

GEARING UP FOR
MOBILE WALLETS

RETAILERS ELEVATE THE
SHOPPING EXPERIENCE

CANADA'S NEW ALLURE:
US RETAILERS MOVE NORTH

SEPTEMBER/OCTOBER 2013

Retail Leader

Moving Up

A close look at how *four* supermarkets approach
employee advancement and education.



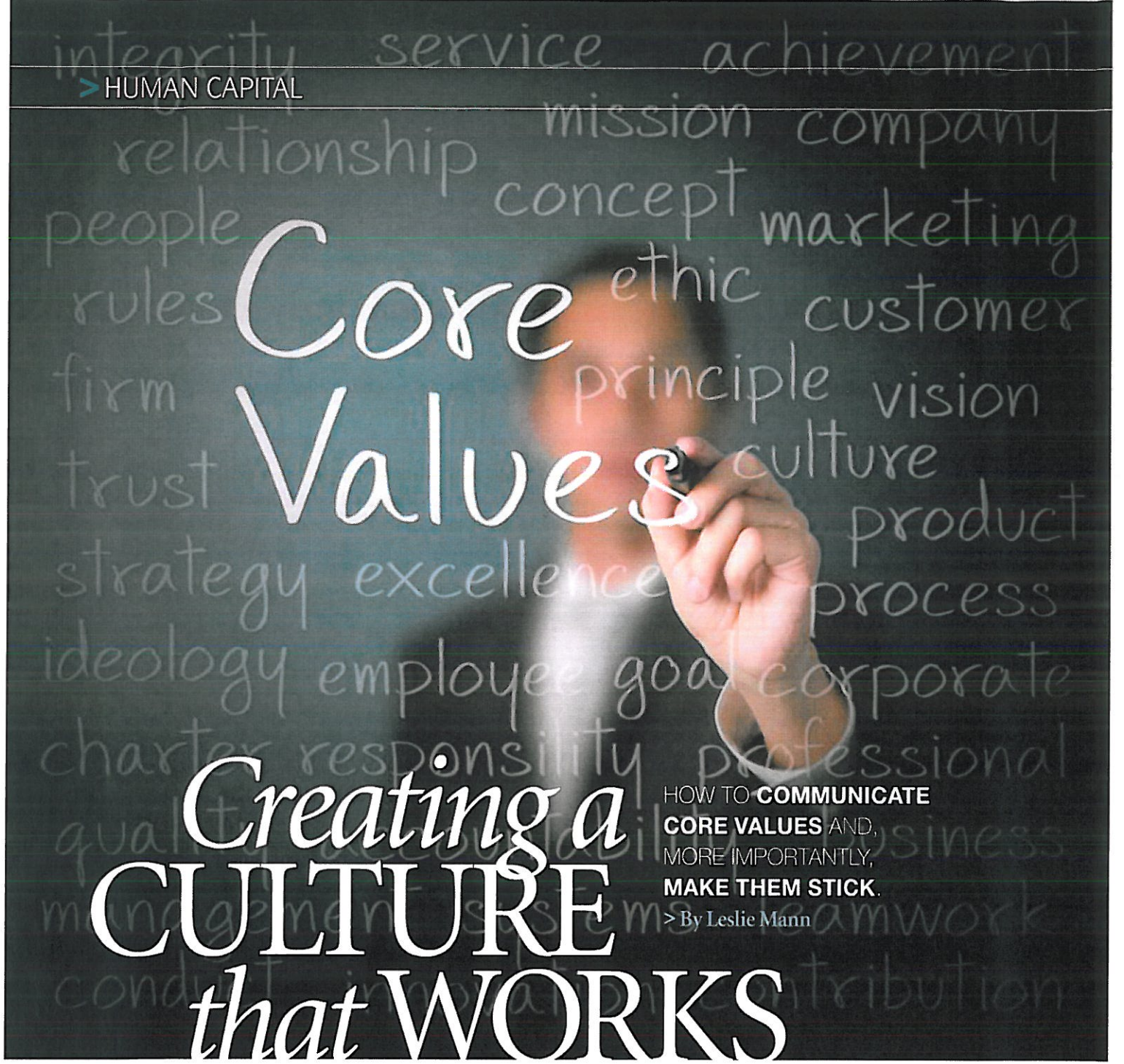
Pictured from left to right:
Karl Schroeder, Safeway
Oscar Gonzalez, Northgate Markets
Rick Rayford, Brookshire Bros.
Jack Brown, Stater Bros.

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Stagnito
MEDIA

> HUMAN CAPITAL

A hand is pointing at the word "Values" on a chalkboard. The chalkboard is filled with various business-related terms written in white chalk, including "integrity", "service", "achievement", "mission", "company", "relationship", "concept", "marketing", "people", "ethic", "customer", "rules", "principle", "vision", "firm", "culture", "trust", "product", "strategy", "excellence", "process", "ideology", "employee", "goal", "corporate", "charter", "responsibility", "professional", "quality", "accountability", "business", "management", "systems", "teamwork", "conduct", "innovation", and "contribution". The word "Core Values" is written in a large, stylized font, and "Creating a CULTURE that WORKS" is written in a large, bold font below it.

Core Values

Creating a CULTURE that WORKS

HOW TO **COMMUNICATE**
CORE VALUES AND,
MORE IMPORTANTLY,
MAKE THEM STICK.

> By Leslie Mann

When Jewel-Osco recently dropped self-serve checkout lanes in some of its stores, it cited "company culture" as one of the reasons.

"Skipping the cashier-customer contact does not reflect the culture we try to create," said spokeswoman Allison Sperling.

Twenty years ago, "company culture" might not have

made headlines. Now, the concept of company culture is well recognized as something of value, to be nurtured and protected. In turn, it can trigger positive expectations from new customers and employees while shielding a company from adverse news. On the flip side, a negative culture can be an albatross. When weighted with stigmas, it can prevent the company from moving forward.

Company culture is typically defined by a variety of factors, such as the organization's mission, values, ethics, dress



“Don’t be afraid to reiterate values we all want, like being fair, ethical, transparent and authentic.”

—KATHY QUINN, *David Martin & Co.*

Creating a strong culture starts at the top with the leaders’ deliberate decision to communicate what’s important. A well-written mission statement is a start. Splash it across your website and Facebook page to begin to define your culture to the public. Done well, it can steer employees away from behaviors you do not want connected with the company.

The successful company lives by its mission statement, which jibes with its culture. Whole Foods Market and Trader Joe’s both adhere to their statements “consistently from store to store and region to region,” says Kathy Quinn, business consultant at David Martin & Company, an executive coaching and consulting firm in Cincinnati.

Leaders should exemplify the values “personally,” says James Berkeley, managing director of Ellice Consulting in London. “People do what they see, not what they hear.” The good leader does not say “pay raises are on hold,” then schedule himself a luxury golf course retreat, he says.

“Don’t be afraid to reiterate values we *all* want, like being fair, ethical, transparent and authentic,” adds Quinn.

After all, at a company’s foundation is people. A company’s

code, code of conduct, even business hours. It reflects the company’s personality, character and temperament. It includes what customers see and what they don’t see.

“It’s who we’ve been for 84 years, and who we are now and who we will be,” says Maria Brous, spokesperson for Lakeland, Fla.-based Publix Super Markets Inc.

“Culture is part of a company’s DNA; it’s always been there,” says Craig Rosenblum, partner at Barrington, Ill.-based Willard Bishop LLC. “But now we can define it and measure its effects.”

reputation can be influenced by the way employees behave. An employee’s bad day can spell lousy customer relations. As the old adage goes, an unhappy customer tells 10 people about his experience while a happy one tells one.

“For the national or regional retailer, the values reflect the type of people who will want to work for you and shop with you,” says Rosenblum. “Trader Joe’s is foodies. Foodies work here, foodies shop here.” The company’s website in September, for example, includes “customer updates” that cover topics such as antibiotic-free meat, fair-food agreements with suppliers and news about supply-chain transparency laws.

Whole Foods Market’s values also embrace healthy living and environmental sustainability, Rosenblum adds. But these values are not just written in an employee handbook. “They drive the culture, the behavior and way of life,” he says. “You see it in the stores, whether chatting with employees about products, in the quality of their own 365 Everyday Value brand, the number of organically or locally grown produce highlighted and on display, community investment made by that store, and of course paper bags and cardboard take-out food trays.”

When the marriage of values and culture is successful, it shines, Rosenblum says: “Truly culture and values are one at Whole Foods [Market] and yes, it starts at the top with [co-CEO] John Mackey and ends with every employee.”

Can you teach values? Some say yes, some say no, and some say you can *reinforce* values with rewards. Companies will have a head start if they hire people who share their values, experts say.

“Hire for culture first, skill second,” suggests Kirsten Osolind, president of Re:Invention Inc. in Chicago. “You can teach someone to operate the cash register but not to fit the culture. Procter & Gamble, for example, attracts creative people. And, a good recruiter knows how to spot the outliers.”

MEASURE IT

Years ago, management had to guess the effects of company culture. Sometimes they got it right, but sometimes they could

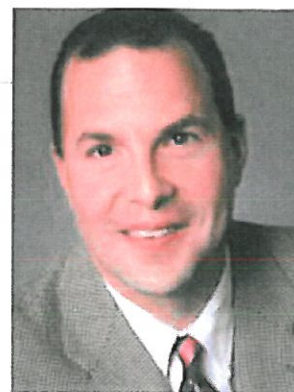
“People do what they see, not what they hear.”

— JAMES BERKELEY, *Ellice Consulting*



**“The architecture of the facility helps define the culture....
No walls say, ‘We work as a team; we’re open to new ideas.’”**

— CRAIG ROSENBLUM, *Willard Bishop*



not see beyond their own canned-goods aisle. Now they have yardsticks, including return on investment and employee and customer retention.

“At first blush, a good company culture doesn’t appear to translate into higher returns on investment, but it does,” Osolind says. “Culture can be measured and quantified, and can be consciously cultivated using new technologies.”

Keep the employees happy and you might make the “Best Companies to Work For” lists. “Wegmans, for example, gets high ranks because it offers great benefits and scholarships and involves employees in planning,” Osolind says. For example, Wegmans’ website section on “values and culture” pledges to “empower our people to make decisions that improve their work and benefit our customers and our company.”

Continuous surveying can indicate whether customers are happy. Don’t underestimate customers’ changing needs and wants. Fickle as pre-teens, they tell it like it is, given the chance.

Rosenblum advises retailers to compare the amount and effectiveness of in-store training to customer complaints and profits. The employee training goal, he says, is for positive traits like being helpful to become ingrained. Employee satisfaction and customer happiness quotients often add up to tangible increases or decreases in sales.

MANAGEMENT STYLE

The way managers supervise also can impact company culture. “Hierarchical and autocratic don’t work,” says Quinn, particularly with today’s young adults. Understand that you are recruiting a generation of people who “owned” their preschool projects. No wonder Wegmans features employees in its YouTube films who use the terms “my counter” and “my store.”

“Employees leave. Employees must ‘own’ company changes and their futures. Dictate it to them and you won’t have their commitment.”

At the employee-owned Publix, the 160,000 “associates” have a stake in the company. That makes the company’s relationship to its communities all the more important, says Brous. “We live there and work there,” she says. “We’re not at their service; we’re their stewards.”

Employees at all companies today want to be included in

the conversation, and the good news is the Internet and social media have made regular, open communication possible. “Use blogs, Twitter and your website to solicit feedback,” Osolind says. “Post recipes from employees and customers. Share news with your employees daily, not at a weekly meeting.”

Instead of barking orders, supervisors need training on empowering workers to get the job done. “Managers are coaches now, not bosses,” says Osolind. “Employees are team players.”

A FRESH LOOK

If all else fails, the smart retailer rebuilds and remodels its stores. Manufacturers also can communicate a cultural refresh with a building remodel. Consider the message offered by a café in a glass atrium instead of a dingy employee lunchroom, or the open-arms foyer that tells the outside world “welcome” instead of “go away.”

Even a building’s architecture sends a message to the outside world. “The architecture of the facility helps define the culture,” says Rosenblum. “No walls say, ‘We work as a team; we’re open to new ideas.’”

Walgreen Co.’s decision to make its stores lighter and brighter communicated “fresh and clean,” Quinn says. Its architecture helps convey the “I want what I need, when I need it, how I need it” consumer culture, she says.

Dominick’s and Jewel, on the other hand, have updated some of their stores in the past 10 years to reflect a more “natural and organic” culture, Quinn says. Gone are fluorescent bulbs, laminated tiles and bowling-alley aisles. In their place are ceiling lights with shades, wood-look flooring and aisles of varied lengths and widths.

Customers are still going to shop for value, old facility or new, Rosenblum says. But they will appreciate a fresh look, especially if the company’s new pledge sparkles as much as its new windows do. **RL**

Freelance writer Leslie Mann has written for trade, consumer and collegiate publications and is a regular contributor to the Chicago Tribune and its national syndicate. Her topics run the alphabet gamut from aortic valves to zebra fish.