

Learn to play golf like Tiger on his best day... in under 20 minutes

No skill required. Success guaranteed!

I cannot believe my luck!

I have always wanted to be able to play golf like a pro, but was unsure if I had the aptitude or the time necessary for practice. As it turns out, I need not have worried...

To play as well as the legendary Tiger Woods, one of the most successful golfers of all time, all I need to do is one simple thing. And you can too, dear reader. The experts will promise you great results.

To be able to play golf like a professional, you simply buy a set of that pro's golf clubs. You don't need skill or practice. You just need that professional's clubs and then you too can play like they did on their best day ever.

Not convinced? Nor should you be...

It is of course ridiculous to suggest that by taking the implement used by a highly skilled person to complete a task, that a completely unskilled person with little interest in practice or perfection can produce the same result as a highly trained and passionate person in the same field. And yet, that is exactly what retailers are doing with one of the most important aspects of their business. Stock takes...

At Retail Risk – London the other week, I was aghast at the crazy notions being thrown around by people around stock. And if you will bear with me for just a moment, I will show you what I mean.

First of all there is this ridiculous notion that if you put a modern scanner into the hands of a retail assistant who, chances are, hates getting involved in stocktakes, that they can do the job as accurately and efficiently as a skilled stock counter. They can't. It is just silly to say they can; just like it is silly to suggest a set of his golf clubs would give a new golfer the same golfing prowess as a golfing superstar.

At WIS we train our teams to count stock quickly and accurately. They study the art, for it is an art. And they practice. Ultimately they become good enough to be classed as specialists. And the single thing that that they do to make a living is counting stock. So, it should be no surprise that someone who has trained and practiced counting stock should count more accurately than someone who does it, possibly under duress, once a year! And the difference is huge...

I can show you independent studies verifying that in the time it takes for your retail assistants to count 300 items, WIS counters consistently and accurately count 1,000 items (single scan). And this is a really important point, because it shows just how much money any retailer using

their own people to count is wasting.

To highlight the problem, assume employee cost is similar for WIS and a retailer – let's say £10 an hour. For every £10 it costs for WIS to count stock, it costs a retailer using their own staff £33.33p. That is more than three times the cost. Of course, WIS will add a profit margin, but it is completely obvious that even then the cost to any retailer will be considerably less than doing it themselves.

And I am utterly stupefied as to how some smart retailers have been taken in by the idea that if they rent software and scanners for their staff to use and still do the stocktake themselves, then the results will frankly be any different. It is complete nonsense! It's like me saying that by having his clubs I can golf like Tiger, or his cue means I can play snooker like Steve Davis or if I had his piano I could compose like John Lennon. And you really don't want to see me in a set of Arnold Schwarzenegger's old posing briefs!!!

Getting your own staff to count means that, in an era of chronic staff shortages, they are not doing the job that they are trained to do helping customers and making sure that shelves are stocked and service levels maintained. If as a consequence of the stock take you remove staff from the frontline, then that is going to have an adverse impact on your sales. Or if you bring in more staff to cover the shortages created by your in-house stock take, then you are doubling up on your costs again, taking the actual cost of an in-house stock take versus a third party provider off the charts... more than £66.00 an hour!

Finally asking your staff to provide independent verification of your stock levels is like asking school kids to mark their own tests. They are going to cheat. They are going to cover up the anomalies and inconsistencies or they are going to create them and cover that up straight away. For years 40-50% of loss has been internal shrink. And now you ask the same people responsible for the consistently biggest source of loss to your business, year upon year, to check the accuracy of records for your single most valuable asset – your stock in trade. Is it just me or is that utterly bonkers!

Then there is the false notion that there is a silver bullet named RFID. What a lot of tosh!

RFID does not work unless you are labelling everything at source. And I mean EVERYTHING. Because when you count stock in 45 minutes using RFID, you do not count

stock, you count tags. That assumes two things. First that every item is tagged. And second that every tag correctly reflects the description of the item it is attached to.

If your item has no tag, it is invisible to your system. It is as if it does not exist. If the tag is there but does not accurately describe the item, then you think you have something you don't. And if you spent the money necessary to keep your tagging perfect then you would go out of business, because the cost would be impossible to justify.

The proof that RFID does not work was announced by a retailer at Retail Risk – London. I don't want to name the retailer, because they were sharing what they believed to be best practice. However, when they announced that after several years their RFID was considered a success because it was 91.7% accurate, I nearly fell off my chair! My clients are accustomed to 99.8% or better.

In a world of BOPIS and online fulfilment, getting it wrong one in ten times means you are the next Debenhams. Hopefully the retailer concerned will take note and change tack. And we have studies from clients, who have tried and abandoned RFID, that show similar levels of inaccuracy, which I am happy to share.

Given that independent studies show retailers are spending millions more to do their stocktake than they need to, creating staff shortages on the frontline and providing good people with the ideal opportunities to make bad decisions, why do they do it? The answer is, in my opinion, self-delusion...

Payroll is an ongoing cost. Nobody blinks at that monthly cost being met. It goes up and it goes down. Basically, it is an ongoing overhead in the mind of Finance. However, when an actual invoice arrives for the cost of a third party stocktake company, who have charged to do the work of providing an accurate stocktake then, WHOA!!! Suddenly Finance is there going "How much!?!". And the need for economies is being discussed.

Retailers ignore the cost and inaccuracies of using their own staff, but not the costs of using third party experts. Otherwise why would they spend more than they need to. And of course the result that they have paid mightily over the going rate to obtain will not be as accurate as it would have been either.

I hope the above gives you pause for thought. If not then you might be interested to know that Philip Green's desk is up for sale on eBay...

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