

THE RETAIL MANAGER'S GUIDE TO SMART DECISION MAKING



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The Retail Manager's Guide to Decision Making

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Alicia has been working in the store for three years. Now she's been placed in charge since her manager left unexpectedly. She's excited to get the opportunity. But she realizes that the decisions she used to ask her manager about are now hers to make.

Jose has been an assistant store manager for nine months. He knows all the systems and procedures. But the people "thing" was always his manager's job. Now he's been placed in his own store and feels like he's in over his head.

Marti graduated from college with a management degree. She sailed through the material in the training program. But now they've made her a department head with seven people to supervise. They're looking for her to lead and she can't ask her boss for advice five times a day.

Could any of these people be you? Retail managers come from all walks of life. Some work their way up in a mall store. Others come through corporate training. Still others take over in a pinch because their manager departed unexpectedly. Ask a bunch of different managers and they'll tell a bunch of different stories.

How do you make the best decisions when everyone's looking to you for leadership?

So how do you make the best decisions when everyone's looking to you for leadership and guidance? How do you thrive and take



advantage of the opportunities to grow? After all, a career in retail can be exciting, fascinating and rewarding if you know how to leverage the breaks that come your way. Managing in retail requires confidence, the ability to make quick decisions, the knowledge to consider the larger context and the wisdom to learn from mistakes. All of this takes place in the hundreds of choices you make and actions you take each week. The customers won't wait. The delivery guy at the back door is on a schedule. The mall manager has to have a decision. You got to cover two no-shows on today's schedule. It can get a little overwhelming, can't it?

But your success is dependent on more than just the problems you solve and the choices you make. You're reliant on the people you supervise. Will they make the best decisions? Will they learn from their mistakes? Will they make decisions at all or come running to you every time there's uncertainty? If you feel like you have a parade of people asking endless questions, you know what I mean.

Wouldn't be nice to have a set of instructions to help you process these challenges and develop tactics for handling them? That's why we produced this guide. But you already have a lot on your plate. Between schedules, inventories, and training the new hire, your shift is full. Who needs one more thing to read? Trust me, this will be worth your while.

Everything you do is tied back to the decisions you make. But here's the thing – better decisions result in better outcomes. This guide is designed to integrate with your work

rather than being one more task or distraction. It is divided into two parts.

Part One focuses on you. It begins with a brief assessment to help you take stock of the strengths you possess along with the improvements, opportunities and challenges you face. It may be tempting to skip over all this and go right for the strategies. But I'd advise against that. I've been interviewing effective managers and owners for more than 25 years. They all share one characteristic. It is the practice of taking a step back periodically to review what they've learned and consider the challenges they have ahead. If you're looking for good habits to adopt, begin with this one.

*Are you faced with
a parade of people
asking endless
questions?*

Part Two of this guide will teach you how to improve the decisions of those around you. Some people naturally make better decisions, don't they? Well, sort of. We're all products of the influences around us. If our parents, teachers, previous managers and other influencers made good decisions, chances are we do too. But if we haven't had those influences, chances are we struggle with making good choices or even any choices at all.

Like it or not, the people you're managing come from a wide variety of backgrounds and skill sets. The way they make decisions in the workplace are probably the way they make decisions in the rest of their lives. The person who makes impulsive choices at home

probably does the same thing in the store. The person who always looks to others for guidance is the person leading the parade of questions on his shift. You get the idea.

An effective retail manager finds ways to meet people where they are and bring them forward. By the time you finish this guide, you'll know what it takes to do this. Part Two also begins with an assessment. Take a few minutes to evaluate the problem solving practices of everyone you supervise. Then review the strategies contained in this guide. Implement the ideas. Learn from what happens and grow from there. Over time, others will look to you for insights on how to be an effective retail manager. Are you ready? Let's get started.

Part One -- The Manager's Guide for Making Decisions

Regardless of where you began your retail career, you recognize there are five interacting elements involved in operating any store:

1. Managing the sales and customer service.
2. Managing the inventory/services the store provides.
3. Managing the financial transactions.
4. Managing the facility.
5. Managing the people you supervise.



Overseeing each of these requires a particular set of skills and a knowledge of how each operates. Of course, all are managed simultaneously. One minute you're resolving

a customer issue and the next dealing with a false fire alarm in the mall. Five minutes later, you're ringing up a sale and the next minute dealing with a sick co-worker. That's retail.

Once you've solved several variations of the same problem, your brain begins to "connect the dots."

Every one of these situations requires a knowledge of the larger context. You have to know the facts about what needs to be resolved and consider your options. You have to have the confidence to act and be prepared when what you do doesn't go as planned. We make many of these decisions instinctively, within a split second, although that's not always the best strategy.

So how does your brain handle all this, especially with the pressures, distractions and pace of retail? That's a bit complicated, but let's take a minute to review how it happens.

Decision Making and the Brain – The Really, Really Short Course

Through advances in technology, scientists have gained lots of insight into the specifics of how the brain functions when making decisions. Here are the three essentials:

1. All decisions are the result of a balance between your rational thoughts and your emotions. Both are essential. As you interact with the people you supervise, your emotions play a role in what you say and do. This is coupled with what you know about the people

and/or the situation involved, your experience with similar issues, and so on. The challenge is not to allow your emotions to overcome your rational thoughts. This is easier said than done, isn't it? We'll discuss more about this later on.

2. The brain functions through a continuous series of conscious and unconscious thoughts. Your unconscious thoughts are automatic, based on stimuli the brain absorbs from the environment. That's how you drive a car, avoid people on the street and interpret the facial expressions of others, for instance. These skills are learned over time and honed with experience. Most of the time, we don't even think about them.

Conscious thoughts are deliberate. These are the decisions we consider before acting. Some are simple, such as turning left or right. Others are more complex, such as deciding what to say to a customer. Still others are downright complicated, such as whether to hire an applicant. All are the result of experience. You've learned over time, for instance the shortest distance from your



home to the store. You've also learned to look for certain cues before interacting with customers. Finally, you've learned that what applicants say in the interview isn't always how they'll act on the job. Get the idea?

3. As your experience in a particular role and environment grows, you become more confident in solving problems and making decisions. Once you've solved several variations of the same problem, for instance, your brain begins to "connect the dots" and

is better able to produce options and predict possible outcomes. From these options, you can choose how to act. This process is repeated hundreds of times in a given week. The situations, people, timing, and facts change. But patterns begin to emerge and it's these patterns that allow you to act with confidence and perspective. The same is true for those you supervise. We'll discuss more about that later on.



The model on this page illustrates the point. Novice managers lack the knowledge and intuition to make some of the wise decisions they will over time. Because of their inexperience and the pressure they feel to perform, they are more likely to act out of emotion or, in some cases, not act at all. But over time, they hone their skills and build their knowledge as they are compelled to make decisions. Not all these decisions work out the way they expect, but they learn from each one.

This process produces greater understanding of both their role and the environment influencing them. As this evolution takes place, the emotions they first felt about making decisions are replaced by growing intuition. When confronted with problems to solve and decisions to be made, they more often feel like they've "been there and done that." But – There's no way to get around the time it takes to grow in this knowledge and intuition. The goal, of course, is to progress from the lower left in the model (inexperience and high emotion) to the upper right (abundant knowledge and ample intuition).

Okay, enough about the brain. Let's talk about another fascinating topic – YOU.

Identifying Your SIOCs

Your what? SIOCs stands for Strengths – Improvements – Opportunities – Challenges. In other words:

- What strengths do you possess for making the decisions you face as a retail manager?
- How can you become better skilled at dealing with these decisions?
- What are the opportunities that will open up for you if you continue to grow in your decision skills?
- What challenging decisions will you face over time for which you are not presently prepared?

Ask seasoned managers about their strengths, areas for improvement, opportunities for growth and anticipated challenges. Chances are they'll be able to outline them and what actions they're taking in response. Now it's your turn.

Jot down these questions on a piece of paper and answer them as best you can. (If you would like to print them out as a form, go to www.commonsenseenterprises.net/retailers/ and click on the "Retail Manager's Guide" link.) The more detail you include the better.

***As a retail manager,
you have the
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Writing down, “improve my problem-solving skills,” for instance, won’t really force you to reflect. Instead, you might write down, “learn how to deal effectively with the endless questions that sap my time and energy to concentrate on my other responsibilities.” Being specific will help you focus on the skills you need to develop. This is not a race. Take the time you need to do this right. The more effort you put into it, the more you will be rewarded with valuable insights.

Seasoned leaders know that an essential part of their path to success has been striving to understand the firm’s business model.

Be honest. No one else is going to see this form unless you show it to them. Once you’ve finished, keep it close. You’ll find yourself adding items to every category over time. Use it to benchmark your progress. Review it periodically. Set goals for growing in the areas you’ve defined for improvement. (More on that later.) When you’re finished, move on to the next section.

Growing Your Retail Management Decision Skills

What have you learned by completing the SIOC’s assessment? Hopefully, quite a bit. But now what? It’s one thing to know the challenges you face. It’s another to know what to do.

But there’s some magic here. As a manager, you have the opportunity to learn and implement all in the same day. In a retail

setting, you can put what you’ve learned to work immediately. If the strategy works, great! If it doesn’t, you can fine tune. Chances are you’ll be faced with the same situation in the next week or even the next day or shift. There is no better way to learn than by doing. While there are some decisions that require consultation with your boss, most are well within your abilities. You just have to try.

Making decisions is not just about skills. Intuition plays a role. So does trust. Then there’s your understanding of the bigger picture that influences what you’re being asked to decide. Finally, there’s the confidence you have in acting on the decision you’ve made. There’s always a chance people will react unexpectedly. The circumstances might change without warning. In spite of this, the seasoned supervisor learns to cope and adapt. This is the essence of becoming an effective retail manager.

Understanding the Big Picture

Decisions are not made in isolation. There are always lots of factors involved. The more you understand about these factors, the better your decisions. You might discover, for instance, that a customer has left an item of value in the store. Now she’s called and asked if you can put it in the mail since she



will be out of town for three weeks. Your first thought might be, “That’ll cost us \$10 in postage. It will take time to deliver it to the post office. We can just hold it here for her.”

But then you consider the bigger picture. First, you don’t have any place to secure it

for that long. If it was stolen, you would bear responsibility. Second, she's a good customer, someone you see in the store regularly. Your goodwill and \$10 could go a long way toward sealing that relationship. Third, how would you want to be treated in this situation?

You decide to pack up the item and drop it off at the post office on your way home. Now, this might seem like common sense. But not everyone thinks this way. Good problem solvers use their judgment, coupled with the larger context, to act with reason. Does it always work out? Of course not. Over time, however, experience becomes your guide.

Here's another example. Imagine you discover that one of your associates is still

The problems you and your associates face every day do not have answers found on a screen.

giving the discount on sale merchandise after the sale is over. Your first reaction might be to say "No, no, no! Don't do that," in front of the others hanging around the register. But consider the bigger picture.

First, no one likes to be chastised in front of co-workers. Second, other associates might be doing the same thing. Third, if this is true, you need to determine whether they were properly instructed that the sale is over. Fourth, either way, it's probably a better idea to gather everyone together and remind them that the sale has ended. If everyone except this person is already aware, then you still succeed in reinforcing it without the first associate being embarrassed. Taking a step

back to look at the bigger picture will always help guide you to a productive solution.

Understanding the Bigger Picture

There's another layer to the big picture beyond the type of situations I've been describing above. This one will impact your future as a manager. Seasoned leaders know that an essential part of their success has been striving to understand how the firm's business operates. There are several components to this:



1. The business model -- How does this place make money? That's the essential question for any retailer. Customers purchase merchandise. The company pays for that merchandise along with wages, rent, and other expenses. How does all that work? Where does the profit come from? Why do stores sell some merchandise without making money? What are the terms for all this? If your company has not provided this kind of information, do a little research. All of it can be found on-line with a little looking. Then you'll understand why a \$40 pair of jeans nets the store \$4 and how that equation fits into the company's business strategy.

2. The industry -- Reading magazines and on-line publications such as Chain Store Age, Retail Wire, and Independent Retailer will provide you with insights about the challenges facing the industry. You'll learn about new technology, management strategies and lots of other ideas. You don't need to be an expert. But you do need to be informed.

Have you ever wanted to scream at a problem you couldn't figure out?

Do the same with specialty publications related to your store's offerings. All of these are available on-line, mostly for free. What are the current issues? What can you learn from those writing about the business every day? Look for patterns. Glean solutions you can use in your store and with your customers. Ask your supervisor about these ideas. It demonstrates initiative and that you are staying current.

3. The customer – Understanding customer behavior is a science in itself. You can even earn a degree in this sort of thing. More importantly, understanding customers enables you to do a better job of selling, providing customer service and helping your associates do the same. Chances are, you have received some training on this already. Continue to pursue it. Become a keen observer of customer behavior, not just in your store but everywhere.

4. The market – Who are your store's competitors? Have you secret-shopped them for comparisons in merchandise and service? Are you familiar with their promotions and advertising? Would you be able to discuss comparisons with a customer? How about the socio-economic area your store serves? Those coming from lower incomes shop differently from those with more money. Find out about those differences. It will have an impact on your sales and service.

5. The organization – How is your firm structured? Zone managers? Area managers? Regional managers? What's the history of the

firm? Who started it? Is it a public company? Is it privately held? Trace the career paths of those in senior management. How? Google them. Search for them on Linked-In. Ask them in person when you get the chance. What can you learn from all this? (Here's a secret. So few of your co-workers ask these questions, you'll be noticed when you do. That's a good thing. Seasoned leaders are always on the lookout for rising stars.)

You can't gather all this information at once. I suggest you spend 30 minutes a day reading and researching. You will grow significantly in your bigger picture knowledge within a few months. Connect with those in your firm who can provide special insights and perspectives about the business and industry. Show interest. Ask lots of questions. Besides, if you show an interest in these people, some will show an interest in you. That's how to move up within the organization.



Riding Herd on Everyday Problems

People who came of age in earlier times grew up hearing their parents say "figure it out," when they were struggling to solve a problem. Perhaps this was you. After you heard this advice enough, you began to solve problems on your own. In the past 15 years, however, digital technology and other influences has convinced many people that there must a solution to every problem on a screen someplace. This is not true, of course. But it's tempting to think so. I have labeled this phenomenon, menu-driven thinking. You probably see this behavior among those you

supervise.

The problems you and your associates face every day do not have answers found on a screen. Every single one of these problems requires two elements, discernment and judgment. In other words, you have to determine the true issue. Then you have to take action based on the facts of that situation and your knowledge of the big picture. Sometimes you have to do this very quickly. So how, as a manager, can you best do this? I recommend a five-step process.

First, clarify the problem. When faced with a problem to be resolved, ask yourself, “What does success look like?” In other words, what’s the best outcome? That’s what you’re striving for. But sometimes, the true issue is different from what seems obvious. Regardless of the situation, it’s always a good idea to stop for a few seconds and gather the details. Even if a demanding customer is standing in front of you, take the time you need. They want the best outcome too, don’t they? The more complex the issue, the more comfortable you should feel taking time to clarify the problem.

Second, collect the resources you need.



In addition to asking questions of the person presenting the issue, there will be other information you need. Consider what resources you have to resolve the issue. Do you need to consult with someone else? Do you need to conduct some research to see if you have what’s necessary? Are there other people who should provide input? Sometimes, you will have all the resources

The process of defining best, worst and most likely scenarios works for all kinds of decisions.

you need at your fingertips. Other times, it will require some effort. Be sure to take the time necessary. Every seasoned manager has been caught unprepared at one point or another because they didn’t collect the resources needed.

Third, consider your options. In many cases, the person with the problem is looking for a specific resolution – a customer wants a refund, the UPS guy wants to know where to place the shipment, and so on. But some problems require you think through the best way to resolve the situation so there’s a positive outcome for all. How about the customer who brings in the obviously worn apparel after deciding it doesn’t fit? How about the associate who performs well . . . when he shows up? How about that request you made for new mall signage that keeps getting delayed? Seasoned managers have learned to take the time necessary to consider options before acting. This ensures they’re “covering all bases.”

Fourth, choose the best option. This is about taking a calculated risk. If you have a clear understanding of the problem and have considered all reasonable options, then the decision should be easy most of the time. When it is not, ask a few more questions and reconsider your choices. If you’re still unsure, then chances are you will have to take a calculated risk and deal with the consequences. This is the hardest part for some managers. No one likes to act without being sure of the outcome. But sometimes

that's the job. (More about taking calculated risks in a bit.)



Fifth, cogitate (think) about the outcome. Once you've resolved the situation, take a few seconds to consider what happened. Did your decision result in the best outcome? If not, what could you have done differently? What have you learned that will help with similar problems? Remember our discussion about evolving from a low experience, high emotion manager to one with high knowledge and ample intuition? Reflecting along the way on what you're learning is an essential part of this growth.

I call this process the 5Cs of Problem Solving and it will work with just about every challenge you face. Let's apply it a few times.

Situation #1 – Suppose you discover that one of your associates keeps providing incorrect information about a particular line of merchandise. She is a delightful person and has great rapport with the customers. In fact, they go to her for information because she's so approachable. She's just not detail oriented. She seems to be more concerned about giving people a quick answer than an accurate one. You've spoken to her three times about this and she's always apologetic. But her behavior hasn't changed. Using the 5Cs outlined above, how do you resolve this issue?

Situation #2 – Imagine you employ the local high school football captain. He's a good worker and relates well with customers. He also draws a number of his classmates into

the store every time he works. On one hand, they spend a bunch of money on candy, soda, and chips. On the other hand, he's worthless to you when they're around. You have no reason to release him. He knows you're aware of the situation. But he really hasn't done anything to change. Besides, if he discourages his friends from dropping by, the store's revenue will drop by a considerable amount during those times. Using the 5Cs outlined above, how do you resolve this issue?

Situation #3 – Your mall store attracts a good number of young people because of its merchandise, so you're thankful for the constant traffic. But a considerable number of these patrons are loud, playful and sometimes obnoxious. You've also watched their use of profanity drive away other customers. They aren't the best customers, but you wouldn't want to lose their sales. How do you find the balance between welcoming them as patrons and discouraging their inappropriate behavior? Using the 5Cs outlined above, to develop a plan of action.

Surround yourself with other smart decision makers.

Managing the Emotions Around Decision Making

Have you ever wanted to scream at a problem you couldn't figure out? Maybe a staff member's behavior was making you nuts. Perhaps it was a customer who couldn't be satisfied. Then there was the pressure you felt when everyone was waiting on your decision. You wanted to do the right thing. But you weren't sure what that was. You knew you

were being watched. You'd seen others make mistakes and you didn't want to be like them. You worried that people would talk if you screwed up.

We all face situations like these. But we have a choice. We can give into the emotion or we can manage it. Obviously, the best thing to do is manage it. After all, your behavior is being watched by colleagues, customers and the boss. So how do you overcome that urge to strangle an associate, punch a customer or sit in the restroom and cry? Here are three quick tips for doing so.

Selection is the most important role a manager plays in the employment relationship.

Maintain your perspective. Let's begin with the basics. You won't die. No one's going to fire you for using your best judgment. Few, if any, people will remember all the decisions you make. Chances are you won't remember them either. The brain is programmed for safety. When you're facing a dilemma, a perceived danger, even a dirty look, the brain releases chemicals called adrenaline, cortisol and norepinephrine which combine to give you the sweats, clammy hands, a faster heartbeat and other stress-related conditions. When a physical threat is involved, this is helpful. The rest of the time, it just worsens your worry.

So what's the antidote? Facts. When you're faced with a stressful situation, take a step back and focus on reality. That's easier said than done, of course. But effective decision

makers learn to master their emotions and keep them in check during times of uncertainty. The faster you recognize this phenomenon, the more quickly you can get it under control.



Take the time necessary. Rarely will a situation be so pressure-filled that you can't call time out. Excuse yourself from what's going on. Ask for a few minutes to consider the problem. Even upset customers will accept this if you ask politely. Take a breath. Gather the facts. Check with others. Consider your options. Rehearse what you're going to say when you announce your decision. Prepare for possible responses. Do it kindly, but refuse to make hurried decisions just because someone else is pressing you.

Anticipate possible outcomes. As I mentioned above, the more you make decisions the more you will come to recognize patterns in the outcomes. When confronted with a problem, search in your mind for similar decisions you made and how they worked out. Consider the possible outcomes based on what you decide and let those options guide your actions. (More on this below.) The more you practice this behavior, the more your experience will turn into knowledge and wisdom and the more your emotion will turn into intuition.

Calculating Risk When Making Decisions

I mentioned calculated risk above when discussing how to choose the best option for solving problems. You're only human if you

seek to avoid risk. In doing so, however, you'll never get anywhere, especially as a manager in retail. There are, of course, degrees of risk. The more significant the decision, the greater the degree of uncertainty about the outcome.



The greater the degree of uncertainty, the greater the stress.

The most effective way to mitigate this stress, is to consider the three or more scenarios of what might happen. Suppose you need to find out why mall management has not installed a sign they promised would be completed two months ago. You've followed up a couple of times, but nothing has changed. You've gotten the impression that the mall's operations manager could care less. So you've decided to confront him more directly this time. So what could happen?

The best case scenario – When you approach him, the operations manager says, “I am so sorry,” and then provides a very reasonable explanation as to why the sign was delayed. In fact, he's going to give you a credit on your rent for being patient. (Only kidding.)

The worst case scenario – In his usual gruff tone, he tells you that your project is on the list, but he and his team will get around to it when they're not busy. He escorts you to the door of his office and stalks off without even saying good-bye. (In reality, this won't happen. But it may be the scenario that wakes you up in the middle of the night because you just don't like confrontation.)

The most likely scenario – The operations manager lets you know that the sign that was delivered for installation will not fit in the

fixture. He's only discovered this now that you're pressing him on the issue. So you have to go back to your manager and consult about what to do next. (This is only one of a hundred different possible outcomes, but you get the idea.)

Can you live with the worst case scenario? It might be uncomfortable for a few minutes, but of course you can. Besides, if the operations manager treats you like this, that gives you good reason to go over his head or call in your boss to take a more formal action. After all, you and your store are the customer. So if you can live with this worst-case scenario, it is time to move forward. The rest will take care of itself.

This process of defining best, worst and most likely scenarios works for all kinds of problems and decisions. Get good at using it and you'll discover a new perspective on how to deal with stressful situations.

Recovering from Mistakes and Unexpected Outcomes

We all make mistakes. I can tell you about some doozies I've made. I'm sure you can do the same. So how do you recover when you make these mistakes? Here are three quick strategies:

Train associates on the customer decision process.

Take time to think tactically before acting. I know! I know! You're thinking, “Now you tell me!” But seriously, just stop for a minute before attempting to correct what went wrong. Slowing your pace will diffuse the energy in the situation. It will also give you a chance to

calm down. You might even say, “Allow me a minute to think about how we can correct this.” If you’re dealing with a customer, ask how that person she would like to see the mistake resolved. We all think better when we don’t feel rushed or pressured.



Admit your mistake. The most disarming thing you can do when you’ve committed an error is to take responsibility. Don’t let your pride get in the way. Don’t worry about whether the people around you will think you’re an idiot. They won’t. You aren’t. Admitting you made a mistake usually drains the energy out of a tense situation. This can be especially true when an angry customer approaches.

Sadly, we have all experienced way too much poor customer service. So when you, as a manager, begin by apologizing, most people will be caught off-guard. Once the tension has eased, they will be more understanding as you work to correct what happened. (Additional hint: Even if you weren’t the person committing the mistake, apologize any way. It all stops at the manager. You can deal with the person making the mistake at a later time.)

Gather input to correct it. Ask lots of questions. Go back and trace the steps of how the mistake was made. Don’t seek to place blame on yourself or others. Work to get to the bottom of what happened. This way, you can learn from the incident. If it’s a mistake that others might make, inform them as well. Encourage them to do the same for you.

Most of what I’ve just mentioned may seem

Pay attention to those who show the most interest in how the store operates.

like common sense. For many people it is. But in the emotion of the moment, we sometimes forget to think. This is why reviewing the outcomes of the decisions you make helps develop the perspective and wisdom to avoid future mistakes. This perspective comes over time, of course, and no one leads a mistake-free life. But we can reduce stress and become better decision makers by developing this discipline.

Learning from the Best Decision Makers Around You

Ask the managers you admire how they got so good at what they do. Every one will tell you they learned a great deal by watching others. In interviewing hundreds of managers and owners over the past 25 years, I’ve discovered that the best ones share several specific behaviors that have resulted in their success in business. Anyone who follows these practices can experience this same success. It just depends on the amount of effort you invest. Here are a few of these essential behaviors:

Remain curious. Work in a store for a while, and you’ll begin to master all the processes and routines. That’s a good thing, but chances are you’ll also become somewhat bored. The best managers find ways to build their knowledge. They learn more about the company. They become experts in the merchandise the store carries. They master the store’s technology. They reach out to other managers. They even reach out to competitors. It’s amazing how all this knowledge comes in handy over time.

Surround yourself with other smart decision makers. Rather than making small talk when the store is slow, successful managers connect with other colleagues they admire. They grab coffee with these individuals and share ideas. They join local business groups like the chamber of commerce and Rotary. They establish a personal network and remain in touch with each of these people regularly.

Take the long view. Retail days are packed with immediate decisions. You're checking inventory, resolving customer issues, adjusting signage, balancing cash drawers, dealing with staffing issues. There's little time to think about the bigger picture. Right? While effective managers deal with all these tasks, they always keep the future in mind. Yes, their days are packed, but they still make time to develop a relationship with that special customer. They take a few minutes to network with others in the organization who can have an impact on their future. Rather than crashing in front of the TV after a busy shift, they spend some time studying the industry.

When was the last time you solved a problem and then discovered that it was the wrong problem?

There other behaviors successful retail managers practice. Observe them in action and emulate these characteristics. Over time, you'll be welcomed into their circle of influence.

Now that you've got the essentials of being an effective manager, take another look at the SIOCs assessment you completed before.



What can you add to each category? Make a list of specific ways you can enhance your growth as a smart retail decision maker. Now, let's move on to assisting those around you with the everyday decisions they make.

Part Two -- Improving Everyday Decisions in the Store

Have you ever wanted to yell, "Just make a decision!" It might have been at that customer who was taking her time. It might have been at an associate who seemed overwhelmed by a simple problem. Maybe it was your boss who was trying to please everyone. Well, I can't help you with the customers. They are, after all . . . the customers. And I wouldn't advise yelling at your boss. But I can help you with the people you supervise, although yelling is not the place to start.

We all get irritated with the way other people make decisions sometimes. But before I start suggesting strategies, it is important to consider why people approach decision making in so many different ways. As a retail manager, you're managing people from a diversity of backgrounds. Their skills differ. So do their basic skills. Then there are the cultural influences. As you have probably discovered, those in different cultures vary in their approach to problem solving. This can even be true within the US. The speed with which people in the Deep South make decisions, for example, sometimes drive those from New York City absolutely nuts and vice versa!

Consider everyone's comfort with making decisions. Some learn best by trial and error.

Others prefer specific instructions all the time. Still others have grown so dependent on digital applications and menus, they feel discomfort if they can't find the answer on a screen. And they all work for you!

That's why it is critical to meet them where they are and coach them forward. People engage more when they know you're nurturing rather than demanding. The same is true when you're attempting to improve their problem solving and decision skills. Part of this effort takes time. But quite a bit of it can be done quickly. We'll discuss both of these efforts below.

Decision Making Through the Associate's Lens

Let's quickly review what we discussed about the brain and decision making, but from the associate's viewpoint.

1. All decisions are the result of a balance between your rational thoughts and your emotions. This is true for those you supervise as well. They are going to react to different problems, situations and decisions with a mixture of emotion and intellect. Take the time to watch how they approach these challenges. You'll begin to see patterns. What situations cause more emotion? When are they more comfortable putting their "thinking caps" on to solve a problem? Ask them about this. Perhaps they'll share some insights about their experiences with problem solving.

If you're working with someone who struggles with basic math, for instance, he might say, "I've never been good at math." When you ask why, he might tell you about a parent



The most effective managers establish a store-wide expectation of confident problem solving.

or teacher who told him so and he's just accepted it as a lifelong truth. You might supervise someone who defers to everyone else for decisions. If you ask about this, you might discover that she's lost her confidence due to some poor choices in the past. All of this has an impact on the emotional and rational thoughts people have when making decisions on the job. The more you understand, the more you will be able to predict their behavior.

2. The brain functions through a continuous series of conscious and unconscious thoughts. Those you supervise function the same way you do. Their unconscious thoughts are automatic, based on stimuli the brain absorbs from the environment. The same is true with their conscious thoughts and deliberations. When it comes to the more the complex decisions they face in the store, however, they may need more coaching. Just as you have grown in your comfort with making decisions, they will as well. One thing to remember, however, is the diversity of experience you may have on your staff. On one hand, you may be supervising associates who are getting used to their first paid position. At the same time, you may be working with individuals whose work experience is far greater than yours. This experience may not have been in retail. But the decision making skills they've developed will transfer to your sales floor.

3. As your experience in a particular role

and environment grows, you become more confident in solving problems and making decisions. Once your associates begin to solve similar problems over and over, their brains will begin to “connect the dots” as we discussed earlier. Over time, they will be able to produce options and predict possible outcomes. With repetition, they will grow more confident in different situations. Some will struggle with this evolution more than others. If you want them to make better decisions, you’ll have to coach them in how to manage these challenges.



Once again, it is essential that you “meet” people where they are in their comfort with decision making. When you make an effort to individualize these connections you will be rewarded with associates engaged in improving their problem solving.

The Five-Minute Decisions Assessment

So what do you know and understand about your associates? Chances are not much. Considering the annual turnover in most stores, it can be tough to connect with many of them. But it’s also tough to help them improve their decision making without reflecting on what they do well and where they struggle. That’s not to say that all associates struggle with making decisions. Some are pretty good at it. But you don’t really know without taking a few minutes to consider each individual.

Just as you spent some time completing the SIOCs assessment on yourself, I recommend you take a few minutes answering the

questions below for each person you supervise. You can jot them down on a piece of paper and make a separate copy for each person. If you would like to print these questions out as a form, go to www.commonsenseenterprises.net/retailers/ and click on the Retail Manager’s Guide link.) This is not a thorough examination. It’s just a chance to consider each person and their everyday problem solving and decision skills. After all, you want them to think for themselves. Here are the questions:

How does this associate typically approach problem solving?

What kinds of problems does this associate solve well?

How confident is this associate in his or her decisions?

What kind of problems and decisions does this associate typically struggle with?

What are one or two ways you can help this associate improve his or her everyday problem solving and decision making?

As you complete these assessments, focus on behaviors rather than attitudes. The fact that the associate’s personality grates on you, for instance, should not take away from the fact that he’s a good decision maker. The fact that you find another associate delightful, does not excuse the fact that she depends on everyone else to make decisions. You get the

Challenging your people to make better decisions is not just a reward for the store, it’s a reward for them.

idea.

I recommend, of course, that you keep these assessments strictly confidential. Rather than working on them in the store, complete them at home, in a coffee shop, or somewhere else. You're not trying to hide anything. But these are for you, as a manager. Be factual. Refrain from unrelated comments. This is about problem solving and decision making only. Once you have completed them, store them safely. Use them for reference and perhaps as benchmark when you're evaluating performance. This is meant to be a positive exercise, not something to find faults and weaknesses.



What patterns do you observe between associates? Are there similar behaviors that you might be able to address with your entire staff? You might realize, for example, that a number of people have challenges explaining product service agreements. In this case, a staff training session might be a good solution along with a cheat sheet on what to say. In another case, you might discover that those you ask to stock merchandise have trouble following the planogram. Another training session might be in order, or maybe a short video illustrating the steps. Each of these instances, and many others, will be uncovered when you take a step back and look at these assessments in perspective.

Let's Talk Selection

I've been hiring, supervising and, in a few cases, firing employees for the past 27 years. Over this time, I have become convinced that

selection is the most important role a manager plays in the employment relationship. This is not a forum for how to hire top talent. But allow me to make three suggestions for determining the problem solving and decision skills of store-level associates.

Clearly explain the problems they will be solving and the decisions they will be making during the first interview. Then watch their eyes, their level of confidence, their non-verbal cues. Your strongest applicants will ask for clarification because they're . . . problem solving. They will want to know what they are getting into. They'll be curious about whether the job will be a good match for their skills and energy. Your weakest applicants will brush off what you tell them. "No sweat," they'll say. "I'm a great problem solver." Look out!

Ask each applicant to explain how he or she would resolve a couple of typical problems. Once you have explained the situation, get quiet, wait and watch.

- How does the applicant approach the problem?
- Is it an organized approach?
- Does the applicant ask for additional details?
- Does s/he consider options or just head in one direction?
- Does the applicant appear confident in working through the process?
- Does the approach and decision make sense?
- Even if it's not your approach, is it reasonable?

You get the idea. The point here is not to judge whether applicants come to a right or wrong answer. The purpose is to examine how each applicant approaches problem solving.

Better still, compel applicants to solve an actual problem. There is nothing more effective than placing applicants in live situations to see how they perform. You might ask them to organize inventory. You might ask them to merchandise a display. You might ask them to deal with a couple of your associates posing as unhappy customers. You might ask them to sell you something and observe how they do so. As they work, evaluate each applicant based on the questions listed above.

Do you have the time and resources for this? Yes! This effort will take longer than the “let’s go out and sit on a bench in the mall and I’ll ask you a few questions” approach. But the insights you will collect will be so much more accurate. Besides, you’re making a decision worth thousands of dollars, not to mention the heartburn a mistake might cause you and your colleagues.

Training Associates to Make Better Decisions

As I mentioned before, most people learn how to solve everyday problems through trial and error. Even those who have concluded that all answers are on a screen eventually have to learn this way. But you can jump-start this process with new associates by taking your present training a couple of steps further.

Train associates on how the brain makes decisions. You might simply take a few minutes to mention the points I mentioned earlier in this section. This, alone, will help them grasp the influences they’re dealing with. Be careful not to provide too much detail. Ask your company’s training staff if they can provide a resource. Ask questions like, “How do you think all this impacts your decision making?” or “How can you apply this when serving customers?”



Train associates on the customer decision process as well. Ask your supervisor for the research the company has on how customers make decisions when they enter your store. Ask your regional manager to make a short

presentation on this topic. Produce a short video on the steps customers go through in making buying decisions. Simply Googling the phrase “retail customer decision making” will produce lots of different insights. Better still, ask associates to do this research and make the presentation. What better way to engage those you supervise?

Catch them making thoughtful decisions. We all face problems and decisions that are more involved than the everyday challenges. When you observe one of your people doing so, take a couple of minutes to observe or even process it with them should they ask. This will provide you with insight into how they think. What was their approach? Where do they get stuck? What do they do to get unstuck? What kind of patience do they display? How do they manage the pressure of having a customer waiting while they try to solve it? Then complement them on their creativity, perseverance, and focus.

Provide on-going case studies. Make a list of the 15-20 typical decisions that are made in the store daily. Bring up each of these at staff meetings or even around the customer service counter when the store is slow. Ask for ideas. Then get quiet. You may be surprised at how many different ways your associates resolve these issues. Resist the temptation to tell them how a problem should be solved. As long as the problem was solved within the store’s rules and policies, who cares how it was accomplished? (You may discover that their solutions are better than yours sometimes.)

Promote collaboration. Rather than becoming the source of all answers and information, encourage your associates to ask each other. As the old saying goes, “Two heads are better than one.” Not only does this promote collaboration and creativity, it will relieve the pressure on you to be everywhere at all times.

Communicating the Big Picture to Your Team

Understanding the larger context of a problem or decision is essential for you as a manager. The same is true for those you supervise. The more they understand the details of any situation, the more invested they will

become in resolving it. That's human nature. Those who don't seem invested in doing the best job usually lack a clear understanding of the role they play in the overall store and business function.

Communicate the business model to the people you supervise. Explain the costs of doing business. Explain the process for acquiring merchandise. Talk to them about how the store advertises. Explain the merchandising process. (One retailer I've interviewed runs competitions to see who can best merchandise the point-of-purchase displays.)

During slow times, take a couple of your associates on a walk through the mall. Ask them to critique the merchandising and displays in competitors' stores. What suggestions do they have? What ideas can they bring back to your store? Ask manufacturers' reps to discuss the pros and cons of different products. Ask for pointers on how to upsell customers. Ask the company's buyers to discuss why they chose the merchandise they did. (If you can't get them into the store, Skype with them at a convenient time.)

Encourage questions. When an associate asks a question you can't answer, do some research. Better still, research together. Behavior like this demonstrates the kind of interest you want to encourage. When zone and regional managers visit the store, introduce them around. Hold an impromptu question and answer session about store operations, sales and other topics. (I interviewed the CEO of a regional chain who does this and makes an amazing connection with associates.)

Pay attention to those who show the most interest in how the store operates. Feed them all the information you can. They might be your rising stars. Rather than chatting idly when the store is slow, pick a topic and discuss it with those nearby. They may resist at first, but after a while, most will accept it as an opportunity to learn something useful.

Most of those who come to work for you will not remain in retail. They see it as a stepping stone and a paycheck. But there will be those who become engaged in



the process. (That might have been you several years ago.) These are the people to nurture. Pull them into your meetings with the regional manager. Take the time to explain your decisions and the company's decisions in more detail. As you do, mention the opportunities available for a career with the company. You may be surprised who expresses interest. Understanding the big picture benefits everyone – the company, the store, the customers, yourself and of course the associates.

When was the last time you solved a problem and then discovered that it was the wrong problem? We've all done that, including those you supervise. With the pace of retail, it can be easy to jump to a conclusion. But without asking a couple of essential questions, you may not understand the real need.

A customer, for instance, might complain about how the store is out of a particular product. She might have said something like, "You're always out of the stuff on sale." It would be easy to just give her a rain check and move on. But notice she said, "always out of the stuff on sale." That indicates that she's experienced this problem before. A smarter move would be ask, "How many times has this happened to you?" After collecting more detail, it would be appropriate to investigate how true this is. If the store consistently runs out of sale merchandise, that's an issue requiring attention at a higher level.

While you may be aware of some of these issues, it's important to encourage your team to take a second look as well. After all, they have just as much customer contact as you,

maybe more. Here's another example:

You discover that you've gone through an entire box of the expensive light bulbs for the new display cases installed last month. The associates tell you that the bulbs seem to burn out every few days. They hadn't thought to question it. But to you there's something wrong with the fixtures. It's time to call the supplier and get them to fix the problem. Here's a final example:

One of your best associates starts arriving late for work two days in five. Since you're trying to maintain consistent supervision, you've spoken to her three times that this is unacceptable. Rather than trying to explain, she has simply said, "Okay." Instead of letting it go at that, it would be wise ask about her reasons. After all, this is not her normal behavior. If she is willing to share, you might discover that she was in a serious auto accident and has lost use of her car. Since it was her fault, she was embarrassed to tell you. Now that you know more of the story, perhaps there is a way to adjust the schedule for a valued employee.



There are dozens of issues like these where the first problem is not the real problem. Encourage your team to take that few extra seconds to verify that the issue they are resolving is the root issue. Use examples such as the ones above to illustrate what you mean. They'll catch on.

Improving Everyday Staff Decisions and Problem Solving

It can be difficult to get others to improve

their problem solving in the midst of retail's busy pace. The customers always come first. That said, better staff decisions help you, as a manager, do a better job of serving those customers. So here is an effective strategy for coaching associates as you are balancing customers and questions. The technique is called a "think-aloud." If you're tired of the never-ending parade of questions, this technique will compel associates to use their "thinking caps" instead of depending on you.

Suppose, for example, an associate asks you to help him figure out how to organize the stock room, as you had told him to do. You've given him an outline of how it should be done, but he seems to want specific steps rather than thinking for himself. Say to him, "Rather than me telling you exactly what to do, why don't you think the process through out loud in front of me. That way we can work on it together." He may resist at first, since most people don't like to do something like this. But if you persist, he will comply.

As he begins to think through the steps, listen to his approach. If he's on the right track, encourage him a bit. If he goes off track, gently correct him. If all goes well, he'll begin to gain confidence in his own thinking. If he says, "I need your instructions 'cause you're the manager," tell him you don't have time to make all the decisions. He'll have to think for himself. When he's figured it out, praise him for the good job he's done.

Take this approach with everyone else as well. The key to this process is setting an expectation with your entire team. They begin to realize that every time they ask a question they should be able to answer themselves, you're going to put them through this process. They will, by nature start thinking for themselves without asking you. You'll know it's working when the number of daily questions decreases and they begin mentioning the problems they solved by themselves. Reinforce that behavior all you can.

Learning from the Best Decision Makers

Just as I encouraged you to emulate the best decision makers you know, I suggest you do the same with those you supervise.



In any workplace, there are some who solve problems and make decisions better than others. There are also some who make certain types of decisions better than others. You might have a senior associate who just knows how to connect with every kind of customer and resolve their questions and concerns. What can the others in the store learn from him? (What can you learn from this person?)

Another one of your associates may have a good head for organization. She's the one who can straighten out an inventory snafu quickly and efficiently. What can all of you learn from her? Chances are, there are a few essentials she knows that she can share with others.

Encourage your staff to take the time to study those around them. This habit should not be confined to co-workers. Those outside the store can also be good sources of problem solving strategies. You might even begin asking each of your people, "What's the one thing you learned about problem solving this week." They might dismiss this as silly at first. But if you persist, they will begin making this a part of their thinking.

You're Improving Your Store's Everyday Decisions

Wow! This has been a lot of information to digest. But even if you've skimmed this section, chances are you've picked up a couple of ideas you can implement tomorrow. ***Challenging your people to make better decisions is not just a reward for the store,***

it's a reward for them. What they learn from you, they will use elsewhere and that will help improve other parts of their lives.

In the fast-paced, high-turnover environment of retail, it can be difficult to see how taking time to focus on making better decisions will really make a difference. After all, the associates you train may be gone at the end of the month. But ***the most effective managers establish a store-wide expectation of confident problem solving.*** In return, they see measurable results in both associate retention and the bottom line. When that happens, everyone looks to the manager for his or her secrets. What a great place to be.

When you work to become a better decision maker and encourage your people to do the same, you have a more engaged staff, better productivity, better attendance, fewer mistakes and, of course, less stress and heartburn. The customers will be happier too. You know what that means – better sales and superior customer service. The result of all this is better professional opportunities.

For additional information, consult the suggested resources at the end of this publication. Be sure to check out our website and retail channel on YouTube for videos and other training resources as well. You're on your way to being a top decision maker in retail!



Common Sense Enterprises

Common Sense Enterprises has been teaching employers how to better lead and manage their talent for more than a quarter century. Our team has specialized in four specific aspects of the talent equation:

- Recruitment & Retention of Employees
- Managing Cross-Generational Teams
- Improving Daily Workplace Decisions
- Preparing for the Workforce to Come

Throughout these efforts, our focus has always been on the client's bottom line. After all, developing top talent produces top returns. Retailer and wholesaler clients have included:

Campus Computer Resellers Alliance

- CITGO
- Chevron
- Dairy Queen
- Fast Signs
- Food Marketing Institute
- IGA SuperValu
- Piggly Wiggly
- McLane Company
- Mighty Auto Parts
- National Association of Retail Merchandisers
- National Grocers Association
- National Retail Hobby Stores Association
- National Shoe Retailers Association
- PetSmart
- Retail Owned Food Distributors and Associates
- SuperValu, Inc.
- Western Association of Food Chains
- Western Home Furnishings Association
- Wholesale Florist and Florist Supplier Association

Robert W. Wendover

Robert W. Wendover is an award-winning author of ten books who has been researching and writing about workforce trends for more than 30 years. Bob has created the comprehensive training curriculum, *Generations: Understanding Age Diversity in Today's Workplace* and has written or contributed to more than 300 articles for a wide variety of national publications. His credits include CNN, CNBC, The Huffington Post, The Atlanta Journal Constitution, The Detroit Free Press, The Florida Sentinel, The Denver Post, The Providence Journal, the Fort Worth Star-Telegram, Entrepreneur, Money and even Women's Wear Daily. He has written monthly columns for retailers, Realtors and human resources professionals.

Along with ten years on the faculty of the University of Phoenix, Bob has served as a special advisor to the American Productivity and Quality Center along with a number of corporate and academic studies on workforce trends. Since 1988, he has conducted more than 1200 paid speaking engagements from the towers of Wall Street to the Outback of Alaska. He has earned the designation of Certified Speaking Professional from the National Speakers Association.

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<http://www.commonseenterprises.net/retailers/>

Suggested Resources

Instructional Videos -- Check out the 3-4 minute instructional videos on the Common Sense Enterprises retailer page at www.commonseenterprises.net/retailers/

Smart Decision Wallet Cards – Request a free ten-pack of our Smart Decisions Wallet Cards by calling 1-800-227-5510 or sending an e-mail to info@commonseenterprises.net.

Brain Rules: 12 Principles for Surviving and Thriving at Work, Home and School (Updated). John Medina, Pear Press, 2014

Figure It Out! Making Smart Decisions in a Dumbed-Down World. Robert Wendover, Articulate Publications, 2014

How Great Decisions Get Made. Don Maruska, AMACOM, 2004

How We Decide. Jonah Lehrer, Houghton, Mifflin, Harcourt, 2009

Thinking Fast and Slow. Daniel Kahneman, Farrar, Straus and Giroux, 2011