

Case Study: JCPenney

The retail industry is a competitive and rapidly changing marketplace faced with a variety of challenges-aligning worldwide retail stores, high employee turnover and frequent product and promotional announcements. To maintain customer loyalty, retailers must constantly strive to increase productivity, profitability, and gain a competitive advantage.

JCPenney

One retailer who has done exactly this is JCPenney, Inc. In 1996, JCPenney closed its management training facility in Plano, Texas, and shifted to a distance learning model to more efficiently communicate and collaborate with over 149,000 store associates nationwide. The decision came as a result of a 1993 internal company study looking into JCPenney's recruiting and training practices. One of the main findings indicated that training and development opportunities were not consistently available throughout the organization.

The first step-and one recommended to anyone attempting change within a large organization-was taken by the then manager of JCPenney's corporate university, Deborah Masten, who secured management support from the very beginning in order to build the distance learning program.

"You can't be all things to all people," say Deborah Masten, JCPenney's vice president and director of human resources communication and development. "In order to make a successful change, don't be overwhelmed by the non-strategic aspect of things. Build a business case and sell it to senior management."

And that is exactly what she did. In 1996, JCPenney chose OneTouch's broadband interactive distance learning platform to

augment their existing business television network. Today, training at JCPenney consists of a blended learning model and is entirely paperless. The OneTouch IDL solution is a key factor in the continued success of the retailer's corporate university. Broadcasting from a studio at their headquarters in Plano, high-potential field managers team teach to store associates located nationwide. Associates see the presenters' video live on a classroom TV, and interact by using the OneTouch interactive touchpad-a simple, personal interface that facilitates two-way audio and data exchange between participating associates and the team teachers back at headquarters. Presenters can issue questions and quizzes, providing an important means of measurement and a way to establish accountability among associates. All participant data is gathered in a central database for further analysis, including attendance records, number of times a student calls in, and question and quiz performance.

JCPenney has found their OneTouch-powered network to be effective for more than just training. Weekly virtual meetings between stores has given rise to what could more accurately be described as best practice sharing.

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Deborah Masten
Vice President
JCPenney



How effective is it? Take just one example from a broadcast among store managers and the director of merchandising. An Eastern store manager called into the director of merchandising and explained how they were receiving multiple customer requests for white gold jewelry. As a result of this exchange, the director was able to send the desired jewelry to that specific store. This anecdote reveals two very important things. First, by hearing the demand for white gold jewelry, the director was quickly able to take advantage of the revenue opportunity by sending the store the correct merchandise. Second, and probably the most valuable, JCPenney was quickly able to respond to the market-ultimately improving customer satisfaction and leading to customer loyalty.

“We view the OneTouch communication solution as a competitive advantage,” says Masten. “In travel costs alone, the company has saved \$12 million over six years.”

Measure of Success

JCPenney knows the importance of aligning the corporate university with overall business strategy. By completing level four evaluations, Masten’s department is able to cost justify classes to the bottom line. In one instance, a single class saved the company \$58,000 alone. In another broadcast to 1,000 associates, the team teachers discovered that 50 stores were improperly conducting a certain procedure. Once the correct procedure was communicated, the stores reported saving \$27,000. The retailer attributes these results to their OneTouch-powered network.

“One Touch is a mission critical part of our business. 149,000 associates can’t be trained in a consistent manner with any other approach. This approach is far more efficient and effective than any traditional alternative, we can see which person is internalizing and who is not; nothing is more powerful in training effectiveness or cost effectiveness,” concluded Masten.



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