

MARK IN ACTION



CELEBRATING

25 YEARS

OF OUTSTANDING
CUSTOMER SERVICE

UNIPART
 **GROUP**



Introduction

It is a great pleasure to celebrate the silver anniversary of one of Unipart's most important and prestigious programmes. Looking back to those earliest days when we started the Mark in Action programme, there were few who would have foreseen how strong the programme would eventually become.

When Unipart began, the notion of 'outstanding customer service' was reserved for American companies that were ridiculed for their 'have a nice day' attitude. Few business books focused on creating a unique customer experience; even fewer British companies were committed to delivering one.

In the earliest days, starting a programme that recognised and rewarded individuals for delivering outstanding personal customer service was not just controversial, it was a little dangerous. Some of our colleagues were reluctant to be singled out for the extraordinary things that they did. A few even declined the award for fear that they would be ostracised.

But today, the Unipart culture is the antithesis of those early days and that is demonstrated at every ceremony. People are proud of receiving Mark in Action awards; they invite their family and personal friends to attend the ceremony.

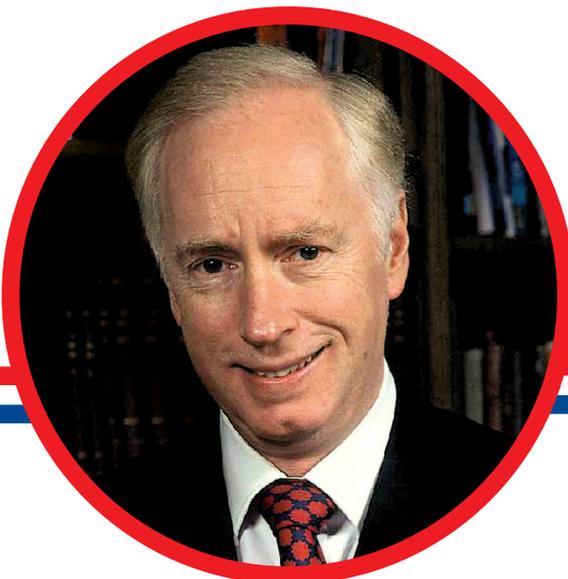
They are respected and thanked by their colleagues for 'going the extra mile'.

Even the achievements have changed. The bar has risen significantly so that the awards made in the earliest days might not qualify today when scrutinised by our panel of judges who uphold the standard. Our expectations have risen as we deepen our understanding of what it takes to deliver 'outstanding' customer service. It's not just doing your job well; it's going the extra mile.

That culture change came as the result of 25 years of engineering it into the DNA of the organisation. It took decades of consistent commitment and leadership by people throughout the organisation who promoted the ideas to their colleagues through personal example and advocacy until it became our way of working.

It came as a result of years of commitment to a philosophy that we call The Unipart Way, a designed system that enables people at every level of the organisation to learn, to solve problems and to achieve more than their own expectations.

The Unipart Way has fostered a level of employee engagement that inspires people to stretch in terms of their efforts and creativity; to be innovative in their approach and to be enthusiastic about their achievements.



Introduction (cont)

The output of that employee engagement is evident across the company, but perhaps is most recognisable through the stories of Mark in Action winners that are told at each of the award ceremonies.

The stories are real, they are honest, and they are often told with the heartfelt thanks of those internal and external customers who have made the nomination.

25 years ago, promoting the idea of delivering outstanding personal customer service was a lonely mission. Today it is the 'golden fleece' of organisations in both the public and private sector. Our people have made that difficult journey of culture change. They are now working with our many diverse customers to coach them on the journey.

In the last quarter century I have presented more than 2,600 awards at regular ceremonies in the Unipart U. At each of these I have expressed the genuine thanks and admiration from myself and my colleagues. After all these years, the stories of award winners are even more powerful, more moving and more impressive.

As we celebrate our quarter century and look forward to the future, I'd like to thank all of those award winners who have contributed to making the Unipart brand the mark of outstanding customer service.

By John M. Neill
Chairman and Group Chief Executive

A Cornerstone of Employee Engagement

Employee engagement has become the Holy Grail for many companies. It is seen as the key to introducing continuous innovation, increasing productivity and improving quality and customer service.

But many companies struggle with one of the core elements of engagement -- the recognition of an individual's discretionary effort or 'going the extra mile'. Employee recognition programmes come and go, sometimes introduced and replaced within the same year. They can prove difficult to administer and can lack credibility with the very people who they seek to motivate.

It's remarkable therefore to learn that one such recognition programme has been running for a quarter of a century and continues to be a cornerstone in the company's employee engagement strategy.

Unipart Group started the Mark in Action programme 25 years ago in support of its corporate goal to make the Unipart logo the mark of outstanding customer service.

This seemed like a lofty ambition back in 1987 when a management buy out created the Unipart Group of Companies. Unipart was part of the British Leyland empire, which had a legacy of poor employee relations and industrial action.

But as plans to privatise Unipart came to fruition, the management team was clear that the new company needed to reflect a different attitude.

Unipart broke new ground in employee relations by first offering employees a chance to own part of the company through an innovative employee share scheme, and next by offering employees a chance to own their personal development through the UK's first 'corporate university', The Unipart U.

The team was committed to improving quality and productivity within the new company, so they studied ways in which they could provide meaningful recognition for people who demonstrated 'outstanding personal customer service'. Long before it was fashionable, they recognised the importance of building a culture in which engaged employees would be a differentiator for the company.

Fast forward 25 years and the Mark in Action programme is highly regarded by Unipart's employees and customers alike. It is a vital component of Unipart's engagement culture and continually reinforces the importance of 'going the extra mile' for both external and internal customers.

If you attend any of Unipart's Mark in Action ceremonies, you are likely to hear a presentation from a senior manager from Sky, Jaguar Land Rover or one of Unipart's other well known customers from around the world who have nominated a Unipart employee for the coveted award.

“ I feel I do get a lot from it. I've been in this company for 20 years now and this is my home from home. The Mark in Actions are fantastic and helps you take stock of what a good company it is ”

**Tristan Maskens
Unipart**



A Cornerstone of Employee Engagement (cont)

The Mark in Action programme puts the nominator on the spot. Should you wish to thank or recognise the outstanding customer service of an individual or team, you're asked to complete a detailed nomination form. It's not onerous, but it is thorough.

The form is reviewed by a panel of judges headed by two of the UK's leaders in the area of corporate sustainability: David Grayson, who holds the Doughty chair of Corporate Responsibility at Cranfield University, and Mark Goyder, who heads the Tomorrow's Company think tank. This is no rubber stamping exercise.

Both take their role and responsibility very seriously often challenging nominators and other judges on their decisions. Their job is to protect the integrity of the programme, an aspect that is brought into the spotlight at every ceremony.

Indeed, that integrity was scrutinised by Buckingham Palace before Her Majesty The Queen agreed to present a Mark in Action award during a visit to Unipart's Coventry site.

On a first come, first served basis, the entire company is invited to attend the awards ceremony, which is held in The Unipart U.

Winners are invited to bring their families and colleagues along for the event, but before awards are presented by the Group Chairman and Chief Executive John Neill, nominators provide a short presentation on why they put forward the nomination. It's an opportunity to validate the award in front of the entire audience and, perhaps more importantly, a chance to add personal thanks for going 'the extra mile'.

Every ceremony concludes with a personal address and thanks from John Neill, and then winners, nominators and audience members are invited to celebrate the achievement with a special buffet lunch.



It seems a simple idea, so what has enabled the Mark in Action programme to endure for 25 years and celebrate over 2,600 awards?

Some remark on the process. It has been refined and 'leaned' to make it easy for nominators but robust in its integrity.

Others believe it is the fact that Mark in Action offers no flashy prizes. Winners receive a number of company shares, a gold pin and the genuine thanks from those who have benefited from their actions.

But for most people, it is the Mark in Action stories that provide the key to its value.

They are the stories about people who do extraordinary things for their customers, such as the distribution team who came up with a new way for a client to achieve 100% recycling, or a team member who developed an innovative device that would completely eliminate the need for the use of shrink wrap, which saved money for his client and improved the operation.

It is these stories that are told and re-told across the company. They are featured in Unipart's regular video news programme. They become 'legend'.

It is also the stories that deliver the most subtle benefit of the Mark in Action programme. That is a point often missed by casual observers.

Not only does Mark in Action thank the achievers, but it sends a powerful message to the audience. It shows other employees that these are the sorts of behaviours that make a difference to customers; these are the sorts of behaviours that are valued.

They are not demonstrated by a small group of super high achievers. The people who win Mark in Action awards are people who have done extraordinary things for their customers.

It may be subtle, but it's not lost on Unipart people. That's why the Mark in Action programme can celebrate 25 years of awards and confidently look forward to the next 25.

“Mark in Action is a vital component of Unipart's engagement culture.”

By Frank Nigriello
Director of Corporate Affairs



Creating a Culture of Customer Service

Judges' View: A "Can-do" Fix by David Grayson

Judging the Mark in Action (MIA) Awards is hugely energising and deeply humbling: energising because they regularly produce examples of creativity, ingenuity and the entrepreneurial drive of people in Unipart; humbling because MIA repeatedly highlights hard work, selflessness and dedication to living the Unipart Way, at the expense of personal convenience and an easy life. Studying the nomination papers for MIA gives you a "can-do" fix!

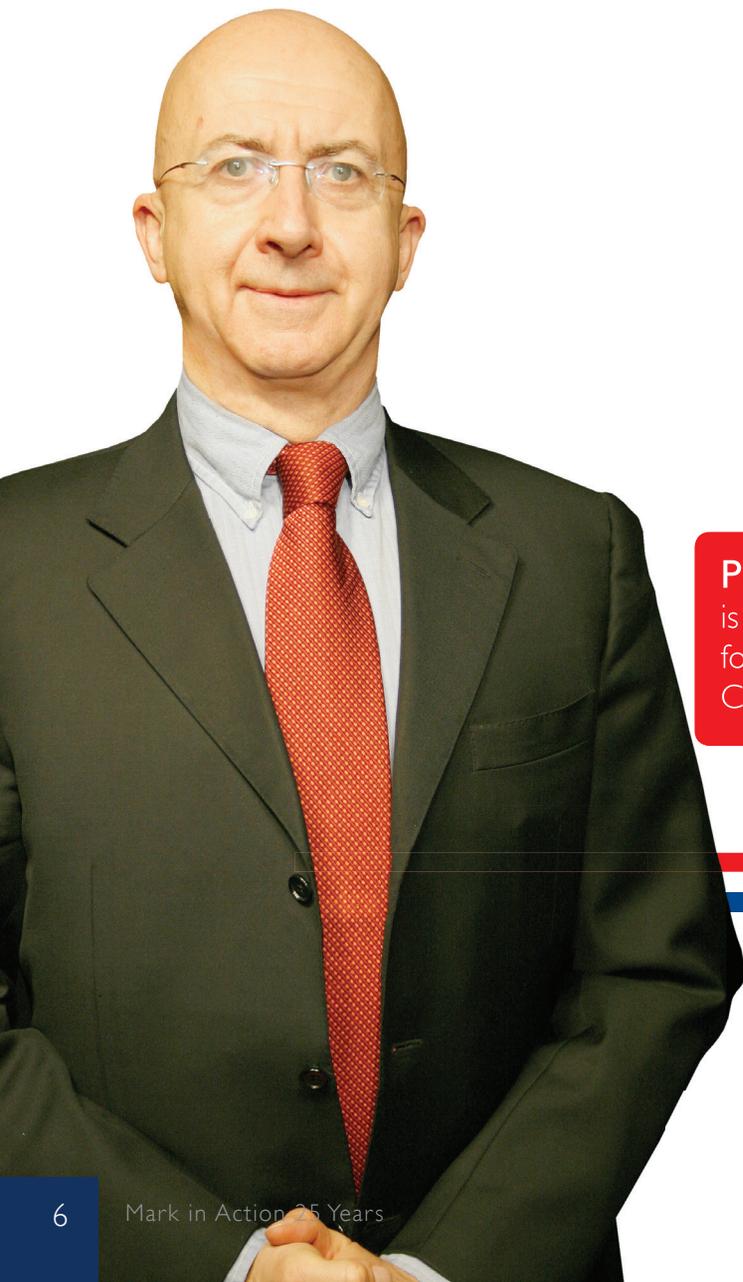
Sometimes, the MIA is for sheer hard work, well above the "call of duty," in response to natural disaster or client mishap – frequently pulling the proverbial "irons out of the fire," usually in double

quick time. On other occasions, whilst the award may be for a specific incident, you know that you are really recognising someone or some group who have been long-term, "unsung heroes" of the Unipart Way. The nominations I especially enjoy, however, are those where the nominee(s) have developed innovative business solutions which saves or makes money for Unipart and/or the client – and either way, helps to build long-term, shared destiny relationships – and thereby enhance job and business security.

Like the father of management guru-dom, the late, great Peter Drucker who once said: I passionately believe that it is in the long-term interests of business to be corporately responsible – and to seek business opportunities from the better management of their Social, Environmental and Economic Impacts – which is what Corporate Responsibility and Sustainability is all about.

If I have a hope for the second twenty-five years of MIA, it would be that many more citations will recognise contributions to new business solutions which simultaneously address sustainable development. And just maybe, you will invite me back in 2038 for the Golden Anniversary of MIA to check up on this!

Prof David Grayson CBE
is Director of the Doughty Centre
for Corporate Responsibility at the
Cranfield School of Management



Judges' View: A Purpose Bigger Than Us by Mark Goyder

I have known and admired Unipart since I first met John Neill in 1993 – twenty years ago.

It is a feature of the outstanding businesses around the world that they combine a commitment to continuous change and improvement with a constancy about who they are and how they behave. 'Preserving the core while stimulating progress' is what Jim Collins and Jerry Porras called it in their famous book 'Built to Last'. Balancing these two worlds is the job of leaders. In Tomorrow's Company we have found that consistent ownership has proved to be an anchor of continuity. It is a source of what we call stewardship. Thanks to its consistent ownership by employees and some long term shareholders, Unipart has been able to maintain a consistent leadership and avoided many of the short-term pressures that confront too many listed companies.

But, once underpinned by consistent ownership, a business needs to be reinforced by a culture in which everyone knows what is expected of them, and people support one another in achieving common goals. This is where the Unipart Way comes in, and with it the celebration of outstanding customer service that comes from the Mark in Action Programme.

I have been a judge for the Mark in Action awards since, I think, 1998.

In preparing this I delved, at random into my 'Mark in Action' files.

The first winner who came out was Steve Zaccone of Unipart Logistics, based at the Paramus Warehouse in the USA.

Here is a part of the nomination which told Steve's story.

As a Distribution Centre Operative (DCO) Steve worked on the shop floor and is responsible for the Outbound process at the site. His duties include the picking and packing of product, loading and unloading of containers and dispatching customer orders accurately and efficiently. In just a few months Steve has gone above and beyond the demands of his role. Within three weeks of starting work at the site, Steve had made time to rejuvenate a previously disabled tannoy system allowing music to be played across the site, significantly improving morale and the working environment. He had re-routed data cables to facilitate better work layouts, PC locations and process flow, without incurring any cost. He had also managed to complete much of the office refurbishment himself, laying floors and fitting taps, all to a very high standard. He had, said the manager who nominated him, become remarkably integrated with his business unit, in a way that was all too rare elsewhere.

Creating a Culture of Customer Service (cont)

Last year, as part of a project on employee voice, a Tomorrow's Company team visited Baginton. In preparing this article I looked at the resulting case study, and I talked to a colleague who had been on the visit. In two words, said this colleague, his experience of visiting Baginton was summed up as "one team". He spoke to the plant manager earlier and later in the day heard just the same messages, in their own words, from the people he talked to on the shop floor. Not parroted, just a shared view of the purpose and the tasks that flowed from Unipart's uniquely devolved, and trusted teaching approach.

Mark in Action forms just one piece in this jigsaw. It celebrates those individuals and teams who have seized the initiative granted to them and turned it to the full advantage of customers, internal and external. MIA winners have won over some of the most demanding of customers.

There is a strong connection between outstanding projects like this, and the atmosphere that is generated around the group. The Tomorrow's Company case study at Baginton drew attention to the way people felt respected, cared for, and listened to by their managers.

As human beings we all need to feel we are working for a purpose that is bigger than us. If our leaders and owners allow us to commit to this and concentrate on how we can make the greatest contribution, then the result is that we can grow as the company grows. That is what I have watched happening as I have judged well over a thousand Mark in Action nominations across the last two decades!



Mark Goyder
Mark Goyder is Founder Director
of Tomorrow's Company

Photography supplied by Elizabeth Handy

Clamp On

When an employee at one of our retail distribution centres realised that we were spending time shrink wrapping empty tote boxes onto pallets so that they could be safely moved around the site, he was sure that there was a better way. In his own time, our Mark in Action award winner came up with an idea for an innovative clamp that would anchor the totes securely without the need for shrink wrap. Not only did this save time and money, but it was also more environmentally friendly.

Paper Trail

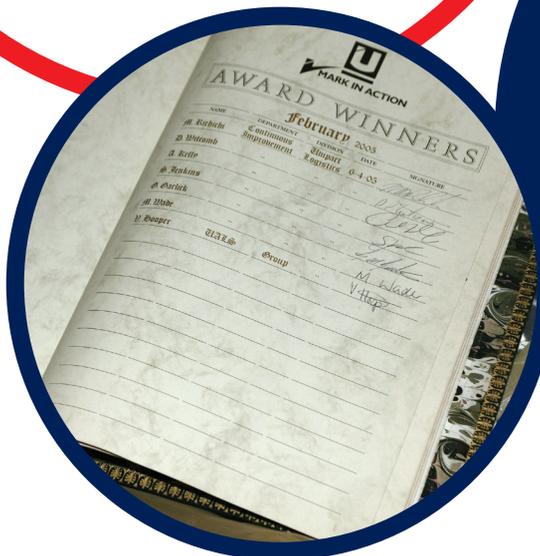
One of our technology customers set an objective of reducing all landfill waste. Unipart employees looked at every possible opportunity to recycle, repair and reuse materials in the supply chain. But finding a recycling solution for one waste product - label backing paper - had been a long term problem because of the wax backing on the paper. Our Mark in Action award winner decided to take it upon himself to find a solution. He carried out many hours of detailed research in his own time and finally identified a company that would recycle this product - and what's more, they would do it for free. By implementing this solution, we have now achieved 100% recycling of the waste for our client.

Motorway Magic

A supplier's lorry driver loaded with fuel line parts ran into difficulties on route from Poland to Oxford. The serious delay would have ultimately caused the production line to stop at one of our automotive clients. Our Polish-speaking Mark In Action winner, outside of her normal working day, contacted the driver by phone, intercepted the lorry in a motorway services area, decanted the essential parts to her own car and then drove them to Oxford to meet the impending deadline of 10 p.m. As a result, production continued with no delay.

Lights, Camera, Action.

One of our clients operates a large number of retail stores. When it became apparent that staff in those retail stores were unaware of how the Unipart distribution hub worked, our Mark in Action winner made a personal mission to educate them. Working in his own time in just over four weeks, he wrote, directed, filmed and produced a training video about the day in the life of a distribution hub. It raised awareness of shared issues and helped to address a range of problems between store and hub.



Creating a Culture of Customer Service (cont)

Racks In Action

Team members at Unipart's automotive component manufacturing companies noticed that the customer-owned racks, specially designed for transporting the product safely and undamaged, were not being repaired due to the right parts not being available. There was a risk that the customer's production line would be stopped because suppliers were unable to transport enough product without the special racks.

The team swung into action and took it upon themselves to manufacture the parts needed and repair enough racks to ensure that product could continue to be shipped until repair parts could be sourced by the customer. The grateful client nominated the team for a Mark in Action award.



A Picture Worth A Thousand Words

Dyslexia is a condition that can be a barrier to learning. When one of our senior trainers learned that a new employee was dyslexic, he worked through the weekend and after hours to convert all his training material from 'words' to 'pictures' that would be more readily understood by someone with the condition. His student was so grateful; she nominated him for a Mark in Action award.

Fixed By Monday

One Friday afternoon, a team member at a retail client realised that 20 new Radio-Frequency guns had been wrongly configured by their manufacturer. The guns were essential to getting products to our client's customers on Monday. Our Mark in Action award winner spent his entire weekend reconfiguring the guns in his own time and made sure they were operationally perfect to get the job done on time.

Family Friendly

When a large client decided to hold its first series of Family Fun days around the country, our team of Mark in Action winners worked out the logistics for the events, then donated their long weekend to delivering van loads of equipment to six different locations to ensure that families would have a great time at the events.

Creating Processes

Through the corrective actions of one Mark In Action winner, a Unipart client saved nearly half a million pounds a year. When one of the team members at our Burton site noticed that there were issues with packing products in totes, in his own initiative he redesigned the process to create a new standard that could be taught to others. The new process not only saved money, but it made the job easier for his colleagues.

A Horse Race

Sometimes Unipart people go beyond the call of duty outside of work. That was the case when one of our van drivers noticed that a group of people had gathered just off the road and were watching as a horse had fallen neck deep into a frozen pond. Our Mark in Action winner raced to the scene and worked out a way to pull the almost unconscious animal from the water. The animal survived the ordeal and the grateful owner and her father presented the nomination.

Team work

A major vehicle manufacturer required a prototype fuel system for a new model car that was soon to be launched. However, the customer's specifications for the tooling were delayed by three months. Normally, that would have meant it was impossible to meet the schedule, but the Unipart team stepped up and worked long hours to deliver the impossible. They kept production on track at a critical phase of development and earned the team a Mark in Action award.





The rules of engagement

Energised employees equal happy customers – and logistics multinational Unipart has been reaping the rewards for years

INDUSTRY VIEW

Employee engagement has hit the agenda in UK business and politics – even government is now focused on involving and motivating employees as part of an organisation.

In the business world, major corporations and even smaller companies are keen to improve the working experience for employees, as well as bettering services and products for consumers.

But circumstances were vastly different a few decades ago. In the 1970s and 80s, industrial problems blighted the landscape, from running battles between companies and unions to issues around quality and global competitiveness.

Inspiring good service was a novel concept. While in America, delivering “customer service” was perceived simply as part of doing one’s job, many British people considered it beneath them to be considered “servile” by focusing on clients.

Employee engagement in those days had startlingly few early advocates but, in recent years, that has changed dramatically.

The way forward

Like other transformations, it began as a gradual, difficult process which accelerated as companies focused more on employees and customers. For those who succeeded, employee engagement has become something of a passion.

Unipart Group, a multinational firm spanning areas including logistics, manufacturing and consultancy, kicked off its efforts to energise employees 25 years ago and well before many others.

At the time, the company had been part of British Leyland, a name tarnished by industrial disputes, until a management buy-out established Unipart as a separate entity.

In its earliest days, Unipart’s employee focus involved launching an innovative share scheme for all employees and

founding the Unipart U, the UK’s first “corporate university”, offering personal and professional development courses to employees.

But when John Neill, the group’s CEO and chairman, talks about employee engagement, he becomes passionate about the company’s Mark in Action



Mark in Action award winners; pictured centre is John Neill

Award-winning service

The Mark in Action awards have become prestigious, both internally and among clients.

The prize for winners – a set number of company shares and a gold pin – is modest, but the event carries clout.

Winners are picked out by an independent panel of judges led by David Grayson, who directs the Doughty Centre for Corporate Responsibility at Cranfield University, and Mark

Goyder, founder of think tank Tomorrow’s Company.

The programme has even caught the eye of royalty, with the Queen presenting one award, and news of the events are broadcast through the company’s internal video programme Grapevine.

And competition for awards is fierce, with stories of award winners becoming part of the company’s heritage.

“One of my favourite stories comes from the Baginton distribution centre,” Neill says. “They were packing parts for Jaguar in the middle of winter when there was a power cut. It was freezing cold and the lights went out. It would have been perfectly reasonable for people to say ‘we are going to go home now.’”

“But they knew that if they didn’t get that order dispatched,

the client’s customers would be upset. They found some car batteries, unpacked some headlights and used them to illuminate the aisles to pack the critical parts. The customers never knew anything had happened.

“There are hundreds of stories like that, which people inside and outside the company continue to talk about.”

programme. “We set our corporate goal 25 years ago to make the Unipart logo the mark of outstanding personal customer service,” he said. “Thousands of employees strive daily to live up to that goal and over 2,600 of them have achieved and done extraordinary things which have earned them the prestigious Mark in Action award which is only given after rigorous scrutiny by independent external judges.”

The programme allows employees to be nominated for extraordinary customer service and involves around six high profile award ceremonies each year. It’s a bit like the Academy Awards with nomination speeches bringing the award winners’ achievements to life and the stories are then retold many times over.

“Mark in Action is part of Unipart’s heritage,” said Neill. “In the mid-Seventies, Unipart established its guiding philosophy which was ‘to understand the real and perceived needs of our customers better than anyone else and serve them better than anyone else.’”

“From our earliest days, we trained people and helped them to really live by the philosophy. In 1987, at the time of the buy-out, it was time to raise the bar again. That’s when we created Mark in Action.

“I did a lot of research, and the great business thinkers were saying that the

battle of the 21st century would be for the customer. That idea resonated strongly with my own views. In the Seventies and Eighties, that wasn’t the culture in British business, but we knew that we had to involve every single person in the business in that crusade if we were to succeed for the long term.”

The personal touch

While he argues this concept has bred some “empty rhetoric” in other quarters, Neill believes Unipart’s Mark in Action has created a driven, customer-focused workforce.

He says: “We needed to do great things for customers that they wouldn’t normally expect. Doing that would affect how customers and employees felt about the company.

“We also introduced the idea of internal customers, so that all employees understood that they had a ‘customer’ to think about. Internally, for instance, a finance team might go out of their way to help an operations team to justify sensible investments. People will help each other out, often going well beyond their normal job,” said Neill.

Though he concedes the financial benefits are hard to quantify, he believes the awards – which have seen more than 2,600 people recognised for their

achievements – make a major impact.

“In today’s world, business is brutally competitive and companies are always focusing on costs, but when clients decide to come to us, it’s often because they have learned that cheaper competitors, who cannot match the dedication and innovation of Unipart people, end up costing them in the long term in lost customers,” he says.

“The awards have made a huge difference in terms of employee motivation and the service they give, even if it’s hard to quantify.”

Neill says that other businesses have been inspired by Unipart Group’s example. “I was giving a presentation to some executives at RBS, for instance, when they remarked that a number of their employees had been to Unipart and had come back telling everyone how inspiring it was.”

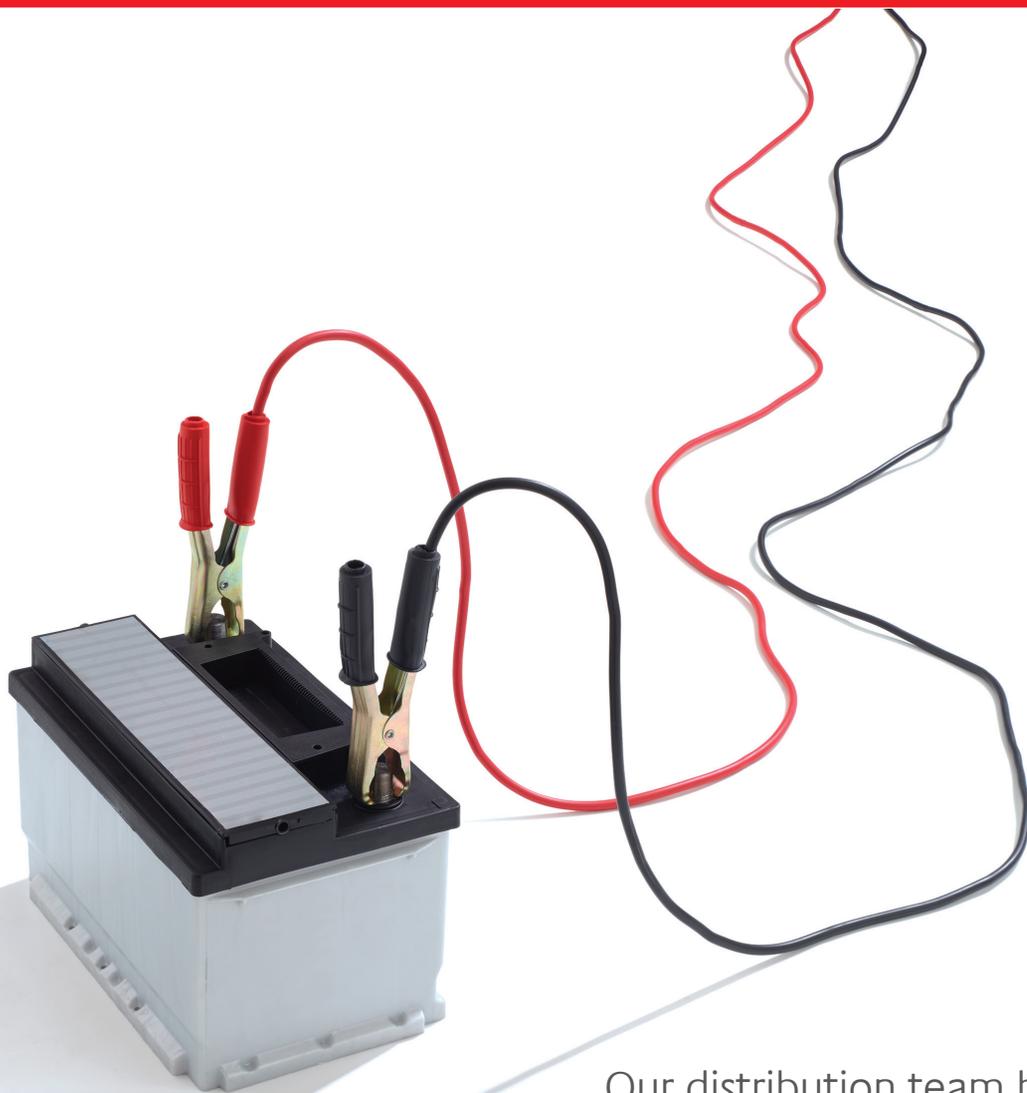
Though Neill is enthusiastic about the benefits of the programme and improved customer service, he is equally focused on making employees feel appreciated.

“Most people want to be good at what they do,” he says. “Thanking people for a good job makes coming to work much more enjoyable.”

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David Grayson, of Cranfield, one of the judges





Our distribution team had to be really switched on to pick up their Mark in Action Award.

It was in the middle of winter and the middle of the night, when an external power cut plunged our auto parts distribution centre in Baginton into darkness.

The team could have just packed up and gone home for the evening, which would have resulted in delays for the dealerships that were expecting the parts.

Then in a flash of inspiration they connected car batteries to headlamps so they could carry on working and complete all the orders on time.

This is just one of the 2648 stories of outstanding customer service over the past 25 years that have been worthy winners of the Mark in Action Award, a scheme set up to inspire and celebrate bright ideas and the Unipart Way of doing things.



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