

Case Study

# Retail



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# The Introduction

The Chief Executive Officer (CEO) and founder of a luxury jewellery retail chain had issues with declining margin in a number of his locations, and he was opening a new location that needed a fast start.

# The Situation

He said the reasons for his business issues were that:

- Conversion ratio was low (18%) and a high number of sales were significantly discounted;
- Store leadership was ineffective, they'd promoted their best sales performers vs. best leaders into store manager roles; and
- Customer engagement was average, at best.

He said needed actionable insights. As a first step we measured the experience of the workforce (psychological safety) and the leadership performance and identified correlations between the factors assessed and the sales outcomes of importance.

After reviewing the analytics, root causes and opportunities for improvement we provided the following additional capabilities:

- A sales process and suite of communication and influence skills modelled from the best high end retail sales people; and
- A leadership and coaching development program and a coaching system for the store managers to improve psychological safety, motivation and sales skills.

# The Outcome

The performance improvement was fast and lasting:

- Customer letters of commendation about the six star service experience started to flow – three in one month for one store location that had received none for the previous twelve months;
- Within three months sales performance doubled in his best location and within six months it tripled in his worst performing location. His newly opened location ramped up to equal to that of his best within three months (a feat that took previous locations twelve months or more);
- Discounting dropped, in number and in size, by nearly 45% and margins increased accordingly; and
- Sales revenue for the business nearly doubled over twelve months (after excluding the contribution of the new location);
- Staff psychological safety, motivation and engagement skyrocketed to world class and staff turnover dropped.

# The Results

The project paid for itself within two and one half months and yielded an ROI of more than 525%. The CEO said “This is the best investment I’ve ever made in this business.”



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