



Are You Tired Of Continually Looking For Good Employees, And Frustrated By The Employees You Do Have?

Outline

June 15, 2006 Tele-Seminar

Based on the frequency that the subject of “getting good help” is brought up by owners and managers it is obvious that this is a hot topic in our channel of trade.

What I am also hearing from a smaller group of mostly High Profit retailers that finding and retaining good employees is important, but not the obvious problem it is for the majority of retailers.

What the NBDA Cost Of Doing Business Tells Us.

	All Responding	High Profit
Total Equivalent Employees	5.8	9.7
Total Revenues Per Employee	\$108,000	\$107,000
Operating Margin Per Total Employee	\$52,000	\$54,000
Payroll as Percent of Operating Margin	54.3%	49.1%
Operating Expenses (as a percent of revenue)		
Salary, Wages, Bonuses, Commissions – All Employees (does not include owners)	13.3%	14.6%
Employee Benefits Expenses	1.1%	1.5%
Total Payroll Expenses – including owners	24.0%	22.3%
Operating Margin (Total revenue less Total Cost of Goods)	45.3%	45.8%
Total Operating Expenses	43.3%	37.5%
Net Operating Profit (or loss)	2.1%	8.3%
Bicycles		
Gross Margin	38.0%	37.4%
Turnover	2.5x	3.0x
Profit or loss on bicycles (Gross Margin less Total Operating Expenses)	-5.3%	-0.1%

What are the High Profit retailers doing that may be different?

They are always recruiting from their network:

- Employees
- Customers
- Business Associates



They hire people-people and teach them about products.
They focus on consistent on going employee education.
They have store policies and procedures, and stick to them.
They don't let the employees decide whether they will follow store procedures.
They have the systems to provide the metrics to measure employee performance.
They ask about or survey customer satisfaction.
They are customer focused – not product focused.
They recognize the generational differences.

- Continually recruiting from your network:
 - Employees
 - Customers
 - Business Associates

- Hire people-people and teach them about products.
 - Service Naturals
 - T. Scott Gross, *Why Service Stinks...and Exactly What to Do About It!*
 - Hire For Attitude – Train For Skills
 - Nothing is going to beat a good profiling system when it comes to selecting Service Naturals.

- Focus on consistent on going employee education.
 - Customer service – is a product that is custom produced, on the spot!
 - Everything you and your staff does and touches today is marketing...everything!

- Have store policies and procedures, and stick to them.
 - *The Complete Guide To Bicycle Store Operations* by Ed Benjamin
 - Available from the NBDA at www.nbda.com

- Don't let the employees decide whether they will follow store procedures.



- Your store systems will not work well – or at all, if the employees decide whether or not to use your systems.
- New employees will be much less effective without structure or leadership
- Have the systems to provide the metrics to measure employee performance.
 - At minimum – a POS system that allows tracking by sales associate.
 - Close rate per sales associate.
- Ask about or survey customer satisfaction.
 - Recruit and hire according to what your customers expect
 - Ask shoppers and customers how your employees are marketing your brand.
 - Mystery shoppers
- Recognize the generational differences.
 - Hiring, motivating and retaining employees...is not longer as simple as it used to be!
 - Seniors, Boomers, Generation X, Generation Y – all mixed up together, make for an interesting challenge...but a huge opportunity!
- Summary

Bike Profits
www.bikeprofits.com
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