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Ron Funk

The 7 Habits of highly effective Retailers

Since its first publication in 1989, Stephen Covey has sold 15 million copies of his book "The Seven Habits of Highly Effective People". It's now been published in 38 languages. "Time", has listed it as one of the 25 most influential business books of all time. Bill Clinton worked directly with Mr. Covey to integrate the lessons from this book into his presidency.

Well, it's certainly clear to me that this gentleman had something to say. No wonder. Covey reviewed 200 years of literature on the subject of success while studying for his doctorate. His takeaways are the lessons in this book.

Against that backdrop, Sandy at Cstore Life asked me if I might write something along the same lines – but focused entirely on convenience retailing. Fortunately, she didn't ask me to read quite as much as Mr. Covey chose to. While Covey was quite strategic in his assessment, focusing on character and personality as primary and secondary strengths – I'll need to be much more tactical today in my adaptation of the essence of his theme. So, let's begin

First, it's about the experience:

Effective retailers base every decision they make with an eye to producing a positive experience for their clients. From product selection, hours of operation, store cleanliness – literally all elements of their operations – including their direct interaction with customers... every element is designed to deliver a positive experience. Effective retailers understand that every interaction with their clients results in either a gain or a loss on some imaginary score card that influences the consumers decision to return. Effective retailers focus all their energy on accumulating the gains.

Secondly, it's about trust:

What I mean by trust goes far beyond providing the correct change in a transaction. It's more than having fresh and rotated products on the shelf that are consistently available. It's much greater than simple consistency in your consumer's experience. It's about establishing you, and by extension your store, as a differentiated "Brand" with a value that resonates in the minds of your consumers. Brands have personalities. This notion is the polar opposite of a place to conduct transactions. Trust (in this sense), is characterized by the desire of consumers to conduct transactions with you.

Third, it's about sustainability:

I'm not talking about being "green" here folks, unless you're thinking money. I'm talking about income statements and balance sheets.

I'm speaking of sustainability in the sense of having the capacity to invest in the modernization of your environment in a manner that appeals to evolving consumer preferences. I'm speaking of the disciplines of managing inventory, stock turns, price points, capital and operating expenses – such that you deliver against the consumer experience – profitably. Effective retailers

have the ability to continue to deliver goods and services to their consumers for as long as they might care to.

Fourth, it's about responsibility:

Effective retailers understand that we have larger rolls in life that transcend the businesses we are in. We have a responsibility to our communities. We comply with laws; we check for age and we refuse sales of age-restricted products to minors. We don't do it because there are laws; we do it because it is right. We are a safe-haven when consumers feel threatened, or are in trouble, or need a bathroom, or need to use our phone. They can wait in our store when it's cold or raining and the bus is running late, or they are waiting for a friend to pick them up. We do these things because we are responsible members of society.

Fifth, it's about our employees:

Effective retailers understand that our employees are an extension of ourselves. They understand that the consumer is unwilling to differentiate on the basis of who delivered his or her experience. They invest time and energy training and developing their employees to meet the standards of service they have set for themselves. They realize that turn over in the industry will mean that they do this over and over again – but that the prize of getting this right is critical to the success of their operations. They take pride in the fact that the benefits to the employees themselves of developing the skills they've first acquired in our jobs – will last them a lifetime.

Sixth, it's about intimacy:

Effective retailers understand that it's impossible to be an expert on all subjects. They search for those in their competitor, supplier and vendor communities who can add value to their businesses. They are not afraid to ask for help with a problem they might have. They embrace ideas and apply what they've learned to their own situations. They take risks on the strength of recommendations made by others whom they trust. They are loyal to those who have invested in them. They are transparent and willing to share their own best practices.

Seventh, it's about the future:

Effective retailers have one eye glued to emerging market trends. They realize that one seldom flourishes with a sustained focus on the status quo. Our population ages, and with that means neighborhoods and the consumers resident within them, change.

Products evolve, new categories emerge, and nothing stays the same forever. The best of the bunch can differentiate between fads and areas with the promise of sustainable growth. They have a knack of differentiating between the "bleeding edge" and the "leading edge". They don't make rash investments, but are characterized by continuous learning through a combination of observation and experimentation.

Among us, there are many effective retailers. There are those with highly developed standards that are easy to find locally... and most of these certainly have practices that are worthwhile to emulate. I've often thought that the best use of a retailer's time might simply be in visiting other retailers. Particularly those stores that you believe are doing one or more of these habits effectively. Sometimes, the simplest of ideas are the ones that just make the most sense.

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