



HOW LUX* RESORTS BECAME A SHINING STAR

An Uplifting Service Success Story

Boosting customer and employee satisfaction
and increasing profits with an Uplifting Service education

What will be your company's saving grace in difficult times? Your leaders? Your employees? Your customers? Will you be able to rally the troops when outside forces are working against you? Will you act quickly enough to save your company from ruin?

LUX* Resorts & Hotels, formerly Naiade Resorts, recently came face to face with these questions and was able to answer each of them with a resounding “yes!” When facing adversity, rather than let negativity take root and lead to greater losses and poor employee morale, LUX* took a positive approach and committed itself to great service—for its customers and its people.

LUX* operates a collection of successful resorts, with beautiful destinations in Mauritius, Maldives, Reunion Islands, and Yunnan province in China. In 2016, the company will be increasing its reach still further by opening a new resort in the United Arab Emirates.

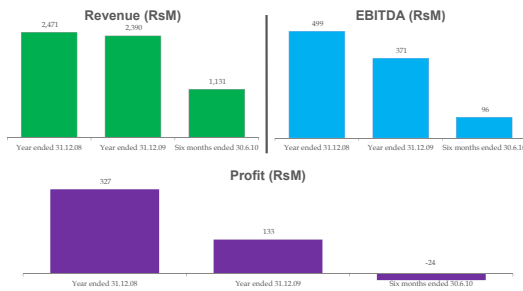
A major vacation destination for Europeans, LUX* Resorts & Hotels are now the epitome of paradise, but the company's outlook was once much more dismal.

Hit Hard by the Global Economic Crisis

Until 2008, LUX* (then known as Naiade Resorts) was performing well. It was profitable and had consistently high levels of occupancy. During that period, Naiade invested in a number of new resorts in the Maldives, Mauritius,



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and La Reunion Island, incurring high levels of debt. But when the 2008 financial crisis struck, the main feeder market in Europe struggled to drive business, and tour operators were in no position to take on new resorts in their portfolio. This had a terrible impact on profitability, which plunged from Rs327 million in profits in December 2008 to a loss of Rs24 million in June 2010. The company experienced a dramatic drop in share price and drew a lot of negative publicity.

There was no denying that the resort system was in a severe crisis, and its leaders recognized that drastic changes were needed to weather the storm. At a critical point, where

failure seemed inevitable, the leadership team came together to clearly define where they wanted to be in the years to come.

Burying the Past and Relighting the Fire

Led by CEO Paul Jones, leaders took action to refocus the company and reengage employees. Together they crafted a new vision, defined their purpose, and clarified their values. Between February 2011 and August 2011, the company's new Vision, Purpose, and Values initiative (or VPV) was rolled out to team members in three phases:

Phase 1: Communicate

Phase 2: Engage

Phase 3: Enroll and Pledge

During Phase 1, the CEO personally visited each hotel to share the VPV with team members. In Phase 2, the general managers rolled out the engagement workshops to all team members. During this phase,



leaders worked to ensure that the VPV was understood by everyone as the foundation of the company’s operations. And for Phase 3, LUX* aimed to unify all leaders and employees with a common purpose. Everyone pledged to always abide by the company’s ideology, taking every opportunity to “make each moment matter” for guests and each other.

Another essential step of the VPV rollout was reiterating the company’s values, an exercise symbolized by an open hand. Each finger on the hand represented a powerful value—people, passion, integrity, leadership, and creativity.

The six-month rollout was supported by high-quality communication collateral that helped reinforce the company’s new goals.

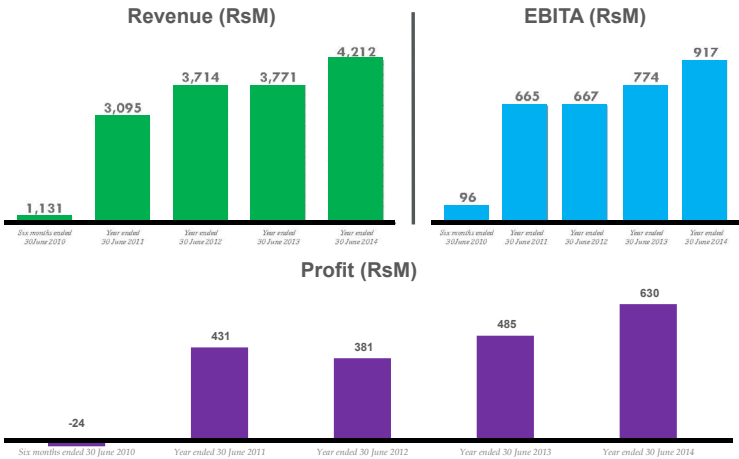
LUX* had made huge internal strides, but it needed help changing the way its resorts were presented to the public. The resort system wanted to be seen as a five-star destination, but because it was still reeling from the financial crisis, it didn’t have a five-star budget to make the upgrades to bigger beds, larger rooms, softer pillows, and fancier restaurants and menus that many resorts were using to supply guests with greater luxury.

However, that didn’t mean the leadership team would give up on achieving a five-star reputation. Diving into a difficult economic situation with an extremely tight budget, the CEO communicated clearly that service was going to be the differentiator for LUX*. And the company brought in some help to achieve that goal.

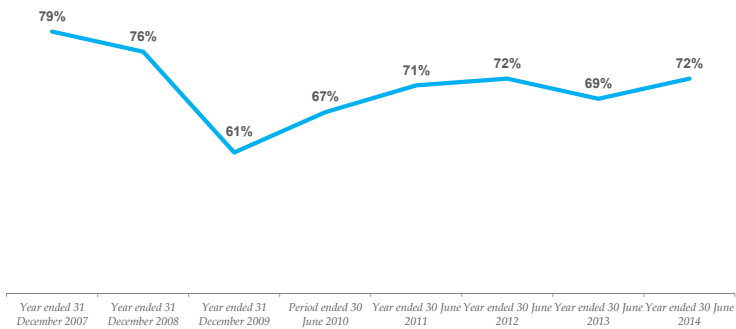
Fueling the Fire: Uplifting Service Joins the Team

In June 2011, the company began what would become a very fruitful relationship with Uplifting Service (UP), a global service education and management consultancy firm,

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OCCUPANCY RATE



and its founder and chairman, Ron Kaufman. UP has helped companies on every continent build a culture of uplifting service that delivers real results—improved ratings, rankings, and index scores; increased market share and revenues; better customer retention; and stronger employee engagement—year after year. Its proven methodology allows even organizations with thousands of



employees to quickly make this cultural shift and enjoy a sustainable advantage.

With UP on board, LUX* was ready to build an uplifting service culture of its own, and they got to work immediately.

Educating Employees in the Art of Shining Service

The resorts' 2,800 employees participated in engaging sessions conducted by Kaufman himself in Mauritius and Maldives, and via online streaming for the overseas locations. In August 2011, Train the Trainer Workshops were held to develop the resort's in-house team of Uplifting Service Leaders. A total of 30 course leaders were trained, and they would be an integral part of implementing the next phase of service education, UP's course, Achieving Superior Service.

The course would be used to fully immerse all of the resorts' employees in the UP service education and build the foundation for an uplifting service culture. This approach is a huge step up from traditional service training, which teaches service providers what actions to take and what words to say in specific situations. UP teaches service providers how to think about what service really means and equips and empowers them

to choose the right actions for *any* circumstance.

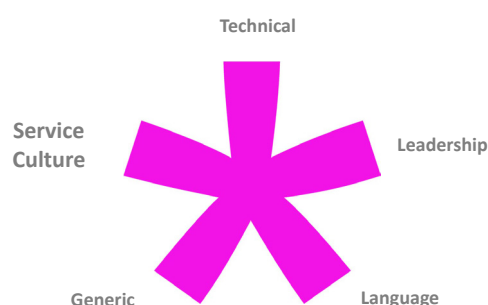
The Achieving Superior Service rollout was carefully planned in two phases. Phase 1 got team members involved in describing actions that were "below desired" and helped them to gear up to deliver a "Surprising" level of service as part of the company's new brand identity. Phase 1 also included an understanding of perception points, the vital moments in every transaction where customers experience and form opinions about the service. This initial round of service education was completed in January 2012 as the company shed its old name to be rebranded as LUX*.

Phase 2 focused on the two remaining parts of Achieving Superior Service, including developing a deeper understanding of service value and of powerful service styles. The course was completed in October 2012, and because of the phased approach, the company managed to have buy-in from all team members. It was hugely popular among team members who deeply appreciated the education and quickly put what they had learned to use in their day-to-day work.

In fact, LUX* leaders and employees weren't satisfied with simply providing "Unbelievable" service, the top level of service in UP's Six Levels of Service. So they created a seventh level. "LUX* Shining" became the highest level of service at LUX* Resorts & Hotels, and all employees understand exactly what actions are needed to meet expectations at this level.

With Achieving Superior Service, LUX* had taken the essential steps

Learning and Development Programs at LUX* Resorts



to build the foundation for a service education for all of its employees. But it was only the beginning. LUX* leaders knew that in order for its service culture to truly take hold, service education would need to be woven into their employees' everyday operations. And so, critical steps were taken (and continue to be taken) to constantly grow and develop this education. For example, LUX*:

Developed a strong learning structure. LUX* leaders like to say its culture drives its people, not the other way around. They've done so by taking the form of a knowledge-based enterprise, where technical knowledge can easily be put into practice.

In their mission to develop this strong learning culture, they have created a pool of over 300 in-house departmental trainers who contribute to spreading knowledge. This structure allows them to transfer knowledge across the company in a way that it is not only understood but also utilized effectively in day-to-day operations.

As part of this learning structure, today all LUX* employees are required to take part in Achieving Superior Service, and it is now part of the orientation program.

Created reading group discussion webinars led by Kaufman. In 2013, LUX* began "The LUX* Uplifting Service Reading Group Discussions," in which participants focus time and energy reading and learning from *Uplifting Service: The Proven Path to Delighting Your Customers, Colleagues, and Everyone Else You Meet*. These discussions have provided a unique opportunity for

management team members to allocate time to read the book and work on individual initiatives with their teams to put in practice the core lessons from the book.

For each session, more than 150 participants sign in from up to 20 different locations to take part in the discussion. Kaufman presides over the webinar, and each team has to present their answer to specific questions that are sent out in advance. Employees benefit from sharing and learning from one another's experiences.

Increased training hours. Since 2009, LUX* has focused on increasing the number of training hours for each of its employees. Over the last six years, the resorts have gone from less than four training hours per employee to reaching the ambitious goal of 75 training hours per employee in 2014. And this increase in training hours has paid off, literally. As LUX* increased its training hours, its revenue also increased.

Shoring Up a Whole New Culture

After a year of working with Uplifting Service, the leaders at LUX* (at this point still called Naiade) were ready to truly bury the company's difficult times. They decided to rebrand. It was a bold (and successful) move, and as a result, the company became LUX* Resorts & Hotels.





The LUX* brand would be driven by a unique concept—Locale*Light*. “Locale” stands for the nature and culture of the places where the resorts are located. “Light” refers to an experience of a different kind of luxury. LUX* began to pitch luxury as “less deluxe, more delight, lighter, brighter!”—with less focus on the physical attributes of the resort, and a LOT MORE focus on the service.

The objective was to have the service experience become so powerful, so positive, so appreciated, and so unique that the tourism industry would recognize that LUX* was something genuinely different.

The entire campaign of service education and service culture building was then built around the idea that LUX* could pioneer an entirely unique and new level of service that had never been seen before. To create its unique culture, LUX*:

Focused on the 12 Building Blocks of Service Culture. When Kaufman and UP began their work with LUX* in 2011, the company was introduced to the UP 12 Building Blocks of Service Culture, the architecture for building a powerful service culture.

LUX* has consciously embraced and internalized the 12 Building Blocks. In fact, they have launched initiatives under each building block. The company’s management teams across all resorts are well versed with the structure. They understand that the Building Blocks can be used to strengthen LUX* and are eager to make all new initiatives that result from the Blocks successful.

Implemented a reward and recognition program. UP teaches that recognition and rewards motivate your team to celebrate service improvements and achievements. Acknowledgment, incentives, prizes, promotions, and

The 12 Building Blocks of Service Culture™

Common Service Language

Value of the day linked with a quote
TALK IN DAILY DEPT BRIEFINGS

Engaging Service Vision

Display of our Vision, Purpose and Values in all Heart of House Areas

Service Team Member Recruitment

Potential Appreciation and Carer Enhancement Project

New Team Member Orientation

- 3 day Orientation Program
- 21 day Mentoring Checklist

Service Communications

- Moments issue from the CEO
- Quiz Contests
- Monthly GMs Townhall

Service Recognition & Rewards

Monthly Awards:

- Moment of Truth
- Best GSS Score
- Best Groomed team member

Voice of the Customer

- Market Metrix guest feedback system
- Reviews on Trip Advisor
- Weekly Management Cocktail for guests

Service Measures and Metrics

- Trip Advisor Ratings and guest feedback monitoring
- Market Metrix guest feedback monitoring

Service Improvement Process

- The LUX* Innovation Challenge
- Uplifting Service Reading Group
- Discussions with Ron

Service Recovery and Guarantees

- Incident Communication Form (ICF)

Service Benchmarking

- LUX* Shining Hospitality Standards
- Revinate Statistics

Service Role Modelling

LUX* Shining Personality Standards

praise—all help to focus attention and to encourage greater results.

LUX* prioritized introducing reward and recognition programs to its employees. CEO Paul Jones strongly believed in cultivating an attitude of gratitude. He spirited the start of the STAR Team Members Program. Through the program, each month one team member from each resort is selected to win an award for their great service. Then, at the end of the year, a companywide celebration is held to honor the year's STAR Team Members and to award a STAR Team Member of the Year for each hotel.

Focused on creativity. LUX*'s fifth value is creativity (If you recall the reference to the LUX* open hand, creativity is the pinky finger.), and in building its service culture, company leaders decided to put in place initiatives to help the company capitalize on the collective creativity of its people while also strengthening the team and boosting innovation.

The result was the LUX* Innovation Challenge. LUX* brought together a core group of team members to create a blueprint for the challenge. The category for the first year, 2013, was “Innovate to Increase Loyalty of Guests.” Thirteen teams of LUX* employees competed by contributing 26 excellent ideas. These ideas included collecting photographs of guests during their vacations and presenting them with a printed album and thumb drive of images to commemorate their stay at LUX*. Other ideas were focused on encouraging and appreciating guest participation with staff members and social media. For example, special times are created when LUX* “celebrity chefs” are available to take souvenir photos with guests. Those photos can then



be instantly uploaded to Facebook, Instagram, and other social media websites.

A jury of hospitality experts was formed to judge the entries. The jury panel went through the ideas to select the top five ideas, which were chosen for implementation across the group. The contest was a huge hit—receiving media attention and praise from employees and LUX* guests.

In 2014, the theme of the Innovation Challenge was “Innovate to Increase Loyalty of Team Members.” The winning team, whose idea was FIESTA, an all-around experience designed for team members and their families, also submitted their idea to the Worldwide Hospitality Awards for 2014 and won the award for the Best Initiative in Human Resources at the 15th Edition of the Worldwide Hospitality Awards.

The 2015 theme is “Innovate to Increase Revenues” and will have 14 teams participating. The LUX* Innovation Challenge is now an annual competition in which all resorts and departments from the head office compete each year in different categories.



Creating Metrics for Gauging Success

Recognizing the importance of service measures and metrics, LUX* developed methods for measuring how their service culture initiatives affected their operations. For example:

Yearly team member satisfaction survey. The yearly survey asks team members to rate their experiences in a variety of categories—including loyalty, equal access to training, pride, and more. From 2012-2013, as LUX*'s service culture and its training initiatives really began to take hold, team members' satisfaction increased in all categories, including a 10-point increase in pride.

Tracking training hours per employee. As mentioned previously, LUX* measures how much time team members spend in different kinds of training. Already at 75 training hours per employee, the company is always looking to improve that amount.

The Shining Results

LUX* has seen huge payoffs as a result of implementing its service culture—and as a result of tireless efforts from its team members and a clear focus from its top management. All of LUX* has truly united to fulfill the company's purpose of "Helping People Celebrate Life," and today they have results that prove it.

Prior to its service revolution, LUX* never appeared on TripAdvisor's top lists. Today, four out of five of LUX*'s Mauritius resorts are featured among TripAdvisor's Top 10 Hotels in Mauritius. The company's resorts in Maldives and Reunion also feature among TripAdvisor's Top 10 for those locations. This is a direct result of real-time, excellent feedback from LUX* guests.

Market Metrix provides some of the largest and most in-depth measures of hotel, car rental, and airline service performance available today. LUX* received Market Matrix feedback from almost 4,000 guests. On average, 80 percent of LUX*

Resorts received a score of 90 percent or above, and as a group, LUX* Resorts & Hotels closed 2014 with a score of 90.1 percent.

LUX* has done the hard work of establishing a structure for continued cultural improvement. The company will continue to invest in training to further enhance its service culture. In 2015, they will begin a phased launch of the next UP course—Increasing Customer Loyalty—and in 2016, the following course—Building Service Partnerships.

And of course, the company will continue to work on the foundational course, Achieving Superior Service. Leadership enhancement will also be of prime importance, with focused trainings and seminars being planned to equip leaders to effectively manage their teams.

Conclusion

LUX* overcame huge obstacles to make the rollout of its service culture successful. The company set out with a goal to “help people celebrate life,” and with UP, that is exactly what it has done, not only for its guests, but for each and every one of the company’s employees as well.

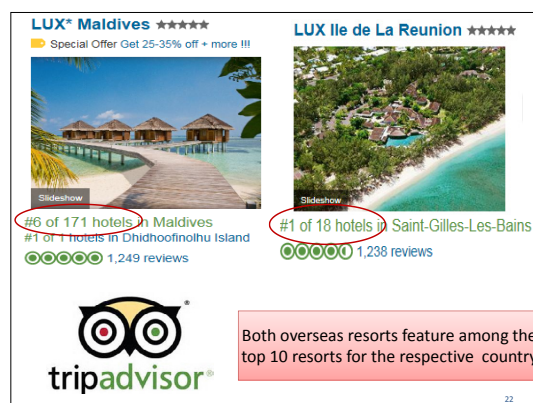
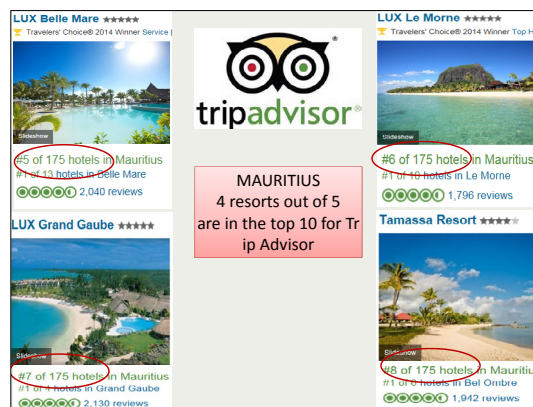
Today, LUX* continues to soar. Most recently the company was given several industry awards:

- “Certificate of Excellence Award” by TripAdvisor for all its hotels in Mauritius, LUX* Maldives, and LUX* Ile de la Reunion
- “Luxury Hotels and Resorts Operator of the Year, 2014” by TTG Travel Awards (London)

- “Best Hotel Group” of the year for the second edition of the “Ile Maurice Tourisme Awards”
- “Best Initiative in Human Resources” for the Etiquette & Morale Week at Tamassa at the Worldwide Hospitality Awards

It’s undeniable that LUX*’s work with UP gave it a huge competitive advantage. Uplifting Service gives companies the tools, principles, and understanding to make service strategy come alive—to make it real, expandable, and sustainable.

However, without the passion and commitment of LUX* leaders and employees, these tools couldn’t have been deployed to their full advantage. It’s the burning desire to provide the best possible service to customers, and to keep doing so day after day, that fuels this kind of cultural shift. The people who tirelessly carry out the work are the real shining stars.





Spotlight on LUX* Maldives

LUX* Maldives is a shining example of what can happen when service culture takes root. Before joining forces with Uplifting Service, LUX* Maldives was ranked #48 by TripAdvisor out of 169 hotels and resorts in Maldives. Today, the resort is listed at #6. It has also received many awards, including the TripAdvisor Certificate of Excellence every year since 2012.

LUX* Maldives successes haven't just been external. Its growing service culture has also led to great internal improvements as well. The resort's employee engagement score has increased from 66 percent in 2011 to 72 percent in 2013.

Here's a look at how LUX* Maldives has achieved service success:

Using Service Education to Engage Employees

Often, companies *train* employees in customer service when they should be *educating* them. Training teaches an employee specific actions to take in specific situations. Education teaches him or her how to think about service and then make a "judgment call" on the best action to take in any given situation. LUX* Maldives gets this distinction and has made service education a priority. Besides the big education

"push" at the beginning of the initiative, it regularly reinforces its service culture message with:

Yearly refresher workshops. The resort holds refresher workshops once a year for its

departments. They are not just great training opportunities but also huge morale boosters and motivators.

Monday leadership meetings. Every Monday morning, LUX* Maldives leaders meet to discuss service ideas, offer one another leadership advice, and participate in team building. These weekly meetings are a great reminder to leaders that service is the key priority.

Staging LUX* Shining Program - Future Talent Development Program

LUX* Maldives leaders were so inspired by and motivated to achieve the "LUX* Shining" level of service that they created and developed a talent development program in its name.

Launched in September 2012, this has become one of the most popular educational programs at the resort. It is designed to provide a resource for continuous learning and engagement for LUX* Maldives employees and to motivate and inspire them to grow their careers within the company.

Since its inception 100 high potential team members have completed the LUX* Shining Talent Development Program. During the last three years, 39 of those team members have been promoted. The rest will be as soon as positions are open for them. Currently, 42 team members are enrolled in the program. They are set to graduate by the end of May 2015.

Walking the Talk: Infusing Operations with a Common Service Language

Language unites us. We create meaning with language, and we

HUSSAIN AFEF
DIRECTOR OF TRAINING & QA



LEGACY
ACCOUNTABLE
PASSION
GROWTH
QUALITY

can change our world by inventing or adopting new language. Every organization needs a shared vocabulary to focus the attention and the actions of their team. It should clarify meaning, promote purpose, and align everyone's intentions and objectives.

Of course, at LUX* Maldives everyone pledges to “Make each moment matter”—the phrase that is the driving force of all LUX* employees—but here are a few other ways LUX* Maldives incorporates service language into its employees' daily operations:

Thoughts of the week. Each week team members receive a “weekly service thought,” and leaders receive an additional message on service tailored to them. These messages inspire great work and ensure that everyone is on the same page and speaking the same service language.

Inspirational daily quotes. Leaders send out a daily inspirational quote on service. These are so popular that when they aren't sent out on time, team members contact managers asking where the latest quote is!

Fundamental service principles posters. Large colorful posters featuring the common service language of “Achieving Superior Service” are found throughout the staff areas of the resort. These posters ensure that the language of “LUX* Shining” service is constantly recognized and reinforced.

Service from the Start: Orientation Done Right

When service is your main priority, it is important to let new hires know, up front, that they're expected to be service superstars.

LUX* starts by hiring great people who've been interviewed carefully based on attitude and mindset. They also ask their current team members to invite and encourage their most motivated friends to join the brand. Once new hires are on board, LUX* Maldives's three-day orientation program doesn't linger on policies and procedures. Instead, 60 percent of the program focuses on what makes LUX* unique: providing great service and creating a quality guest experience.



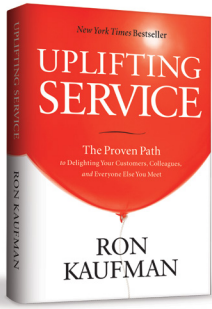
Recognizing and Rewarding Great Service

Here are a few of the ways LUX* Maldives reinforces excellent customer service:

Thank you for being a STAR. STAR CARDS are \$5.00 coupons that LUX* employees can redeem at the team bar/tuck shop or café. When a manager sees a team member go above and beyond the call of duty, he or she can give a STAR CARD.

Spotlight great service teamwork. Great service requires great teamwork, and it's important to acknowledge it when you see it. Leaders at LUX* have made great use of the Uplifting Service Award, a plaque version of the Uplifting Service red balloon, by turning it into an ICON Award to recognize great departmental service.

Award service ambassadors. Top leaders at LUX* Maldives give out monthly LUX* Ambassador Awards, which go to the employees with the highest customer satisfaction scores of the month. These awards serve as a great inspiration to employees to become better service leaders.



Uplifting Service enables organizations to quickly upgrade service performance and secure a sustainable advantage by building an uplifting service culture. Its methodology aligns, integrates, and accelerates organizations in three essential areas: Service Leadership, Service Education, and The 12 Building Blocks of Service Culture. This proven approach leads to an action-oriented culture empowering everyone to delight customers and colleagues with consistently uplifting service. Under Ron's leadership, the Uplifting Service team has enabled uplifting service within government agencies and multinational corporations including Air Mauritius, Suncorp, Xerox, Nokia Siemens Networks, Marina Bay Sands, NIIT Technologies, and other leading global organizations. To learn more about Uplifting Service, please visit www.UpliftingService.com

Ron Kaufman, Uplifting Service founder and chairman, believes service is the essence of humanity. He has helped companies on every continent build a culture of uplifting service that delivers real business results year after year. Making transformation his mission, Ron is one of the world's most sought-after educators, consultants, thought leaders, and customer service speakers on the topic of achieving superior service. He is the author of the *New York Times* bestseller *Uplifting Service* and 14 other books on service, business, and inspiration. Ron has been featured in the *Wall Street Journal*, the *New York Times*, and *USA Today*. To learn more about Ron Kaufman, please visit www.RonKaufman.com.



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