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Honda's Latest Model: Training That Drives Lifetime Customer Loyalty

By Julie Straw

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To help strengthen—and deepen—customer relationships, Honda overhauled its training with the help of iPads and DiSC.

Keeping customers coming back for more is a mark of any successful business. In the automotive industry, where brand devotion can be erratic, customer loyalty is especially important. Today's car manufacturers are driven more than ever to retain customers, and the smartest industry players know that customer satisfaction does not equal customer loyalty.

Satisfaction is about meeting expectations; loyalty is about relationships. This fundamental principle led the parts and service group within American Honda Motor Company to radically shift the way it trains service and parts managers, service advisers, and parts counter employees. These employees—the people who greet customers at the parts counter and in the service drive with, "What can we do for you today?"—are the face of Honda, interacting directly with customers during the time they own their vehicles. Their ability to build positive relationships with customers is key to

short-term customer satisfaction and to the greater goal of lifetime customer loyalty.

Honda knew it could boost customer loyalty by making revolutionary changes to its training program. Rick Kramer, national manager of dealer development at Honda, and Marian Proffer, assistant manager of fixed operations training, assembled a team to make the vision a reality. The team included Terry Coates, president of 10/10ths Development Corporation, a training and development company specializing in behavioral assessments; Matt Bown, Honda's instructional designer; and automatik, an instructional design firm. Together they developed a new program that is being rolled out to more than 1,000 U.S. Honda dealerships.

Personal styles drive results

Honda's previous training program, a three-day class in interpersonal skills, was built on a traditional classroom model: lecture, paper, pen, and workbook. "It was pretty conventional," says Kramer. "An instructor-led workshop with limited interaction [and] a book you might never open again—if you could find it."

Understandably, employees were calling for a better learning experience. "Surveyed participants said they wanted much more interaction and better resources to use outside of training," says Proffer. "The only thing they wanted us to retain was the DiSC profile." The old curriculum had used a paper version of the DiSC behavioral style assessment, and while participants valued the tool, the team knew it had to become more interactive.

With these insights and challenges top of mind, the team created a more dynamic and participatory training plan, one that uses new technology and makes the behavioral style assessment a vibrant core component by using the latest third-generation Everything DiSC Workplace Profile. The new four-part training series was called "Building Lifetime Customer Loyalty," or BLCL.

BLCL was both bold and necessary. "The automotive industry's been chasing 'satisfaction' for years, but 'satisfaction'

doesn't get you what you want—people coming back," explains Coates. "That takes a serious focus on human communication and relationships. The people at Honda stuck their necks out to make such a radical change to what had been done in the past. It's nice when that risk pays off." And pay off it has.

Moving from paper to electronic assessments via iPads makes it easy for participants to immediately apply their results to what they're learning in the classroom.

"People love it. We're getting glowing comments not only from the dealer network but from our district parts and service managers, and zone management teams as well," says Proffer. "They believe what they're learning is going to really help them be much more effective in relating to their staff and their staff relating to one another. We've even had dealers that want to deploy it organizationally."

Honda launched the first BLCL class, "Establishing the Relationship," in April 2012 at the start of the company's fiscal year. In the first quarter of the program, a team of facilitators conducted 151 workshops with an average of 22 participants in more than 50 U.S. cities. The momentum continues as subsequent classes in the BLCL series—"Branding the Relationship," "Growing the Relationship," and "Cementing the Relationship"—are rolled out quarterly.

Honda created a customized, Flash-based curriculum. A voice-over with on-screen graphics is used to review key information, providing an alternative to traditional facilitator lecture. In addition, the behavioral style assessment creates a rich, personalized experience for each participant.

The curriculum uses the profile to help individuals understand their personal behavioral style, which is a combination

of four tendencies: dominance (D), influence (I), steadiness (S), and conscientiousness (C). Far from simply labeling an individual's style and placing him in a box, Everything DiSC Workplace demonstrates that the various styles have much to learn from one another and serves as a reminder that everyone exhibits "shades" of all four styles.

The behavioral style assessment is a fitting curricular foundation for BLCL, says Proffer. "They're learning about themselves and what makes them tick. They're also learning how their behavioral style affects others and how styles interact," he explains. "Once you know yourself and how you affect other people, you can adjust and personalize every interaction with each customer. This builds a solid foundation for trust, which is the basis of customer loyalty."

Employees said they not only intended to use what they learned from the profile to improve their relationships at work, but also in their personal lives. Take these comments, for example: "I have been using what I have learned every day since, in and outside of work," and "I have found the methods to be very helpful and I will continue to use them in both my professional and personal life."

The only papers in class are the nametags

Eager to create a more engaging, streamlined, and contemporary learning experience, Proffer and the team began a process of elimination that makes it clear—from the moment participants walk through the door—that this will not be a typical training session. First, there are no tables. Instead, participants see only chairs arranged in a horseshoe with the room divided into four quadrants, one for each behavioral tendency.

As participants find a seat, each is handed an iPad. There are no books, papers, or pens. After familiarizing themselves with the technology, participants use the tablets to read about the four behavioral tendencies. They are then asked to choose which behavioral style they believe they are and to move to the corresponding quadrant on the floor. After interacting briefly with classmates

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about their predictions, they return to their seats and, using the iPad, complete the full DiSC assessment.

Each person's results are delivered immediately on the iPads and "that's when all these epiphanies start happening around the room," says Proffer, who conducted many of the first BLCL classes.

"Within 15 minutes, the temperature of the room has shifted from closed individuals to open, sharing, and enthusiastic attendees needing and wanting more," describes Kramer, who also has attended sessions. "And when it ends, it's like they don't want to leave."

Moving from paper to electronic assessments via iPads makes it easy for participants to immediately apply their results to what they're learning in the classroom. They also can easily email notes to themselves for later reflection.

The response to the technology has been overwhelmingly positive, says Coates. And the shift from paper to electronic has created efficiencies as well. By

enabling participants to take the assessments and view results on iPads, Coates and his company created a process that simplified profile distribution and Honda's record keeping while decreasing costs. Workshop facilitators no longer need to record attendance and the company no longer needs to print participant workbooks, handouts, or rosters.

Training down the road

To provide continued access to resources and support outside of training, Honda also created an online mobile learning environment where participants can access the tools they used in class through their smartphones, tablet computers, or PCs. "Being a very environmentally conscious company, this shift follows our brand philosophy," says Kramer. It also ensures employees have ongoing access to the knowledge and tools—access that will help Honda achieve its objective of converting satisfied customers into lifelong loyal brand ambassadors.

"Given this opportunity to rewrite what training should look and feel like, based on what we've done and how it's being received, I think we've accomplished and even exceeded our goal of delivering a learning experience that doesn't feel like a learning experience to most. It's huge," says Kramer. "Participants want more. They want next steps. They want to go deeper and deeper in using this learning."

Proffer agrees. "People are engaged. They're talking. They're sharing ideas," he says. "It's just really exciting to see it all come together."

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