

BEST PRACTICES

For Facilities & Construction

A roundtable discussion among vendors and retailers at the InterFace Retail Facility & Construction Exchange, held September 18-20, 2011 in Hilton Head Island, South Carolina. MODERATED BY GRACE DALY

At this roundtable session, top thought leaders shared best practices, hot issues and forward, out-of-the-box thinking to move our industry forward. Here are some highlights from the many engaging discussions.

Alex Taylor, Francesca's Collections: We talked about a lot of different issues, but I think one that struck a chord with everybody at our table was basically communication within the stores and within the business as far as operational issues. Whether they're construction related or maintenance related, communication as far as how these issues are reported and whose responsibilities they are, is the failure of various issues in stores that aren't being handled because of lack of training. Because of too much focus on sales, are there incentives for running a good operating store versus just running a store that is selling a lot of product? I know that one of the major issues we had with our chain was making sure that all the construction items, ongoing maintenance issues get reported through the right channels so that they get to the right person to be able to be dealt with properly. I think we all often agreed the majority of the issue is there is more emphasis placed on sales than there is on having a good operating back room, having the lighting work all the time and all those issues it takes to really make a store work properly.

I think some of the answers we're finding are having a streamlined process for reporting the issues; having the basic information in stores telling salespeople where to go to.

Rick Upton, Miner National Service: First of all, on hot issues, a similar topic we focused on was all around standard operating procedures at the retail level. There is clearly a predominate priority on revenue and profitability of the store, and to try to rely upon store operators to carry through a facilities or maintenance type operations is a frustration for us. Some of the best practices we talked about around that was the work with the DMs and the Regionals to get certain facility or maintenance related items from the standard operating procedures tied back into their bonus structure. In one retail chain, you had DMs and Regionals making observations and doing surveys and tying that back into a human resource process so that that comes back into their evaluation and ultimately affects their bonus. There are also certain KPIs that would be tied back into the bonus, and then finally we're actually doing customer surveys coming out of the store on what the customer experience has been and, again, tying that back into their bonus.

Moving on to the best practice, one of the key areas we talked about was the fundamental, easy, daily maintenance items that rather than



Left to right: Alex Taylor, Francesca's Collections; Rick Upton, Miner National Service; and Mike Fairclough, Resicom.

having a contractor traveling to the store to do certain simple things like change the air conditioning filters or water filters, was leveraging existing vendors who were in your store on a regular basis. For example, pest control, who would not only do their procedures but also potentially change filters throughout the store. To bundle those services with existing vendors to eliminate travel charges while they're in the store. Another best practice was to take a look at your equipment specialist at headquarters who is handling calls coming in from the store, and reorganizing their responsibilities so that you get better solutions and faster resolution on certain tickets. Example: Maybe taking certain discretionary spend items like painting off of everyone's plate and putting them on a kind of different process pathway so that you keep certain mechanical, electrical and HVAC work tickets on certain individuals that have the expertise to get better solutions and resolutions, rather than get bogged down with some of the other more mundane ticket requests.

Then there was a lot of discussion around lighting technologies that folks out there are testing and finding good payback. For instance, on LED lighting; despite some of the higher capital costs from LED, they're starting to see those savings come back. Also bringing back old technology like induction lighting which has lower energy, longer life, but then also integrating the right technology like surge protectors and dimmers so that you not only take an existing long life product - you extend the life even further through some of that technology.

And then finally on the innovation side: two examples. One is where you've got the leverage, store presence and body power is go out on the market and buy energy futures to get a better advance price on electricity, natural gas or heating oil. So depending on fluctuation in spending, get a price locked in to leverage that savings over the extension of the agreement with your local or regional energy provider.

Finally, the last innovation is around some roofing membrane materials — TPO, 60mil — that our retailers are finding great life as long as you go to the heavier 60mil versus 45mil product.

Mike Fairclough, Resicom: So the hot items. Timeline was one of the big ones. Really the challenge regarding construction timeline schedule was just getting people to commit to it. As opposed to just getting a date on a chart, understanding that different departments work at a different pace, the ability to get people to commit to that. Some of the things that help with that would be to identify and explain the dependencies involved in the schedule and collaboration. One thing that was brought up was realizing that there are some decisions that can be made at store level, such as, "I'm getting a truck today; we can't work back here."

Communication. We discussed email is good but it's not necessarily a collaborative tool or has the power of a phone call. There's something about human interaction with the voice, there's something about asking the direct question and the way they respond right there on the phone call, that's really a powerful, collaborative tool. Also the issue of communication, just getting to the singularity of the data. Many of us use web portals; the data is there, and the idea behind it is that process management is to be content management. Many times the information is there already. These things can be counterproductive in terms of communication. Another one is: Replace the word "accountability" with "reliability" and how that ties back in with committing to a date and so on.

On to technology. Five years ago, technology provided us with singularity and access — both of which were fundamentally different than the way in which we operated in the mid-90s. If technology was to advance fundamentally, it would be interface — people logging in.

What's relevant to the end user is actually logging in; to make things more relevant, it has to be more actionable. Also if we can mention the development of software that actually capitalizes on the collective learning that a vendor and retailer share through the life of the brand and establishing a standard of care. **RFB**

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