

**Retailer Newsletter**

**March 1, 2024**

**Tom’s Business “TIPS”**

***“To Improve Profits”***

**RE: A Couple of Observations**

**Hello**

**I recently shared a quote from Sam Walton (founder of Walmart) pointing out the importance of providing good customer service. You may recall I told you that I believe customer service and employee/vendor theft are two items that are ‘Business Killers’ for any retailer that does not take them seriously and makes them priorities. After conducting numerous In-Store Consulting visits where it was obvious, shortly after I walked in the door and talked to CSRs for only a few moments, that ‘Employee Theft’ is the #1 problem at that store. My responsibility is to point this out to the retailer, making sure that he/she understands it AND is willing to correct the problem. However, therein lies the problem. Many retailers do not want to confront their staff with the issue of employee theft. They just don’t want to believe that it’s as bad as I pointed out to them. They realize they are not making the money they expect to, but often they are in denial as to the cause. Many times, the reason that retailers do not want to confront employees is because termination is going to be the end result, and they simply do not want to fire anybody, even facing continued theft.**

**Here's another observation on customer service that is equally important to share. I often hear retailers tell me their staff has difficulty speaking the local language, whatever it might be. If many of your customers speak English, Spanish, Urdu, or Hindi, educate your staff to communicate with your customers in their language. Start them off with the basics, “Hello”, “Please”, “Thank you”, and “Please Come Back”. It makes sense to have your staff comfortable with the spoken language at your location, so help them and educate them. Your customers and employees will thank you.**

**Often during Training Seminar Classes or In-Store Consulting, when questioning the retailer about his/her business, I will ask, “Do you provide cash advances or loans to your employees?” Most often the answers I hear are “No!”, or “Absolutely Not!”. As I look back on my career, I probably had that same philosophy too, in my early years. First, let me explain that there are two different requests for an ‘advance’.**

1. **The first is what I call, “I’m short of funds a day or two before payday”. If I had a new employee who asked for an advance a day or two before payday, I would be inclined to help them out once or twice. I would explain that this is not something we do regularly for everyone; but since you are new, I am willing to help you out this time. In this situation, I would take $$ out of my pocket and hand it to them. I would explain that we do not do ‘payroll deductions’, and we do not run ‘tabs’ for in-store purchases. I would tell them to repay me after they cashed their check.**
2. **The second scenario, I call “I’ve had an unexpected expense for which I did not budget”, is handled a little differently. The reason for that could be a case where an employee who has been with me for a while might run into an unexpected car repair or maybe a rent deposit when they move. Now remember I did say, for an employee who has been ‘with me for a while'. I would not do this for a newly hired employee simply because they have not proven themselves to me yet, or I do not feel comfortable loaning them anything more than $20-$40 at a time. When I loan money to an employee for a large, unexpected expense, I also give them the $$ out of my pocket (or write them a check). I do this because *I do not want them* *to see me take money out of the cash register.* To many employees, the cash register is like monopoly money, it’s not real (although, it is to you and me).**
* **Here is the downside of not loaning $$ to an employee. We are in a cash business, so they are going to find it one way or the other. I use this example when talking to retailers; if an employee is desperately in need of funds, they may *‘find’* a twenty-dollar bill on the floor, or they may shortchange one of your customers, and then they will think to themselves, “Alleluia, my prayers are answered!” When in fact, they stole that money from you or your customer. That money will NEVER come back. In addition, once someone realizes how easy it is to steal $20, they are going to tempt fate the next time and try for $40, then $100, and so on and on! It will never end!**
* **Do you see where I’m going with this? Many of our employees live paycheck to paycheck, and there are lots of temptations all day long. Church employees and clergy steal from churches, police officers steal from criminals/businesses, and bank employees steal from customers, if the need is great enough. Most employees will ‘steal/borrow’ money from you with the intention of paying it back at some point. The problem is, they never do; because the money they stole is gone, and the temptation, opportunity, and need are still there. Be warned! OBTW, my record on getting repaid by employees was 100%! That’s right, I never lost any $$ I loaned to employees. I believe to this day that the compassion I extended to my staff paid off for me in the long run. Why, you ask; because my employees felt they could come to me in times of need, and I would help them out. They repaid me by treating me with respect/honesty, and many of them remained with me for many years. I had cashiers, auto mechanics, and managers stay with me for 20+ years! The longevity of my staff was by far better than most of my fellow Amoco/BP retailers.**

**Have you ever researched a previous edition of ‘Tom’s Tips’? There are several years on file you can review/print if necessary. Take a moment and review the titles, you may find a topic of interest to you.**

[**https://www.tsmanagementservices.com/page**](https://www.tsmanagementservices.com/blank-page)

**Is ‘EV Charging’ right for you? I ask that question because I realize many of you are contemplating that very question. The first thing you need to think about is do you have enough space? Generally, this should be an area of your parking lot that is out of the normal traffic flow for your pump islands, store entrance, and vendor parking. Some organizations, states, and businesses are offering incentives for this upgrade. I advise you to do your due diligence if this new endeavor is on your mind.**

**<https://www.google.com/search?q=how+to+become+an+ev+charging+station+owner>**

**This article recently appeared on CSP Daily News:**

***C-Stores’ Approach***

***Convenience stores and travel stops are at risk of diluting their brand if their EV chargers aren’t functioning.***

***“People will avoid a C-Store/station if they have a history of not being able to charge correctly. This is important for the businesses that are installing EV charging. They need not only an installation plan, but also a maintenance plan to make sure that their EV chargers are available for use when the weather gets cold.”***

**The Bottom line – if you decide to expand your business to include EV Charging, and if you fail to do it properly and professionally, it will hurt your overall image. Be warned. Now that I think about it, there are locations today that fail to maintain clean restrooms, and they fail to provide clean, usable windshield squeegees during winter months, so they probably would not maintain usable EV charging stations either.**

**Shrink:**

**I read an article recently regarding ‘shrink’ that I thought I would share with you. Our industry suggests that 1-2% of sales is the norm. That means acceptable *(not by my measurement)*. Now here comes my question, do you know how to calculate shrink and do you know what your shrink is?**

**Here’s the formula:**

**Divide unexplained losses $ by sales $, multiply by 100**

**$1,000 (unexplained losses) ÷ $75,000 sales = .013 X 100 = 1.33% (shrink)**

**To quote a phrase I have often used in training seminars:**

***“What should be in your store minus (-) what is in your store,***

***the difference is shrink”.***

**If you have not computed your shrink in a while (or if you have never calculated your shrink), *I suggest you do it now.* If you are having difficulty, I recommend you check with your accountant/bookkeeper. Feel free to reach out to me if you still are not sure.**

**Are you accepting EBT at your store(s)? It could be a source of additional revenue for you. Check out this link.**

[**https://www.cstoredive.com/spons/requirements-to-accept-ebt**](https://www.cstoredive.com/spons/requirements-to-accept-ebt-in-your-c-store/703291/)

**I’m sure everyone has heard about the tragic shooting after the Chiefs Super Bowl Parade in Kansas City. Witnesses reported hearing ‘fireworks’ at first. As it turns out, it was not fireworks, but rather gunfire. How many times have we heard that ‘noise’ and gotten the wrong first impression? On a personal note, our 18-year-old granddaughter was there; and until we heard she was safe, we were really worried. I hope you have talked to your spouse, kids, and grandkids about what they should do when they hear gunfire. Don’t wait, if you are in the mall, a store, or a restaurant; drop everything and run away from the noise. Do you want your children to call you and ask you what they should do? Of course not! You should discuss this with everyone (including your staff) about what they should do if they find themselves in this situation before it happens.**

**A recent article states: “The FDA asked to intercede on ‘gas station heroin’.” This is a case of C-stores trying to capitalize on illegal items. Our industry has received bad PR (public relations) numerous times over the years, sometimes rightfully so, and sometimes not! There were times when I owned my stores that many retailers were selling cigarettes to minors at higher-than-normal prices. I always asked why. For extra profits? How crazy is that? I would never condone illegal sales of any kind at my stores for several reasons:**

1. **It’s against the law.**
2. **The risk outweighs the gain.**
3. **If my staff knew I was doing anything illegal, their faith in me would be lost forever. What else am I doing that they do not know about?**
4. **What are the chances that an employee or former employee would report me to the authorities for revenge?**
5. **What if an employee threatened to report me if I did not give them a raise, or a promotion?**

**I saw a sign recently in a retail store (I tweaked it just a bit) -**

***“We are in the people business; we just happen to sell gasoline!”***

**I like it!**

***Hiring kind people with a positive attitude is***

***better than hiring negative people with experience.***

**Don't be a victim of the 5 Dangerous Words**

***‘Maybe I’ll Do It Tomorrow’***

**Do it today because tomorrow (~~could be~~) will be too late!**

Tom
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