

Finding excellence through purpose in a tough sector...

By Shaun Smith

Case Study Introduction:

Many of the success stories of distinctive customer experiences we use in our speeches and books come from the world of big, glamorous brands with deep pockets - Virgin, Burberry, Ritz-Carlton, Disney, etc. These global business-to-customer giants tend to differentiate around a great customer experience, but usually at a premium price point.

But what about a smaller organisation, operating in a price-sensitive market offering the much less glamorous and usually commoditised product of social housing? Is it possible to be purpose led, offer highly distinctive customer and employee experiences on a tight budget? Smith+Co spoke with RHP housing to find out if size and deep pockets really do matter when it comes to having a higher purpose and delivering a distinctive experience.

Amina Graham, Executive Director of Corporate Services, spoke to me about how RHP demonstrates the principles described in our book 'On Purpose, delivering a branded customer experience people love'

Richmond Housing Partnership (RHP)

Purpose Driven

"RHP is a housing business with a strong social purpose; to provide affordable homes for people who can't afford to buy or rent in the local market.

It started with a stock transfer back in 2000 where we took what were then described as council houses from Richmond Borough. After a vote was held amongst those living in the community, we took responsibility to provide homes and housing services. That's where our sense of purpose

came from, to support those who couldn't afford to rent or buy in the local market. But we wanted to support them in a modern and contemporary way.

We wanted to deliver good, hassle-free homes to people, and give them the opportunity to move up through our homes with a service that a 'customer' would expect. At RHP we've always been clear that we have 'customers' - and purposely call them that - rather than 'tenants'.

This sector doesn't have a great deal of choice or convenience, so we've tried to create that for our customer base through digital online services enabling them to book services in the way that you would expect to see in the private sector. With high home-standards and thinking differently, we're able to generate a higher surplus, which we can then reinvest in providing even more homes that, in turn, helps us to deliver on our purpose.

Purposeful Leadership:

As an SME we had to have a point of difference, and our CEO was very brave when he said he wanted to create a service-focused organisation rather than be a landlord that provided homes.

We were formed around these simple principles

- We would collect rent on time
 - We would deliver better repair services
 - We would invest in people's homes to bring them up to a decent standard
 - We would make it easy for customers to do business with us
- These principles were encapsulated in our customer promise to "Live life easier with RHP" and that promise drives the way we deal with the customers in the 10,000 homes we serve around South-West London.

But the interesting thing is that your purpose and promise also work internally; we were also able to attract highly engaged employees who drove up efficiency.

When the government announced unprecedented changes to the sector, we had to think and do things differently. Even with some of the best operating margins in the sector, we had to radically rethink how we could be even more efficient without detracting from providing a great service.

We talked to our employees about how we could regroup. Our high levels of trust and engagement meant that we didn't have to go through formal consultation to move from 15 small operational teams into six large and more generic teams, selecting people's roles to suit their new environment. The team was willing to learn together to make this new model work. Being an excellent employer is at the heart of driving a great service.

Creating a Culture:

In 2011 we were able to bring our whole group together in one location, so our small subsidiary, Co-op Homes relocated. It was then we decided to transform our culture and service style by becoming one aligned culture; 'I am RHP'.

It was based on what customers said were the most important things to them. We committed to:

- be on their side
- be open and honest
- be able to fix things fast, to last



These goals harnessed our values of being responsive, honest and proactive, in a way that we could get traction with our employees. From this we were able to measure our success against delivery of those very clear behavioural aspects that unified the organisation. This meant that internal teams were measured in the same way as external teams - by customers saying how effective they were in delivering those elements.

Recently we've added 'being easy to do business with' which is a key driver to an engaging customer service. 'I am' was really important for us as we wanted everyone in the organisation to know they had a part to play in the overall success and that they are personally valued.

Our employees understand it, they believe in it, and that enabled us then to play with it and evolve it to become "We are RHP".

We carried out an end-to-end review of our people practices to ensure they were closely aligned with the business strategy and values, starting with updating our competency framework into a new skills and behavioural system that actually linked in, as you'd expect, skills and behaviours in a meaningful way.

We asked ourselves what would that look like at director level, head of service level, manager level, and employee level?

And when we were confident we could communicate this to our employees in a compelling and simple way, (Which we often did with games) we developed a cultural tone of voice, which came across as much as the technical skills required for the roles. We really put conscious and purposeful effort into becoming a learning organisation.

Distinctive Employee Experience

Many service organisations have a three-page job description, which doesn't attract people with great judgemental skills, great decision-making, and people that want autonomy to do their job well. Those looking for a three-page job specification probably wouldn't fit here.

We encourage people to be curious from day one, so we've got 'RH Place To Learn', which is our conduit for most of our learning programmes. We want new starters to have a 'Wow' first day, and at the end of it we ask:

- What's the one thing you think we could do better?
- What did you learn today that's been useful?

And we follow that through with managers' conversations, because we want to see if we can normalise curiosity throughout the organisation.

'RHP Express' is a video pod where people can come and tell you what they think and what they're working on. Like everything in the digital world we wanted it to be in real time and that's why we integrated it into Yammer, our social media channel. Everything we do is purposefully about listening to people, empowering people and giving them the support for good ideas.

There is an age-old debate about whether companies should put customers first or employees first. We think it is very clear: The simpler you can make your business, the more consistent you are, and the clearer you are that your culture is to be protected and nurtured, the more likely you are to succeed with both employees and customers.

A lot of studies around trust, whether it's trust in the organisation or employee trust in the company, show that the drivers are very similar. So if an organisation is open and transparent,

does the right thing for their employees and their customers, they'll genuinely want to do what they say they'll do. This is where respect is earned.

The 'employer brand' and the 'customer brand' should be doing the same thing and I think we've been practising this subconsciously without knowing the benefits.

Experience Measurement

For us at RHP, we look at the link between the 'corporate' priorities and delivering the strategic goals and aims of the organisation. This link manifests into team goals. We then measure satisfaction with our employees in the same way we measure satisfaction with our customers. Our service style is the same for both, and, in our performance management framework, we have four ratings:

- areas of improvement
- right on track
- going the extra mile
- leading the way

Currently around 65% of our employees are right on track; around 35% are either going the extra mile or leading the way.

Distinctive Customer Experience -

The Digital Decision

We had to get our employees ready for the digital age, and we've been on a journey for the last five years to do that.

This means improving their digital skills, giving them technology that is commensurate to that that they'd have in the outside world.

We had to open up social media in a way that's not scary, so we got yammer in four years ago, and now we're are starting to amplify our presence on social media to our customers. We were



pleased to launch Digital Champions before Barclays did, to help people get online and access the financial, economic and social values, which increased the digital skills of our internal workforce.

It's about being easy to do business with, and that drives productivity and efficiency. If you want that for customers you have to do that for employees, so we looked at staff systems and now have a suite of digital services for all our employees. We make sure all of our employees have easy access to a smartphone or digital device, which is really important for our caretakers in particular.

Modernising our services in this way enabled us to launch RHPi in April 2016, our new digital service for new customers. If our new customers don't have a Smartphone or a tablet, we'll provide one to them too because that's important. Now, we haven't retro-offered it for existing customers because we know that the majority of them have digital access through a smartphone or other device.

We're in a place now where 75% of our customers think that we are easy to do business with; nearly 50% of them are Very Satisfied with the services we offer.

RHP became the only housing provider in the sector to offer a full suite of digital services for customers in any place, on any device, 24/7, 365.

But it isn't all about digital...

Our Dolly Parton Imagination Library is where we support young children with a free book every month and assisted reading, which means by the time the children of our customers get to school, they're able to read.

So what does all of this mean for HR?

Our CEO has always been clear that the secret to success is having great people. Within that we're aware of the challenges of being an SME in a sector that isn't known for particularly high reward. As exec director of corporate services, I was given the freedom to work out how to best add value across the organisation in a meaningful way. Our HR function support the employee experience through some very specific practices:

- Commitment to support ongoing learning and development at all levels
- Intentionally protect and cultivate our culture
- One-to-one reviews with employees every six to eight weeks
- Formal mid-year review

- Annual review against the targets
- Relentless focus on doing the basics brilliantly
- Never standing still - mediocrity kills organisations
- An in-house coaching programme to enable managers to understand the difference between praise and feedback
- Ensure that in one-to-ones, facts, data and evidence are used to support performance reviews
- Discretionary bonus scheme for everyone from the caretaker to the CEO and a comprehensive benefits package that is highly valued by employees

In summary, through the high levels of employee engagement, trust and a relentless focus on cultivating our culture and being super easy to do business with for our customers, employees and partners, we've been able to respond brilliantly to the unprecedented changes happening in the sector. We've come a long way but we think we've only just scratched the surface. We're always looking to provide even more efficient services and invest in building lots more much needed affordable homes in the local area.

We asked Amina what advice she would offer other HR professionals?

She offered these practical considerations to achieve a compelling HR strategy...

- Set out the context of what you want to do and why
- What does this mean for the customer, the stakeholder and the employee?
- How much effort is being put into continuously developing employees?
- What would it take to provide great learning and development opportunities?
- Acknowledge and maintain the fact that those working for the organisation will be expected and equipped to continuously improve to deliver what is in the best interests of the organisation and the customer".

Some terrific advice from Amina Graham and a real inspiration for those organisations in less glamorous sectors and who are challenged to operate with slim margins. It is clear that RHP demonstrate the 'On Purpose' principles. How does your organisation measure up? Find out using our free interactive On Purpose self-assessment that you can download from here:

<http://www.smithcoconsultancy.com/the-cem-toolkit>

RHP Overview:

<https://www.rhp.org.uk/rhpui/>

- £12.3m surplus
- 263 employees
- Operating margin of 42%
- Reserves of £67m
- Housing properties valued at circa £2bn on open market and £600m (everyday use)

