

Retail risk in Covid and post-Covid times - scoring an own goal

By [Ben Jansen van Rensburg](#)

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Ben Jansen van Rensburg, director of Neo Retail Solutions, [continues his analogy](#) of retail performance management versus sports management - in essence, what retailers need to do to survive the economic melt-down due to the pandemic.

An eight-point plan for success from the Gaffer



Sir Alex Ferguson

In 2012 a Harvard Business School (HBS) professor, Anita Elberse, took up a unique opportunity to examine the management style and principles of Sir Alex Ferguson (also known as 'the Gaffer'), previously manager of Manchester United, and arguably one of the most successful in the history of the game.

She noted that "success and staying power like Sir Alex Ferguson's demand study, and not just by football fans. How did he do it? Can one identify habits that enabled his success and principles that guided it?"

So, they proceeded to scrutinise Ferguson's methods for success and developed an HBS case study around the subject.

The *Harvard Business Review* [published excerpts](#), providing his eight-point plan for success as follows:

1. Start with the foundation - Develop 'centres of excellence' for promising players.

In retail that translates into: learn how to identify, acquire and retain talent.

2. Dare to rebuild your team - Even in the midst of a successful present, look to the future.

Retailers must know what needs strengthening and what needs refreshing.

3. Set high standards, and hold everyone to them - Your team needs to be winners and be driven to do what it takes to win.

Just as with the members of a retail store team, each player must know what it takes to win and do it.

4. Never, ever cede control - If Ferguson's team players broke the rigid standards he set, they were fined. If they stepped out of line in a way that could undermine the team's performance, they were invited to leave.

Easier said than done with SA's labour laws but can be achieved with the mandatory protocols.

5. Match the message to the moment - When it came to communicating decisions to his players, Ferguson – perhaps surprisingly for a manager with a reputation for being tough and demanding – worked hard to tailor his words to the situation.

Communication with store team players is vital.

6. Prepare to win - Ferguson's teams had a knack for pulling off victories in the late stages of games. To drive home the rule that the game is never over until the whistle blows, he had players regularly practice how they should play if a goal was needed with e.g. ten, five or three minutes remaining.

Just because we are operating in Covid-19 restrictive times, does not mean that is an excuse not to continue to drive for service excellence and going the extra mile.

7. Rely on the power of observation - He watched; delegated. This gave him time to switch from coaching to observing. The latter allowed him to better evaluate the players and their performances.

Observation is critical to management. The ability to see things is key, or, more specifically, the ability to see things you don't expect to see.

8. Never stop adapting - Be open to change.

The retail landscape is constantly changing, and concurrently new technologies come onto the market at an exponential rate. Stay on top of developments and make sure you have the best tools available to do the job.



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Ben Jansen van Rensburg 1 Jun 2020



Measuring efficiency

If one takes the analogy of sport and applies it a step further in business, and factoring in Sir Alex's formula, it could be said that it really would not matter if it was a soccer team or a retail store team, there are two issues that are paramount - performance management and the measurement of efficiency.

Every one of the foregoing points are applicable to store management in a retail world that has shifted over time. In the old days it was much easier to make a profit, but today as corporate chains develop and grow, individual shop owners in the group can find themselves in competition with their own chain.

Many store owners might argue that this is tantamount to the big guns cannibalising their own branded shops. This is an odd situation in the face of financial reports that show that franchise stores return higher profits than corporate-owned stores.

The Covid-19 pandemic is exacerbating the situation with local store owners finding they cannot sell certain items but must still order full stock and pay for it. At the same time they must balance the need to cut costs. Moreover, if one of the staff test positive, the store will be closed; expensive and extensive deep cleaning of the entire facility is mandated, losing trading days.

Don't make the mistake of throwing people at the problem

All too often store owners suffering from slow service complaints from customers, make the mistake of hiring even more people which not only does nothing to address the problem but actually exacerbates it – with even more personnel and less control in the absence of staff appraisal tools.

Many stores run enterprise resource planning (ERP) systems for accounting but have nothing in place in terms of people management. What is needed is a platform with mechanisms, just as they are employed in sport, to show how individual team members are performing.

Globally the retail industry has, as with all businesses, driven to embrace digital transformation and the Fourth Industrial Revolution. There is a big desire to digitise retail and part of that must be a real-time indicator of stock plus team task management performance results at an overall level, but also drilling down to individual performance levels.

The days of manual stock management from spreadsheets are truly over. Technologies are available and must be deployed that permit the retailer to order more accurately; avoid out of stock situations, plus the antithesis of overstocking. Moreover, stock checks must be automated.

For example, manual stock checks that are adjusted on popular lines, where stock is carried for 23 days with delivery every three days; but as sales decrease adjusting a spreadsheet to a 28-day stock holding will do nothing to ensure the store is maximising profit or has a clear understanding of stock levels.



Digital strategies key for retail to survive a shifting consumer landscape

Jan Bouwer 28 May 2020



There is a difference between audited stock versus what is on the shelves. The former is counted once a year to finalise books, whereas the latter, if it is to be meaningful, must assess what to count on the shelves and without some arbitrary manual process guiding what and when counts are undertaken.

In conclusion, technology tools are available to manage all the issues raised here. Retailers must acquire plus deploy them

and perhaps take a final lesson from the Gaffer who says:

"We had to be successful, there was no other option for me, and I would explore any means of improving. I continued to work hard. I treated every success as my first. My job was to give us the best possible chance of winning."

Retailers need the support of solutions that give them best chance of winning.

ABOUT THE AUTHOR

Ben Jansen van Rensburg is co-founder and sales director of [\www.neo-rs.com Neo Retail Solutions], a specialist provider of technology solutions that maximise retail convenience, and secure stock while increasing the range and sales of High-Value Products. Ben has over two decades of experience in the retail and hospitality technology sectors in South Africa. He is passionate about delivering heightened efficiencies through the deployment of technology innovations. At Neo Retail Solutions he is responsible for sales and marketing. Email: ben@neo-rs.com

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