

## Transforming a traditional toy company into a maker of “magic”

In 1948, Charles Lazarus created a toy store dedicated to children and their needs just in time for the post-war baby boom. He had no idea that his first baby furniture store in Washington, D.C. would evolve into an \$11 billion dollar enterprise, or that his business would one day be named a “Retailer of the Century” (by Lebharr-Friedman) for its introduction of the self-service concept for stores.

Although Lazarus’ innovations changed the face of retailing, today Toys “R” Us struggles like other retailers with widespread growth, managing increasing expansion into additional product lines and cultures, the impact of e-business, and frenetic competition from mass-merchandisers. Several years ago, the company had the realization that yesterday’s proven strategies were not enough to maximize sales potential. It looked to shift the organizational culture to a more sales and service orientation.

The company hired a new Director of Guest Relations, and thus began a long odyssey of customer focus groups, cost-benefit analysis, and development of a mission statement, associate behaviors and key drivers for achieving a delightful guest experience. This culminated in a far-reaching investigation of training companies, consultants and other organizations that could help move the company forward toward the desired cultural change.

Says Sue Boche, Director of Guest Relations in the Toys “R” Us corporate office, “It’s not too hard to train for proficiency in basic customer service principles, such as providing friendly service, treating customers with respect, and delivering a requested service. Combine that level of service with the availability of good and reasonably-priced products, and a customer will be basically satisfied.”

“However, being satisfied is not the same thing as being *delighted*. If customer service is delivered in a robotic or checklist fashion, it doesn’t feel sincere. People aren’t ‘wowed.’ We struggled to describe that feel of ‘Wow! There’s no place like Toys ‘R Us!’ and how we could create a training intervention to make this ‘wow’ happen.”

“We were looking for a training partner that could help us create ‘the feel of the store’ and take us to the next level. After extensive research, endless sales presentations, benchmarking, and attendance at many professional development seminars, I came to *Disney Institute’s* open enrollment program on ‘The Disney Approach to Customer Loyalty’. In the middle of the first day of the 3 ½-day seminar, I knew I had finally found my solution.”

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Continues Sue, “The way the Disney concepts were presented articulated exactly to me what it would feel like when we could be ‘firing on all cylinders’ and taking a ‘good’

guest experience to a *memorable* one. We weren’t looking for a seminar to add to the training — I had already laid the foundation. We wanted a piece to lay over the training that would help us create the ‘wow factor’ for customers.”

“I became very excited, because the Disney seminar captured the ingredients I had been unable to articulate about how to delight customers. Further, I had an epiphany when I realized that *Walt Disney World®* Resort would be the perfect place for us to benchmark against. Like Disney, we have many seasonal and temporary workers. Both of our entities deal with children and families,” says Sue.

The next step was a visit from Toys “R” Us field staff from across the country to *Disney Institute*, where

they attended an extended program. This enabled key stakeholders to gain firsthand and consistent knowledge of Disney customer service strategies.

### Training for the ‘Wow’

Now that select field representatives had experienced what creates the feeling of magic at the *Walt Disney World*® Resort, they had a much clearer picture of what they would need to do in order to create a similar atmosphere at the upcoming regional meetings.

Sue says now she understood that her mission was to orchestrate a culture where each store creates magic. If that happened, guests would be delighted. With a clear picture of what she was looking to achieve, Sue partnered with *Disney Institute* to develop a custom curriculum for management to drive the change process, as well as to use *Walt Disney World*® Resort as a benchmarking venue.

The two companies partnered in a dual consulting role — for the management curriculum, *Disney Institute* created the material and Toys “R” Us consulted with *Disney Institute*; for the associates’ curriculum, *Disney Institute* served in more of a consulting capacity to ensure continuity with the rest of the program.

The management training, implemented during the April-May 1999 timeframe, was designed to educate district managers and store field management about the evolution in strategic direction and the type of training their associates would be receiving. *Disney Institute* and Sue orchestrated the intervention across eight regions; six more Kids “R” Us and Babies “R” Us stores followed suit, so a total of 14 regions in three divisions plus the Canadian operation received the training.

Prior to this effort, Guest Relations held a meeting with company officers, where a *Disney Institute* representative delivered a pared-down curriculum over several hours to provide a succinct overview of program objectives and

content. (It was during this meeting that the other six stores decided to participate in the regional training.)

On the evening of June 13, 1999, all of the training — for every store and the corporate support staff across the United States and Canada — was conducted.

The associate training followed. Each store was sent a “magic box” that contained program handouts, a leader’s guide, giveaways, and decorations. Store directors facilitated the program for their associates in their own way and talked about the concepts of creating magic, guest delight, vision, and vocabulary, and how creating magic was the new way of doing business.

The national support staff of 2000 associates received the same training in Meadowlands Arena in New Jersey.

This training provided a four-hour capsule of the training that store associates were getting about making the connection to customers.

The Toys “R” Us “magic moment” was midnight

Eastern Standard Time on June 14, 1999. After that moment — 12:01 a.m. — every single associate and manager in the North American operation had now been exposed to a common vision and common language to describe service. At that moment, creating magic and guest delight became the new way of doing business for this retail giant.

Orchestrating a learning intervention of this magnitude to achieve critical mass took extensive partnering with *Disney Institute* and internal colleagues. It also required consistent upper management support, as the only budget originally set aside was for an off-the-shelf program.

### The ‘Wow’ was Worth the Wait

Says Sue, “The greatest lesson I learned through all of this is that the long wait to find just the right fit is worth it. My investment was maximized when I found a

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company that could help me with my learning objectives, be compatible with the corporate culture we were trying to create and, at the same time, serve as a place where we could benchmark best practices.”

Transforming a 50-year-old-plus corporate culture cannot happen overnight. Any executive at the company would say there is still a long way to go before each store truly provides magic to guests. However, the concept of “creating magic” has been integrated into the fabric of the day-to-day organization. As an executive recently said, “Magic 2000 is the umbrella of everything we do this year. It doesn’t need to be its own ‘thing’ — now, it just IS.” To measure the “magic,” the company has inaugurated a benchmarking measurement system for

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guest satisfaction to begin monthly comparisons of improvements on a year-to-year cycle.

Says Sue, “In today’s fast-paced world, there’s a tendency to go for the quick fix. Had I not had top-level support to allow me to take a methodical, linear approach, with regrouping and debriefing all along the way, this effort wouldn’t have been as successful.”

“This experience taught me to not just ‘settle’ — that finding the right fit is everything. Satisfaction isn’t good enough; okay isn’t good enough. All the training and consulting ‘fixes’ I found were excellent, but I didn’t find a ‘wow’ until Disney. With *Disney Institute*, we found the right ‘wow’, the right fit, the right relationship, and the right opportunity.”

