



## **Local Knowledge and the Smaller Retail Enterprise**

**Patrick Onions, The Knowledge Studio discussion forum, 21 August 2011**

Recently we were engaged to revitalise a local DIY superstore, and this has proven to be an immensely interesting and challenging project.

Changes are needed in practically every area of the hundred year old business, from advertising and branding to the customer experience, product range, organisation structure and signage. No single employee or consultant can realistically be an expert in all these areas, and business has evolved to the point where deep knowledge is needed in each functional area in order to be competitive. How does the small enterprise acquire the knowledge they need?

One secret is to focus on core strengths, so let's start by exploring the advantages to being a small retailer...

- Small means knowing more about local markets, knowing what one's customers want, and knowing when they want it.
- Local knowledge helps when adapting quickly to local circumstances.
- Local knowledge helps when judging reaction to the competition.
- Small means the experts are close to the customers and the competition. Experts in large multi-store operations may be separated from the customers by geography, organisation structure and even language and time-zones.
- Small means knowing more about all aspects of the business, and more particularly how changes in one area affect another.
- Small means one can make decisions and implement them quickly, allowing the business to adapt very quickly to changing conditions. Large organisations have strict budgets and chains of command to navigate, often for the simplest of decisions, and have tight rules and heavy administration that restrict the individual employee's ability to react.
- Customers perceive smaller businesses differently, and can appreciate the familiarity and personal touch.
- Small and local means a unique and highly relevant identity can be more easily achieved.

## How can the small retailer capitalise on this?

- Start today!
  - Start in any area of the business;
  - Start small;
  - Don't procrastinate.
- Assign technical roles and product ranges to each employee:
  - Assume that all employees are in some way customer facing;
  - Provide time, encouragement and incentive to develop new skills to enhance the product or service;
  - Give them access to the knowledge;
    - Internet;
    - Relevant newspapers, journals and periodicals;
    - A basic training course;
    - A good straightforward book on the subject;
  - Require them to achieve a better knowledge of the products and competitors they have been assigned to;
  - Use their new-found skills each week and when planning and evaluating.
- Set up a marketing calendar to drive frequent changes that are suited to the local market:
  - Utilise employee's knowledge
  - Stocking the right products at the right time of the year;
  - Place and price the products appropriately;
  - Promote in a way that will appeal to the local market;
  - Get staff and customers to help design local advertising.
- Regularly engage with customers:
  - Ask questions, solicit feedback;
  - Improve the relationship and interaction with customers;
  - Gain a better understanding of what customers need and will need in future.
- Encourage employees to visit competitors and other retailers, at least every three months
- Set up an ideas board.
  - Entertain all those crazy ideas that emerge from time to time
  - Make a note of what competitors and other retailers are doing;
  - Make a note of all the things customer's ask for that you don't stock.
- Hold a team meeting each week to:
  - Review the items on the ideas board;
  - Present and discuss emerging problems that management are faced with;
  - Assign tasks to investigate and implement approved ideas;
  - Make thinking, planning and improvement a habit.
- Integrate local events, culture and history into the business.
- Understand who you are, as a business, within the local context. A unique and highly localised identity can set one apart and be far more relevant.

We hope that these simple steps will help boost your business. There is no reason why smaller retailers cannot be more knowledgeable about their local markets than the giants, and in so doing the business will do better and its employees and customers will benefit.