

**Retailer Newsletter**

**September 1, 2020**

**Tom’s Business “TIPS”**

***“To Improve Profits”***

**RE: Keeping Your Recently Hired Staff**

**Hello,**

**You might be interested to know I received several emails and phone calls after *‘Starting Salary’* last month. Our website had a record number of hits as well. Most retailers were downloading employment forms. If anybody has any questions about them, please reach out to me. I think the consensus is most retailers are tired ☹ of the revolving door – people coming and going so fast you hardly learn their name. It didn’t take me long as a young entrepreneur to become frustrated by the ever-changing faces in my business. I learned the hard way, (doing things the wrong way for too long and getting frustrated by the results) so I decided to make a change in the way I hired CSR’s. I finally realized if I hired slower, I was firing slower or they were quitting slower! I was also concerned about the costs associated with turnover. Too many times, retailers don’t realize the total increased costs related to turnover. Here are a few items you may not have considered as turnover costs.**

* **Increased overtime when current staff must cover for absent/missing CSR’s, or worse I had to cover the shortfall.**
* **Then added time it takes to train the new employee.**
* **The mistakes/errors, slower customer service (because they are new), and the time it takes to get them up-to-speed learning all the little tricks/nuances in our business. Some of those tricks may be making coffee before it runs out, changing receipt paper before the roll runs out, suggestive selling, and customers that must wait while our new staff members learn.**
* **Customers like to see friendly😊, familiar 😊 faces behind the counter. That’s a real plus in our business compared to corporate stores.**
* **The real $$ costs associated with turnover and higher work comp rates due to the increased $$ spent on payroll.**
* **Increased state and federal unemployment costs since many earn low $$, quit and have not meet the threshold. If my memory is correct, the Kansas threshold was $7000 which means you are paying for all wages under $7000. I fondly remember during the 3rd and 4th quarters when I had a stable workforce and my unemployment quarterly payment was relatively low, very low! *(Check your state for your threshold amount.)***
* **I believe workmen’s comp charges are higher using the same threshold scenario. New, untrained CSR’s also make more mistakes and get hurt at a higher rate.**
* **Don’t overlook advertising costs searching for new staff members.**

**Now that you have hired and trained your new staff (you did give them a training orientation, didn’t you?), you must make the effort, work hard to keep good CSR’s. Our website contains an easy to follow ‘5 Day Training Checklist’ that all CSR’s should undergo. Last month I mentioned how important it was to have regular employee evaluations and to review the potential for them to earn more $$. In past *Tom’s Tips* I’ve discussed simple and productive commission & incentive programs for CSR’s in an effort to pay them more $ BUT and that is an important BUT……. A commission plans most important goal is to increase the stores sales and profits. I remember all the times I stood in front of a seminar audience or sat one-on-one with a retailer in his/her office and watched as some people would actually freeze up at the mere mention of the word ‘commission’. I will never understand the fear some retailers have regarding commission programs. Here is an example of a simple, yet effective way to start an incentive program at your store:**

***If your inside store sales average $80,000 per month (which should generate $24,000 in gross profit), set your objective at $85,000 (that should create $25,500 in gross profit). I would use $500 of that to share with my staff for their efforts, and that leaves me $1000. Now, I’m simply not interested in handing them extra money, I’m going to stipulate a couple of requirements with the commission plan:***

* ***They must be at work, each day as scheduled, on time!***
* ***They must wear a uniform, with a name tag the entire shift.***
* ***They must also wear a mask during the current situation.***
* ***I will provide my staff weekly updates on the progress our store is making towards the objective/goals.***
* ***Be honest with your CSR’s. Don’t try to mislead or cheat them out of their bonus money, they will eventually realize you don’t intend to pay them for their efforts.***
* ***My objective, besides my store sales increasing, I hoped my staff would earn their money by keeping restrooms a little cleaner, the coolers stocked and faced, and customer service just a little friendlier.***
* ***You are going to see a change in the attitude of your staff. They have a new reason to do a better job, they have an immediate interest in seeing the store sales/profits improve.***

**You can set your own criteria, the goals for your store. I will always remember a conversation I had at a seminar when I brought up the idea of paying a commission for car wash sales. An attendee said, he would be willing to pay a commission on car wash sales if he had a way of *not paying* when a customer asked to purchase a car wash. I was shocked by his statement and I blurted out, “Get over it, pay them. Maybe the customer was asked to purchase a wash on their previous visit but didn’t have time. The next time they returned they asked for the wash.” In my opinion, my CSR’s deserved commissions for all inside car wash sales. I had that factored into my calculations regarding the car wash sale price and commission $$ paid.**

**In addition to financial rewards, most employees want to receive some recognition, a ‘pat on the back’ from time to time. I always tried to find something good to say to my staff at least once a day. I know you are probably saying to yourself, “What? You want me to thank them for coming to work and doing their job?” The answer is YES! Yes! Yes! We too often take our CSR’s for granted. Remember, it’s the little things we do to keep our staff doing their job, better than the competition! I made a point to thank my staff members for getting to work during nasty winter weather. Maybe that’s why I kept employees longer with less turnover than many of my competitors and friends in the business. A phrase many of you have heard me say before, “Would you want to work for YOU?” If you come off as grumpy, unappreciative, and hateful, would you want to work for someone like that? I wouldn’t!**

**I found this item on the internet recently, maybe this will work for you.**



**I believe ‘clean and sanitary’ will be on everyone’s mind and a part of doing business long after COVID-19 is gone. Be sure you, staff, and your stores give customers that comfortable safe feeling now and in the future. Be sure everyone is wiping down surfaces and are wearing a mask when working in the store, including yourself.**

**I hope you; your, store staff, and family stay safe and well during these trying times.**

**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!**

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***“Our business is making your business better!”***