

## **Change Factory - Playing the game brings serious results**

Introducing change into an organisation can involve serious issues, but there is room for innovation and fun in the learning process.

Change management consultancy Change Factory has successfully applied a novel approach to helping organisations grapple with new ways of operating. Its team designed a board game which has now been introduced in three client companies.

The firm had been using board games for sales training in the early 2000s and saw that it could be an effective tool for introducing change in organisations. The game is generally targeted at middle managers.

One client was a Golf and Country Club in the Yarra Valley in the Australian state of Victoria. The business employs 200 people and operates as a 4.5 star boutique hotel including a health retreat, surrounded by two championship golf courses.

The organisation's original challenge was to find ways to improve customer service across the many facets of the business. Change Factory's Kevin Dwyer says when his firm went in to do customer service training, it was quickly realised that there were many more issues than simply a training need.

"One was developing leaders that understood the business," Dwyer says. "The organisation had some managers who were only 19 years old, as you do in the hospitality industry. We came up with the idea of using a board game as part of a leadership development program."

The game operated with a group of eight leaders working in teams of two, from departments as diverse as Finance and Food and Beverage. Using an electronic game engine, players were given the scenario of a property not unlike the Golf and Country Club, and each was assigned a specific role in the business.

Participants had already taken part in a six-day leadership program, and now had the opportunity to apply what they had learned.

To set up the game, the change consultants interviewed staff throughout the organisation to try to understand the various relationships and establish a good working model of the company. "This organisation had two golf courses, a hotel that did a lot of conventions, a restaurant, café, club and health retreat," Dwyer says. "It was clear that Food and Beverage had no idea what happened in the retreat or golf club and vice versa. They didn't know the value of each area to each other."

Each team in the game started with a set of figures that gave them monthly takings from conventions, golf, the retreat, the restaurant and other parts of the business. Every team's

figures were different, showing strengths in varying aspects of the organisation. Sitting behind that was the data from the business's actual transactions over the last 12 months, including factors such as seasonality

“They then had to make decisions about what they might invest in to improve customer service and increase customer appreciation of the services across the whole property. They also had to decide which area they would really focus on,” Dwyer explains.

While the game was played over a period of eight weeks, every “quarter” the teams got to make key decisions that would impact customer service and satisfaction, costs, capital, and sales averages from the various business components.

“Because of the finite market, when one team made a decision to go for golf, and another did the same, they realised they were in a limited market and learned about competition,” Dwyer says.

“They would forget about the seasonality of their business and fail to factor it in. They'd hire people just before the low period and could then see the impact of that.”

The game was flexible enough to enable the organisers to add, at any time, additional elements such as a financial crisis, increase in labour costs or rise in tourism numbers. “We could factor in anything we liked from general economic numbers, which also fuelled the model,” says Dwyer.

Players also learned about the impact of employee satisfaction on customer satisfaction. “They could see that happy staff equal happy customers.” And while the teams had the option of buying market research to inform their decisions, hardly anyone took it up. It was only towards the end of the game that participants recognised that valuable external information was available to help in business decisions.

“They were expecting us to tell them things that you don't get told in the real world,” Dwyer says. “They learned a lot about actually thinking about their business and what they might need to find out, and that information doesn't come to you on a platter. You have to go out and find a service provider who can find the information for you.”

Inevitably, teams with a coherent strategy found they delivered the best results, while those with a less coherent approach found their business suffering in response.

Dwyer says while introducing the game was an effective learning tool, the real challenge lay in making sure the learning was then applied to the actual business.

“You run the risk that the game becomes more important than the learning,” he says. “Our lesson was to keep the balance between the game and the learning.”

“We could see that while staff had knowledge of what customer service was, that changed as a result of the game. They saw that little things counted. That led to them focusing on simple stuff like knowing that when you’re three to four metres away from a customer, you should be greeting someone with a ‘hello’ or ‘good morning’, and teaching staff how to pour and match wine with food. This led to an understanding of the need to have comprehensive and easy to understand standards.”

The results of the program showed in customer service data. “They went from customer service numbers hovering in the mid seventies - in the zone of indifference - and we got them up to the mid eighties – the zone of loyalty.”

Dwyer says the game proved to be the “glue” for the leaders taking part. While they had been through a comprehensive development program, if they had not understood how the business fitted together and how each section supported the other departments, the theory and other materials simply would not have been used.

The game model has now been adapted for a major bank, focusing on business acumen. “It’s a similar sort of thing,” Dwyer explains. “The bank has a retail market, a business arm, it provides funding, and you’re going to have external factors, regulations, interest rates. The game will help participants put all that external strategy and internal strategy together, and see how it impacts the bank.”

Another company needed assistance with their sales and marketing process. They found that while an extensive training program was effective to a point, people would then go back into the organisation and struggle to apply what they had learned. “We designed a board game for them that took people through the logic of the method and enabled them to simulate what they would have to do in their organisation,” Dwyer says. “People take it very seriously. It becomes quite serious.”

The game has the usual features of moving around a physical board, and also has the capacity to include aspects like *Monopoly*’s “community chest”, where a participant is asked a question and can lose points or money if they get it wrong. Reward for a correct answer can include additional help, bonus points or market share. Random events can also be included, for example landing on a particular square can trigger a Global Financial Crisis or some other significant occurrence.

“You can have a board game that goes to a natural conclusion, the equivalent of five years in time, or you can change the design and do a specific scenario such as a massive dislocation resulting in a fall in stocks,” Dwyer says. “We can say to participants, ‘we’re now in the part of the business cycle where we’re headed for recession. Let’s see what you do’.”

“We can also do a variation where there are three departments, for example Human Resources, Marketing and Sales, and Operations. They’re given a scenario and they each have to work out a strategy together and then play separately for ten rounds. You find that

one department might start making decisions contrary to their original strategy, or Sales and Marketing take actions that are not supported by what HR are doing. It puts silos between them and shows what happens when you work in silos. After ten rounds, they are all working on totally different strategies and are not effective.”

Dwyer says he and his colleagues were surprised at the uncanny reactions prompted by the game. “We brought out the first one, and were amazed how behaviours of individuals in the game reflected behaviours you might expect in the workplace. That wasn’t anticipated.”

He stresses that the activity must be followed up. The game helps participants absorb the learning, and they then need to go back to their work environment to do a project that will cement the experience. In some cases, organisations fail to follow through, and those who have taken part lose sight of the learning.

In the case of the Country Club, Dwyer says projects were put in place to allow participants to hone their skills. For example, one three-month project involved focusing on the health retreat and devising strategies to attract more customers. Participants conducted market research, and established partnerships with gyms and other relevant businesses that could offer reciprocal membership. At the end of the project, they had to report back to the General Manager on what had been achieved. “These were people from different backgrounds, not marketing or strategy specialists,” Dwyer says.

“Over 18 months, customer service figures increased. They decided to take on what they’d done themselves through the game.”

*The **Change Factory** is a business consulting company that specialises in change management. [www.changefactory.com.au](http://www.changefactory.com.au)*