

IKEA

“The Missing Stock Mysteries”

Case Study

Background and the Business Driver(s) – what was the problem?

With over 84,000 co-workers in 44 countries and more than 200 stores worldwide, IKEA is the world’s leading home furnishings retailer, with a strong business ethos to offer a wide range of well-designed, functional and affordable home furnishings.

Part of that ethos is for the customer to believe that the product they want *‘is always available’*, but the reality sometimes meant that stock wasn’t available, even after checking previously online or via the telephone, and that was starting to damage the organisations reputation and cause customer frustration.

IKEA knew that they had to address the issue, and that meant changing attitudes throughout the organisation to improve stock availability, increase overall profitability but most importantly to improve customer satisfaction. A further challenge lay in the multinational nature of the organisation’s global workforce, combined with a diverse range of jobs ranging from shop floor workers to delivery drivers to catering staff, so any solution had to respect all these factors.

What was the solution?

e-learning seemed to be the obvious route, but IKEA had tried e-learning before, with mixed results, so lesson had to be learnt. IKEA know that they needed an innovative approach if they were to meet their stated objectives, and after a process of evaluation, Brightwave were selected to partner with IKEA to develop an e-learning solution.

IKEA established 7 key learning objectives for the project, along with 4 KPI’s (Key Performance Indicators), namely:

1. Increase ‘as-is’ sales, specifically in the ‘Bargain Corner’ in a store
2. Decrease total internal transactions, which represents amount of stock being ‘written-off’, both in monetary and percentage terms
3. Increase the recovery index, which represents the amount of ‘written-off’ stock resold in the ‘Bargain Corner’ in each store

So Brightwave set about developing an e-learning programme for co-workers on how to handle and process stock accurately using IKEA's stock management system. Brightwave took the approach of building an immersive course with a strong conceptual 'feel', resulting in a memorable experience for the learner because the programme is slightly unusual and a bit different! Brightwave used a games-type metaphor in the design and development of the programme.

The programme is based on a detective-style mystery, with learners having to explore a virtual IKEA store to find out what's happened to some missing stock! Learners pick-up clues as they go, some of which are designed to throw them off the scent!!

Users have to go through a short pre-assessment in order to assess their current knowledge. A post-assessment is undertaken immediately on course completion and a further review assessment is undertaken after 3 months to assess how much users have applied on the job. All of this is managed and integrated into the organisations' Learning Management System. Below are a couple of screens from the course:



What has been the business impact and benefits?

Experience has shown that learners enjoy the programme and the learning, and remain engaged for much longer periods than in the past. From the initial pilot group of 65 co-workers, 89.3% found the course enjoyable, 80% preferred it to classroom based training and 92.3% agreed that if applied in the workplace it would benefit everyone.

Set against the stated KPI's, IKEA has seen an 18% increase in 'as-is' sales, an 8% decrease in total internal transactions and a 25% increase in their recovery index.

The challenge now is to maintain improvement and seek further opportunities where e-learning can play a key part in delivering business improvement through the innovative application of technology and contemporary design principles to learning.