

National Retail Research on

**Effectively Leading
Multiple Store Locations
from a Distance**

Summary Findings Report



Conducted and prepared by

MOHR RETAIL
EVERY DAY IS A CHANCE TO LEARN MOHR

Contributors

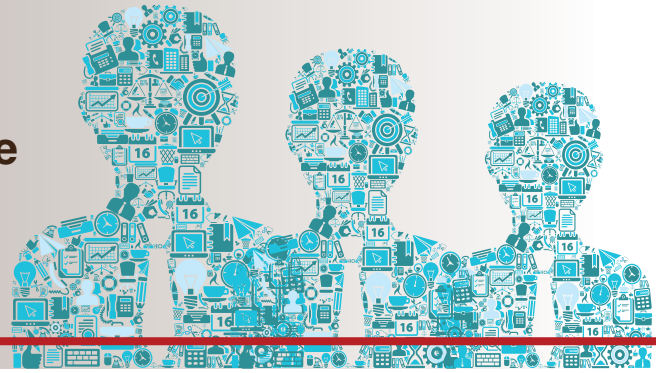
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MOHR Retail White Paper

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Overview

For over 40 years, MOHR has been recognized as the premier service provider of interpersonal skills training to the retail industry, nationally and internationally. During that time, we have conducted extensive research with major retailers on a wide range of topics including the competencies and skills critical to effective leadership and negotiation. This research has influenced our thinking about leadership skill-building approaches, individual clients and their results, and even the training industry as a whole.

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The development of our **Retail Multiunit Management (RMM)** program — a program with which we have had significant success since its launch in 2004 — was an out-growth of that very type of research. More than 7,000 retail multiunit managers (DMs, RMs, etc.) have participated in RMM to date.

RMM remains crucial and relevant to managers who lead from a distance; at the same time, we at MOHR continue to keep our eyes and ears open to the changes that technology, online buying and social media have had on retailers, both in terms of how they interface with customers as well as how their managers manage. >

What separates average multiunit managers from extraordinary ones in this changing environment? We took a 3-pronged research approach...

Overview con't

Several months ago, we initiated a research project to determine what separates average multiunit managers from extraordinary ones in this changing environment.

The objectives were to:

- Determine the extent to which existing **RMM** concepts and content are still valid
- Uncover new leadership challenges of leading at a distance
- Identify top situations multiunit managers must competently address to leverage success
- Define the role of technology and influence of social media

We took a 3-pronged research approach:

- **National online survey** to both existing **RMM** client DMs and influential retailers who are non-clients
- **Interviews** with 20-30 influential retailers and their top multiunit managers
- **Ride-alongs** with 5-7 significant retailers to observe and gather content details

We were given access to some of the top retail companies in the U.S. and Canada. For purposes of confidentiality, we are unable to reveal specific names. However, the range of retail formats included specialty, luxury, off-price, discount and outlet. Current RVPs and DMs, as well as Regional Loss Prevention, Marketing and Visual Directors, were interviewed about their management challenges and how they handle the range of interpersonal situations they face daily, especially as a result of having to manage multiple locations from a distance.

This document summarizes our findings, major themes and their implications for leadership development of multiunit managers.

Executive Summary

Moving
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Multiunit managers in retail have both time and distance working against them as they pursue their goals around consistency and productivity. Many retailers assume that if a manager has been successful in leading a store team they can effectively lead a group of stores. Often, retailers promote their best Store Managers expecting that they will be able to duplicate the success they've had in a single store across a whole district. That assumption has been proven wrong too many times to count; and at MOHR Retail we know the reason why.

Moving from single store leadership to leading a region or district group of stores is the single biggest career change a manager can make. If you are successful with that leap, you are more likely to be able to handle a whole range of higher-level career positions. Most territory, regional and HQ senior leader positions require the ability to influence and motivate others without the benefit of being in the same location. That requires a different level of leadership and an entirely new set of skills and insights.

We have been training retail multiunit managers in leadership for many years. We thought it was time to revalidate our original research and make any needed adjustments to our existing **Retail Multiunit Management (RMM)** training. We know that over the years there have been many shifts in how retail operates. Technology with integrated digital channels, customer use of smartphones and search capabilities, product and service feedback sites, and enhanced visual communication to name a few. >

Executive Summary cont'd

6
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We applied a robust national research approach including in-person ride-alongs, surveys, and interviews across a broad range of retailers. We were looking for what had changed and what differentiated average DMs today from superior operators. We learned a lot.

Six major themes emerged from the data. Here is what differentiates average retail multiunit managers from superior ones today. Superior retail multiunit managers:

- Plan for the unexpected
- Communicate competently across all modes
- Find a balance between consistency and innovation
- Use dual-purpose coaching
- Build company-wide relationships
- Bring a consultative perspective

While each theme has a discrete focus, you will see that there clearly is synergy amongst them.

1 THEME ONE: Plan for the unexpected

In our research, superior multiunit managers understood the power of looking for **themes**, remembering similar situations and their solutions...

In retailing, the only thing we know for sure is that things will change. Multiunit managers realize that, in addition to the types of changes the company presents such as new systems or even new ownership, local forces also create change.

Being able to anticipate downturns, associate issues, leadership bench strength, local customer and/or product trends means paying attention to cues and being able to synthesize many different points of information together. In our research, superior multiunit managers understood the power of looking for themes, remembering similar situations and their solutions, and reading and responding to cues they saw, read and heard throughout their travels. Pulling these threads together while planning allowed them to proactively consider options and what they might expect in the week or season ahead.

How to use 'windshield' time vs. 'airport' time and know when to leverage perishable coaching moments to gather additional information and insight are even more critical to planning and success. Starting with the establishment of a long-term district-level goal which anchors all activities and helps match information against progress toward that goal is essential. >

2 THEME TWO: Communicate competently across all modes

Over the last few years, there has been an explosion of enhanced communication technology especially through the use of mobile-enabled devices. Multiunit managers fall into a routine of conference calls and emails to connect with their reporting managers. Other than store visits, these are typical ways for both communicating one-on-one and with groups of managers. Average multiunit managers still rely primarily on those methods. Our research surfaced that extraordinary multiunit managers used more varied and creative newer technology modes: texting, Face Time, Skype and the sending of photos/videos. Being aware of how others' personal style of communicating might influence their interest in an email they can read on their own and digest vs. being asked in the moment for a response also became part of the decision on which mode to use and when.

This more diverse use of technology results in innovative and more effective communication. Rather than just describing what's going on in the stock room, sending a photo paints a more complete picture. Rather than waiting for email communication to move its way through the internet, texting establishes a more conversational and quicker way to dialogue around solving a problem. >

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2 THEME TWO: Communicate competently across all modes con't

The key is for multiunit managers to become proficient in all types of technology and make sure their people are as well. They must also be willing to think in advance about which type of technology works best in a particular situation and then commit to using the best approach. In some cases, this may require 'stepping out of one's comfort zone' to start skyping with your management team rather than conducting a weekly conference call. 65% of our communication comes from the non-verbal cues we see. Many DMs are using Skype for initial employment interviews as well.

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If one's company doesn't support some of these newer types of communication, it is up to multiunit managers to try to influence upwards. HR policies may need to evolve and/or be created to better direct stores and multiunit leaders by providing boundaries and acceptable guidelines.

One other aspect of the research that was revealed had to do with knowing when not to use electronic communication. Store Managers are hungry to learn more and share ideas. Superior DMs who modeled or demonstrated effective leadership in-person, chose to be available to assistants and all associates during a visit for touch base conversations, and/or decided to delay conversation on a topic until visiting the store were all ways they mentioned to strengthen relationships and build trust with their team. Being intentional about when to use text vs. visit time was a powerful differentiator between average and superior multiunit managers. ■

3 THEME THREE: Find balance between consistency and innovation

Asking for ideas
and **input** is a
good first step. Paying
attention to how you
respond to that input
is critical.

While it is clear that what's expected needs to be consistently communicated to all reporting managers, average multiunit managers usually prefer that their team use the same approach to meet these expectations and reach goals. More effective multiunit managers define expected outcomes, yet realize and accept that different Store Managers will get there using different approaches (if those approaches are consistent with the brand.)

This requires that multiunit managers be confident enough to give up some control. They must also embrace the idea that innovation is a 'good' thing' and arises out of people being given a chance to try things their own way.

So, for multiunit managers, it becomes a balancing act. How much do goals and expectations need to be achieved in the same way vs. how much latitude reporting managers have in getting there? The answer to that question is contingent on several factors, including the experience level of the reporting manager.

Asking for ideas and input is a good first step. Paying attention to how you respond to that input is critical. Consistency is the result of getting everyone in your charge to follow closely to the expectations in the same way. Innovation is the result of setting a goal and challenging stores to come up with many different yet effective ways to achieve that goal. Having an overarching anchor goal helps DMs to be more intentional about what they need to focus on within their district. ■

4 THEME FOUR: Use dual-purpose coaching: Performance and Passion

Retail managers clearly know that they must coach to achieve the numbers. But how many of them also pay attention to the passions of the person being coached? For multiunit managers, this dual-purpose coaching is essential to provide foundational learning for consistency as well as help grow promotable managers and maintain high levels of motivation even when the multiunit manager is not there. The ability to pivot between providing foundational learning for consistency and helping grow promotable managers is a key marker of excellent multi-unit managers.

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Being able to adopt different leadership roles that flex to the needs of reporting managers and their teams was a key factor in being an extraordinary multiunit manager. Newer Store Managers are naturally more attentive because they are still learning and growing. More experienced Store Managers need their boss to flex to more of a mentor role rather than coach. Ten years ago when those Managers began in their positions, they were also excited to get to work and do their best. What gets them out of bed today?

They also risk that their reporting managers will only focus on numbers with their own people which can lead to associate dissatisfaction and turnover. In fact, studies have shown that millennials define themselves more by their interests and passions than their careers or even technology.

So how do you coach to someone's passions? The best multiunit managers flexed their leadership to the mentor role throughout the year to ask their reporting managers questions like:

- What makes you happy about being here?
- What are things you value most about being part of this team?
- What's the achievement you're most proud of as a manager?
- What is your definition of success?
- What do you want to be known for? ■

5 THEME FIVE: Build company-wide relationships

Another key discovery in the research was that while effective leadership with direct reports was essential, being skillful with support areas and those who don't report to you is equally important.

Retail multiunit managers today have more authority and responsibility to make decisions and get things done. However, retail demands that there is communication and strong relationships within the supply chain. This is especially critical with those who don't report to you but impact your ability to achieve your regional or district-level goals.

Departments headquartered at corporate offices, distribution center chain of command, and/or regional support staff all present challenges and opportunities for the multiunit manager.

Often at the moment you need help from a support area you are asking them to stop or change their own priorities, adjust policies for your need, and generally disrupt their productivity. Having and developing persuasion and influencing skills to shift priorities, expand support and redirect efforts is often lacking in average-level performing multiunit managers. Combining influencing with leadership development is an important shift for any Learning & Development team providing resources to the field.

A key research insight was that superior multiunit managers understood the importance of building and strengthening relationships with these resources proactively, before even needing to ask for their help or support. Superior multiunit managers shared information about their area, made sure to provide feedback, and gave updates on progress on initiatives to those departments involved. ■

...retail
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6 THEME SIX: Bring a consultative perspective

One of the enduring myths of retail multiunit management is that once you're promoted to the position you have to have all the answers. Average RMs and DMs feel the need to react rather than reflect with their management teams.

Outside consultants often get hired by companies because they can provide a 'big picture' based on their broad range of clients and experiences. Companies also seek to understand and ask a lot of questions about outcomes, opportunities, obstacles and actions. Similarly, multiunit managers can play this same role in drawing their managers out of their day-to-day narrow worlds into something larger. They have the benefit of exposure to what works and doesn't work in a variety of store settings as well as a more comprehensive understanding of the corporate perspective.

The **best** multiunit managers...acted as a trusted advisor who provided opportunities for their managers to look beyond their own situation...

In our research, the best multiunit managers didn't focus all of their time working with reporting managers to reinforce and improve their own stores. Instead, they acted as a trusted advisor who provided opportunities for their managers to look beyond their own situations, including in some cases visits to neighboring stores to see another way of doing things. Multiunit managers who could get their managers to provide solutions to problems first could push ownership of solutions down in the organization. The other benefit of asking others for ideas and how they'd address issues before providing your own solutions was to teach and develop their critical thinking.

Moving from store visit to store visit multiunit managers also don't always have each location's details and needs in mind. Superior multiunit managers could set ego aside and get the location's team to share information and insights before diving in to solutions. They were an internal business consultant teaching through questions, then providing a district-wide perspective that helped broaden the range of options for solving problems and leveraging opportunities.

Summary

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The unique challenges facing retail multiunit managers continue to evolve and require new skills. This retail-specific research on leading multiple locations from a distance can provide insight and guidance to retailers who want to step up their regional and district-level leaders' game. It can influence decisions about learning priorities for this target group and help fine-tune skills and information this group needs to adapt to an ever-changing world.

Many of the overarching best practices we saw require a new mindset as well as skills that expand beyond traditional management training. The situations tend to be more nuanced and have short and long-term impact depending on how the multiunit manager chooses to lead. Make no mistake, leadership at this level was a deciding factor on all of the key metrics retailers use to evaluate success; sales, turnover, profitability and customer satisfaction to name a few.

It was also exciting to see how some of the best leaders in the field were adapting to the changing work environment. They leveraged technology, understood the multiple leadership roles they need to play, knew the answer to the question 'what do I get paid to do?', and were able to extend their influence beyond their stores to others around the company.

We at MOHR Retail will continue to listen to the new learning trends and practices that separate superior from average leadership behaviors and strategies. We hope this has provided new insights for you and your organization as well that will strengthen your competitive position in the market.