



## Success Story

# Improving the Client Experience Benefits All

*"Our strategic approach to grow our business is through client retention. In a commodity market, retaining and servicing loyal clients is one of the keys to organic growth. We are seeking to create differentiation through superior service and awareness of and attention to our client's needs. Satmetrix Systems is an essential component in our retention efforts."*

**Tucker Schuldt Senior Vice President, Strategy, Planning & Quality Sodexo Health Care Services**

Sodexo North America is the leading provider of food and facilities management in the U.S. and Canada, with \$6.0 billion in annual sales. Headquartered in Gaithersburg, MD, the company has 130,000 employees at more than 6,000 locations across North America. Sodexo Alliance offers innovative outsourcing solutions in food service, housekeeping, grounds keeping, plant operations and maintenance, asset and materials management, and laundry services to corporations, health care and long term care facilities, retirement centers, schools, college campuses, military and remote sites.

## Challenge

### Organic Growth in a Commodity Market

Sodexo Health Care Services is the leading food and facilities management services company in North America and a member of Sodexo Alliance. Sodexo Health Care Services operates in a highly competitive industry. Approximately only one-third of U.S. Hospitals outsource food services and the rates are lower in other services. Because the market has not yet fully embraced the value proposition of outsourcing, Sodexo needed to enhance its growth strategy by focusing further on client and customer relationships to demonstrate the value they provide to their clients. In 1999, Sodexo launched its Clients for Life® program. "Clients for Life® was implemented to drive retention by continually focusing on our client's needs through proactive communication to ensure a commonality of goals," said Tucker Schuldt, Senior Vice President, Strategy, Planning, & Quality. While Sodexo Health Care already had a high level of cross-selling its portfolio of services to existing clients, Schuldt believed they could do better through a deeper understanding of client experience data. "We had a client satisfaction process in place for many years; however, we wanted to take the process to the next level. We recognized that we needed to engage our clients in the feedback process on a continual basis and begin measuring loyalty to improve client retention and long-term growth."

## Solution

### Operationalize Client Experience Data to Increase Retention

To further compliment the benefits of their Clients for Life® initiative, Sodexo partnered with Satmetrix in 2002 to create a customer solution that would help the company measure their clients experience with Sodexo's core services, as well as measure their clients' loyalty. They discovered that while clients were satisfied and had pride and trust in their relationships, they needed to communicate more effectively. Also, clients were looking to Sodexo to propose creative ideas and innovative solutions to provide a better experience for their customers.

To address their clients' needs, Sodexo's Executive Leadership Team engaged the entire operations organization to analyze feedback and quickly take action. Day-to-day operations personnel use loyalty metrics to identify client expectations and target areas of improvement. Email triggers are used to immediately notify managers of low loyalty responses, allowing prompt follow-up and the initiation of service recovery processes. District and regional managers allocate resources based on account performances, senior operations management identify key drivers and best practices to strategically manage change, and Vice Presidents target retention efforts based on client feedback.

Sodexo managers use client experience data to drive change throughout the organization, and are measured on their success.



## Success Story

"Our priority is organic growth, which is supported by three pillars: retaining current clients, generating additional revenues on existing sites, and winning new clients. We know that a 1% improvement in client retention rates results in 120 million euro in additional revenue... We all need to fully comprehend the critical importance of improving client retention." Jean-Michel Dhenain: President and COO, Sodexo Alliance

Loyalty targets are imbedded into performance-based pay programs for Sodexo managers. From onsite management through the executive staff, Sodexo acts upon their client experience information to make changes and improve retention. "Overall, our culture has embraced the survey process and believes it is a valuable tool to demonstrate value to our clients and manage their expectations. Satmetrix's sophisticated real-time reporting has increased the timeliness of information and the ability of the management team to engage our clients in discussions to improve a potentially damaging situation immediately, which translates into improved client loyalty, retention and opportunities for growth," said Schuldt.

## Impact

### Improved Client Experience Increases Retention

With the Satmetrix solution combined with Sodexo's Clients for Life® program, Sodexo has been able to measure and improve client retention rates. At the overall and division Vice President level, strong retention numbers provide a direct link to organic growth. "A strong retention program drives organic growth," said Tucker Schuldt. "Simply stated, clearly in a strong retention year, all of our sales activity and sales volume is accretive to top line revenue growth rather than lost service revenue replacement. One of the critical paths to organic growth is understanding the nature and quality of our relationships; establish early warning systems, predict at-risk clients early, identify those problems, resolve them, and retain more

business." In tune with its corporate directive to improve client retention, Sodexo Health Care has positioned itself as a leader in organic growth within Sodexo Alliance. Additionally, in comparison with other Business to Business companies, Sodexo Health Care is a leader in the area of client loyalty based on Business to Business benchmark data.

## Looking Forward

### Continue to Measure Results, Improve Client Experience and Increase Retention

Sodexo Health Care's client-focused retention program, now in its fourth year, has increased service retention by 46% and will produce a significant positive ROI in year five. Next steps for Sodexo Health Care include improving early warning and predictive capabilities. Using information from their loyalty solution, Sodexo plans to establish early warning systems that can predict the degree of risk at an account, which allows for more proactive management to ensure that issues are resolved early, avoiding costly problems and dissatisfied clients. Sodexo will also be using their Satmetrix solution as a tool to target new services with their most loyal clients.

"Satmetrix Systems is a critical component in our retention efforts," said Schuldt, "It's how we ensure retention rates are high or are continuing to improve. If you are seeking to partner with an organization that truly puts their client's needs first, you should consider Sodexo for your outsourced services."

Sodexo Health Care Services  
100 Avon Meadow  
Avon, CT 06001  
Phone 877/678-1023  
Contact Julie Forte

### Satmetrix Systems Headquarters

950 Tower Lane, Suite 500  
Foster City, CA 94404  
Phone 650.227.8300  
Fax 650.227.8301

### Satmetrix Systems New York Office

450 Seventh Avenue, Suite 1601  
New York, NY 10123-0101  
Phone 646.935.3500  
Fax 646.935.3501

### Satmetrix Systems United Kingdom Office

First Floor Office Suite  
Building 1  
26-28 Hammersmith Grove  
London W6 7HA  
Phone +44 (0) 20.7470.2440  
Fax +44 (0) 20.7470.2441