



The 8 Steps to Building a Successful Retail Sales & Service Culture

A white paper researched and presented by:



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Introduction

It is a recognised fact that a successful retail business, like any business, is ultimately built on the uniqueness of its product and the ability of the company to make sales and satisfy their customers. As the owner or manager, you play a crucial role in influencing the performance of the staff you manage.

What undermines many business owner's efforts at developing a retail sales and service culture is the misconception that they can simply run their people through some training, add a few other ingredients like tracking and incentives, and in due time the culture will naturally change. What they do not realise is that the process of changing a culture includes many other components implemented over time. All these components are only pieces of the process - pieces that, alone, are not likely to generate long-term results unless they are all integrated into the day-to-day running of the business.

The simplistic view of any retail business is to successfully execute the following three steps:



Over the past 30 years through trial and error in many different business environments, RPS have identified the eight steps vital to creating and maintaining a 'successful' sales and service culture within a retail business.

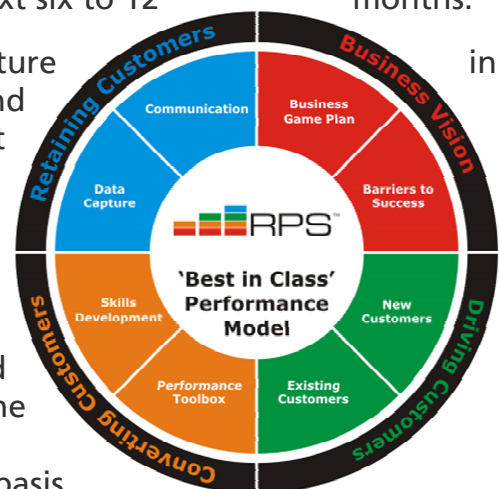
These proven steps form part of the **RPS Business Building Programme** and by implementing them and continually updating your plan and modifying your processes, you will achieve success and growth for your business.

Step 1: Vision

For a retail sales culture to become a reality it must become a strategic initiative of the business owner's vision. Ensure that your strategic plan identifies "building a sales and service culture" as an objective and high priority to be accomplished within your business over the next six to 12 months.

The success or failure of a sales and service culture any business is the result of the owner and senior managers' commitment to ensure that the following happens:

1. Every sales activity is measured and monitored every single day.
2. Staff are given feedback on their performance.
3. Staff are upskilled on the skills and behaviours required to deliver the desired results.
4. Staff are formally coached on a regular basis.
5. All non sales departments understand their role in helping customers do business with the company



Key questions to ask yourself about your business when it's running successfully in your mind:

- Q1:** What revenue do you want your business to turnover?
- Q2:** What margin will the business be achieving?
- Q3:** What type of customer will you be targeting?
- Q4:** What will be the look and feel of your staff?
- Q5:** What are the barriers preventing your vision becoming reality today?
- Q6:** What are the initiatives to put in place to overcome these barriers?

Step 2: Performance Targets

If sales are the life blood of your business and are a key ingredient in ensuring profitability, it is vital that all departments understand how they impact the sales performance of your business.

The best in class sales cultures ensure all personnel within the business understand the numbers, understand their role in delivering those numbers and know on a daily basis how they and the business are tracking towards the performance target.

Key questions to ask yourself about your performance targets:

- Q1:** Are all staff aware of the performance targets by departments?
- Q2:** Do the departments that do not have a specific targets have initiatives in place to support the departments that need to deliver the sales?
- Q3:** The performance targets must be broken down into quarterly, monthly, weekly and daily time frames.
- Q4:** Does each member of your sales team have an individual target that is tracked quarterly, monthly, weekly and daily?

Step 3: Critical KPIs

Once you have established your performance targets you need to break these down into Key Performance Indicators (KPIs) which cover LAG indicators (after the event) and LEAD indicators (cause the event). The KPIs become the quantification of your business's condition. They provide a reliable platform upon which to build improvements and raise your performance.

Key questions to ask yourself about your critical sales KPIs:

- Q1:** Have you defined the perfect customer model?
- Q2:** Are your customers measured against your perfect customer model?
- Q3:** How many customers do you need to hit the yearly sales target?
- Q4:** How many new customers do you need this year to improve your sales performance?
- Q5:** Have you identified your average transactional value and established how many transactions you need to hit your sales target this year?
- Q6:** What are the critical KPIs that must be met for you to deliver an increase in sales this year?

Step 4: Tracking Performance

If the numbers cannot be measured, they cannot be moved. On the other hand, many businesses are data rich, but execution poor as a result of having no strategy for moving the deficient statistic. To ensure your team buy into the sales and service culture, you must clearly display the performance targets and your progress towards delivering these.

The challenge with many companies is that even though they know the deficient statistic that is preventing their business from becoming more successful, they are incapable of improving that statistic.

It is vital that the performance coaches within the business clearly understand the numbers and know how to get the necessary performance from their team to deliver the desired outcome.



Key questions to ask yourself about your performance tracking:

- Q1:** Does your current performance tracking system provide you with information on the key performance indicators (KPIs) that dictate the success of your business?
- Q2:** Is the information available in real time that enables the managers to address the issue before it's too late?
- Q3:** Is there a scorecard that captures and displays the performance in an easy to understand method?

Step 5: Job Profiles

To build a sales and service culture, it is vital that you have job profiles that clearly define the attitude, skills and behaviours required for each role within the business. These job profiles require you to analyse the key requirements for each position and provide you with a template against which new staff can be recruited and existing staff can be upskilled.

Key questions to ask yourself about your job profiles:

- Q1:** What are the key attitudinal, skill and behavioural requirements for each position?
- Q2:** Are all new staff recruited against these key attitudinal, skill and behavioural requirements?
- Q3:** Do you have an active programme for identifying your 'Best in Class' performers and capturing their skills and behaviour that enables them to achieve great success?
- Q4:** How effective is your current induction process in fast tracking the upskilling of new recruits?

Step 6: Skills Development

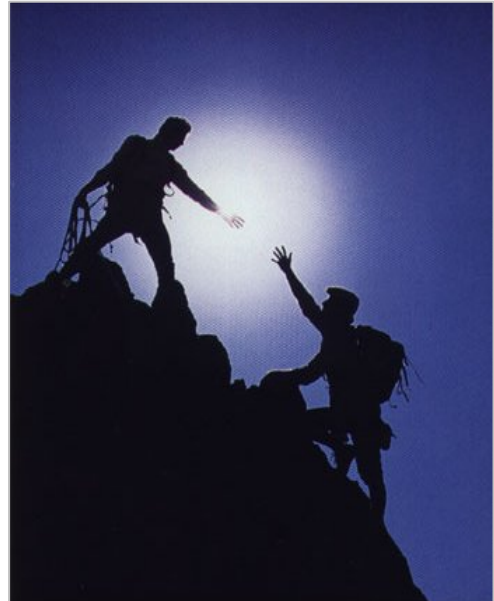
The key component of the skills development programme within a 'Best in Class' business is a clear understanding by all non-sales departments of their role in supporting the company's sales deliverable. This combined with a formal sales programme that ensures the sales people are being trained on the key skills and behaviours of your 'Best in Class' sales people.

Our research shows that best practice for developing a sales team is a certification programme to ensure that all personnel become brilliant at the basics.

A skills development programme must be conducted in a formal manner on a monthly basis.

Key questions to ask yourself about your skills development:

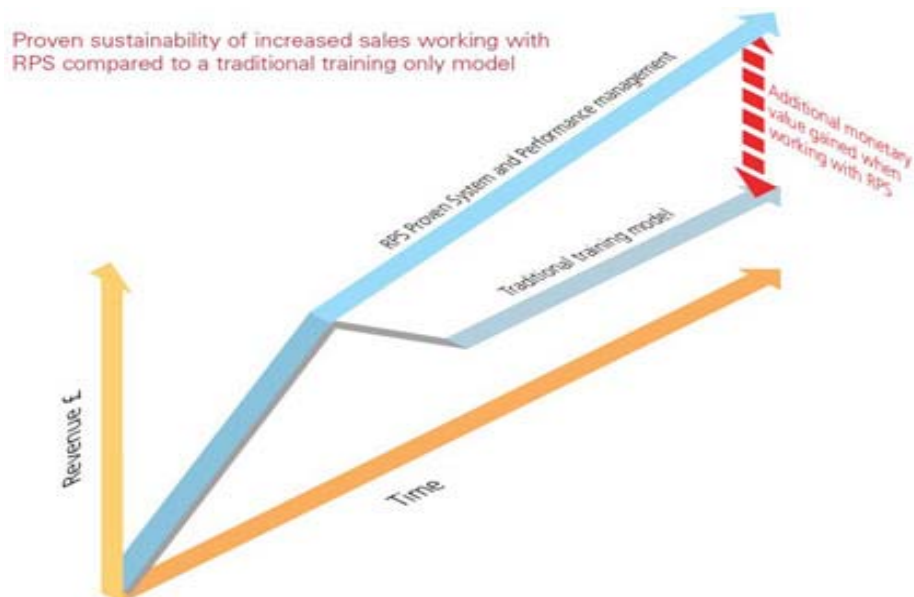
- Q1:** Do you have a formal sales and service training programme supported by a performance coaching programme?
- Q2:** Are all staff trained to a certification level within each department?
- Q3:** Does the company have non-negotiable sales and service standards for all departments of the business?
- Q4:** Does the business measure these standards?
- Q5:** Are all staff held accountable for delivering the standards?



Step 7: Performance Coaching

Research shows that the impact performance coaching can make upon annual performance for a business is 62% (Harris Research).

Both the skill of the performance coach and the frequency of coaching are vital to ensuring your staff are equipped with the skills and behaviours to succeed in a competitive environment.



The best performance coaches are always focused on the KPI deliverables and able to take their people out of their comfort zone and get them to achieve outstanding results. They constantly hold their people accountable for results and are uncompromising in ensuring the non-negotiable sales and service standards are met at all times.

Key questions to ask yourself about your performance coaching:

- Q1:** Does each department know which KPIs need to be delivered for the business to achieve its target this year?
- Q2:** Are the current managers capable of getting the best out of their team?
- Q3:** Does the senior management team have a mentoring programme for the department managers that ensures they are skilled in successfully executing their role?
- Q4:** Are daily start-up meetings conducted with the team each morning?
- Q5:** Is one-on-one coaching conducted with each member of staff either weekly or monthly?
- Q6:** Is there a productivity tracking system used, that is up-to-date and visible to the entire team?

Step 8: Performance Improvement Strategy

The Performance Improvement Strategy is the blue print for getting you from where you are now to where you need to be as a business (remember what got you to here may not get you to there). 'Best in Class' businesses continually review their business model identifying what's working, what's not and what needs to happen to bring about the desired result.

Key questions to ask yourself about your performance improvement strategy:

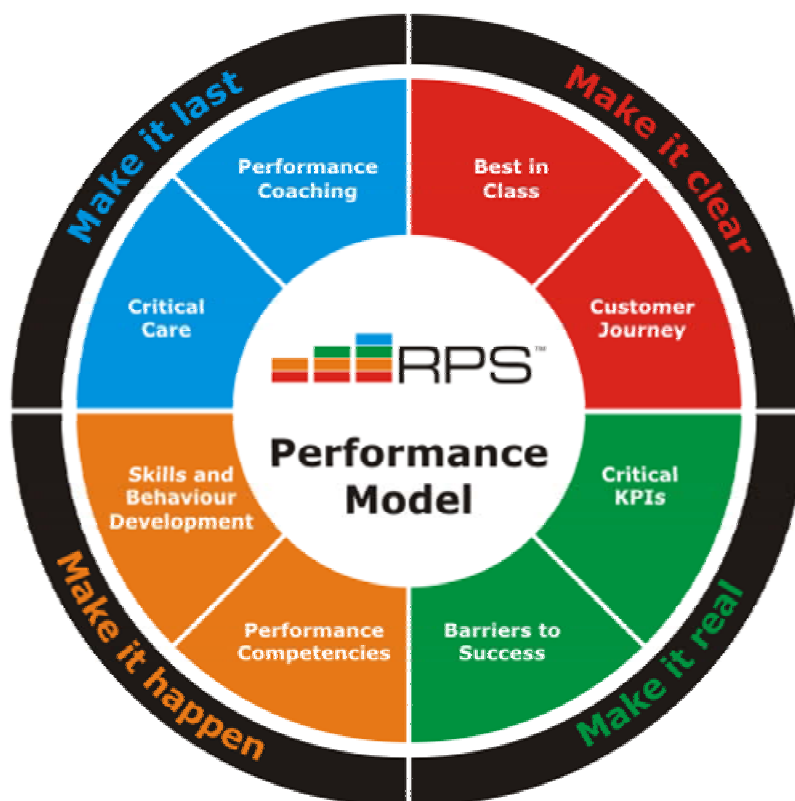
- Q1:** What do you need to keep doing?
- Q2:** What do you need to do with more urgency?
- Q3:** What do you need to stop doing?
- Q4:** What do you need to start doing?
- Q5:** Where do you need more know-how in your business to take it to the next level?
- Q6:** Who will be responsible?
- Q7:** What will be the timeline for this to be achieved?
- Q8:** Do you celebrate your success along the way?



Understanding RPS?

RPS are the world's foremost retail productivity improvement organisation. For nearly 30 years we have partnered with some of the world's most successful businesses in over 20 countries across 5 continents.

We have a well established reputation for substantially increasing sales and improving service. This is achieved through developing our proven 'Best in Class' performance model into a tailored solution that is guaranteed to significantly increase sales and operational standards for our business partners.



The RPS Performance Model and individual programmes are based on 'best practice' experience gained from thousands of leading retailers the world over. Our pragmatic approach shows what works and what does not.

We have been providing performance solutions to the world's leading businesses for nearly 30 years. Since our formation we have worked with over 400,000 individual staff and thousands of businesses to deliver increased sales and business performance.

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