

descriptions and selection but still has higher operating costs than competitors because of high labor costs and leases for its over 1,300 stores. Despite its online business Best Buy believes that many shoppers will always want a physical store they can visit to try out the latest electronic products and have a salesperson help them understand product features and find a gadget that best fits their needs. If they have a good sales experience Best Buy believes that customers will buy rather than just browse and purchase what they want online from a competitor such as Amazon.com.

#### QUESTIONS

1. What training methods would you use to train sales employees at Best Buy? Identify the methods. Provide a rationale for your recommendation.
2. The vice president of retail wants to know your recommendations for determining the business impact of salesperson training at Best Buy. What would you measure? Why? How would you collect those measures?

SOURCE: Based on A. Zimmerman, "Can This Former Clerk Save Best Buy?" *Wall Street Journal*, April 26, 2013, pp. B1, B6.

## MANAGING PEOPLE

### Training Leads to Clean Cars, Satisfied Customers, and Engaged Employees at Mike's Carwash Inc.

Mike's Carwash, based in Indianapolis, Indiana, is a privately owned chain of car washes that has 37 locations in Indiana and Ohio with 650 employees. Opened in 1948, the first Mike's was called "Mike's Minit Man Carwash," named after the type of equipment originally used. Mike's has a reputation for great and speedy service and continues to expand to new locations. Mike's Carwashes are automated and feature equipment systems and technology developed by Mike's employees. Mike's credits some of its success to the family's business smarts but believes that most of its success comes from its employees and its hiring and training practices. Mike's original founders, Joe and Ed Dahm, were known to tell employees that the company was truly in the people business but it just happened to wash cars.

Customer satisfaction is very important to Mike's with the emphasis placed on repeat business by serving customers so they will come back again. The biggest challenge that Mike's faces is providing a consistent enjoyable customer experience. Mike's is constantly trying to improve the customer experience through innovation and new ideas. If a new idea works it is implemented in all locations. Mike's believes that the only way to provide a consistent customer experience is through finding great employees, retaining them, and helping them develop. The company website explains that it is "notoriously picky" when it comes to hiring. For every 50 people Mike's considered hiring, just one is hired. Mike's feels that it is easy to teach the mechanics of how to perform a job, but it is much more difficult to teach someone to care about customers. Also, because about half of promotions to managerial positions come from current employees, Mike's is looking for employees who intend to stay with the

company. As a result, the hiring process focuses on identifying employees who have a positive attitude, a desire to work with people, a willingness to go out of their way to please customers, and leadership qualities. To identify new employees with these characteristics, job applicants participate in multiple interviews, pre-employment testing, thorough reference checks, criminal background checks, and drug testing.

Mike's retains and engages its employees through a number of HR practices. Each employee has a development plan and receives performance appraisals twice each year. New employee training involves familiarizing them with best practices and how to help customers in different situations that they will encounter at the car wash. Before employees wait on their first customer they receive two days of orientation and participate in workshops that all focus on customer service, how to treat customers, how to recover from service errors and mistakes, and how to deal with difficult customers. Mike's also provides training to help employees advance in the company. The career path from hourly associate to supervisor to shift manager to assistant manager is well-defined. Movement on the career path is possible through good performance and completing internal certifications that include up to 12 weeks of training and three exams requiring passing grades of at least 80%. Employee engagement and satisfaction is measured by semiannual surveys as well as information gathered from employees who are leaving Mike's. Employees play an important role in the choice and design of training and development activities. A 15- to 20-person team consisting of members who have been nominated by their store manager serve a one-year term as subject matter experts in helping to develop new and modify existing training

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programs. Team members also are the first trainees in new programs, providing feedback about needed changes and feedback on program effectiveness.

In addition to its regular training programs for new employees and certification programs for advancement, Mike's has developed programs to meet emerging business needs. The economic recession resulted in a decrease in the volume of customers Mike's served as well as revenue. As a result, Mike's recognized the need to increase the spending of its customers by making sure that employees made them aware of value-added services such as underbody washes, tire treatments, and clearcoat. To do this, Mike's developed an online training module and trained managers to encourage employees to complete the training and practice using the selling skills at monthly employee meetings. Mike's recognizes the important role that managers play in helping employees learn. At Mike's managers need to actively support and help deliver training. They are held accountable for training and developing employees in order to advance and succeed. In this program, managers were taught how to identify weaknesses in employees' service recommendation techniques and use weekly coaching sessions to enhance them. Managers were also encouraged to observe and document employees making service recommendations to customers and to provide them with feedback. The results of this program were positive: overall revenue, revenue per customer, customer satisfaction, and mystery shopper scores all increased.

Another business issue that Mike's uses training to resolve is how to maintain a consistent corporate culture across its 37 locations. To address this challenge, Mike's created "In the Loop," a weekly video communication that is shown on a computer terminal in each location. Each 10-minute segment is used to deliver training content, recognize employee and store performance, communicate to employees, and share best practices. Regularly on the video the CEO shares a letter from a satisfied customer and discusses the specific behaviors that the customer experienced that exemplifies Mike's customer service values. Since the development of the video Mike's has seen an increase of more than 100% in the number of positive customer letters, comment cards, and website contacts.

#### QUESTIONS

1. Is Mike's training strategic? Provide an rationale for your answer. What information did you consider in determining your answer.
2. How does Mike's support training? What else could they do to support their training activities to maximize their effectiveness?
3. Does Mike's support continuous learning? How?
4. Provide recommendations about how Mike's could facilitate informal learning within and across its car washes. How would you evaluate your recommendations' effectiveness?

SOURCE: Based on J. Salopek, "Learning-Assisted Service," *T + D*, October 2010, pp. 40-42; website for Mike's Carwash at [www.mikescarwash.com](http://www.mikescarwash.com); and T. Jones, "Inner Strength," *Modern Car Magazine*, April 2008, pp. 48-53.

## HR IN SMALL BUSINESS

### How Nick's Pizza Delivers Training Results

At first glance, Nick's Pizza & Pub sounds as ordinary as a company can be: a pizza restaurant with two locations, each in one of Chicago's northwest suburbs. But when you take a look at the company's performance measures, something special seems to be going on. In an industry where 200% employee turnover and operating profits around 6 1/2% are normal, Nick's has to replace only 20% of its employees each year and enjoys operating profits of 14% or more. These results are amazing, especially for a business in which 4 out of 10 employees are high school students.

What makes the difference? It could be the culture at Nick's. Rather than hiring expert managers and laying down a lot of rules, Nick's is choosy about who

gets hired for every position and then provides them with enough training to operate skillfully and exercise sound judgment. The whole training program emphasizes ways to develop trustworthy, dedicated employees.

Training at Nick's begins with a two-day orientation program. Trainees learn the company's purpose, values, and culture, and they participate in role-playing activities to practice those lessons. Then it's on to skills training, beginning with a course called simply 101. During that four-hour hands-on lesson in the kitchen, all the new employees—regardless of what their future job will be—learn to make a pizza. From there, the trainees divide into work groups for