

Practicing OB

Phone Center Chaos

The employees in a company's phone center are not paying any attention to new procedures for taking orders from clients. They are following the old procedures, which they prefer, and avoiding the changes that they dislike. What's more, they are spending so much time bickering with one another that overall productivity has been suffering. You are called in to handle this situation.

1. How might sex differences or cross-cultural differences in communication styles lie at the heart of this situation? What can be done about this?
2. How might technology be used to improve this situation?
3. What can be done to make the employees better listeners and more supportive of one another? How do you think these measures would help address the problem?

The Scoop on Communications at Cold Stone Creamery

By 2005, CEO Doug Ducey reached his objective of having 1,000 Cold Stone Creamery ice cream shops—a goal that seemed impossible to many of his colleagues when he proposed it only four years earlier. This rapid expansion has made Cold Stone one of the top-20 fastest-growing franchises in the United States. If you asked Ducey about the secret to this success he would deny—much to anyone's surprise—that it lies not in the company's butterfat-rich ice cream, served up with exotic accompaniments (such as apple pie filling and graham-cracker pie crust). Rather, he, along with many industry analysts, credit the company's success to its unusual formula for franchisee relations. This involves having a communications loop that keeps store owners happy and their businesses profitable. Specifically, his recipe for communication consists of three ingredients.

The first ingredient may be called "help them." Ducey has created a Cold Stone franchisee advisory council, a 17-member panel of store owners that serves as a clearinghouse of ideas and information. Meeting on a quarterly basis, this body makes conference calls to franchisees to see how things are going. They also take proactive steps to help, such as by launching a buying program that made it possible for owners to pay lower prices for supplies.

Ducey's second ingredient in the recipe for communication success involves "helping them help themselves." In many franchises, individual owners have difficulty reaching—and getting straight answers from—the company. Not so at Cold Stone. Jim Valentino, the company's vice president of franchisee relations, is always on-call as a representative of the company. Whether they call or e-mail him, Valentino is available to help franchisees solve their problems, guaranteeing their confidentiality in the process.

The final ingredient involves "helping them help one another." Recognizing that experience sometimes is the best teacher, Cold Stone has set up an intranet-based chat room, Creamery Talk, through which owners can communicate with other owners. In place since 2004, this tool has proven to be a little black book of tips and guidance. Topics ranging from how to repair equipment inexpensively to how to design the storefront have been lively—and highly useful—topics in this forum.

According to Cold Stone's vision statement, the company plans on becoming the top-selling ice cream in the United States by December 31, 2009. Although we will have to wait—but not long—to see if it achieves this lofty goal, given its commitment to effective communication, we wouldn't be surprised to learn that Cold Stone has indeed scooped the competition. If you have any doubt, note that Ducey wants Cold Stone to do to the ice cream business what Starbucks did to the coffee business.

Questions for Discussion

1. What specific principles or concepts of communication are illustrated in this example?
2. In addition to what is described here, what else might Cold Stone do to improve communication?
3. Do you think that the things Cold Stone is doing might be effective if they somehow were adapted for use in other industries? Why or why not?

CASE IN POINT