



Winning at Store Management

SUCCESS GUIDE

Professional

- District Manager
- Administrative
- Merchandising
- Marketing

Hourly

- Associates
- Cashiers
- Stockers
- Call Center
- Dist. Center

Team Building

DM & RETAIL

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Winning at Store Management

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Hiring Aces

Part 1 of “Winning at Store Management” Success Guide

By

DMSRetail

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Hiring Aces

ACE is defined in a number of different ways including the following:

- **A combat pilot who has brought down at least five enemy airplanes**
- **One that excels at something – ace in the hole – an effective and decisive argument or resource held in reserve**
- **To earn a high grade**
- **To gain a decisive advantage**
- **Of first or high rank or quality**





Hiring Aces has been written to help retail managers take a new look at a very old process and show the reader how to go about hiring people that can be described as Aces.

Hiring the right caliber of people is crucial to your success in retail management, perhaps more so than in any other industry. Every one of your hiring decisions, as a Store Manager, District Manager or Regional Manager will speak volumes about your organization and your personal values and abilities. In retail there is no such thing as hiding behind a desk or a cubicle for any employee and, thus, for their Manager.



Every time a 'bad' hire shows up for work you are putting yourself and your organization at risk of being perceived negatively. Try to imagine how your customers feel when they encounter an individual, representing your organization, who is improperly groomed or whose attire is inappropriate for your business. And that is just the first (although very important) impression. It can get much worse once verbal interaction takes place. The individuals' attitude and manner of speaking can turn a potential customer into a 'lost sale' so quickly you will not even know it happened. Your ability to increase revenues and produce great 'key indicator' results is weakened





by these individuals. You need to hire 'Aces' if you want to become a successful, well respected Manager.

Before we continue it should be noted that any Manager may make a 'bad' hire every now and again. Perhaps the candidate was intent on deceiving the interviewer. Perhaps they did not present their true self during the interview. Whatever the case, you may have ended up with an employee who is not suitable. There is only one thing you need to remember when this happens...fix it fast! Do not, under any circumstances, allow yourself to try and make it right.

Don't try to fit the 'square peg into the round hole'.

Don't beat yourself up for the mistake...it happens. Just fix it fast! You simply terminate the individual in accordance with your company policy and government legislation.



What to look for in a Candidate Before the Interview

1) Punctuality

If they are not on time for the interview you will have to follow your 'gut' instinct regarding their reasons. Sometimes things





completely out of the candidates' control really do happen.
Again, you will need to decide if you're going to buy the reason.



2) Overall appearance

The important thing to remember here is that there is no room for understanding on your part. Either they look good or they don't. You must know what your standards and expectations are and then judge the candidate against those standards and expectations. Consider grooming and attire – appropriate to age and the image of your business. For example, if a candidate is dressed and groomed appropriately for their age and also appropriately for the image of your business then you may have a fit. However, if an older candidate is dressed and groomed as a teenager, the fit is probably not right even if you are in the junior apparel business, because this particular older candidate does not understand how to dress appropriately.

3) Enthusiasm

You have to feel this. There is no way for you to actually measure the candidates' level of enthusiasm, yet it is extremely





important. It is assumed that you are enthusiastic about your position and your company and, therefore, you will be able to 'feel' whether your candidate is enthusiastic or not. If not, continue with the interview long enough to see if you change your 'feeling' about the level of enthusiasm. If your feeling doesn't change, use your 'short version' interview.

4) Comportment

Candidates should present themselves in a manner conformable to what is right, proper, or expected. The candidate is meeting with you for the purpose of obtaining a position with your organization. She/he should be confident, smiling, eager to proceed and appreciative of the opportunity to meet with you.

5) Language skills

As soon as the candidate begins talking you will get a sense of their language skills. This point needs to be examined very closely. There are millions of wonderful and talented individuals who speak several languages. If their mother tongue, or first language, is not the language used in your business then you have to ask yourself one question: Does this candidate speak well enough to be clearly understood by our customers? If the





answer is 'yes' then proceed with the interview as normal. At some point you may want, or need to ascertain their fluency level, but that is not the priority right now. Don't get hung up on language/accents as long as you know, for sure, that the candidate will be clearly understood by your customers. That's what counts.



You are on your way to hiring an 'Ace' if your candidate:

- Arrived on time
- Is a good fit as far as overall appearance
- Appears enthusiastic
- Comports him/herself well
- Speaks clearly

These are simple, but powerful, indicators of a candidates' potential for success in the retail environment. Consider these things to be the foundation and your training program(s) to be the building blocks of future success. The foundation must be in place so you don't have to spend precious labor/wage dollars to bring new hires up to this level.





Preparation... the pre-interview stage:



There are many, many interview guides in use today. Unfortunately, too many of them are lengthy and not necessarily relevant to you or your business. You will not hire 'Aces' if you follow a format which is full of canned questions that are not customized to your management style or expectations.

Of course, there is merit to the saying 'the way to predict future performance is to examine past performance'. Because of the merit to this statement, you should keep an open mind regarding interview questions. Just remember that you want/need to know certain things about the candidate and all of your questions should lead you in that direction. Some of the questions that are designed to find out about past performance are really not very useful and you should not waste time with those ones.

It is important to note that many interview guides are produced by Human Resources personnel. With all due respect for that area of expertise (refer to your company's Human Resources





Department regarding questions which are **NOT ALLOWED** to be asked) it is wise to remember that Human Resources personnel may not be in the best position to develop an effective interview guide for field (store/district/region) personnel. Human Resources personnel, who are charged with developing this important tool, should always solicit extensive and detailed feedback from management in the field before publishing and launching it.

Let's look at an example:

Interviewer: Tell me about a time when you had a problem meeting a deadline. Tell me what the situation was and how you dealt with it.

Candidate: Well, a couple of months ago I had to get a sales report in but several of my staff members became ill and it was impossible to meet the deadline. I called my superior and explained the situation and asked for an extension. She was very pleased because I let her know in advance and that allowed her to make adjustments to her schedule for the compilation of the sales reports.

What did this response teach us about this candidate? Not much. And what we did learn is not very relevant. In fact,





questions like this provide a perfect opportunity for the candidate to dream up a good response. Do you really need this?

Canned questions provide an easy way for the candidate to formulate responses but if the possible responses are not going to provide you with solid information that you really want/need to know, don't waste your time.

Why put yourself, or the candidate, through this type of interview? Ask yourself what you really want/need to know about the individual you are considering hiring to represent you and your organization. The answer to this question – "What do I really want/need to know?" will provide the basis for your interview questionnaire.

Another positive outcome of keeping your interview questions in line with what you really want/need to know is that the candidate is able to form a clear understanding of what is important to the interviewer and the organization. This helps to set the stage for a harmonious working relationship should the candidate be hired.

Review the following examples of possible interview questions/scenarios for retail managers. Use whichever ones





are relevant to you and your business. Again, the important question for you is “What do I really want/need to know?”

Interview Questions / Scenarios

Customer Service Orientation

1. What does customer service mean to you?
2. Tell me about your worst customer service experience, as a customer.
3. Tell me about your most positive customer service experience, as a customer.
4. What are the elements of a positive shopping experience?
5. Can you give me some examples of things that can make a shopping experience negative?
6. How would you prioritize the following functions?
 - a. a last minute markdown
 - b. receiving a shipment and getting it out on the floor
 - c. a customer to be attended to
 - d. a staff query regarding her schedule
7. What would you do if you were approached by an irate customer who has waited too long for service?
8. What basics do you think a customer has the right to expect when in your store?





9. How would you handle a declined credit or debit card? What would you say?
10. Tell me a few things about telephone etiquette.

Acceptable Responses (what you're looking for)

1. Customer Service means many different things to different people. You want to know exactly what the candidate believes about customer service. You need to hear answers similar to:
 - Making sure the customer has a positive experience while in the store
 - Showing concern and respect for the customer from the moment she enters the store until the moment she leaves
 - Building a relationship with the customer
 - Building loyalty for our store/product
2. The candidate must certainly have experienced bad service/treatment at some point and you want to assess what they believe to be bad service.





3. The candidate should be able to tell you about a positive customer service experience he/she has had. You will be able to assess what they believe to be positive customer service.
4. The response will help you understand whether or not the candidate understands what a positive shopping experience is. You should expect to hear things like:
 - Cleanliness
 - Friendly staff
 - Being greeted
 - Merchandise should be well displayed and tidy
 - Knowledgeable staff who can answer questions
5. Listen for: pushy staff, neglect, slow or inefficient check out; poor selection.
6. These are very basic functions and the priority should be:
 - A customer to be attended to (always number one)
 - Receiving a shipment and getting it out on the floor (merchandise won't sell from boxes in the backroom)

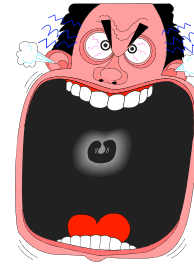




- A last minute markdown (have someone put signage up immediately)
- A staff query regarding her schedule (the staff member cannot be ignored; handle it while doing the shipment or markdown)

7. Irate customers don't always approach the Store Manager. Sometimes they let off steam to whoever is closest to them. Some of the possible acceptable responses are:

- Gently encourage the customer to move away from other customers.
- Empathize immediately.
- Listen and show understanding and offer to get the Manager.



8. Basics are very important. Some acceptable responses are:

- Respect
- Enough staff to help them
- Friendly people





- A clean, well maintained store
- Presentable and knowledgeable staff

9. This is a delicate matter that is often handled very badly.

Let's not forget that, in fact, sometimes the customers' card is not the problem even when all indications point to that. Whatever is said, it should be said discreetly; there is no reason for other customers to be made aware of this customers' situation. Some acceptable responses:

- There seems to a problem with either our system or the card, would you like to try again?
- Our system is not able to process this card right now. Would you like to try a different method of payment?

10. A good customer service person should have good telephone manners. Listen for:

- The greeting
- Never put a customer on hold if you are not going to be able to get back to them in the specified time
- Never discuss personal issues while customers are present.





- It is unacceptable to have a telephone conversation while dealing with a customer who is in front of you.



Ability to sell the product, service or company/

Ability to Coach Selling Skills

1. What are the steps in the selling process?
2. Elaborate on those steps.
3. Do you consider yourself a good salesperson?
4. What indications do you have that support your answer?
5. I'd like you to sell this pen/product/notebook to me?

Acceptable Responses (what you're looking for)

1. The selling process varies from one organization to the next, but the steps generally follow a certain path: Greet, Approach, Determine Needs, Present Options, Trial Close, Handle Objections, Close
2. The answers here will help you to assess how well they understand each of the steps.
3. You expect the candidate to say 'yes'.





4. The candidate should be able to tell you about some success stories, i.e.: won sales awards, always met their targets
5. This is just a simple way to find out if the candidate has the personality for selling. If the candidate is a salesperson, they will be confident with this scenario.

Relationship/Team Building

1. Tell me about your past relationships with your subordinates.
2. Tell me about your past relationships with your superiors.
3. Tell me about your past relationships with your peers.
4. What type of Manager would bring out the best in you?
5. How would you describe your communication style?
6. What would be the best way for the management team to communicate with the sales/service associates within the store?

Acceptable Responses (what you're looking for)

1), 2) and 3) These questions are designed get the candidate talking about their relationships with team members.





Listen for words like:

- Friendly
- Professional
- Good communication
- Respect
- Admiration
- Competitive

4. The answer to this question will likely tell you something about this candidates' working style. Instead of asking for strengths and weaknesses (or areas of opportunity), this question let's the candidate design the ideal superior; one which would bring out her strengths.

5. Listen for words like:

- Open
- Honest
- Clear

6. Listen to the suggestions. Do they make sense?





Attitudes

1. How important was your contribution to the goals and objectives of the business unit you last worked in?
2. Can you give me an example of a company procedure or policy that didn't make sense to you?
3. How do you communicate your agreement/disagreement with company initiatives?
4. How do you react when customers challenge your company's policies or procedures?



Acceptable Responses (what you're looking for)

1. You are not looking for "oh, very important" The answer is expected to outline what was expected of the candidate and how she thought her contribution was viewed. For example: "Each day I had a sales goal and I always did my best to meet it so that I wouldn't let the team down." This answer reflects a positive attitude from someone who cares about their performance and the success of the team as opposed to someone who may not even understand why they were assigned targets. The latter may respond with something like





2. "They always gave us targets and sometimes I achieved them."
3. You want to know that the candidate understands that there is likely a good reason behind all company policies and procedures and that she understands it is up to her to ask questions if it doesn't make sense.
4. You want to hear that she discusses these agreements/disagreements with the Manager. You do not want to hear "Well, the company can do whatever it wants so it doesn't matter if I agree or not." Or "That's really none of my business."
5. You should expect the candidate to offer a couple of different possibilities dependant on different situations. You certainly do not want to hear "I just tell them that I agree with them!"

Professional Development Goals



1. How do you think most people perceive the retail industry as a career?
2. Why do you suppose they have that perception?
3. What professional plans do you have for your future?





Acceptable Responses (what you're looking for)

The questions in this section are intended to give the candidate an opportunity to tell you about their career goals and aspirations. The one thing that you should look for during this discussion is whether the candidate has a healthy, positive opinion about retail careers. Even if it is quite acceptable to you that the candidate is not planning a long term retail career, they should still see it as a very respectable, lucrative career enjoyed by many professional individuals.

The Aces You Already Employ

If you are fortunate enough to have some aces working for you already, then you have a great advantage in the interviewing process. There is a lot of merit to examining the traits and behaviors of your top performers and then comparing candidates against those traits and behaviors. This examination does not need to take on a life of its' own. It does not need to be provided by your Head Office. In fact, it will be more relevant, for you, if you develop your own list of desirable





traits and behaviors. Close observation, over a period of a week or two, is all that is needed.

Here is an example:

Craig ...

- Is constantly updating his product knowledge; always seeking information; first to read the mail from Head Office; subscribes to a magazine related to our business.
- Never fails to greet a customer; always 'heads up', always friendly.
- Always considers the future value of the customer – even when he is not successful in selling to the customer this time.
- Looks impeccable; always presents the image appropriate for the store/organization.
- Never chats with co-workers while customers are in the store and tries to discourage others from doing it as well.
- Displays a sense of urgency in everything he does.





Questions/scenarios to determine if candidate possesses the above traits/behaviors:

- How do you keep yourself up to date on business issues/world affairs?
- What are the important steps in the selling process?
- How do you handle rejection by a customer?
- Describe your relationships with co-workers, both in and out of the store.
- Tell me what 'sense of urgency' means to you.

Obviously you cannot ask direct questions such as "Do you keep up to date with product knowledge?" nor "Do you chat with co-workers while customers are in the store?" Only a fool would answer these unfavorably. You need to ask questions that will give you an idea of how well the candidate would compare to your top performer.

Motivating Your "Aces"

- Pay them a fair and decent wage.





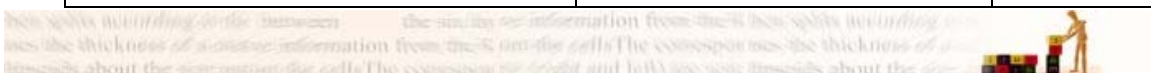
- Evaluate their performance and provide useful feedback regularly.
- Show them respect.
- Assign them as a 'buddy' to new employees.
- Give them training assignments.
- Offer them challenges regularly.
- Ask for their opinions/feedback on store issues.
- Offer praise in public and criticism in private.
- Send congratulatory cards to their home.
- Discuss career paths with them.
- Make yourself available to them; don't always be too busy for a coffee break with them.
- Take their concerns seriously and follow-up promptly.





Customer Service Orientation

Interview Question	Interview Notes Here	Check
What does customer service mean to you?		
Tell me about your worst customer service experience as a customer.		
Tell me about your most positive customer service experience as a customer		
What are the elements of a positive shopping experience?		
Can you give me some examples of things that can make a shopping experience negative?		
How would you prioritize the following functions? a) A last minute markdown, b) Receiving a shipment and getting it out on the floor, c) A customer to be attended to, d) A staff query regarding her schedule.		
What would you do if you were approached by an irate customer who has waited too long for service?		
What basics do you think the customer has the right to expect when in your store?		
How would you handle a declined credit or debit card? What would you say?		
Tell me a few things about telephone etiquette.		





Ability to Sell / Coach Selling Skills

Interview Question	InterviewNotesHere	Check
What are the steps in the selling process?		
Elaborate on those steps		
Do you consider yourself a good salesperson?		
What indications do you have that support your answer?		
I'd like you to sell this pen/product/notebook to me.		

Relationship / Team Building

Interview Question	InterviewNotesHere	Check
Tell me about your past relationships with your subordinates.		
Tell me about your past relationships with your superiors.		
Tell me about your past relationships with your peers.		
What type of Manager would bring out the best in you?		
How would you describe your communication style?		
What would be the best way for the mgmt. team to communicate with the sales/service associates within the store?		





Attitudes

Interview Question	InterviewNotesHere	Check
How important was your contribution to the goals and objectives of the business unit you last worked in?		
Can you give me an example of a company procedure or policy that did not make sense to you?		
How do you communicate your agreement/disagreement with company initiatives?		
How do you react when customers challenge your company's policies or procedures		

Professional Development Goals

Interview Question	InterviewNotesHere	Check
How do you think most people perceive the retail industry as a career?		
Why do you suppose they have that perception?		
What professional plans do you have for the future?		





Appendix: Reading Material

1. Communication Barriers
2. Customer Perceptions

1. Communication Barriers

1. General Barriers:

- Failing to understand personal motives
- Showing unconcern or not giving feedback
- Exhibiting feelings of self righteousness
- Perceiving one's superiority or inferiority
- Protecting your prestige
- Employing improper role playing
- Being distracted by noise, lack of privacy
- Having a hidden agenda or message
- Lacking clarity in intent and meaning
- Failing to express conviction
- Showing poor listening habits
- Telling half-truths

2. Downward barriers: (Supervisor to subordinate)

- Intimidating employees
- Not finding time to listen
- Lacking concern for employee's values or interests
- Showing weak leadership
- Being untrustworthy
- Talking down to employees





3. Upward barriers: (Subordinate to supervisor)

- Being suspicious, fearful, mistrustful
- Lacking confidence
- Being prejudicial against people in power
- Limiting oneself to one's own value system
- Using improper language

2. Customer Perceptions:

**It is not the quality of service that you give
but the quality of service that the customer
perceives that causes him/her to buy and come back.**

Perception is how we make sense out of what we experience. Your interpretation of what you see and hear is just that-your interpretation. And the same is true for the customers.

Did you know that no human being ever comes into direct contact with reality? Everything we experience is the product of what our sensory devices and our nervous system manufactures.

In as much as no two people have the same physical and emotional make-up and past experiences, no two people perceive anything the same way. Yet for any one person, what s/he perceives is reality to him/her.

When it comes to successful retail customer service, it's the customer's perception of the quality of service that determines how successful your store will be. Now the big question: What causes customers to perceive service as good or bad? Here is a very important concept to remember:

How much information from the world is perceived by the human mind? The answer is: information from the world is perceived by the human mind. The answer is: information from the world is perceived by the human mind. The answer is: information from the world is perceived by the human mind.



Perceived service quality is the difference between what they get and what they expect.

Every business, regardless of size, has a reputation for the quality of goods and services it delivers. What quality of service do you associate with IBM, Sony and Disney? Pretty high, right? Now what quality of customer service do you associate with your local water company, electric company or the post office? Chances are you rated this group lower. It's not that the second group fails to give good service. In fact they give excellent service for a very reasonable price. Think about it. You can drop a letter into any corner mail box and send it anywhere in the country for the price of a stamp. And for nominal monthly charge, you have water and electricity at your disposal almost always without fail. One key reason that the companies listed above have an excellent reputation is that they have learned the subtle art of reminding their customers of the great service they give.

With a little bit of an effort, you can shape your customer perceptions in a positive way too. Just remember that you have to make your customers aware of the good deal they are getting for doing business with you and keep reminding them in many subtle, different ways. In reality, there's no such thing as a good deal or a bad deal. Only the customer's thinking makes it so.

Whether it's planned or not, every business has an image and the most successful have learned that a positive image doesn't just happen. It's the result of a lot of planning, hard work, and doing a number of things consistently well. Here are some essentials to shaping a high quality image (perception) in the customer's eyes:

1. Develop a profile for your target customer:

Get a clear picture of the kind of customers you want to win and keep. What's their age range, income level, sex, marital status, educational level, occupation and life style? What services are most important to them? The more you can precisely define which customers you are trying to serve, the easier it is to perceive your business through their



eyes. Conversely, a business that tries to be all things to all people runs the high risk of becoming nobody to everyone. If others who don't fit the profile become customers, that's great. But target your efforts for a particular segment of the market you want to reach.

2. Look at your store through your customer's eyes:

And when we say look, we mean that literally. 85% of what we remember comes through our eyes, 11% comes through our ears and the rest through our other senses. Have you ever noticed how clean Disneyworld is? It's no accident. Rather, it's a subtle way of building employee morale and telling the customer, "We take pride in our work." Take a visual inventory of your operation. Start by evaluating your own appearance. Do you dress and make the effort to look like someone that your customers would come to for an advice? Next, look at your facilities. Does the customer see a clean, neat, professional operation or one that looks poorly maintained? Next, evaluate all communication that customers receive from you. Are your business cards, stationery, and printed materials crisp, professional, and neat? Are price cards neatly typed and free of grammatical and spelling errors? Telephone your store posing as a customer and see how you get treated. Is this the kind of operation where you would like to spend your hard-earned dollars or can you think of some other place that would give you a better feeling?

**Every single contact the customer has
with your store is shaping his perception
for better or worse.**

3. Beware of overpromising and building unrealistic expectations:

It may make you a sale but will likely cost you customers. The higher you build customer expectations, the harder it becomes to meet and exceed them. You run the high risk of customers feeling short-changed, not coming back and telling others. It's a sure road to a bad image.





4. Use problems as opportunities to demonstrate just what great service your company gives:

Customers judge the quality of service in two basic ways: a) how well you deliver what you promise and b) how you handle exceptions and problems. Most businesses treat problems like bad colds. They simply treat the bad symptoms and hope they go away. But the smart ones go the extra mile for the customer and show him just how dedicated they are to making sure that he feels good about doing business with them.

5. Develop a unique relationship with your customers and treat each one as someone special:

A customer received a statement from a computer that read, "If you fail to pay this bill within thirty days we are turning your account over to a human." Treating every customer in the same impersonal manner is one sure way to destroy a company's service image.

6. Keep in touch and keep them informed:

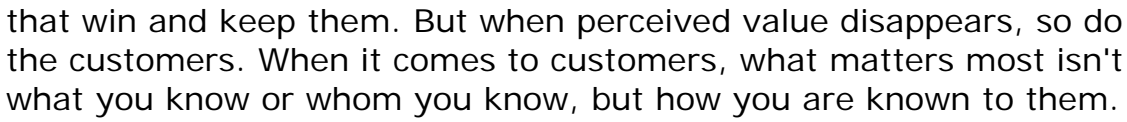
If you fail to stay in touch with your customers, they won't be aware of the good service you're giving them until something goes wrong and they don't get it. Periodic phone calls, personal letters, newsletters and occasional social calls are all good vehicles for staying in touch. But by all means stay in touch and let them know that their satisfaction is number one priority with both word and deed.

7. Remember that a large part of good service is show biz:

An important part of giving good service is to entertain, amuse, and make the customer feel good in as many ways as possible. When you're in the presence of a customer you're on stage and the spotlight is on you. Part of doing your job well is giving a good performance when you do it.

In summary, the acid test for the success of any business is the perceived overall value that customers think they are getting. The companies that offer value consistently to their customers are the ones





This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it's resting on a surface.





Training the Best

Part 2 of “Winning at Store Management” Success Guide

By

DMSRetail

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Training the Best



One of the major reasons for the high degree of customer dissatisfaction and resulting lost sales in the retail industry is poorly trained employees who do not have a clear understanding of what is expected of them.





Let's take a moment to think about this statement. It may be that retail is in a sad state and that consumers are coming to accept the current service levels as the norm. We may believe that the nature of retail positions and the relatively low wages paid are the reasons for the problem and that until the industry goes through some major transformation, which is not likely to be seen in the near future, this will continue to be the case.

Then again, a far more interesting and optimistic view is that this problem presents an incredible opportunity for those Managers who have the skills and the perseverance to correct it. Think of the sales volume increases to be gained by focusing on your people. Think of the competitive advantage this Manager would have over the competition. If the high degree of customer dissatisfaction and resulting lost sales is due to poorly trained employees who do not have a clear understanding of what is expected of them then the flip side would be that well trained employees who clearly understand what is expected of them would play a major role in increasing customer satisfaction and increasing sales.

It is, without a doubt, an incredible opportunity. Focus on this and build your business way beyond your expectations.





**“We are continually faced by great opportunities
brilliantly disguised as insoluble problems.”**

Lee Iococca

Employees require knowledge and training on:

- **How to do their job.**
- **How to achieve their performance objectives.**
- **How to conduct themselves in an exemplary fashion.**

It is the Store Managers' responsibility to ensure employees are properly trained and that expectations are clearly understood. Some training can be delegated to other individuals but, in the final analysis, the Store Manager must follow-up to ensure that the training has been effective.

Companies spend millions of dollars on training programs only to find out later that they were ineffective. In the retail industry, that is usually discovered during Mystery Shopping campaigns where the entire point of the exercise is to ascertain whether or not a new program has been implemented successfully. Very often the reports are unfavorable.





- **Set up the Buddy System**
- **Assign homework**
- **Follow up**

Many companies provide a job description for each of the different positions held by store staff. If you have a job description to guide you, the training process is simplified to some extent. It will outline the tasks that the person in the position must be able to perform.

After reviewing the job description with the employee, spend the day monitoring the employee to determine their skill level in various areas:

- **Customer Service**
- **Sales Skills**
- **Knowledge of Operations**
- **Operation of POS**
- **Product knowledge**

Based on your observations, construct the Training Plan.
(Sent to you as a separate pdf file.)

Once the Training Plan is ready complete a training checklist that covers all of the functions listed on the job description,





with particular emphasis on the areas of opportunity that were identified in the Training Plan.

Set up the Buddy System:

- **Assign buddies who are strong in areas where the new employee is not**
- **Schedule the buddy and the new employee for the same shifts for one week**



For example, if Mary is very good at keeping up to date with product knowledge and Paul tends to get behind occasionally then it would be advantageous to have Mary spend time with the new employee showing him/her how to keep up to date. The new employee will be learning an important part of the business from a person who excels in that area and will probably learn more than just a method. They will learn the method and how using that method contributes to success.

The new employee is capable of performing worthwhile functions while they work their training shifts. We can assume that the new employee brought:





- General Retail Knowledge
- Common Sense
- Customer Service Skills

This means you do not have to double up on the schedule to cover as if the new employee weren't there.

You just need to be sure to schedule these buddy shifts during quieter times. Even with the best intentions and scheduling practices occasionally your stores' traffic may increase during a time which is known to be a quiet time. If this happens, make sure the trainer and trainee both understand that the training checklist is to be set aside while customers are attended to.

The key here is flexibility on the part of the trainer and the trainee. This is something you should discuss, at length, with all employees. If training is going to be successful without investing a large number of hours it is crucial that employees understand their roles. All existing employees should take some responsibility for the new employee. Even if not put into an official trainer role, seasoned employees can be asked to assist the new employee whenever necessary and to provide instruction on anything that the new employee requires assistance with.





All of this requires that the Store Manager has made his/her expectations clear to all employees, both new and existing.

The following example is an illustration of a situation where there were no expectations that customer service would take precedence over training of mundane tasks. Or, possibly those expectations were not clearly understood by the employee.

A new Night Cashier was hired by a large grocery retailer. The new employee was told that she would not be very busy with customers between the hours of 11:00 p.m. and 7:00 a.m. and, therefore, she was assigned a number of small tasks during that time.

On the first night of training, the new cashier was introduced to another Night Cashier who had been with the company for a long time. The training progressed throughout the night and, on several occasions; both employees were completing tasks a good distance away from the open cash desk. A customer approached the open cash desk and found no cashier ready to ring his purchases through. Fortunately, the new cashier immediately spotted the customer and, as she started toward the cash desk, commented that she would be back after serving the customer. The seasoned cashier said "Don't worry, they'll





come and find you when they really need you; we have work to do here."

The training checklist, and the task, had taken precedence over the customer. And, worse, the new employee may think that what happened was quite acceptable in this store. After all, the offence was committed by a long term employee who was thought of highly enough to be given a training assignment.

Are you sure that this could not happen in your store?

Assign Homework:

- **Information on company procedures**
- **Visual Presentation Manual**
- **Product Information**
- **Merchandising Manual**
- **Human Resources Manual**

Follow up:

- **Check on progress in each area, including home study**





- **Determine if skill level has improved appropriately**
- **Discuss expectations**

During the training process the Store Manager should have a follow-up process in place in order to check for full competency in job functions. During these follow-up sessions with the new employee the Manager should take every opportunity to make their expectations known to the employee. Sometimes a job function can be performed competently and still not meet expectations. Clear expectations will help the employee to determine the difference.

A simple example:

The employee competently handles all transactions at the cash register/POS. However, he does not consistently thank the customer or invite them to return. It is up to the Manager to tell the employee that thanking every customer and inviting every customer to return is the expectation. Make it clear that there should be no exceptions.





Mastering the 'One on One' Method

This method of training/informing/coaching is seriously underutilized. One may make the argument that it would be a waste of the Managers' time but that could not be further from the truth.

It is the Managers' duty and responsibility to ensure that all employees are properly trained and informed. What better way to ensure that they are trained/informed according to your expectations than to work with them 'one on one'?

Think of the benefits.

- The employee will receive top notch training and accurate information
- The employee will feel like a valuable member of the team
- The Manager will have the satisfaction of knowing exactly what took place
- The Manager will have endless opportunities to impart knowledge





It is not a waste of the Manager's time. However, it may not always be practical for the Manager to do regular training with new employees. It is very practical and beneficial to use the 'One on One' method to:

- **Provide accurate information to employees**
- **Coach an employee on sales skills or other required skills/behaviors**
- **Evaluate the performance of an individual**
- **Solicit feedback on various topics**
- **Verify an employees' understanding**
- **Provide moral support**
- **Discuss scheduling and availability**
- **Make expectations known**
- **Increase competency**
- **Correct misunderstandings**
- **Provide guidance on a variety of topics**
- **Explain detailed procedures**

This method requires that the Manager keep a record, preferably a notebook, with the names of each employee and notes on discussions that have taken place and on future





planned discussions. The 'One on One' method works with your schedule and your hour or wage cost control plan. You schedule the 'One on One's' according to the needs of the business and the availability of the employee. It's a simple plan and it works.

A Note about Standards and Expectations

Employees are expected to measure up to certain standards when it comes to professional conduct. Most of these are outlined in the official Policy Manual.

In your store, you need to outline the expectations, or standards of conduct according to the way you want to see things done. You are the Manager and you have every right to have your expectations met, and exceeded. Of course, your expectations and standards must be at least equal to, and preferably above and beyond, those outlined in the manual.

Standards of conduct are required for, among other things:

- **Appearance**
- **General Presentation**
- **Attitude**
- **Behavior**
- **Work ethic**





The bottom line is that you want employees who will represent you and your company in the finest manner possible while always keeping the customer first and foremost in their minds. When that is the case, success will follow – for you, your associates and the company.

The following is a quote from the book 'Sam Walton – Made in America – My Story':

"Sam Walton understands better than anyone else that no business can exist without customers. He lives by his credo, which is to make the customer the centerpiece of all his efforts. And in the process of serving Wal-Mart's customers to perfection (not quite perfection, he would say), he also serves Wal-Mart's associates, its share owners, its communities, and the rest of its stakeholders in an extraordinary fashion – almost without parallel in American business"

Roberto C. Goizueta

Achieving that state is not easy. It takes:

- **Perseverance**
- **Vigilance**
- **Discipline**
- **Consistency**





And just when you think it is all coming together, you may experience setbacks. Don't let that change your standards or expectations. Stay focused on achieving the results you desire.

In your store, your expectations are everything.

- **Set high expectations and insist that they are met.**
- **Be relentless.**
- **Don't let infractions go unnoticed.**

This requires a lot of time, effort and discipline on your part. You have to lead by example at all times.

To illustrate:

During a store visit a V.P., Sales and Operations, a Regional Sales Manager and a District Sales Manager toured the store with the Manager and got a lot of great feedback about new initiatives, merchandise and various other subjects. The visit was going very well.

The store management and staff enjoyed the company of the visitors and their respect for them was evident.





There are four comfortable arm chairs in the centre of the store for the comfort of customers. Staff members are not permitted to sit on the chairs during open hours. This is a fairly standard rule of conduct.

Following the walk through, the V.P. and the Regional Sales Manager sat down to rest in the chairs.

The example that was set that day was certainly not desirable. It is unproductive and damaging to morale when leaders do not set a good example.

The Sales Meeting as an Effective Training Tool

Sales training is perhaps the most important training you can provide for your retail employees. Selling is actually a science that calls for training, mental conditioning and planning. The sales meeting is an important management tool that will help the associates meet their objectives.

It takes time and effort to plan and conduct effective sales meetings. With a limited amount of time available to Store





Managers, it is important that the meeting be planned to accomplish several objectives in a short period of time.

Improve Communications:

The management team and the staff need to communicate regularly to prevent the staff from picking up information through the grapevine and to keep management informed about what is happening on the selling floor. This is one way for the management team to stay close to the customer.

Introduction of New Products and Policies/Procedures:

Introducing anything new is more easily accomplished in a meeting. When the staff are able to exchange ideas and ask questions the chance of misunderstandings is reduced.

Motivation of the Staff:

Because motivation is a vital ingredient in any sales plan, it's important to use the sales meeting to praise, recognize and excite the staff.





Problem Solving:

Problems are resolved more quickly when all concerned parties are present to discuss possible solutions and contribute ideas.

Training and Instruction:

The sales meeting provides a great opportunity to train/instruct several individuals at one time making it an efficient use of resources.

Suggested Topics for Sales Meetings:

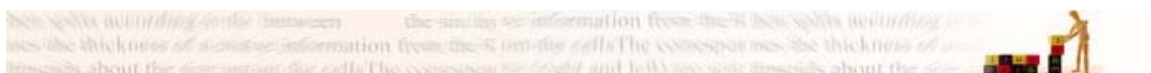
- **About the company**
- **Professionalism**
- **The selling personality**
- **Greetings**
- **Successful approaches**
- **Handling objections**
- **Determining needs**
- **Influencing the buying decision**
- **Closing the sale**
- **Favorite closing techniques**
- **Knowing your product/service**





- What makes people buy?
- Problem solving
- Impulse buying
- Customer records
- Telephone selling
- Relationship selling
- Favorite ice-breakers
- Building your sales talk
- Listening to your customer
- How to avoid lost sales
- Increasing the average sale amount
- Developing creativity
- Personal habits
- Attire and grooming
- Sustaining enthusiasm
- Teamwork
- Duties and responsibilities
- Policies and procedures
- Effectiveness

Sales Meetings do not have to be lengthy. In fact, if you plan for several short meetings your investment will be minimal. Short sales meetings can be held fifteen minutes prior to opening. Consider meeting for coffee on Saturday morning and





hold your meeting during that time. Be creative and ask your employees to be flexible.

While there can be a benefit to holding formal training sessions and lengthy sales meetings, they are very expensive in terms of hours invested. These need to be held occasionally for major events such as:

- **Seasonal Launches**
- **New program roll outs**
- **Major policy changes**

In the meantime,

“Do not let what you cannot do interfere with what you can do.”

John Wooden





Managing Your Hours

Part 3 of “Winning at Store Management” Success Guide

by

DMS Retail

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Managing Your Hours



Plan Your Work and Work Your Plan...as the saying goes:





In a retail environment, it absolutely does pay to follow that advice. The Store Managers' role is challenging when things are going smoothly. When you start adding unexpected tasks, employee illness and other issues, late shipments of product or signage, unusual customer demands, Head Office requests for information, and various other new and different things that happen every day in the life of a Store Manager...it may appear impossible.

But, of course, it's not impossible and all that is really needed is some organization and planning – for the expected and the unexpected.

You need four tools. They are:

- **The Daily News**
- **Personal Organizer/Date Book**
- **Communication Centre (in your backroom)**
- **Management Communication Book**

The Daily News:

This form (**it is provided as a separate pdf file**) is meant to be used in the store every day. It should be kept in a binder





behind, or beneath the cash desk. The Manager, Assistant or other person in charge should complete the form each morning before opening. Staff members are instructed to consult The Daily News before starting each shift, to learn:

- Their personal sales goal
- The store sales goal
- How the store is doing month to date
- About incentives and promotions
- Where they will be working/covering for the day
- Tasks assigned
- Any other information you deem necessary to keep everyone on track for the day.

The Daily News is separated into six distinct sections.

The first section is used to show the stores' achievement, in dollars and percentage, against the established budget (target, goal, plan) for the month to date. It also has a space to show the amount still required, for the balance of the month, to achieve the budget and a space for the amount budgeted or planned for today.

Employees are inclined to work harder to attain specific, measurable, achievable, realistic goals which are set out for a





given time frame. The first section of The Daily News is designed with that in mind.

Task List: This section identifies tasks which have to be performed at some point during the day. The Manager, or other person in charge, assigns tasks to individuals working that day. When the employee has completed her assigned task she will initial the column marked 'Done' and when the person in charge has verified that the task was, in fact, satisfactorily completed she will initial the column marked 'Checked'.



The Store Manager must make it absolutely clear that tasks are not to be undertaken until all customers have been looked after. With more and more retailers trying to accomplish more tasks with fewer people, or labor hours, ignoring customers has reached epidemic proportions. There are few stores where the staff actually pay more attention to the customer than they do to the task at hand.

Managers must be very careful with their instructions. For example, if an associate is asked to tidy up a display he or she may make it their goal to carry out the task quickly. Unfortunately, the associate may not attend to customers during that time. In fact, the associate may not even notice





customers coming into the store because they are so intent on completing their task.

"There is a story about a young, hard working Salesperson who regularly assigned backroom clean up, a dreaded chore, to himself. He always did a magnificent job, leaving the backroom in excellent condition – something he considered important to the sales process because the faster he could find what he needed for a customer in the backroom the sooner he could get back onto the sales floor. His secret was that he cleaned the backroom in such a manner that he was able to peer out the door every two minutes. He did not want to miss a customer. Of course, there was always someone covering the floor while he was in the backroom, but anytime a new customer entered the store he went out to greet them. He understood that the "tasks" are not supposed to take priority over "customers" at an early stage in his working life. This young man went on to become very successful and is now a President of a major division for a giant telecommunications company."





SELLING: This is where the sales associates will look to find out what their sales goal is for the day. The salesperson is assigned a specific, realistic and achievable sales goal for the shift. At the end of their shift they will know their actual sales and how they measured up against the goal. The column marked 'Initials' is used by the sales associate to acknowledge their achievement.

The key to getting the most out of this section is to use it consistently. Once all staff are using The Daily News regularly you'll be amazed at how popular this section will become. Each day, sales associates want to see how well other associates did the previous day. It inspires healthy competition and the time it takes to get everyone in the habit of using it properly is time well spent.

Floor Coverage: This section can be completed using a diagram or the names of employees and the section of the store they are expected to cover. It is basically intended to be a map of your sales floor and is used to assign the employees working a given shift a particular area of the store to cover. Coverage applies to customer service, stock maintenance and general housekeeping.





Some Managers will rotate employees in and out of certain areas and some will assign the same individuals to the same areas as often as possible. The latter tends to foster a sense of pride in a certain area, and the former helps to ensure that all associates are familiar with all areas of the store. You should ask yourself which method would serve your business better.

Current Promos: Use this section as a reminder of any new or on-going promotions currently in effect in the store.

Retailers usually have several promotions running at any given time and sales associates need to be aware of all of them in order to do their jobs well. The nature of the retail business is such that start and finish dates for promotions don't always follow a rigid schedule. Using this section as a reminder is another tool to help your associates. There is enough room here



to customize your message. For example, instead of "Sweaters 2 for \$39.99", you might want to say "Our fabulous turtleneck sweaters are now 2 for \$39.99. Check the color and size selection – Jane sold 14 last night!"

Today's Incentive: Use this section to communicate any spiffs or prizes being offered for specific accomplishments.





Here are some suggestions of low budget spiffs:

- Coffee and a muffin
- Extra 15 minute break
- No housekeeping duty on Friday night
- Choose your day off
- Movie passes for two
- Lottery tickets

The Today's Incentive section should also be used to showcase any current incentives being offered by Head Office. Often contests get forgotten if they are not reinforced daily so make use of this section to inspire your associates to go for the prize!

The Daily News is a great communication tool that is simple to use and doesn't take a lot of time to complete. Your employees will be eager to consult it each day because they want to be informed.





A Personal Organizer/Date Book: *(DMSRetail has an organizer-planner specifically designed for store managers. For more information, go to <http://www.dmsretail.com/dmsretailer.htm>)*

Every Manager needs a Date Book to keep track of appointments, important events, every day 'to do' lists and other personal and business information.

A Communication Center:

The backroom Communication Center should be large and placed in a prominent place so employees cannot avoid it. You should have an expectation that every employee reads postings in the Communication Center and you must make a commitment to keep it up to date with all of the current happenings in the store and the company.

Many Communication Centers become ineffective due to:

- **Lack of commitment to keep the centre refreshed**
- **Overcrowding**





- **Disorganization**
- **No expectation that employees will read it**
- **Absence of humor and other interesting non-work related material**

Use this communication tool for policy and procedure changes, recognition, words of wisdom and humor, loss prevention issues and any other information that might be useful to your employees. The Communication Center is a benefit to you because it ensures that employees are made aware of important issues, projects, deadlines, etc.

The Management Communication Book:

This is a very informal way of ensuring that important issues don't slip through the cracks due to shift changes. As Managers, Assistants and other persons in charge go through their day many issues surface which cannot necessarily be taken care of on the spot. Sometimes a customer will call with a problem that requires the attention of someone who is not in the store at the time or Head Office may call with a request for information that cannot be provided at the time. Whatever the issue, the management communication book is used as a





vehicle for ensuring that every management individual knows what is going on in the store.

This book should be consulted at the beginning of every shift to avoid unnecessary delays in taking care of important issues.

Time Management-Top Time Wasters

Time management has long been a source of frustration for Managers in every industry. The retail Manager has some special considerations but, in general, most of the known time wasters apply. The following outlines the top time wasters along with some causes and solutions.

Attempting Too Much:

Cause: Lack of priorities and planning.

Solution: Focus only on top priorities; set deadlines and objectives by day, week, month and year.

Cause: Unrealistic time estimates.

Solution: Understand that almost everything takes longer than you originally planned; add 20% more time to your estimates.





Cause: Responding to urgent matters.

Solution: Distinguish between urgent and really important.

Cause: Understaffed.

Solution: Have staff keep time logs and then do an efficiency study to determine if it would be cost effective to add staff.

Cause: Perfectionism.

Solution: Lower standards to what is more than acceptable.

Cause: Unusually high desire to appear cooperative.

Solution: Recognize the difference between being cooperative and doing the work for others; stick to your own priorities.

Cause: Desire to impress the boss.

Solution: The boss wants you to be successful; find out what he really wants from you.

Cause: Unrealistic ambition.

Solution: Be realistic and keep things in perspective; your ambition should match your abilities.





Poor Communication:

Cause: Lack of time.

Solution: Take the time if the matter takes priority.

Cause: Inattentive behavior.

Solution: Improve listening skills.

Cause: Insufficient communication.

Solution: Find out who needs what information and ensure they get it through whatever format (meeting, memo, phone call) will work best.

Cause: Bad timing.

Solution: Don't communicate anything of importance at a bad time.

Cause: Unclear objective.

Solution: Clarify when necessary.

Cause: Lack of feedback.

Solution: Ask for feedback to ensure understanding.





Cause: Different values.

Solution: Make sure all parties involved understand fully even when different values are a factor.

Authority or Responsibility is not Clear:

Cause: Failure to clarify job responsibilities.

Solution: Prepare job description and list of responsibilities and have it agreed upon by all concerned parties.

Cause: Responsibility without authority.

Solution: Discuss with concerned parties; authority must be proportional to the duties performed.

Ineffective Delegation:

Cause: Happy when 'doing' as opposed to 'managing'.

Solution: Give up the role of 'doer' slowly; trust others with tasks and then follow-up.

Cause: Giving unclear or confusing instructions.

Solution: Ask the subordinate to repeat the instructions back to you.

Cause: Lack of confidence in staff.

Solution: Develop staff until you feel comfortable with their level ability.



Cause: Failing to follow-up on delegated assignments.

Solution: Plan the time for follow-up before it is too late to make required corrections.

Cause: Want too much control.

Solution: Managers measure results; methods and procedures should not usually be monitored until necessary.

Drop in Visitors

Cause: Persistent friends.

Solution: Be honest with friends; the workplace is not for socializing.

Cause: Ego.

Solution: Don't overestimate your importance; you can socialize during breaks.

Inability to Say No:

Cause: Desire for acceptance and approval.

Solution: Recognize this about yourself; don't take on extra work for this reason.

Cause: Lack of objectives and priorities of your own.

Solution: Get them before others give them to you.





Cause: Can't say no to boss.

Solution: Make sure boss knows your workload and the feasibility of taking on more work.

Cause: Fear of offending someone.

Solution: Be honest and polite when you say no.

Incomplete Information:

Cause: Assumed the information was reliable.

Solution: Ensure you have a comfort level with information provider.

Cause: Don't know what information is needed.

Solution: Discuss with others and investigate.

Cause: Delay in receiving information from others.

Solution: Ensure others are aware of your requirements.

Cause: Some staff uninformed.

Solution: Hold meetings; ask for minutes of meetings not attended.





Incomplete Tasks:

Cause: Lack of objectives and deadlines.

Solution: Set objectives and deadlines for all important tasks.

Cause: Personal disorganization.

Solution: Handle information systematically.

Cause: Lack of self discipline.

Solution: Set deadlines for yourself and check progress regularly.

Cause: Changing priorities.

Solution: Change your priorities only when necessary; don't let others change them for you.

Cause: Letting urgent matters interrupt.

Solution: Recognize truly urgent matters and don't be interrupted unless it is truly urgent.

Management by Crisis:

Cause: Failure to anticipate problems.

Solution: Always expect the unexpected; list potential problems and have an action plan ready.





Cause: Fighting fires.

Solution: Have preventive measures in place.

Cause: Overreacting to problems.

Solution: Handle a situation only if no one else is capable of doing so.

Cause: Human error.

Solution: Anticipate and have an action plan in place.

Cause: Staff neglect to keep you informed before the actual crisis develops.

Solution: Ensure staff know that it is preferable that you be warned before the crisis develops; remove fear.

Meetings:

Cause: No purpose; no agenda.

Solution: Request purpose and agenda prior to meeting.

Cause: Straying from agenda.

Solution: Keep the meeting on track at all times.

Cause: Meetings start and end late.

Solution: Insist on punctuality.





Cause: Failure to summarize conclusions.

Solution: Ensure participants have a clear understanding of what is expected of them following the meeting.

Paperwork:

Cause: Indecision.

Solution: Don't handle the same piece of paper more than once; make a decision.

Cause: Keeping too much paper.

Solution: Get rid of unnecessary documents.

Cause: Slow reader.

Solution: Take a speed reading course; allow more time for reading correspondence.

Cause: Attempting too much at once.

Solution: Be realistic about how much you can do.

Personal Disorganization:

Cause: Unaware of importance of organization.

Solution: Learn how much time is wasted retrieving hidden paperwork.





Cause: Ego; Others will think you are important.

Solution: Realize that others think you are overwhelmed and disorganized and has nothing to do with importance.

Cause: Fear a loss of control.

Solution: Use lists/planning sheets rather than keeping everything on desk.

Cause: Procrastination.

Solution: Handle the paperwork so it doesn't have to sit on the desk.

Inadequate Planning:

Cause: Unaware of importance of planning.

Solution: Understand that one hour spent on planning saves four hours on execution.

Cause: No time to plan.

Solution: Make planning one of your highest priorities-it saves time later.

Cause: Expects crises to occur.

Solution: Plan anyway; allow extra time for crises.



Cause: Fear of commitment.

Solution: Commit to objectives; you'll know when you have succeeded.

Cause: Keeps plan in mind, not on paper.

Solution: Memory is not perfect; numerous objectives and deadlines are difficult to remember.

Procrastination:

Cause: Inability to identify procrastination.

Solution: Understand that you are procrastinating if you delay without good reason.

Cause: You think you work better under pressure; when your back is against the wall.

Solution: Understand that you are simply rationalizing your procrastination.

Cause: Habitually take care of easy things.

Solution:

Realize that means important things are not being done.

Cause: Attempting to do too many things at once.

Solution: Do the most important things first.





Cause: Lack of self discipline.

Solution: Set objectives and deadlines and establish a reminder system.

Cause: Lack of deadlines.

Solution: Make sure every major task is assigned a deadline.

Socializing:

Cause: Enjoy socializing.

Solution: Limit to appropriate times; stick to priorities.

Cause: Curiosity.

Solution: Recognize this about yourself and work to control it.

Cause: Fear of offending others.

Solution: Be honest and polite; suggest chatting at break time.

Cause: Unable to terminate conversations.

Solution: Develop a few lines you can use for this purpose; practice.





Inadequate Staff:

Cause: Unaware of importance of having good staff.

Solution: Recognize that inadequate staff cannot handle delegated responsibility.

Cause: Poor hiring practices.

Solution: Obtain a good interview guide; get advice on hiring.
A good source for this would be Part 1 of this guide.

Cause: Lack of follow-up on training programs.

Solution: Set up a method to determine if goals of the training program have been met.

Cause: Staff use time ineffectively.

Solution: Conduct study; allot time per job and then follow-up on employees to ensure compliance.

Telephone Interruptions:

Cause: Too many personal calls.

Solution: Advise friends and co-workers that you only receive business calls during business hours.





Cause: Inability to terminate conversations.

Solution: Develop lines to be used for this purpose.

Costing the Schedule:

Let's take a look at two different ways of costing a store schedule.

Wage Cost Percent:

This is a number, usually somewhere between 6% and 10% of sales, which has been established by your organization.

Because wages/salaries represent such a significant portion of the expense base for any retailer it is necessary that it be tightly controlled. There is no room for overspending on wages.

If you want, or need, to use additional hours then you must ensure that the sales are increased accordingly. The Store Manager must understand the importance of keeping the wage expense in line. Disregard for the company's wage expense plan is irresponsible, potentially very damaging to the profit picture and a sure way to bring your career, with that company, to a downward spiral.





When financial plans are made they are based on certain assumptions. The first number to be planned is revenue or sales. Accounting personnel use the planned revenue or sales number as a base for determining how much it will cost to operate the business. The Store Manager is in control of, and is responsible for, the wage expense for the store. The District Manager is responsible for the wage expense for the district and so on.

If sales, for your store, are planned at \$1,200,000.00 for the year, and your wage cost percent is planned at 8%, then your wage expense will be \$96,000.00 for the year.

\$1,200,000.00 multiplied by 8% = \$96,000.00

It is understood that the wage cost percent will fluctuate throughout the year. Overall though the store needs to achieve a wage cost percent of 8% of their sales.

Beware of the temptation to plan for 8% every week. If you do, you run a very big risk of going into your busiest season in an overspent position and won't be able to comfortably use the number of hours required to meet potential during the holiday season. That is a disaster you do not want to deal with.





Always bear in mind that you cannot go ahead and use wage dollars amounting to 8% (based on the example) of planned sales if, in fact, sales are trending at less than plan. To make the challenge even more exciting...you probably have a minimum number of labor hours that must be allocated to your selling floor at all times to ensure coverage for customer service and loss prevention reasons.

When costing a schedule using the Wage Cost Percent method, you need to calculate the hours planned for each employee and multiply that number by their hourly rate in order to come up with the total wage dollars planned. Once you have that number, you divide it by the planned sales number to come up with the percentage.

Staff Member	Hours/Week	Hourly Rate	Wage \$
John Walton	40	9.00	360.00
Sally Bush	24	8.75	210.00
Nina Powell	24	8.25	198.00
Jane Martin	15	7.60	114.00
Total	103		882.00

Planned sales for the week: \$10,500.00

\$882.00 divided by \$10,500.00 = **8.4%**





Obviously, there are only two ways to reduce wage cost percent. Increase sales or reduce wage dollars. Your choice should be to increase sales, and you can get a lot of help from another DMSRetail Guide, "Managing for Higher Retail Success". See www.dmsretail.com/retailsuccess.htm .

Allowable Hours:

Some retailers develop a plan for wage expense and roll it out to their stores using the Allowable Hours method.

Accounting personnel go through basically the same process as described above but, they take it one step further and calculate the number of hours each store should use each week/month to ensure they come in on the targeted wage expense plan. In this case, usually an average rate is used.

For example, if sales for your store are planned at \$1,200,000.00 and your wage expense is planned at 8%, then your wage dollars should not exceed \$96,000.00. Using an average rate of, say, \$7.96 per hour, the store would be able to use 12,060 hours during the year.

$$\text{\$96,000.00 divided by \$7.96} = 12,060$$





Usually you would be provided with a chart showing how many hours your store should use for a given week, based on the planned sales for that week. Hours can be added in increments that are pre-determined and in line with corresponding increases in sales.

Once again, beware of using too many hours during the quiet times.

In both of the above situations, most Head Offices will provide monthly or even weekly plans for wage cost percent or allowable hours. They can easily do this because they have access to a lot of historical data about many factors affecting your business.

The importance of managing this area of your business cannot be over emphasized. Increasing sales is your top priority and managing your wage expense is right up there with it.

An example of very bad scheduling:

On a recent visit to a video store, which is part of a very large international video rental company, a customer witnessed a bizarre example of scheduling gone completely out of control.





The scenario:

It's Saturday afternoon and it seems that most of the people in the town are planning to stay at home and watch movies for the evening. This, by the way, is not unusual for this particular outlet. It is usually extremely busy on Saturday afternoons.

Approximately 30 customers lined up to check out with their selected movies. There were six check-out stations. Only one of those check-out stations was being used to process customers. The lined moved very slowly and customers were becoming impatient and aggravated.

As customers stood in line waiting to pay for their selections they noticed that one employee was doing some paperwork on the counter behind the check out station. Perhaps it was very important paperwork, but certainly it was not more important than looking after the increasingly impatient customers.

When it seemed that things were going to get out of control, the young lady working at the only check-out station in use made a quick internal phone call. Three or four minutes later, four employees





came out of the backroom and went behind the counter to help process the customers. It turns out that during the twenty to thirty minutes that most customers were standing in line these four employees were on their breaks – two on coffee breaks and two on lunch breaks.

It was Saturday. It was busy. It was unacceptable. It undoubtedly cost that store some future business. With the increased competition coming from non-traditional sources like the internet, this badly managed retail outlet will likely be one of the first casualties.

Adjustments to the Schedule:

Every day, you need to look at your schedule to see how things are shaping up. You cannot wait until the end of the week to discover that you are heading into an overspent position. If you do, you will be tempted to recover by canceling shifts at the end of the week when, ordinarily, you might expect to realize some extra sales due to increased traffic.

The smart Manager will check the schedule daily and make changes as required. For example, if Sunday and Monday turned out to be quite slow – missing targeted sales by 20% -





then there is a good chance that Tuesday and Wednesday may be slow also although there are no crystal ball predictions. Your good judgment is needed at this point. Examine the different factors that affected your business on Sunday and Monday and then make a judgment call on whether those same factors are likely to affect the next couple of days. Make the changes, if required, and then continue to re-examine the situation on a daily basis.

When making changes to the schedule, actually calculate the cost of the schedule again and make sure that your expense percentage or allowable hours will be in line with your sales.

It makes sense to teach your Assistant Manager how to evaluate and re-calculate the store schedule. You cannot be present every day and you cannot afford to lose control of your wage expense for even one week because it may be very difficult to recover.





Long Range Planning:

Imagine the nurse in the emergency room at the hospital. When her shift starts she hits the ground running and does not stop to consider her plans for next week, never mind next month or next year. She is consumed by what needs to be done right here, right now and rightfully so...that's the nature of her job. Assuming that she is a nurse who takes pride in her profession and would like to move up in status or seniority she is going to have to do some long range planning at some point. Otherwise, she falls victim to the 'hamster on the wheel' existence and will find that she never really gets ahead.

It's a similar story for retail Managers. When you arrive at the store in the morning there is not much time for sitting back with a coffee and thinking about what plans or programs you would like to implement in the future. Usually, you only have time to plan for the day which means your long term goals may never be realized unless you come up with a way to work your long term planning into your day.





Your long term planning should focus on what you want for yourself within the context of your career with your company. You may want to do long range planning in other aspects of your life, too. Start with your career and your company and the skills you gain will be easily transferred into your personal life later on.

Here are some suggestions:

Use travel time to think about where you want to be in a few months and a few years; what position would you like to hold? Make a mental note to obtain a copy of the job description for that position. Decide on a reasonable time frame for the achievement of that goal.

During your lunch or dinner break make notes, in your Date Book, of projects that you would like to embark on in your effort to better yourself. How could those same projects benefit the store and the company? Whose assistance would you need to get those projects underway? Start making contact with those individuals.

When would you like to get started on the project and how long do you expect it to take?





Regularly jot down any issues that present barriers to productivity in your store. Can you offer suggestions on how the company can address those issues? Who should you speak with to get the process started? Speak with someone today.

Get ideas from your employees. They are a great resource and many of them will have interesting things to say on a variety of topics. For example, they may tell you how they perceive the company, how they feel about the way things are done and probably some suggestions for improvement, and about customer comments that didn't make their way to management. This is all great information for use in developing long range plans.

When you start to develop your long range plans, they will become a regular part of your hectic daily life. You will make contacts of interest and probably learn new things every time you speak with them.

The key is to understand that your long range plan does not have to be developed all at once and it does not have to become some bulky, official looking document that is published for all to see. It is yours alone and it can take any form you choose. Some of the best, and most achievable, long range plans appear as clusters of notes on the pages of a personal





organizer or Date Book. You may want to discuss it with others, and you may not. Of course, you may find it worthwhile to discuss some of your plans with upper management in order to get support for some of your projects. This is good publicity for you as well.

All you have to do is pay a little attention to the future and this process will start to take shape.





This is the end of Winning at Store Management Success Guide. If you found this guide useful, you may want to checkout the other success guides from DMSRetail.

Retail Math Made Simple:

<http://www.dmsretail.com/retailmathbook.htm>

Organizer-Planner for Store Managers:

<http://www.dmsretail.com/dmsretailer.htm>

Managing for Higher Retail Success:

<http://www.dmsretail.com/RetailSuccess.htm>

I Succeed Retail Employee Performance Evaluation System:

<http://www.dmsretail.com/performanceevaluation.htm>

Retail Customer Service Fundamentals:

<http://www.dmsretail.com/customerservice1.htm>

Retailer's Guide to Emotional Hot Buttons:

<http://www.dmsretail.com/hotbuttons.htm>

22 Ways of Highly Successful Retail Managers:

<http://www.dmsretail.com/22ways.htm>

Mega Retail Success Bundle:

<http://www.dmsretail.com/megabundle.htm>

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