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RETAILING

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Master the stress test

YOU HAVE QUEUES that run for miles. Screaming kids! Stressed out mothers! Tacky songs that get played over and over again! Pallets of stock that haven't been put out. The store looks like a bombsite.

It must be Christmas!

It is amazing how retailers live and die by their Christmas results. Some businesses only make profit three months of the year. Now that's pressure. Imagine if Christmas doesn't come off?

Most of the time retailers blame poor results on economic conditions, or competitors' discounting to get a massive market share. Generally, it is poor preparation by the retailer that causes the result. Nowadays, people are less likely to budget for Christmas, because they will just use their credit card.

So if Christmas brings in three or four times the sales as your normal month, this will definitely appeal to you.

Treat Christmas as the grand final – Sporting teams build up for the grand final. The whole year is built on winning the prize. In retail you should build your team up so that you have the best team on the field; one that is focused and will go the extra mile at Christmas. Also recruit people no later than October so that they are trained up. Some retailers hire Christmas casuals. Managing your labour cost spikes effectively is not a bad strategy in terms of cash flow, but it can be a nightmare if you do not train these people effectively. Ensure that you have a robust induction process in place.

Be in stock – If you don't want to freak people out and never see them again then there is one thing you should do – stock up on your best-selling lines. If they are lines that you sell high volumes of 52 weeks of the year, back yourself and order heaps of these products, because you will be able to sell them after Christmas.

Make catalogue lines easy to find – Put these lines on tables, front ends, bulk stacks and in easy-to-find places. Make it easy for people to buy with the appropriate signage and ticketing. Also these should be your volume lines, or they should not have been in your catalogue in the first place.

Keep the register queues short – If people wait in a queue for 20 minutes, they will feel that they have waited for 45 minutes. Ensure that your registers are clear of clutter, have enough staff, people packing bags, and that all point of sales are working and bags are in large supply so that there are no delays in the processing of transactions.

Ensure your sales staff are selling – If you receive high volumes of stock at Christmas, look at separating your team into register staff, sales staff and processing staff. Speed is important in service and having stock out at all times maximises your sales opportunities. Also look at implementing a night fill team if you can afford it.

Do rosters in advance – Lock in your casuals in order to reduce your exposure to being short-staffed at crucial times. Get all availabilities a few weeks in advance and ensure that you have enough people for the last week before Christmas and for post-Christmas sales.

Christmas is not the same anymore – The recent increase in gift voucher sales is staggering. People are copping out of buying people presents and using the easy option of giving them a gift voucher. People appreciate receiving gift vouchers now as they can buy more items at post-Christmas sales. So make sure that your point-of-sale signage and promotional material highlight that you sell gift vouchers.

Hustle with suppliers – A supplier does not want to carry stock in their warehouse. So go and negotiate a deal with your suppliers to take the product off their hands and don't pay them until after Christmas. This will give you the opportunity to alleviate your cash flow situation by giving you huge 'possible' sales return, without paying for the stock in the same time frame.

Also don't be afraid to cheat at Christmas. Use all the available space that you can, because people appreciate it more if you have the stock on hand, rather than worrying about the presentation of the store. People really don't look that closely at this time of year, and it is a bit hard to take in the ambience if the shop is full of people.

My business partner Shaun has a really good saying for Christmas: "Lift your heart rate, because if your business doesn't, your customers' heart rate certainly will increase". ●

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