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The **TEL** Solution<sub>9.2</sub>

## **Case Studies**

## Overall Strategy:

As always, our overall strategy was to follow the essential elements of The TEL Solution.

- I. Tactical Marketing
- II. Engagement of Customers
- III. Loyalty Marketing

The TEL Solution includes external application and internal implementation of these elements. The client's needs determined the order of implementation.

## Case Study 1

### *Frick's Hometown Markets*

#### Situation:

A locally owned grocery store, with \$11.3 million in annual gross revenues, 78 employees and 2 locations in Sullivan and Union, Missouri was losing an increasing number of customers to National Discount Centers such as Wal-Mart, mainly due to the low prices at these national chains. In addition, there was a growing perception with the public that shopping at Wal-Mart was not only cheaper but that it was easier and faster. Struggling to keep their stores open under this intense competition, Frick's Operation Manager and General Manager came to Alexander Group (AG) for a Business Consultation.

#### TEL Implementation:

Our customization for this particular client included the following steps which were developed after completing several Discovery meetings with the client:

##### I. Engaging Employees

- 1) Management met with a group of key employees to share initiatives and ideas which we defined during the Discovery meetings; and to gather feedback and encourage input.
- 2) Once key employees were on board; management announced a special meeting and training session for all employees.
- 3) During our "Customers for Life" training, special attention was given to involving each employee in the training and in deciding their individual goals and measurements of success. The overall goals of employee training were to teach methods of capturing additional sales through "engaging customers".
- 4) Each employee walked away from this training with specific tools and reminders to help them achieve true "customer engagement".

##### II. Engaging Customers

- 1) Identify strengths of Frick's over the competition and identify the advantages of shopping at a full service grocery store vs. a large discount center.
- 2) Create NEW unique services that will draw customers to the store, examples included:
  - Curb-side Service - call your grocery order in ahead of time and you won't even have to get out of your car! Just drive up and we'll bring your groceries out to you! Grocery shopping doesn't get easier or faster than that!
  - "Lunch at the Market" - call ahead or just stop in and place your order at the deli. This is NOT fast food – but it's just as fast! Plus it's CHEAPER, (no tipping required!) HEALTHIER, and more CONVENIENT .
  - Delivery Service – was planned for future implementation

### III. Tactical Marketing

- 1) Created a customer profile and database
- 2) Signage & Communication pieces were developed:
  - a. Revised logo and slogan “quality products and service...like it used to be” were included on store signage (external and internal)
  - b. Curb Appeal – repair to store’s front windows and plans to create window insets reflecting the historical theme used inside the store (Redesigning entry doors was planned for future major improvement)
  - c. Parking lot was improved with new striping, special “pick-up” area for deli and “order-ahead groceries”, plans were developed for an outside café look to accommodate deli seating and special events
  - d. Brochure – emphasizing new and enhanced services available to Frick’s customers
  - e. In-store promotion – unique in that rather “cutting prices” like the competition, Frick’s would promote “community” , “quality and service—like it used to be”, and “family – your grandfather’s mother shopped here and you’re like family to us”. This was accomplished through:
    - i. placing banners throughout the store which contained photographs of local people and places from 20-50 years ago.
    - ii. Legends showing each banner and an explanation of the place and people in the photograph
  - f. Kid-friendly pieces – kid’s recipes and jokes
  - g. Healthy Eating Pyramid/List Guides
  - h. Store guides which mapped aisles and listed where items were located
- 3) New theme and services were communicated to the public through:
  - a. FAX BLASTS – on a weekly basis to all area businesses containing Daily Deli Specials to promote deli sales and the new concept “Lunch at the Market”
  - b. MAILINGS – customized letter and new brochure were sent to database of current customers & their families to announce the changes and enhanced services now available at Frick’s stores
  - c. EMAIL – in all cases where Frick’s had customer emails, the letter and brochure were emailed (plans to develop an interactive website were developed)
  - d. SPECIAL EVENTS – Invitational only Wine Tastings were held at the grocery store
  - e. IN-STORE PROMOTIONS – a new customer service desk was built which displayed the brochures, legends, special order forms, etc. and created visibility of Frick’s newly assigned customer service clerk(s).
    - i. Each customer is now greeted and special attention is given to helping the customer find their groceries and “think of” additional items they may need. (store guide/list planner handouts)
    - ii. Employees start each work day with a specific count of hard candies. They give a candy to each customer to whom they have gone above and beyond in helping and at the end of the day recount the candies they have left, recording these numbers on a board in the office. Just a little friendly competitive and a reminder to help the employee practice engaging customers and increasing sales. (employee name tags, employee pocket aprons that hold candies)
    - iii. In cases where a customer was looking for a particular item that Frick’s didn’t have in stock, a special order form was completed and the customer was promised a personal phone call as soon as the item arrived in the store.

#### IV. Loyalty Marketing:

- 1) Entice customers to shop at Frick's, making Frick's a "destination" through:
  - Historical Theme promoting the community by obtaining photographs which were made into scroll-like banners (hanging throughout the store). These photographs showed families from the community at Frick's or at other recognizable places in each store's city. People throughout Sullivan (and Union) were interested in coming to Frick's to see if they knew anyone in these historic pictures or just to enjoy seeing how the city looked "in the olden days".
  - An attractive legend that showed the photographs and gave 2-3 paragraphs of explanation regarding each banner.
  - Healthy Eating Pyramids and Meal Planning Lists were made available at the customer service desk to aid customers in choosing healthy foods as they shopped.
  - Kid's Recipe and Joke Cards were given to visiting children so it became FUN for kids to shop at Frick's. Kids were enticed to collect the jokes and recipes and share them at school.
  - GO GREEN shopping bags were advertised
  - Farmers Market concept was developed for future implementation in which a large tent would be set up on Frick's parking lot and LOCAL farmers would be scheduled to bring in their produce. Added attractions would be seasonal sales of flowers, local musicians, and barbeques setting a "festival-like" stage.
- 2) Sales clerks were trained to address customers using the customer's name whenever known and on techniques to ask the customer's name when not known
- 3) A "cradle to grave" philosophy was instilled in employees which led them to ask customer's about their children and parents so that a general feeling of "we care about your family" was communicated.
- 4) Customers were encouraged to return to the store through subtle suggestions such as the sales clerk always finishing a transaction by saying a variation of "we'll see you next week!" or "we'll have that item here for you next week" OR even, "now call us if there is something you forgot and we'll have it ready so you can quickly pick it up!"
- 5) Special order forms and Rain checks – clerks were instructed to call customer on the estimated date of arrival and report that item has arrived or will be available on a future date.

#### RESULTS:

##### Engaged Employees –

Frick's employees now make customers feel welcome and special by greeting them every time they walk in the door (not with a door greeter!) and making an effort to know and say their customer's name. They go out of their way to show (not point) a customer where products are and use effective conversational catalysts to uncover if the customer has other needs by making associative suggestions.

##### Engaged and Loyal Customers –

Customers now have a reason to go out of their way to shop at Frick's rather than get their groceries at the discount center. They can find specialty items that Frick's ordered in just for them such as a wine they tasted at the last wine tasting event. Frick's has become their friend, someone that knows them. Plus they can enjoy the historic photographs throughout the store (that also reemphasize the new motto "personal service and quality... like it used to be") and teach their children about the history of their community. Children encourage their parents to shop at Frick's so they can get the latest joke and kid's recipe.

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Bottom line -

- **9% overall increase in sales at both locations**
- **Annual revenue of \$12.3 million (an increase of \$1,000,000.00 from pre-TEL installation)**
- **Additional sales created the need to hire 12 additional employees**

**Testimonial:**

*We started working with the Alexander Group in 2007 and have been extremely pleased with the results. Challenged by low price discount centers, our main goal was to give customers a reason to choose us for our quality and personal service. AG revised our logo, enhanced our customer service approach, and created a “buzz” in the community about our business through internal and external marketing. They developed a creative theme for our stores which caused current and new customers to want to visit and shop with us. Specialized training classes helped us get all our employees on board. Our customers now recognize the special, unique services we offer and as a result the overall sales of our business has increased an average of 9% - even in the current economy.*

*Jennifer Newbanks, Operations Manager  
Frick’s Hometown Markets*

## Case Study 2

### Alliance Title Co., LLC

#### **Situation:**

Alliance Title's founder and owner, Karen Brown, came to Alexander Group with a host of problems that were having a devastating effect on her revenues. These included the industry wide slump in real estate sales, employee disloyalty, lack of referrals from loan officers and negative positioning in the community due to past management.

#### **TEL Implementation:**

##### **I. Engaging Employees**

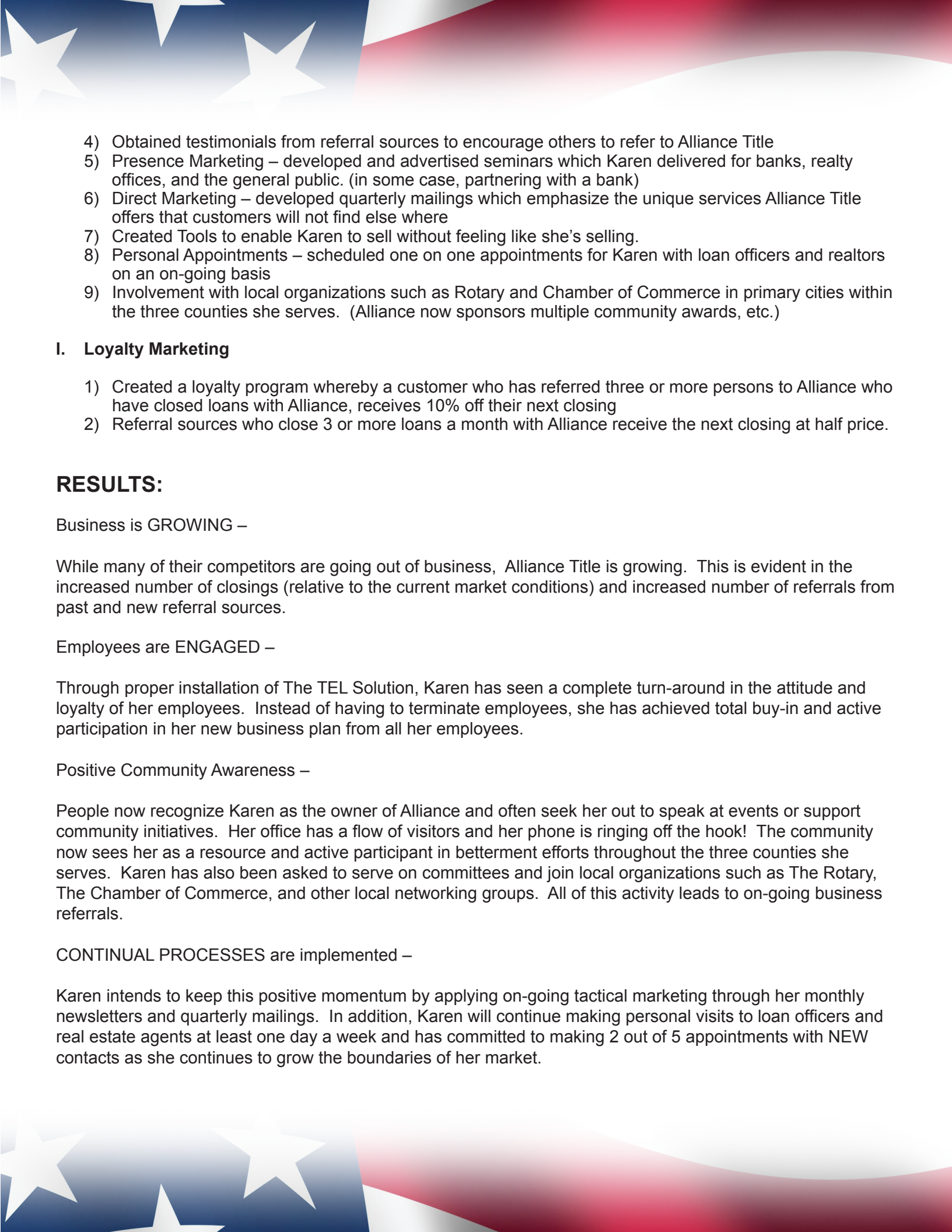
- 1) Fire or Engage? That was the question on Karen's mind. Her situation had become so critical and it was almost hopeless. She took into consideration how her employees felt about the business, the circumstances that had created their current lack of engagement, and then created and communicated her marketing strategy, showing them examples of communication tools she planned to use. Fortunately, the employees got excited and became supportive. Once that happened, she began to engage them by involving them in the creation of other support materials and in the planning.
- 2) Assigning specific functions and defining roles with each employee
- 3) Privately speaking with the least engaged employees to determine whether they wanted to change with the company
- 4) Providing her employees with tasks and specific tools to achieve those tasks (such as excel sheets already designed to build a database and scripts to guide their phone calls)
- 5) Staff lunches to thank them for their support, celebrate successes, and encourage more support

##### **I. Engaging Customers/Clients**

- 1) Outgoing calls to past customers thanking them for their past business and ASKING them to refer friends and family
- 2) In person visits to clients (referral sources) with tools such as the "No Surprises Closing" booklet which the loan officer can in turn use with their customer as a selling tool. This professional and information packed booklet impresses both clients and customers and provides a sense of reassurance that their closing will be handled in the utmost professional and confidential manner. It even gives the customers a "how to prepare for your closing" checklist and introduces Alliance Title through personal bios and pictures.
- 3) Quarterly mailings to customers to keep Alliance "top of mind" and remind customers of the extra services Alliance provides
- 4) Sponsorship of community events reminds customers and clients that Alliance Title is active in their community and provides support to worthwhile causes.

##### **I. Tactical Marketing**

- 1) Brand recognition - Since Alliance's logo was already somewhat recognizable, we only enhanced the existing logo
- 2) Created and Promoted unique services that no other Title Companies in the area offer such as:
  - a. "Your Place or Mine" mobile closing option
  - b. "Special Request Closings" Guarantee of Title Work completion within a week and special efforts to close in 24 hours of receiving all paperwork when customers are under special circumstances required urgent action
  - c. "No Surprises Closings" – a guarantee that customers will know what to expect and have promises met when dealing with Alliance Title
- 3) Communicated these unique services in newly developed
  - a. Brochure
  - b. No Surprises Closing Booklet – "10 easy steps to Your Peace of Mind"

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- 4) Obtained testimonials from referral sources to encourage others to refer to Alliance Title
  - 5) Presence Marketing – developed and advertised seminars which Karen delivered for banks, realty offices, and the general public. (in some case, partnering with a bank)
  - 6) Direct Marketing – developed quarterly mailings which emphasize the unique services Alliance Title offers that customers will not find else where
  - 7) Created Tools to enable Karen to sell without feeling like she’s selling.
  - 8) Personal Appointments – scheduled one on one appointments for Karen with loan officers and realtors on an on-going basis
  - 9) Involvement with local organizations such as Rotary and Chamber of Commerce in primary cities within the three counties she serves. (Alliance now sponsors multiple community awards, etc.)

## **I. Loyalty Marketing**

- 1) Created a loyalty program whereby a customer who has referred three or more persons to Alliance who have closed loans with Alliance, receives 10% off their next closing
- 2) Referral sources who close 3 or more loans a month with Alliance receive the next closing at half price.

## **RESULTS:**

Business is GROWING –

While many of their competitors are going out of business, Alliance Title is growing. This is evident in the increased number of closings (relative to the current market conditions) and increased number of referrals from past and new referral sources.

Employees are ENGAGED –

Through proper installation of The TEL Solution, Karen has seen a complete turn-around in the attitude and loyalty of her employees. Instead of having to terminate employees, she has achieved total buy-in and active participation in her new business plan from all her employees.

Positive Community Awareness –

People now recognize Karen as the owner of Alliance and often seek her out to speak at events or support community initiatives. Her office has a flow of visitors and her phone is ringing off the hook! The community now sees her as a resource and active participant in betterment efforts throughout the three counties she serves. Karen has also been asked to serve on committees and join local organizations such as The Rotary, The Chamber of Commerce, and other local networking groups. All of this activity leads to on-going business referrals.

CONTINUAL PROCESSES are implemented –

Karen intends to keep this positive momentum by applying on-going tactical marketing through her monthly newsletters and quarterly mailings. In addition, Karen will continue making personal visits to loan officers and real estate agents at least one day a week and has committed to making 2 out of 5 appointments with NEW contacts as she continues to grow the boundaries of her market.

## Testimonial:

*The TEL Solution works! I know because in the five short months since I've been applying the techniques Alexander Group has taught me, I have turned around what had seemed like an impossible situation and have engaged my employees and have dramatically increased my referral sources. AG provided me with turn-key tools to engage both my employees and my customers and these tools have enabled me to sell without feeling like I'm selling! Among other things, AG wrote, designed and produced highly creative, message-specific; brochures, booklets, publications and ads which have caused a "wow" response from my prospects. I feel equipped with just the right tools to build new client relationships and feel proud of how my company is portrayed in all my communications. At a time when many companies in my industry are closing their doors, I am building my business.*

*Karen Brown, Owner & Founder  
Alliance Title Co., LLC*

*Case Study 3  
Meramec Group, Inc.*

## Situation:

A local manufacturer with approximately 150 employees was experiencing high turnover due to job dissatisfaction and high costs from worker's compensation claims. Past employee safety and incentive programs had failed to improve the situation and had left the management disheartened and somewhat pessimistic about being able to change employee attitudes and lower costs.

## TEL Implementation:

### I. Engaging Employees

The focus was primarily that of engaging employees. This was accomplished through the following actions:

- 1) Meeting with key decision makers and shift leaders to identify behaviors that needed change
- 2) Benchmarks were established and goals were set for each division
- 3) An employee incentive plan was developed with the key elements:
  - a. Theme (this was redesigned each year)
  - b. Individual/Shift/Plant Goals
  - c. Rule Structure
  - d. Communications (including launch, quarterly meetings, monthly motivation)
  - e. Awards

### II. Engaging Customers

Communication letters, announcements, thank you notes, and tips were given to management to utilize with customers. These communications described the positive actions and changes taking place at Meramec Group. The intent of these communications was to engage customers to buy from Meramec Group by demonstrating that Meramec Group provides high quality products and a safe and healthy work environment.

### III. Tactical Marketing

Tactical marketing was applied to gain further employee engagement and sustain the goals of the incentive plan. This was accomplished through the following tactics:

- 1) Creating an incentive theme that would appeal to the demographics
- 2) Talking one on one with employees during quarterly meetings and providing time for question/answer sessions with the whole shift participating.
- 3) Developing an interactive website to support the incentive program, make it easy for employees to access the program at home or at work, and provide the following access:
  - a) view your individual point balances
  - b) managers can view their direct report results and see how their team compares to other teams
  - c) shop on-line with your points or make a "wish list"
  - d) Gifting – giving your points to another employee
  - e) Ask questions, make suggestions and receive email answers
- 4) Making available paper order forms and suggestion forms for employees who did not have access to a computer
- 5) All employees received weekly paper reports which showed their points earned , points spent, points gifted, and balance
- 6) Providing training on the program and website by arranging special dates and times when an AG representative would be on-site to answer questions, solve issues and help (teach) employees place orders on-line
- 7) Appealing to employees by improving their break room conditions
- 8) Demonstrating employee appreciation through monthly break room "parties" wherein break room tables were cleaned, decorated and filled with snacks. In addition, motivational table tents and posters were placed throughout the break room and at the time clock and entry doors.
- 9) Posters recognized individual and shift performance by highlighting the top performers and congratulating achievements (i.e. "you've earned the shift bonus for 3 consecutive months!") Several times the factory earned PLANT-WIDE bonuses, and in these cases special attention and extra snacks were distributed.
- 10) Drawings were held at quarterly meetings to incent attendance and encourage active participation in incentive related discussions.

### IV. Loyalty Marketing

In this case, Loyalty Marketing was directed to employees rather than the customers.

- 1) A Service Anniversary Award Category was included in the incentive plan that recognized employees (at every five year increment) for their years of service by giving them a personalized award packet and an associated point bonus which could be redeemed for merchandise or added to their "bank" of points earned in the safety incentive program.

The amount of points received increases dramatically at each increment which causes employees to strive to remain in their jobs until they reach their next anniversary.

- 2) At the beginning of each year, employees had the opportunity to sign "commitment cards" pledging that they would be active participants of the safety program and be alert to and rectify any hazardous conditions they spotted throughout the factory. Employees received a special bonus for signing and turning in their commitment card.

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## **RESULTS:**

### **Engaged Employees –**

Meramec Group's management is now 100% committed to and supportive of the Employee Incentive Program. The factory employees have seen the awards they and their co-workers have earned as a result of improving their safety record and now welcome our quarterly meetings and look forward to the monthly break room motivational reinforcement.

### **Engaged Customers –**

The dramatic savings that the company has experienced from fewer worker's compensation claims has allowed them to improve their pricing and timely delivery of product to their customers. In turn, their customers have become loyal to Meramec Group rather than their competitor.

The above engagements have led to a much healthier bottom line for Meramec Group, and of course, more safety-conscious employees has led to a significant reduction of costs related to worker's compensation claims.

## **Testimonial:**

***Before working with the Alexander Group and applying their methods and incentives to engage our employees, we experienced thirty to forty-five injuries per year requiring medical treatment. NOW we see from six to eight in a year and we expect to achieve five or less injuries for 2009!***

***John Suttentfield, Manager, Meramec Group, Inc.***

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