STRATEGIC SERVICE TRAINING ▥MCG

Breakthrough ingredients

1. **Follow strategic service truisms (models) (e.g. The Service Retention Model)**

2. **Adapt all to wholesale-branch realities**

3. **Combine custom flex (+) standard service process(es)**

4. **Inter-connected, bite-size lessons**

5. **Pragmatic educational delivery system**

6. **Platform from which to build**

03-12-03 #15 Slide #   1

1)The "service retention model follows this slide; there are many "ideograms" in our High Performance Distribution.." video that tie into this central model.
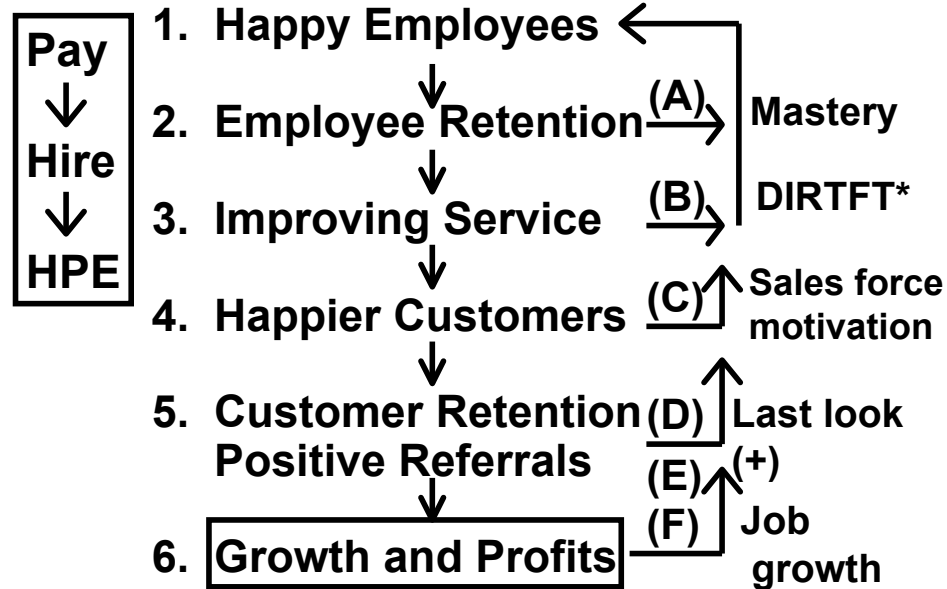
2) Distribution is essentially a simple, local, service intensive business. Many management ideas have to be simplify, scaled down and explained in distribution service metrics in order to make sense for front-line employees.

3)Systems are vital to any business. In distribution businesses there is both a lot of standard process activity as well as customized service needs for customers ideally executed at a higher level of complexity and consistency than the competition. How do we help employees be smarter than they are with guidelines or knowledge management building blocks?

4) How do we get all employees up to high performance service understanding and fluency as quickly, affordably and flexibly as possible? Web-based training on demand is nice, but most front-liners need to take ideas and discuss them with other local folks who bring in lots of company specific examples.

5) The "High Performance Distribution.." video offers 53 "ideograms" that all inter-connect, but any company can modify and add to them. So, the video is meant to be a base to build from.

SERVICE RETENTION MODEL ('90) *MCG*

Pay ↓ Hire ↓ HPE	1. **Happy Employees** ←
	2. **Employee Retention** **(A)**→ **Mastery**
	3. **Improving Service** **(B)**→ **DIRTFT***
	4. **Happier Customers** **(C)**↑ **Sales force motivation**
	5. **Customer Retention** **(D)** **Last look**
	Positive Referrals **(E)**↑ **(+)**
	6. **Growth and Profits** **(F)** **Job growth**

*DIRTFT = do it right the first time   03-12-03 #15 Slide #   2

This is a modified version of a model that appeared around 1990. I have written an article on it numbered 3.7 for when it gets re-posted on the new site. In our video, it is covered in module #3.12, and the article is in the Implementation Guide.

There are many modules or ideograms in the video that tie into this model. High performance "pay" ; modules 2.3 and 2.4.

"High performance environment"; modules 5.1 - 5.8 and the enlightenment effect from the entire video.

"Happy" employees; module 3.15 on anonymous surveys.

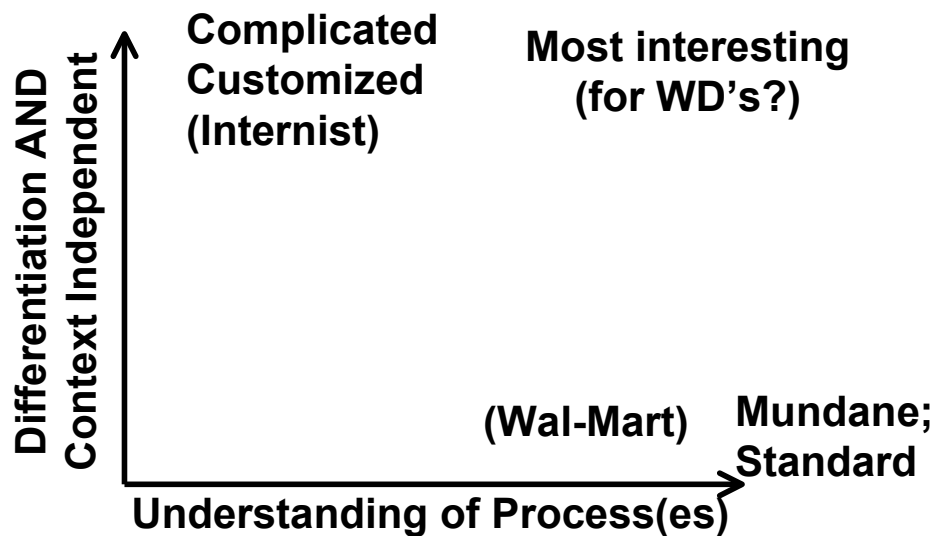"Improving Service"; all of section 4

"Customer retention; last look; etc; modules 4.10 to 4.13

"Master"; module 5.4

"DIRTFT (do it right the first time); module 4.5

"Growth and Profits; job growth"; modules 2.5 - 2.11

HPS META-LANGUAGE (1) *MCG*

Complicated
Customized
(Internist)

Most interesting
(for WD's?)

Differentiation AND
Context Independent

(Wal-Mart) Mundane;
Standard

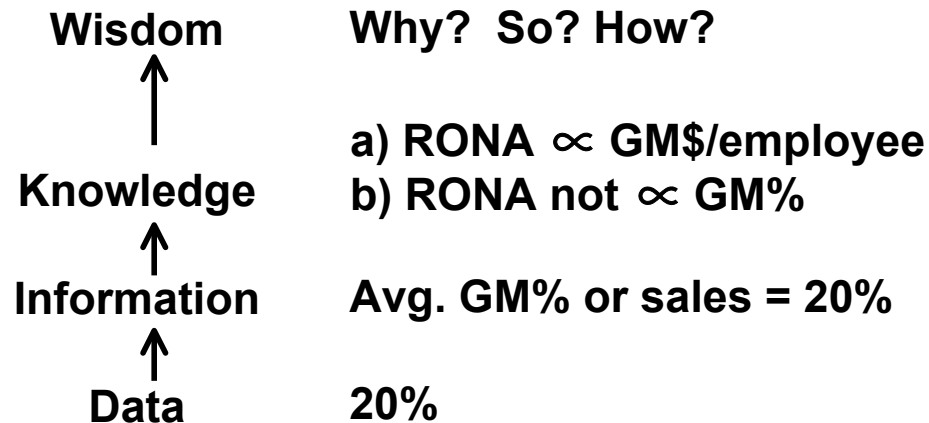Understanding of Process(es)

HPS - high performance service   03-12-03 #15 Slide #   3

This grid tries to illustrate that local, great service distribution companies must blend standard service processes with a lot higher level customized services. No one is further to the right along the horizontal axis than Wal-Mart. The best distributors that partner the best customers with integrated supply deals would be way up in the Northeast corner. But, how much collective service intelligence is required to do this perfectly for many customers on a profitable and consistent basis?

HPS META-LANGUAGE (2)

"Knowledge Management"

Wisdom	**Why? So? How?**
↑	
	a) RONA ∝ GM\$/employee
Knowledge	**b) RONA not ∝ GM%**
↑	
Information	**Avg. GM% or sales = 20%**
↑	
Data	**20%**

One way to break down the vague idea of "knowledge management" which is the codification, sharing and re-duplication of higher level understanding is to break it down into four levels of "knowing" - data to wisdom.

A piece of data is "20%" which means nothing out of context.

The data has more "informational" meaning if we find out that a distributor's average GM% as a percent of sales for the year was 20%.

Knowledge starts to explain why the information is good or bad and why it happens, what causes it. In this case, we find out that for a distribution chain there is no correlation between how high the GM% for a branch is and its "RONA". Instead within the chain, there is a near perfect correlation between how high the RONA is for the branch and how high the gross margin dollars per full time employee are on an annual basis.

Wisdom might next explain all of the strategies that go into making some branches work a lot smarter with higher perceived value to customers to cause highest GM\$/employee ratios to in turn support highest RONA scores.

Wisdom also can explain the boundaries for when one set of successful rules stops or starts applying and when change in business conditions require new strategies, tactics and metrics to succeed.

HIGH PERFORMANCE SERVICE META-LANGUAGE
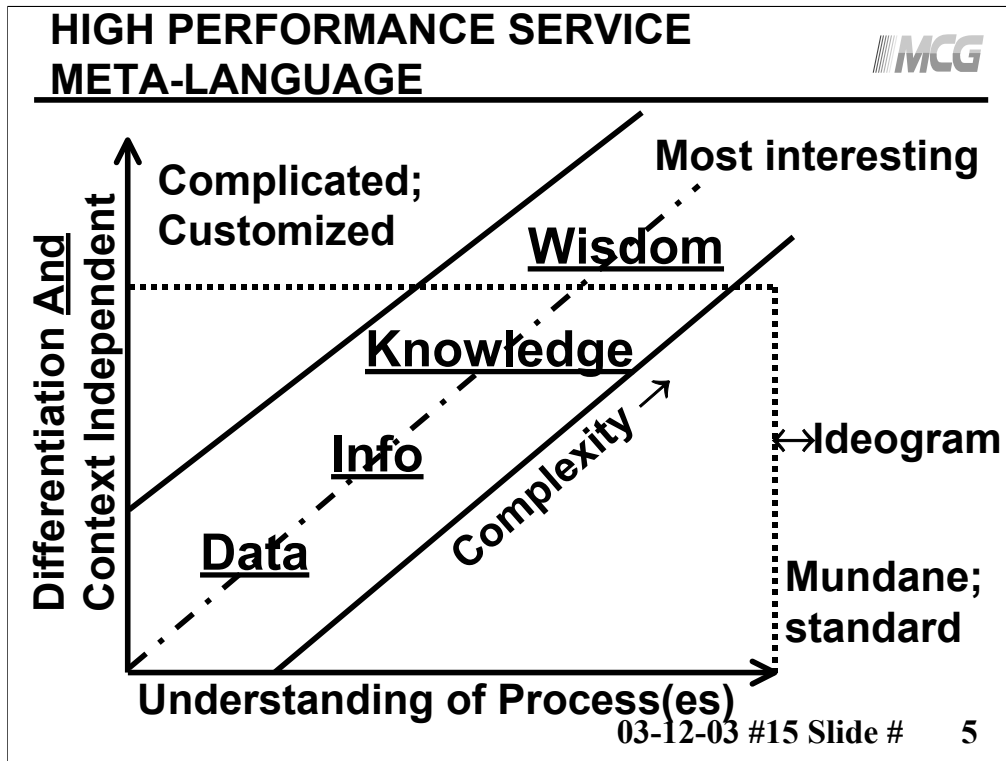
This slide puts the three building slides all together. The biggest challenge now is how to create bite-sized, learning concepts, diagrams, power phrases that can help to make employees educationally smart about operational and service excellence.

Do all of the employees know and respond to the concept terms of: core accounts, Gazelles, lead into gold accounts, the big X of service excellence, etc. that are all in the High Performance video?

HPS META-LANGUAGE   ///MCG

Ideograms: Pictures, Summary Phrases

1. **Retain(+) most profitable (core) accounts**

2. **Team sell ideal Gazelles**

3. **Turn "lead accounts" into gold**

4. **Be "commonwealth capitalists"**

5. **Profits = cost of your future (cycle)**

6. **Kinetic chain (x) any initiative**

03-12-03 #15 Slide #   6

These are examples of summary phrases for ideograms in the High Performance video. A "meta-language", by the way, is a language about a language.

Employees can share one phrase to get across an hour of training that helps higher level communication, execution and problem solving.