



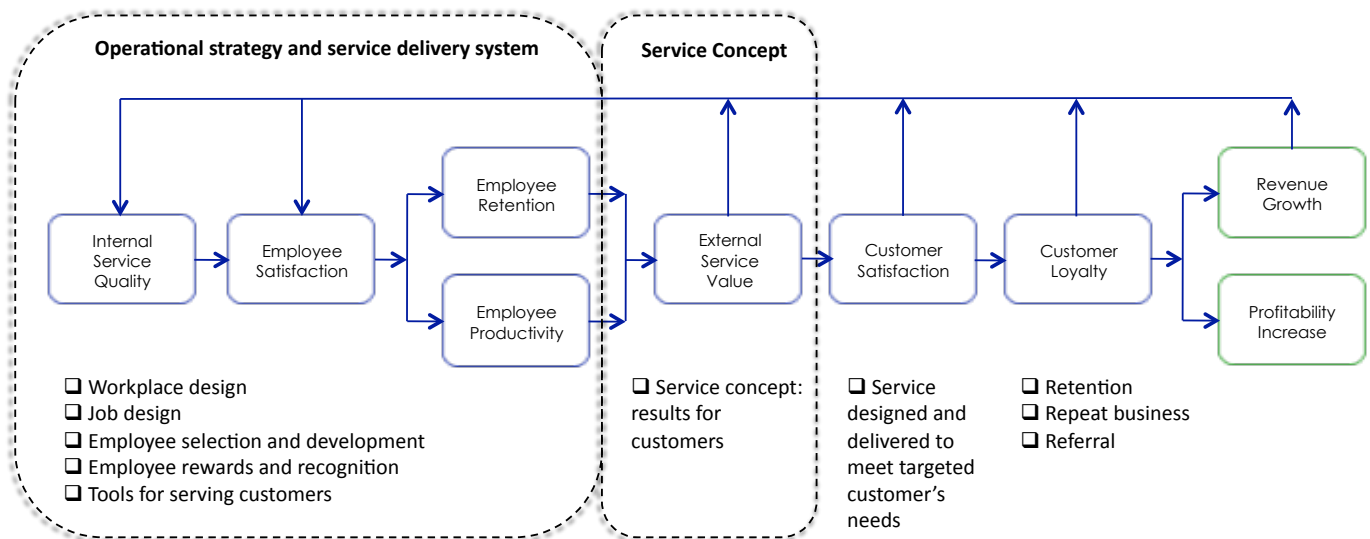
Revenue growth by application of the Service-Value profit chain in a national UK DIY retailer

The Challenge

A large format DIY retail store in North London with historical challenges had now become the Company's most underperforming store and a security risk to the people that worked there. The store has decreased in turnover by 42% (to £8 million annually) with shrinkage costs in excess of £360,000 annually.

The Approach

The chosen strategy was to implement the Service Value Profit Chain (methodology illustrated below). This strategy focused on the workforce and supporting processes to build a recognised service delivery system - by fully understanding the corporate vision for customer satisfaction and then tailoring this vision to fit the local demographics. A bespoke employee selection strategy was developed that sought to recruit personnel from all ethnicities in the catchment area. In doing so this diverse team once developed would exceed in terms of 'external service value' and thus drive customer loyalty.



The Actions

In order to successfully implement this approach the capabilities of the existing team (especially management) had to be reviewed to determine suitability for each role and to map individual coaching needs. Performance management with succession planning was initiated. This made visible all team member roles to the improvement effort.

The Results

Reversed the turnover decrease and enabled increases in turnover of +37% year-on-year (to £11 million annually), this contributed to a net income in excess of £2 million for the Company's most high-risk business unit. This achievement created the highest turnover store for the Company within an 18-month period and the only store in the Company's history to exceed £2 million annual net income.