

To Better Serve the Customer ...



By Stan Pohmer

People in our industry are extremely fortunate to be able to work every day with products ... plants, trees, flowers and supporting hardlines categories ... that they truly love being involved with.

Maybe it's the science of the plants. Maybe it's the beauty of them. Maybe it's the chance to get back to the fundamentals of nature and the essence of being. I get all this.

But whether you're a breeder or a retailer, or anyone one in between, we all share one critical component that allows each of us to financially survive, so we can continue to enjoy everything we're passionate about. And this critical component is the end or ultimate consumer.

From Then to Now

Without consumer sales, there is no future for any of us. Yet, as I study not only locally owned garden centers, but the broader retail marketplace, I get the sense that too many retailers are taking the consumer for granted, focusing their efforts more on the products they sell than on the individuals that they want to purchase them.

In today's ultra-competitive retail arena, where consumers have an almost infinite availability of product options and venues, there's a realization that all sellers must comprehend and use as a guiding light in their individual business models: Retailers need customers to survive; customers, however, don't need you or what you sell to survive.

I spent more than three decades in retailing, most of them long before we had the sophisticated marketing communications, inventory management, logistics and distribution tools we have available today.

The retail world was much simpler and we didn't have to worry about things like online competition, and the word "omnichannel" wasn't in the Mirriam-Webster dictionary yet.

Some companies had vision and mission statements, but the one guiding principle all successful companies shared was that they were in business to serve the customer!

It didn't matter whether you were the butcher, the baker, the candlestick maker or the garden center; you were in business to serve the customer. The only differentiator was the different products sold, but the focus on the customer was pre-eminent. In the "olden days," when we were considering adding a new product category to our assortments, or changing an operational process, or adding a new service, it was always measured by one challenge: will it allow us to better serve the customer?

Retailers need customers to survive; customers, however, don't need you or what you sell to survive.

If it didn't add value or benefit to the customer, why invest the time, money and effort into it?

Taking the Customer for Granted

At one point in time, Sears Roebuck was a retail icon, the largest in America, with stores on Main Street or the regional mall in virtually every town in the U.S. To compensate for their limited store assortments, they had a vast catalog offering that, like Amazon today, sold almost any product you could imagine. They truly served their customers better than any other retailer, giving them a huge competitive edge. But times changed, and they didn't.

Other retailers figured out how to better serve the Sears customer, and the Sears team didn't respond to the challenge; they took their customers for granted, and their customers took their business to where they were better served.

Fast forward to 2004. Kmart, a once dominant discount chain that, too, had lost focus and wasn't serving their customer as well as most of their competitors, was bought out of bankruptcy by hedge fund guru Eddie Lampert, who paid pennies on the dollar for outstanding Kmart debt and took control of the company. Lampert was also a major

shareholder in Sears and brokered the merger of Kmart and Sears, forming Sears Holdings.

The result of this merger is that we have two financially strapped companies trying to shrink their way to profitability by focusing on asset sales and cutting expenses, none of which improve their ability to serve their customers. Analysts predict that Sears Holdings is on the brink of insolvency and even Eddie Lampert, now chairman and CEO, states that Sears remains in business only at the pleasure of their lenders and suppliers; sales and profits continue to plummet and long-term viability is suspect.

In a recent rare public interview, Eddie Lampert stated, "We don't need more customers. We have all the customers we could possibly want. As soon as we start making money, people are gonna say, 'How did I miss this?'"

It takes customers to make money, Eddie! Talk about taking customers for granted! Their operational focus on their business at the expense of serving their customers is their Achilles heel that has permeated both Sears and Kmart for decades and led to their current situation. You are a destination retailer where the customer has to make a conscious decision to make a dedicated trip to your store, this in a world of infinite product and venue choices.

The customer is the one who makes the decision on what retail option best serves their needs.

Your core mission should be to ensure that they experience and understand that you serve them best, making you the retailer of choice among all others.

I urge you to use the criteria of "Does this better serve my customer?" as the benchmark for every assortment, operational or marketing decision you plan. If it doesn't pass this test, it probably isn't worth your time, money and effort investment ...

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