

CUSTOMER SUCCESS STORY

Associate Training at JCPenney:
A Founding Principle



Overview

JCPenney was founded on principles of service and quality by James Cash Penney. His first store was named The Golden Rule to reflect the values of knowledgeable, caring customer service. Today, JCPenney has continued their commitment by focusing on empowering its associates with a sense of ownership in order to achieve their goal of high quality service and repeat business. To drive that success, JCPenney has been on the forefront of the retail industry in using the latest technologies to maintain compliance, deliver training, and develop career success for each associate.

The Challenge

Delivering training to over 1,000 locations with more than 150,000 associates located across the United States and in Puerto Rico can be a daunting challenge. Traditional methods of training required bringing associates to a single location for in-person training, costing the company thousands of dollars per associate for time lost, travel, and training delivery. To reduce costs, JCPenney realized early on that they needed to streamline their training methods and improve efficiency. In 1996, they shifted from a traditional method to a distance learning model.

Using the distance learning model, JCPenney was able to close their regional training facilities, thus reducing overhead, cost of travel, and time lost. Throughout the next 10 years, the process was refined, but limitations in the selected solution were found: "While the interactive features and live classroom functionality were helpful, they could only be used in a live environment," said Deborah Masten, vice president and director of associate development for JCPenney. "If there were scheduling conflicts, or an associate was not working that day, they would either simply miss the broadcast, or view a videotaped version of the session, missing the assessment portion of the training."

CASE STUDY HIGHLIGHTS

1. Enabled live and on-demand training for over 150,000 associates in 1,000 stores
2. Provided ability for concurrent live corporate TV broadcasts to all stores
3. 82% of store employees feel the training enables them to be successful at their jobs
4. Customers rated JC Penney associates the highest ranking for knowledgeable and friendly sales associates
5. Saved \$20 million in reduced travel and training costs in 4 years

As their legacy system began to near end-of-life, JCPenney found it to be inadequate in a number of ways, forcing them to realize that they needed to find a seamless and more effective method to deliver around-the-clock training for associates. Not only did their new solution need to provide similar functionality, but it needed to incorporate the ability to deliver versatile live training, with test and assessment capability, on demand training (video training), also with test and assessment capability, and enable compliance verification and measurable results. At the same time, that solution needed to cut costs, and require fewer resources.

The Solution

In 2005, JCPenney set out to find their solution and found Heliuss and MediaClassroom with One Touch. "The MediaClassroom environment [enabled us] to facilitate live and on demand training sessions at all of our store locations," says Masten. "We now have over 600 courses available that can be viewed by associates at a time that is convenient to them. We have been able to reduce costs associated with in-person training and travel, as well as duplication and distribution of training materials, and increase productivity due to flexible training hours, all without increasing my department head count."

The value of MediaClassroom didn't stop there for JCPenney. Now corporate executives can reach out and maintain dynamic and recorded interaction with the entire organization in a quick and efficient manner. The existing infrastructure developed by Heliuss allows management to broadcast live or pre-recorded messages to all 1,000 plus stores simultaneously or on delay for maximum impact. Broadcasts can be recorded to allow associates who work different shifts to benefit from personal messages and critical information from the Home Office.

"Having a multi-purpose digital communication system has been extraordinary," declares Alan Langford, senior network manager, internal communications for JCPenney. "We are able to take advantage of the existing corporate training infrastructure to target and broadcast pertinent messages to all of our store locations. As our number of store locations has grown, we have had to look for innovative ways to effectively communicate with our associates. Heliuss has been a true partner with us in developing new features and functionality to make this possible."

Delivering the Best Today

To maintain their cutting edge leadership in the retail industry, JCPenney has continued to rely on well trained associates to drive business by delivering high quality customer service. Through their CustomerFIRST initiative, the Company has provided comprehensive customer service training that empowers every JCPenney associate to make customers the top priority. Heliuss has enabled JCPenney to accelerate this important initiative which has created more engaged associates and elevated its level of service for customers. As a result, customer service scores have increased – allowing the Company to receive top marks from the National Retail Foundation/American Express 2008 Customer Service Survey.

In addition, a recent internal study showed that 82% of JCPenney associates feel they have received training that enables them to be successful at their jobs. In addition to this, customer feedback surveys have rated JCPenney the highest ranking for "knowledgeable and friendly" sales associates, a strong testimony that something is being done right. These positive results are a testament to JCPenney associates bringing the Company's "Every Day Matters" philosophy to life, by showing customers that what matters to them, matters to JCPenney.

An Added Bonus:

Saving over \$20 million in travel and other training related costs. Managing the fine balance between well-trained associates and the bottom line has always been a concern to JCPenney. Through the successful repurposing of existing content, the reduction in travel costs, and the ultipurpose nature of the Helius system, JCPenney has been able to exceed their training needs in a fiscally responsible manner.

“JCPenney is a leader in corporate training and communications,” according to Mike Tippets, CEO and President of Helius. “Their commitment to corporate training is evident every time you walk into one of their retail establishments and interact with an associate. Helius is proud to offer digital communications solutions that assist JCPenney Corporation to train and communicate with their diverse associate base.

About Helius, LLC

Helius, LLC, a wholly owned subsidiary of Hughes Network Systems, LLC (Hughes), provides digital communications solutions for business. Our patented expertise helps organizations implement applications such as digital signage, distance learning, and corporate communications. For more information, visit www.helius.com, or call 801.764.9020.

