



# The Principles of High

**R**etailing is fascinating! There is an incredible pace, pulse, energy and challenge on the front lines where the strategy of an enterprise and all of its machinery and processes show up live and unplugged in real time for customers. It's show time all the time. The ultimate test and the moment of truth will always be your customers' experience of your enterprise at the point of sale.

The principles of high performance retail are the principles of high performance business – and the point of sale can

encompass bricks and mortar, personal selling, e-commerce, b2b, mail order – anywhere your enterprise shows up for your customers. The point of sale is the 'face' of your business, the stage for your great performance.

High performance retail is all about bringing your company's strategy to life. It is operations. It is execution. It is 'making it so' and making it real. It is, for most businesses, one of the most challenging areas of their enterprise, but also one of the greatest sources of opportunity for significant growth and profit.

# Performance Retail

It's show time –  
all the time – at  
the point of sale

*By Rick Sidorowicz*

# THE COVER STORY

## high performance

### It starts with a good look in the mirror

Just as your enterprise 'shows up' in a moment of truth on the front lines, it is your deeply held principles, your personal values and your conceptual models that 'show up' for your organization every day. These principles and values are not something that we strive for or expect only of others or prescribe or demand or list in a mission statement that we boldly proclaim to the world. The principles and values are...who we are. They are communicated in what we do and how we do it. They are always perceived very accurately by our people and our customers – you can't fake it. Although we usually judge ourselves by our intentions, our people and our customers always judge us by our actions. Therefore, the starting point for the adventure of high performance always begins with a good look in the mirror – perhaps the most useful and cost-effective of any management tool available.

### Basic practices & principles

There are proven best practices and principles for breakthroughs in performance on the front lines. By breakthroughs in performance, I am referring to significant and sustainable increases in sales and bottom line profits, accompanied by aligned, positive and committed people, and exceptionally satisfied and loyal customers. The purpose is to be 'the best' and create a unique competitive advantage that lasts in the hearts and minds of your customers.

Here are a few principles that create a context for high performance on the front lines:

- **The absolute importance of your customer's experience of your organization at the point of sale.** Are your store's

front-line associates revered as heroes and champions, or are they faceless and nameless man-hours? Unleash heroes and champions.

- **An upward spiral or circle of success.** In its simplicity, happy workers (through their actions) create happy customers who (through their actions) create sales and profits (which result in recognition and rewards for workers), creating happier workers who create happier customers and so on. This is the employee-customer profit model adopted by Sears. It has also been referred to as "the customer comes second" to highlight the importance of valuing those who serve on the front lines first.
- **The belief that honesty, trust, integrity, ethical behavior, authenticity, dignity and respect are entirely compatible with a ruthless commitment to achieving results.** There is no soft stuff or hard stuff in terms of a commitment to ethics and people or to numbers and the bottom line. There

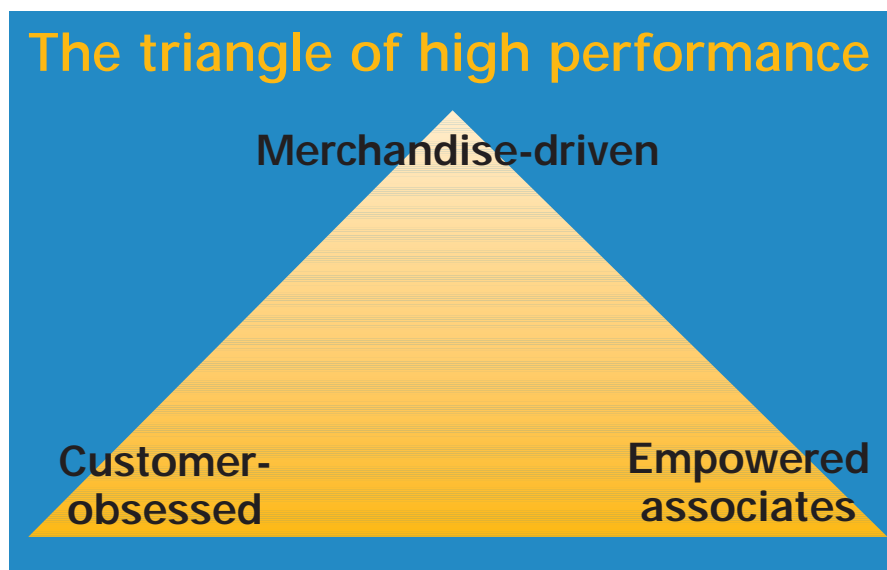
is only *right* stuff – in terms of people, numbers and superior results.

- **The triangle of high performance in retail.** The priority is the product and the merchandising, supported by an obsession with customer service and an empowered front line.

**Merchandise driven** includes product knowledge, visual presentation, execution of merchandising standards and merchandising flexibility. Being merchandise-driven means:

1. Impeccable execution of store layouts and merchandising.
2. A very clear focus that our mission is to sell, and sell it fast, at first price, to accelerate inventory turns and minimize future markdowns that would affect our bottom line.
3. Whether we like the product or not, we 'own' it. The buying team's job is to get out there and take risks with product development and vendors. Our job is to deal with the reality of moving it out.

**Customer obsession** – yes, obsession! – includes staging experiences, clientele development, serv-



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ice recovery, the 'wow factor' and sincere selling skills. It means that you look at everything through the eyes of the customer with the intent of creating the most positive and memorable experience you can.

**Empowered associates** encompasses ownership, initiative, personal performance management and high-performing teams. Combine customer obsession with empowered associates and you get behavior like this:

*After receiving an in-depth orientation to customer obsession, a sales associate in men's apparel serves a customer who comments on the music playing in the store. When he returns to pick up his suit, he finds a tape of the music in the inside pocket of the suit jacket – personally taped for him by the associate. The customer is wowed. The vice president of operations comes out to personally congratulate him; the CEO arrives the next day to do the same.*

Fun and powerful stuff that creates lasting and sustainable loyalty.

- **A fundamental belief in 'internalization' and being 'at cause.'**

This is the heart of a powerful can-do attitude of high performance. And it comes with a corresponding absolute disdain for externalization, which is the process of identifying all of the reasons that rationalize why something cannot be done. A few examples:

**Externalization:** "We can't make forecasts. Traffic is way down. We need more advertising."

**Internalization:** "Our bedding close ratio is 50%. If we could increase that to 75% by improving our service and selling skills, we could pick up a 50% increase in sales with the same traffic!"



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**Externalization:** "We're totally snowed in. The day will be a write off. How can we do \$10K today?"

**Internalization:** "There's no doubt that anyone who comes out in today's storm will want to buy. All we need is 10 customers!"

Any time we can find a rational and logical reason to justify failure, we will continue to fail. Internalization is a tenet of high performance, and there is absolutely no doubt that all people want to feel and be powerful. Internalization can unleash tremendous power and initiative.

### 'We care'

These are two very powerful and empowering words. We care about our people – their wants, needs, desires, families, careers, health, satisfaction, concerns and well being. We care about our customers – their shopping experience, their satisfaction, their concerns, their wants and unfulfilled needs. We care about each other – and we are a team entrusted with the responsibility to lead an enterprise. We care about

**"We are a team entrusted with the responsibility to lead an enterprise."**

performance and results – and will take decisive action to achieve the goals we set for this enterprise.

Caring is mindfulness and thoughtfulness in action. It is definitely not soft, 'mushy' stuff. It's being absolutely hard-nosed, ruthless and relentless about what really matters for your bottom line. It's attention to detail in execution. It's doing the right things for the right reasons, and it is very powerful in action.

### Pride

The pride of sales associates is a measure of health and a source of competitive advantage. It is a key measure of how your enterprise

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“We are on a mission to be the best, and nothing will stand in our way.”

up – another self-reinforcing upward spiral of high performance.

## On a mission

There are two key elements of being on a mission, from God or otherwise. The first is alignment – I fully understand the expectations, I accept my role in the fulfillment of the objectives, I want to be here and I will act to perform my role to the best of my abilities. There is no option available for resistance or sabotage or complacency. Alignment always starts at the top and must

prove you are the leader or creating a deference to authority, and it's not about obedience. It is about vision, 'followership', alignment and, yes, even about compliance. It is also about challenging, coaching and inspiring confidence. It is about leading. The best leaders always lead on the front lines. The best leaders say, "Come follow me!"

## 5 steps to high performance

James Belasco and Jerre Stead, authors of *Soaring with the Phoenix*, have synthesized a very simple and profoundly effective model to energize and revitalize people and teams to unleash tremendous creativity, talent and performance. It's a simple and high-powered approach to almost any issue you could face any day. It embodies all of the above high performance principles, values and concepts. And the best thing is ... it works! Five simple steps to high performance with a few added lyrics:

- 1. Surface issues** – Tell the truth, the whole truth.
- 2. Engage people** – Extend your hand and invite others to the solution.
- 3. Prioritize and allocate resources** – Take action.
- 4. Unleash ownership** – And the creativity and talent of your people.
- 5. Energize learning** – Failure is not an option; it is learning. Refocus and stretch to be the best. ●

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'shows up' for your people. Pride is what engages more than just 'going through the motions'. Pride is all about head, heart, guts – and commitment – and that is exactly what you need, on the front lines and throughout your organization, to excel.

Are we doing something important and meaningful? Am I valued as a member of this organization? Am I significant? Do I value being associated with this company? Do I care? Do I want to be here?

The assertion is that when pride goes up, performance and results go

move decisively out to everyone in the company.

The second element is intensity – we have a mission and a keen sense of urgency. Failure is not an option. The bias is for an immediate and significant impact on performance and results. There is no room for complacency, apathy, ambivalence, cruise control or preservation of the past. We are on a mission to be the best and nothing will stand in our way.

## Be a leader

Leading is not about management and control. It's not about trying to