

“CREATING BEST PRACTICE HABITS”

In our Fuel Retail Business Model we have 7 Business Management Areas. Each of these has a theme. The theme is the overall guiding principle for that area. One area, and theme is “OPERATIONS: Creating Best Practice Habits”.

What is a habit? Research has identified a habit as having 3 parts: cue, routine and reward. This is called the habit loop. For example, you stop at work (cue), you light up a cigarette (routine) and you smoke (reward).

In order to create or change a habit you need to identify each of the 3 elements. For example:

- Being friendly: See a customer (cue), greet the customer and smile (routine) and get a smile back (reward)
- Better service: Guide a vehicle to the pump (cue), offer the customer all the services (routine) and get a tip (reward)

Both of the examples happen on site and both are issues that all Fuel Retailers struggle with. The problem is that in both cases the reward is often missing. Customers don't always smile and they don't always tip. That creates a different, and unfortunately negative habit. In the same example:

- Being unfriendly: See a customer (cue), don't greet the customer and don't smile (routine) and don't “waste” energy by smiling back (reward). It is seen as a reward by the employee because he/she hasn't “wasted” energy on being friendly and smiling when there is no recognition.
- Better service: Guide a vehicle to the pump (cue), don't offer the customer all the services (routine) and get a tip some of the time (reward). Again, it is seen as a reward because the employee gets something even if he/she hasn't given the full service

Unfortunately, once a habit is formed it moves to the limbic brain, which is the part that runs automatically. This literally means you stop thinking about it and your brain runs on auto-pilot. That's why it is so hard for people to stop smoking, eat healthily and alter their habits.

What can we do? The same research notes that in order to change a habit you should identify the habit loop and either:

- Use the same cue and reward, but change the routine
- Or, provide a reward that is more attractive

Again, let's use the first set of examples:

- Being friendly: See a customer (cue), greet the customer and smile (routine) and feel good about doing his job because he gets recognition from management (reward)
- Better service: Guide a vehicle to the pump (cue), offer the customer all the services (routine) and then? What could be the reward? Recognition, yes. Tips, yes. But again feeling good about doing his job because he gets recognition from management (reward).

The trick here is for management to give frequent and accurate recognition and feedback for a job well done. This is difficult and takes time, which is why it doesn't always happen. Think of a few successful fuel retailers, chances are they are naturally good at giving recognition and feedback.

This is not a topic that can easily be covered in a newsletter like this. Admittedly the examples given here are very simple. But the point is to understand the habit loop and how habits work and hopefully help you to influence some of the habits on your site.

BEST PRACTICES:

DO identify the cue, the routine and the rewards for issues that your employees are struggling with

DON'T think that habits can be changed overnight. It takes time and constant re-enforcement

DO ensure that if you try to change your employee's habits, make sure there is a process, policy and procedure in place that will “drive” the new habit every day and in every situation, otherwise, people will just fall back into their comfort zone

DON'T try to use money as a reward to change a habit. Money loses its value very quickly whereas status, recognition, pride, trust and respect can have infinite value

QUICK WINS:

Start by giving recognition to every forecourt attendant for selling 4 oils per day. Each attendant must hand in 4 transaction slips for oil at the end of every shift and the supervisor must sign for receiving them. The list must be put up for everyone to see. The desired habit loop could be as follows: Serve a customer (cue), offer to check oil and sell oil when needed (routine) and receive recognition at the end of the shift (reward). If the list is visible to everyone then the non-performing attendants will feel embarrassed and the performing attendants will feel proud. Do it long enough and all your attendants will get into the habit of selling 4 oils per day.

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