Cycle Time

Brand franchise prototyping

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In this Cycle Time, we will address how Randstad Holding of The Netherlands used DAM and related technologies to build an integrated marketing operations platform, excerpting a portion of a large white paper.¹

Randstad Holding constitutes a business services firm that provides flexible work, human resource services, recruitment, placement and payroll services, operating in 20 countries across Europe, Asia and North America.

Figure 1 depicts the progressive levels of process automation of Randstad, starting with a local market brand and achieving an institutional citizen brand.

This figure also calls attention to what I call the *brand franchise prototyping process*, using a unique and powerful blend of service innovation, organizational development and automation to achieve consistent earnings growth and market leadership.

With the deployment of *integrated marketing operations platform* from Capital ID, Randstad institutionalized four success factors:

- *Propagation of marketing and service-fulfillment methodologies* through its global network of service branches, capturing a greater share of their markets, lowering expansion and marketing costs through centralized sourcing, and reinvesting cost saving in marketing communications.
- *Systematization of new service-fulfillment methodologies* that enabled it to grow within existing markets and

client accounts, expanding its service portfolio and ways for clients to engage Randstad.

- *Rapid integration of newly acquired firms* to Randstad's systematized marketing and service-fulfillment methodologies, supporting the already established and successful local operation to accelerate total company growth.
- *Rapid delivery of services and integrated solutions* to new markets, exploiting the worldwide trend of deregulated labor markets.

DRIVING PRINCIPLES

Figure 2 depicts a business ecosystem, four core principles and an integrated growth model that

Figure 1: Brand franchise prototyping process

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drives the marketing operations at Randstad Holding. Randstad Holding uses a unique combination of internal organizational practices and a digital services technology platform to prototype, socialize and propagate best practices throughout its global operations.

Strong Concepts represent completed and productized service offerings. This enables rapid propagation throughout its expanding global operations. *Business Concept Owners* represent “product managers,” using financial and operational information from field operations as well as insights and innovations from bi-annual international meetings to refine and optimize their service offering.

Best People describes not only the recruitment and selection of the best-qualified and trained managers and front-line sales consultants; it also represents a commitment to continuous professional development and investment in training. To this end, Randstad conducts *bi-annual international meetings* — a brilliant and effective method for stimulating peer-to-peer coaching and the rapid introduction of new marketing tools and techniques, and socialization of best practices.

Excellent Execution represents the creation of systems and automation of core processes around *Strong Concepts* and *Best People*, ensuring that

front-line staff masters the details of great service delivery and business results to clients. To this end, the firm uses two technical systems, *Randstad ID Manager* and *Randstad Interactive*, to open new branch offices in 3–5 weeks (down from the three months it took before automating the procurement and provisioning of furniture, carpets, posters, computers, direct mail templates, stationery and leave-behind gift items).

Randstad Interactive uses the Share Point 3.0 collaboration server from Microsoft, hosting forum discussions, blogs, wikis and other forms of interactions that start or lead up to the Quarterly International Meetings. Key point: the communication, interaction and collaboration among peer practitioners of a marketing operations stands out as one of the most effective, efficient and fun ways of producing organization alignment with strategic objectives, new techniques and best practices. Both *Randstad ID Manager* and *Randstad Interactive* share the same technical infrastructure of .NET, making tight integration of the various web services easy, inexpensive and straightforward. Neat!

Superior Brands result from *Strong Concepts*, *Best People* and *Excellent Execution*, creating familiarity and broad-based support within those

Figure 2: Local groups drive innovations and socialization of process improvements

communities served by Randstad. Strong Brands not only reduce the cost of sales, they motivate sales consultants to maintain high levels of enthusiasm and follow-through on the details — absolute essentials for delivery of personalized services.

The *Growth Model* of Randstad calls attention to a distinctive capability: the ability to rapidly expand local branch operations (in 3–5 weeks) without loss of local-market knowledge, institutional know-how and marketing best practices.

Randstad Holding's growth model provides a great example of how this all comes together. Randstad drives "organic growth" within markets where they have established beachhead operations. The lower right side of the figure depicts a *Branch Propagation Model*, calling attention to a critical successful factor for rapid and profitable growth of service operations: one successful branch offices spawns a copy of itself. This accomplishes four things: First, it ensures that hard-earned knowledge of local markets stay local. Secondly, a 3–5-weeks cycle time to open a new branch enables the firm to rapidly expand in hot markets. Thirdly, each new office can start operating at more or less full speed

within a day or two of opening — the benefit of *Strong Concepts, Best People, Excellent Execution* and *Superior Brands*. Finally, if someone in a new office encounters a problem or needs extra help — she simply makes a local call to her colleagues in her previous branch and gets help without hassle or questions.

SUMMARY

Randstad Holding demonstrates the essence of DAM as a business strategy: speed cycle times, reduce costs, systematize best practices and increase earnings and growth. Their story also demonstrates another key point: socialization of change and new ways of working defines the real work of DAM strategists — what in a previous Cycle Time column we called the second 90 per cent of the work to do (after you complete the first 90 per cent of the solution!).

Note

- 1 Building a Global Brand Franchise Platform in Randstad Holding — How Randstad Holding transformed its local market leadership and marketing best practices into a premier global brand.