



Profit is the Responsibility of Every Associate

Summary:

\$70 million member services company changes its culture to a profit oriented organization

Challenge:

A \$70 million, 300 employee, multi location member services company was founded in the late 1970s with a philosophy of taking care of each member by giving each member world class service. This philosophy made sense at the time as this company had close to a monopoly on the service that it provided to its membership base. As a member service organization there were no shareholders worrying about earnings per share and with virtually no bank debt, the company philosophy of taking care of members at all costs took center stage over ever worrying about the bottom line.

Over the years, competitors entered the market often using similar services as loss leaders to sell their primary products. As a result the member service company needed to sharpen their focus and change their culture to focus not only on member service but also on driving profit to the bottom line in order to compete in an ever changing landscape.

Solution:

GBQ Partners LLC was engaged to work with senior and mid level management to change the culture to one of a profit minded organization. GBQ Partners facilitated annual retreats as well as monthly profit team meetings working with the client on what became known at the client as "the profit audit", a process where multiple business silos were studied, dissected, in some cases abandoned and ultimately reengineered as required to adapt to a profit oriented mindset.

GBQ asked long time employees to get out of their comfort zone. The phrase, "we have always done it that way" became taboo. The established norms were all challenged, sacred cows were eliminated, client associates were required to enter space where they were uncomfortable, but over a 4 year period, the new profit oriented culture began to take shape.

Benefits:

The business environment for this entity is more competitive than ever, yet this company has been profitable, even in very tough economic periods. New service lines have been established. Unique service offerings are being leveraged and those service lines where the company can no longer compete are being eliminated. This company has successfully changed the internal culture to a profit oriented culture without losing their long standing member service environment.