

# APPLETREE'S “DREAM ON” INITIATIVE

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20 times return on investment in less than a year; record retention of customers in a commodity business during a severe downturn; highest morale in the history of the company; and the best two quarters, ever, in terms of profitability. The key? An initiative called "Dream On."

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"You're either a giver or taker," explains John Ratliff, founder and CEO AppleTree Answering Service, a 350 employee inbound call center company based in Wilmington, Delaware with call centers in 12 locations throughout the U.S. and Puerto Rico. "Givers tend to get stuff back while takers fight for every last nickel and they are always the ones, in the end, who are struggling – they never have abundance."

### HUGE PROBLEM

The transformation of Ratliff's 13 year-old firm began during a quarterly offsite as the company prepared its plan for the coming 3rd quarter of 2008. "Employee attrition was the 'critical number' we chose to focus on," recalls Ratliff. "We were running an industry average 95 % turnover of our frontline employees while our non-exempt turnover was just 3 % – clearly we were doing something right for one group but not the other – and just being average has never been our goal."

What he didn't realize was how painfully out of touch he and his executive team had become with their frontline employees.

Ratliff knew that the company's growth, through 13 acquisitions in six years, had made it impossible to create a cohesive culture. And he had a nagging feeling that Appletree needed to be more than just a place for his employees to come to work. What he didn't realize was how painfully out of touch he and his executive team had become with their frontline employees.

"We were in our planning session brainstorming ways to create a better experience for our employees when Lisa Phillips, our director of operations, asked how we could become more like 'Make a Wish' for our employees," notes Ratliff. Over the years, Appletree has generously donated to charities and the "Make a Wish" foundation had always been their favorite.

## HUMAN SOLUTION

So they put together a small team of people to flesh out the idea and decided it wasn't about identifying their hard luck employees. Instead they simply wanted to know one thing, in a perfect world, that each of their employees would like to have happen in their personal lives. Critical to the request – there were no restrictions or caveats. And final decisions would be made by a secret committee.

Titled "Dream On", they announced it on their intranet and supported it with printed collateral and posters in all of their offices. Not surprisingly, like most new initiatives, the responses were slow to come in, but the requests that did trickle in began to provide the executive team a glimpse into the lives of their people.

"It was nothing short of shocking to discover the situation of our frontline employees," remembers Ratliff. "Just like you do demographic research on your customers, we started to really get an insight into the challenges of our employees and the kinds of situations they had inherited."

## DREAM REQUESTS

Health was a staggering shocker for the executive team as well as challenges caring for an elderly parent or grandparent. Others found themselves caught on a financial treadmill, having been out of work for a couple months before joining Appletree and needing a couple thousand dollars to get caught up.

“And I was surprised by the car situation – how a change in a bus route can force our employees to change jobs or how a previous employer may have changed job hours which no longer matched public transportation schedules,” explains Ratliff. Seventeen employees simply wished to own a car.

“One of the first requests we got was from a manager of one of our employees,” recalls Ratliff. Through a perfect storm of events, including the employee’s husband getting in a pretty serious accident and losing his job, the couple and their child found themselves living in a car, unbeknownst to Ratliff and his executive team. So the company put up the deposit money and worked with a landlord to get her a decent lease. They also provided furniture and gift cards to help the family get back on their feet.

“We meant to do this privately but the employee let a lot of people know and soon it was on our intranet and that dramatically increased submissions,” adds Ratliff.

The company intranet has been a powerful vehicle for linking their employees across 12 sites and creating a sense of community, witnessed by the companywide assistance that poured in when Hurricane Gustav hit Houma, location of one of their call centers. Employees stepped up to the plate and shipped clothes, food, and other necessities within 48 hours to their fellow employees. “It was an instant injection of positive to our culture.”

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## ACCESS

Helping eight people with living situations like bills and rent; sending two employees on their first honeymoons leveraging Amex points; flying a mom over Christmas to see her daughter in the Navy; providing four employees with personal computers at home; and fulfilling the dream of a 90 year old employee to take her first family vacation with her mentally challenged daughter are just some of the dreams they've made come true.

"What CEOs don't realize is the access you have that other people don't and how you can create opportunities for people you never would have thought of," reflects Ratliff. This was driven home when one of Ratliff's employees, who had been with him from the beginning of the company, asked for help in sending her 28 year old husband, who is suffering from stage 4 Hodgkins disease, to an Eagles football game.

"This cost me zero dollars – just some time to access my network," notes Ratliff. "It's not about throwing money at problems."

Through connections Ratliff had, the team picked him up in a limo, brought him down to the field and sat him in the wives section for the game. After the game each player came out of the locker room, greeted him, and signed a game ball, including his favorite player who took his game shirt out of his duffle bag, signed it, and asked him to walk him to his car.

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## RESULTS

In turn, the company has had its best six months ever. First, turnover dropped instantly once "Dream On" was launched, where today it sits around 30%. At a cost of \$5k to replace an employee, there's already been a net \$1 million contribution from a program that has cost \$50,000 so far. And for the cynics that would

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say the terrible economy would have driven this rate down anyway, customer turnover, which should have been high, is also the lowest in history due to a highly engaged and upbeat workforce. And all of this has resulted in the two most profitable quarters in Appletree history!

“The overall sense of belonging – of being something bigger than themselves or their individual sites – and part of a community has been the biggest change I’ve seen among the employees,” concludes Ratliff. “And for me, I feel more connected, now, to our entire group, and the company has become much more human to people.”

Now, on to the next dream – finding a connection to Will Wright, the creator of Sim City!