

The Importance Of Operations:

Servicing Your Customers Beyond The Provision Of Product



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The difference between a good franchise and a poor franchise could be a toilet!

I am sure if I was able to interview the doyen of toilets in Australia, Kenny (aka Shane Jacobson), he would tell us the importance of a clean lavatory. His classic film 'Kenny' gave us a new view into the lowly toilet, and the dedicated maintenance required to keep up the standards in this often overlooked area. Who can forget his classic statement, "This smell will outlast religion!"

His graphic examples of the work he would undertake to keep the "port a loo" toilets clean should be a "training must watch video" for every fast food restaurant and service station in Australia! I would feel that, combined with an old McDonald's saying, "If you can lean, you can clean" would be where most employers feel the standards should be.

Fortunately, many businesses understand the benefits of clean and tidy restrooms, as part of the overall Operations of their business, but some see it as a bit of an unwanted chore.

My wife and I have travelled to Asia many times. She assures me that, especially in China, she navigates by the McDonald's Restaurants and the Starbucks to ensure a good loo! It seems she is not the only one with that idea. During a recent visit to Shanghai, not only did we have coffee in many places, my wife was often queuing up behind the locals, just visiting the stores for the restrooms.

In contrast to that, I was on an Austrade Mission to China three years ago, and the

concept of a "squat" at a busy truck-stop between Beijing and Tianjin is something you just do not want to visualise, let alone smell!

In my past life in the oil industry, the leader in this area throughout the 1960s and 1970s was Golden Fleece. They even had advertisements built around 'Stanley', a mythical petrol serviceman who was 'decommissioned' (had his stripes removed), for not treating the customers in the best possible way by keeping the service station up to the correct standards.

We don't see images like Stanley any more; however maybe it would be good if he was to reappear. Ask your parents, or maybe you can remember back to when you travelled around Australia, how often you looked for the Golden Fleece Restaurant as the place to stop.

I was a Marketing Manager at Caltex when Caltex bought Golden Fleece in 1981. I must say that unfortunately we were unable to keep those standards alive. Things were changing in the oil industry, especially as the drive for efficiency was to self service. The full service model was being replaced as people proved they were prepared to fill their car themselves, in exchange for a cheaper price at the pump.

Even 'split serve' was tried on some sites, where the customer had the choice of self serve (and a cheaper price), or full service, with a more expensive pump price. The

highly labour intensive full service was to disappear over the next 10 years, and with it, the labour required to try and provide the cleanest and tidiest service stations, washrooms and toilets possible.

However now, it is good to note that Australia's leading convenience retailer is again placing a high priority on its standards, according to Ben Galton, Caltex's current Franchise Development Manager.

"Caltex measures retail execution through the eyes of the customer in key areas such as the customer experience, merchandising compliance and alignment to operational standards. Caltex's 'All Stars' program as it is known, also measures the cleanliness of its restrooms using detailed criteria. As a popular destination for convenience customers and traveling motorists, restrooms are a very important part of Caltex's customer experience".

Mark Maumill, current FCA Franchisee of the Year advised me that they see this as a very important part of their Banjo's business. He says that they train their Managers to check the toilets hourly, and a full major clean at the end of each day is an essential requirement and part of their daily checklist.

Mark did comment that one of their biggest bugbears is complaints about washrooms that are out of their control, normally under Centre Management in a Shopping Centre. I guess you can only control that which

“If the toilets are filthy, maybe your customers will think your kitchen is as well!”

is yours, so do your best to assist Centre Management if the toilets are communal.

A business has an intrinsic value which many of us call the ‘Operations Score’, and this refers to how well a franchisee is performing. I believe a good franchisee can add up to 40% to a store’s sales, and likewise a poor franchisee can decrease sales by 40% from the average starting point.

In the oil industry, the sales modelling incorporated values for every service station, and the hardest one to understand was this mystical Operations Score. What is it that separates a good franchisee from a poor franchisee?

Operations are all those mystical things the franchisee does, that makes it all work. In AFL, we would call these the ‘one percenters’, or those little extras that make the difference between the ball being cleared by the opposition, compared with smothering it off the boot, or single handedly, tackling three opponents, to eventually force the ball over the boundary for a throw in.

The Operations issues are like software in a computer. We all know it is there, we can’t explain how it works, but we know that without it, the computer would not be of much use.

Areas of Operations that I feel make a huge difference in retail sales include:

- Meet and greet – those first words and the smile you give to every customer.

- Uniforms and consistent dress code – look and act like part of the team.
- Acknowledging the customer if they are a regular, and engaging in conversation.
- Being able to discuss their customers’ needs and possibly up sell. How often are we asked “would you like fries with that”?
- Providing a neat, clean sales environment – including washrooms and toilets. We can only work with what we have, but we can keep it neat and tidy, compared with messy and dirty.
- Consistent product quality. Companies spend millions of dollars on this, but a franchisee can be the biggest variable by far.
- Consistent and competitive pricing policy. You don’t have to be the cheapest, but you can reflect good value for money.

So how important to you and your customers are the washrooms? In my view they are very important, and set the standard of what you can expect throughout the rest of the facility. If the toilets are filthy, maybe your customers will think your kitchen is as well!

Many large organisations, such as airports, have a regular servicing regime where a staff member must inspect and clean the washrooms on a regular basis and sign off that this has occurred. How many times have you seen the clipboard as you enter the washroom? This may occur every half

hour at busy areas such as Melbourne and Sydney airports. The effect is cleanliness and consistency. So what do you do? Do you have a process to ensure you meet the standards you want to achieve?

I guess toilets come in second behind one of my great other passions in providing service within a business – namely phones not being answered. The solution I have always said to that is to ring your own office on a regular basis, and you see what the customers endure – either for a positive or negative experience. I would also assume if the Managing Directors and CEOs made a beeline for the toilet whenever they visit a store under their brand, they will have a better feel for their customers’ experience.

Many businesses work extremely hard to have the reputation of clean and consistent washrooms. Yes you need to provide good product, but that’s a given. Good customer service, like clean toilets, can really be the difference between a poor operation and a great operation.

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