

Dobbit Professional

10 GUIDELINES FOR FUTURE MARKET LEADERS

How did The Home Depot become the global market leader in just two decades? In the brand new management book **Breakthrough Retailing**, Jim Inglis hands us the key principles.

MORE THAN HALF A CENTURY OF EXPERIENCE

With the publication of his voluminous book (+ 400 p.), the author not only shares with the world community the experience of a career in the field, but also hands over, in a very accessible language, the key principles that made The Home Depot the world market leader in only two decades. The very best management books are those that do get read, because they are written by talented people who have remained humane, simple, and no-nonsense, despite their pedigree. Inglis likes to be called a "street fighter," and he has no problem with that with more than half a century of operational expertise on the counter... Between 1983 and 1996, the DIY/PRO veteran held executive positions at The Home Depot, first as VP of Merchandising, later as VP of Strategic Development.

(MORE THAN ONE) MANUAL FOR EVERY BELGIAN IN DIY AND PRO

Breakthrough Retailing is not just a collection of recipes to be successful. Inglis describes just as well how a change at the top of an organization (the Nardelli regime of 2000-2007) can temporarily undermine the success story, simply because of a personal style and the obsession of a centralized policy. Jim literally tells the story of a change process - through trial and error - and substantiates the transformation with numerous examples that can be applied anywhere in the world, regardless of the size of the shop. The author clearly has one mission: to use his unique storytelling talent to show you how to become 'best of class' in a world that is constantly changing.

Through ten guidelines, the author reveals, in a very understandable way, the secret to performing exceptionally in a highly competitive world. Inglis has mastered the unique art of backing up each of these guidelines with a concrete action plan, interspersed with many high-profile examples.

10 GUIDELINES ON SERVANT LEADERSHIP AND CULTURE

In part four, the street fighter gets to the heart of the matter by explaining ten core principles that lead to higher productivity; a process of change from 'disruptive player' to market leader. A recognizable process of emergence.

MERCHANDISING IS AN ART

The power of product display and shop appearance applies to all segments in DIY & PRO. Inglis illustrates this proposition with numerous examples that show that excellence in merchandising is not something that can be taken for granted and immediately pays off if applied optimally.

YOUR BRAND IS YOUR MOST VALUABLE ASSET

Once again, the author surprises with recognizable examples that show how and why customers ultimately attach themselves to your signboard, your brand, because it radiates exactly what it stands for. Brand association linked to a value pattern (closer example: Abus stands for 360° safety).

THE RIGHT PRICE IS ONLY DETERMINED BY CUSTOMER PERCEPTION

This guideline is more than welcome in a country where discounts are still juggled on a weekly basis, undermining any kind of credibility. The veteran speller tells us the lesson: only the end user knows the right price, and often that price is not even linked to a tariff. Price perception is inexorably linked to trust. Make no mistake: the right price is the 'Every Day Low Price', and that is why persistent promotions are so useless.

SUCCESS IS MEASURED BY GROSS MARGIN RETURN ON INVENTORY

Without a doubt the most significant guideline in The Home Depot's breakthrough: price elasticity is determined by pricing each SKU according to a variety of rational parameters, and optimal supply chain management is essential.

EVERY DAY LOW PRICE REQUIRES EVERY DAY LOW COST

Perhaps the greatest strategic challenge ... is to control all the variables that impact on logistics from DC to point of sale. Inglis analyses the three key factors: transport, labor and capital from a decentralized policy.

ADVERTISING IS AN INVESTMENT, NOT A COST

The author explains in great detail how to win "trust" over the years with a process-oriented flow of information, internally and externally to the organization, through the most appropriate media channels.

SELF-SERVICE IS THE BEST SERVICE

User-friendliness and self-service are the two principles that are directly linked to the first guideline (merchandising): it must not only look good, but above all remain highly functional and operational, read: sell smoothly. In this particular context, Inglis underlines the importance of service and skill (expertise) of shop staff.

RETAIL MUST MAKE THE TRANSITION FROM PRODUCT TO SERVICE ORIENTATION

Inglis is referring here to the downfall of retailers who have not succeeded in making the transition from pure merchandising to full services (this key message is discussed at length in Hammertime): Toys'R Us, Kmart, Sears, to name but three in the retail history of the United States.

HIRE, TRAIN AND RETAIN THE RIGHT PEOPLE

The author explains how The Home Depot directly linked its payroll policy to its growth process and value perception by its customers.

COMPANY CULTURE DRIVES PERFORMANCE

A company culture is the result of personal leadership, underpinned by the example that unconditionally binds every employee to the overall process.

THE ESSENCE

The genius of Inglis' argument is that he turns the fundamental beliefs of The Home Depots management strategies and styles into 'achievable' action plans. Inglis' quotes are apt:

- "People are not blind or stupid, they are always looking for value."
- "Don't give the customer a reason to ever shop somewhere else."
- "Teach people about the WHY instead of the HOW."

The main message of the book, and the biggest lesson we learn from it, is that in the DIY, PRO & GARDEN sectors it is still and exclusively about 'keeping the right focus'. And guess what that focus is? It's the customer, stupid!

More about Jim Inglis at www.breakthroughretailing.com.