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## Avoiding the 10 Critical Errors Beverage Operators Make





OFFICIAL PUBLICATION OF THE MINNESOTA MUNICIPAL BEVERAGE ASSOCIATION www.municipalbev.com Volume 68, Number 6, 2009/2010

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### On The Cover

As the adage goes, "When a man with money meets a man with experience, the man with the experience ends up with the money and the man with the money ends up with the experience."

Fact is making mistakes is an inevitable consequence of gaining experience. Some things can only be learned at the school of hard knocks.

That having been said, in every business there is a special class of mistakes that should be avoided like the plague. Leaving the place unlocked at night is an example.

The list of capital crimes in the on-premise (and off-premise) business encompasses every aspect of the operation—from serving boring drinks and mangling your relationship with the staff to being an inhospitable host and running an inexcusably loose ship.

In an effort to shorten and shallow out the learning curve, 10 critical errors beverage operators make can be found starting on page 7.

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## **MMBA President's Message**



Tom Agnes President

Numbers! Friend or Foe?

What kind of numbers do you use to run your organization? In the municipal liquor business we should all pay attention to "Critical Numbers" such as sales dollars, gross profit and net profit. The state auditors look those critical numbers and at things like operating and non-operating revenues and expenditures, fund transfers and population.

At our upcoming MMBA Boot Camp we will go a little deeper and look at 3 year running sales info, how freight is calculated in to your cost of goods, also your inventory costs and what an inventory turn is. We will dive into staffing costs and mark up vs. gross profit percentage.

If your head is not spinning yet I would like to offer a couple ideas for you to use in your organization.

#### 1. Sale dollars tracking

This seems to be number one on the "critical number" list. Some organizations wait for city hall to give them this number on a monthly basis. I challenge you to start your own tracking before it ever goes to city hall. Have you ever wondered why some months we end up with a pretty big increase with nothing special going on and other months no matter how hard we try we still are flat or down?

A good tracking pattern to follow is weekly sales. If you are off premise you do your sales Monday thru Saturday -Saturday typically being the busiest day of the week and Friday not far behind. In fact if you look a little closer you might find that Friday and Saturday combined represent over 50% of the sales for the week. With that fact in hand when you look at the month of April this year you will see that we have 5 Fridays and 4 Saturdays, when last year we only had 4 of each. That should make for a good April and a bad May since last May we had 5 of each.

So now whether you account for those months that will be a little off or you start tracking those numbers weekly is up to you.

#### 2. Using graphs

Graphs are a visual representation of number. Many of us get lost when we look at a typical spreadsheet of numbers. Most of us these days have access to Excel which can easily convert numbers in a spreadsheet into any sort of graph. Even if you don't have access to these things start a chart on your office wall with sales dollars on one side and Jan thru Dec on the bottom and see how the seasons, weather and market conditions change things. 15 years ago Northbound Liquor in Cambridge did this. As they had continued success they had to continue to add paper to the top to keep up with the sales. Also ask your database provider if they have reports that include graphs.

#### 3. Net profit

While sales numbers may be the most popular of the "critical numbers," net

profit is the most important. Develop a system to look at things that affect that net profit number such as staffing costs. What % of your sales are spent for staffing? Also look at the easy things like what you pay for insurance. This has drastically dropped in many combination accounts by switching to Wells Fargo Insurance Services.

Of course I could go on all day, but a few more I want you to notice are customer counts, average ticket price, what % of your sales are split up between beer, liquor and wine and how many SKU's do you carry?

All these can be important when looking at how different categories operate in different markets at different times. When I first started here at Brooklyn Center 4 years ago we did not even handle a Malbec but now wines from South America for us account for over 10% of our import sales while other areas continue to drop. Good tracking numbers allow me to see these trends.

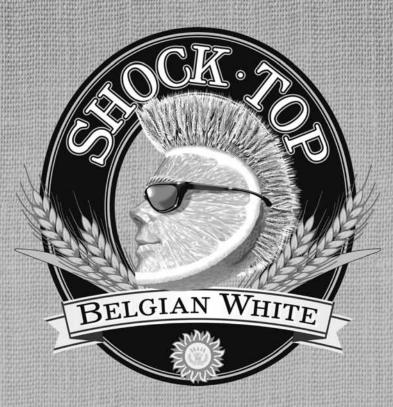
Okay, I know I have gone on long enough about numbers and how you can use them. If you have any questions don't hesitate to call me or any one of our directors at any time and we will be glad to help.

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### **10 Critical Beverage Operator Errors**

#### By Robert Plotkin

As the adage goes, "When a man with money meets a man with experience, the man with the experience ends up with the money and the man with the money ends up with the experience."

Fact is, making mistakes is an inevitable consequence of gaining experience. Some things can only be learned at the school of hard knocks. For us fallible types, success can be defined as keeping mistakes to a minimum and the learning curve short and shallow.

That having been said, in every business there is a special class of mistakes that should be avoided like the plague. Leaving the place unlocked at night is an example. Bouncing payroll checks and stiffing vendors are critical errors in any line of work.

The list of capital crimes in the on-premise & off-premise business encompasses every aspect of the operation—from serving boring drinks and mangling your relationship with the staff to being an inhospitable host and running an inexcusably loose ship. In an effort to shorten and shallow out the learning curve, here are the 10 critical errors beverage operators make.

1. LOSS OF CONTROL — Running a bar requires making a significant investment in liquid assets, working capital that can disappear at an alarming rate. Failing to implement an effective inventory control system places at risk the capital you've invested in that inventory. To be profitable, you need to know exactly what inventory you have, what you paid for it, at what rate you use it and exactly where it is at any point in time. Tracking inventory throughout your operation doesn't require purchasing specialized software either. What is required is a system of over-lapping controls referred to as "cradle to grave" accounting. It's an

inventory system that tracks products from point of purchase to the moment they're delivered and received, through the requisition process—which also involves recording comps, spills and transfers—until the end of the accounting period in which they're depleted.

2. MONITORING PC — One of the many truisms in this business is, "If you can't measure it, you can't manage it." Nowhere is that truer than behind the bar. Determining your bar's ongoing cost percentages—pour costs—reveals your level of profitability. As your cost of goods sold increases, gross profits diminish.

While tracking your pour costs is a fundamental control, managing through the use of pour cost alone is problematic. The inherent weakness with pour cost analysis is that it doesn't take into consideration that products sell at different mark-ups. Premium and super-premium products sell at a higher cost percentage than do well brands, yet generate significantly more revenue and gross profit. For example, were your staff to begin selling more drinks made with premium brands than well, the bar's pour cost would increase.

While bartender-related issues like over-pouring and theft are often at the root of the problem, a rising pour cost may also indicate that management is doing a better job of promoting higher profit premium spirits and drinks.

**3. SHODDY PRODUCT** — A restaurant that doesn't routinely change its menu always has plenty of open tables. The same is true about bars. Add some pizzazz to your beverage line-up. Shake up your specialty drinks. Change spices things up and helps keep your clientele interested. The sales axiom "Don't sell the steak, sell the sizzle!" is directly applicable. If it doesn't sizzle, who needs it?

Can every drink you serve be built better? Believe it or not, the answer is probably yes. For instance, consider one of the most common of mixed drinks, the gin and tonic. Although not an involved recipe, some bars make much better gin and tonics than others. How's that possible?

The possibilities include preparing the drink with a premium dry gin instead of a value brand from the well and a high quality bottled tonic water. Pour the ingredients over ice cubes made from filtered water and garnish with an ample, freshly cut wedge of lime. Serve the drink in a good looking, heat-tempered highball glass with a classy swizzle stick and you've got yourself a well-built gin and tonic.

If you can build a better gin and tonic, imagine the boundless potential of such classics as the Margarita, Daiquiri, Martini, Piña Colada and Bloody Mary, to mention but a few.

#### 4. FISCAL RESPONSIBILITY -

Left unchecked, employee theft can reduce cash flow to a trickle. How extensive is the problem? Bevinco, an international beverage auditing service, estimates that losses attributable to internal theft cost its clients on average 24-26% of gross sales. The very thought is enough to make seasoned managers wince and bar owners shudder.

Preventing it from happening is far from easy however. Bartenders typically work for long stretches without direct supervision and are afforded autonomy in handling guest transactions at the bar. Their position requires them to portion inventory, prepare drinks and collect sales proceeds and they do it all before recording a single detail into the operation's point-of-sale. The result is a job laced with endless opportunities to rip off the house and its clientele.

(continuued on next page)

Familiarity with how bartenders steal and knowing what to look for constitute management's first line of defense. Sometimes theft is overt and undisguised, like pouring heavy shots to receive bigger tips, or stuffing cash sales directly into a tip jar. However, ploys like these are so easily detected they're actually risky, so bartenders usually rely on less obvious schemes.

One reason why behind the bar schemes are so effective is that most bartenders conduct themselves professionally. Faced with the same opportunities to pad their income, they choose instead to look out for the best interests of the house and perform their jobs sans a hidden agenda. Paradoxically, it's the ethical behavior of the majority that thoroughly obscures the actions of the few, making it harder to diagnose the problem and root out its cause.

Implementing cost control procedures at the bar serves two purposes. Although primarily intended to eliminate operational areas of weakness, anti-theft measures also make it easier for honest bartenders to remain honest and harder for the others to operate undetected by establishing standards of conduct and clearly defining expectations.

5. PRODUCTIVITY — Every

industry tracks employee productivity except ours. Calculating sales per hour is easily done and is an enormously effective means of assessing employee effectiveness. Bar productivity is calculated by dividing the bartender's gross sales by the number of hours he or she worked. After several weeks it'll become evident who on your staff are the sales leaders and who consistently fall short of the mark.

If a bartender's sales per hour consistently fall below the staff average, five things are possible. He may work too slowly and literally can't keep up with demand. He could make lousy drinks, so people don't stick around for a second or third lousy drink. His personality and attitude could be so off-putting that customers leave early, or his sales ability could be so unrefined that he consistently undersells. The last explanation is that he is likely stealing from you. There isn't a method of theft that won't negatively affect productivity.

How do you know which it is? Take some time and observe the person. Regardless of the scam, theft takes a toll on productivity. Between tracking pour cost and bar productivity, there isn't an employee scam or fraud that you can't catch.

6. ALCOHOL DISORIENTATION -Increasingly more people are socializing without alcohol. More than a passing fad, it is now part of the dynamics of our industry. There are numerous explanations why-including stricter DWI laws, health concerns, caloric content and personal preference. Fortunately for those of us in the on-premise industry, we're in the entertainment business not the alcohol business. In addition to increased consumer demand, another reason to market alcohol-free products is that they command profit margins equal to or greater than their alcohol counterparts. Another incentive is their sale incurs no third-party liability and precipitates no service-related problems.

Long gone are the old stigmas and stereotypes surrounding alcohol-free beverages and the people who order them. From a management standpoint, alcohol-free marketing makes great sense.

7. WEAK LINKS — Your business is only as strong and vital as your weakest employees and what they don't know can hurt you. Despite the importance of ensuring frontline employees are well trained, the irony is that few things are easier to put off than staff training. If a mind is a terrible thing to waste, imagine the terrible cost of squandering the intellectual capacity of your entire staff.

Simply put, training is a dollars and cents issue. If bartenders and servers are insufficiently trained, every aspect of the operation suffers. Consider the ramifications of servers who aren't familiar with the menu, bartenders who don't know about the products on the back bar, or who aren't comfortable cutting someone off. This just begins to scratch the surface of the things your staff needs to know.

The most advantageous course is to institute a continuous training program. Typically bars and restaurants concentrate on training employees only before they initially open for business. But why leave it at that? With turnover and the natural effects of time, you can anticipate that the benefits of the initial training will decrease dramatically. Bartenders often get complacent and begin taking liberties with portioning or deviate from stated procedures. Inevitably these breeches exact a toll.

Your business is only as strong and vital as your weakest employee.

8. NO SUDS CONTROL — Draft beer is a cornerstone of the on-premise industry. To a large degree, its enduring popularity can be attributed to being pure, fresh and unadulterated, barreled in its natural state exactly as the brew master intended. Draft tap handles act like homing beacons. They immediately command the attention of beer drinkers entering a bar or restaurant and confirm that they're in an establishment that takes beer seriously.

According to recent figures compiled by the Beverage Information Group, beer accounted for nearly half of all beverage alcohol sold on-premise in 2008—35 percent of those sales coming straight from the spigot. Growing consumer demand for draft beer has boosted its sales 17.6 percent over the last 5 years.

In a perfect world, every ounce of draft beer you purchased would be dispensed and sold. However, industry figures reveal that operators lose roughly 23 percent of the draft beer they purchase due to over-pouring, giveaways and theft, which equates to nearly 1 out of every 4 kegs. Factor in the lost potential revenue that draft beer would have generated and you're looking at a significant hit. It's difficult to remain successful under those circumstances.

#### 9. NOT MONITORING LABOR

**COSTS** — Payroll is the largest reoccurring expense after cost of goods sold, which makes ensuring those dollars are being invested wisely of paramount importance.

Start the process by considering how effectively you use the bar staff. One chronic problem is not scheduling enough people to handle expectedly busy shifts. Aside from subjecting employees to undue stress and exacerbating employee turnover, running with a skeleton crew when it's busy will undoubtedly cost you sales, cost the bartenders gratuities, and cost the clientele the level of hospitable service they have come to expect. Understaffing is expensive, far exceeding any savings in payroll.

Another concern is "riding the clock," which refers to employees purposely taking longer to break down the bar and perform their closing duties, thereby increasing their payroll. Labor cost percentage measures the relationship between payroll expense and gross sales. It's a means of determining how effectively your payroll dollars are being invested. To determine a shift's labor cost percentage, the payroll for the employees working the shift must first be totaled. It is advisable to compare the number of hours your employees actually clocked-in with the number of hours they were scheduled. The process will improve your ability to forecast scheduling requirements and afford you an opportunity to investigate any discrepancies.

#### 10. ILL-DEVISED PLAYBOOK -

Buy a new car and they give you an owner's manual. Get drafted into the NBA and you're handed a playbook. Get hired as a bartender or food server though and all you'll likely get are a few training shifts and a printout of house policies. In today's litigious society that's far from adequate.

The fact is that being an employer is fraught with legal liability. Make a mistake and you could find yourself on the wrong end of a civil lawsuit or in front of the National Labor Relations Board, where nine out of ten employees leave victorious. Suits for wrongful discharge, sexual harassment and racial discrimination are among the most prevalent employment-related litigation with judgments averaging in the sixfigure range.

The first line of legal defense is a comprehensive, well-structured employee handbook, one that clearly defines the employees' job descriptions, areas of responsibilities, and all of the operation's policies and procedures. Without it, legally holding employees accountable for their actions is practically impossible.

Drafting an employee handbook is similar to creating an employment contract, which is how the courts typically view these documents. And like a contract, employees are typically asked to sign a statement that they have received the handbook, read it thoroughly and agree to abide by all of its provisions.

While an employee handbook need not be filled with legalese, it does need to deal with each item in a thorough and comprehensive manner.

### Remember

Even if you have all of the "bests" – the best advertising, merchandise, prices, packaging, displays, fixtures, location, and everything else – it is all for naught if an employee ignores or insults a customer



### <u>Municipal liquor Operations Working Together</u> <u>to Create Outstanding Customer Service</u>

MMBA executive director Paul Kaspszak received the following note from Lakeville Liquor manager Brenda Visnovec in December, 2009.

We had someone looking for Clamato Ceasar, you may recall the emails as we called her Auntie Pam from Woodbury (even though she was no relation of mine). Well it has been a long standing tradition in their family to serve Bloody Mary's on Christmas day, and they will only use Clamato Ceasar. So I searched our distributors high and low to find out that it is no longer being distributed in the US. So as it had been recently discontinued I asked you to send out an email blast.

• First response was from Redwood Falls saying they had some.

- Second response was from Bob Leslie in Pelican Rapids stating that he didn't have any, but he was coming to the metro area for the Vikings game and would gladly pick some up along the way should we find any.
- Third response There were many, but most out of the area with the exception of Gary at Rogers stating that he had one case left.
- So I called Auntie Pam in Woodbury and told her that I would run and pick it up for her, but she told me not to worry and that Rogers was close enough for her to run and pick it up.
- Customer extremely satisfied and a municipal (while it wasn't ours) picked up a sale.

Well I heard from a relative of Auntie Pam's that she and her husband were attending a hockey tournament in Roseau. They happened to stop in the local municipal for a drink and started discussing the bloody mary story. At that time the manager mentioned that he did have some left and recalled an email regarding someone looking for the Clamato bloody mary mix down in the metro area. I guess they had a great conversation regarding how all of the municipals worked together to make their Christmas a little brighter.

Thought you might appreciate this email knowing what impact your communications have had on the perception of municipal liquor stores. Especially from someone who lives in Woodbury.

Take care, Happy New Years!

### 50 Ways to Be a Better Bartender

By bartender.com

- 1. Give everyone a fair shot.
- 2. If you haven't anything nice to say, don't say it.
- 3. Use the BEST premium products and you'll be the BEST.
- 4. Smile!
- 5. Be the solution to the problem, not part of the problem.
- 6. Don't drink and drive; don't let others.
- 7. Respect salesmen, you're one.
- 8. Don't take sides. You'll make two enemies.
- 9. Be NEAT.
- 10. Wear a clean shirt everyday.
- 11. Don't cheat or steal.
- 12. Serve.
- 13. Keep your hands and fingernails clean.
- 14. Use Mr., Sir, or Ms., when talking to strangers.
- 15. Don't be a part of a rumor.
- 16. Keep your space clean.
- 17. Don't waste.

- 18. Be on time.
- 19. Help others when they're busy.
- 20. Don't use the easy way. Use the
- right way.
- 21. Don't give up. Follow your dream.
- 22. If you open it, close it.
- 23. If you turn it on, turn it off.
- 24. If you unlock it, lock it up.
- 25. If you value it, take care of it.
- 26. If you can't fix it, call in someone who can.
- 27. If you borrow it, return it.
- 28. If you break it, admit it.
- 29. If you make a mess, clean it up.
- 30. If you move it, move it back.
- If it belongs to someone else and you want to use it, get permission.
- 32. If you don't know how to operate it, leave it alone.
- 33. If it's none of your business, don't ask questions.
- 34. If it isn't broken, don't fix it.
- 35. If it will brighten someone's day–SAY IT!

- 36. Be patient with your coworkers.
- 37. Never put a glass in the ice bin.
- 38. Never become better than your
- customers. 39. Never touch the rim of the glass.
- 40. Create a house cocktail.
- 41. You're a bartender, no one says, "hey mixologist".
- 42. "Hey bar chef".
- 43. "Hey cocktailian".
- 44. "Hey Master Mixologist".
- 45. Foul language is not and never will be a sign of a good bartender.
- 46. Don't cheat with your drinks.
- 47. Use a scoop for ice, not hands.
- 48. Don't listen to what doesn't concern you.
- 49. The mission of a bartender is to cheer up, not to intoxicate.
- 50. Be proud you're a BARTENDER.



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### **Musical Performance Rights & Wrongs**

Music is everywhere. We hear music in parks, in restaurants and bars, and over the phone while we sit on hold. And wherever it is, someone is usually supposed to be paying for it. Sometimes that obligation falls on a city, even if that city didn't present the music or the city had no say in the selections played.

#### **Copyright basics**

Among other rights under federal law, a song's copyright owner has the exclusive right to authorize a public performance of the song. The law defines a public performance of music as any performance "at a place open to the public or at any place where a substantial number of persons outside a normal circle of a family and its social acquaintances is gathered." A public performance also happens, according to the law, when someone communicates or transmits that performance to a place or to the public.

Because music is everywhere, this is the most important right bestowed by the U.S. Copyright Act in that it typically provides the single largest source of income for the copyright owner. Most often the collection of the money, or royalties, is by the American Society of Composers, Authors and Publishers (AS CAP) or by Broadcast Music Incorporated (BMI), two "performing rights societies" that license public performances and transmit royalties to the copyright owners. These companies grant "blanket" licenses to authorize virtually all non-dramatic public performances of live or recorded music that an entity may provide to the public throughout a year. With such a license, a city avoids the risk of statutory fines of at least \$750 per song infringement.

#### <u>Common uses of music requiring a</u> <u>license</u>

It's important for cities to know when a use of music constitutes a public performance. Sometimes cities have staff or an independent contractor

By Edward Cadman, League of Minnesota Cities

(such as a disk jockey) play musical recordings at festivals or community celebrations in a city park. Or the music might be played in the municipal liquor store. In any case, playing recorded music covered by copyright constitutes a public performance for which the city could be held liable unless it has a license or permission from either the copyright owner or the appropriate performing rights society.

The same is true for music provided by live performers. Case after case demonstrates that proprietors of concert facilities can be held liable for infringing actions of individuals performing live music. This has been held true whether the musicians are employees or independent contractors, and whether or not the proprietor has knowledge of the compositions to be played or any control over the selection of compositions.

Another common way cities provide music is by amplifying music broadcasted over the radio. This is an economical way to provide music during a festival, in a municipal liquor store, or as part of a city's recreation programs, such as in a skating rink. For the most part, publicly providing radio broadcasts of music is also a public performance requiring the city to obtain a license.

A less obvious public performance of music subject to licensing is music played for callers placed on hold. And more recently, the performing rights societies have asserted podcasts-webbased audio broadcasts-that contain music are also public performances.

#### **Exemptions from licensing**

It's also possible that a city's uses of music are so limited that no licensing is necessary. There is an exemption from licensing requirements for public performances that are not broadcasted if

- (1) there is no purpose of direct or
- indirect commercial advantage;
- (2) there is no payment or compensa

tion for any performer, promoter, or organizer; and

(3) either there is no admission charge or the admission charge proceeds are donated to a taxexempt organization.

Since everyone involved must be an uncompensated volunteer, it's rare that cities meet this exemption.

There is also an exemption for any performances that occur in the course of an annual agricultural or horticultural fair or exhibition conducted by a governmental body. This exemption is generally only used by state or county fairs.

A more likely exemption for a city relates to the use of radio or television broadcast in a municipal liquor store. Under U.S. Code, Title 17, section 110(5), a drinking, food service, or other establishment within certain square footages, or using certain configurations of speakers, may transmit or retransmit a radio or television broadcast from a Federal Communications Commissionauthorized station without obtaining a license. Cities should consult the statute to determine if this exemption applies.

#### An inexpensive, hassle-free solution

Unless exemptions cover its public performances of music, the city should obtain a license. The best option is likely a blanket license for its facilities. And thanks in part to the efforts of the International Municipal Lawyers Association (IMLA), cities can quickly and cheaply obtain blanket licenses that will authorize virtually all of the public performances a city may present.

For blanket license information for both ASCAP and BMI, visit the IMLA website at www.imla.org; click on "Programs" and then "Music Licensing." With a little effort, cities can keep music to their ears from being a pain in the neck.

## **Priest Says Shoplifting is OK**

By GREGORY KATZ, Associated Press

For a priest in northern England, the commandment that dictates "thou shalt not steal" isn't exactly written in stone.

The Rev. Tim Jones caused an uproar by telling his congregation that it is sometimes acceptable for desperate people to shoplift — as long as they do it at large national chain stores, rather than small, family businesses.

Jones' Robin Hood-like sermon drew rebukes from fellow clergy, shop owners and police.

From his pulpit at the Church of St. Lawrence in York, about 220 miles (355 kilometers) north of London, Jones said in his sermon Sunday that shoplifting can be justified if a person in real need is not greedy and does not take more than he or she really needs to get by.

The remarks drew a summons from Archdeacon Richard Seed, who said on his Web site that the church rejects the view that shoplifting can be acceptable.

"The Church of England does not advise anyone to shoplift, or break the law in any way," he said.

"Father Tim Jones is raising important issues about the difficulties people face when benefits are not forthcoming, but shoplifting is not the way to overcome these difficulties. There are many organizations and charities working with people in need, and the Citizens' Advice Bureau is a good first place to call," Seed's statement said.

Eleanor Course, a spokeswoman for Seed, said the archdeacon wants to meet with Jones to discuss the "appropriateness" of his sermon.

"The point we are most concerned about is that shoplifting is simply not a blameless, victimless crime," she said. "We want to make clear that it simply doesn't help people. And the last thing a desperate person wants is to be caught for shoplifting, so we feel this advice is very unwise."

Jones told The Associated Press that he stands by his comments. He said he regretted only that the media is focusing on his view on shoplifting rather than the underlying problem he wanted to address.

"The point I'm making is that when we shut down every socially acceptable avenue for people in need, then the only avenue left is the socially unacceptable one," he said, adding that people are often released from prison without any means of support, leading them back into crime.

"What I'm against is the way society has become ever more comfortable with the people at the very bottom, and blinded to their needs," he said.

He said shoplifting could help people who are legally entitled to government welfare benefits but have the benefits delayed for bureaucratic reasons.

This approach was quickly rejected by members of the British Retail Consortium, a prominent trade organization trying to reduce theft.

"It's the job of our welfare system, which retailers support with the billions they pay each year in tax, to help vulnerable people," said spokesman Richard Dodd. "There are no excuses for stealing."

The North Yorkshire Police also condemned Jones' approach as counterproductive because people already in marginal conditions would find themselves in trouble with the law if they resorted to shoplifting.

"First and foremost, shoplifting is a criminal offense, and to justify this course of action under any circumstances is highly irresponsible," a police statement read. "Turning or returning to crime will only make matters worse, that is a guarantee." People in need should turn to charitable organizations and government agencies for help, rather than take matters into their own hands, the police said.

"To do this would make the downward spiral even more rapid, both on an individual basis and on society as a whole," the statement said.

Mark Your Calendar <u>2010 MMBA Boot Camp,</u> Tebruary 22 - 24, 2010 Breezy Point **-**<u>2010 MMBA / MLBA Legislative Day</u> March 1, 2010 **-**<u>2010 MMBA Conference</u> May 15-18, 2010 Arrowwood Resort



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### Tasks Can Wait, Customers Won't

"Give me a minute" says the Associate...let me see if I understand this.

The other day I walked into a retail store in a busy mall just as it was opening. The doors were completely open. The lone staff member was busily moving fixtures toward the front of the store - those fixtures that have to be moved back at day's end so that the door grills can be closed.

I was holding a cup of coffee and was pulling my briefcase and carrying a purse. I saw an item that caught my eye as I was walking past the store. Isn't that great? The store had a visual display that attracted me - a customer.

I approached the display and realized that I would probably not be able to reach the item comfortably and would likely make a mess if I tried. I turned and asked the young woman working there if the item was merchandised anywhere else in the store so I could have a closer look at it. I should mention that the employee had not yet acknowledged my presence in the store but there is no question she knew I was there.

Her response, delivered without looking at me and in a tone that said 'you're disturbing me', was "give me a minute". Excuse me? Give you a minute? I don't believe that was the correct response. Perhaps something like "oh yes, they are right over there" or "I'll be happy to get that one down for you" would have been appropriate.

I am not an impatient person but I certainly don't think that I should have to shop on the Associate's schedule.



#### By DMS Retail Consultants

The store was open and the item was available for sale. She should have reacted differently. So, no, I did not give her a minute. I left the store. And just in case you are wondering... I would definitely have made the purchase if things had worked out differently.

The customer in your store is much more important than any task. This is Customer Service 101. If you are not servicing another customer then you have no right to expect someone to "give you a minute" for anything. The customer who is there in your store asking for your help may purchase something.

Isn't this what you want? Don't you want to sell your merchandise to customers? It is unbelievable to me that some retailers do not yet understand these simple concepts.

Customers are time starved. Don't make them wait. If you must make them wait, make sure you have a good reason and make sure you explain why they are waiting.

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## <u>How to Motivate</u> <u>Your Staff in 3</u> <u>Quick Steps</u>

By putting the quick tips below into action at your store(s), the motivation you need to achieve your performance levels will be easier to get:

#### **<u>Clarity of Objectives</u>**

Vague goals kill motivation. Without a clear and concise target to reach for, your staff can't possibly trigger their internal drive simply because it has nothing to head toward. Only when the objective is vivid in their mind can you tap into a powerful inner drive.

If you haven't already created a set of clear goals for them, it's time to deliver a little more direction. Meet with them and let them know clearly what the objectives and expectations are. Continue narrowing down the goals until they clearly see the point of detail you need.

#### **Educate Them**

The better skilled they are at a particular task or activity, the more motivated they'll be to get involved with it. This principle lends itself perfectly to the world of motivation in the workplace the more they know about their position and what it takes to excel, the more driven they'll be to produce results.

#### **Give Them New Challenges**

People around the world have an intense need for growth and variety; too much of the same old thing and soon there will be no sign of motivation. To avoid this experience, put them out there for new work challenges to keep things fresh and new on the job.

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