



This article first appeared in the October issue of *My Business* – for more *My Business* articles please click here

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RETAILING

TONY GATTARI

Keeping your business on its toes

MY WIFE LIKES going to the ballet. I myself am not that keen. However, one night I took my wife to the ballet to keep her happy, and paid \$250 each to attend the event. Now as I was sitting there, I started to think to myself 'Would I pay \$250 if the dancers turned up on the night, had not been given any choreography, and that night was the first time that they practised?'

Imagine the uproar, as the people would have been demanding their money back! Imagine what the critics would have said! The whole production would have been shut down!

Yet everyday, a retail business hires some young employee, does not invest any time in teaching them properly, does not supply them with the appropriate systems that give a consistent level of service, and does not give the new employee a guideline on what the expectations are of the job role.

Why are you letting your employees practice on your customers? Lucky that it's your money that is leaking out of the business, and not mine!

The McDonalds model

How is it that a teenager who cannot clean their room, could be able to run a multi million dollar business? It is because McDonalds have systemised everything to deliver an exceptional level of consistent service time and time again. From the ordering of stock, to the cooking of the food, to the front line service.

McDonalds philosophy is simple – if the franchisee is not making money, it is because they are not following the

system. Now ask yourself this question – is my business not making money, because I do not have a system, which produces an exceptional level of service, which drives people into my store, and gets customer to purchase over and over again?

To ensure success in your retail business, you need to set up some real simple systems within your business to ensure that you deliver an exceptional level of service time and time again. Here are the ones that you need to have.

Point-of-Sale System: The issue with most retail businesses is that they purchase a POS system for the lowest possible cost. This issue is rife with small retailers, as they use their POS as a computer with a cash drawer. Without spending a fortune, a retailer can invest in a POS system, which can link with sales objectives. Look at having a pop-up reminder system that reminds the employee to sell an added value item. Also invest in a system that allows you to collect the customer's details on purchase, and produces reports on what your loyal customers purchase on a regular basis.

Inventory Management Systems: It is amazing how many retailers don't have visibility on their stock situation on a daily basis. Now, to maximise the return from your Inventory Management System, it is imperative that you use the system to set re-ordering levels (or basic stock levels), so that you are always in stock of your bread and butter lines.

Sales Systems: Do you have scripts for how people answer the phone? Do you have a system for how employees handle customer complaints? How do

your staff greet customers as they enter your store, and more importantly, what is your expectation of your staff in the time it takes to greet a customer? If you don't have these basic systems, stop what you are doing, and write them down now! It costs you nothing to set up and train your people on these basic systems.

Induction Process: Remember the ballet story. No one who is on your shop floor should be serving customers until they are properly trained on how to serve a customer, have been given basic product knowledge training, know how to put a sale through the register, and know what your expectations are of them. Pain generally activates the mind, so imagine if your new employee loses a sale because they are serving a customer who wants to purchase a \$3000 plasma television. How long would it take you to make that \$3000 back, as well as recover your reputation?

Retail is not difficult, and it is not meant to be. So as you develop your systems make sure that a 16-year-old can understand them and that the system is there to make you money, by ensuring that your people serve your customers consistently so that they not only close the sale, but also give the customer a reason to come back. ●

■ Tony Gattari is the Managing Director of the Achievers Group. He built Harvey Norman's computer business from \$12 million to \$565 million in nine years.

Website: www.achieversgroup.com.au
Email: tony@achieversgroup.com.au
Tel: (02) 9440 7373.