



Reaching for Consistent Customer Service and Preparing for the Future

BY PAULO GOELZER, PH.D

Windham IGA: Improving Customer Service through Online Training

The National Grocers Association's annual compensation and benefits survey shows that independent grocers want to improve underdeveloped training programs in 2008. According to the survey of independent grocers in 2007, some 74 percent of respondents do not have formal customer-service training programs, and 64 percent said in 2008 that employee training and development would be the greatest focus of their human resources departments.

This survey holds a clear message for independent retailers like Bob Buonomano, owner of Willimantic, Conn.-based Bob's Windham IGA. Understanding the need for advanced training, Buonomano's associates have completed 64 courses between January and June of this year—making Bob's Windham IGA one of the top users of online courses in the first semester of 2008. We congratulate Buonomano for his accomplishment; achieving that number of completions is not a function of the store size, computer or Web expertise, but a reflection of management's concern with people development and performance.

Today, successful retailers can be divided in two groups--those with skills and those with scale. We at the IGA Coca-Cola Institute are delighted to provide the tools that accelerate the learning of skillful retailers, allowing them to draw on their knowledge for the progress of their business. Our innovative blended approach of online courses and on-the-job training offers a consistent development program that is both a new and effective concept for the food retail industry.

While the IGA Coca-Cola Institute has many success stories, in this article I'd like to share more of Buonomano's story to illustrate how effective blending training programs can make a difference in developing valued employees. Buonomano details his experience below:

"In order to compete in this competitive environment, smaller stores like ours must offer more in the way of customer service by having on our team employees

that are professional and knowledgeable," Buonomano says. "The IGA Institute's online training program has enabled us to give our employees the technical knowledge that makes them stand out in the minds of our customers. Furthermore, IGA's online training has given our employees confidence in performing their jobs. I believe our customers appreciate that when they ask one of our employees a question, the employee is always able to help them. This happens frequently—for instance, in our meat department—where employees often share tips for preparing certain items. Detailed customer service of this kind has definitely increased our sales with double-digit growth despite the fact that we are surrounded by five super stores—including a Wal-Mart Supercenter."

"I feel the best way to encourage our employees to take the online courses is to offer them an incentive," he says. "I give each employee who completes five courses a \$100 gift certificate to our store. First they must complete the two mandatory courses, which are the customer service and sanitation courses. Next they must complete a course in their own department. The last two courses must be in different departments to help them appreciate the skills and knowledge of fellow employees. We blend this training with on-the-job training, and I believe, yield an employee that has much more confidence in his or her own ability."



Bob Buonomano, owner of Bob's Windham IGA



For more on the IGA Coca-Cola Institute, visit www.igainstitute.com

Green Retailing:

If I told you that some retailers refer to green initiatives as economically advantageous, instantly profitable, efficiency enhancements, would you be surprised? Would you also be surprised that green initiatives can improve your reputation because they're seen as the right thing to do, add credibility to your brand, attract better personnel and entice new consumers?

If you are stunned by those claims, you are missing the boat. In my experience, most retailers are not surprised to hear that green initiatives are growing in importance, but that does nothing to clear-up the sometimes puzzling green-related information they read in the newspapers or see on the television. That is why the IGA Coca-Cola institute is developing a new online course designed to help you and your associates increase your understanding about sustainability,



Are You Missing the Boat?

the term widely used to express the need to live in the present in ways that do not jeopardize the future.

Simply put, sustainability is not a fly-by-night trend. As the world and U.S. economies continue to grow and increase their demand for electricity and fossil fuels, greenhouse gases will continue to build up, raising the public's concern about rising temperatures. If you're still not convinced, take the word of Dr. R.K. Pachauri, Nobel Prize-winning scientist and chairman of the Intergovernmental Panel on Climate Change (IPCC). In the IPCC's Fourth Assessment Report, entitled "Climate Change 2007," Pachauri warned that "the warming of the climate system is unequivocal" and there will be grave implications if society does not take action to mitigate the emission of greenhouse gases.

Perhaps the best way to help you understand is to take a look at the processes that are leading to global warming. Climate change is caused primarily by the carbon dioxide released from burning fossil fuels like oil, coal and gas. In other words, when you drive a car, the engine burns fuel, which creates a certain amount of CO₂, the chemical symbol for carbon dioxide. When you heat your store/house with oil, gas or coal, you also generate CO₂. Even if you heat your store with electricity, the generation of electrical power may also give out a certain amount of CO₂.

According to the experts, the built environment—or the man-made surroundings that provide the setting for human activity—is estimated to produce 40 percent of the world's carbon. The good news is that there are many ways both inside and outside of your company that you can reduce your carbon footprint—the term used to measure the total amount of CO₂ released by a business or individual. Moreover, as an independent, you have the ability to benefit from the low-hanging fruits in energy and waste management.

Energy Management

The energy initiatives can be divided in three areas, which include lighting, heating/cooling and equipment.

Lighting

Lighting is fundamental for the face-to-face interactions with the consumer, and especially for the display of products. Typical efficiency enhancements in these programs include using LED (light-emitting diode) and CFL (compact fluorescent light) bulbs. LEDs consume less than half the energy of fluorescent bulbs, last 75 percent longer and produce considerably less heat than traditional case lighting. Furthermore, the replacement of traditional incandescent lights—otherwise known as the energy-eating small heater—is virtually effortless. Other lighting-based initiatives include light-sensitive or motion controls that automatically turn on, and off, when not needed.

If you're planning to remodel or rebuild, consider taking advantage of natural light through the use of efficiently distributed skylights. Keep in mind, however, that the ideal balance of size and position may be difficult to achieve depending on the climate of your



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Heating/Cooling

A proper HVAC system is the key to maintaining a comfortable temperature in the store and the integrity of the products. However, before you consider upgrading your system, try to reduce the amount of time you actually use it. Examples of these initiatives include proper insulation, wind curtain, magnetic shades over cases for night time, reclamation systems, non CFC refrigeration, retrofit fans for refrigerators and freezers, beverage merchandisers and open-air freezers replaced with glass doors.

Equipment

Equipment like computers, display screens and cash registers are continuously improving efficiency. The Energy Star database lists the specs of most equipment. The constantly updated database also indicates which equipment meets the ENERGY STAR requirements for business or home.



Waste Management

Waste traditional stores are doing a good job with the tons of cardboard and plastic they generate, but it's important to note that new alternatives are surfacing for the disposal of biodegradable waste. For instance, unusable produce, meat trimmings and chicken grease—or the wastes which traditionally went to rendering companies for animal feed—can now be sold to biofuel companies.

In another realm of waste management, retailers are also finding that water consumption can be reduced. For example, Costco uses low-spray valves in sinks that use 48 percent less water than standard valves.

Packaging can also be designed to be greener, as is exemplified by the famous square plastic milk bottle that allowed 224 gallon-size bottles in a pallet compared to 210 round bottles. Likewise, some retailers, for example, will only sell concentrated products in the liquid laundry detergent category, saving the transportation, storage, plastic resin and pounds of cardboard used in the packaging.

Education and awareness in the area of waste management have become increasingly important to the consumer, as well. Tesco, for instance, has announced its intention to put carbon labels on a variety of products stating the quantity in grams of CO₂ put into the atmosphere by its manufacture and distribution, and IGA Retailers around the world have had considerable success with reusable and recycled-bag programs.



The Future of Energy Management

If you truly want to make sure you're not missing the boat, it may be time to consider the adoption of alternative energy sources.

The two major sources of alternative energy utilized today by retailers are solar and wind. According to Kim Bowker, author of the article "The Beginner's Guide to Generating Solar and Wind Generated Electricity," solar electric systems take from 12 to 20 years to pay for themselves depending on your location and your local electricity charges. Wind power systems can take from eight to 12 years, depending on the wind speed at your site.

While this may seem like a substantial investment, more and more states have very aggressive rebate programs and tax credits for individuals and businesses to help reduce the initial cost of the system. Rebates and tax incentives can be as high as 50 to 60 percent of the cost of the system depending on your state.

These incentives—coupled with a desire to do the right thing—are prompting some retailers to establish goals to have increasingly higher percentages of electricity come from renewable sources.

Whatever goals you adopt, it's important to understand that systemic changes in energy efficiency and waste management cannot be achieved without people involvement and cultural change within your store.