack of attractiveness of the performance for the customer. People who are aware of the purpose in which they take part are willing to put in more effort than colleagues who are just doing their jobs. Even compensating people by means of bonuses has proven to be an approach that leads the wrong way. In other words, what is missing is the sense that bringing a chosen (repertoire of) composition(s) to life is extremely motivating and rewarding in itself. Can that be translated into SMART terms and Key Performance Indicators?

Two-way alignment

In the world of live music the issue of alignment and reward is approached in a more holistic way. It is the composition you are actually working on to perform together with a team of committed colleagues that puts all efforts in perspective. It is the composition that makes alignment into a two-way approach: top-down and bottom-up. As all parties concerned are aware of what is going to be performed, everyone is in a position to contribute, even if not prompted by a superior. Surely there are clear hierarchical lines in the organization. But in the best orchestras there is mutual respect between all participants, allowing for a more natural way of coming to alignment: all individual players know whom to pay attention to, how and when to adjust, how and when to give support. In contrast with the management fashion of personal accountability and KPIs, in an orchestra it is the joint effort that counts. Even a soloist depends on effective cooperation with the conductor and orchestra. The effect of differences between personal and team efforts can also be recognized in other businesses. Some restaurants reward their staff based on individual performance (in some countries with guests' tipping being the sole source of income for waiters). As a consequence there is little team effort when something

goes wrong. Other restaurants train and motivate their staff as one team, with rewards based on the combined results. Here guests experience a smoother sense of hospitality.

The pledge for business is to shift attention away from detailed and top-down alignment management, replacing it by a more integral, two-way 'self-alignment' process, focused on a clear and shared understanding of and commitment to

- the composition to be performed and its essence,
- the setting in which it is going to be performed and its limits and possibilities,
- the effect to be achieved for the customers and their role in the performance,
- the individual 'room to move' during performance.

The fruits of the shared experience

Whereas the shared passion is mainly found *inside* the organization (one can hardly expect every customer to be as passionate about what a company does as the company itself is), the experience delivered is something the company *shares with* its customers – at least in the field of services, and increasingly so in other areas where customers react to their product experiences on social media. In contrast with the product itself, the customer experience cannot be pre-packed and box-delivered like a draft beer system for home use or like recorded music. Many customer experiences are like what happens in live music: they simultaneously have an impact on the customer, the company and its delivery personnel. When the customer is enthusiastic, the performers feel more energized. When something at the customer end goes wrong, there is a direct resonance at the organization end. If not handled correctly it may even get worse for both parties. This shared experience therefore needs careful composition, constant attention and improvisation by the performers, when and where needed.

The shared experience is created around the performance, in all phases of the timeline on which a chain of business transactions or services is carried out. This may last for quite some time. It is not only the

moment of consent, the signing of the contract – so to speak – between company and customer to work together, but the total interval of cooperation between both parties, formal and informal, conscious and subconscious, as we have seen earlier. But the experience is more than just a part of the delivery to the customer. It is a part of the reward for the performers as well.

There are three aspects that make the shared experiences on this timeline intrinsically rewarding for both the performers and the customers.

The pleasure is mutual

A good performance is not an effort to please the customer while denying oneself all pleasure. Neither is it the other way round: trying to gain customer acceptance with minimum effort, saving all benefits for oneself. A professional performer needs to feel ‘in flow’ when performing, meaning s/he feels at the peak of her/his expertise. When there is an energy exchange between performer and audience, the power of this flow is greatly enhanced. The result is a benefit for both sides: then pleasure is mutual for the audience and the performers alike. But there are different ways in which this two-sided effect can be achieved, or missed. Organizations need to decide on their position: they can choose to deliver *minimal acceptable quality* (what is the minimal effort that will keep customers coming?).⁶⁶ Or they can aim for *maximal sustainable quality* (how far can quality be raised while keeping customers willing to pay for the effort?). Or they can choose a seemingly safe position in the middle (average quality for ‘market conform’ pricing). This choice will influence the attitude of all members of the organization. It is a constant guideline for decision-making and decisive for the proprietary quality standard. Let it be clear that all of these choices can lead to viable market positions. IKEA is an example of the first choice: it constantly seeks to simplify its products as well as its operations. But it always keeps customer experience in mind when doing so. But in the housing industry, for instance, where professional construction

66 Some companies have even tried a more extreme position by going for the minimal effort level they could get away with (think of the pyramid constructions of Worldcom, Madoff, and of other questionable investment and building enterprises). Needless to say, this is not a defensible option.

companies meet inexperienced clients, some performers prefer to minimize quality to reduce their own expenses, while maximizing returns from customers. The risk of this approach is that the reputation of the company – and the sector as a whole – is undermined. Michelin starred restaurants are an example of the second choice: they take pride in continuously raising their quality standards in order to achieve higher ratings. Restaurant owners invariably report an increase in bookings immediately after they are awarded a Michelin star.

Feedback is part of the reward

After each musical performance there is a direct response from the audience, providing immediate gratification to the performers. For many music performers this is a highly valued reward: they make music to convey an emotion to the audience, not so much to reach a more distant business goal. This reveals a largely overlooked dichotomy between two types of professionals that can also be found in many businesses: entrepreneurs and craftspeople. Whereas entrepreneurs see a strong performance as a means to grow a successful company, craftspeople enjoy each successful performance as such. Particularly in service intensive businesses a lot of professionals prefer the crafts approach to their trade over the entrepreneurial approach. Leaders who are aware of this difference choose their leadership tools with care.

In a craftsmanship culture it is not the money that motivates most, but the intrinsic rewards attached to the joy of delivering true quality and seeing that this is recognized and valued by customers. To keep this type of professional motivated they need a regular supply of intrinsic challenges (so that they need to keep developing and deploying their skills to the max) and a regular stream of feedback on their performance, preferably by – but not limited to – customers.⁶⁷ They expect to be paid adequately, of course, but intrinsic feedback is what drives them.

In a more entrepreneurial culture, professionals see their compensation as a symbol of their competitive value: earning more means they

67 Daniel H. Pink addresses this issue convincingly in his book *Drive: The surprising truth about what motivates us*, Riverhead Books, 2009.

are getting better. This type of professional is motivated by competition and winning. It is not so much the joy of a good performance by itself, but as a means to beat the competition and be recognized for that. The most difficult circumstance for a leader is to work with a group of both entrepreneurs and craftspeople. Are they aware of the differences among them? How can these two groups work together? Or should they? How can they be tied to a clear set of objectives for the whole team?

What kind of culture is dominant in your company?

As far as a company's success depends on group performances, it is important to stress team spirit and to substantiate that up to the way financial compensation is structured.

Success needs to be celebrated

Being successful is one thing. Celebrating success is another. It is not obvious that there is a positive correlation of these two in all organizations. Some are successful and simply do not pay attention to celebrating it; others value regular celebrations regardless of their fluctuating success. Although the first is worse than the second, both could do better. Celebrating can be a powerful reinforcement of company culture, helping to build and maintain a common understanding of what the company is all about. This implies that celebrations, too, should be related to the business composition – i.e., celebrations are a responsibility of the conductor as well. Shape, size and timing may vary, but things like sequence, personal roles and involvement can and should be considered and planned beforehand. Given the fact that performing compositions in most cases is a team effort, celebrating success also implies that bonuses, if granted at all, should be shared by all team members – not just management – to reinforce the sense that results are always dependent on the combined efforts of all. That goes for the negative side as well: if results fall below what is expected, leaders (in their role as conductor and possibly producer) should address that issue productively, by making clear what the difference is, what the undesired effects have been on the customer and what is expected of the team as a whole to fix the problem, as professionals should. In doing so, they stress the fact that in all circumstances perfor-

mances and the effects thereof are a shared responsibility, leaving out any doubt about the professional quality of the team or individual members. Disappointments come with the trade. Fixing negative impacts on the customer may involve changes in the repertoire, in the composition itself, in adapting the arrangement and/or orchestration, or in its interpretation. Finding out the right balance requires careful analysis. But all elements deserve to be treated as professional challenges instead of personal attacks.

Back to the soul of value creation

After more than seven years of economic downturn, most companies are through their arsenal of cost cutting measures. It soon becomes time to realize you can't shrink yourself out of a recession. There is only one way out: creating such value for customers that they see your offering as a desirable solution. One that fits their concerns so well they are convinced it is worthwhile buying it. Although customer-centric thinking finally seems to be reviving, to make a real difference something has to change in the way it is applied. Overall customer satisfaction has hardly improved at all over the last couple of years. In general, customers rarely experience that they are being taken better care of by companies they do business with. As a consequence, few companies experience benefits from more satisfied customers, who return more often. Recent research⁶⁸ shows either decreasing customer satisfaction or a more or less stable level since the start of the second decade of this century. Just a few industries, like airlines, fast food, healthcare and hospitality, show positive exceptions. There are even striking examples of outstanding service-minded companies, like Zappos. But such examples are found in highly competitive markets and are often initiated by new challengers. They set new expectation levels and live up to these using new business models. They succeed in finding new combinations of products and services that address customers' concerns in a surprising way. Those who struggle most are established firms that have difficulty in changing their culture into a successful customer oriented approach.

This may very well have to do with an outdated industrial efficiency paradigm of management thinking. Although the services sector has been substantially larger than the production industry for decades, it is still an industrial approach (economies of scale, productivity, effi-

68 Yearly customer satisfaction statistics in several countries, international research by Accenture (2011) and Oracle (2012).

ciency, cost-per-unit) that dominates management thinking. Business in general is flooded with vocabulary, models, formulas, equations and symbols that are designed for and used in industrial/production companies, even in many service organizations. Services are referred to as products, process analysis is often called service blueprint, consultancies offer service design and service engineering programs, even health care institutions measure their 'production'.

At the same time it is common knowledge that customers interact differently with services than they do with products. But somehow we have not been able to escape an industrial approach when building business practices on the basis of services. An exception like scripting, borrowed from the world of film making, has become a familiar method for prescribed interaction between service staff and customers. Still it is mostly applied to limit the chance of misinterpretation when a customer gets in contact. Shouldn't it instead be used for getting the best mutual satisfaction out of a service engagement – thus strengthening the relationship between customer and company?

The same approach can be observed where quality measurement is concerned. Large-scale measurements are meant to keep track of even the smallest variations in customer satisfaction scores or purchase intent in various stages of the service process. Much like quality control in a production process.

Is it any wonder that, when it comes to customer performance, so many companies keep getting poor or just average ratings? As long as businesses are defined in terms of products and industries, the influence of customer-company contact on overall performance will be underestimated. What needs to be recognized more is the notion that this customer-company contact is not a mere purchase element, but a crucial factor all along the business relationship – whether it be personal or virtual or both. In too many cases, companies consider customer contact as an element of possible economy gains (open for cost cutting) instead of a powerful source of value creation (inviting investment and innovation).

We need to realize that the fabric of this interaction is not just a means to *arrive at* a result, but an essential element that in itself has a major *impact on* results. Change the interaction and you change the total business outcome. A case in point is the recent redesign of all customer interaction processes at the Dutch telecom provider T-Mobile, as a reaction to a highly critical and nationally publicized public relations disaster in 2010, following a failure to respond to customer complaints. T-Mobile subsequently decided to eliminate the formal Customer Contact department and create a community in which customers and employees discuss service issues and directly help each other to solve problems. T-Mobile actively facilitates and applauds volunteer ‘customer experts’ to help fellow customers. It plans to route all customer complaints directly to the departments concerned, to stimulate direct impact on internal processes that need to change.⁶⁹

The world of professional music offers a different approach to creating, practicing and maintaining great customer experiences. One that can inspire companies and brands in a variety of markets. By adopting the principles of the business composition, they can redefine what is needed for the creation of truly valuable and desirable business experiences. Experiences that move customers and bring results to be proud of.

Just as audience behavior actively enhances the drive, effort and inspiration of performers, customers have a substantial influence on the performance quality of companies they do business with. Consequently, it is not only their Facebook, Twitter or word-of-mouth comments afterwards that will influence your business reputation, but your customers’ willingness and ability to participate that will influence the perceived value you deliver. This book has hopefully demonstrated how your company and your customers can benefit from this mechanism.

The aim has been to bring back the soul of value to the creation of business. As Unilever CEO Paul Polman said in an interview: *‘I want to let the company perform better by improving the lives of many people at*

69 Rogier Schmit, manager Digital Customer Operations T-Mobile, presentation for Nima The Case, October 2013.

*the same time. By changing something essential to society. That is what matters. When I am in my grave, people are not going to say: he increased Robijn's (detergent) market share. Or: when he was the boss, profit went up 20 percent. Those are just trivial things.*⁷⁰ For most stakeholders it means a lot to be part of such a value-creating entity, as is increasingly demonstrated by a new generation of innovative entrepreneurs, their associates and their investors.

70 NRC *Weekend*, December 28, 2013, p. 14 (translation FH).

Before you leave

It has been an adventure to write this book. But it would not have come to its final form without the great help, knowledgeable consults, essential advice, critical remarks, and moral and practical support I received from many who were willing to grant me their time and attention and share their views with me. I would like to express my heartfelt thanks,

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It only shows that, although the work of writing is a solo task, in fact as an author one is surrounded by an orchestra of willing and able supporting musicians. Without them the performance could not have been staged.

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Floris Hurts is the founder and owner of HDNM *business composers* in Haarlem, the Netherlands. He works with management teams of large and middle sized organizations to set up and implement a customer driven approach to the design and delivery of their services in consumer and business-to-business markets including agriculture, civil & social services, day care, education & training, financial services, health care, logistics, media, staffing services and telecommunications.

His thirty years of experience as a services marketing expert is built on positions of senior consultant at TwynstraGudde (a leading Dutch management consultancy firm), partner at services marketing consultancy Corp. Consultants, strategy director at advertising group FHV/BBDO and head of advertising at staffing agency Randstad. As a member of the Dutch marketing association, NIMA, Floris held the position of president of the chapter of services marketing.

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As a lecturer and moderator in the post-academic strategic leadership course and a range of in-company leadership courses at the Avicenna Academy for Leadership, Hurts shares his experiences and insights on services strategy and innovation with business managers and leaders. At the AOG School of Management he contributes to the post-academic courses of business development & innovation, brand management and public services management.

He is the author of *De Onmisbaarheidsfactor* (the Indispensability Factor, Thema, 2006), which was nominated for the Dutch marketing book of the year award, and co-author in *Branding NL* (Kluwer, 2008, revised edition Adfomedia, 2013) on the subject of services branding.

Parallel to the book *The Business Composition*, HDNM developed a repertoire of management workshops in collaboration with the leading pop and jazz orchestra, the Metropole Orchestra.

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Index

- 23 Things They Don't Tell You
about Capitalism* 125
- Accor Hotels 33
Achmea 49
adaptability 37, 90
Adele 6
Ahold 94
airline services 29, 53
Albatross 62
Albert Heijn 71, 94
Albert Heijn ToGo 71, 94
alignment 155, 156, 157
Amazon 48
Amsterdam Concertgebouw 99
AnsaldoBreda 91
Appeal 46
Apple 17, 31, 60, 103, 114, 151
Apple Store 103
applied creativity 78
arranger 22, 55, 71, 93, 117, 118
audible contact 108
Avicenna 95
- Bach, Johann Sebastian 6, 31
Backstreet Boys 17
Barrett, Frank J. 83
Beethoven, Ludwig von 60
Benoliel, Peter 125
Best Employer Of The Year 39
Best Western 92
Bezos, Jeff 48
Biedermann 118
- Bilbao Guggenheim 106
Blue Ocean Strategy 61
BMW 17, 101
Bohemian Rhapsody 60
bonuses 156, 160
Booms and Bitner 100
Boston Symphony Hall 99
Boston Symphony Orchestra 99
brand architecture 66
brand awareness 70
brand image 102
brand signature 70
Branson, Richard 60, 114, 115
briefing 62, 64, 66, 79, 107
Brokken, Jan VII, 132, 136
business composition in
 relation to other tools of
 management 35
business compositions and
 technology 54
business conductor's
 dilemma 123
Business Point M 49
business process redesign 12
business relationships 3, 10, 26,
 55, 75, 83, 101, 131, 136, 141
business scapes 100, 101, 103
business-to-business services 81
- cabin crew 34
Cage, John 59
capacity 45
Car Glass 49

- Carrefour 72, 94
- Carrefour Express 72, 94
- catering business 75
- CEO 48, 115, 165
- Chang, Ha-Joon 125
- change programs 37
- changing regulations 110
- choice architect 117
- choice architecture 77, 138
- choreography 51
- Christensen, Clayton 21
- Citizen M 118
- Clausewitz, Carl von 31
- coaches 127
- codified contact 108
- Cocker, Joe 6
- Collins, Jim 113
- community of talents 38, 112
- company's journey 67
- Composition Interpretation Scale 84, 115
- concept and repertoire 34
- conditioning 62
- consensual behavior 137
- Cook, Tim 117
- core customer 78, 79
- craftsmanship culture 159
- creative framework 5
- crowdfunding 72
- Customer Bill of Rights 138
- customer effect improvement 27
- customer effects 22, 25, 26, 46, 119
- customer expectations 87
- customer intimacy 25, 26
- customer journey 67, 69
- Customer Performance Index 150
- customer relations 46
- customers as visitors 101
- customer satisfaction 9, 24, 25, 104, 122, 148, 163, 164
- customer's problem awareness 70
- customer timeline 69
- customer value 25
- DBFMO contract 97
- Delaere, Mark 90
- development 70
- Dire Straits 6, 62
- Disneyland 49, 106
- disruption 20, 57, 147
- distant contact 108
- diversification 107
- Dutch national railway company NS 104
- education and training 8, 81
- Egorov, Yuri VII, 132, 136
- e-health 22
- Eiffel Tower 105
- E.Leclerc 89
- electronic interfaces 140
- embedding instruments 98
- emotional value loop 146, 148, 152
- employee ownership 155
- enriching 95
- entrepreneurial culture 159
- entrepreneurial spirit 55
- experienced level of attention 24
- Facebook 165
- Falling Leaves 62
- financial services 18, 29, 81, 141
- financial value loop 146, 147

-
- Fireworks 60
Fischer, Nora 86
fixed systems 88
flagship stores 103
Fleetwood Mac 62
Flexibility 45
Four Seasons 60
framing 38, 62
friendly but unhelpful services 19
funeral services 24
- Gaal, Annemarie van 9
garden centers 105
Goerne, Matthias 133
golden circle 57
Goldschmeding, Frits 115
Good to Great 113
guests 17, 25, 33, 53, 76, 156
- Händel, Georg Friedrich 60, 62
Harrods 33, 105
health care 16, 18, 22, 26, 81, 103,
151, 164
Hertz 73, 74
homes for the elderly 105
Horowitz, Vladimir 136
Hotel California 60
house rules 137
- IKEA 68, 103, 105, 137, 158
imaginative 65
impact of a missing
composition 20
impact on interactions 107
improvisation 11, 44, 83, 84, 85,
86, 87, 88, 91, 115, 119, 122, 157
infrastructure 46
instruments 95
intended effect 64
intensifying 95
investments 46
IT 11, 18
Isaacson, Walter 151
- Jackson, Michael 6
Jansons, Mariss 114
jazz 43, 44, 83, 85, 87, 91
jazz mind-set 83
JCDecaux 102, 115
JetBlue Airways 110
Jobs, Steve 31, 56, 93, 114, 151
Johnson & Johnson 151
- Kaplan, Robert 155
Kay, John 148, 150
Karajan, Herbert von 120
Key Performance Indicators 156
Koelewijn, Jaap 23
KLM Airlines 39
KPMG 29
- lack of customer priority 27
leadership 43
Liebreich, Alexander 121
L.L. Bean 103
Lloyd Webber, Andrew 6
London Philharmonic 17
Louvre 106
- maintenance 48, 81, 97, 106, 152
market research 56
maximal sustainable quality 158
McDonalds 45, 90, 92
McKinsey 17
Mercedes 101
Mercure Hotel 49

- Meijer, Lavinia 154
- Metheny, Pat 87
- Michelin star 159
- middle managers 131
- minimal acceptable quality 158
- mission 5, 29, 30, 31, 33, 34, 35, 37
- Mozart, Wolfgang Amadeus 6

- Neeleman, David 110
- Net Promotor Score 9, 10, 148
- non-playing team members 140
- Norton, David 155
- Novotel 33
- nudges 77, 138, 139

- Oliver, Jamie 152
- online buying 58
- online retailing 22
- operating theaters 53
- operational excellence 25, 26
- operational teams 88
- orchestration 155
- organizational change 12, 37
- organizational culture 37
- originality 60
- outcome value 22
- overture 70

- Pay to Quit 48
- performance measurement 46
- performing musician 71
- Philadelphia Orchestra
 - Association 125
- physical shopping 58
- police work 106
- Polman, Paul 165
- potential risks 87

- preferred supplier 102, 152
- prelude 70
- pricing 22, 158
- priming 62
- Private Investigations 62
- process efficiency 22
- producer 7, 8, 74, 108, 112, 113-115, 117, 148, 155, 160
- professional attitude 49
- professional autonomy 51, 53
- professional distance 101
- protocols 5, 8, 9, 53, 84, 85, 88
- Pyongyang 121

- quality reinforcement 102
- Queen 60
- Quickfit 49

- Raes, Jan 114
- railway services 9
- Randstad 115
- Range 44
- Reach 45
- recession 118, 141, 145, 146, 148, 163
- Rehab 62
- relevance 64
- remuneration 44
- reprise 70, 80, 95
- restaurant chains 53
- retail 22, 36, 60, 81, 101
- risk avoidance 47
- Rituals... 35
- Rolling Stones 17
- Royal Albert Hall 99
- Royal Concertgebouw
 - Orchestra 17, 35, 114, 127

-
- Samama, Leo 11, 167
Schiphol Airport City 106
score 51, 71, 89, 90, 92, 93, 115,
120, 134, 152
script 51, 52, 53, 113
scripted behavior 53
section leaders 131
sections 34, 47, 69, 80, 129, 131
Sensation White 137
service delivery 25, 139
service encounters 97
Service Profit Chain 47
service scape 100
shareholders 38, 48, 114, 125
shopping experience 98
Sidney Opera House 99
simplification 94
Sinek, Simon 57
Singapore Airlines 17, 92
situational followership 112
situational leadership 112
situational 'soloism' 112
SMART 156
Sodexo 152
Soldaat van Oranje 105
soloist 7, 8, 10, 87, 96, 121, 132,
133, 134, 135, 156
sonata 70
sophistication 45
specialization 43
sponsors 114, 151
Springsteen, Bruce 15, 25, 26, 54
stakeholders 124, 125, 141, 166
Starbucks 45, 60, 115
strategy 5, 24, 29, 31, 33, 34, 47,
102, 131
strategy vs composition 32
Strauss, Johann 60
strong business composition
titles 63
suite 70
Sunstein, Cass 77, 138

Take That 147, 148
Tango 94
Te Kanawa, Kiri 16
telecom 18, 165
tendering process 76
Thaler, Richard 77, 138
The Beatles 6
The Blue Danube 60
The Eagles 60
The Four Seasons 34
The Innovator's Dilemma 21
timeline 66, 68, 69, 79, 116, 157,
158
title 61, 62, 64, 65, 66, 79, 80,
150
T-Mobile 165
TomTom 114
touch points 67, 69
Treacy, Michael 25
Twitter 165
typify your organization 45

Unilever 165
Unique Selling Proposition 65

value chain 18
variation 107
Verdi, Giuseppe 16
Virgin 29, 114, 115, 151
vision on leadership 43
visual contact 108
Vivaldi, Antonio 34, 60

Weggeman, Mathieu 52
wholesalers 105
Wiersema, Fred 25
Williams, Pharell 62
Winehouse, Amy 62
Winter, Loek 151
With a little help from my
 friends 6

Working behavior 102
Hongwei Xu 153
Yes to the Mess 83
Zappos 49, 163
Zweden, Jaap van 99, 133