



## Who do you trust to run your business?

*By Janelle Johnston*

The importance of having the right leaders running your business can be the difference between having a profitable growing business or one that is stagnant or worse still, on the decline.

Last month I travelled to Canberra for a client to search the market place for a Store Manager. (Not poaching from my clients stores of course) I walked into every single retail store in Canberra City Centre and managed to only give out 3 business cards to quality staff. I then travelled to Belconnen Centre where after the same exercise, I gave out 2 business cards. My mission was clear, to seek out dynamic retailers in the market place.

I was surprised by the amount of stores without managers and the total lack of customer service. The potential to increase sales was definitely there, (I am a self confessed shopaholic), but the delivery from most retail stores did not take advantage of this opportunity.

Can more sales be achieved from these stores? Absolutely. Loss of sales from these retailers? Immeasurable.

Choosing your ideal leaders is a challenge and an important decision for your business. The pitfalls in your leadership quest can be wide and varied. Let's explore some key areas of the leadership selection process together with the common mistakes that can occur.

### **1. Promoting inexperienced staff members**

Ideally, every retailer will have a strong succession plan that supports the promotion of staff members within their business. Unfortunately, sometimes there is a breakdown of this process along the way.

Initially, the easy option could be to just promote the staff member in the store already. Great idea if this person is ideal for the role. Even if the staff member is your super salesperson it doesn't mean that they will therefore make a good leader.

Promoting from within should always be the first option but this person should be evaluated for the position in line with the job description as you would by recruiting outside the business.

The initially easy sounding option may turn out to be the hard road if the decision is not clearly evaluated.

## **2. Hiring Inspirational Leaders**

Let's face it, jobseekers are demanding more from their work place today and in retail, good staff are very hard to find. We need to look outside the box on how to source top leaders in the market place and have a stringent interview process in place with this selection.

As a retailer/recruiter/trainer, it amuses me when companies are so negative about using recruitment companies. Don't get me wrong, there are some shockers out there but there are also genuine recruiters who can be of great support to your business.

My client had put in months of hard work to source a new Manager for their Canberra store. With my referral contacts I obtained 2 suitable Managers within 2 days. Both of these people were not officially searching for another role. They were part of the hidden jobseekers market.

As a business owner, working with any company that I outsource work with is an important partnership. I have worked with people for my marketing needs, IT, sales etc and have always found that having clear goals and an open communication within the partnership has proven to achieve great results and saved me money and alot of time. Valuable time that I need to grow my business.

My top tips in seeking out the great leaders in the market place would be:

- Have a poaching strategy. Be careful doing it yourself as it can get you into trouble with your competitors.
- Know the best leaders in your field, build a relationship and keep in contact with them.
- Evaluate what advertising works best for you.
- Utilize the contacts in your industry.
- Brand awareness; ensure all facets of your business helps attract top leaders to want to work for you.
- Build a strong partnership with a trusted recruitment agency that understands your business.

As for the selection process, a referred staff member from a trusted source that understands your business minimizes the risk of unsuitability and saves you valuable time. Referrals are the essence to my business.

The best way to see how people perform is to observe them on the job, so poaching is a great tool in selecting new staff.

The interview process is also an integral part of ensuring you select the right candidate. Here are some of my tips on ensuring this process is successful:

- Relax the candidate as much as possible as this will help retrieve more information, good or bad that will be invaluable to your assessment.
- Ask open ended questions and ask for situations to back up their experiences. Are they talking about something they have achieved or someone else?
- Assess their culture fit for your business, do they like structure? Describe your ideal boss?
- Validate information on the resume, dates, position, reason for leaving etc
- Thorough reference checks need to be actioned to assess not only skills required for the role but the culture fit and future longevity of the potential employee.

### **3. Sink or Swim**

Wow, what a relief, you have now placed that top leader in your business and you can't wait to see the amazing results that they will achieve.

Remember, it doesn't matter how fantastic this new employee is, they will still need a lot of support to adjust to their new role and environment. Retail can be such a fast paced world, that we can often lose sight of how important the initial time invested in our staff can be.

Some valuable steps should be in place to ensure that your new staff member is set up to succeed.

- Clear job description
- Clear goals set
- Strong Induction Process- minimum 2 weeks
- Train them with the best leaders in your business – fly them interstate if you need to.
- Buddy system in place
- Self Assessment and Company Assessment conducted
- Open Communication
- Regular Feedback (no surprises down the track)

### **4. Retain Good Staff – Hold on for dear life**

From my experience in interviewing candidates that have decided to make a career move, I come across similar reasons for their decision every day. Sometimes the company panic and go out all stops at the last minute to keep that valuable staff member, but often, if that person feels that they have not been heard before, it becomes too late.

Here are some of the main reasons that I come across:

- **Work Conditions** – As I specialise in retail it concerns me that many people are disheartened and want to leave this field due to work/life balance. How many weekends do they have to work? Time to travel to their store, flexibility in hours and requesting time off have all been concerns. As retailers, we know that we may achieve 30% of our business just on a Saturday but we must have a strategy in place to have a balance that will not only achieve maximum sales results but retain our valuable employees.
- **Fair Pay** – As the saying goes, you pay peanuts you get monkeys. Assess your competitors and know what the overall retail salaries are like and beat it. That's right, beat it. Employees are smart and this is one subject like it or not, that is often talked about. I understand the cost restraints and profitability required in business, but rewarding your top staff is worth it. Get the edge on your competitors and attain & retain top leaders in your business.
- **Reward and Recognition** – Staff need a reason other than just loving their jobs, to go above and beyond their job expectations. Bonus systems together with regular competitions are a great way to motivate your staff to achieve exceptional results and have some fun along the way.
- **Empower** – Let your staff use their minds and value their decisions. All great companies have strong policy & procedures but there needs to be some flexibility in allowing your leaders to give input and make their own decisions accordingly. Trust and foster ownership with the leaders in your business.
- **Build a strong relationship** – A people driven culture is a request of most people that I meet. What does this mean? The words commonly used are friendly, open, regular constructive feedback, listen, care, understand and get to know them as a person, not as a number.
- **Challenge** – Retail is a stimulating environment but sometimes when you have been in a company for a long time you need more to keep your mind active and excited. Think of challenges related to your individual leaders that will not only motivate them but also bring value to your business. Can they organise your next instore competition, Train a new staff member or work with the VM team? etc.

## 5. Suffer the consequences of Poor Leadership

We have all made poor judgments in selecting the wrong Leaders for our teams at some stage and after analysing the possible consequences of this decision, it only highlights the importance of investing in selecting the right leaders in the first place. So what can happen when we make that wrong decision?

A few issues that come to mind are:

- Loss of sales

- High Staff turnover – often losing valuable people
- Damage to Brand Image
- Security issues – Staff theft
- Reduction in productivity
- Breakdown in Succession Plan Process
- Development of staff's skills minimized

All are a scary thought I know, but it can be the cruel reality.

In Summary, I hope that I have helped highlight the importance of having the right Leaders running your businesses and that you have found some of these tips of value.

It is so rewarding when your Leaders drive their team to achieve fantastic results. Wouldn't it be great to have that Monday sales meeting, when you are analysing the performance of your stores from the week before knowing, with confidence, that all of your Leaders have maximized the potential of their business?

A good Leader can achieve huge sales growth for your business and on the other hand, a poor leader can mean a possible 50% decrease. In dollar figures, that could make a huge difference to your business. Is it worth investing in this process? I will let you be the judge.

We must also remember ourselves, that we too are Leaders. It is important for us to continually self evaluate our performance and to constantly take steps to grow and develop our Inspirational leadership qualities.

My aim for all of my articles is to make a difference. I hope that I have achieved this and that I can contribute to the growth of your business in some way.

Good luck in Leading Your team to Success!

***“Success is becoming who you are capable of being.”***

***Janelle Johnston is the Director of People Potential Recruitment and Training Solutions***

***P.O. Box 1053***

***Geelong Victoria 3220 Australia***

***Phone: 61 3 5223 3321***

***Fax: 61 3 5223 3326***

***[www.peoplepotential.com.au](http://www.peoplepotential.com.au)***

***[enquiries@peoplepotential.com.au](mailto:enquiries@peoplepotential.com.au)***