

## Staff training secrets

By Jasmine Smith, editor, Inside Retailing Magazine

Shopfloors across Australia are awash with part time and casual staff, many of whom consider their job a temporary stint in retail. "Are you 'right just looking?" is about as far as some of them will venture into an attempt at customer service. Shoppers asking about a particular product's features are too often answered with a reading from the package description. But are these employees worth training? They'll probably be leaving in another couple of months...

Training of shopfloor staff is commonly limited to an internal induction program covering the essentials – occupational health and safety and operational skills such as cash handling and electronic payment processing.

The case for training shopfloor staff beyond induction is a strong one, but how can retailers ensure they get a return on their investment? Inside Retailing Magazine spoke with retailers and training experts about the most effective methods and measurement.

The refrain from training consultants is: But what if they stay? What is the cost of not training them? Disgruntled customers, lost sales, poor staff morale and a lacklustre retail business are among the probable results.

Shopfloor employees are lucky if they get a quick run-down of selling and service techniques in the last half hour of their induction session, when attention spans are already stretched.

More often than not, product knowledge, selling and service skills and company values are presumed to be learned in the course of the job.

"It's a bit of a catch 22," explains Terry Hawkins, founder of People in Progress, "because training and personal development is seen by employees as one of the highest influencers when deciding to stay in a retail position. We often hear of applicants who have been tempted over to another company because they've heard about the training – it can be a real drawcard for a company."

Hawkins believes while attitudes to staff training have greatly improved over the past couple of decades, retailers have a long way to go before training is treated as an essential.

"There are some companies that say they value training, yet they look for the cheapest way out and this can have devastating affects on the front line. Training is like most things in life – you get what you pay for. More and more companies are realising that by outsourcing a professional training company with a proven track record, they can implement systems, philosophies and skill sets that they may not have access to internally."

Tony Gattari, MD of the Achievers Group, says retailers tend to have a "poverty mindset" when it comes to training shopfloor staff, but says there are many retailers whose culture reflects the value they put on staff training. "Those organisations worldwide are excelling. Because the issue is not price, it's the quality of service and they've developed training to embrace that," he says.

Perhaps a cynic, Gattari believes shopfloor employees are only what you make of them.

"You're never going to get great people. You've got to have great systems to make average people look great."

Peter Fullbrook, CEO of training company Prosell, says just staffing your store with 'nice' people won't do the trick: "A lot of store owners think if their staff is courteous and friendly and serve everyone they need to serve, that's enough. But we've seen increases by up to 45% of transaction values just by giving people very straightforward customer engagement skills. You can make a huge difference to your sales figures if you get people genuinely using their skills."

John Mutton MD of fashion retailer Herringbone says while professional staff training is expensive, "it's more expensive not doing it. It creates efficiencies in the business that pay for themselves."

### **Make it memorable**

The nature of retail poses particular challenges for retail businesses when it comes to training shopfloor staff. Rosters and trading hours means it is very difficult to train staff all at the same time. Few retailers can afford to take people off the shopfloor, and training in-store will be constantly interrupted by customers.

Most retailers ask staff to attend training sessions after work hours and offer incentives for those who attend, whether that be preference on the roster, meals or complimentary product.

Fullbrook says his company's research found a very low transfer of learning from retailers' training sessions to the workplace. "Our figures show over 90% of training delivered in the classroom, particularly during inductions, fails to transfer into the workplace. When we observed people in the workplace through mystery shopping and other mechanisms and compared what they did with the customers against what they were trained to do, they did less than 10% of it."

But the result changes markedly when people with training and training responsibilities actively go into the stores and coach shopfloor staff, he says. "You then see people beginning to learn and apply the skills.

"Chalk and talk-style training is ineffective – staff have to get out of their seats and demonstrate they can do it."

A point emphasised by all the retail training companies interviewed by Inside Retailing Magazine is that training, whether it be for operations, OH&S, sales and service or product knowledge, must be interactive, engaging and delivered in bite-sized pieces.

Avoid 'death by power point' or other passive methods of training, and make the session entertaining (keeping in mind that Generation Y employees have an attention span of about 60 seconds, according to one consultant).

Role-playing or otherwise having employees demonstrate the lessons they're learning is important.

"The harder people work, the more they learn," says Fullbrook. "Give them quizzes about the type of industry they're in, what their store sells, and test peoples' knowledge – not in a rigorous exam, but in a fun way – they can mark their own answers, they can confer with their friends. It's not about how much they know, it's about how much knowledge they gain."

Rebel Sport uses a combination of in-house training workshops, intranet-based training modules and government-funded training courses run by an external registered training organisation to keep its staff skilled.

The company introduced intranet-based training four years ago to teach and test product knowledge, selling and service skills and management training. It can see who logs on when, and what results they achieve, including the completion and success rates on each module for each store.

Rebel Sport's internal training department also monitors employees' progress via quarterly reviews with store managers.

"There are a lot of product knowledge sessions held in-store or off-site. We might have quite a large training day aligned to, say, football boots and the introduction of new lines and products," says Rebel Sport's GM of operations Ed Fredson. "The major suppliers would come through and do a 'dog-and-pony show' on the new releases and talk about the features and benefits of the products for the coming season.

"There's a lot of incentives for staff that both the company and the suppliers provide for those team members who attend, whether it be commission or prizes. It's not compulsory but most, if not all, staff attend these things.

"It's not a dull and boring tell, tell, tell session – there's a lot of involvement for the staff.

"Most product training is done after hours but if there's a specific need, if a manager believes his full time staff need a bit more product knowledge training, he would organise some of the suppliers to come throughout the day and talk about the products on the shopfloor."

### **Tailor to your business**

If the training workshop is conducted by a training company it should be specifically tailored to not only the particular retail sector, but the individual business itself.

For the low-price, fast-service retail offer, training in efficiency and processing customers in a professional manner is appropriate, explains Brian Walker, principal of The Retail Doctor. "In the more complex sale, it's about assessing the lifestyle needs of the customer, selling benefits, probing and relationship building."

Retailers of cars, whitegoods or other expensive items might need to schedule specific training on how to sell 'big ticket' items.

Retailers of sporting goods or consumer electronics might tailor staff training to focus on product and technical knowledge.

Explains Fredson: "If you're in an area where the product range is constantly evolving and changing – technologies change in footwear, tennis rackets and exercise equipment all the time – you might need more specific technical knowledge training."

"But," he adds "sales training is just as important – if you don't know how to sell properly and you can't close a sale, the product knowledge becomes a bit irrelevant. We keep in mind the saying 'let our learning lead to action, not to knowledge'."

### **Clear expectations**

Fullbrook says retailers need to make procedures and standards crystal clear.

"Give absolutely clear guidance on the required standard of performance and manage people against those standards. What you find with many retailers is they give people little or no training and say 'come and work in the shop', then they're disappointed with peoples' attitudes or how they perform. You need to be very prescriptive about what you want, if you're ever likely to get it.

"It's almost like creating a franchise model – you spell it all out: 'when there are no customers in the store you're doing this, this and this. You do not ever stand around the counter talking, you do not ever stand with your back to the door or the customer.'

"Give them good training so they understand the standards, then make sure the store manager monitors and gives feedback based on those standards. Thank them when they do well and pick them up on it when they don't perform.

"If you look at all the people that get it right in retail all around the world, whether it be department stores like Sears in the US or companies like Subway or McDonald's, it's because it's been made absolutely clear – 'this is how you do it, every time'.

"Create incentives that drive the behaviours you want. It doesn't just have to be about volume of sales, because often people in retail have no influence over that.

"Understand what is critical to your business, find a way of measuring it, and reward people who achieve or go above the standard."

Louisa Wallace is GM of Partners in Organisational Development, an offshoot company created from The Body Shop's HR and training department. She describes how the company went about training staff across all stores to achieve a change in company culture: "In 2001, our retail operations department wanted to create more theatre in the stores - The Body Shop wanted to develop a reputation for product demonstration and pampering customers. We thought, 'How can we develop a niche where we're known for our demonstration culture?'

"On the surface that might sound really easy – just send a newsletter to everyone and tell them that's what they have to start doing. But you can imagine the skills required for doing hand massages, engaging with the customer while you're

talking about the features and benefits of the product, and doing it in such a way that the customer doesn't think 'Oh my God, this is weird, get out of my face' and instead really enjoys the experience.

"It required us to establish exact preferred outcomes. Mystery shopping was conducted before and after the training program.

"I can honestly say it took the best part of a calendar year to really get that ingrained with the existing staff. And then obviously as new people joined we made it clear that that was one of our expectations up front and it was included in the induction program."

## **Follow up**

So how do you ensure the lessons aren't forgotten? Intranet-based training modules are an increasingly popular way of checking the progress of individual employees and reinforcing workshop-based training.

"The benefit is that you get a very real picture of how your employees are progressing, whether they understand the content, and you can also see, for those who drop out of the company, at what point they drop out," says Walker.

The most effective intranet-based programs are interactive and have a competitive or incentive element. Intranet-based programs are more suited to retailers with a large number of stores spanning different states and territories, like Harvey Norman, as they help provide consistent and cost-effective training where workshops alone cannot.

Staff appraisals, in-store observation and coaching by store managers are other useful ways to sharpen the skills learned and assess where further training is needed. Ongoing individual and team-based incentives are also motivational.

Whether it's online or workshop-based, at the end of the day training only works if it is followed up by coaching, warns Ian Segail of McKenzie Consulting.

Mutton of Herringbone agrees: "Quiz and reinforce. Each of our store managers has a trainer's manual and they make notes throughout the season on each individual and how well they've accomplished putting the training into practice. For example, they might be very good at selling suits but not so good at selling ladies' apparel. That's extra feedback on where people are strong and where they're weak and we use that to customise training to make them strong in all areas."

## **Measure success**

Walker of The Retail Doctor says its important when engaging a professional training company to properly articulate the outcomes required.

"First of all, you need to be very clear about what the key performance indicators of the business are, what the models are and what the positioning of the retail business is.

"Some of our clients are very high-customer-relationship, high-value-product retailers and others

are all about the speed of process. The training is tailored to achieving the KPIs that sit within them.

"In my view, there's no point training unless you can measure the results. Training is an investment, like any other business investment."

Hawkins agrees: "Obviously when you see 'bucks in the till' and the sales reports are showing positive growth, then the impact is there in black and white."

The impact of good staff training can also be seen in staff retention rates, individual employees' sales records, average transaction value, conversion rates and, in some cases, margins.

Customer service can also be measured by monitoring customer loyalty, adds Fullbrook. "How many times do your customers come back? What do they spend?"

But he warns retailers against placing too much reliance on customer survey results, which are usually skewed towards customers who are disgruntled. Instead, he suggests retailers ask regular customers questions when they come to the store about how well they've been looked after.

Mystery shopping is a good way to gauge the level of sales and service prior to training and also to measure the improvements afterwards.

In the broader context, consistency of leadership on the part of store managers is crucial to the success of any store's training program. If staff training is high on the agenda of the retailer and that is a point communicated from head office to store level, training will be a concerted effort rather than a fleeting project.

