



HÄAGEN-DAZS CASE STUDY



BACKGROUND:

Before implementing the EPIC® system, the business had an employee turnover rate of over 70% per year. The reasons for this turnover were not clear and, although various attempts were made to maintain the staff motivated with attractive incentive plans, contests and parties, the employee turnover was not reduced.

At the same time, there were assessments with very low scores in the different quality indicators, such as the "Mystery Sale". The average of these scores was below 8.5 (the minimum required by the Global Brand) in at least 5 of the 22 branches on an annualized basis. The work team was unmotivated, with little involvement in their tasks, very low staff retention and with sales well below established goals.

AFTER THE FIRST 3 MONTHS OF USING EPIC:

EPIC® was launched throughout the company measuring more than 150 people each week. During the first 3 months, participation was constant and above 50%, week after week delivering more than 5,000 answers in that period of time.

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Thanks to the analysis of the EPIC® system, two zone managers were identified as generating high levels of stress and provoking a higher percentage of turnover and absenteeism in the company.

These managers were evaluated in the dimensions of Credibility, Respect, Equality, Identity and Fellowship as follows:

ZONE X MANAGER:

Credibility	Respect	Equality	Identity	Fellowship	Reliability	EPIC Index
4.44	2.88	3.54	4.88	4.34	3.62	4.01

ZONE Y MANAGER:

Credibility	Respect	Equality	Identity	Fellowship	Reliability	EPIC Index
5.5	5.26	5.06	3.48	5.4	5.27	4.94

Once the situation was identified and several factors analyzed, the decision was made to replace these zone managers.

Between months 3 and 6 of using the EPIC system:

The percentage of participation remained above 50% with more than 12,000 responses collected. As of the fifth month of use in the system, the toxic zone managers were laid off. The new management team, consisting of two team members in key positions, has developed its work with leadership and teamwork without generating stress or contributing to staff turnover and it currently has the following scores in the same dimensions in EPIC:

This change helped ensure stability of the teams never before reached in the zone, achieving a turnover of less than 40% during its first 6 months of operation.

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Between months 6 and 9 of using EPIC®:

At the same time, an average score of 9.3 in the tests carried out by Corporate of Häagen-Dazs was achieved, significantly improving various aspects of the operation and customer service.

After month 9 of having the EPIC® system:

The system maintains a participation of over 50%, there are more than 30,000 responses in the system which have helped determine important areas for improvement. Having a solid managerial team, the new EPIC® approach allowed us to continue monitoring the levels of performance, leadership and organizational climate of the company. Through the Pyramid of Level Of Engagement we detected areas of opportunity that were resolved favorably with immediate results as explained below:

ZONE X MANAGER:

Credibility	Respect	Equality	Identity	Fellowship	Reliability	EPIC Index
7.69	7.33	7.87	7.87	7.57	7.63	7.67

ZONE Y MANAGER:

Credibility	Respect	Equality	Identity	Fellowship	Reliability	EPIC Index
7.79	7.4	8.29	7.58	7.51	7.83	7.71

ESSENTIAL FACTORS REPORT

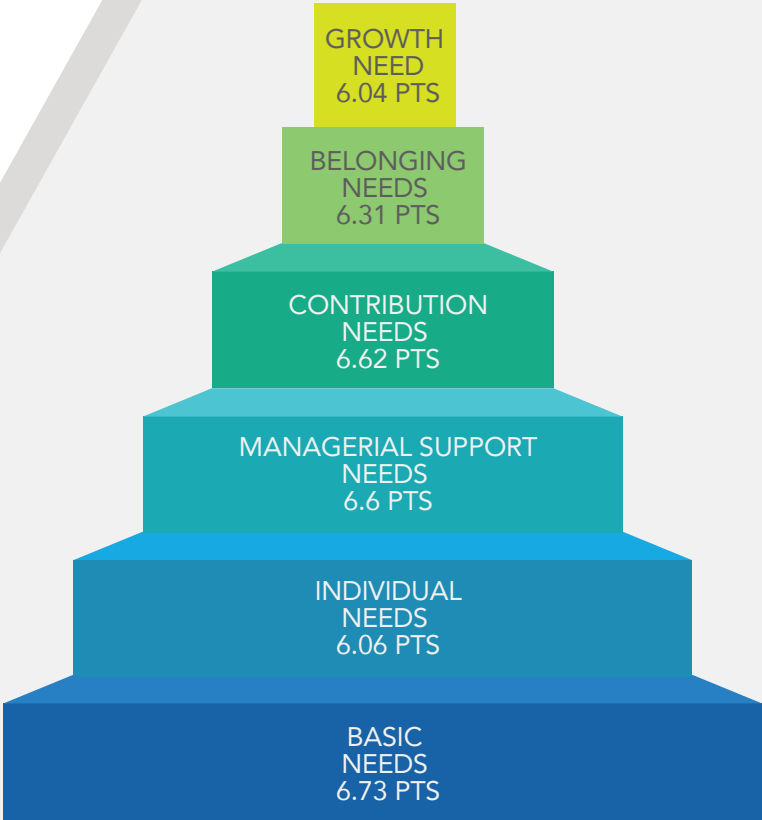


- Learning and Development
- Life Balance
- Human nature
- Collaboration and Communication
- Social connection
- Confidence in the person or organization
- Ease of Action
- Management
- Involvement
- Leadership
- Feedback and Recognition
- Satisfaction
- Service and Quality
- Teamwork

After analyzing the factors evaluated, it was concluded that the Häagen-Dazs employees needed more restraint, with more active leadership and a better feedback system for their activities.

Because of this, the decision was made to work on strengthening processes, clarifying objectives, and improve the feedback and the compensation systems In the same way the system has allowed us to focus our attention on the change of behaviors, by identifying the 50 people with the lowest rating in each of the 5 dimensions (Credibility, Respect, Equality, Identity and Fellowship). This gave clear information on possible courses and workshops to support our staff to improve in these areas.

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ENGAGEMENT LEVEL PYRAMID

Currently, our turnover level remains below 40% with a favorable trend to reach our goal of 25%. We have stable management and a positive perception of their leadership, in addition of having a staff more happy, proactive and involved with the business. All this is allowing us to transform our organizational culture.