

Intent delivered

Keeping an eye on retail will ensure brand intent is met. **Interviewed by Rachel L. Miller**

You and your team work for months analyzing data, developing plans, communicating your vision throughout the organization — and finally you pull the trigger on what you feel is going to be a game-changing program. But as you visit your retail locations, there's hardly a trace of your game-changer. Your program seems to have come to a screeching halt at the edge of your whole-sale team.

What went wrong? And how might you have ensured that your intent was carried through to the retail staff? Whether it was a marketing, sales, financial or behavioral program, the answer could likely be: standards management.

"Standards management is a practice employed to measure the alignment of company intent with retail behaviors and performance," says Moritz Seidel, president of Webfair AG, one of Europe's leading suppliers of automotive sales and service quality management systems. "By auditing retail behavior and ensuring compliance with standards, a company can ensure that in-market performance lives up to expectations with respect to brand standards, quality or financial performance."

Smart Business spoke with Seidel about why these programs work — and how they can have a lasting, powerful influence on a retail organization's performance.

What does a world-class standards management program involve?

Many retail and franchise organizations specify retail standards with which retailers need to comply in order to receive, keep, or get rewarded within a franchise contract.

The process begins by establishing performance standards that are managed via checklists. Next is the requirement to prepare for and execute a performance audit. Once complete, the audit results will provide an analytical base, which will drive action planning to address shortfalls in performance.

It's a complicated process that can be a challenge to manage, but there are software products that can automate almost



Moritz Seidel
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every step, thus keeping the process simple and relatively error-free.

How are standards developed?

Through thorough and careful analysis, a company should be able to discover pretty strong relationships between achieving performance benchmarks and their corresponding results. With that knowledge, companies can establish benchmarks that will serve as performance standards — and decide to whom the standards are applied. In a large organization, these standards might differ by outlet format; for example, urban outlets might have different standards than rural outlets. Or standards might vary by state or country.

What happens after standards are set?

The next phase — audit preparation — is about assessing compliance with the established standards. It begins with the company deciding who should perform what task and when. Capturing and documenting performance standards, drafting a solid audit team — with the requisite expertise to evaluate performance and, finally, scheduling specific audit activities are key elements of the pre-audit phase.

Then it's time for the actual audit, which involves comparing the outlet-specific checklist of performance standards against retail results — and seeing how the outlet measures up.

What happens with the results of the audit?

After the audit is performed, the marketer will most likely notice exceptions — a gap between the condition of the outlet and the established company standard. There is work to do either on the part of the company or the retail outlet — and thus begins the action planning phase of the process.

An exception indicates that performance changes need to be addressed. State-of-the-art standards management software should take management through a series of questions to address what the appropriate next step should be. Such questions could be: What actions need to be performed to comply with standards; who needs to perform these actions; and when do they need to be performed?

This stage can be very complex since there are typically hundreds of people in the field, all of whom need to comply with different standards; there are different deadlines; and it all needs to be managed across different hierarchies, countries and languages.

As I've mentioned, there's software available that automates the entire process and informs everyone — through e-mail alerts — to complete the proper tasks at the right time. The software ensures actions are being performed and being checked by intermediate management. It makes steps easier and less error-prone. When these audits are managed manually, errors can occur that corrupt the resulting data, leading to a number of costly problems.

The last step will be an analysis of the entire process, through which a marketer examines each step and reviews how it progressed. Through analysis, benchmarking and reporting, a company can get a clear overview of how its entire retail network is performing.

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