

Members' Meeting

The concept of mystery shopping and what to do with the findings of a survey were explained to members attending the pre-Christmas members' meeting. First Graham Hardiman of The Mystery Partnership set the scene explaining the benefits of mystery shopping, to be followed by Geoff Langston who explained the virtues of recruiting, induction and customer care training for staff. Steve Bent followed this by showing that a 5% increase in the conversation rate, following training and measuring, will lead to another £1000 profit per sale.

The benefits of mystery shopping to the self storage industry

Graham Hardiman MHCIMA, who gave a presentation at the recent SSA Members' Meeting, is managing partner of The Mystery Partnership an International Mystery shopping organisation.

Seeing your own organisation with a fresh and independent perspective is the basic principle behind mystery shopping. It is the process of measuring and reporting covertly on customer service standards at the moment of purchase or service delivery. Leading proponents use mystery customers both as an intrinsic part of their staff motivation programme and to measure customer service standards against a standardised benchmark across their business.

Mystery shopping is used:

- To measure, independently, service delivery standards;
- To create management focus;
- To encourage staff involvement;
- For training needs analysis and evaluation;
- As a mechanism for staff reward.

Mystery shopping has traditionally been carried out in the retail environment and in the business-to-consumer environment, but its use is now being valued across a much wider spectrum of customer service situations including business to business.

Some self storage companies have been using mystery customer programmes for a number of years as a long-term quality management system, and as an objective and independent feedback from the customer's perspective on the level of service being offered. The process may be used to reinforce brand and company core

standards or manage company quality systems, whilst also receiving valuable independent and fresh feedback.

In the beginning

Before you can measure anything you have to know the type of information you want. After all, how do you know where you are going if you don't know where you are in the first place? A good mystery-shopping programme provides an analysis of training and development needs, as well as an incentive and deterrent to all of the front line service team. All mystery customer projects start by looking at the various quality standards and factors that the client company is working towards.

These may include:

- Standard Operating procedures;
- Quality initiatives such as BS5750 or ISO standards, TQM etc;
- An Investor in People project;
- Sales and Marketing plan.

There are also unwritten standards that are used within most organisations that are considered as custom and practice. These should be written into the programme. It is necessary to bring all of these standards together, and agree upon the key performance indicators that relate to the service being offered.

There are both 'hard' standards, such as the number of rings before the telephone is answered, response times or adherence to sales techniques, and assessments identifying 'soft skills', such as customer interaction and friendliness of staff members, and might include a 'smile' report, evaluating first contact and welcoming of customers.

Standards used within the programme must be aspirational, they must be at



Graham Hardiman

the highest end of the achievable scale in order that programme does not measure against a median standard of service, but assesses up to the highest optimum standard possible. This allows superior performing members of the team to be recognised as well as identifying training and development needs for weaker members of the team.

Communication

Vital to the success of a programme, is agreement with the client company and all of its operational team that the questions asked by the programme, in each of the assessments, are relevant and are agreed upon by all concerned. From the senior management down to those people working at "the sharp end", the very people who are delivering the service, there has to be a consensus that these are the standards that everyone is working towards. The measurement criteria used within every programme has to be fair and seen to be fair to have validity when the reports start to appear.

It is interesting that when all of a team is involved in the writing of the standards to be used within a mystery

Members' Meeting

customer programme that almost invariably, there is a common agreement that the organisation should be aiming at a higher level than are presently contained within documents such as Standard Operating Procedures.

How does the system of reporting back to clients operate? What is the time frame?

It is an ongoing programme with an annual agreement and will be for a predetermined number of mystery customer call and or visits. No one within the organisation will know when the visits will take place.

Most clients, when they receive the report, will look initially at the statistical analysis. Have we improved or declined? Whilst statistical analysis is important, the commentary is equally important.

Each issue identified, be it positive or negative, is backed up with significant explanation and observations to justify marks awarded and to provide management with sufficient information to allow them to take corrective action if appropriate. There are always positive experiences that will come out of the report, which are just as important as the negative experiences.

All organisations look at their ability to offer the highest level of service. But their primary objective should not be just to provide the highest level, but to provide a consistent level of service. You are rarely judged on the highest level, but you are frequently judged on your consistency. It is quite a feat of management to ensure that consistency is maintained, and in past experience we have found that quality invariably follows when consistency is achieved.

The lead partner working with you must have a detailed knowledge of the company and what the programme is designed to assess. The lead partner will guide you and help you through the whole process to develop a programme that ensures the company as a whole gets the best from the programme.

Benefits

The benefit of an objective independent analysis is that it provides a conduit for senior management to communicate with the team members 'at the sharp end' more effectively, as the use of an outside source lends impartiality. So rather than have senior management identify a weakness, the independent

analysis allows them to highlight this weakness through the outside source, whereas if they had raised it internally it could be problematic and possibly counterproductive. This independent analysis compliments the existing management systems.

Assessments also highlight key service indicators, such as language skills (or lack of them), service response times and the effective communication of response times to customers, be they internal or external customers. A mystery customer programme can highlight all of these, and bring in much more detail in order that management and their teams can effect change.

Post report training and advice.

The Mystery Partnership made a decision many years ago not to provide remedial training. "We felt that offering these services may compromise our independence, which is of the utmost importance. If we were to sell training services, how independent or objective may our mystery customer report be? No, we prefer to be a quite independent measurement service."

Members' Meeting

Taking advantage of your mystery shopping programme

by Geoff Langston

Mystery shops have regularly highlighted missed business opportunities in both independent and multiple self storage warehouses.

Clearly it makes sound economic sense to ensure that we maximise the potential value of each and every customer. To achieve this, one of the keys to success is to recruit the right people and then provide them with the appropriate skills to carry out their duties as a representative of your company.

So why do mystery shopping results very often fail to meet our expectations? Perhaps it is because sometimes we get so immersed in our everyday activities, the routines, reports, tasks (maintenance activities) etc., that we neglect one of the most critical ingredients of running a successful business – our people! It is so easy with the day-to-day pressures of business, the speed of what goes on around us, and the need to get things done yesterday, that we get sucked into to doing "stuff" all day every day.

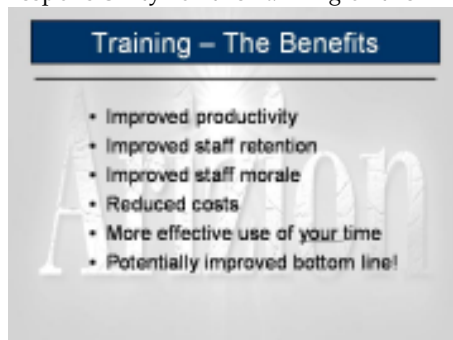
Your business is only as good as the people you employ, and I would suggest that if more organisations spent more time *recruiting* the right people, *inducting* them effectively and then *training* them (development activities), the benefits are almost immediately tangible.

To put this into context, a client who was getting consistently poor results from his mystery shops decided to invest in some customer care training for his staff. It was clear from initial discussions that he saw the training as a cost rather than an investment. The whole of the organisation's team were taken through a full day's customer service training, with some practical next steps that could be

implemented the very next day on their return to work.

Some months later, the owner of the organisation recognised that he had seen a change, not only in the mystery shopping results but also in the staff themselves in terms of confidence and positive attitude. As a result of this he put into place a series of workshops for his managers, followed by a set of workshops for the assistant managers in the organisation.

This investment in his people subsequently allowed the owner to step back from the day-to-day business operations as his team had the competency to take responsibility for the running of the



operation. The owner himself embarked on some personal development and also used the time he had freed up to focus on developing the business for the future including significant expansion plans. He now sees training as an investment rather than a cost, and has an ongoing staff development programme.

Research regularly confirms that pay comes well down the list of motivators at work. The real motivators are things like responsibility, achievement and recognition. Training your staff goes a long way towards meeting these potential motivators, with often little or no investment.

If you consider these three



Geoff Langston

motivators, and think about the example described above, when your people have received appropriate training, you are likely to be more confident in allowing them to take responsibility for their role, which is likely to lead to them having a sense of achievement.

The last motivator, which is very often overlooked, is recognition. A recent piece of research indicated that what 82% of people really want from their boss is a thank you! How often do you take the time to say thank you to *your* people?

So, if you recruit the right people, induct them effectively, train them and recognise their contribution (regularly and consistently) to the organisation, this investment is likely to pay dividends for both you and your team.

Some of the benefits that you are likely to see are:

- Improved productivity;
- Improved staff retention;
- Improved staff morale;
- Reduced costs;
- More effective use of *your* time;
- Potentially improved bottom line.

As suggested earlier, it seems to make sound economic sense to invest in training your people.

Members' Meeting

Want more square feet?
by Steve Bent

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successfully increase storage rates or number of enquiries by 25% or cut your costs by 20% then please email me immediately to missionimpossible@unrivalledconsulting.co.uk!

So how do we create this increase?

Use Measurement

Increasing performance using measurement is

actually fairly simple to put in place: measure where you are now, decide where you want to be and keep track of your progress. However I have come across many mistakes common to large and small businesses alike.

The biggest mistake of all is simply not measuring. After that, the main mistakes can be categorised into two main areas. Firstly measuring one thing but asking staff to do another. This can become more visible when you look at incentive structures: ask the team to do X but pay them to do Z - it shouldn't be a big surprise that X is not happening.

The second biggest mistake is incorrect action being taken from the result - no action at all being the most common one! If nothing positive happens when the team perform, or nothing negative happens when they don't perform the team think "why bother".

Use training

The important thing to remember about training is that it is a process not an event. A half day, full day or even a few days training is not going to change year



Steve Bent

long habits. It needs to be reviewed and revisited and measurement plays a very active part in this process.

The training process has four well documented steps:

- 1 Do an analysis - what do we need to achieve our new goals?
 - 2 Design training to fill gap
 - 3 Deliver training to assist in achieving the goal
 - 4 Review & Follow-up the achievements
- Remember it should be continuous!

Again there are two common mistakes when using training. How often have you been on a training course that wasn't really relevant to you? The number one mistake I have seen is simply this - training does not match the need.

The next biggest and slightly less obvious mistake is that skills are not developed that can be used right away. Training has to have a practical application or there's no point in doing it. By the same token staff must have the opportunity to put skills into action as soon as possible after the training

otherwise the training is lost and ultimately a waste of time.

So to recap "how to get more square feet" - be sure to measure what you want staff to achieve, then provide them with relevant training to help them improve, and watch that bottom line grow.

Bottom Line

As I see it there are four steps to increasing the bottom line:

- Cut costs;
- Increase rates;
- Drive more enquiries to store;
- Improve performance.

In keeping with the previous information from Graham and Geoff I'd like to focus on improving performance through measurement and training

What's the aim?

Let's take a step back to remind ourselves of the actual aim of this business...

Find or build a building, kit it out with units, fill our store with customers, and when we reach a certain occupancy we increase prices. Simple!

I know that we're looking at complete basics here, but it points out that a key bottom line driver for the self storage industry is how quickly you can fill up stores - the rate of conversion!

Calculation

Graham mentioned during his speech the value of a customer as £700. To me the cost of a customer is your total costs divided by total sales; let's say £500, giving an example profit from one customer as £200.

If we take a conversion rate of 20%, 100 enquiries equals 20 customers.
Profit = 20 x £200 = £4000

However, if we improve performance by measurement and training to 25%.
Profit = 25 x £200 = £5000

A bottom line increase of 25% which is not only healthy but has also got to be better than the alternatives! If you can



The training process