



SKILLS INDEX

Bringing store managers into the digital age

KEY TAKEAWAYS

- 1/ As companies seek to cater to customers across physical and online channels, the role of store manager had taken on added importance.
- 2/ Although store managers typically do well with traditional tasks, the integration of technology into all facets of retail has created a blind spot for these employees.
- 3/ Three strategies hold the key to enabling store managers to excel in a technology-driven, omnichannel retail environment.

Walk into most retail stores today and it may look as if not much has changed since the first e-commerce wave of the late 1990s. In reality, brick-and-mortar locations serve as the tip of the iceberg. Consumers today have become much more savvy: it's common for customers shopping in a store to use their smartphones to compare prices. Channels have blended as well, with customers ordering goods online and expecting to be able to pick up their purchases in local stores. As such, the increasingly complex omnichannel ecosystem—physical stores, online shopping, and mobile devices—must aim to provide customers with a consistent, seamless experience regardless of the retail channel.

As a result of this reality, retailers now have access to huge volumes of customer data generated by point-of-sale systems, online searches, social media, and industry research. The complexity and effectiveness of customer segmentation and customized offers have increased significantly, enabling a retailer to know what

customers want—sometimes even before they know it themselves. These efforts and evolving customer shopping habits together enabled retailers to break the \$300 billion mark for e-commerce sales in 2014, and continued gains are forecast for the coming years.

THE INTERSECTION OF STRATEGY AND EXECUTION

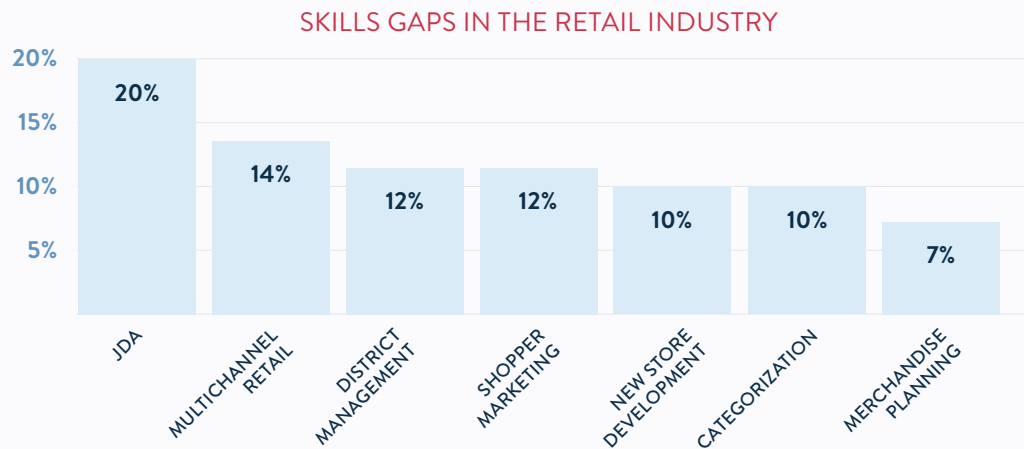
In this environment, store managers have become more vital than ever. They serve at a critical nexus between the corporate office, where high-level marketing and purchasing strategies are devised, and the front line. Store managers are tasked with the implementation of these strategies and also serve as the face of the company. In a time when so much customer interaction is handled online or by a call center, the high-touch, more personal engagement at physical stores becomes even more important in forging lasting customer relationships.

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The job of store manager has also gotten far more complex: the abundance of data means that decisions on which items to feature and how to target specific customers are driven more by science than instinct. Accordingly, store managers must get up to speed on technologies such as merchandise management software as well as social media to execute strategy effectively. And if being well versed in new technologies wasn't enough of a burden, managers still need to devote significant time to their more "traditional" tasks: hiring and managing employees, scheduling, and creating an attractive environment for workers and customers alike. Finding candidates with the complete suite of skills can be a challenge.

A SHORTAGE OF CANDIDATES WITH ADVANCED SKILLS

Given the transformation of retail over the past couple of decades, it's unsurprising that the pool of qualified prospects for store manager positions isn't meeting demand. On a positive note, candidates who excel in managing and connecting with people via interpersonal and communication skills, are actually in good supply. This finding makes sense: employees can learn the basics of customer service and management in the store through observation and mentoring. However, the Strayer@Work Skills Index found a shortfall in the more advanced skills store managers need to thrive in today's omnichannel world. JDA, for example, is a merchandise management software that can handle pricing, warehouse management, and custom order management, so its use can have a direct impact on store revenues. Other expertise, such as categorization and merchandise planning, are also indicative of the more complex retail environment.



This shortage of more advanced skills could be addressed through additional investments in training and professional development. Retailers lag behind other industries in this area. *Training magazine's* list of the top 125 companies for employee development in 2015 recognizes other relationship-based companies, from financial institutions and insurers to real estate and healthcare, for their excellence in training. The list was light on retailers: the top entrant was Walgreens at number 25, with Rent-A-Center and Best Buy appearing in the top 50.¹

DEVELOPING THE OMNICHANNEL STORE MANAGER

Retailers won't be able to simply hire their way out of the problem. To create a pipeline of promising candidates who can step into the increasingly large shoes of the store manager and thrive in both the digital and brick-and-mortar worlds, retailers should take a multipronged approach centered on three key strategies:

1. **Reevaluate the position description.** Customer engagement has gone from primarily face to face to mostly online or through call centers, placing a much higher value on store managers' personal connections with customers, particularly high-value shoppers. Ensuring that these employees are equipped to use the store as a platform for the entire brand and to integrate other channels strategically into the customer experience will enable them to excel.
2. **Create a culture of technological literacy.** Millennials were raised in a digital world, so they are already well acquainted with mobile devices and digital platforms. The challenge, then, is to teach employees, especially high-potential ones, the technology and data analytics skills needed to market effectively to customers. Here the stumbling blocks aren't just familiarity with technology but also an understanding of how data analytics and software tools can support store strategy.
3. **Establish a clear pathway for specific roles.** In many retail settings, it can be unclear what promising employees must do to move into positions such as assistant manager. By laying out clear benchmarks and developing a training program with courses tailored to positions, retailers can define a career path that would not only retain high-potential workers but also motivate staff beyond the next sale.

CLOSING THE GAP

From Amazon to Target, retailers are creating new and innovative ways to segment, market, and sell to customers. Regardless of growth in e-commerce—and in some ways because of it—the roles of the retail store manager and frontline employees are as important and complex as ever. To realize the full value of physical stores, retail companies must reevaluate manager position descriptions and ensure employees are equipped to operate at the forefront of technology, social media, and data analytics. Doing so will ensure that the last mile from retailer to consumer is in good hands.

¹ "Training magazine ranks 2015 top 125 organizations," Trainingmag.com, February 10, 2015.