

Title:

Retail Performance Best Practise Now In Reach Of Single Store Operators

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Summary:

In recent years, with the aid of sophisticated information technologies, multi-store retailers have developed a science out of Retail Performance Best Practices by putting into play real-time systems for recording and measuring performance KPIs at all levels of the organisation.

So sophisticated are these systems that they are able to tell employees, even at the operational level, exactly how they are standing up to the company's vision, plans and objectives.

Using bala...

Keywords:

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Article Body:

In recent years, with the aid of sophisticated information technologies, multi-store retailers have developed a science out of Retail Performance Best Practices by putting into play real-time systems for recording and measuring performance KPIs at all levels of the organisation.

So sophisticated are these systems that they are able to tell employees, even at the operational level, exactly how they are standing up to the company's vision, plans and objectives.

Using balanced scorecards with lead in and lead out Key Performance Indicators, staff at all levels of the organisation can track statistics and glean information that allows them to react in time and perform better.

Performance based measures are important for any retailer whether large or small and serves to communicate the strategy of the business and align employees with the goals of the organization. Managers use performance measures to track staff against benchmarks and targets. Managers are able to identify poor performance areas and react in time to make adjustments in resource and skills. Big

companies motivate staff using Key Performance Indicators (KPI) as the basis for rewards. And performance measures are used by Senior Managers to guide future developments and plans.

Whether a multi-store retail chain or franchise or single store operator; measuring performance is key to identifying opportunities for success. The problem is that systems used by large retailers are usually out of scope and not cost-effective for single store owners to adopt. Moreover, wasting time producing spreadsheets that do not produce the 'full picture' may inhibit examination of all the facts.

Usually single store owners rely on their POS systems to track the obvious KPIs such as Average Sale, Sales per Hour, and Items per Sale. However, the figures produced by POS systems are simply a tally of those KPIs and do not show Store Managers how each Salesperson is performing in relation to each other as well as the store objectives. Unless you have something to compare someone to you cannot identify their area of weakness. Moreover, Salespeople need to be measured on a level playing field to make any sense of the numbers, because they work in slow and/or fast periods of the shopping day.

Look at the following example in sport. The Manager of a baseball match is interested only in whether his team wins. Of course knowing by how much they win or lose will offer some indication of the team's performance compared to other's in the division. Tracking each week's result will produce important trend information for Managers so they can begin to forecast the future or look at other avenues for improvement should the team lose matches.

Taken from the Coach's point of view however things look quite different. While the Coach is equally interested in the team winning matches, he/she is focused on the strategy that will yield results. The strategy for this team is to run out wide, drive the ball up the center after set plays, and score goals using a 3 point dummy run from the centers. Thus the Coach needs to measure how well the team performs according to its strategy. Measuring the wide run outs, centre plays, and dummy runs will shed new light on the internal events that took place during the game. These statistics are measured on an individual team member basis to track their performance and help the coach determine who the best players are or whether the strategy is a successful one.

Not measuring performance at the individual level, the team would be left asking questions without answers.

It is virtually impossible to train a Salesperson without knowing their deficient selling skills. Most single store Managers guess and if they do coach, it's often by gut instinct alone. Many retailers make no effort to train their

Salespeople beyond smiling at the customer and 'trying their best'. If you can't track performance against the basic POS KPIs (average sale, items per sale, sales per hour) within the framework of a Store Sales Goal and comparing Salespeople to each other, then you cannot identify individual coaching needs.

Competition is fierce and customer and staff loyalty are low. To strike back you need to look inside your business at precisely how to have each individual Salesperson perform at their optimum. Not only will your sales skyrocket due to coaching in the right area of expertise, but your staff loyalty and motivation will increase too.

Multi-store operations put into place sophisticated Report Dashboards and Scorecards that "make all salespeople accountable for their time" and "filter business objectives down the shop floor". Making this kind of information available to Salespeople and Store Managers is paramount to growth and success and is now within easy reach of single store operators.

Single store operators no longer need to be a multi-store chain to benefit from smart KPI performance reporting. Recent developments in desktop technologies have resulted in off the shelf software systems that allow single Store Owners and Store Managers to play the same game as multi-store retailers, at a fraction of the cost.