

Background



ITC (International Travel Connections) is one of the UK's leading and longest established independent luxury tour operators. Founded in 1974 ITC specialises in luxury travel around the world for high net worth UK clients. The head office is based in Chester and ITC employs 95 staff across its offices in Chester, Harrogate, Barbados and Antigua. Last year the group turned over £41m and delivered £400k net profit. However 3 years ago ITC had its worst ever financial year delivering a £750k loss. Since then a new management team have driven a new corporate strategy that involved redefining the business plan and vision and most importantly implementing staff engagement initiatives to improve staff welfare, engagement and happiness.

Since then turnover and profit has risen by over 20% to deliver some of ITC's best ever trading years. This has been delivered in the backdrop of a very difficult market, with the travel sector being especially hard hit, emphasising both the financial and the staff engagement success in a relatively short time

The Challenge

The travel market has shifted over recent years through the increasing dominance of the internet; this has led to huge pressure on margin and hence profit. As a small, niche, service driven business ITC needed to

- a) Look at ways of creating operational efficiencies in order to effectively compete but most importantly
- b) Invest in staff development in order to create clear and tangible consumer benefits for the service we provide.

In affect we needed to get more out of less staff. The decision was triggered by our terrible trading performance in 08/09 (start of the credit crunch) and compounded by the fact our founder and Chairman passed away suddenly in 2009.

So how did we engage our staff to change and drive for success in a tough climate?

In early 2009, morale, success, profitability and engagement was at an all time low and there was a real threat that the business may not be able to survive. We had a 'burning platform' i.e. we needed to change to survive but we needed to create a reason for our staff to follow us to a safer more prosperous platform!

Firstly we created a clear, compelling vision for our future....we created a picture of what the future and success looked like that people could believe was possible and got excited about. We then brought together a senior team that could inspire their team and could communicate this message, helping people believe it was both possible and worth it for them individually.

We then took the difficult decision to ask all 135 people who worked at ITC at the time to reapply for their jobs based on clear job descriptions based on the new future of ITC. Whilst this was a difficult process it also enabled people to decide if they had the energy and passion to be part of the new phase of ITC's growth and for us to be clear about expectations. The result was that the best employees stayed, often more motivated and in more suitable roles in recognition of their contribution and many took the option of voluntary redundancy. Sadly in a few cases we also had to make compulsory redundancies where there were more than one candidate for a role, but in all cases this was managed from a supportive and 'people orientated' basis. The result was that there was circa 40 redundancies.

This was clearly a low point in moral but not engagement, because those who remained had signed up to the future vision and knew what their role was in the future success. At

this point we also embarked on cultural changes to drive staff engagement and a measurement of 'happiness' through quarterly surveys. We asked a simple question 'How happy are you are at work between 1-10?' 3 years ago the results were that 60% of staff said they were 8 or above out of ten. At our most recent survey in 2012 this figure had risen to 84%. Furthermore last year our staff for the first time voted us in the top 100 best small companies to work for.

Improving Engagement

Of course leadership, culture and communication provide the backbone to creating staff engagement and very much the driving force of delivering engagement was the CEO and the senior management team. However ITC embarked on a total program of ideas and initiatives to fan the process and encourage engagement at all levels. Below is an overview of various things we did to support engagement.

Team Ambassadors – We set up a 'committee' representing each department that meets monthly to discuss 'bright ideas' and share constructive feedback and opinion on how things could be improved with the CEO. They also set up a company showcase where each department showcased what there department did to breakdown the 'silo's' within the business. Development of this has been that our staff have been offered the chance to 'apply' for work experience in other departments to understand what people do across the business.

Regular Communication – Communication is the foundation of engagement and whilst only a relatively small business was not always consistent! To facilitate good communication, we set up an internal twitter system to share successes and openly thank our colleagues for help. We use a technique of Win, Learn, Change and encourage employees to share these successes and learning's at their regular team meetings and 1:1's. Each employee now has a weekly or bi-weekly team meeting, weekly 1:1's and quarterly PDP (personal development plan) where personal performance and development are reviewed constructively. Historically, catch ups were sporadic and task orientated, now the focus is on what we do and how we are doing it! There are regularly fun and inspiring quarterly staff updates so staff always know where the business is at, both in terms of successes and 'learns'!

Walk and Talks – We implemented a format to discuss business issues or brainstorm new ideas which involves taking individual teams out into the countryside (or often the Chester walls near our office) and go for a walk, clearing space to air ideas and come back with solutions or a new perspective. This has been used both within the teams and by the senior management and management team.

Social Events and Staff Welfare – One of ITC's clear values is about having fun and enjoying the industry we are in. We have a social committee that run all sorts of events e.g. a BBQ Friday lunch in the summer on our terrace, race night at Chester races, stylist event where a personal shopper comes in to give advise on the capsule work wardrobe etc etc. We also set up our own Olympic challenge over the summer, whereby 5 teams across the business were asked to compete on various fun Olympic events to find an eventual winner. We are also committed to health and wellbeing and offer staff a running club, subsidised Zumba classes and Yoga classes within the business. Healthy staff = happy staff!

Most recently we invited a conductor of the world famous Hallé orchestra to teach the senior management and management team to sing! Within 2 hours the whole management team performed as a choir to the whole business! This was the most powerful experience in teamwork, courage, fun and going outside your comfort zone that I think anybody has ever experienced. This is now being rolled out across all teams within the business where they are all going to perform a carol on the night of the Christmas party!

Health Checks – Each department has a quarterly health check, often led by a different manager to their direct line manager. The purpose of these forums are to provide an

open environment to discuss ways that things can be improved within teams and provide a framework for brainstorming ideas. We always follow the same format www.ebi (what works well...even better if). Basically everybody lists on post it notes all that is working well, to a) reinforce positive achievements and b) look at ways of building on this success. They then list all their ideas for 'even better if' again on post it notes. Solutions and actions are then reviewed with each team member taking ownership for an area each. This has helped a step change in engagement as people feel they have a forum to be listened to and can see things changing based on their feedback.

Staff Training and Development – ITC employs a dedicated external coach who designs and delivers a bespoke training program for all staff. These courses range from 1:1 executive mentoring for the senior team, a management skills course 'managing high performance' and various positive attitude based workshops throughout the year. Every employee at ITC has attended these courses. In addition to this we employ a sales coach who works on a 1:1 basis with our sales team to help them maximise their sales skills, increase conversion and smash targets! Despite budget challenges ITC continues to invest in training and development as a major source of supporting staff development and creating engagement

Company Values – ITC recognises that values as individuals and even more so when working as a team for a common goal, play a significant role in motivation, standards and behaviour. Every member of the ITC team participated in workshops to share and define the values that were strongly felt about and relevant to impact our service, clients and results. 4 key values were identified: excellence, passion, genuine and inspiration. The senior management team created relevant ways of guiding, leading by example and supporting staff to naturally think and behave with these values at the heart. These values are now firmly at the core of the business and so much so that several years on many team members receive letters of praise and thanks from clients and suppliers which specifically refer to and recognise excellence or passion etc.

Impacts and Benefits

The most obvious benefit is that staff at ITC love their jobs and love coming to work. That creates a fun, happy and stimulating place to be. This is specifically borne out in the results of our internal staff survey going from 60% rating happiness as 8 or above out of 10 to 84% in 2012! We are also proud that over 50% of our staff have been in the business over 5 years.

There is a visible and clear path for development, 5 out of the 7 senior managers have progressed to a senior position within the business from a 'junior' position. The CEO being a case in point starting in marketing and progressing to running the business within 5 years at the age of 34!

In terms of profit and productivity our turnover per head has improved by 31%, sales by 21% and profit by a similar amount. Costs have reduced dramatically, yet 'happiness' and positivity is at an all time high. This has not come from giving big pay rises, simply from adopting various engagement initiatives.

From a consumer perspective, our repeat business is the highest in 10 years and over 90% of consumers rate their experience of ITC's service over 8 out of 10.

The company recognised that values as individuals and even more so when working as a team for a common goal play a significant role in motivation, standards and behaviour. Every member of the ITC team participated in workshops to share and define the values that were strongly felt about and relevant to impact our service, clients and results. 4 key values were identified: excellence, passion, genuine and inspiration. The senior management team created relevant ways of guiding, leading by example and supporting staff to naturally think and behave with these values at the heart. These values are now firmly at the core of the business and so much so that several years on many team members receive letters of praise and thanks from clients and suppliers which specifically refer to and recognise excellence or passion etc.