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Be Our Guest

Doug Lipp, former head of training at Disney HQ, tells how to educate staff for Disney-level excellence.

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Doug lipp presents lessons for employee training from one of the world's most powerful brands.

n 1973, just 20 months after the opening of Walt Disney World in Orlando, the company faced a severe problem. Doug Lipp, who rose at Disney to become head of the employee training team at Disney corporate headquarters, calls it a crisis.

Employees were exhausted, having looked after almost 11 million customers in just the first year. Operations were relentlessly proceeding 24/7/365 without a sign of seasonal slowdown. The economy was softening. Necessary layoffs increased the stress on those who remained. Opportunities for career advancement had slowed.

The annual turnover rate stood at 83%, which compared to the service industry average then of 55%.

Dick Nunis, a driving force behind the company's training program, called a meeting of divisional vice presidents. Underscoring the seriousness of the occasion, he set the meeting in a cramped, unpainted space in Cinderella's

Castle left over from construction—the iconic building for visitors to Disneyland in California and now at the Magic Kingdom in Disney World as well. Attendees had to reach the space by climbing a narrow staircase or riding a construction workers' elevator.

Out of a series of weekly meetings that followed, the Disney training program—called Disney University—morphed from a traditional role of orientation programs, handbooks and newsletters into a program for employee "development, communication, and care," writes Lipp in Disney U (McGraw-Hill, 2013). The book is his insider's, highly detailed look at "How Disney University develops the world's most engaged, loyal, and customer-centric employees," as the sub-title of the book reads; few would dispute that description.

Two years after that first meeting, mission accomplished. Turnover rate was down to 28%. Retention was up from a miserable 17% to 72%.

It was a spectacular reaffirmation and extension of the four cardinal

innovative outlook, organizational support for training. knowledge to impart, and entertaining methods.

The Walt Disney Company is a \$46 billion enterprise (sales) employing 175,000 worldwide, according to a Forbes report last May. Yet Lipp maintains that the lessons to be learned from Disney University work just as well for a 16-lane bowling center with a dozen employees.

"Everything is applicable. It's just [that] in a smaller business every [employee] represents much more impact on the bottom line, or the questexperience, because the odds are [better] that a paying guest is going to come in contact with [them]; they have that much more of an opportunity to make an impact."



Doug participates in the Donald Duck 50th Birthday Party Quacking Contest. Doug won the contest while Wayne Allwine (right), the voice of Mickey Mouse, and Clarence Nash, the voice of Donald Duck, look on in amusement.



Doug Lipp (L) at Disneyland Japan construction site in 1981.

Successful employees have to "buy into" a company's goals and methods, as every business owner knows, but Disney U aims at more. Employees need to "live" the values, Lipp says.

"'Living it' is when it becomes part of your culture," he explains. "When I would do orientation programs for cast members [Disney employees], we would talk all day about teamwork and cleanliness and friendliness. Okay, they see it, that's fine, but 'I'm not sure I buy it yet.'"

When new hires were then taken to the

theme park, they would see senior executives picking up the occasional piece of trash or stopping to chat with customers, even though that was obviously not part of the executive's job.

"'Oh! I buy it. That's cool,'" Lipp mimicks the employee's reaction he saw repeatedly. "Over time, after I've left the University and the glow of that has worn off, I see over and over again cast members, supervisors, managers doing all the



Doug worked in many different positions at Disney as he moved up the corporate ladder. In 1981 he worked as a pirate.

things I've been taught to do. So when I walk across the park and I see a piece of trash I just pick it up. I don't even think about it. Then I'm living it."

"Living it" begins with the first meeting between a job applicant and the Disney people. "Hire right, train right, treat right," Lipp says, reciting a mantra, "and how are you going to get the right people on board if you're just putting them in an interview? So Disney [has an] experiential interview process where you weed people out—help them weed themselves out—by giving them the honest feedback of what this company is all about, how much work it actually is.

"If you're going to create the happiest place on earth, you know that some folks are going to come in having had a bad day, whether they're a fellow cast member or a guest. If you have a short temper, if you can't deal with that, you're not going to make it. If cast members who don't come into direct contact with guests have a surly attitude toward each other, ultimately that's going to wind up on stage [before the public]."

"So," says Lipp, "it really doesn't matter if they're day-shift, night-shift, on stage, backstage, Disney hires for people that have [a] team approach, want to help other people,

DISNEY

Trainer's Trainer

Doug Lipp started at Disney with a six-month internship as part of his last year at California State University Long Beach. Working in the Disney training division, called Disney University, he helped put together training programs for small companies that didn't have the budget or resources to hire their own trainers.

Wanting to be a YMCA director and lead international exchange programs with high school and college kids, Lipp was minoring in Japanese. After he graduated in 1978, he was off to Japan for two years of grad school and to immerse himself in the language. Meanwhile, Disney closed a deal with its Japanese partner for the building of its first international theme park, Tokyo Disneyland.

Returning to the U.S., Lipp was snapped up by Disney to work here with Japanese managers who were going to be running the Tokyo park. Then he was tapped by Jim Cora, head of the Tokyo project, for a rigorous six-month management intern program for future leaders of the company, and a few months after he finished that, Cora told him, "We're going to Japan. Help me open up the park over there."

"In an international project, you wear lots of hats," Lipp said when we talked with him. "Everybody did a lot of different things. I helped with the hiring and training of 4,000 Japanese, helped set up the Disney University [in Japan], helped babysit and helped relocate 250 American ex-patriots and their families." He laughed. "You do what you've got to do to get the park up and running." That included a year in Japan after the park opened and doing quality control on the training program there, the first international version of Disney University.

Today Lipp consults with Fortune 100 companies and travels internationally, sharing the lessons he learned at Disney University. He is the author of eight books, of which $Disney\ U$ is the latest. We spoke to him after he keynoted this year's Bowl Expo.