

# **The Retail Management Formula**

## **A Navigational Guide to Consistently Effective Retail Management**

Supplement for Audio Book Readers  
Charts and Diagrams



**Jon Dario**

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**Chapter 2**  
**The Retail Management Formula: The Key to Effectiveness**

**The Retail Management Formula**

$$\text{Effective Retail Mgmt.} = \left( \begin{array}{l} \text{Clear Vision} \\ \text{of Targeted} \\ \text{Expectations} \end{array} + \begin{array}{l} \text{Mgmt.} \\ \text{Steps} \\ \text{Used} \end{array} + \begin{array}{l} \text{Manager's} \\ \text{Use of} \\ \text{Time} \end{array} \right) \times \text{Manager's Character}$$

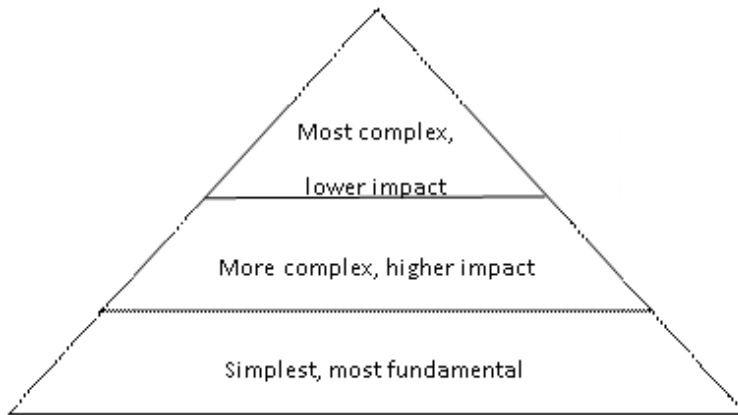
**The Retail Management Formula**

$$\text{Effective Retail Mgmt.} = \left( \begin{array}{l} \text{Retail} \\ \text{Mgmt.} \\ \text{Pyramid} \end{array} + \begin{array}{l} \text{Retail} \\ \text{Mgmt.} \\ \text{Process} \end{array} + \begin{array}{l} \text{Retail} \\ \text{Mgmt.} \\ \text{Food} \\ \text{Chain} \end{array} \right) \times \text{Manager's Character}$$

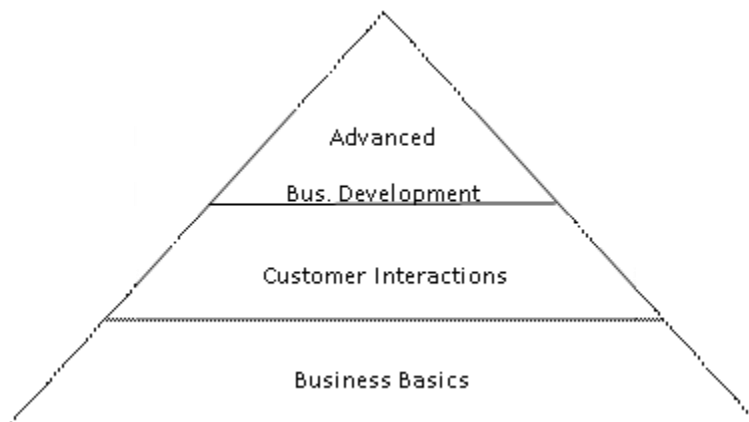
## Chapter 3

### The Retail Management Pyramid: Organizing the Expectations

**Figure 3.1 The Conceptual Retail Management Pyramid**



**Figure 3.2 The Pyramid Categories**



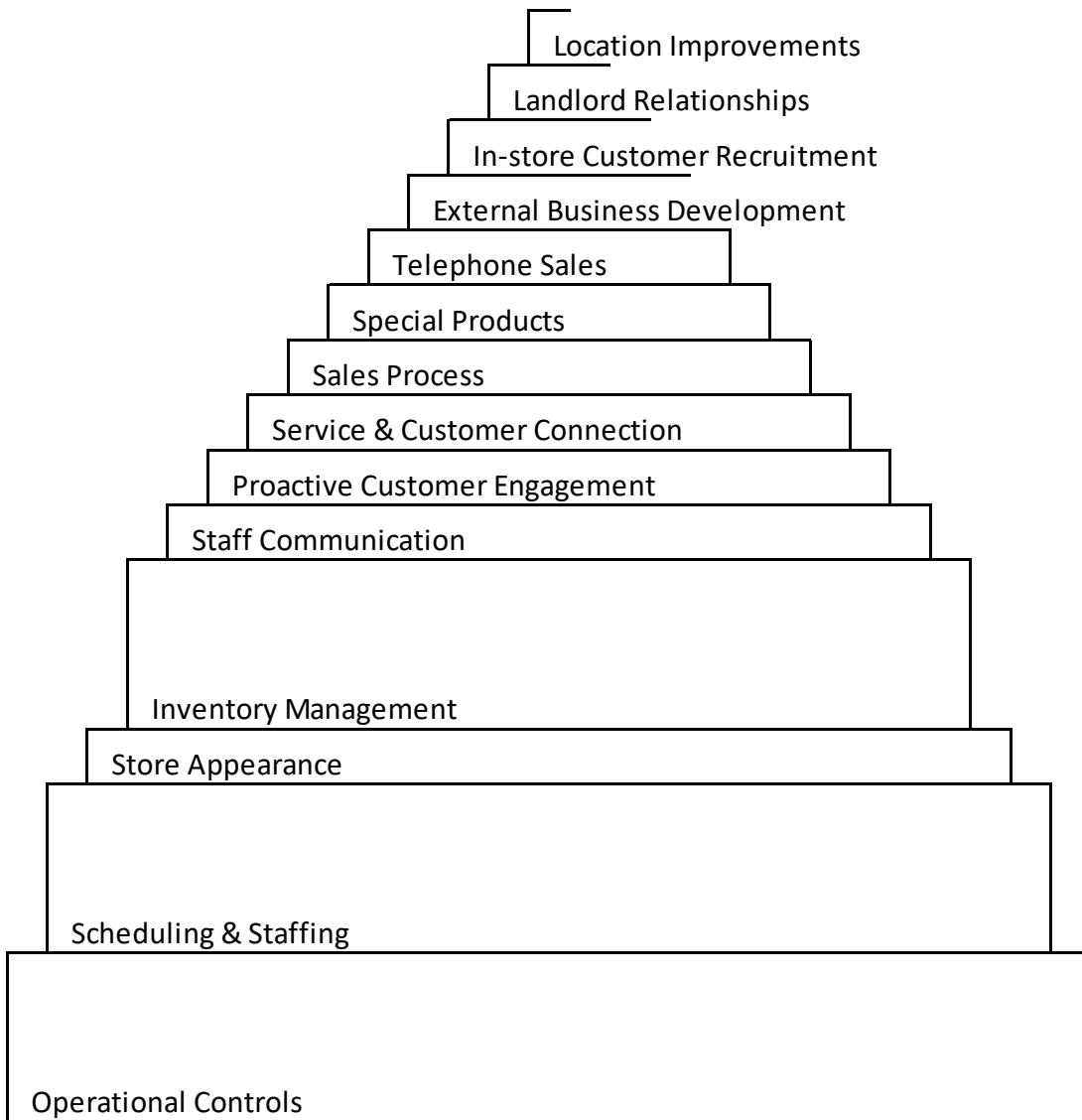
**Figure 3.3 The Retail Management Pyramid**



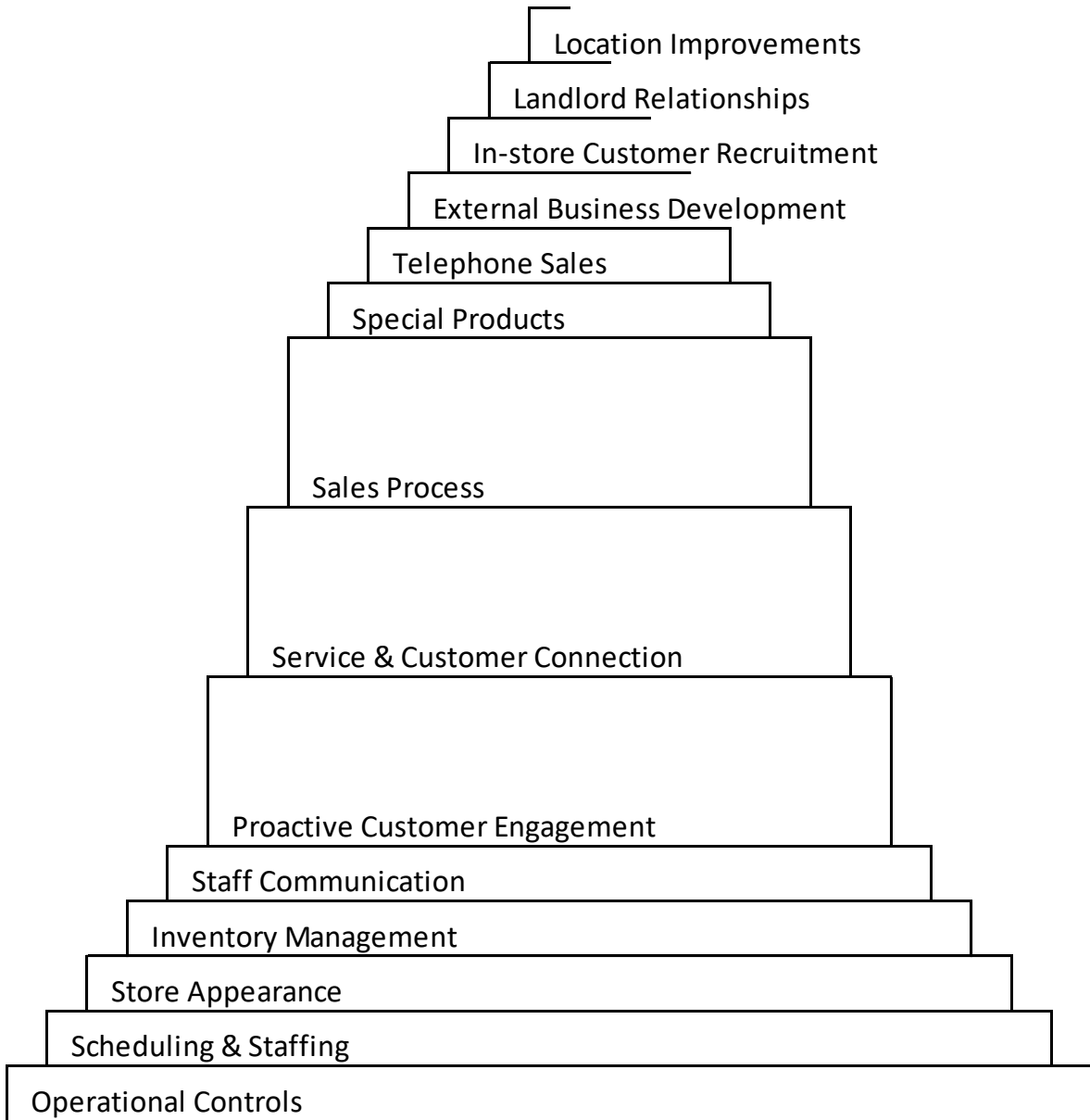
**Figure 3.4 Pyramid Point Values**

		Great	Solid	Needs Work	Not Acceptable
Business Basics	Ops Control	10	6	2	0
	Schedule/Staff	n/a	6	2	0
	Store Appearance	n/a	6	2	0
	Inventory Mgmt.	10	6	2	0
	Communication	10	6	2	0
Customer Interactions	Customer Engagement	8	4	2	0
	Service Level	8	4	2	0
	Sales Process	8	4	2	0
	Special Product	6	3	1	0
	Telephone	6	3	1	0
Advanced Business Development	External Business. Dev.	4	2	1	0
	In-store Cust. Recruitment	4	2	1	0
	Landlord Relationship	3	2	1	0
	Locale Improvement	3	2	1	0

**Figure 3.5 Store with a *Problem Foundation***



**Figure 3.6 Store with a *Solid* Foundation**





## Chapter 4 The Retail Management Process: Getting from Idea to Implementation

### The Retail Management Process

Key Principle #1: Most associates want to do the right thing.

Key Principle #2: If associates are consistently failing to implement expected behaviors, it is the manager's fault, not the associates' fault.

The Steps:

1. Communicate the expectations.
2. Gain commitment.
3. Practice, practice, practice.
4. Observe, diagnose, coach.
5. Inspect and track results.
6. Apply consequences.

The Tool:

#### Training Roster Example

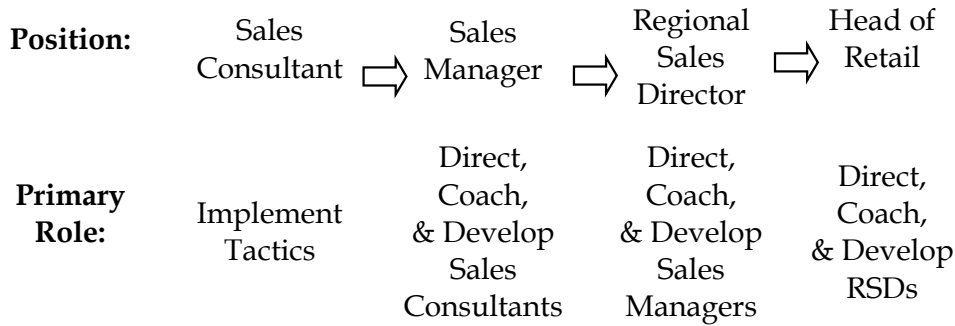
<u>Name</u>	<u>Project 1</u>	<u>Project 2</u>	<u>Project 3</u>	<u>Project 4</u>	<u>Project 5</u>	<u>Project 6</u>
Joe	⊗	⊗	X	\		
Maria	X	⊗		\		
Bill	\	X	\			
Ines	\	⊗	\	\		

*Note:* for those who are Microsoft Excel savvy, 1, 2, or 3 in a roster spreadsheet works just as well as the /'s, Xs, and Os.

## Chapter 5

### The Retail Management Food Chain: Defining Roles and Optimizing Time

**Figure 5.1 The Retail Management Food Chain**



**Figure 5.2 Chart of Activities**

<b>Administrative Tasks</b>		
<u>Regular Activities:</u> -Verify payroll hours -Write staff schedule -Review sales report -Check store's inventory -Calculate associate incentives -Read e-mail -Read newsletter -Set sales targets -Create communication message		
<b>Management Tasks</b>		
<u>Regular Activities:</u> -Practice sales process -Observe/coach transactions		
<b>Implementation Tasks</b>		
<u>Regular Activities:</u> -Order inventory		

**Figure 5.3 Chart of Activities With Frequency**

<b>Administrative Tasks</b>		
<u>Regular Activities:</u> -Verify payroll hours -Write staff schedule -Review sales report -Check store's inventory -Calculate associate incentives -Read email -Read newsletter -Set sales targets -Create communication message	<u>Frequency:</u> Daily Monthly Daily Daily Monthly Daily Weekly Daily Daily	
<b>Management Tasks</b>		
<u>Regular Activities:</u> -Practice sales process -Observe/coach transactions	<u>Frequency:</u> Daily Daily	
<b>Implementation Tasks</b>		
<u>Regular Activities:</u> -Order inventory	<u>Frequency:</u> Biweekly	

**Figure 5.4 Chart of Activities With Frequency and Timing**

<b>Administrative Tasks</b>		
<u>Regular Activities:</u>	<u>Frequency:</u>	<u>Timing:</u>
-Verify payroll hours	Daily	AM
-Write staff schedule	Monthly	3 <sup>rd</sup> Week
-Review sales report	Daily	AM
-Check store's inventory	Daily	AM
-Calculate associate incentives	Monthly	1 <sup>st</sup> Day
-Read e-mail	Daily	AM
-Read newsletter	Weekly	Friday
-Set sales targets	Daily	AM
-Create communication message	Daily	AM
<b>Management Tasks</b>		
<u>Regular Activities:</u>	<u>Frequency:</u>	<u>Timing:</u>
-Practice sales process	Daily	10am-12pm
-Observe/coach transactions	Daily	2pm-5pm
<b>Implementation Tasks</b>		
<u>Regular Activities:</u>	<u>Frequency:</u>	<u>Timing:</u>
-Order inventory	Biweekly	Tue, Thur

**Figure 5.5 Manager's Weekly Schedule**

	Monday	Tuesday	Wednesday	Thursday	Friday
8:00	Daily AM Routine	Daily AM Routine	Daily AM Routine	Daily AM Routine	Daily AM Routine
9:00	Wkly Bus. Anal.	Order Inventory	Practice Sales Process	Order Inventory	Practice Sales Process
10:00	Practice Sales Process	Practice Sales Process	" "	Practice Sales Process	" "
11:00	" "	" "	" "	" "	" "
12:00	Lunch "	Lunch "	Lunch "	Lunch "	Lunch "
1:00	Open Impl. Time	Open Impl. Time	Open Impl. Time	Open Impl. Time	Open Impl. Time
2:00	Daily PM Routine	Daily PM Routine	Daily PM Routine	Daily PM Routine	Daily PM Routine
3:00	Manager-On- Duty	Manager-On- Duty	Manager-On- Duty	Manager-On- Duty	Manager-On- Duty
4:00	"	"	"	"	"
5:00	"	"	"	"	"
6:00	"	"	"	"	Read Wkly Newsletter

## **The Retail Management Food Chain**

In summary, the most important lessons from this chapter are the following:

1. Managers must ensure they remain in their proper role and not fall into the trap of doing the job of a position lower on the Retail Management Food Chain.
2. Each manager's primary role is to assess, coach, and develop the skills of the employees immediately below them in the organizational chart.
3. Remember that the amount of time which a manager has available in a week is not limited to his own forty-plus hours but rather is the product of his total team's FTE times forty hours.

There are four keys to getting the most out of the time available in a day and a week:

1. Understand the categories of tasks, the specific activities within each category, and the best time of day to complete each activity.
  - Administrative activities – target 10-20% of available time in the week
  - Management activities – target 60-70% of available time in the week
  - Implementation activities – target 10-20% of available time in the week
2. Establish routines by grouping like activities together and establishing set schedules.
3. Allow time in the schedule for unexpected surprises.
4. Block out the schedule in the calendar or organizational tool of choice.

## Chapter 6 Retail Manager Character: The Multiplier

**Figure 6.1 Management Characteristics We Value**

Characteristic	Description
Caring	<ul style="list-style-type: none"> <li>• Has integrity and can be trusted to do the right thing</li> <li>• Has genuine interest in welfare and feelings of others</li> <li>• Listens carefully to others and communicates with respect</li> <li>• Is a team player and helps others when they are in need</li> </ul>
Responsible	<ul style="list-style-type: none"> <li>• Takes ownership of the business, results, and team</li> <li>• Puts in the effort needed to get things done properly</li> <li>• Continuously raises the bar on self and others</li> <li>• Consistently delivers on commitments made</li> </ul>
Focused	<ul style="list-style-type: none"> <li>• Streamlines in order to increase efficiencies</li> <li>• Communicates in a bullet-pointed, easy to understand manner</li> <li>• Cuts through ambiguity to make things clearer for others</li> <li>• Sorts the important from the unimportant</li> </ul>
Relentless	<ul style="list-style-type: none"> <li>• Tirelessly pursues solutions to problems and does not give up easily</li> <li>• Sticks with his/her beliefs while remaining open to being proven wrong</li> <li>• Is consistent and predictable</li> <li>• Bounces back from failure</li> </ul>
Farsighted	<ul style="list-style-type: none"> <li>• Sees the big picture; communicates it clearly to others</li> <li>• Anticipates potential consequences from actions; weighs them carefully</li> <li>• Has big ideas and can translate them into action</li> <li>• Extrapolates meaning from many smaller points of data</li> </ul>
Courageous	<ul style="list-style-type: none"> <li>• Makes tough decisions; takes accountability for them</li> <li>• Has the difficult conversations; does so in a caring way</li> <li>• Admits mistakes and asks for help when it is needed</li> <li>• Voices unpopular or politically risky issues when they need to be raised</li> </ul>

## **Chapter 7**

### **Retail Store Visits: Where the Rubber Meets the Road**

#### **Store Visits—Summary of Key Points**

Three Goals of Store Visits:

1. Objectively assess the store's performance.
2. Make decisions and build action plans to positively impact the business in the short term.
3. Develop the manager's and team's skills in a way that provides positive impact over the long term.

Five Parts to Store Visits:

1. Pre-visit Preparation
  - a. Review relevant business reports.
  - b. Review past visit reports and past action plans.
  - c. Set agenda, timing, and context for the visit.
  - d. Identify any needs the manager has from the visit.
  - e. Obtain a pre-visit self-assessment from the manager.
2. Observation and Assessment
  - a. Ask specific questions rather than hypothetical ones.
  - b. Show me; don't tell me.
  - c. Get the real scoop from the troops.
  - d. Be predictable.
  - e. Keep digging until you get to the root.
  - f. Where there's smoke, there's fire.
  - g. Do your best "Columbo" impression.
  - h. Be aware of the "Big Boss" effect.
  - i. Know when to say "when."
3. Visit Summary
  - a. Make a clear separation and obvious transition from the observation and assessment step.
  - b. Obtain manager's self-assessment of how the visit went.
  - c. Give a general tone for the visit:
    - i. Assess team's performance relative to defined standards.
    - ii. Assess team's performance relative to realistic expectations.
  - d. Give two to four headlines about the visit.
4. Action Plan Creation
  - a. Create punch-list to-do items.
  - b. Be specific with expectations and deadlines.
  - c. Build an appropriate mix of manager participation into the action plan.
  - d. Provide good documentation of the action plan.
  - e. Use the Retail Management Process.
5. Post-Visit Follow-Up



- a. Use periodic phone calls to check on progress; start these immediately after the visit.
- b. Monitor relevant reports for signs of impact and improvement; start doing this immediately after the visit.
- c. Conduct a subsequent on-site visit; do this as soon after the action plan due date as possible.

Be sure to use a good mix of scheduled announced visits and unscheduled surprise visits.

## Chapter 8

### Conclusions and Actions: Putting the Retail Management Formula to Work

#### The Retail Management Formula: Initial Implementation Plan

- Read the book *The Retail Management Formula*
- Create your Retail Management Pyramid
  - List all expectations and tactics.
  - Group expectations and tactics into just three “buckets.”
  - Prioritize the three groups.
  - Prioritize the expectations within each group.
  - Draw the Pyramid so it can be used as a communication tool with team members.
  - List all detailed expectations that relate to each box on the Pyramid (keep list to one page).
  - Create, assemble, or read support packet for all the items on the Pyramid.
  - Create a Pyramid evaluation tool with point values.
- Develop expertise with the Retail Management Process
  - Identify a particular skill or project for which to apply the process.
  - Write out a complete plan for how the six steps of the Process will be used.
  - Carry out the plan.
  - Create a training roster to be used with your team going forward.
- Establish your Retail Management Food Chain
  - Document your high-level role.
  - List all administrative and managerial activities that you must regularly perform.
  - Identify the desired or required frequency for all listed activities.
  - Determine the best time for you to perform each of the activities.
  - Turn the list of activities into routines by grouping items together.
  - Schedule blocks of time for routines; schedule “implementation” time.
- Build a “Characteristics We Value” program
  - Establish the characteristics you will expect from yourself and from your team.
  - List specific descriptions for each of the characteristics.
  - Communicate the characteristics and descriptions to your team.
  - Create a routine for nomination and recognition of associates according to the characteristics.

## The Retail Management Formula—Ongoing Assessment

Date:

Manager Name:

Assessment By:

	Not Accept.	Needs Work	Solid	Great
<p><b>Retail Management Pyramid</b></p> <ul style="list-style-type: none"> <li>• Uses Pyramid to structure time in stores</li> <li>• Understands all expectations on Pyramid</li> <li>• Objectively and accurately assesses store and team</li> <li>• Builds action plans to fix what is wrong</li> </ul>				
<p><b>Retail Management Process</b></p> <ul style="list-style-type: none"> <li>• Communicates in multiple ways</li> <li>• Gains buy in from team</li> <li>• Practices skills with team</li> <li>• Observes, diagnoses, and coaches team in live action</li> <li>• Tracks results and communicates</li> <li>• Applies consequences, both good and bad</li> <li>• Maintains a training roster to track Management Process progress on major initiatives</li> </ul>				
<p><b>Retail Management Food Chain</b></p> <ul style="list-style-type: none"> <li>• Routines set up for administrative and managerial activities</li> <li>• Routines scheduled in Outlook</li> <li>• Time scheduled for Implementation activities</li> <li>• Schedule being consistently adhered to</li> </ul>				
<p><b>Retail Manager Character</b></p> <ul style="list-style-type: none"> <li>• Demonstrates Responsibility</li> <li>• Demonstrates Focus</li> <li>• Demonstrates Caring</li> <li>• Demonstrates Relentlessness</li> <li>• Demonstrates Farsightedness</li> <li>• Demonstrates Courage</li> <li>• Has a “Characteristics We Value” program in place for the team</li> </ul>				

**Action Plan:**