

Changing Systems to Meet Employees' Needs

Challenge

Horan & McConaty (H&M) was founded by John Horan, who believed that his funeral home's most valuable asset was its strong reputation for providing high quality service to families of the deceased. Leveraging this reputation, H&M grew from two locations in 1986 to seven locations serving the entire Denver metro area.

As H&M opened new locations, expanded its geographic footprint, and hired additional employees, it encountered difficulties in scaling its culture, processes, and management leadership training. With these challenges came poor communication, conflict between departments, functional silos, and employee dissatisfaction. Valuable employees became frustrated and left the company. Not surprisingly, these problems hurt the quality of H&M's service to its customers, dragging down customer satisfaction and, along with it, H&M's reputation. As a result, H&M's costs rose while revenues and profitability fell.

The internal conflict came to a head in 2013, when the three core functions—funeral directors, scheduling, and operations—stopped working effectively with each other. The funeral directors complained that they were not in charge of their own schedules; the scheduling team blamed the funeral directors for providing poor service; and the operations team blamed the funeral directors for all the company's problems.

Solution

Realizing the risk such problems posed for the organization, H&M's leadership turned to Arbinger for help. After conducting exploratory work to assess the situation, Arbinger proposed an initial two-day workshop for management leadership training. Afterwards, two of H&M's leaders were selected to become internal facilitators who could train and support the rest of H&M's employees.

The management leadership training had a significant impact on H&M's leaders. They began to systematically apply Arbinger's self-awareness, mindset-change, and collaboration tools. These tools helped them re-examine the persistent conflict among scheduling, operations, and the funeral directors. Leaders in each function began to ask how they themselves might be contributing to the problem and to start looking for ways that they could better support each other.

H&M's leaders also started to carefully listen to the needs of employees across the company, learning things that they had never known about their employees' day-to-day work. This newfound understanding led them to reconsider policies, procedures, and common practices as well as examine data that they had previously ignored.

The leadership team was surprised to discover that the funeral director with the highest customer satisfaction scores and greatest revenue generation was the newest in the company. After digging deeper, they realized that this high performer was working with two funeral homes located 20 minutes apart from each other. Other funeral directors were responsible for multiple sites that were more widely dispersed. When asked what made her so effective, the new funeral director confirmed that she benefited greatly by having only two locations and minimal travel time. This setup had allowed her to quickly develop positive relationships with the staff at both

locations, become intimately familiar with the differences and specific needs of each location, develop long-term relationships with families, and to oversee more funerals per day. Upon receiving this new information, H&M implemented a companywide change so all funeral directors would work with two funeral homes and have more autonomy over their own schedules. This enabled them to better meet the needs of grieving families while building a more cohesive, concentrated team culture.

Results

By placing funeral directors in charge of their own schedules, H&M increased how promptly funerals could be scheduled. They were also able to streamline their company and reduce operating costs by eliminating the scheduling function entirely. Because funeral directors were helped to view their work in terms of how they impact others, and because they spent less time driving between facilities, directors experienced greater empowerment and motivation. Rather than avoiding calls from bereaved families, they now welcomed those calls. They also began volunteering to help colleagues and train new hires—tasks that had previously been neglected.

The positive change wasn't limited to management leadership training for funeral directors alone. With Arbinger's help, H&M experienced a cultural shift where employees across the company began seriously evaluating their impact on coworkers and customers. Teams began spontaneously collaborating to meet the needs of families and each other. Key indicators tracked by the firm improved from these changes. Clients' ranking of H&M's "Support and Follow-up," improved by 10%, and H&M's Net Promoter Score (NPS) showed a commensurate increase of 10% as well. Tangible benefits were also experienced within the organization. As a result of providing improved service through increased collaboration, employee satisfaction, and engagement improved while overtime and employee turnover were

significantly reduced. According to H&M's CFO Dan Frakes, "We discovered that there is a direct correlation between collaboration and decreasing costs." With lower costs and higher revenues, H&M is now more profitable than ever and is growing the collaborative culture that the families they serve depend upon.

Using Arbinger's programs to systematically implement an outward mindset in our work has dramatically improved the experience our clients have with our firm and the experience our employees are having with each other.

Darren Forbes – COO | Horan & McConaty