

RETAIL WINNERS

Winter 2011

 Retail Institute®

empower managers for success



Holly from Repco Pukekohe with her Manager

A POSITIVE ENVIRONMENT DRIVES SUCCESS

Repco provides a professional environment for staff to expand their skills and develop their careers.

Repco offers a training strategy that includes Retail Institute qualifications at all levels, from shop floor through to management.

It all started in 2006, when Repco offered their employees the opportunity to sign up to the shop floor qualification, the National Certificate in Retail (Level 2). This was successful. Repco then began to offer the supervisory and management level programmes, the National Certificates in Retail (Level 3) and (Level 4). Over five years, Repco has seen 229 employees achieve a retail qualification.

Jason MacRae, Repco's Training Manager says, 'Offering the supervisory and management qualifications in conjunction

with our own internal training provides a clear career development pathway'.

Repco's positive training atmosphere is a result of team work, regular communication, celebrating success and ensuring that Managers and Supervisors understand the benefit of developing themselves and their teams.

'We encourage our managers to complete, as a minimum, the National Certificate in Retail (Level 2), not only to better understand the retail component of our business, but to better support others completing National Certificates in their store', says Jason.

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KEY TO SUCCESS IN RETAIL - DEVELOPING THE SKILLS OF FRONTLINE MANAGERS

Last year at a forum organised by Retail Institute, New Zealand's top retail CEO's agreed that well trained supervisors and managers are key to retail success and improving productivity in the retail sector.

Retail Managers' are vital to store performance. They set the tone for the store; they monitor and manage the behaviour of all store staff; and they need to be capable of creating the right customer experience in a variety of settings.

A 2009 survey by McKinsey and Company revealed that retail companies which successfully empower their frontline managers show significant increases in productivity and financial returns over those that don't. Empowered managers are those that can confidently and safely make decisions, anticipate problems and coach their direct reports, rather than simply following and giving orders and solving day to day problems.

McKinsey and Company demonstrated that frontline managers require high levels of skill development to effectively perform their jobs. However, they get considerably less training and support than floor staff:

'while frontline employees receive extensive training and development, their managers—who may have had no previous experience leading others—do not. At all levels, executives believe that the little training they do receive fails to prepare them to take on leadership roles successfully'.

This picture is consistent with the experience of the Retail Institute in New Zealand. 90% of trainees signed on by retailers for formally recognised training programmes are shop floor staff, learning basic retailing and customer service skills. The percentage of supervisors and managers engaged in training is much less than Retail Institute would expect.

John Meeuwssen, CEO of Retail Institute notes that 'the level of communication skills – language, literacy AND numeracy skills - required for any business in today's world has increased markedly, not only in terms of the ability to improve teamwork and the clarity of internal communications but also to

empower store management to confidently manage stores to better meet the needs of locals and the increasing expectations of customers for an experience'.

John Albertson, CEO of the New Zealand Retailers Association, agrees that there is a need for training at this level. 'Many supervisors and managers are shop floor staff that have been promoted internally because of their excellent customer service or selling skills. Just because someone is a good salesperson doesn't necessarily make them a good manager. Training can help managers improve their management skills and keep up with changing retail trends.'

Retail Institute believes that the key to long term productivity and success is having strategically minded 'thinking Managers and Supervisors'. Over the next few months, Retail Institute will be doing everything it can to encourage employers to support their supervisors and managers in developing their skills. It now has a complete range of training products for middle managers which will enable staff to progress from the shop floor to senior positions and which are formally recognised by the New Zealand Qualifications Authority – (see opposite for a description).

Retail Institute will be approaching the CEO's of New Zealand's 160 or so chains and individual owner-operators to promote take-up of the training available. With government support, these products are cost efficient and provide support to individual trainees according to need at localities throughout New Zealand. 'This campaign is to help business owners understand the benefits of empowering their frontline managers', says Retail Institute Marketing Manager, Emily Stevenson.

Companies which successfully empower their frontline managers show significant increases in productivity and financial returns.



TRAINING AVAILABLE FOR RETAIL MANAGERS AND SUPERVISORS

Retail Managers and Supervisors make up 2.5% (over 40,000 people) of the New Zealand workforce. As a group they are half as well qualified as the management workforce as a whole. Improving the training and development of Managers and Supervisors is the key strategy of Retail Institute.

Retail Institute's supervisor and management programmes will give Supervisors and Managers the skills and knowledge to think critically and strategically, be adaptive, make well informed decisions, foresee trouble and plan for potential new demands. Training will also give them the ability to coach and mentor their staff, deal with conflict, build high performing teams, and understand how to calculate store and staff performance and make adjustments to improve it.

Retail Institute's programmes are for anyone in a supervisory or management position, regardless of how long they have been in retail. The changing demands of the retail industry require Supervisors and Managers to continually upskill to be on the forefront of changing retail trends. Supervisors and Managers will be happier in their jobs and will be more inclined to seek out further opportunities to develop themselves and develop their retail careers.

The programmes are workplace based, meaning no time is required off the floor, and skills learnt can be directly applied to the job. The programmes are module based and self-directed so managers and supervisors can work the programmes around their time commitments. Below outlines the content of the programme Retail Institute offers managers and supervisors.

National Certificate in Retail (Level 3)

The National Certificate in Retail (Level 3) is the supervisory level certificate for the retail industry. It is suitable for most retailers in a supervisory position or those who have completed the National Certificate in Retail (Level 2) and want to progress to the next level. The qualification covers:

- **Store management:** Effectively managing the daily operation of your store requires you to effectively manage your staff and your store's resources. The Store Management module covers store performance measures, assisting in the management of staff and reviewing and improving the effectiveness of loss prevention policies.
- **Staff management:** Staff management covers the fundamentals of teamwork and developing teams to be effective.

After trainees have completed this module they will be able to analyse the strengths and gaps of their team, use techniques to coach and support their team, understand the staff recruitment and appointment processes in their store and the legal and contractual requirements of staff recruitment.

- **Stock management:** Managing stock effectively can positively impact on a store's profitability. Stock management covers displaying stock, maintaining stock levels, preventing stock damage and wastage, identifying preferred and alternative product suppliers and how to complete a stocktake in accordance with store policies and procedures.
- **Knowledge management:** Knowledge management covers elements of the marketing mix. After trainees have completed this module, they will be able understand company vision, identify target markets, use consumer behaviour concepts, enhance their product knowledge, maintain and comply with knowledge of legislation applicable to the sales of goods and services.

National Certificate in Retail (Level 4)

The National Certificate in Retail (Level 4) is the management qualification for the retail industry. It is ideal for retail managers or supervisors, or experienced retail staff aspiring to become managers or supervisors. It is also designed for anyone who has completed the National Certificate in Retail (Level 3) and wants to step up to the next skill level.

The programme contains two compulsory modules and two elective modules and comes with a supporting DVD.

The compulsory modules are:

- **Leadership Development:** The role of a leader is to influence individuals to work in a way that aligns with a workplace's vision and values, ensuring goals are achieved. The Leadership Development module covers leadership and management, problem-solving, self-development and managing in a retail environment.
- **Keeping Your Business Profitable:** Being profitable is the core of business survival. There are many aspects of store operations that impact on profitability. The



Keeping Your Business Profitable module covers performing business calculations, running a profitable store, managing stock, keeping staff focused, safety and security and legislation and compliance.

The elective modules are (choose two):

- **Creating Your Competitive Edge:** Creating Your Competitive Edge is a marketing based module. It focuses on developing a point of difference, planning and implementing campaigns, developing a customer database and using it to develop customer relationships.
- **Informed Retail Sales:** Informed Retail Sales covers reviewing store policies and procedures for float preparation, reconciling and solving variances in sales and takings, using effective communication techniques to match the motivations of customers, and using data to inform decisions.
- **High Performing Teams:** When teams work effectively together staff are satisfied, there is lower staff turnover, and productivity is increased. The High Performing Teams module covers working collaboratively, communication skills, filling skills gaps and managing conflict.
- **Training and Assessment in the Workplace:** Training and Assessment in the Workplace is designed to build in-store capability by providing Managers and Supervisors with the skills they need to become trainers and assessors in their workplace. It covers developing training plans, providing guidance and feedback to staff, understanding unit standards and understanding verification.

For more information on any of these programmes please contact Retail Institute on 0800 486 738 or info@retailinstitute.org.nz

TUTORS NOW AVAILABLE TO SUPPORT MANAGERS TO DEVELOP SKILLS

Retail Institute's retail management programme now offers the opportunity for trainees to receive tutor support.

The National Certificate in Retail (Level 4) is the management qualification for the retail industry. It is ideal for retail managers, supervisors, or experienced retail staff aspiring to become managers or supervisors. It is also suitable for anyone who has completed the National Certificate in Retail (Level 3) who then plans to step up to the next skill level. In 2010, the Retail Institute revised its Level 4 qualification and re-released a module based self-directed training programme that is supported with an informative DVD.

Retail Institute strongly recommends that Level 4 trainees take advantage of the tutor network. There are 15 tutors around the country, so everyone completing the management skills programme will have access to one of these tutors if they require additional support.

The *supported model* offers up to 12 hours of tutoring. The trainee can decide how they wish to allocate these hours between

'It was a pleasure to see that the material the Retail Institute has developed is so good.'

modules if some require more support than others. Tutors can also assist with verification, if required.

The tutor network met in Wellington during May for induction to become familiar with the retail management programme. The tutors were very impressed with Retail Institute's programme and the resources that trainees receive. 'It was a pleasure to see that the material the Retail Institute has developed is so good. I have seen some material that is the exact opposite', said one tutor, Craig Bishop-Everett.

Retail Institute is also starting to receive positive feedback from trainees completing the programme:

'I found the programme enjoyable and fun to do. It has changed the way I deal with my staff when coaching them' - Rebel Sport trainee.

'The programme has made me think about where I am and where I want to go. Knowledge is power and sometimes you forget what you actually know, so I will share with my team members and fellow managers what I have learnt or re learnt as the case may be' - Kmart trainee.

For more information or to enrol in the National Certificate in Retail (Level 4) contact 0800 486 738 or visit our website www.retailinstitute.org.nz

WINNING WITH LOSS PREVENTION TRAINING FOR MANAGERS AND FOR STAFF

Loss Prevention is an important part of being profitable in the retail industry. Being aware of the security procedures and having proactive strategies to avoid loss of stock and fraud are imperative for business success.



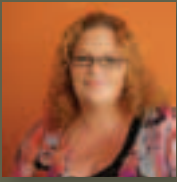
Donna Wakefield, Simon Trillo, Toby Matheson and Clare Madden

Retail Institute offers two training programmes in Loss Prevention: Loss Prevention for Supervisors and Managers and Loss Prevention for Frontline Staff.

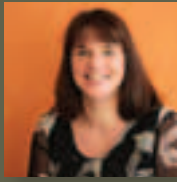
Mitre 10 Mega Dunedin's Loss Prevention Team has recently completed the first stage of these training programmes. The Team believes that these training programmes are exactly what they need to advance their knowledge and skills and to improve the bottom line.

'Our Loss Prevention Team love the fact that there is finally training specifically for their area of the business' says Jackie Billyard,

Retail Institute's Tutors



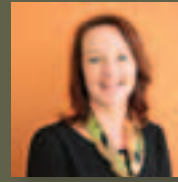
Jo McCormick
Rotorua



Kristine Lawton
Wellington



Leanne Churchill
Dunedin



Rebecca Telford
Wellington



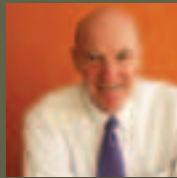
Craig Bishop
Nelson



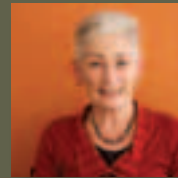
Helen Waddington
Wellington



Tony Pearce
Palmerston Nth/Kapiti



Mal Ouston
Sth Auckland/Hamilton



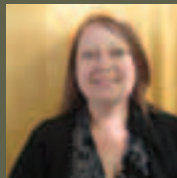
Sue Dwan
Christchurch



Carolyn Gillum
Central Auckland



Sue Grant
Central Auckland



Lisa Cadman
Hawkes Bay/Napier

Tutors not pictured:

- Bev Tagg, Tauranga
- Lousie Champion, North Auckland
- Nathan Harring, Hawkes Bay/Napier

General Manager of Operations at Mitre 10 Mega in Dunedin. 'In the past we had struggled to find relevant Loss Prevention on-the-job training, so were delighted when the Retail Institute developed this material. The team needed little encouragement to take part.'

Mitre 10 Mega Dunedin has a strong learning culture and encourages their teams to continually upskill in whatever area of the business they work in or aspire to work in. Their success is a result of management support and of recognising achievement. 'On a day-to-day basis our management team and our training co-ordinators are always there to constantly offer support. We regard Retail Institute training as beneficial, and therefore actively invite team members to participate in programmes that are relevant to their roles', says Jackie.

Simon Trillo, Loss Prevention Team Leader at Mitre 10 Mega Dunedin, has recently completed Loss Prevention for Frontline Staff and is now working on Loss

Prevention for Supervisors and Managers. Although Simon started his retail career at Mitre 10 Mega six years ago, he says this training has given him the opportunity to brush up on his own, and his team's, skills. He believes that 'this is a great training tool. It highlights some areas of loss prevention that the team weren't aware of. It also gave us the opportunity to review and refresh our systems. If you are working in loss prevention, this programme gives you the ability to continue your learning'.

New Zealand retailers lose approximately \$2.7 million a day as a result of theft and other types of loss. That's almost \$1 billion a year in lost income. Reducing loss from just 1.5% to 1.2% can add as much as 10% in profits. Training staff in how to prevent loss is crucial, particularly in the current economic climate.

"It gave us the opportunity to review and refresh our systems."

Retail Institute's programmes have been created in conjunction with the New Zealand Retailers Association Retail Crime Prevention Group.

Loss Prevention for Frontline Staff helps to build the skills and knowledge needed to minimise and prevent losses on the shop floor. It covers skills such as identifying suspicious customer behaviour, removing the opportunity for theft, what to do if you see theft occurring and reducing process loss.

Loss Prevention for Supervisors and Managers requires an analysis of a store's loss prevention policies and procedures. It covers the impact of staff theft and fraud, strategies to prevent theft and fraud, implementing policies, examining security system procedures, tampering with security systems and strategies to prevent process loss.

ARE YOU READY TO DELIVER A CUSTOMER EXPERIENCE?

The upcoming Rugby World Cup, New Zealand's single biggest (international) event, is drawing an unprecedented amount of attention to our service industries.

During September and October 2011, New Zealand can expect up to 66,000 international supporters and 2,500 international media visitors during the events. This large number of visitors is

expected to drive more than half a billion dollars directly into the New Zealand economy and generate more than \$1.15 billion in total economic activity.

Launched by Prime Minister John Key in October 2009, KiaOraMai is a training programme designed for service-industry employees across New Zealand. KiaOraMai is about creating uniquely New Zealand customer experiences.

Meaning, *be well here*, KiaOraMai aims to communicate the notion of warmth, local knowledge and hospitality, and extend these concepts to a wider perspective.

Employees who take a KiaOraMai training programme will learn how to give customers the kind of service that they'll want to come back to. KiaOraMai covers a broad range of skills such as customer service, product knowledge, personal presentation, managing customer complaints, knowledge of New Zealand tourism features, activities and events. This repertoire of skills and knowledge reflect two of the values that are central to the NZ Tourism Strategy 2015 –

kaitiakitanga and manaakitanga (hospitality and guardianship). In other words, KiaOraMai puts emphasis on the customer experience, rather than just a transaction across the counter.

Who is it suitable for?

KiaOraMai is an entry-level standard training programme for employees working with visitors and customers across the tourism and services industries, including hospitality, accommodation, travel and transport, tourism events and activities, retail, hairdressing, beauty and spa.

How long should it take?

The programme takes approximately 4 months to complete. It's a mixture of training in the workplace and one off job workshop.

How much does it cost?

\$100.00 (inc GST).

Discounted pricing is available for groups.



PHARMACY MANAGER DELIVERS AWESOME SERVICE

As part of KiaOraMai, the programme for creating better customer experiences, Retail Institute is involved in sponsoring the Awesome Service Awards.

In April 2011, the KiaOraMai Awesome Service Award winner was Lisa Farrell, Retail Manager at Khandallah Pharmacy in Wellington. She was nominated by a customer who believes that Lisa's exceptional service needed to be recognised. 'Lisa is an amazing woman who, from the moment you go into the shop, greets you with a warm smile and treats you with the utmost respect and kindness. I have never encountered her on a bad day, and because it is a busy place, she has to juggle situations often, but never gets flustered or rushes you. Lisa is a joy to watch, especially with the elderly who all

just love her. She has the warmest, most genuine smile and always has kind words to say. Working in the area I hear a lot of feedback and it's overwhelming!', the customer said.

Lisa has worked in retail for 27 years, and she has been a retail manager for 16 of those years. She enjoys working in retail because she loves the people contact. Providing awesome service is about 'adapting to each customer's wants and needs, knowing your products and being genuinely interested and honest with each individual person, as well as making sure you meet their requirements. Having great listening and hearing skills is important too, and a sense of humour helps at times! Also, being happy in your work environment and working with people you

respect and like are all important qualities too', says Lisa.

Lisa is a qualified retailer. She has a Diploma in Retail Management, a number of cosmetic house qualifications and is constantly training so that her product knowledge is up-to-date.

The KiaOraMai Awesome Service Awards are a salute to those in business who have looked after us. Anyone can go to the nomination page and name someone or a business they have received awesome service from. The Award is given monthly to individuals or businesses that provide exceptional service.

www.awesome-service.co.nz

EVALUATING SKILLS TO ACHIEVE TRAINING SUCCESS

New Zealand's economic success depends on having a workforce with the skills to support growth and competitive advantage.

Increasingly, business leaders in New Zealand understand the implications of an economy with low productivity by OECD countries' standards (OECD, 2008). With an ever increasing need to apply technology and teamwork to most aspects of all jobs, the need for higher levels of communication and numeracy skills is now much greater than in the past.

The New Zealand Government has developed a national assessment programme to gauge the language, literacy and numeracy (LLN) levels of New Zealanders in order to improve the skills of the workforce. This strategy is called the *Literacy and Numeracy Adult Assessment Tool*.

This online, adaptive tool has been designed to provide reliable information on the reading, writing and numeracy skills of users. This diagnostic work will inform the development of learning and training interventions to strengthen language, literacy and numeracy skills in vocational training programmes.

During our pilot phase in 2011, all trainees signing up to Retail Institute training

programmes are offered the opportunity to complete the online Reading *Snapshot* section of the Assessment Tool. Trainees will take two Snapshot Assessments; the first before they start their training programme and the second after they have finished.

The purpose of the Pre-training Snapshot is to establish whether employees are likely to succeed in their training programme or whether they should be offered literacy, language and numeracy support during or before their training programmes.

The Post-training Snapshot Assessment will measure a trainee's skill levels again, allowing them to see how the training experience has had an impact on their LLN skills, as well as developing their vocational knowledge and competencies.

Benefits for employers

There are a number of benefits for employers in assessing potential trainees in this way. Employers are provided with information about overall trends in trainees' LLN status and progress. This shows broadly what their employees can already do well, and where further support is needed.

The Literacy and Numeracy Adult Assessment Tool also:

- outlines which literacy and/or numeracy skills the trainees need in relation to qualifications, training, work demands or social contexts.
- enables Retail Institute to recommend *next steps* for future training by the employer.
- provides results on trainees' progress over time. This enables Retail Institute to report on progress made by individuals, or groups of trainees to employees.

The results from the Snapshot Assessment will also help Retail Institute evolve our service and resources. This information will lead to more focussed LLN development and strategies in training resources, better customer service, more engaged on-the-job learning, as well as increased productivity.

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Holly Boyd, a Sales Assistant at Repco Pukekohe and Alana Robertson, the Assistant Branch Manager at Repco Invercargill, have benefitted from Repco's training programme. Their success reflects the support they got from trained managers.

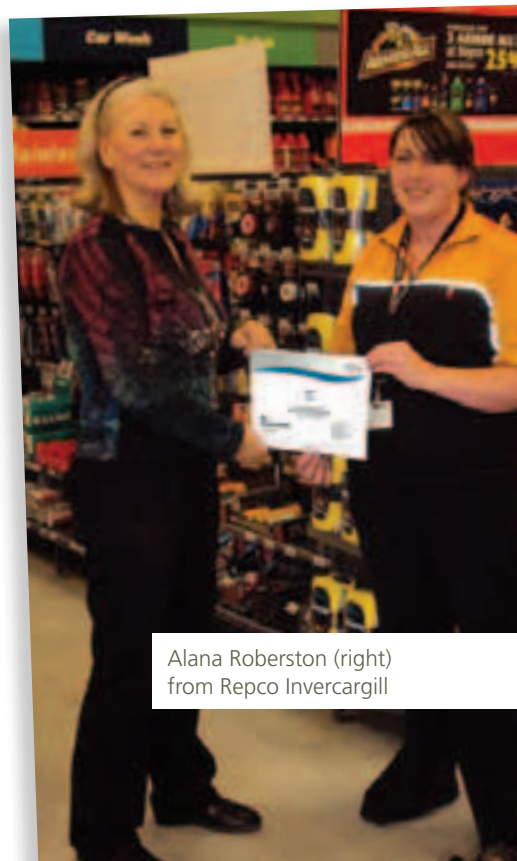
Holly and Alana believe that other retailers should complete retail qualifications. Holly says, 'Retail Institute's training programmes relate to what I do daily. They identify the importance of communication with customers and colleagues. I learned about giving appropriate constructive feedback to colleagues, the importance of going 'the extra mile' for customers and recognising their buying motives so that I can up-sell'.

While working through the National Certificate in Retail (Level 2) Alana gained an understanding of how gross profit affects the big picture. 'It's not just what I do, it's what we do as a team. Bottom line sales

really matter. If we lift them we have more flexibility in our expenses', says Alana.

One of the biggest challenges in retail is realising that 'without customer service you have nothing', continues Alana. 'Retailers need to realise how important their staff are in achieving business success and goals.' Alana found that the National Certificate in Retail (Level 2) was 'very helpful in training staff in skills and helped identify the importance of mentoring new staff. Both programmes cover a wide range of skills, including marketing, merchandising, price- ticketing and interaction and showing genuine care for our customers'.

With help and encouragement from their managers, Alana and Holly both have aspirations to develop their careers in retail. Holly plans to start the management level National Certificate in Retail (Level 4) next year and Alana plans to continue on to the supervisory level National Certificate in Retail (Level 3).



Alana Robertson (right)
from Repco Invercargill

CONGRATULATIONS TO THE FOLLOWING BUSINESSES, WHICH HAVE HAD TRAINEES COMPLETE QUALIFICATIONS IN QUARTER 4, 2010:

Customer Service Award

Barkers
Briscoes
Capital Development Agency
Dulux
Fresh Choice
Invercargill Licensing Trust
Liquor King
Living & Giving
Mitre 10
Mitre 10 Mega
Office Max
Rebel Sport
Richmond Mall Opex
Supervalu
Wellington Cable Car Trust

Pumpkin Patch
Rebel Sport
Red Rat Clothing
Repco
Resene Paints
Rexel
Rockshop
Shanton
Shop on Carroll
Silvermoon
Smiths City
Stokes Valley Community Library
Summit Grains & Saddlery
Telecom
Toycity Ltd
Trade Aid
Whitcoulls

Training and Assessment in the Workplace

Hallensteins
Liquor King
Mitre 10 Mega
New Zealand Transport Agency
Opex
Rebel Sport

National Certificate in Retail (Level 4)

Leading Edge Communications
Repco
Shell
Whitcoulls

Loss Prevention for Frontline Staff

Mitre 10 Mega

National Certificate in Retail (Level 2)

100% Newbolds
Bed, Bath & Beyond
Beds R Us
Bendon Lingerie
Bond & Bond
Briscoes
Butlers Chocolate Café
Canterbury of New Zealand
Cardales Stationery City
CC Ward
Creations Unlimited
Crighton Building Centre
Fishspot
Fresh Choice
Hardy's
Health 2000
Hogeys Retail
Humpty Doo Toys
Ideal Electrical
King Dicks
Kitchen Things
Leading Edge Communications
Life Pharmacy
Liquor King
Local Liquor
Mama Mias
Mitre 10
Mitre 10 Mega
Music Works
Noel Leeming
Office Max
Outlet Liquor
Palmer's Garden World
Paper Plus
Paul Money Hifi & Home Theatre
Politix Menswear

Loss Prevention for Supervisors and Managers

Mitre 10 Mega

National Certificate in Retail (Level 3)

Armed Forces Canteen Council
Beds R Us
Briscoes
Foxy Lady
Hallensteins
Healthy Shop
Kmart
Leading Edge Communications
Lifestyle Originals Ltd
Liquor King
Liquorland
Mitre 10 Mega
Number One Shoe Warehouse
Office Max
Paper Plus
Rapunzel Clothing Co Ltd
Rebel Sport
Repco
Resene Paints
Rockshop
Ruapehu Alpine Lifts Ltd
Shell
Smith & Caughey Ltd
Smiths City
Storage Box
Supervalu
Telecom
Yarntons
Zohar

Retail Modern Apprenticeship

Dulux
Mikkelson's Betta Electrical
Mitre 10 Mega
Noel Leeming
Paper Plus
Rotoma Timber and Hardware Ltd
Turangi and Lake Taupo Marine Ltd

National Certificate in Distribution (Level 2)

Bidvest Foodservice
Briscoes
Tradestaff Training

National Certificate in Distribution (Level 3)

Bidvest Foodservice
Mitre 10 Mega

Distribution Modern Apprenticeship

ACCO New Zealand Ltd
AF Logistics
Flivways Transport