

Moving Toward Franchising in the Retail Industry: Building a Strong Sales Culture



Facts

Industry
Retail

Size
3,000+ employees

Market Capitalization
Approximately US \$2.5 billion

Note: International currencies have been converted to US dollars.

Challenge

A large company sought to transform its retail division into a highly responsive, customer-driven organization and, at the same time, achieve “stretch” sales goals.

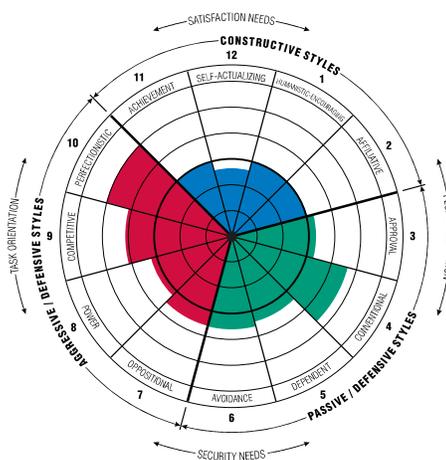
PROCESS

To achieve its goals, the company recognized the need to restructure, redesign, and re-staff all positions while making a strong shift to a sales culture through targeted training and development activities and enhanced reward systems. To this end, the company designed an intensive development program for new franchisees that incorporated Human Synergistics International’s (HSI) *Life Styles Inventory*™ (LSI), *Organizational Culture Inventory*® (OCI®), and problem-solving simulations.

The company’s “current” OCI results (Figure 1) show a strong “bow tie” effect between the **Conventional** Style and the **Perfectionistic** Style. Common in retail organizations, this combination indicates that staff members are expected to follow the organization’s rules and policies “perfectly.” Such behaviors result in poor customer satisfaction because staff are expected to obsessively follow the rules rather than achieve an outcome for the customer.

Following the initial assessment, a retest using the OCI was planned for one year later (Figures 2 and 3 on the following page).

Figure 1: OCI Profile
N=902



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SURVEY RESULTS: “CURRENT” CULTURE

The company began this initiative by conducting an organization-wide OCI survey. The objective was twofold:

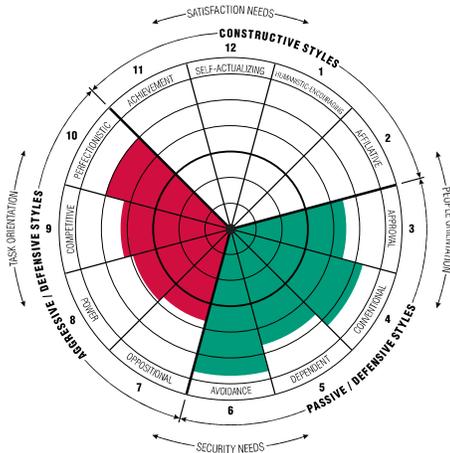
- to establish a baseline measure of culture as information for new franchisees; and
- to provide a basis for assessing the impact of franchising on the organization’s culture.

OUTCOMES

Although the full impact of the company’s efforts is yet to be fully realized, Figures 2 and 3 reflect the dramatic influence of leadership style on branch culture.

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Figure 2: OCI Profile, Branch 1
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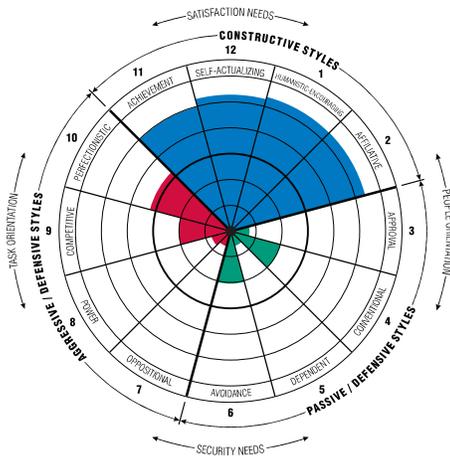
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Only four months after franchising took place, the cultural outcomes from these two adjacent branches couldn't be more different:

- As evidenced by an absence of **Constructive** styles and strong extensions on the **Passive/Defensive** styles and some **Aggressive/Defensive** styles, Branch 1 (Figure 2) is experiencing low staff satisfaction, turnover, absenteeism, and poor customer service.

- As evidenced by strong extensions on the **Constructive** styles and a relative absence of **Passive/Defensive** and **Aggressive/Defensive** styles, Branch 2 (Figure 3) is experiencing sales growth in key product lines—and none of the negative outcomes attributed to Branch 1's culture.

Figure 3: OCI Profile, Branch 2
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About the Circumplex

Human Synergistics International's Circumplex provides a way to "see" what drives the performance of individual contributors, leaders, work teams and, in short, the entire organization. It illustrates the factors underlying performance in terms of 12 styles of thinking and behaving. Some styles lead to effectiveness and productivity; some do not. Regardless of their impact, they all describe what's happening inside the organization and provide a direction for change and development.

Effective individuals in groups and organizations show **STRONGER** tendencies along the **Constructive styles**.

12

Members are expected to gain enjoyment from their work and produce high-quality products/services

1

Members are expected to be supportive, constructive, and open to influence in their dealings with each other

11

Members are expected to set challenging but realistic goals and solve problems effectively

2

Members are expected to be friendly, open, and sensitive to the satisfaction of the work group

10

Members are expected to avoid making mistakes, work long hours, and keep "on top" of everything

3

Members are expected to agree with, gain the approval of, and be liked by others

9

Members are expected to operate in a "win-lose" framework and work against their peers to be noticed

4

Members are expected to conform, follow the rules, and make a good impression

8

Members are expected to take charge and "control" others, and make decisions automatically

5

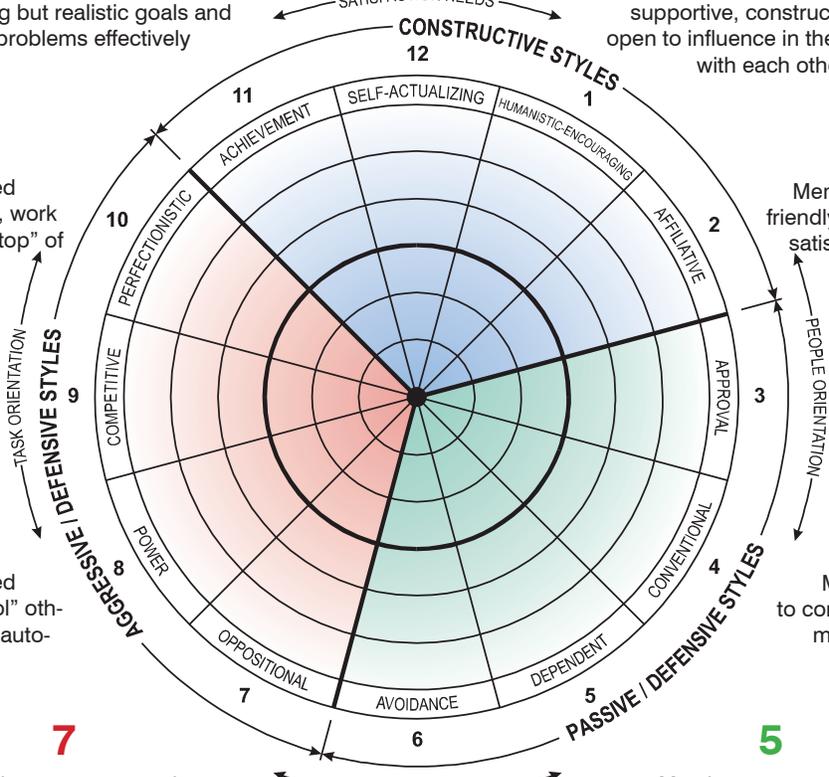
Members are expected to do what they are told and clear all decisions with superiors

7

Members are expected to gain status and influence by being critical and constantly challenging one another

6

Members are expected to shift responsibilities to others and avoid being blamed for mistakes



Effective individuals in groups and organizations show **WEAKER** tendencies along the **Aggressive/Defensive styles**.

Effective individuals in groups and organizations show **WEAKER** tendencies along the **Passive/Defensive styles**.

Research & Development by Robert A. Cooke, Ph.D., and J. Clayton Lafferty, Ph.D. Copyright © by Human Synergistics International. All Rights Reserved.

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Creators of the *Organizational Culture Inventory*®, *Desert Survival Situation*™, *Life Styles Inventory*™ and *Leadership/Impact*®.

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