

# Turning Tough Times Around

By Kevin Graff

Well, you can set aside all the dread and worry because the truth is that you can and should be doing just fine, thank you very much. Why do I say this? Well, the best-kept secret it seems during this economic malaise is that most retailers are actually ahead of last year. You read it right. Close to 60% of Canadian retailers are actually posting sales gains. True, there are some retailers who are down, but of those, most are down less than 10%. I would guess that most of you reading this article know this yourself and are having a pretty good year. If you're not, you have my empathy, but more importantly, you're about to feel a big hand on your back pushing you to run your store much better than you are right now.

Yes, the world of retail is changing. But not because of the economy. It's changing because every retailer around you is getting better and better. Store design, product selection, shopping experiences, prices and events are all reaching new heights. Your customers "know" how good shopping can and should be, and they're holding you to a much higher standard. The question is can you keep up? You can, so let's look at how you can get more sales and profits out of your store every day.

We're going to share some ideas with you in three key areas of your business: your retail concept itself, how you sell to customers, and how you manage your staff.



“Store design, product selection, shopping experiences, prices and events are all reaching new heights...Can you keep up? You can...”

## ★ YOUR RETAIL CONCEPT

Let's say that things are going pretty well for you now. You've been in business for quite some time and you're considered a 'veteran retailer' by most. You've enjoyed at least some measure of success, and over the years your business has grown steadily (or not so steadily!).

But how, exactly, did that happen? Did it grow 'on purpose' or by accident? Did you develop and follow a specific growth strategy? Did you make innovation an integral part of your business culture and process? Or did you just keep on doing the same old things over and over?

In our experience, strong retailers generally follow one of three paths to continued growth and success:

### More of the Same

You've got a good concept and you've grown by simply opening additional stores in new markets. This is a solid and very common approach for retailers, but eventually you run out of suitable malls and power centres to grow into. Then what? What role has innovation played in your strategy?

### The Evolving Concept

We've all seen stores that continue to look the same year after year and slowly 'die'. Then there are the enlightened retailers who understand the importance of evolution.

They believe and follow the credo that says 20% of annual revenue should come from products or services you didn't even sell last year. This approach recognizes the power of innovation and that's good retailing.

### True Innovators

These are the retailers who really catch our eye. Even though they've already mastered a successful concept, they continue to identify new customers that they aren't currently serving. Then they aggressively develop and open a brand new store concept that targets this new group.

These folks aren't interested in simply milking their original success formula. They aren't even satisfied by focusing on continuous improvement. They're in the



business of locating and catering to new customers. Now that's total innovation.

What's your approach to growth in your business? Are you still replicating that same old business model? Or are you constantly breaking new ground?

Remember that sustained, long-term growth requires innovation. Customers are always looking for something new, improved, different, exciting, unique, special and targeted at them. What they don't want is something old, tired, boring, stuffy or 'one size fits all'. And they certainly don't want to see the same merchandise or approach that everyone else is pushing out there. The bottom line is ...if you're not evolving, then business is probably dying.

What can you do about this? Start by re-evaluating your position on a regular basis. Then add, delete or 'tweak' something ... every time. Stay focused on remaining fresh, current and vibrant.

## ★ SELLING TO CUSTOMERS

The fastest 'fix' for most stores is to actually begin to sell. You see, most store staff have no idea how to actually sell. Not sure what we're talking about? Unfortunately, here's what we're still seeing out there:

- All the customers who are not greeted or waited on.
- How many times your staff is just 'clerking' through a one item sale.
- The consistent failure to develop, present or sell a complete solution to the customer's needs.
- An unacceptable frequency and duration of employee 'gab sessions'.
- Complete indifference to the customer.
- No sense of staff urgency to 'make the sale'.

Let's face it. You're losing sales every day - plenty of them.

Want to make things better? Challenge your stores to



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identify five ways you can improve your results in each of the following areas:

- The number of items sold per transaction.
- The average price point of each item sold.
- Your conversion rate (the percentage of shoppers who actually buy).
- The number of gift cards sold. (If you don't sell them, you should be).

Once you have received their responses, quickly assemble them into a short action plan and immediately distribute it to the entire field. Then commit to tracking your results every day, even every hour. Stick to the plan and you will hit your targets. In fact, you may find yourself actually exceeding your objectives.

To help get you and your staff started with selling more effectively, here are five things you can do to improve your results today:

### Stop selling

Everyone knows customers don't want to be 'sold' ... so why not focus on helping them buy?

It makes a huge difference in your approach. Worry less about the cash register and more about helping your customers.

### Ask more questions

To make the sale, you've got to dig deep to uncover your customers' wants, need, hopes and desires. This is where the sale is actually made. Understand exactly what it will take to 'WOW' them.

### Learn more about your products

How can you present a solution when you don't know anything about it? Study your products. Read the labels. Find out what accessories complement every main item you have. It's that simple.

### Show more items

It's a fact ... customers don't buy everything you suggest. If you want to sell them two items, you have to show them three. Want to sell three? Show five. Get it? Do it.

### Master their objections

Let's face it, there are only two



or three of them that you hear all the time. So be a pro ... have the answer ready before they even voice the concern.

**★ MANAGING YOUR STAFF**

For most retailers, the 'staff' issue is the toughest one to tackle. Figuring out who to hire, how to motivate them and get the best performance possible is no easy task. Let's ensure we've got the building blocks of success firmly in place:

**Hire the right staff**

As with most businesses, the quality of your employees will dictate the level of your success. Don't limit your potential by bringing the wrong people on board. Spend more time in the interview process. Commit to a minimum of 2 interviews. Use assessments to support your suspicions about their ability to

do the job. Check references every time.

**Train them properly, right away**

No sense in going only halfway, right? Once you've got the right staff, give them the tools they'll need to succeed. Don't delay ... start training them on their very first day. If you give them the information and skills they need right away, you'll get better performance and they'll stay with you longer.

**If you're in the business of selling, teach them how to sell**

Let's not kid ourselves ... retail is about selling. If you're serious about 'moving' your products and services, you can't do it alone. It's in your best interests to make sure your store staff knows how to sell.

If you pay your employees to sell, hold them accountable

Fair is fair. If you offer them a career and provide them with



## “Remember...retail is people. Your people. Make them feel special.”

training and development, you're entitled to a return on your investment. Hold your staff accountable for the results you need. Humans almost always rise to the challenge of increasing standards for performance. Get serious about success.

### **If their title is 'Manager', give them the skills to succeed**

Managers need a whole new set of skills that are quite different from those required in any other position. Don't even consider placing someone in this role without providing the necessary training.

### **Pay and recognition systems**

Star performers don't hang around when they're compensated in the same way as mediocre staff. Make sure their reward properly reflects their results.

### **Get out onto the sales floor**

You're not doing anyone any good if you hide in the office all the time. Your people need to see you and you need to know what's really happening on the front lines. So get out there.

And let's not forget about the morale in your stores. You've got a lot on your plate, and maybe the stress is starting to get to you. You've got bigger issues to deal with than your own concerns. Don't you think your store staff is feeling the tension, too? They read the news. They see retailers closing around them. Their very jobs are on the line and they know it.

Yet, when we asked retailers in a recent poll what they were doing to improve morale in their stores, what was their response? Shockingly, 36% said, "Nothing at all." Were they joking?

Your front line staff are the ones who deal with your customers every day. Their approach, behaviour, language and attitude determine more than anything else whether a shopper will buy, how much will be spent and the probability of a return visit. Without a doubt, they are your brand. Do you really want them in a bad mood?

This, of all times, is when you must focus on morale. Do something new, unique, even outrageous. Maybe you need to appoint someone "Key Strategist

Of All Things Fun". Whatever it is, make sure it literally screams "We care".

### **Stumped? Try this:**

- Begin by telling your staff why they're so important. Give them a purpose, a reason to believe.
- Keep your store managers focused on creating great work environments that are safe, team-oriented, challenging, rewarding and productive.
- Play games. Hold contests. Laugh. Make it fun to come to work!
- Recognize and reward great performance. They need it more than ever.
- Help your staff feel successful. This means celebrating the smaller wins, even if you're not hitting your targets.

Remember ... retail is people. Your people. Make them feel special.

By this point, hopefully you can feel a hand on your back, pushing you to get better. There's no shortage of ways to improve your business. The worst thing you can do today is run your store the same way as you did yesterday. That's true every day.

So, what's your plan? How will you thrive? 🌟

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