

## RETAIL EXECUTIVE DASHBOARD DOES NOT SERVE FRONT LINE SALES MANAGERS

Retail Dashboards are pictures of spreadsheets used by executive managers to visually identify around five key performance indicators. Dashboards have gauges, like the speedometer in a car, and graphs and colour, to draw attention to areas of strong and weak performance of each retail store and the organisation as a whole. They may display: sales per hour, items per sale, average sale, conversion rate, and wage to sales ratio – at the store, regional, and national level.

The purpose of the Dashboard is to enable executive managers to effectively communicate strategy and objectives to area managers who then reinterpret the strategy into actions for each store manager. Ultimately it is the Salespeople on the shop floor who carry out the activities that satisfy the objectives of the company.

Sophisticated Dashboards allow executives to produce 'what if' scenarios, save them, and send them down the line to their area managers. But mostly, there is an upward reporting of numbers and a downward communicating of strategy - meaning that the statistics are lost at the individual Salesperson level.

For example, an executive dashboard may show each store's 'sales per hour' KPI (Key Performance Indicator) compared to each other store but it does not show each Salesperson's 'sales per hour' compared to each other Salesperson within the store. Therefore it is impossible for the executive to know – at the individual Salesperson level – how to improve sales performance.

Particular to the retail industry sales are made on the shop floor. Not by telephone or meetings, or online purchase. While branded merchandise and store design attracts customers to the shop it is almost always the Salesperson who makes the sale. But in almost all cases Salespeople have no individual daily sales target because there is no system in place to generate objectives, goals, targets at the individual sales level.

This represents a problem because area managers, who have been tasked by executive managers to improve sales performance, have no further information about the KPI activities within that store.

Once the merchandise and store displays have been checked by the area manager, the next logical step is to look at the POS (Point of Sale) reports to identify poor areas of performance. And here comes the surprise! - Not a single POS system is able to tell managers which Salespeople performed better than others. Why, simply they do not have a time sheet (roster) attached to Sales Targets so have no way of calculating predicted or actual individual sales goals.

Some attempts use spreadsheets to figure out individual sales goals but spreadsheets fall over. They inaccurately produce goals as they do not weight fast and slow periods of the day. They are not connected to a dynamic time sheet – meaning if the roster changes the goals do not, but should. Spreadsheets take time to copy, past, edit, modify, and correct mistakes. And there is no feedback system for comparing actual performance – compared to everyone on the shift.

While an executive manager can see that a particular store is underperforming, because a KPI is lower than the other stores, they cannot determine who in the store is underperforming on the same KPI.

So what's the big deal? If you cannot determine low KPI's at the individual Salesperson level in retail then you cannot improve individual sales performance based on statistics – and dashboards are pretty pictures about statistics - which we interpret as instructions for changing behaviors. Dashboards cause executive managers to want to change behaviors across the organisation but, as you can see, they do not help front line store managers change behaviors at the individual staff level.

Effectively increasing sales in retail – by focusing on the sales skills and behaviors of each individual salesperson, requires a sophisticated, easy to use, web-enabled system, that communicates the objectives of the organisation to each individual salesperson – on a level playing field. Such a system will report both up and down the organisation so that staff at every level can understand the objectives of the organisation clearly, statistically, and fairly.