



AKFCF

QUARTERLY

Association of Kentucky Fried Chicken Franchisees, Inc. Summer 2018



HISTORY OF THE AKFCF

A decade-by-decade account of the association's development

INSIDE this issue:

Doug Lipp, Keynote Speaker at AKFCF shares lessons from Disney U
PLUS: GAC Report | Service Awards | Human Resources

Two Excuses For Not Training Employees ... Which One Is Yours?

A LESSON FROM DISNEY UNIVERSITY

By Doug Lipp

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Jim's comments reveal the secret behind the success of Disney theme parks around the world — the role of continuous employee development as a strategic differentiator.

Starting with Walt Disney in 1955, successive generations of Disney leaders all have supported the iconic Disney University, and its role in developing some of the world's most engaged, loyal, and customer-centric employees. I know this from first hand experience: One of the most cherished roles I had during my career at Disney was to head the training team at the Disney University at corporate headquarters, The Walt Disney Studios.

I had the distinct honor of presenting: How to Bring the Magic of Disney Alive in Your Restaurant at the 2018 AKFCF Annual Convention in Anaheim, California. The convention center, literally in the shadow of Disneyland, provided the perfect setting to leverage the Convention's "Prime Time" theme.



My goal is for you to recognize both the strengths and weaknesses in your current employee development efforts at your restaurants. Let's begin.

"Marketing is the time and money you spend to get people in the door. Training is the investment you make to get customers to come back and employees to stay; it creates loyalty."

– Jim Cora, retired chairman, Disneyland International

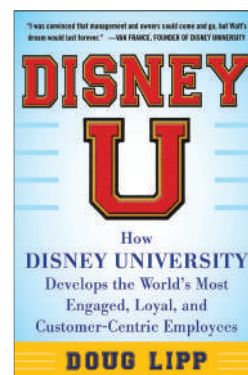
In the following article, I'll focus on one of the main topics I asked conference attendees to assess during my presentation: The strategic role of effective employee training and development as a competitive differentiator.

As you read this article, your reactions will undoubtedly vary. Some of you will nod in agreement. Others of you will become defensive and feel the hair on your neck stand up. Good. My goal is for you to recognize both the strengths and weaknesses in your current employee development efforts at your restaurants. Let's begin.

Despite the wide variety of organizations I work with as a consultant, far too many struggle with — and complain mightily about — a similar challenge: people problems. Regardless of the strength or weakness of the economy, and regardless of product line or service, owners and leaders voice the same complaint: "Getting, and then holding onto good talent is our toughest job!"

Yes, a good number complain about the litany of challenges plaguing everyone: the competition, government regulations, the price of raw materials, international exchange rates, labor costs, and on and on and on. Unfortunately, most of these are beyond our control.

However, with rare exception, people problems are completely under the control of any organization. **In a nutshell, the best organizations hire the right people, train them properly, and treat them with respect.**



DON'T BLAME THE ECONOMY

Somewhere in the world, the following two scenarios are currently being played out. Both reflect a passive, victim mentality. Both undermine sustained employee and organizational development. Both reflect the opposite of Jim Cora's quote about training, and open the door to your competition.

Scenario #1: "This weak economy is killing me. 'Do more with less' is the name of the game. My budgets are slashed, and I have no wiggle room."

The Result:

- I don't have the budget, time or people for training.
- Why train employees? They'll be gone pretty soon.

Scenario #2: "This booming economy is killing me. We're barely filling existing orders. Plus, I can't keep my good people. They jump ship as soon as someone else comes along waving a little extra money."

The Result:

- I don't have the time/people for training.
- Why train employees? They'll be gone pretty soon.

These two organizations are at opposite ends of the economic spectrum; one is in a dying environment and the other in a thriving environment. Yet, the economy aside, there are surprising similarities between the two. The odds are good that neither organization has a history or culture of providing useful employee training, supported by leadership or owners.



Leaders who blame the economy as their reason for not providing training should look in the mirror.

The extremes of economic booms and busts will never vanish. Both create considerable stress among leaders, and no one is immune. Leaders in government, business, religious institutions, non-profits, and start-up organizations all face similar challenges. Boom and bust extremes force leaders to consider ways to address the following challenges:

- Do more with less
- Keep employees engaged and motivated
- Reduce employee turnover
- Improve customer service
- Differentiate from the competition

Differentiation is the ultimate goal — how to stand out as the employer-of-choice, vendor-of-choice, service-provider-of-choice, or the whatever-of-choice.



I encourage you and your crew to ponder, absorb, and then put into action my favorite Walt Disney quote:

“Laughter is no enemy to learning.”



The anxiety and stress that used to be felt only during the extremes of boom and bust now are a daily reality for many. Leaders who blame the economy as their reason for not providing training should look in the mirror.

In addition to Jim Cora, another of my Disney mentors was Van France, founder of the Disney University. Van was a vocal and respected cheerleader for constantly providing relevant learning opportunities for Disney’s employees, the so-called cast members. Over his multiple decades of service, Van challenged many Disney executives with the following rant: “The budget has become the scapegoat for every possible negative action and rejection of any suggestion for improving things. Cutting budgets is the coward’s way out of any problem.”

“Budgets Are Tight, Creativity is Free”

This quote from Van is a beautiful call to action. Now, consider the following statement when assessing the style, frequency, and effectiveness of your current employee training & development activities:

Training doesn’t need to be a big-budget extravaganza; training is not limited to activities in a training room. Some of the best training in the world occurs during on-the-job-training (OJT) sessions conducted by mentors or co-workers, not “trainers.” Mentoring, OJT, and role-modeling can be much more useful, and significantly less expensive, than classroom training. Weekly staff meetings and five-minute, pre-shift/post-shift “huddles” provide tremendous training and learning opportunities.

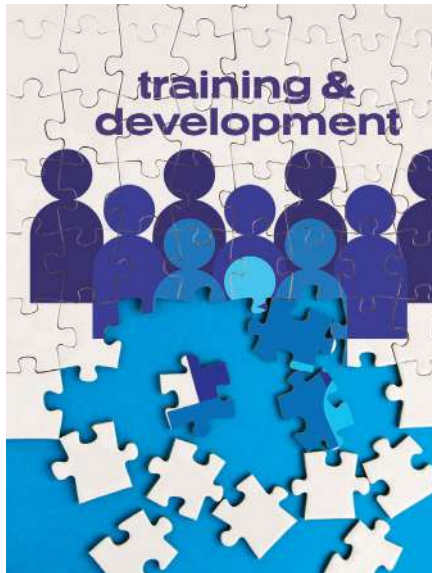


Very few franchisees in the fast-casual space properly prepare their crews for the realities of the work environment.

WHAT KIND OF LEADER ARE YOU?

I encourage you ... no; I challenge you to assess the effectiveness of your current crew-member training and development strategies. Contrary to the tired dogma about the difficulty of differentiating from the competition in a crowded field, I think it’s actually easier these days.

Very few franchisees in the fast-casual space properly prepare their crews for the realities of the work environment. Most owner/operators, and their management teams, treat training as a necessary evil that erodes profits. Even if training is offered, the content is almost 100 percent dedicated to preparing food,



and getting it out the door as quickly as possible. Sadly, effective onboarding programs for new-hires are virtually non-existent. Even if offered, most onboarding programs simply consist of: "Here's a computer, take a look at the video overview of our history and operations. I'll see you in an hour." Absolutely non-existent are training programs devoted to service recovery. I encourage you to recall the story about The Lost Princess I shared during my presentation at the 2018 AKFCF Annual Convention.

The net result of ineffective employee development is lost revenue. Most fast-casual restaurants suffer from the revolving door syndrome of bringing in, and then losing, employees. Consider the cost to you of high turnover. Only a few owner/operators really understand the secret: If you treat your employees with respect, and offer them effective training and development opportunities, word will spread; Good employees will tell their friends and family members. You'll soon have "the pick of the litter" when it comes to great crew members.



In a nutshell, the best organizations hire the right people, train them properly, and treat them with respect.

NO EXCUSES

I'll close with some great advice I received from the CEO of a huge Silicon Valley-based firm. As a backdrop, the work pace throughout Silicon Valley is lightning fast. Brilliant minds converge as part of a startup, and then rapidly diverge as they search for bigger and better job opportunities. In short, keeping employees for longer than two years is next to impossible. As a result, many companies offer little to no employee training and development.

I was sitting in the office of the aforementioned CEO, chatting about the challenge of training employees in the constantly shifting high-tech culture. He shook his head in disgust as he reflected on the excuse his fellow Silicon Valley CEOs offered as their reason for not funding training. This CEO, known throughout the industry as a brutally blunt, bottom-line-focused leader, then recited to me a common conversation he had with fellow executives: "My colleagues often complain to me, 'What if I train my employees, and then they leave?' My response to them is always straight-faced and brutally direct: 'What if you don't train them ... and they stay?'"

This CEO? Andy Grove, is one of the founders of Intel Corporation.

In closing, I encourage you and your crew to ponder, absorb, and then put into action my favorite Walt Disney quote: "Laughter is no enemy to learning."

