

FOR THE ELITE OF THE DRYCLEANING INDUSTRY

Surviving Today to Be Stronger Tomorrow

“Staying ahead
of the competition”



BY
DENNIS MCCRORY

Deflation now has the U.S. economy in its icy grip. The November Consumer Price Index reported consumer prices plunged by 1.7%. If it continues at that pace for a year, it could bring 20% deflation – fully twice the drop in consumer prices seen during The Great Depression nearly eighty years ago.

cannot buy confidence. To restore confidence takes a long, long time. And without it, banks won't resume lending, nor will consumers and businesses resume spending.

Deflation is a long-term reality in the U.S.! Therefore, it's more crucial than ever that you get the answers you need to survive and thrive in the year ahead.

The Golomb Group will do everything we can to help you protect and grow your business with objective, timely and actionable information and recommendations.

Our Members are well positioned to not only survive, but thrive during these troubled economic times. Just as home sales are down 28% and automobile sales are down 40%, clothing sales are down over 20%!

Drycleaners are in the repair and extend the life of your clothing investment business. We are one of only a handful of businesses that are not trying to convince customers to buy new merchandise.

Even the Federal Reserve slashing interest rates to between .25% and 0% doesn't have a chance of ending this deflationary spiral. Because they're addressing the wrong problem!

The fact is, we didn't get into this mess because interest rates were too high. Nor are we experiencing a debt crisis because of too few debts. We got into this situation because everyone – from banks to companies to consumers – have too MUCH debt and are now scared to death, cancelling purchases and hoarding cash.

Here's the problem: The cheap money being made available can buy some things, but it

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We can help them avoid the high cost of replacing their wardrobes.

Let's face it, people are not going to stop wearing clothes anytime soon. Yet, they either can't or don't want to buy new clothes. Their current wardrobes need to be maintained now, more than ever.

Drycleaners are fast becoming the white knights of this recession. Just as they were during The Great Depression. If you're as old as I am (61), you may have heard some of the old-timers talk about how their businesses fared during that time: they did very well! Drycleaners were one of the few businesses that survived those bad economic times and prospered immediately afterwards.

Remember, your competitors are feeling the crunch as much or more than you are. One of the first mistakes they'll make is to stop advertising. It's easy for them to do, because they won't immediately see the effects. But the ultimate effect will be the loss of much needed sales. Right now, all businesses need all the sales they can garner. The losses they sustain will be the fatal blow for them.

Many drycleaners face additional challenges. Some are facing shrinking customer levels, especially in areas where unemployment is epidemic. The greatest challenge will be maintaining a satisfactory level of service to keep current customers happy and to attract new

customers. In any service business, you must maintain excellent service, even if that means increasing your prices.

In the meantime, you should "tune your motors" by carefully reviewing every expense your business has: employee hours, utilities, equipment, supplies, marketing, rents, etc.

Employee hours: You may think you're using the minimum of labor necessary to run your business efficiently, but if you review Dave Sabo's article in this issue, you'll see that good time management can be brought down to the minutes worked.

Utilities: Major pieces of equipment (boiler, air compressor, cleaning units, etc.) should be on digital timers. These timers can have overrides for exceptional situations, but for the most part, every employee should know what time frame you expect all production work to be completed in. Additionally, equipment will be ready for production as soon as employees arrive.

Equipment: When I used to do plant efficiency evaluations, I was always amazed at the how plant owners allow employees to "work around" equipment inefficiencies. For instance, rather than add another program to a cleaning unit, many plant owners allow a valuable employee (or sometimes themselves) to stand by the unit and operate it manually. In the course of a year, hundreds of man-hours, and thousands of dollars, can be wasted.

**The National
Association of
Realtors
expects rents
to decrease
by 7.3%
during the
coming year.**

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An Exit Strategy Gone Awry



BY ED ROTH

I was called in recently to help a new owner transition into his newly bought store and help to discover what was going wrong. He bought a thriving neighborhood store that was doing \$600,000 a few years ago. The

employees were all there for many years and were actually the faces that the clients had seen. The owner's health was failing and the necessity of a sale was apparent. For the better part of the last year, the owner was not able to be in the store. Three deals had fallen through, two of them because the prospective owners couldn't get funding. At this point, the process of contracts and funding applications, and decisions had taken a full year and the owner was becoming more and more anxious. He decided to sell to the last prospect standing, and this time he would take back the notes himself rather than risk another 3 months and wind up with a negative answer on the funding. It is now three months later and the store is down close to 50% of sales. So what went wrong? It's an interesting, yet classic story.

Years ago, my friend Gordon Shaw, of Hangers (CO2) fame in San Diego described at a seminar how he had always sold to the prospect best able to succeed, not the highest offer. Gordon felt it was important to see the business succeed through the years. To Gordon, the money was secondary to the good feeling he got as he watched the new owner prosper. I thought at the time that it was a very noble idea and, as I got to know Gordon through other seminars, I came to realize that Gordon was a really good person, with a really good heart and I understood his thoughts. Unfortunately, when a sale needs to be made, it's not so easy to be so selective. Especially in today's market, when the number of buyers seems to have shrunken a bit in several geographical areas. In any case, this seller

tried to sell to the right buyer, but as the deals fell through, he was left to sell to the person least likely to succeed. He spent five weeks in the store extensively training the new owner on all the customer service ideals that the business was built on. The staff, while not happy with the new owners, were all on board and decided to keep their jobs and keep the store rolling along as usual. Remember that the old owner was not there for the better part of the last year, and the employees had run it beautifully and profitably.

The troubles started immediately. I had decided to try to force feed the new owner with all the catch phrases and ideas learned from all the seminars and cost groups. Remember, he called me in to help him, so I thought he would listen to my expertise. "There can be no customer satisfaction without employee satisfaction," "All customers leave Happy Always," "The Ten Commandments of Customer Satisfaction," and all the other posters and slogans that I could think of.

As soon as a slight dip in the sales showed, due to the downturn in the economy, Boris, the new owner, decided to take away employee's pay for holidays and vacations. I told him not to go against the employee manual, but he insisted that he was the boss and there was no money for holiday pay. "Is it worth \$500 to have a dissatisfied staff, after all the money you paid for this store?" I asked. His answer was that he was the boss. He had been the boss over 35 people in Russia and knew what he was doing. I explained this was not Russia, and American workers would not react favorably, and this would lead to customer dissatisfaction. He didn't care or believe me. I'm not sure which.

The second big issue, as I saw, it was that Boris would stand arms folded and watch the employees work, instead of pitching in at the different departments. He was not knowledgeable about the different areas of production and I explained that he needed to learn these operations in order to see

(Continued page 4)

they were run right. He replied that he was the boss and the workers work, and he watches, and that's why he bought the store. I told him that if it was that easy to stand arms folded and make money, the owner would never have sold. It takes training, learning, and an attitude that you are there to help out and be part of the team. Instead he would watch over the employees intently, watch them eat, watch them make phone calls, and watch them take care of customers. As you could imagine, after running the store so successfully through the past year without ownership intervention, the employees were not thrilled by this new "Big Brother" watching every move and questioning every eating break or private call.

One of the significant ideals of this store had always been customer satisfaction. A big sign guaranteeing that "If you're not happy, you will not be charged" hung above the counter for all to see. The previous owner had assured me that this guarantee was extremely successful in developing customer confidence. He also assured me that as far as he could remember, it was used once in the past two years to refund money to a man who had a tan outer jacket that just would not come clean. The cost to the owner - \$14.99. Most times, as the CSR's would point out the sign to new customers, they were excited about the store taking the responsibility that most other stores would not, in guaranteeing satisfaction. Last week, while visiting the store, I noticed the sign was down. Boris explained to me that the customers had to pay no matter what. If the clothes weren't ready, they had to pay anyway. If the stains didn't come out, he tried his best, they had to pay. At this point, Boris wasn't listening to my advice, so it was silly to try to advocate for the sign being put back.

The old owner had always taken care of problems,

even if they weren't his fault. A sweater was ruined in cleaning and the customer was in the top 20 clients. It was a \$30 sweater and Boris told her to take it back to the store where she bought it. Mrs. Porter leaned over to the CSR and mentioned, "Bill would never have said that to me, he just would have taken care of it. I don't think I'll be back." Besides the loss of one of the best customers, these encounters make the CSR's feel helpless and they have become more and more unhappy with the way that Boris is running their once successful store. Now four months after the sale, all three CSR's have left for other jobs. They had worked at the store a total of 18 years and, within four months, they were all gone. Amazing.

**There can
be no
customer
satisfaction
without
employee
satisfaction**

The story is interesting because before Boris bought the store he had come to me and asked me to help him with the transition. He had owned a drop store for 20 years and I thought that would give him plenty of experience in the cleaning business. Only later did he explain to me that his "drop store" took in cleaning, and he had installed a barber chair, a shoemaker and a jewelry counter. Not exactly

what I had pictured. He also owned another cleaning drop in a suburb, but after a year and a half it was not making money, and he sold it. I still felt confident I could help him until one afternoon when we had what I think of as my defining moment of frustration with Boris. The employees knew that I was there to help the transition and help the store be profitable and prosperous. They would confide certain ways that Boris made them uncomfortable, and they would confide their disappointments and unhappiness. I realized that most of all they felt unappreciated and no matter how hard they worked or how quickly the work got finished with no

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Control Your future



BY JAMES PEUSTER

It seems like the news of our “troubled” times is our number one news story and it obviously affects our business. I was recently on a project in which I was reminded that we are not only in competition with other

dry cleaners, but restaurants, movie theatres and other places that are classified as disposable income. I continue to hear operators accept the fact that the industry is going through a down-time and that we cannot do anything about it. True, we cannot do anything about those who lose their jobs, move, get divorced, retire or even die. Sure, we are going to have customers who spend less money or don't do dry-cleaning at all, but we can strive to improve our services and continue to market ourselves in order to control our future.

Dry cleaning is composed of so many small steps and processes in which, if you lower your standards, eliminate key elements or fail to strive for perfection, your business will suffer even more. I feel that you can control your destiny now more than ever. Marketing is of course one way. Quite often business owners decrease their marketing efforts in tough times. What is the reason for this? Seriously, this is the time to strive for more customers and to separate yourself from your competitors more than ever. They are in the same boat as you; don't admit defeat, make it your goal to add more customers in 2009.

However, the biggest control you have is to raise the level of customer service. This is a biggie. In all my travelling in 2008, I have witnessed some of the worst customer service moments ever. From terrible service on the airlines, to a recent 3-day vacation I took on a cruise line that absolutely con-

firmed that our standards of customer service are affected by the slow economy, especially when we are cutting staff to save money. Do yourself a favor—don't give in to this philosophy. Raise your standards of customer service and don't skimp on this—it will affect your business.

As I stated before, my wife and I recently went on a cruise and experienced the worst time of our lives. Sure, the shows were great, the food was outstanding, we enjoyed the ports-of-call, and the entertainment brought laughter to our 3-day trip. However, we were located right under the kitchen and were kept awake all night every night. When we called the service desk, we were told that this is not true. We also were told that they stop working at 10:00pm. We even had a dry cleaning situation in which they didn't press my jacket and when I called that evening, they said that they would have someone come right up. Not only did they not come back that night, they woke us up at 6:40 am to pick it up. Dinner took 2 hours and when we asked our deck supervisor for help, he stated that they are only human. Well, what the heck are we?

On a recent flight, I was detoured and stuck on a runway for four and half hours waiting for some sort of movement. After about the third hour, I asked the attendant if I could have a coke and some peanuts or pretzels. She responded by saying that if I do it for you, I have to do it for everybody and then proceeded to ask me who else would do this. I told her that Southwest would and she laughed as if this wasn't true. Restaurant stories would end up filling this whole newsletter and I think you get my point. Consumers are just as frustrated with the economy as we are, but this doesn't give us the right to cut back in order to maintain our bottom-lines. Other industries continue to do this and it is like they are admitting defeat. Also, we all think that this is just a passing storm if we simply ride it out, we will be OK in the end.

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Cost Saving Strategies to Operate a Drycleaning Dry Store Part I

CREATING A STAFFING TABLE FOR LABOR HOURS NEEDED

In these trying times the only thing left to cut or control is labor. If you've been in this business for over 10 years, I'm sure, you've already cut everything possible. Being a One Price - Low Price Cleaner I really need to be on top of all my cost.

Edit: Update I just finished my PL for Nov 08 Counter labor down \$2213 drivers labor down \$1958 Total labor down \$5345

I developed a spreadsheet program to determine my labor hours needed at all of my stores. Each store's labor hours is based on its own history and the timing of when most customers come in. I took the information from my customer invoices file for one year (Oct 1 '07 to Oct 1, '08). I imported the information from those customer invoices with the date, time, amount, and piece count into an Excel spreadsheet. I then massaged the data and came up with the following information.

I did this for my plant counter and dry stores: below is the print out of one store. I give it to the manager a week before the new month, so the manager can prepare a schedule for staffing. You can plainly see it tells the manager exactly how to staff the store.

| | | WILSON STORE HOURS NEEDED DECEMBER | | | | | | Grand Total |
|--------|-------|------------------------------------|-----|-----|------|-----|-----|-------------|
| | | MON | TUE | WED | THUR | FRI | SAT | |
| LABOR | 7:00 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| HOURS | 8:00 | 1 | 1 | 1 | 1 | 1 | 1 | 4 |
| NEEDED | 9:00 | 1 | 1 | 1 | 1 | 1 | 3 | 7 |
| BY | 10:00 | 2 | 1 | 2 | 1 | 1 | 2 | 10 |
| THE | 11:00 | 2 | 1 | 1 | 1 | 1 | 4 | 11 |
| HOUR | 12:00 | 3 | 1 | 1 | 1 | 2 | 4 | 13 |
| | 1:00 | 3 | 1 | 2 | 2 | 2 | 5 | 14 |
| | 2:00 | 2 | 1 | 1 | 1 | 2 | 4 | 12 |
| | 3:00 | 2 | 1 | 2 | 1 | 2 | 3 | 12 |
| | 4:00 | 2 | 2 | 2 | 3 | 2 | 4 | 14 |
| | 5:00 | 1 | 1 | 5 | 2 | 2 | 1 | 13 |
| | 6:00 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Total | | 20 | 12 | 20 | 15 | 16 | 30 | 113 |

When the manager looks at this chart they can see the fluctuations in hours. For example, Saturday between 1pm and 4pm, it's obvious that additional help might be needed. If the manager fills that time, the manager would save the company on that labor. The manager is paid a wage performance bonus (see below- "Get The Managers on Board"), so by following the chart this would greatly increase the manager's chance to achieve the bonus. I can further share with you numerous cost saving staffing solutions one can extrapolate by utilizing this chart

GET THE STORE MANAGERS ON BOARD

I got my store managers to come on board with these labor guide lines using the following bonus program:

| | PER HR | TOTALS |
|-----------------------|---------|------------|
| 1 SALES | | \$8,812.39 |
| 2 ACT HRS | \$7.95 | 92.79 |
| 3 MGR | \$11.88 | 40.00 |
| 4 ACTUAL TOTAL | \$9.13 | 132.79 |
| 5 ACT DOLLARS | | \$737.47 |
| 6 MRG DOLLARS | | \$475.00 |
| 7 ACT TOT DOLLAR | | \$1,212.47 |
| 8 | | |
| 9 STD HRS | \$8.00 | 105.86 |
| 10 MGR STANDARD TOTAL | \$11.88 | 40.00 |
| 11 | \$9.06 | 145.86 |
| 12 STD DOLLAR | | \$846.86 |
| 13 MRG DOLLAR | | \$475.00 |
| 14 STD TOT DOLLAR | | \$1,321.86 |
| 15 | | |
| 16 VAR RATE | HRS +/- | -13.07 |
| 17 | | |
| 18 RATE VAR | \$0.05 | \$4.85 |
| 19 EFF VAR | | \$104.54 |
| 20 TOT VAR | | \$109.39 |
| 21 STORE BONUS | | \$54.70 |
| 22 MRG BONUS | | \$27.35 |
| 23 EMP BONUS PER HR | | \$0.29 |
| 24 PERCENT | | 13.76% |

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COST SAVING STRATEGIES TO OPERATE A DRYCLEANING DRY STORE
(Continued from page 6)

In the above example from last week the above manager saved the company \$109.39 See line 20. This amount is base on standard hours, standard wage, and variances of them.

I split the savings with the manager of the dry store as reflected in line 21. She gets ½ the store bonus, line 22. The other ½ is split by the hour with the rest of the counter staff. In this example \$.29 per hour, line 23. You can also see my labor percent for this store was a very impressive 13.76%.

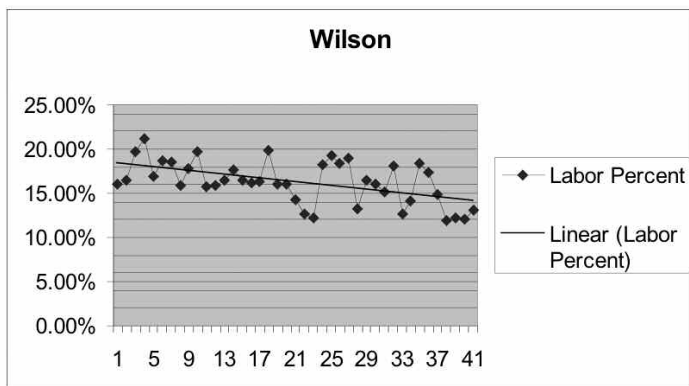
REWARD THE OWNER

I now take ½ of the bonus, line 20, and put it in a separate account to reward myself!! I used to just leave it in the general account. Obviously, I have a vested interest in the company, but I m more on top of things knowing I get a real cash bonus too!

I ve been on this program for over two months demonstrating profitable results.

This graph represents Percentage of Labor against Sales by weeks of the year.

The solid black line angling down is a trend line.



Note how the overall trend of the store was going down, but within the last 4-5 weeks it has dropped down to less than 15%, which indicates the scheduling by my manager is working.

I hope the above helps. Anyone interested in it can e-mail me, Dave Sabo, at dryclean@aol.com and I will discuss it with you. If you can provide me with an Excel or flat ascii file, comma delimited, of your invoices with the following fields: the date, time, amount, and pieces I would be able to create the same thing for you and begin your cost savings.

I charge a reasonable rate of \$250.00 to generate the staffing tables for you and provide you with the formulas to calculate the pieces per operating hour. This price should pay for itself in savings in less than a few weeks.

The manager bonus program for the dry stores is not included with this. If you are interested, we could talk about that. I also have incentive programs for all departments in my store: Drycleaning, Pressing, Drycleaner Assembly /Bagging, Shirt Department, Drivers. About 3 years ago I announced to my employees that there will be no more raises. There would instead be performance based pay. This has rewarded the hard workers and given the employees an opportunity to make more money. It also has helped weed out the slack workers as the department i.e. dryclean pressers, run the slack workers out as it directly affects their bonus.

Most of all, with all these improvements, the bottom line profits have been improving despite the decline in the industry and the economy. ♦

Dave Sabo, President, Owner
—Jay-Dee Cleaners • Budget Dry Cleaners—Cleveland, OH

AN EXIT STRATEGY GONE AWRY
(Continued from page 4)

mistakes and everything in order, Boris still showed no respect for them. I explained to Boris that most of all, employees needed to feel appreciated. I repeated Sid Tuchman's mantra of "There can be no customer satisfaction without employee satisfaction," and I told him many ways that he could show his appreciation to them. I asked him several questions. Are the customers happy? Yes, the CSRs treat them nicely. Is the work getting done each day? Yes. Is it correct? Yes. Then you have to show them that you appreciate them. Tell them you're happy they've stayed on. Tell them they're doing a good job. Buy them lunch once in a while. Pat them on the back and say, "Nice job." Thank them for the job they are doing." He turned to me with his forehead wrinkled in disbelief. "Show them that I appreciate them???? They should show me that they appreciate me. They have a job. I don't have to appreciate them, they must appreciate me. I was a boss in Russia for 35 people. If my workers didn't do what I wanted, I fired them. Don't tell me that I have to appreciate them....they should appreciate me!!!!!!

I knew then that it was a lost cause, but I kept trying to get my point of view across. There were other important problems and missteps that Boris and his family are making in the store. They are constantly speaking Russian in front of the customers and the staff. I explained how rude this is. They've been in America for over 20 years and still do not speak the language well. They feel that every customer is out to get them. One customer had just taken out a \$108 order. He came back and mentioned that his wife was missing a brown turtleneck Ann Klein sweater. He wasn't sure if he brought it in or not, but could Boris check to see if there was anything extra hanging around. Instead of smiling and taking his number and saying, "Of course I'll check and call you back," he curtly said in a nasty tone, "What do you think, I need to wear your clothes?" When I explained how this was not the proper way to respond at one of our weekly meetings, Boris disagreed and said that if he responded the way I had mentioned, the customer would have thought he

kept the sweater and would sue him. I wish I was a good fiction writer, but unfortunately I'm just repeating what happened and honestly. You can't make this stuff up.

At the current time, Boris is still paying his note to the old owner. His wife is doing the tailoring, and one of his daughters is reluctantly working at the counter since there is no else to work as a CSR. Boris hired a Russian girl, but she quit a few weeks later. Boris has promised to attend the next dry cleaning school class to learn how to clean. He also promised to attend the next class to get his certificate to operate the cleaning machine. He still refuses to attend any seminars or meetings to see how things should be managed. He still asks me why business is so slow, and he still refuses to listen to what I say. He does not understand why the CSRs quit, and he does not understand how to talk to clients. Last week I asked him if he was happy that he bought the store. He hesitated a moment, then said "Yes," but I no make money." I can't understand why? Can you ?

I hesitated before writing this article, because I wasn't sure it was pertinent to everyone. After thinking it over I was convinced that it was a good insight into cleaners out there who might be looking at an exit strategy. I also thought that it was good insight into how customer service and employee satisfaction was such a key factor in the success of a business. Although the incidents described have happened one at a time, customers and friends talk to each other and I'm certain that the drop in customer service has spread like wild fire in the community. There is no face on this business anymore. Perhaps Boris can reinvent it. What is the face on your business? Is it what you really want? Can you improve it? Is it constant? Is it the best it can be? Just make sure it's not Boris !!!!! ♦

Ed Roth is the owner of U.N. Cleaners in Flushing, NY. He is an active member of the Golomb Group. If you have comments or questions about Ed's articles, please contact him by e-mail: edrothun@aol.com or tel:(718) 969-0207

CONTROL YOUR FUTURE
(Continued from page 5)

Many of you know that I do not own a dry cleaning operation and it is so easy for me to sit in my luxurious Comfort Inn Hotel bed, eat a bowl of cheerios and simply rant about how easy this is. OK, I can admit that I make it sound so simple; however, I look at your business with the eyes of a customer. I just feel that there is no excuse, none, for poor customer relations. I quite often fight with operators in this area. Labor is the easiest to manage I am told. But labor percentages do not reflect the effect on the customer. I know you have to monitor your costs, but at what cost to the business.

I visited a dry cleaner recently where the counter person was also the bagger in back. Every time a customer came in to the store, I would have to go back and alert the employee. One time, a customer told me that she waited 4 minutes just to get someone's attention. No matter how good your product is, poor service will dilute the overall value of your company.

Here are some simple ways to increase your levels of service:

1. Get to know your customer by name.
2. Greet all customers, even when you are busy.
3. Ask your customers how you can service them better.
4. When you screw up, make it right and fix it right away.
5. Take care of those who take care of your customers.
6. Strive for perfection.
7. Educate and train your staff.
8. Communicate more with your customers with retention in mind.
9. Welcome all new customers.
10. Don't do what your competition does.

Don't lower your standards of servicing clients; in fact raise them, as well as your marketing effort. Make it apparent to your customers and to your competition that you are raising above the flood waters on your way to a successful 2009 and beyond. ♦

James Peuster is a nationally known author, speaker, trainer, and coach who specializes in route development through Marketing, Management and Maintenance training. James has costs groups specifically designed for route costs and growth and his website is www.theroutepro.com

*“To swear off making mistakes is very easy.
All you have to do is to swear off having ideas.”*
- Leo Burnett

Supplies: It's time, again, to pick up every safety pin, button, twist-tie and paper clip that hits the floor. Clamp down on waste. Don't let your profits go into the trash.

Marketing: Don't waste your marketing dollars. Each year, you should have a written marketing plan, budget that plan, and stick to it. It is the only sensible way to operate a business. If you need help developing a marketing plan, please call our office. This is free Member service.

Rents: Yes, it's true. You can renegotiate an existing lease. Landlords are defaulting on their loans. Many others are unable to refinance their loans. They will do whatever is necessary to keep good tenants.

Golomb Group Members know that opportunity comes in the midst of adversity. Do your competitors a favor. Seize this opportunity to capture a larger market-share and help them close their doors. ♦

Members Only

Would you like to read your Golomb Group newsletter on line?

It's now available under the "Members' Section" of our website
www.golombgroup.com.

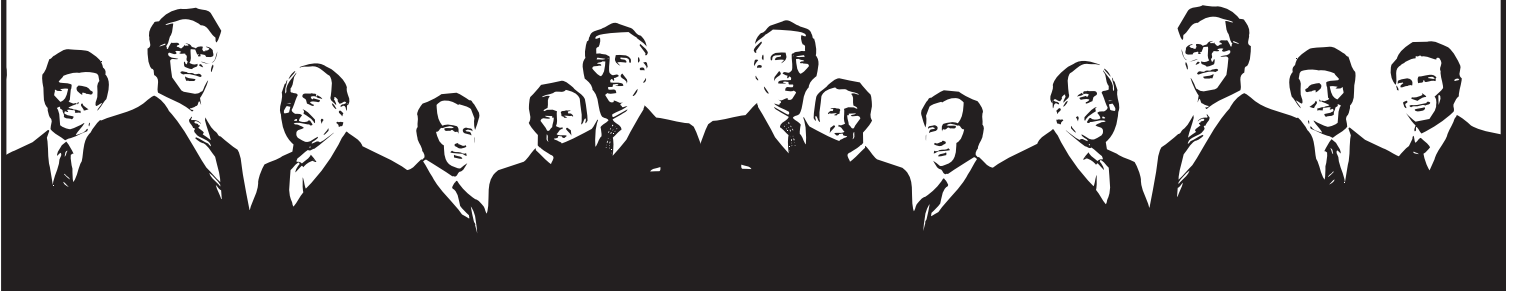
Simply enter the
USER NAME: "golombmember"
PASSWORD: "marketpro"

We'll be changing these from time to time, so keep posted!

THE GOLOMB GROUP WELCOMES THIS MONTH'S NEW MEMBER

Scott Worgo
Courtesy Cleaners
Stockbridge, GA

Pam Kelchner
Kelchner Cleaners
Kutztown, PA



Fighting Fires

By Don Desrosiers

Did you ever wonder what a manager's job really is? Many years ago, my management mentor said that "management is getting work done through other people." I agree with that and virtually everyone that I have since shared that with does also. But now, I view that statement as a bit too vague to be an effective job description. Ironically, my description is shorter but more thorough. Management is training employees. Supervision is an extension of training. I suspect that you disagree. Quite likely, your manager has other duties such as answering the telephone to deal with customer or employee issues and problems. And they supervise their subordinates and have paperwork to do. No time to train, you say? That is because the manager is not using the data that they compile or the information that they obtain. They are merely reacting to situations that are presented to them. Perhaps you are familiar with pro-active management versus reactive management. Reactive management is what it sounds like it is; a reactive manager reacts to situations that he encounters and deals with them then. "Fighting Fires" is the oft used and extraordinarily appropriate metaphor. He, in many ways, is merely the "super-employee" that deals with the day-to-day issues that have been delegated to him or thrust upon him. The problem with reactive management is that it does not move a company forward. Pro-active management is the practice of developing, implementing and enforcing policies, systems and procedures that prevent or minimize the likelihood of some undesirable situation from happening. Think back about the "fighting fires" metaphor. Reactive management is just that, but pro-active management is installing a smoke detector.

Let's consider the "other" duties that your manager may have like answering the phone to deal with a customer complaint. Isn't it true that the dissatisfaction that a customer has shared with you is evidence that an employee failed to work up to your expectation? This is the clue to the manager that someone needs to be trained and he needs to get on it! And when paperwork is done, the manager should be extracting information from that paperwork that tells him how he and his employees are doing. If there are deficiencies, then that is the manager's call to action once again. It is very much like supervising employees as they work. But when supervising employees, deficiencies in work performance happen in real time, not after the fact.

When the paperwork shows that your PPOH is too low, it should be used as the roadmap for management. It tells management what needs attention and that attention is training.

"If you do what you've always done, you'll get what you've always got."

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www.tailwindsystems.com



KEEP IN TOUCH

We all know developing personal relationships with our customers is the best way to keep them coming back. And, one of the best ways to foster that relationship is to send personal “Thank You,” “Congratulations” and “Sympathy” cards to customers. Golomb Group Member, Joe Greenfeld, owner of Art’s Cleaners in Middletown, NY, had a portrait artist come to his plant and sketch a picture of himself, a counter-person and a customer at their counter. He then had all-purpose cards and envelopes printed on a cream-colored stock and uses these to welcome new customers to his store, send congratulations for birth announcements, graduations and other achievements he finds in the local newspaper.

If you can’t find a local artist, have a photographer take a professional photo of your main plant. Have these printed, in one color, on the cream-colored stock with matching envelopes.

If you don’t have time to keep up with writing these yourself, assign a key employee to check the newspaper and send out cards once a week. Of course, you’ll also get great info from your counter-personnel, and keeping a log, for them to jot down, births, deaths and other reasons to send out cards, makes everyone feel they’re a part of your team.

Letting customers know you’re always thinking about them will keep them thinking about you!

