

Retail Coaching

How to boost KPI's and *Emotions*

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What is the connection between retails sales, coaching and NLP?

There is nothing more innovative than being yourself"
Professor Pascual Montañés

The story goes that a prestigious designer hi-fi retail chain decided to use a mystery shopper. The plan consisted of five people who visited five stores in the United States, each bearing an American Express Gold card. A credit card with no limit in other words. They could buy whatever they wanted in the store. THE WHOLE LOT! There was only one condition: they could only buy what the sales assistants would offer them. There was the chance therefore that a salesperson would offer them a whole string of items from the store, one after the other. Speakers, DVD players, complete home audio systems and so on, and the customer would always answer "Yes, I'll take that". How many of the five mystery shoppers ended up buying the whole store? NONE OF THEM! One of them in fact left a store with nothing, as no sales assistant there suggested a single product. At the other end of the scale, one good salesperson ensured that the customer left the store having purchased an expensive home cinema system, although the shopper wasn't offered

any accessories, phones etc. The sales assistants' desire to sell was less than the spending power of their customers. How sad is that?

These salespeople would earn higher commissions and get promoted sooner if only they would... OFFER! However, although it was objectively in their best interests to do so, for some reason they didn't. Was it because they were afraid to be told "no"? Were they prisoners to a limiting belief that if they offered one thing they could offer no more at the risk of unduly bothering the customer? That might be the case. However, in many retail chains this problem is very often dealt with by instilling an "always offer" philosophy in their sales staff. Even so, it frequently doesn't work as retail chains appeal to reason, with the brakes slammed on by such beliefs are the buffers, by the unconscious. In fact, if we work on the root cause for this and other limiting beliefs, we may well overcome numerous problems in retail. Through my work as a coach in the retail sector, I have seen many situations in stores which, as in the previous case, illustrate some of the problems that prevent people from triumphing and feeling fulfilled in their work. I have also seen how it is possible to turn such situations around. Here are just a few examples:

Pamela was a saleswoman in a sportswear store. As she was rather shy, she didn't look her customers in the eyes and her voice seemed to fall off at the end of sentences. Her working day seemed like it would never end. This meant that her sales performance was low to medium. Today Pamela has regained her spark. With her very personal style and communicative smile she now shows much greater assertiveness and has become the leading sales assistant in the store.

Jane, a franchise owner for the past five years in the home decor sector selling furniture and curtains, had an average ticket value (the average value for each sale) of \$420. Taking this indicator as an area of opportunity and placing products in her shop window and by the checkout on a whim, she increased her average ticket value to \$635 in just two months. 50% more

David, the section manager in a hypermarket, became embarrassed when talking to his colleagues, especially those who were older than he was. It got so bad that he stammered and blushed at times. His embarrassment was "stronger" than he was. Working with himself and setting regular meetings, he now says that communication with his team is "one of his strong points". Through his tone of voice and his eloquence, he transmits trust and confidence. Just a look from him could convince people.

Gerald, the owner of a chain of seven shoe stores, was tired of calling or visiting his store managers, asking them how sales were, and being told "slow" or "the competition has lower prices" or "no one comes in when it's raining", with the blame always eventually falling on the economic recession. Today, he has managed to turn this self-pity around by introducing a system based on taking responsibility with an individual and visible weekly balanced scorecard. He now looks on with satisfaction, noting how even his sales staff are now taking responsibility for customer problems that previously would end up on his desk various times a day.

Charles and Michelle had worked for twenty years as business managers for multinational firms and lived with their two children in a European capital city. Some years ago they considered making a "lifestyle change" without ever fully defining it. They thought about setting up their own company, but the lives they enjoyed with their regular salaries were very comfortable. Making that "leap" gave them both "vertigo". Michelle liked going shopping for clothes and had even designed her own clothes on occasions. Another of her passions was flowers, and Carlos frequently delighted her by giving her a bunch of her favorite pink roses. Today, after a selection process, a business plan and a period of reflection regarding their most closely-felt aspirations and the way of life that would make them happiest and most fulfilled, Charles

and Michelle are now the happy owners of a women's clothing franchise in her home town, close to the sea. After just six months, they could not understand why they had waited so long to make the change that was making them so happy.

Nicholas had managed to consolidate a chain of fifty cosmetics stores and had various takeover bids on the table. 62 years old and always "going at 1000 miles an hour", he had never stopped to think about passing his business on despite frequent requests from his wife to do so. His oldest son had studied to be a pilot; his youngest daughter had studied Fine Arts in Paris while Daniel, his middle son, worked in the business. Nicholas had brought together a strong and able management team. Sometimes he invited Daniel to meetings, although he sought to keep him in the background. Finally, Nicholas has managed to organize his succession at the head of the business. He has spoken to all his children, but especially to Daniel. Nicholas has told him of his confidence in him and how proud he would be to see him take over the reins. Today, Daniel is following a specific program which will enable him to assume leadership of the company within three years.

These six stories all have something in common. At a certain point, the people concerned, all of whom work in the retail sector, have all stopped to think:

What is my current situation?

What would my ideal situation be?

What do I need to get there?

What action plan am I going to implement?

Do I really want this?

Ah! They all have something else in common. Throughout the process of asking these questions and seeking to respond in the best way possible, they have been accompanied by a coach.

Why Retail Coaching now?

Over the recent years of economic recession, more than one retail business owner has told me: "I've done a lot; I don't know what more I can do to cut costs. I've renegotiated my rent, I've laid people off, but nothing seems to have a positive effect, to get me back on track." In this context, the question of productivity often arises, how much you can get out of each person. Once the management approaches have been established, it seems reasonable to focus on the attitude of the employees toward the store project. That may well be key to ensuring good results.

In the same way that skyscrapers can limit one's contact with nature, the size of organizations can restrict contact with their essence: selling products to dozens of people every day. Nevertheless, the questions that retail business owners ask, whether these businesses are corner stores or hypermarkets, tend to be very similar:

How can I ensure that my sales staff stick to performance protocols, contribute to a business culture and yet still stay "themselves"?

How can I ensure a consumer experience which is systematically gratifying, with genuine, responsible and committed sales assistants, which results in higher profits?

As a retail manager, how can I motivate my staff to improve, to go beyond the inertia of "we already tried that", "the competition have a better product", "the recession has ruined us" and "it's the rain's fault"?

As a retail business owner, how can I turn my dreams into a creative, productive and profitable vision?

Answering these questions with new tools is the challenge I have set for myself through Retail Coaching. What does this new concept mean? Let's take a look.

The challenge: to sell more and sell better with more fulfilled sales staff

The 90 square feet of a family-run corner store or the 90,000 square feet of a hypermarket both represent a dynamic space with their respective management approaches, their Retail Marketing Mix, in which each person has hundreds of decisions to make each day. Commerce takes place in a bubble that encompasses the salesperson and the buyer facing each other over a counter, looking at products together at a display or sat at a table in a restaurant. The point at which the trade is made is the "moment of truth". Companies dedicate significant resources to marketing, systems and operations, and at the end, success is measured in terms of the "here and now", that moment in which a customer is in a purchasing environment, accompanied by salespeople, merchandising, sensations and emotions. This coming together in the "sales bubble" is what constitutes retail, and covers all manner of purchases - clothes stores, hypermarkets, bakeries, airport check-in desks, restaurants, hotels, traditional market stalls etc.

The ICF (International Coach Federation) defines Coaching as "an ongoing professional relationship that helps people to produce extraordinary results in their lives, careers, businesses or organizations. Through the process of coaching, clients deepen their learning, improve their performance, and enhance their quality of life."

The term "coaching" has become very fashionable, although it actually refers to an age-old practice, incorporating the listening experience which features in numerous traditions - the maieutic or Socratic method, the inner listening of oriental wisdom, Jesuit

"discernment" etc. It is the art of ensuring a person knows themselves in order to develop their own potential to the full. A coach is a "professional listener" who helps other people to reveal themselves, to engage, achieving notable results through a process of reflection and a commitment to take action

Coaching has been described as a friendly form of management. However, I think it's more effective overall. It explores, asks questions, offers generative interpretations and respectfully challenges mental models in order to develop a new perspective that suggests courses of action and possible options, as well as helping to define action that facilitates access to desired results

In order to define ontological coaching, the Escuela Europea de Coaching quotes one of its precursors, the Chilean American Julio Olalla, expert in organizational transformation and leading coach: "Ontological Coaching is a discipline that was born as an attempt to take charge of the paradoxes we have in today's organizations. Highly effective with high doses of suffering with technical expertise workplaces taken by mistrust, high technological capabilities and resources to face the future with resignation" Ontology is a branch of philosophy which can be defined as the science of being. Ontological Coaching therefore literally means "training to BE". You may well ask what that has to do with the business world and specifically a retail environment. All will soon be made clear however

We will also be looking at the contributions we have taken from NLP (Neuro Linguistic Programming) and applied to the retail sector and how this approach can be applied through Retail Coaching. NLP has been described as the art and science of personal excellence. The approach is based on the notion that there is structure to each type of behavior which can be modeled, learned and changed. The name refers to the following:

NEURO: Because the brain generates neurological networks which host representations of all that is perceived, reality maps which are different for each individual. And these networks can be changed.

LINGUISTIC: Because language structures and is structured by and through our thought process, sustains our behavior and attitude to life. We can cultivate a new language. And, as you know, in commerce, language is of vital importance.

PROGRAMMING: Because we are programmed by our memories, beliefs, learning patterns etc. And because we can reprogram ourselves to deactivate limiting programs if we deem it appropriate.

The study of Emotional Intelligence is another important element of Retail Coaching. Developed by Daniel Goleman in 1995, emotional intelligence is based on the notion that there are various types of intelligence. The traditional definitions of intelligence have all emphasized its cognitive aspects, such as memory and the capacity to solve problems, although we can increasingly see how our emotions have an enormous influence on our behavior in all aspects of our lives and specifically in our case on retail.

We know, for example, that the brain has two hemispheres. The left controls logic, writing, language. It provides the basis for processes, action protocols and lays the foundations for many companies, especially in the field of retail. The left hemisphere is obviously indispensable, although it is insufficient. The right hemisphere is the basis for creativity and emotion. In it reside intuition and our capacity for synthesis. Any work that implies contact between people requires stimulus of this hemisphere. In his book, Daniel Goleman shows that in the area of difficult sales - for example, those where the conversion rate is lower than 3% - "optimists" have better results than "the intelligent". Lacking emotional intelligence is more harmful than scoring a few points lower on rational intelligence tests.

Retail Coaching is therefore based on the application of coaching and its complementary disciplines, such as NLP and emotional intelligence, to the retail sector, constructively supported by management control, sales techniques and customer

knowledge tools. The success of Retail Coaching can be seen in improved financial and operational results, better productivity and greater business sustainability, thanks to a team of involved, fulfilled employees. Retail Coaching allows one to accompany the store owner, the retail chain manager and the sales assistant as they move to the highest level possible, as it asks all the actors in each strata of the organization the questions that will help them to raise their awareness and commitment to themselves and to change.

Retail Coaching implies a professionalization of management tools, at least the implementation of a balanced scorecard and the regular formal measurement of key indicators: conversion rate, average ticket value, UPT (units per ticket, also called the "sales index"), margin, weight per category etc. It seems that the majority of stores run a number of 100-meter sprints every day but no one's there with a stopwatch to time them! If we run a good time, no one ever knows. Working in a store we often make a special effort without ever knowing "the time we ran". The boss always ends up saying "you have to sell more", something we already knew and which brings nothing new to the table. With key indicators, the leader can say "this week the average ticket value is \$14. If we can increase our UPT from 1.5 to 1.65 by offering an additional article, the average ticket value will increase to over \$15. Does that seem like a good challenge?" The challenge becomes more specific, more stimulating, more "daily-driven".

Sometimes the first reaction in certain retail chains is: "We don't need psychologists here." That isn't the point however. The aim is to make more money, with more customers who spend more on each purchase thanks to an involved and fulfilled staff.

In this context, two people once again occupy the center of this universe: the customer and the salesperson. All efforts will be focused on facilitating the moment at which the two figures meet. At all levels of the organization, from the person on the checkout to the managing director, Retail Coaching makes it possible to reveal the underlying potential in each individual, thanks especially to active listening and empathy with the customer and the sales staff.

The coach may be an outside expert, although, increasingly, the figure of the Retail Coach may have come from within the store or chain - an employee may assume a style based on the principles of coaching.

Retail is detail, the basis for the inverted organizational pyramid

Jim Selman a renowned coach once said: "The global economy (...) and competition have 'changed the game'. Companies today no longer have the luxury of time to control everything from the top. Organizations that win are those that can respond quickly to changes in markets... This kind of capability for change cannot be programmed effectively into systems and procedures." In other words, the top-down organizational model (where authority comes from above) of the past century simply doesn't work anymore, and especially not in retail companies.

"Retail is detail!" - if we seek to control every detail from above we are lost. The role of management is to define the path to take and establish policy, a strong back office, rapid and effective logistics platforms that reduce and limit error, IT systems that allow the business to be micromanaged at all times in order to permit that "special moment" at the point of sale. These days the aim is to invert the pyramid and implement a bottom-up management approach which allows information to flow upward, ensuring that the company focuses on that "minor detail" - the customer. The challenge is to strengthen the individual relation that each sales person needs to establish, that moment of truth, the consumer experience. The bottom-up model seeks to offer the salesperson all the resources they might need in order to offer them the most gratifying, memorable - and profitable - consumer experience possible. This requires a cultural change. It means salesmen and women that can think for themselves and assume responsibilities, accept challenges and, of course, see these as opportunities for their own development.

Commerce is a living thing, indeed, commerce is life. Commerce structures the life of a town or neighborhood. We can see how, in a rural environment, town halls are willing to subsidize the last store open in town in order to preserve local activity. This doesn't alter the fact that the majority of stores today belong to large retail chains. Thus, in terms of salaried employees working in the retail trade, the sector has changed from representing 70% of the workforce to being one that is typically made up of the self-employed. Since the 1980s, the franchise system has taken hold as a way of combining the strength offered by brand names and established business models with that of individual business ownership.

Commerce, like many other human activities, is prone to inertia, habit and sometimes dull routine. The challenge facing any of the commercial models we have mentioned lies in finding what values, what communication style and language management can establish in order to maintain the visceral sensitivity of commerce and ensure that the sales staff are in the best possible position to share that "moment of truth" with their customers

Retail Coaching assumes that the business owner and salesperson already fully understand the basics of commerce. This is what sets it apart from consulting. Coaching is not an accumulation of smart advice but rather the strengthening of people's intelligence with regard to retail organization. The coach can quickly consider introducing a model as the basis for discussion. The value of the coach consists of accompanying the owner and sales staff alike in the definition of their goals and the search for their own ways to reach them. Reflection and action will take them to the next level

I will defend MY ideas to the death, not my boss's

In general, we become defensive when people want to give us advice. When that advice becomes an order, even more so. Normally, when you rent a car, do you wash it? You don't, do you? We don't tend to take great care of things we've borrowed. Nevertheless, you do wash your own car? It's the same with ideas. There is nothing

more powerful when inspiring a person to take action than an original idea which becomes an initiative.

Consulting companies offer off-the-peg tools. While it's true to say that a hammer is a great tool for knocking in nails, we need to realize that life presents us with more than nails (there are also screws, for example).

Coaching is also a type of leadership. Consultancy is applied by force: the expert tells the non-expert what they should do. Coaching, on the other hand, is an internal style, one which seeks to ensure that each salesperson uses the resources offered by this style in order to accompany the customer and make the purchasing experience a fuller, more satisfying experience, that each manager becomes a coach for the teams working under him or her by incorporating coaching into his/her management style, that each business owner finds the appropriate internal resources in order to convert their vision into concrete courses of action which lead

Only 7% of reactions are conscious ones...

Action protocols and internal rules are indispensable to the development and culture of a retail chain. However, they are both essential and insufficient, 93% of people's reactions - those of the sales staff, the store managers and the supervisors for example - are unconscious, in other words, they are caused by factors which a priori we do not control. We can therefore see how, in professional life, and in particular in the retail sector, the individual sometimes boycotts itself. Either his or her behavior doesn't fit their values, or a belief - perhaps related to money or power - means that they cannot show their worth. Neuro Linguistic Programming seeks to align levels of logic with that which lies deepest, the most unconscious. That 7% of our conscious nervous reactions represents only the visible part of the iceberg. What would happen if we were able to align the remaining 93%? All our potential would be revealed

and we would be able to express our talent. Our potential and talent, or our collaborators' of course.

Opening the door of my store in the morning is conscious behavior. Appreciating honesty as a fundamental precept is unconscious. This precept is the basis for my beliefs, my capabilities, my behavior and my environment. Our identity is also involved here - Am I a salesperson or am I just making sales? This is an important point and one which we will return to. Look at this table which summarizes "neurological levels according to NLP" and their relationship to change:

CONSCIOUS: Voluntary Nervous System: 7%	ENVIRONMENT	When, where, with who?	Remedial changes
	BEHAVIOR	I do	
INCONSCIOUS: Automatic Nervous System: 93%	CAPABILITIES	I know – I can	Generative changes
	BELIEFS	I believe	
	VALUES	I value	Evolutive changes
	IDENTITY	I AM	
	TRANSPERSONAL	Spiritual	

ource: IPH from Robert Dilts

Let's look again at the case of the 5 salespeople who didn't offer additional products to mystery shoppers. With this information in the hand, a retail chain manager might set up a training session and tell his staff they have to offer products to customers all the time. The outcome may be less than expected. It is only possible to "profoundly" convince sales staff when you target their beliefs and values. For example, we need to convert beliefs along the lines of "I'm no good at fooling people" or "I don't like trying to take the money from my customers pocket" into positive ideas such as "offering additional products can allow a person to enjoy their free time that much better, listening to their favorite music thanks to the best acoustics in the world"

Coaching distinctions

Jim Selman, mentioned earlier, says that “Coaching has become a strategic need for companies who are committed to producing unprecedented results”. A basic point in coaching, especially ontological coaching, is that of making distinctions, in other words, identifying the organization’s or individual’s differentiating concepts. Such distinctions will be looked at in the sections

Excellence versus Perfection: Many organizations are based on making demands and requirements. In the Perfection system things have to be perfect. As an employee, you only have to do what your boss says, exactly as he tells you. The emphasis is on control and distrust. If you stray from the norms, you are making a mistake. And mistakes will be punished. The requirements are imposed on individuals, not on the task, but it kills all joy there is in doing it. Nevertheless, even in an “excellent” organization, things can improve. Here the emphasis is on trust and communication, especially when giving and receiving feedback. Mistakes are accepted, as long as they are learned from and lead to improvement. As an employee, you can clearly make a distinction between the things you do - your function, your duties - and who you are, allowing you to improve and grow. When fear walks through the door, talent flies out the window. A context of excellence is needed to allow permanent innovation, continuous improvement and, above all, for work to be done in changing environments

Commitment = Obligation + Motivation When we assume a commitment there is an implicit motivation. Commitment is assumed from a position of freedom. Although motivation may disappear, we might continue to assume the same commitments because we have taken them on board as an

obligation (commitment - motivation = obligation). It hardly needs to be said that we obviously perform better when we are motivated as opposed to forced to do so.

Responsibility versus Victimism: Response-ability - responding with ability - means choosing an attitude, responding even to those things I haven’t caused. On the other hand, a person who sees himself as a victim responds passively, failing to take the reins and change things.

Acceptance versus Tolerance “Tolerance is a differed confrontation” according to Humberto Maturana, another of Ontological Coaching’s leading lights. Accepting that I am a salesperson opens more doors for me than tolerating the situation, something which at some moment would cause me inner conflict

Vision versus Dream A vision is a dream I am committed to. One I am taking steps toward achieving. Both “visions” and “dreams” are outside my comfort zone and seem unreachable, although in the case of a vision I am on the path toward it, as vision is oriented toward action. If you add a date to a dream, it becomes a vision. Goethe said “The moment one definitely commits oneself, then Providence moves too.” Vision has a touch of madness, it is tied in to the desirable, not the possible (which would only mean more of the same). When you have a vision, the world allies itself with you to help you (in reality it’s because you are more attentive and you see everything that could drive you forward to achieve it). If you have no vision, however, these images pass you by unnoticed as life unfolds. The submerged part of the iceberg allies itself to your project if you are really committed to your vision.

Trust versus Distrust: “There’s no such thing as love; only proof of love” said Jean Cocteau. We can paraphrase this

by saying “There’s no such thing as trust; only proof of trust” Trust is indispensable when building relations and is based on three basic pillars - competence, reliability and sincerity. If only one of those three pillars falls, trust is lost. Blind trust does not exist, while distrust arises from a judgment that the person making the promise lacks sincerity and/or competence and/or reliability, meaning we cannot be sure that they will keep their word. Distrust in our relations with others arises from the presumption that they do not recognize me as a person who occupies a legitimate space in mutual coexistence. Luis Carchak summed it up very eloquently: “When people have trust they do ALL they CAN. When people do not live in a context of trust, they are LIMITED to do what they know, and what they KNOW is MORE OF THE SAME.” The Price Waterhouse Coopers annual study on coaching for the ICF revealed that the two main sources of motivation for those receiving coaching were to acquire self-confidence and self-esteem. Our daily coaching activities back up the findings of this study. I firmly believe that in all my coaching sessions the words TRUST and CONFIDENCE have appeared at least once. All of them. They appear so frequently because they are of fundamental importance. Distrust undermines organizations and a lack of self-esteem undermines people.

Authority versus Authoritarianism: Authority tranquilizes; authoritarianism paralyzes. Authoritarianism first undermines authority’s capacity, then its leadership. Bad manners and shouting increase an atmosphere of demand, of exigency and reduce the possibility of excellence and sustainable development.

Empathy versus Sympathy: empathy is the ability - indispensable in a coach - to put oneself in someone else’s shoes.

Sympathy is an affective emotion that one person feels for another. In some cases, sympathy can undermine a person’s capacity to help another. A pharmacist once told me the following at the end of a training session: “I like everything you’ve had to say, although in my case, it doesn’t apply!” Surprised, I asked her to explain herself. “In my pharmacy there are 4 of us. One of them is my father, I can’t say anything to him. Another is a woman whose husband has cancer, so I can’t say anything to her. The other woman is new, she has no idea what’s going on. I can’t say anything to her either.” This person was allowing her sympathy and compassion to undermine her ability to offer the others in the drug store her support. Empathy means, for example, recognizing that an employee with a family or health problem may need to change their schedule. Sympathy would mean commiserating so much with this colleague that it becomes impossible to have a simple conversation about work.

Know-how versus Know-how-to-be: In my day-to-day work as a coach I have seen how through the technical sophistication in the large chains in the distribution sector, training has focused on “know-how” (sales and management techniques, purchasing processes etc) A French executive, Stéphane, regional development manager at a retail chain summed this up well, after a two-day coaching seminar: “For twenty years I focused on developing my know-how. I always felt that my growth and professional relations were being held back. I am beginning to realize that by developing my *avoir-être* everything is easier and satisfying.” Stéphane’s mention of this *avoir-être* refers to knowing how to be, how to relate to others. “Know-how” is based on “knowing how to be”, in all its senses.

Implicitly or explicitly, we will look closely at these distinctions throughout this book.

In summary:

The challenge posed by retail coaching consists of ensuring positive and sustainable financial results in stores.

Commerce is a living thing, commerce is life. My relation with a customer will be more satisfying the closer I feel to myself and to my company. In this, coaching and NLP accompany people from all levels of the organization.

When inspiring a person to take action, there is nothing more powerful than an original idea which becomes an initiative

Each person, each organization has a potential which is largely unconscious and unsuspected. We often boycott ourselves. In commerce, in order to allow this potential to manifest himself, a context based on commitment, responsibility, acceptance, trust, confidence, “knowing how to be”, authenticity and shared vision can be developed.