



# YOUR BUSINESS IS ONLY AS GOOD AS YOUR PEOPLE

Best Practice in the Victorian Services Industries

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# YOUR BUSINESS IS ONLY AS GOOD AS YOUR PEOPLE

Best Practice in the Services Industries  
– a case study

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## EXECUTIVE SUMMARY

According to Andrea Skennar, “If Australia is to continue to be globally competitive and to grow economically; organisations will need to invest in their workforces’ skills and knowledge in order to possess a ‘skilled, flexible and motivated workforce!’.”

Companies that are committed to staff training develop a culture that promotes learning and values individuals resulting in increased commercial success<sup>2</sup>. “In today’s candidate driven market the provision of training is vital in order to retain existing staff as well as attract new employees.<sup>3</sup>”

This case study explores these theories within businesses operating in the Victorian services industries sector. Eleven businesses across this sector, covering wholesale, retail, personal services, hospitality, tourism and events, participated in the study.

The case study found the contributing businesses valued staff development, and employed good management skills, processes, practices and policies. Staff training did not happen in isolation from desired business direction and everyday workplace practices. Common themes, such as developing and up-skilling the workforce, effective human resource management, commitment to customer service, pride in the product, addressing the green agenda, and business efficiency through technology, became evident during the course of the research. The application of these themes varied, with businesses excelling in different ways. However, the one constant was the commitment to staff training, with 80 per cent of businesses confirming that 100 per cent of their staff undertakes training, with the remaining 20 per cent in the process of training their staff.

The businesses identified the need to recruit and retain quality staff – all of the companies involved in this study had lower staff turnover than the industry average. They implemented well-designed human resource policies and practices that supported business direction. Their investment in staff, products, resources, and environmentally-friendly practices

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<sup>1</sup> Skennar, A. (2009), Establishing and building a learning culture “Training and Development in Australia”, 36:4, p35-38.

<sup>2</sup> Savery & Luks, (2004), Does training influence outcomes if organisations, “The Journal of Management Development”, 23:2, p119 – 123.

<sup>3</sup> Kosbab, D.J., (2003), “Dispositional and Maturational Development through competency-based training. *Education and Training*, Vol 45, No 8/9, p316

occurred in a coordinated manner to achieve their commitment to customers and to deliver on planned business growth. These companies recognised in order to achieve the desired customer service they firstly needed to provide high quality customer service to their employees. As indicated by one of the study participants, Fred Milana, Director of Ultimate Tiles: “Your business is only as good as your people.”

This best practice case study supports the theory that companies seek to optimise their workforce through comprehensive development programs, not only to achieve business goals, but also most importantly, to survive and thrive in the future. To accomplish this undertaking, companies need to invest resources to ensure that employees have the information, skills and competencies they need to work effectively in a rapidly changing and complex environment<sup>4</sup>.

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<sup>4</sup> Wan, H. L., (2007), “Human Capital Development Policies: Enhancing Employees’ Satisfaction”, [Journal of European Industrial Training](#), Vol 31, No 4, p297

## INTRODUCTION

The following case study produced by Service Skills Victoria, reviews key business success factors of leading organisations within the services industries. The underlying principle of the study is that training is a critical success factor of leading businesses.

Dynamic small to medium-sized businesses were identified across all sectors of the services industries portfolio, including retail, wholesale, personal services and hospitality, tourism and events. The decision to involve small-to-medium businesses was made to showcase practices (that possibly) lesser-known successful businesses were employing. The case study focused on identifying the commonalities within successful businesses and their commitment to training. The assumption was that value placed on skills development ensures quality customer service, resulting in customer loyalty which contributes to organisational success.

## METHODOLOGY

Eleven businesses were asked to participate in the case study, and all agreed. The methodology used to obtain information involved identifying themes and developing a qualitative questionnaire around those themes. The questions and themes were created to assess whether training was viewed as a critical success factor. The businesses were sent an online questionnaire in preparation for a face-to-face interview (see *Appendix 2*). Two businesses preferred to fill in the online questionnaire and return it without undertaking a follow-up interview. The remaining nine organisations participated in face-to-face interviews conducted by Service Skills Victoria. These interviews were recorded with the permission of the interviewees.

During the interviews it became apparent that the themes identified by Service Skills Victoria interviewers were consistent with the important ingredients attributable to the creation of a successful, profitable business as stated by the owners/managers of the businesses. The themes were volunteered by the interviewees with no input from the interviewers.

The information obtained in the interviews and via the questionnaires was collated and is presented in this case study report according to the common themes identified in the research process, which were:

- i) developing and up-skilling the current workforce;
- ii) effective human resource management;
- iii) commitment to customer service;
- iv) be proud of your product;
- v) addressing the green agenda; and
- vi) business efficiency through technology.

The business practices of those participating in the case study are discussed under these themes, and the businesses themselves are profiled in *Appendix 1*. Although the themes were common to all businesses, the activities and practices employed were unique, with each business placing a different emphasis on, and excelling in varying aspects of, each theme.

## Developing and up-skilling the current workforce

In today's rapidly changing global environment companies need to develop a competitive advantage: this can be achieved with their workforce.

Engaged and satisfied employees create higher customer satisfaction, resulting in increased organisational performance and profitability<sup>5</sup>. Companies that invest in training create a corporate culture that values individuals and promotes learning resulting in committed and highly productive staff, which in turn increases production and organisational profitability<sup>6</sup>.

Each employee has different needs in the type and level of training they require, and also the time needed to train. Companies that commit to workforce development have higher levels of employee satisfaction<sup>7</sup>.

*“Engaged and satisfied employees create higher customer satisfaction resulting in increased organisational performance and profitability.”*

This is evidenced at **Bakers Delight**, which has developed a baking centre of excellence in a TAFE Institute incorporating company-approved baking equipment, methodology, ingredients and systems. The centre was designed exclusively for Bakers Delight apprentices. Franchises have reported an increased level of enthusiasm on the part of apprentices attending the centre, which has, in turn, improved their work quality back at the bakeries. For Bakers Delight, a higher level of relevant training has improved product quality and customer satisfaction as well as enhanced overall bakery consistency and adherence to company procedures. Happier franchises and better customer service has enhanced overall organisational effectiveness.



Bakers Delight Training

Leading businesses understand the importance of investing in their staff. Fred Milana, Director of **Ultimate Tiles**, says: “The business requires human interface, so the business can only be successful through the employees that provide the human interface.” Training is the most valuable investment in personnel as there is a distinct correlation between increased training budgets and improved productivity and operating profits<sup>8</sup>. Training also provides employees with the opportunity to develop interpersonal skills as they interact socially while they are

<sup>5</sup> Op cit., Wan, p. 297

<sup>6</sup> Savery, L.K & Luks, J.A (2004), “Does Training influence outcomes of organisations? Some Australian Evidence,” [The Journal of Management Development](#), p. 119.

<sup>7</sup> Op cit., Kosbab, p 316.

<sup>8</sup> Ibid., p. 119.

learning workplace competencies. The break from monotonous work routines and the development of new skills can also help to rejuvenate demotivated employees<sup>9</sup>.

**Mornington Peninsula Tourism** and **Ultimate Tiles** provide individualised training programs to meet the skill needs of the employee and the business. Training is determined by the job requirements and staff interest; some employees are undertaking design courses and others are completing accredited training courses, irrespective of government funding and incentives. Director of **Zucci Hairdressing**, Rocco Petrucci, says his choice of training institution is based on the trainee's skill strengths – whether they are creative and innovative, or lean towards a more structured and fundamental style of hairdressing. Mr Petrucci believes that both on-the-job and off-the-job training needs to occur simultaneously. "Training comes in different forms and is everywhere – even the trainer is always learning."



Mornington Peninsula Tourism incorporates Workshops as part of their Training Programs

**Yum! Restaurants** RTO Manager, Leanne Morison, says Yum! begins its workforce development from the recruitment process. "It is right from the start; it is about choosing the right people for the right role at the right time and eventually nurturing each and every one of them." Yum! Restaurants believes in training and promotion from within the company. Training is viewed as a critical success factor; the training program is designed according to employees' capabilities and is a combination of accredited and non-accredited training. The initial training undertaken by staff is a component of the induction process, and is followed by different training tracks creating career pathways relevant to the various roles within the company. Yum! is developing a training culture by encouraging staff to complete training

<sup>9</sup> Op cit., Wan, p. 297.

programs, and this in turn is creating a snowball effect where staff encourage peers to undertake training and gain formal qualifications.

All the businesses interviewed identify training as critical success factor. At **Mornington Peninsula Tourism, Zucci Hairdressing, Ultimate Tiles** and **Yum! Restaurants**, 100 per cent of staff had completed training programs. **Bakers Delight's** staff complete a customised accredited training program designed to deliver the skills and job outcomes required for their bakeries. **De Bortoli Restaurant, Flowers Vasette** and **Euforia** conducted regular staff meetings encompassing informal training sessions. **Foodworks Foster** and **Tobin Brothers Funerals** developed their own training programs and were in the process of training all staff. **Endota Spa** has created its own Registered Training Organisation (RTO) to deliver high quality customised training to its staff. The Endota Spa Training School will provide training to new and existing therapists in an actual spa environment. Melanie Gleeson of Endota Spa says: "We are creating a real 'wow' factor for therapists, giving them the opportunity to practice exceptional spa service and treatment delivery on actual people." The training facility will run courses covering Endota philosophies and service expectations, basic and advanced skincare tuition, treatment delivery, and the benefits of organic skincare ingredients.

## Effective Human Resource Management

Hiltrop<sup>10</sup> suggests that good management fosters organisational success; the better skilled the business owner/managers are at human resource management, the better the potential they will have to contribute to the success of the business. **Mornington Peninsula Tourism** implements innovative human resource practices. It undertakes an annual planning session with all staff where job roles are divided into tasks and staff nominate which tasks they would like to perform for the next year. Where a greater number of staff nominate for the same tasks, negotiation occurs until a resolution is reached and each task is assigned to an individual. Once this is completed, the individual job roles are created based on the tasks assigned. Roles are restructured annually and individual training plans are designed based on the employee's needs in order to perform their new job role. Training incorporates mentoring from an experienced staff member within the business, attending external formal training programs, and in-house training by other experienced staff members. This results in multi-skilled staff members and increases business flexibility, preventing disengagement by employees – if they do not enjoy a particular task they know they will only be performing it for one year. This practice creates a culture of continuous improvement where there is constant learning and acquisition of knowledge and skills.

Sandy Bucello, co-owner of **Foster Foodworks**, suggests that effective training cannot happen in isolation to business practices, procedures, standards and systems. To enable the new skills and competencies to be applied within the workplace there needs to be supporting systems. When a business develops systems, procedures and standards for employees to work to there is consistency of outcomes of workplace practices. Sandy is currently developing an online compliance



<sup>10</sup> Hiltop, J.M., (2005), "Creating HR capacity in high performance Training at Foodworks Foster  
122.

management system that enables businesses to develop and implement streamlined workplace systems, standards, policies and procedures. Mrs Bucello notes that if Abraham Maslow's hierarchy of needs was applied, business training would be at the top of the triangle – resulting from the establishment of policies, procedures and systems.

**Tobin Brothers Funerals** has a structured induction and training program. All staff undertake a one month induction program - six days off-the-job training and 3 weeks working under close supervision with a mentor. Staff members are eased into their roles after learning workplace practices, standards and procedures so that they can fully understand the fundamentals of the business and client service expectations. Tobin Brothers Funerals Human Resources Manager, Wendy Goy, describes how debriefs are held with new staff members to review their learning at Funeral services – aspects that went well and opportunities for improvement, the employee's general wellbeing and level of comfort in the new role. Managing Director, Martin Tobin, encourages a strong staff support network and believes that the organisation should care for its staff in the same high quality way it cares for its clients.

**Tobin Brothers Funerals** also implements very flexible workplace practices across their team of casual, part time and full time staff. Behind the funeral activity there is a very important logistics group which prepares for the next day's funerals, ensuring that team members are best utilised to serve clients according to their level of training. Roles in the company are funeral consultants, conductors, assistants, and embalmers. Ms Goy believes multi-skilling is vital in the funeral services as every day is different. Through the Tobin Brothers Funerals RTO staff access training enabling them to move into other roles within the company. The Certificate IV in Embalming Course offered to Tobin Brothers Funerals' staff is highly regarded by the AIE (Australian Institute of Embalmers) and includes students from all funeral companies around Australia participating in the course.



At Tobin Brothers, new staff members are given a 'buddy' as part of the induction process

## A Commitment to Customer Service

To be able to compete in the global community, companies need to be more efficient, flexible and, above all, customer orientated<sup>11</sup>; improving service quality and customer satisfaction are essential predictors of financial performance<sup>12</sup>.

According to Brett Whitford, Executive Director at the Customer Service Institute of Australia, the main characteristics of superior customer service are resolving questions and problems, knowledge of product or service, being easy to reach and understanding requirements<sup>13</sup>. All the businesses in this case study understand the importance of satisfying

<sup>11</sup> Halachmi, A. (2002), *Performance Measurement and Government Productivity*, Work Study, p. 63.

<sup>12</sup> Yoo, D.K & Park, J.A, (2007), "Perceived Service Quality – Analysing relationships among employees, customers, and financial performance," *International Journal of Quality & Reliability Management*, Vol. 24, No. 9, p. 908.

<sup>13</sup> <http://www.csia.com.au/> (20 July, 2010)

customers. They recognise the importance of repeat patronage for business profitability as it is more cost efficient to maintain a customer base than to attract new customers.

At **Zucci Hairdressing**, understanding client needs and providing excellent individualised customer service is the core of its success. The business incorporates a customer welcome policy for incoming clients. The staff follow a script ensuring the client is acknowledged and looked after while they wait. There is no general waiting area: instead, customers are taken to an individual working station where they receive a hand, neck and shoulder massage while they wait for the stylist. They are also offered an array of beverages. Zucci also accommodates individual cultural needs. There is a concealed area in the salon where Muslim women can have their hair styled while maintaining their privacy.

*To be able to compete in the global community, companies need to be more efficient, flexible and above all customer orientated; improving service quality and customer satisfaction are essential predictors of financial performance.*



Zucci Hairdressing at David Jones

**Tobin Brothers Funerals** pride itself on its ability to meet customer requirements. All funerals are customised to individual and cultural needs. Tobin Brothers is outwardly focused on being innovative in celebrating the lives of loved ones and aims to ensure the most memorable experience for their clients. It believes that funerals can be a celebration of life, endeavouring to achieve this for all its clients. Ms Goy states that at times of death relatives have the vulnerability of an eight to 15-year-old; staff therefore strive to support and assist relatives to ensure they achieve a seamless, stress-free service throughout their journey with Tobin Brothers.

**Ultimate Tiles** is striving to be the best tile company in Victoria, and it sees high quality customer service as the way to achieve this aim. It measures its success through repeat customer sales and word-of-mouth referrals. Ultimate Tiles is viewed as an industry leader and other tile companies benchmark themselves against Ultimate's high level of customer service, product range and knowledge.

As customers enter the showroom they are greeted and asked what assistance they require. Staff are trained to ask the customers questions in order to gain an understanding of their needs – colours, type of tile, tile use, etc. Once the customer's requirements are understood, staff can recommend the appropriate tiles due to their extensive product knowledge. Customers are also encouraged to take samples home for consideration. Another service Ultimate Tiles provides is the selection room of laminate and Caesar stone samples, enabling the customer to see the tiles they have chosen with laminate/Caesar stone benches even though these products are not sold by Ultimate Tiles.

In addition, if required, customers are supplied with a list of reputable local tilers who have an excellent reputation for quality of workmanship, customer service and reliability.

Sandy and Tony Bucello's vision at **Foodworks Foster** is to continue serving their local community with a high standard retail offer. They focus on customer service, a range of quality fresh foods and excellent hygiene standards for food safety. They believe their role is to support the community by understanding and providing customer grocery needs.



Ultimate Tiles strive to meet customer needs by combining quality products with excellent customer service



Foodworks Foster has a focus on customer service

## Be Proud of Your Product

In today's highly competitive market, aggressive product marketing strategies involving new products, new markets or a combination of the two needs to be implemented in order for businesses to succeed<sup>14</sup>. In the services industries, a company's product is one of the key selling tools, and, according to Lawn<sup>15</sup> "your product is the whole set of experiences, benefits and value that customers perceive themselves receiving from your business." Cherrie Miriklis-Pavlou, proprietor of **Flowers Vasette**, has gained an important edge by

<sup>14</sup> Pleshko, L & Heiens, R, *Journal of Targeting, Measurement and Analysis for Marketing*, Vol 16, (Palgrave MacMillan Ltd, 2008), p. 113.

<sup>15</sup> Lawn, J, (2004), "The Product: It Is What It Is – Or Is It?", *Food Management*, September, ABI/INFORM Global, p. 10.

creating unusually refreshing designs that challenge traditional floristry. Her business provides an amazing customer experience from the moment clients walk through the front door to be surrounded by an impressive wall of fresh flowers and floral arrangements. Ms Miriklis-Pavlou's extensive energy, enthusiasm, knowledge, expertise and team of committed florists have achieved a competitive edge resulting in Flowers Vasette setting a benchmark for aesthetic distinction within the Australian floristry industry.

*“Your product is the whole set of experiences, benefits and value that customers perceive themselves receiving from your business.”*

Diney Phillips, Manager of **Eufhoria**, also looks for inspiration outside the traditional florist industry to create innovative and original designs. Staff has visual merchandising training and expertise which broadens long-established floral arrangement knowledge, providing the customer with an exceptional merchandise and retail environment. Eufhoria's store is all about colour; it is filled with flowers arranged on antique furniture, providing a classic look enticing customers to buy the beautiful products. Ms Phillips provides a team environment where together staff nurtures each other's skills. They become involved in all store operations including visual merchandising and flower arrangements, and are very open to sharing ideas and inspiration.

**Bakers Delight's** brand has been built on its commitment to the quality of its product, the development of its people and the satisfaction which the combination of these two elements brings to their customers. The name Bakers Delight originated from the idea that every bakery should be delighted by the product they produce and that every customer should be delighted by the customer service they receive. This is the key to its competitive advantage over other bakeries and retail outlets selling bakery products. When businesses generate excitement for their product they convince the customer that their product is the right one to purchase, and the easiest way to become enthusiastic is to truly believe in your product<sup>16</sup>.



Visual merchandising is an important store element at Eufhoria

## Addressing the Green Agenda

Climate change is having a drastic effect on the world with 'sustainability' becoming high priorities for Australian governments and corporate business and, as a result, the buying power has shifted to the ethical consumer. With increased awareness of their carbon footprint, consumers are choosing products and services based on environmental contribution. Consequently, green business has become a part of mainstream business.

<sup>16</sup> Waters, S, (2010), "Benefits of Product Knowledge", [www.retail.about.com/od/marketing/promotion/qt/product\\_knowldg.htm](http://www.retail.about.com/od/marketing/promotion/qt/product_knowldg.htm) (16 July 2010).

At **Mornington Peninsula Tourism**, staff members very aware of environmental business practices and products. They have implemented a program of tree planting to offset the carbon produced from car travel, calculating the need to plant a tree for every 2000 kilometres travelled. A tree-planting ceremony is held at a local area identified by the council and all staff attend, serving both as a team-building and an environmental awareness activity. Since the program commenced, Mornington Peninsula Tourism has planted 50 trees. This is a very simple and effective program. The business has also joined an online site called 'Grow me the Money', a 12-month online program designed to help small to medium-size businesses become more sustainable and save money. Mornington Peninsula Tourism staff are very excited to have reached 'bronze' status within this program<sup>17</sup>.

*With increased awareness of their carbon footprint, consumers are choosing products and services based on environmental contribution.*

Environmental sustainability is very important to **Zucci Hairdressing**. Using AVEDA products, recognised as a leading brand in plant-based hair care, skincare, make-up and lifestyle products, Zucci is always looking outside the box to improve business operations from an environmental perspective. Zucci founder Rocco Petrucci says that this includes encouraging staff to openly discuss ideas and products that may improve the sustainability of the business and the environment. Zucci uses environmentally-friendly lighting and hot water units and disposable towels which decompose in 12 weeks. Mr Petrucci says that climate change is a major issue and Zucci needs to consider its impact on the environment, especially in relation to water usage in the hairdressing industry.

At **De Bortoli Yarra Valley Restaurant and Winery**, environmental sustainability is extremely important. The company's environmental commitment and strategic goal of becoming a 'Zero Waste Wine Company' is driven by its desire to leave a legacy for future generations<sup>18</sup>. Climate change has become an imperative issue for De Bortoli, which has changed its approach to growing grapes and making wine. The move towards biological farming has resulted in healthier soils leading to better fruit and better quality wine, and ultimately a healthier bottom line<sup>19</sup>. Drought is an especially major concern for the wine business. Over the last six years, De Bortoli Winery has implemented a number of water management initiatives to address this issue and to maintain a sustainable business. At the Yarra Valley Estate, an aerobic biological water treatment plant allows De Bortoli to recycle all waste water from the winery, restaurant and tourism facility for irrigation purposes<sup>20</sup>. The restaurant, Locale, sources its food from local suppliers and has created its own vegetable garden. Both practices emphasise management's commitment to local produce, reducing 'food miles' and minimising the company's carbon footprint.

<sup>17</sup> [www.growmethemoney.com.au](http://www.growmethemoney.com.au)

<sup>18</sup> [www.debortoli.com.au/environment.html](http://www.debortoli.com.au/environment.html) (6 July 2010).

<sup>19</sup> Ibid. (6 July 2010).

<sup>20</sup> Ibid. (6 July 2010).



Compost-turning at DeBortoli Winery is one of many environmental programs to combat drought

Management at **Yum! Restaurants** is very aware of current environmental issues as they have impacted on the cost of supplies, for example, the drought has increased the price of raw materials. In response current management developed a 'Green Agenda'. It is presently trialling a new environmental program which incorporates the recycling of all waste. Currently in its infancy stage, the program will be implemented throughout the business once perfected. Another initiative of the 'Green Agenda' is the introduction of recyclable paper bags throughout the business.



Endota Spa's commitment to the environment is replicated throughout all its operations including interior design

Melanie Gleeson and Belinda Fraser, founders of **Endota Spa**, are very committed to the environment, making eco-friendly choices whenever possible. They designed their spa interiors to look like fabulous eco-friendly houses, containing wooden floorboards, recycled timber benches and using understated neutral colours with minimalist decorations. All the products and spa treatments are native, organic Australian ingredients. All of their plant (lilly pilli, lavender, rosehip), food (honey, yoghurt) and other treatment ingredients (clay) are sourced from Australian growers. They have also created an all-Australian and all organic skincare range with one per cent of sales donated to Bush Heritage Australia, an organisation concerned with the rehabilitation and protection of Australian bushland.

### Business Efficiency through Technology

Consumers are the main drivers for advances in technology in the services industries. They demand innovative products and services, efficiency and speed in the buying and/or service process, and choice in how and where they wish to shop and have goods delivered, whether it is from a shopfront, online, via telephone or catalogue. Innovation is therefore imperative for commercial success<sup>21</sup>.

Technology has played a major role with **Tobin Brothers Funerals**' product offerings. For staff, a centralised client management system allows the organisation to operate more efficiently, and GPS is used to track vehicles to enable ease of deployment to funerals. For clients, plasma screens and DVD's allow them to showcase and celebrate their loved one's life. Graphic designers use advanced technology to create memorable funeral service booklets. Digital marketing is also a major feature with Tobin Brothers Funerals

*Consumers are the main drives for advances in technology in the services industries. They demand innovative products and services, efficiency and speed in the buying and/or service process ...*

website, the online features including quotations, making donations, web casts, sending flowers, and making a tribute being of major benefit to current and potential clients.

According to Ms Morison at **Yum! Restaurants**, the company is rolling out a new learning management system. The new online system will require assessors to conduct their assessments using iPhones which access centralised information within the RTO. This will dramatically reduce the use of paper within the company. All assessors' information will be centralised within the RTO. The new online training program 'Learning Zone' will commence with area and restaurant managers followed by a roll out to the team members. This information will also be supported by a 'Field Ready Roll Out Pack' which will have job aides, training cards, a quick reference manual, laminated cards and self-help cards to ease the learning process. Yum! is also developing 'area champions' who will provide support for the new learning system.

<sup>21</sup> Service Skills Victoria, Skill Needs Report 2010, p15, <http://www.ssv.org.au/skillneeds.php>



Teamwork attitude, open communication and focus assist Yum! Restaurants to “win together”

## SUMMARY

All the businesses surveyed in this case study viewed high level customer service and training as critical success factors. However, for these factors to be most beneficial to the business, they need to occur in conjunction with business policies, procedures and standards. Staff receiving new skills training and knowledge need to be able to apply what they have learnt within the workplace in order for the business and the employees to grow.

The business owners and managers recognised the importance of developing their workforce through comprehensive training programs to achieve business goals and most importantly, survive and thrive for years to come. Research has shown that there is a direct correlation between increased training budgets, improved productivity and operating profits, supporting the belief that training is an investment in people, and, therefore, the most valuable investment of all<sup>22</sup>.

<sup>22</sup> Peak, M.H (1995) “From cog to chromosome: training is at the very core of the newly emerging employment contract,” *Management review*, Vol 84, no 6, p. 1.

## Appendix I

### Company Profiles

#### Mornington Peninsula Tourism

Mornington Peninsula Tourism is a regional tourism body based at the Mornington Peninsula Visitor Information Centre in Dromana. The tourism unit liaises with two outlying visitor centres in Mornington and Sorrento. A division of the Mornington Peninsula Economic Development Unit, the business has been operating for 12 years and employs 8 staff with the additional support of 44 volunteers. Together they strive to “target visitors to come to the places (they) need them when (they) want them to”. As the winner of a 2009 Victorian Tourism Award and 2010 Qantas National Tourism Award in Specialised Tourism Services, Mornington Peninsula Tourism is highly regarded by the tourism industry for its ability to maximise visitor experiences, as well as marketing the Mornington Peninsula region cooperatively and building and achieving a long-term vision.

Mornington Peninsula Tourism is also a member of Tourism Alliance, the Australian Tourism Export Council, the Australian Institute of Tourism Officers, Volunteering Victoria, Business Events Victoria and the ‘Grow Me the Money’ initiative.



#### Euforia

Established in September 2007, Euforia is a boutique florist located on Riversdale Road in Camberwell. The retail arm of flower wholesaler, Mr Fresh, Euforia is well known in the area for its innovative design, competitive price points and beautiful retail experience. Currently, Euforia is a member of Interflora and was a participant in the 2010 Melbourne International Flower & Garden Show. With a team of nine, mostly casual staff, the store is focused on promoting the flowers, while providing fantastic customer service and captivating visual merchandising. Euforia has created an ideal retail space to best showcase its product. Stunning floral arrangements, together with antique furniture, make the retail store an idyllic place in which to immerse in a wave of colour. Euforia also offers unique gift ideas and trinkets.



## De Bortoli Yarra Valley Restaurant & Winery

De Bortoli Wines is a third generation family wine company established by Vittorio and Giuseppina De Bortoli in 1928. Since immigrating to Australia from northern Italy, the family business has grown with the help of their son Deen De Bortoli, who expanded and consolidated the business in New South Wales and Victoria. Finally, it has been the work of Deen's children that has established De Bortoli's famous reputation in the premium wine industry.



Today, De Bortoli Wines is operated under the custodianship of the third generation with each family member involved in the business. Winemaking is overseen by Managing Director, Darren De Bortoli, and Leanne De Bortoli's winemaker husband Steve Webber; Kevin De Bortoli is the Company Viticulturist; and Victor De Bortoli is the Export Director.



The De Bortoli Yarra Valley Estate is a multi-award-winning winery and restaurant. Overlooking 400 hectares of vineyards and the Yarra Valley ranges, Locale is a stylish restaurant serving the best quality local, seasonal and organic produce. A perfect setting to reflect the De Bortoli family philosophy, the restaurant is a great place to be 'Sharing Great Wine and Food with Family & Friends'. In addition, De Bortoli's Cellar Door is open daily, offering tastings of estate-grown wines as well as perfectly matched matured Australian and international cheeses from the cheese shop and maturation room. The restaurant is a separate entity to the winery business and has 20 employees, fluctuating between seasons.

For the Yarra Valley Estate, De Bortoli is a member of several industry associations including the Yarra Valley Regional Tourism Association, the Yarra Valley & the Dandenongs Marketing Limited, the Australian Tourism Export Council, Restaurant & Catering Victoria, the Australian Tourism Accreditation Program, and the Yarra Valley Wine Growers Association.

DeBortoli Wines has received many awards including:

- 1997: Winner, Jimmy Watson Trophy, Australia's most prestigious wine award
- 2000: Winner, Best Chardonnay for Yarra Valley Chardonnay 1998
- 2005: Winner, International "Best Of" Wine Tourism Award for Best Winery
- 2006: Winner, International "Best Of" Wine Tourism Award for Best Winery
- 2007: Finalist, 2007 Australian Tourism Awards
- 2007: Steve Webber, Winemaker of the Year, Gourmet Traveller WINE Magazine
- 2007-2009: Winner, Victorian Tourism Awards for Best Tourism Winery, Distilleries and Boutique Beers Award
- 2008-2009: Winner, National Tourism Awards for Best Tourism Winery
- 2009: Inductee, HALL OF FAME, Victorian Tourism Awards; International Wine & Spirit Competition
- 2009: Inaugurated, Australia's First Families of Wine.

## Zucci Hairdressing

Rocco Petrucci first established Zucci Hairdressing in October 1984 in the Melbourne suburb of Ivanhoe. Striving to deliver high quality hairdressing combined with excellent service, award-winning Zucci Hairdressing has grown to three salons in the central business district and South Melbourne. Committed to 'Creativity - Exemplary Service - Environmental Responsibility', Mr Petrucci's philosophy has resulted in a strong platform of loyal customers and solid staff commitment for excellence and skills development. Zucci Hairdressing currently employs 32 staff across the three outlets.



In 2009, Zucci Hairdressing received numerous accolades:

- HBIA Hairdressing Competition
  - 1st in Junior Photographic and 2nd in Junior Styling
  - 2nd in Open Colour Competition
  - 4th in Junior Styling and 4th in Junior Photographic
  - 2nd in Junior Rock Pop
  - 2nd in Couture Runway Presentation i
- HBIA Apprentice of the Year Awards
  - Nominees in Certificate III, Stage II –
  - Winner in Certificate III, Stage I
- HBIA Australian Hairdressing Championships
  - Winner in Ladies Design Cut for 2nd & 3rd Year Apprentices and Students



## Foodworks Foster

Foodworks are food and convenience stores spanning seven states and territories in Australia. Recognisable by its orange and green signage, Foodworks is Australia's second largest independent supermarket retailing group, supporting in excess of \$1.35 billion in annual retail sales.

Foodworks Foster is an independent trader operating under the Foodworks banner. Operating for 21 years, and including a major renovation, Foodworks Foster currently employs between 45 and 65 staff, depending on the season, to serve the local community with its high standard retailing offering. It strives to provide excellent customer service, supported by a wide range of quality fresh foods.



In 2005, Foodworks Foster received the Federation Health Gippsland Business Award in Retailing, and the Minister's Award for Excellence in the Employers of New Apprentices category. It is also a member of the Master Growers Association and the Small Business Council.



## Yum! Restaurants

Yum! Restaurants Australia was established in 1997, encompassing a long line of history with its individual brands – KFC, Pizza Hut, Taco Bell, Long John Silvers and A&W. Prior to 1997, Yum! was part of PepsiCo and then Tricon Global Restaurants. As one of the largest quick-service restaurant companies in Australia, Yum! Restaurants employ approximately 7000 restaurant-based employees over 189 outlets in Victoria. Across operations including Head Office, approximately 10,700 people are employed to ensure the restaurants operate effectively<sup>23</sup>.



Internationally, Yum! Restaurants is one of the largest restaurant companies in the world, with over 37,000 stores in 110 countries<sup>24</sup>.



In Australia, Yum! Restaurants shares "a passion for putting a 'Yum' on people's faces around the world ... that special eating experience that makes you smile and creates lifelong customers."<sup>25</sup> Together each brand operates on the following principles:

- customer satisfaction;
- belief in people;
- recognition;
- positive energy;
- coaching and support;
- accountability;
- excellence; and
- teamwork.

Yum! Restaurants is also a member of the following industry associations: Enterprise Registered Training Organisation Association (ERTO); Australian Industry Group; National Retailers Association; Quick Service Chains Association; and the boards of WRAPS and Service Skills Australia.



<sup>23</sup> Interview with Leanne Morison, Yum! Restaurants, 25 May, 2010

<sup>24</sup> <http://www.yum.com/company/ourbrands.asp> (17 August, 2010)

<sup>25</sup> Yum! Restaurants "How we work together principles" obtained during interview with Leanne Morison, 25 May, 2010. 2010

## Ultimate Tiles – Mornington Peninsula

Ultimate Tiles was formed through an amalgamation of three major independent tile stores, aiming to bridge the gap between large corporate stores and the small independent. Operating since 1977, Ultimate Tiles has seven showrooms across Victoria, predominantly in the Melbourne metropolitan area, offering an extensive range of modern and contemporary tile products. Design consultants are also on hand to inspire and assist with design solutions to reflect customer needs.

Over the last 10 years, Director, Fred Milana, has founded three Ultimate Tiles retail outlets –Mornington, Frankston and Echuca – employing 60 staff across the three businesses. He has formed a company with two other directors encompassing a total of seven Ultimate Tiles retail businesses in Victoria. Fred and his team strive to be the best tile company in Victoria, and he believes this can only be achieved through his people. As Fred states: *“Your Business is only as good as your people.”*

Ultimate Tiles has been a finalist in the Regional Tile Council Awards and is also a member of the Australian Tile Council.



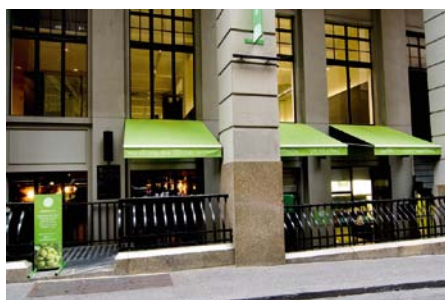
## Endota Day Spa Retreats

Endota Spa is one of Australia’s largest spa networks, with 55 resorts across six states and territories. Founders Belinda Fraser and Melanie Gleeson opened their first spa in Mount Martha in 2000, and began to franchise nationwide in late 2003. Being one of the most recognisable spa brands in Australia, Endota’s clean, fresh, contemporary Australian style is emulated both in marketing, operations and store aesthetics and design.

At its head office, Endota has 25 staff members, with rapid growth of the business reflected in the increase in staff numbers.

In 2004, Melanie Gleeson and Belinda Fraser were finalists in the Telstra Businesswoman of the Year Awards and also finalists in the 2007 Ernst & Young Entrepreneur of the Year Awards.

In January 2010, Endota Spa opened an in-house Spa Training School in Port Melbourne – an Australian first. Student intake commenced in February 2010, and the training school will initially hold classes for new and existing Endota Spa therapists. The courses will cover Endota philosophies and service expectations, basic and advanced skincare tuition, treatment delivery, and the benefits of organic skincare ingredients<sup>26</sup>.



<sup>26</sup> “Endota Spa Serve Up a Training First,” Media Release, January 2010, Style Counsel.

## Tobin Brothers Funerals

Tobin Brothers Funerals is an independent, family-owned business, operating under the brand of Tobin Brothers Funerals and their specialist women's division, Frances Tobin Funerals by Women, Herbert King Funerals in Ashburton and Richmond and Abbey Funerals at Thomastown. Currently with 23 branch locations throughout Victoria, Tobin Brothers conducts approximately 5500 funerals per annum.

Tobin Brothers was founded by brothers Leo, Phonse, Thomas and Kevin Tobin in 1934, with the business continuing through second and third generation family members, successfully maintaining the solid foundation laid by their founders.

Today, Tobin Brothers lives by six qualities:

- Genuine CARE for those we serve
- Professional COMPETENCY, guidance and expertise
- CREATIVITY and openness to change
- Desire to be innovative and CONTEMPORARY
- Active involvement in the COMMUNITY
- Belief that a funeral can be a CELEBRATION of life

Tobin Brothers employs 180 staff, 15 of which are direct descendants of the founding brothers. Together, they strive to provide a highly memorable experience for all their clients. As leaders in the industry, Tobin Brothers focuses outwardly to deliver innovative ways of celebrating the lives of loved ones, as well as inwardly on the care of it's very special staff through workplace ground rules, training and mentoring.

In 1999 and 2004, Tobin Brothers was named National Family Business of the Year by Family Business Australia. It is also a member of the Australian Funeral Directors Association and Australian Family Business.



## Flowers Vasette

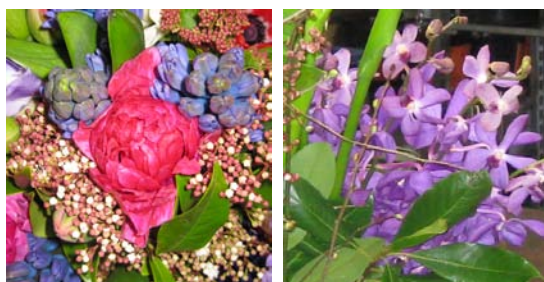
Flowers Vasette was established in 1989 by Cherrie Miriklis-Pavlou, who is well-known as one of Australia's leading trendsetters in the floral industry. Flowers Vasette is a preferred florist for many national and international events such as the Australian Grand Prix, the annual Spring Racing Carnival, and the Melbourne International Arts Festival<sup>27</sup>.

Located on Brunswick Street in Fitzroy, Flowers Vasette is easily recognisable for its distinct external signage and sculptures and abundance of colour and flowers inside the store.

Supported by a talented team of florists, Flowers Vasette is a leader in its field, creating refreshing, unique designs while combining the traditional techniques of floristry. Flowers Vasette has received numerous awards over the last ten years, including:

- 2002: Gold – Flower Design, Melbourne International Flower & Garden Show
- 2004: Silver – Floral Design, Melbourne International Flower & Garden Show
- 2009: Retail Florist of the Year, Melbourne International Flower & Garden Show
- 2010: Bronze – Window Display Competition, Gold – Melbourne Markets Floral Design Award, and Gold – Floral Design, Melbourne International Flower & Garden Show

With a team of 32 staff members, including florists, buyers, administration and logistics, Flowers Vasette is continually growing its business in all areas including retail, events, corporate and weddings. It is a member of the Victorian Farmers Federation, the International Special Events Society and VECCI.



<sup>27</sup> [http://www.vff.org.au/main/index2.php?option=com\\_content&task=view&id=704&pop=1&page=0&Itemid=49](http://www.vff.org.au/main/index2.php?option=com_content&task=view&id=704&pop=1&page=0&Itemid=49) (29 June 2010).

## Bakers Delight

Bakers Delight is one of Australia's success stories, building a strong brand and fostering a loyal customer base in local communities across Australia over the past 30 years. Bakers Delight was founded in Hawthorn in 1980 by fourth generation bakers and current CEOs Roger and Lesley Gillespie, together with Gary Stephenson. Quietly growing, Bakers Delight began franchising in the late 1980s. Ten years later Bakers Delight had increased to 600 bakeries, and in 1995 it grew internationally with stores opening in New Zealand, and later, in 2003, it saw expansion into Canada under the COBS Bread brand. With over 700 bakeries around the world, global turnover is expected to reach \$566 million in 2009/10.

Today, the original philosophy still continues. Every baker is proud of the product they bake and as a result, every customer should be delighted by the service they receive.

Bakers Delight has received a multitude of awards, including:

- 2001: Financial Category Winner, Franchise Council of Australia
- 2001 and 2002: Australian Franchise System of the Year, Winner, Franchise Council of Australia
- 2005: Presidents Award, Winner, Australian Retailers Association Victoria
- 2005: Australian Franchisor of the Year, Finalist, Franchise Council of the Year
- 2008: Media Campaign of the Year, Winner, Franchise Council of Australia
- 2009: Franchisor Social Responsibility Award, Winner, Franchise Council of Australia
- 2009: Excellence in Marketing Award, Finalist, Franchise Council of Australia.

Bakers Delight is an active member of a number of industry associations, including Franchise Council of Australia, Franchise Association of New Zealand, Go Grains and Food Nutrition Australia.



## Appendix 2

### Interview Questionnaire

**Company:**  
**Interviewee:**

#### Company Snapshot

- **Structure**
  - Do you operate as a sole trader, partnership or a corporation?
- **Size**
  - How many outlets does your business have?
  - How many employees do you have?
- **Established**
  - How many years have you been established?
- **Awards/Membership**
  - Has your business received any awards within the last five years, If so what was the award and what was it received for?
  - Are you a member of any professional industry organisations/associations?
- **Staff**
  - How do you rate your staff turnover compared to your industry standard?  
BELOW AVERAGE/AVERAGE/ABOVE AVERAGE
  - What are the staff demographics –generational, casual, part-time, full-time?

#### Business Success

- What is your business vision and objectives?
- What do you think are the business's key success factors?
  - Competitive Advantage
- Do you think you are an industry leader in your sector? If so, why? How did you achieve this?
- What are your thoughts for the future about your business and what is needed to keep it successful?

#### Workforce Development

- Are there positions in your business challenging to fill because the people with the right skills are difficult to source? If so, how do you address this?
- EXPLAIN WHAT IS WORKFORCE DEVELOPMENT
- What are your thoughts about workforce development? Needed? Why?
- Do you undertake accredited or non-accredited training in your business?
  - Why have you chosen non-accredited training over accredited?
- How do you ensure there is consistency and high quality in all forms of training?

- How do you ensure the implemented training meets industry standards – work-ready?
- What is your objective in training staff? What percentage of staff has undergone training?
- How do you decide which training programs to implement?
- How does training rate as a critical success factor? NOT IMPORTANT/IMPORTANT/VERY IMPORTANT
- What are your thoughts on on-the-job training and institution-based training? Which do you think is most effective?

## HR Practices

- What has your business done to maximize the retention of staff?
  - Staff development
  - Valuing staff
- What has your business done to improve the productivity of your employees?
  - Approach
  - Upskilling
- Do you assess employee satisfaction? If so, how?

## Environmental Sustainability

- Is environmental sustainability important to your business?
- Has your business been affected by environmental factors or constraints?
- What is your business doing to be more environmentally friendly?
- Are you undertaking any business activities to drive environment awareness and sustainability?
- Are you planning for your staff to undertake training in environmental sustainable practices?

## Technology

- What new technology have you incorporated in your business?
- What are you doing to ensure you and your staff/business is kept well-informed with new technologies and business approaches?
- How do you ensure staff use the technology safely and appropriately?

## ABOUT SERVICE SKILLS VICTORIA

Service Skills Victoria is the Industry Training Advisory Body (ITAB) for the service industries.

To ensure there is strong industry leadership of the training system, the Victorian Government funds a network of 16 ITABs which are experts on training needs and delivery in their particular industries.



ITABs provide authoritative, independent information on training needs, and promote skills development and take-up of training by businesses in their industries.

The Skills Victoria website has further details about the ITAB network and its role in the Victorian training system.

### Major Roles

- Engage and advise on skills development needs of Victoria's service industries' workforce
- Promote the integration of skill development into industry workforce development strategies
- Advance partnerships connecting industry and the learning community
- Support the development, implementation and continuous improvement of high quality, nationally recognised training products and services

### Commercial Activities

SSV applies its industry and research expertise to a range of commercial projects including

- business development
- course accreditation
- industry training research
- training/skill needs analysis

In addition, SSV manages the secretariat of the Tourism Accreditation Board of Victoria and operates the Australian Tourism Accreditation Program (ATAP) in Victoria. The Developing Tourism Leaders Awards have been an initiative managed by SSV since 2004. The awards are an annual innovative employment development exercise for final year tourism, hospitality and events students, judged by industry, to develop innovative business or events concepts.

As well as the corporate partners SSV manages the operations of the Victorian Food Industry Training Board under a Memorandum of Understanding with its Executive Committee. The VFITB performs a similar role to SSV in the food processing industries.





# Service Skills Victoria

SKILLS FOR THE FUTURE