



2011 FIELD GUIDE:
BUILDING YOUR BEST TEAM
*AND MAKING YOUR STORE A
GREAT PLACE TO WORK*

**PREPARED EXCLUSIVELY FOR
DO IT BEST CORP. MEMBER-OWNERS**



Introduction

This *Building Your Best Team* guidebook includes new and time-tested strategies for building your best team. We will look at topics ranging from recruiting, interviewing and hiring the right workers, training and developing new and existing staff members to setting short- and long-term goals for the entire team, and motivating individuals to do their best

Table of Contents

Making Your Store a Great Place to Work.....	3
<i>Developing a Positive Work Environment and Culture</i>	4
<i>Communicating Your Culture and Goals</i>	6
<i>Operating a Great Place to Work</i>	9
Recruiting the Right Team.....	10
<i>Traits to Look for</i>	11
<i>Interviewing Strategies</i>	12
<i>Tests and Checks for Success</i>	16
<i>Where to Find the Right Employees for Your Store</i>	18
Orientation and Training.....	20
<i>New Employee Training</i>	20
<i>Ongoing Training</i>	22
<i>Performance Reviews</i>	23
Setting Goals and Motivating Employees.....	26
<i>Setting Goals</i>	27
<i>Motivating Employees</i>	28

1

MAKING YOUR STORE A GREAT PLACE TO WORK

Three vital elements of every great workplace are:

- ✓ A positive culture where employees share, contribute, and are recognized and rewarded for their hard work.
- ✓ Effective communication, where team members get feedback and guidance, and interact positively with their peers, supervisors, and managers.
- ✓ Strong operations that align with the business's culture.

Developing a Positive Work Environment & Culture

Every organization has a culture, whether it's by design or accident. A culture develops out qualities like:

- Physical environment
- Location
- Values
- Customer service strategy
- Leadership
- Company history
- Role in the community

Benefits of a positive culture

Most business owners strive for a culture where people get along, help each other out, think independently yet work as a team, look for creative solutions, are reliable and dependable, and take pride in the company. In this type of culture, workers have positive attitudes about themselves and the job they do. A positive culture helps you adapt to change and create a stable environment.

People tend to communicate better in a positive culture, too, where they're comfortable sharing honest, open feedback. In this open environment, you can quickly identify issues, resolve problems, and overcome obstacles.

If your store's culture is not what it should be right now, take heart. The ideal culture is attainable, and it's worth striving for. Start envisioning your ideal culture now—and then make plans to make it happen.

Some ideas to start building a better culture could be:

- More knowledge, education, or training.
- More constructive feedback from you.
- Flexible scheduling.
- Better benefits.
- Opportunities for career growth within your store.
- Rewards for performance.
- Recognition for special efforts.

Implications of a negative culture

Many otherwise strong stores can suffer from a negative culture, where poor-performing employees bring good people down, or where bad attitudes, gossip, and inconsistent leadership run rampant.

What does YOUR ideal culture look like?

- ✓ Strong customer service
- ✓ Helpful salespeople
- ✓ Welcoming atmosphere
- ✓ Fun, humorous, upbeat environment
- ✓ Family-oriented
- ✓ Respectful
- ✓ Open communication

Your Culture and Your Mission Statement

Think of your culture as the embodiment of your mission statement. If your mission is to offer the best customer service in your market, you want a culture where product knowledge is valued and where on-going training is emphasized.

If you don't already have a mission statement, gather up your team and use this worksheet to create one.

Mission Statement Worksheet

Your mission statement communicates your vision and intent and reflects your culture, ideals and values.

In the spaces below, begin outlining your mission statement. This statement may reflect your current vision or what you envision for the future. Consider these aspects as you prepare your mission statement:

- Target customers
- Staff
- Services
- Products
- Competition
- Financials
- Role in the community
- Purpose
- Marketplace
- Environment
- Location

List 3 to 5 products, services, or actions that support your mission statement:

How do you communicate your mission statement to your employees and to customers?

Communicating Your Culture and Goals

For employees to feel like they're productive members of your team, they need to know where they fit in today and where they're going. And that means being aware of your plans and goals. Maybe you don't feel comfortable communicating certain types of information to your staff. But ask yourself this: If your employees don't know what your goals are—and they aren't aware of your progress—how are they supposed to help you get there?

Communicating Through Store Meetings

One way to reach your staff with the same message at the same time is to schedule an all-employee meeting or event.

Take note of these five pointers to make your meetings effective:

1. **Plan your meeting** – include who is invited, when and where it will take place, and why you're having it
2. **Prepare an agenda** – pass this out to employees beforehand
3. **Start and finish on time**
4. **Let everyone contribute** – be sure that you allow everyone to give input
5. **Invite a special guest** – to present new information or talk about issues that are important to your store and staff.

If your employees don't know what your goals are, how are they supposed to help you get there?

Communicating Through Your Employee Handbook

An employee handbook enables you to clearly document your policies and procedures. With an employee handbook, you cut down on arbitrary decision-making and let your employees know you'll handle problems consistently and fairly. Your employee handbook can also help protect you from lawsuits.

A store manual may address these and other topics:

- Mission statement
- Attendance policy
- Paid-time off policy
- Internet policy
- Nondiscrimination
- Probationary period
- Break periods
- Performance reviews
- Outside employment
- Health-related issues
- Parking
- Paydays
- Vacation
- Holidays
- Educational assistance
- Staff meetings
- Reasons for termination
- Dress code
- Harassment
- Customer service standards
- Nondisclosure/confidentiality
- New employee orientation
- Personnel files
- Corrective action
- Expense reimbursement
- Timekeeping
- Insurance
- Social Security/Medicare
- Jury duty
- Bulletin boards
- Open-door policy
- Theft policy
- Public image
- Credit procedures
- Complaint procedures
- Lunch periods
- Inclement weather
- Safety
- Immigration law
- Substance abuse
- Tobacco use
- Overtime
- COBRA benefits
- Simple IRA
- Military leave
- Training
- Suggestion box

Employee handbook template

Inc. offers a simple, inexpensive employee handbook template to help you get started. Visit www.inc.com/tools/employee-handbook-sample.html. Include in your handbook an Acknowledgment of Receipt; have each employee sign this form and keep a copy in your files.

Communicating Using an Open-Door Policy

An open door policy simply means that an employee, at any level of the organization, is permitted to speak to anybody above him or her about anything the employee would like to share or discuss.

Ideally, the employee would start by bringing the issue to the attention of their immediate supervisor. If they're not able to resolve the situation satisfactorily there, they would begin to move up the ladder. The purpose of this isn't for the employee to be able to "tattle" on their supervisor or another employee. To ensure that doesn't happen, having the open door policy included in your store manual is probably a good idea. A sample policy is below.

SAMPLE OPEN-DOOR POLICY

Introduction to the Open-Door Policy

Your company has adopted an open-door policy for all employees. This means that every manager's door is open to every employee. The purpose of our open-door policy is to encourage open communication, feedback, and discussion about any matter of importance to an employee. Our open-door policy means that employees are free to talk with any manager at any time.

Responsibilities Under an Open-Door Policy

If any area of your work is causing you concern, you have the responsibility to address your concern with a manager. Whether you have a problem, complaint, suggestion, or observation, your company managers want to hear from you. By listening to you, the company is able to improve, address complaints, and foster employee understanding of the rationale for practices, processes, and decisions.

Before You Pursue the Open-Door Policy

Most problems can and should be resolved in discussion with your immediate supervisor; this is encouraged as your first effort to solve a problem. But an open-door policy means you also may discuss your issues and concerns with the next level of management and/or human resources staff members. No matter how you approach your problem, complaint, or suggestion, you will find managers at all levels willing to listen and help bring about a solution or clarification.

Benefits of the Open-Door Policy

By helping to solve problems, managers benefit by gaining valuable insight into possible problems with existing methods, procedures, and approaches. While there may not be an easy answer or solution to every concern, your company's employees have the opportunity at all times, through the open-door policy, to be heard.

Operating a Great Place to Work

The third cornerstone of a great workplace is operating a strong store—that is, running your business in a way makes employees feel plugged in, valued, and well-treated.

- **Operate your store in a way that reinforces your culture.** For example, if you promote your store as “family friendly,” you could reinforce that culture by offering employees flexible work schedules and planning events for employees and their families.
- **The benefits package you offer employees should also reinforce your culture.** Benefits can range from health insurance and 401(k) plans to paid time off and product discounts. The exact benefits you offer will depend a lot on what your employees want and need, so be sure to seek their input.



Remember to always communicate the value of your benefits—no matter how small they may seem—to promote your value as a great employer!

2 RECRUITING THE RIGHT TEAM

To recruit the best team members, you should:

- Identify the traits your team members should possess.
- Prepare for and conduct effective interviews.
- Use pre-employment tests to support your hiring decisions.
- Know where to look for qualified applicants.



You need to recruit people who comfortably fit into your culture—and avoid those who don't. In fact, the majority of employee tension and turnover comes from bad chemistry—either between two or more employees, between an employee and your company, or between an employee and the job he or she was hired to do.

One person who doesn't fit into your store can create a lot of problems and negatively impact your culture.

Anytime you've slipped up with hiring, chalk it up to experience and learn from it the next time you're filling an open position. Most of all, recognize that you'll find the best employees when you take a systematic approach to interviewing, testing, and evaluating candidates.

Traits to Look for

How can you know what traits to look for in a new employee? Consider these three practices.

1. Let your culture guide you. Look to recruit people who fit into your culture.
2. Identify the traits of your current top performers. Single out the most productive person in a particular position. Analyze his or her qualities and attitudes, and develop a profile of the right candidate for the job.
3. Create a checklist of traits, experience, and education for each position in your store. This becomes your wish list as you're interviewing and testing potential candidates.

A sample checklist for a salesperson may include:

- A great fit with your culture
- Personable
- Empathic
- Self-disciplined
- Reliable
- Good communicator/presenter
- Approachable
- Creative
- Reliable transportation
- Energetic
- Good listener
- Honest
- Outgoing
- Trustworthy
- Team player
- Friendly
- Pleasant appearance
- Goal-oriented
- Positive attitude
- Helpful
- Flexible
- Competitive
- Service-minded
- Self-disciplined

There may be additional qualities you expect to find in the ideal manager:

- All of the above
- Time management
- Ability to see the big picture
- Willpower
- Sense of urgency
- Analytical skills
- Specialized skills related to the position
- Leadership skills
- Proven sales ability
- Decision-making and planning skills
- Self-discipline
- Mentoring skills
- Understanding of his/her role
- Sense of ownership

Interviewing Strategies

What to Ask in the Interview

Develop a list of questions you ask every single candidate for the position. Make sure your list includes open-ended questions that dig into the candidate's past performance and cover the requirements of the job. Some examples are:

- “Tell me about a time when... .”
- “How did you handle...?”

When asking questions, be sure to ask questions that relate to those key desired traits you've identified. These are the notes you should be taking so you can easily evaluate candidates against each other and to figure out if they would be a good fit for your culture.

Just before the interview, review the person's application, resume, and other notes so everything is fresh in your mind.

During the interview, follow the 80/20 rule:

- Limit your talking to 20 percent of the interview.
- Let the candidate talk the other 80 percent.
- Also allow at least 20 minutes for each interview.

This balance helps you give the candidate a good picture of you and your company. More important, it allows you look, listen, and evaluate the candidate's answers, language, mannerisms, body language, etc.

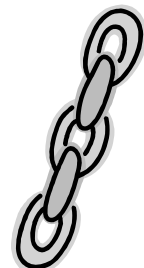


Don't forget to take notes during the interview so you can remember your impressions later. Your interview notes also document your hiring decision and can help defend your organization if you're ever charged with discrimination. Make notes about whether a person does or doesn't align with the traits you identified for this position. But NEVER make notes about taboo areas like race, gender, ethnicity, age, etc. Stick to notes that support your employment decision without being discriminatory.

Three Rules of Three

Here's another recommended hiring practice: the Three Rules of Three:

1. Interview at least three qualified candidates for each position.
2. Interview the best candidates three times each.
3. Have three people in your organization evaluate the candidates.



If you want to make your team better and your job easier, take time to hire the right people.

SAMPLE JOB INTERVIEW QUESTIONS

- € Tell me about yourself. Walk me briefly through your résumé.
- € How did you hear about the company? About the job opening?
- € Why are you interested in this particular position?
- € What interests you about our products and services?
- € What companies would you compare us to?
- € Describe a time you had to use creativity to solve a problem.
- € Describe a time when you had to work in a group to overcome an obstacle.
- € Describe a time when you had to become the leader of a group.
- € What school subjects did you like best/least? Why?
- € What two or three accomplishments have given you the most satisfaction? Why?
- € Describe your most rewarding professional experience.
- € What are your long-range goals and objectives?
- € What are your short-range goals and objectives?
- € How do you plan to achieve your career goals?
- € What are the most important rewards you expect in your career?
- € Why did you choose your particular career?
- € What are your strengths, weaknesses, and interests?
- € How do you think a friend, mentor, boss, or professor who knows you well would describe you?
- € Describe a situation in which you had to work with a difficult person (a co-worker, customer, supervisor, etc.). How did you handle the situation? Is there anything you would have done differently in hindsight?
- € What motivates you to put forth your greatest effort? Describe a situation in which you did so.
- € How do you determine or evaluate success?
- € In what ways do you think you can make a contribution to our organization?
- € Was there an occasion when you disagreed with a supervisor's decision or company policy? Describe how you handled the situation.
- € In what kind of work environment are you most comfortable?
- € What two or three things would be most important to you in your job?
- € What criteria are you using to evaluate the organization you hope to join?
- € Are you willing to spend at least six months as a trainee?

You Can't Ask THAT in an Interview!

If someone ever charged you with discrimination, it's up to you to prove your innocence. And that can be tremendously expensive. The price tag to defend a discrimination lawsuit through a jury verdict is about \$140,000.

To stay on the right side of the law, don't ask questions about:

- Age
- Marital status
- Family status
- Ages/number of children
- Childcare arrangements
- Pregnancy
- Future family plans
- Physical disabilities
- Mental disabilities
- Other health conditions
- Religious beliefs
- Political affiliation
- Ethnicity
- Race

"I'm sorry to cut you off..."

Even if a candidate volunteers information about one of these taboo topics, you could still have to prove you didn't use that detail in your hiring decision. If the candidate veers off into dangerous territory, kindly cut them off. Say, "I'm sorry to cut you off, but I want to spend our time together talking about the job at hand. Why don't you tell me more about.. ."

QUESTIONS TO AVOID DURING AN INTERVIEW

The United States Equal Employment Opportunity Commission and other federal and state agencies have issued guidelines for employers regarding prohibited areas of inquiry during the hiring process. The questions below are generally prohibited during the selection process because they inquire into information that is not required as a matter of business necessity, or that is not job-related. The point is to ask questions that relate to how that individual can handle the job and provide value to the company. As Walter Olson, author of *The Excuse Factory* states, today's interview guidelines "eliminate the small talk." Some prohibited questions are proper to ask after the interview process for statistical and other reasons. Unless *clearly job-related*, the following questions should be avoided:

- € "What is your maiden name?"
- € "What is your age?"
- € "What is your date of birth?"
- € The dates of attendance or completion of elementary or high school.
- € Any questions that tend to identify an applicant's age as older than 40.
- € Birthplace of applicant or the applicant's parents, spouse or other relative.
- € "Are you a U.S. citizen?" or "What is your citizenship or that of your parents, spouse or other relative."
- € Questions about race, nationality, lineage, ancestry, national origin, descent, or parentage of applicant or applicant's spouse.
- € How the applicant acquired the ability to read, write, or speak a foreign language.
- € Questions that indicate the applicant's marital status.
- € Questions about the number or ages of children or dependents or childcare.
- € Questions regarding pregnancy, childbearing, or birth control.
- € Questions such as, "Who do you live with?" or "Do you live with your parents?"
- € Questions regarding the applicant's height and weight.
- € Requiring a photograph before employment is offered.
- € Questions regarding receipt of worker's compensation benefits.
- € "Do you have any mental or physical disabilities or handicaps?"
- € Questions regarding arrest record, such as "Have you ever been arrested?" unless he or she is in a security-related position. It's okay to ask if the candidate has been convicted of a felony.
- € Questions regarding applicant's current or past assets, liabilities, or credit rating, including past bankruptcies, unless job-related.
- € Questions about length of residence at a particular address.
- € Requiring a list of all organizations, clubs, societies, or lodges the applicant belongs to or is otherwise affiliated with.

Tests and Checks for Success

Many pre-employment tests are available online to assess cognitive abilities and personality traits. Choose a test or tests specifically created or adapted for your store. By conducting tests like these, you can gather more facts and get a complete, balanced view of prospective employees.

If you don't take certain extra steps before hiring someone, you miss an important opportunity to find superstars and weed out "pretenders." In fact, about **one-third of all candidates stretch the truth when applying for a new job.**

The solution is to verify everything that's verifiable—in the form of background checks, reference checks, and drug tests. Professional services can help you out, and the process is fairly easy, with a minor cost and a high value.

Background and Reference Checks

When conducting background checks, consider these best practices:

- Request permission from the candidate to check the information he or she provided on the job application or in a resume.
- Verify all information about educational institutions and past employers.
- Call all references and ask specific questions about the candidate's positive and negative attributes.
- Research the candidate's criminal history by visiting your local police department and ask for a criminal records search. It costs just a few dollars and ensures you that a potential employee has no criminal history.

Drug Tests

The process of drug-testing is easy and inexpensive, yet it offers high value. If you contact a medical center in your area, they should be able to guide you to a reputable testing facility.



Don't forget: Before you run any check on an employee, you need to get their written permission first. Many times, agencies that run these checks have permission forms you can use.

PRE-EMPLOYMENT TESTS

Why Employers Use Employment Tests

Employers often use tests and other selection procedures to screen applicants for hire. The types of tests and selection procedures include cognitive tests, personality tests, and background checks.

Companies can legally use these tests, as long as they don't use them to discriminate based on race, color, sex, national origin, religion, disability, or age (40 or older). Employment tests must be validated and intended for the jobs being applied for.

Online Pre-Employment Tests

Employment testing can be conducted online or in the employer's office. Online employment tests are often used for pre-employment testing and assessment. Types of tests include:

- ***Personality Tests***
Personality tests assess the degree to which a person has certain traits or dispositions or predict the likelihood that a person will engage in certain conduct.
- ***Talent Assessment Tests***
Talent assessments, also called pre-employment tests or career tests, are used to help an employer identify candidates that will be a good fit for jobs. Talent assessments help predict a new hire's performance and retainability.
- ***Cognitive Tests***
Cognitive tests measure a candidate's reasoning, memory, perceptual speed and accuracy, and skills in math and reading comprehension, as well as knowledge of a particular function or job.
- ***Emotional Intelligence Testing***
Emotional intelligence (EI) is the ability of an individual to understand his or her own emotions and the emotions of others. Testing job applicants for their emotional intelligence (in the form of psychological-based tests) is a growing employment trend.
- ***Physical Ability Tests***
Physical ability tests measure the physical ability of an applicant to perform a particular task or the strength of specific muscle groups, as well as strength and stamina in general.
- ***Sample Job Tasks***
Sample job tasks, including performance tests, simulations, work samples, and realistic job previews, assess a candidate's performance and aptitude on particular tasks. Some companies that specialize in pre-employment assessments are Kenexa and PreVisor. Other assessments include the Watson-Glaser Critical Thinking Appraisal and the Devine Inventory System, which can compare an applicant's traits against those of your existing employees to predict success. By conducting tests like these, you can gather more facts and get a complete, balanced view of prospective employees.

Where to Find the Right Employees for Your Store

Great employees tend to be loyal to their employers, have good work habits, and get along with the peers. They're much less likely to be out there searching for a job. So how do you find them?

Inside Your Store

You may have brought an employee in at entry level, and now he or she is ready and able to take on more responsibility. So before you look outside your store, consider the talent inside.

- Who can you groom to take on more responsibility?
- Who needs a little more experience, knowledge, or education to take the next step up the career ladder?
- How can you help them prepare for that step?

Outside Your Store

No doubt you'll still need to bring good candidates through your doors from time to time. Do you look for new employees only when you have an opening to fill? If you wait until that moment, you lose valuable time and have a smaller pool of candidates to choose from. A better option is to continuously recruit.

Connect with qualified people as you find them. When you receive superior service from someone in a fast-food restaurant, a book store, a grocery store—or a competitor—give them your business card and ask them to call when they're looking for a new job. Or if you have a good worker on staff, let them know you see their potential and would like to create new opportunities for them at some point.

You could find success placing print ads in different parts of local or regional daily newspapers, like the sports and lifestyle sections. Other free or low-cost advertising options include local and community papers, business journals, dining guides, and even church and neighborhood newsletters. And while some stores continue to get attention with a "Help Wanted" sign placed in the storefront or checkout lanes, many of these traditional methods of advertising openings may no longer be your most effective or efficient.

Online

More people do business online than ever before. Why not meet them where they are? List job openings on your store's website, or use employment websites like Monster.com, CareerBuilder, and even Craigslist.

If you use social networks to connect with your community (and you should), you can easily install a "Careers" tab on your Facebook page. Or you can "tweet" to your Twitter followers about career opportunities.



Through the Grapevine

Ask your best employees to recommend their friends and other contacts. You might consider offering a cash referral bonus or other reward if the suggestion leads to a hire. This also lets employees help shape your company's future.

Some other ideas for successful recruiting are:

- Asking those in your extended circle, including your best customers, contractors, vendors and former colleagues if they or someone they know would be a good fit for your organization.
- Asking career counselors at local high schools and colleges to send good candidates your way.
- Networking in the community through groups like Rotary, Toastmasters, Kiwanis and the Chamber of Commerce.

In Unlikely Places

Another option is to recruit people who retired but are reentering the workforce. Perhaps they miss the interaction with other people, or aren't financially prepared for a life of leisure. Either way, they can be a positive, knowledgeable influence on younger employees. Keep in touch with workers who retired from your store, or tap into senior-oriented companies and organizations, like AARP and local senior centers.

If really good people in your market aren't working for you, they're probably working for your competitors or other local retailers. So when you're price-shopping your competitors, connect with their staff members who fit your profile. Offer them your business card so they can contact you when they're looking.



The rest of the time, consider yourself a talent scout as you go through life. You can find great employees at local retailers and restaurants, especially when you're looking for service-minded people.

ORIENTATION AND TRAINING

At several points in your employees' careers, they'll need structured orientation, training, and evaluation.

New Employee Training

For most new employees, the first day on the job is equal parts excitement and anxiety. As the employer, you have the power to welcome your new staff members in positive, affirming ways. You also can provide all the tools and training they need to learn and grow with your organization.

Many employers have a short-term probationary or waiting period for new workers. A probationary period usually is the first one to three months on the job, when you assess the new hire's performance and before benefits go into effect. To help new employees successfully blend into your culture, your probationary process could include:

1. An overall orientation program
2. A training program
3. A set of goals with a timeline for completion
4. Regular ongoing feedback

Who Handles the Training?

One of your best training tools may be your current staff. Perhaps you have a store manager or operations person who is great at explaining and coaching. He or she could lead a new employee orientation. And, of course, there's you. *You* know your store and your policies better than anybody else.

Where Does the Training Take Place?

Do you train the employee in your office? Maybe you have a room in your store that can be set up like a classroom. You may want to get the new employee out on the floor quickly, to learn about your services and begin interacting with customers.

What Material Needs to Be Covered?

Your orientation should provide the basic information new employees need to do the job. It should include:

- € An overview of the company
- € Your history
- € Your mission statement
- € Your leadership structure
- € Your customer service standards
- € Your store's culture and values

Based on the employee's position, you might also cover:

- € Product
- € Store layout
- € Credit procedures
- € Handling the cash register
- € Cutting and measuring
- € Taking special orders
- € Yard training
- € Forklift certification

Mentoring New Employees

The help a new employee get a feel for the job and understand how your store works, consider matching him or her up with a mentor—an experienced worker on your staff.

The mentor's job is to:

- Introduce new employees to their coworkers and to key customers, vendors, and other regular visitors.
- Explain tasks as they perform them, including what and why.
- Explain store policies.

Mentoring is inexpensive and highly productive. Employees who have mentors tend to learn faster and be more productive on the job too.

When you're working on making your store a great place to work, don't forget to have a little fun! New-employee training is an excellent opportunity to blend work, education, and a few laughs. Be thinking about nontraditional, out-of-the-box ways can you use to teach and train employees. What can you do to make training more fun?

Ongoing Training

When new employees become veterans, they'll need to refresh their knowledge and learn new information. With ongoing training, you can:

- Develop a strategic advantage.
- Make each employee more valuable—and possibly more loyal.
- Groom your staff to handle more responsibility.
- Increase employee satisfaction.
- Increase your customer service level.

What do your employees need to learn—or relearn—on an ongoing basis? Consider offering training in:

- **New and existing products.** Does everyone on your sales floor know where to find—and how to use—items from your primary categories?
- **Sales and customer service.** Teach all employees about the service experience you want to create for customers, including how to greet guests, answer the phone, and handle special orders. Talk to your staff regularly about how to cross-sell and up-sell so they can help you increase ticket size and gross margins.
- **New policies and procedures.**

Do it Best Can Help

Remember that Do it Best offers you many resources to simplify your training efforts. DiBTV offers many different training options. Other helpful options include the Bob Aken Plumbing & Electrical Workshop, Bob Butler sales training and NRHA online options, such as the Advanced Course in Hardware Retailing and “Our Three Pennies of Profit” video.

Plus, you can explore local options for continuing education, such as classes at community colleges or online.

Performance Reviews

Performance management greatly contributes to the strategic initiative of building your best team.

The performance review measures the employee's achievements, development, and actual performance compared with his or her job description. It should summarize all of the feedback you've provided throughout the year, and describe how the employee has improved or needs more work. From a legal perspective, the performance review gives you a paper trail if you have to terminate an underperformer.

What does an effective review look like? It should provide:

- ✓ Clear, candid feedback
- ✓ Direction
- ✓ Coaching opportunities
- ✓ Motivation
- ✓ Opportunities for the employee to respond with his or her own feedback and input
- ✓ Discussion of employee's goals and aspirations

Preparing the Performance Review

You can prepare for reviews by building a performance record or file. When the employee excels or needs improvement, make a note for the file. Get in the habit of collecting data on individual employees. Then, when it comes time to write a formal review, you'll have the documentation you need.

Making notes in an employee's file should be done after you've already given verbal feedback to the employee. Be sure to be continually offering feedback for improvement areas or a job well done. Don't make an employee wait until June to try and remind them of something from last October.

The performance review should include a comprehensive narrative with specific examples of behaviors. Consider these questions as you're writing the review:

- How well does this employee compare to the checklist of ideal traits for the position?
- Is the employee meeting performance standards for the position?
- Is the employee reliable?
- How productive is this employee?
- How well does the employee work independently or as part of a team?
- How would I characterize the employee's customer service skills?
- How are the employee's sales skills?
- How well does the employee fit with my store's culture?

Delivering the Performance Review

When you're ready to deliver the review:

- Plan a date and time so you and the employee are prepared and ready.
- Try to meet in a neutral location outside of the immediate work area, free of distractions of phone, computer, other workers, and customers.
- Bring two copies of the written review so the employee can follow along.
- Don't catch the employee by surprise, whether the review is positive or critical. Every day, strive for candor by praising, critiquing, and encouraging performance.
- Be specific and clear. Employees should walk out of the review knowing exactly what they did well and what they need to focus on next.
- Define goals and opportunities for improvement. Even your superstars should be given some areas to develop and new goals to work toward.
- Create an action plan for employees who aren't meeting expectations and need development.
- Listen to employee feedback.

Separate the Review and Pay Raises

We generally recommend that evaluations and salaries not be handled at the same time. With annual evaluations, you're recognizing where employees have done well and noting areas for improvement. While performance is a part of the decision process when deciding pay raises, there are many more factors to consider. Separating the two gives you an opportunity to explain the entire thought process behind your decision.

4

SETTING GOALS AND MOTIVATING EMPLOYEES

A motivated staff can be your best competitive advantage. When your employees are motivated, they can fuel your growth.

To motivate your team, strive to:

- Create an environment that enables and encourages productivity.
- Set goals for every employee—individually and as a team.
- Offer monetary *and* nonmonetary incentives.

Studies show that employees are happier when they're productive.

What practical steps can you take to help employees be more productive? Consider these ideas:

- Provide more training.
- Embrace technology.
- Improve your work environment.
- Develop supportive policies and procedures.
- Involve and empower your staff.
- Remove barriers to success. Is anything in your store keeping your employees from doing their best?

Setting Goals

People perform best when they have goals. Goals give employees something to work toward and encourage their productivity.

Most of your goals can be measured in terms of key performance indicators, or KPIs. These are measurable goals and metrics that can help you achieve your goals. In your store, you may be used to measuring some or all of these KPIs:

- Average ticket size
- Sales per employee
- Seasonal sales
- Traffic count

Most of your goals can be measured in terms of what are called “key performance indicators”, or KPIs. These include metrics that you can continuously measure like average ticket size, sales per employee, seasonal sales, traffic count, etc. These KPIs measure your progress towards strategic goals.

Motivating Employees

What motivates your employees to achieve, produce, and succeed?

Many of your best motivators are going to be planned programs, such as a monthly sales goal that involves all employees working toward a shared goal. But you also should be open to spontaneous motivators.

A mix of planned and spontaneous rewards is ideal, because you can recognize performance outside of your established parameters and give employees more motivation from day to day.

Some thing to keep in mind when planning your rewards are:

- **Allow your team to work together towards goals.** This gives more employees a sense of ownership in successfully reaching the goal.
- **Show your appreciation for employees doing a good job.** A simple “thank you” will go a long way.
- **Be consistent in your treatment of employees.** It’s not fair if one employee is under-rewarded compared to similar work. Other employees will notice and may not be as motivated to reach your goals.
- **Offer specific and personal rewards.** Since different rewards will be meaningful to different people, put some thought into the reward.

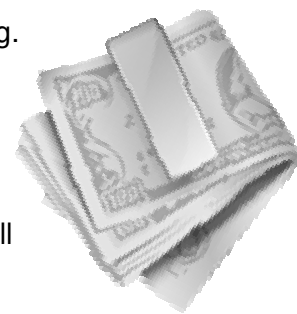
Monetary Motivators

Many stores have bonus systems in place for key personnel, typically salespeople. For example, you may offer department managers a percentage basis on gross profit on sales. If they’re money-motivated, managers will work extra hard to keep those margins up.

For other employees, you may offer 401(k) plans and profit sharing. These programs let you reward employees when the company is making money. They give employees extra incentive, accountability, and motivation to support company goals and watch the bottom line.

Which monetary motivators should you offer? Different markets will require different benefits.

Do it Best Corp. developed a program to easily calculate monetary bonuses. If you would like a copy, contact your retail development specialist.



Nonmonetary motivators

Non-monetary rewards can be very, very effective motivators. Your only investment is little time, planning, and perhaps a small budget.

***Nonmonetary motivators
reinforce that your store is a
GREAT PLACE TO WORK.***

Nonmonetary motivators can include:

- Contests and incentives.
- Contests against past performance.
- New training opportunities.
- Attendance at Do it Best Markets or workshops.
- Management of a new or special project.
- A traveling trophy or plaque for certain accomplishments.

The whole point of nonmonetary motivators is to have fun. Be creative and use your imagination for unique motivators that can reinforce your store as a great place to work!

