

Project Profile: Designing and Implementing a Performance-based Curriculum Architecture for Retail Managers

by Peter R. Hybert, president

The Business Situation

The driving business strategy for Imperial Oil, Canada's largest integrated oil company with more than 2,500 retail sites operating under the ESSO brand, is called "operational excellence." Basically, that means "lean and mean" and then some. It means no waste, no variability.

Imperial was also planning on significant, though focused, growth by adding new retail sites.

To win with these strategies meant each franchise had to operate according to well-defined standards. It also meant that territory managers², who normally perform the function of retail manager coaching and support, would need to spend more focus on recruiting, signing, and starting up *new* retailers, rather than working with existing retailers.

In the start-up phase of a new dealer, performance (and performance support) is crucial. A dealer must be able to perform virtually every task at the site, from general business management to merchandising to managing/tracking hazardous materials to basic mechanical troubleshooting to dealing with vendors, and so on. Often it is a new location, an existing location being upgraded with a new offer, or just turnover. In marketing as in life, first impressions are important.

The bottom line is that there are a number of specific performances that must be executed to manage the site safely, legally, and profitably. New retail managers with specific industry experience are rarely available in the job market—most new hires have some retail experience but come from otherwise varied backgrounds. They cannot perform the retail manager role without initial training and other performance support.

The business risk—a new retail manager would fail due to insufficient support during the start-up period. The business risk is specifically tied to the following:

- Safety and/or regulatory violations for mishandling petroleum products
- Injury and other losses resulting from robbery and theft
- Lost revenue due to poor sales
- Consumption of excess territory manager time (impacting other dealers)

Considering the necessary search, interviewing, assessment, and financial work needed to bring a new candidate all the way through the recruiting process, it is very important to the new retail manager and the company that they are successful.

¹ The official title for this role is "associate manager." For this article, "territory manager" was used as it is a more commonly used title and may be more descriptive of their function to the general reader.

The Solution

The overall solution to address the above situation was to develop a comprehensive New Retail Manager Development Program to address the entire set of start-up learning requirements. The program would span from the moment a new retail manager and the company reached agreement on their business contract through the six-month checkpoint, in which territory managers would evaluate the operation per the corporate (and contractual) standards.

The overall flow of the program is shown below.

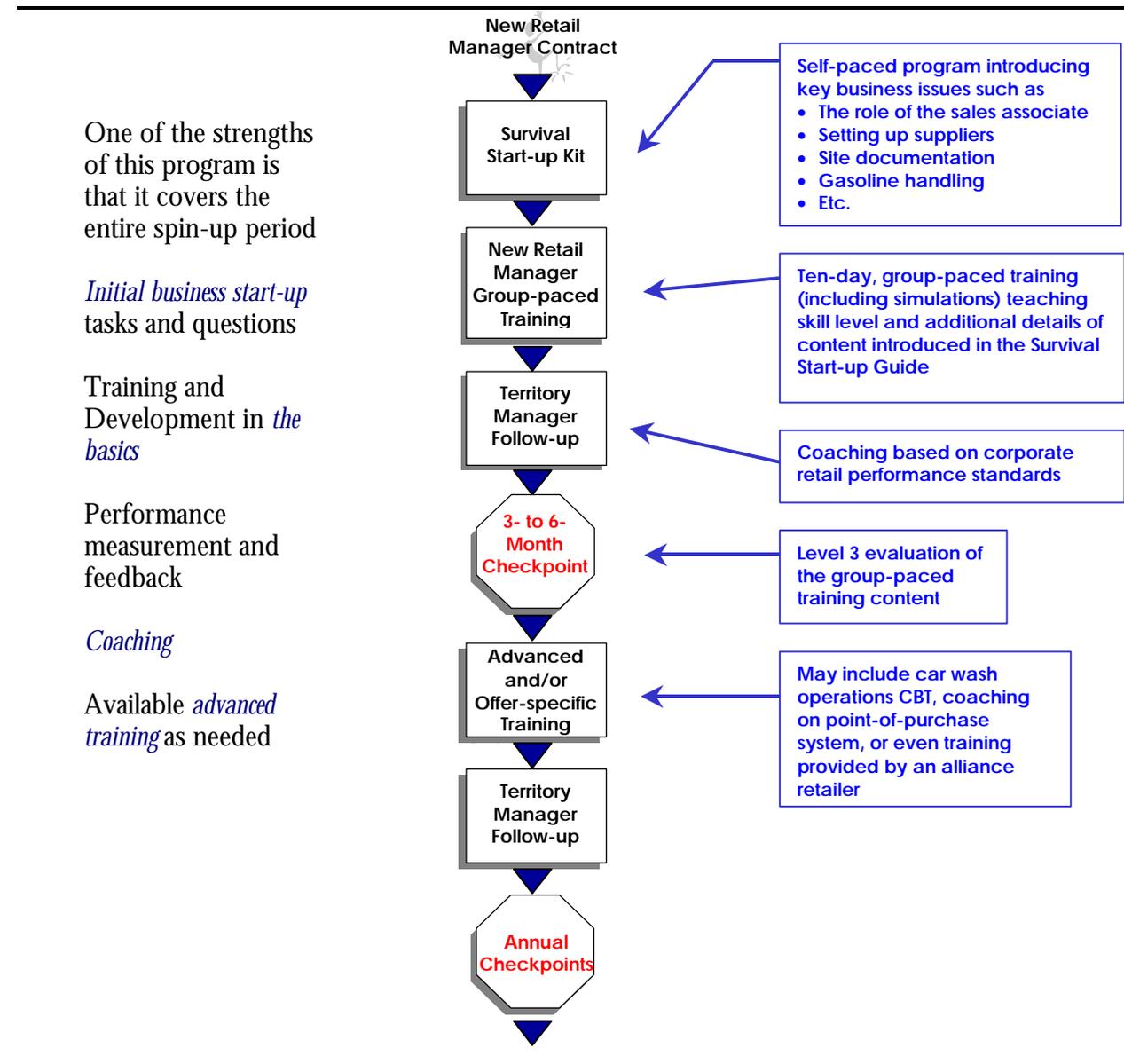


Figure 1: New Retail Manager Development Program

The Project

Project Phases

The project began when Imperial management decided to re-evaluate a number of strategies/functions to make sure they aligned with the operational excellence strategy. They decided to focus on the preparation of new retail managers. The project sponsor assigned a project manager who conducted interviews with territory managers, immediate supervisors of the target audience, to explore the need for training and development and get their initial ideas.

Following the interviews, we were brought in to conduct a Curriculum Architecture Design^{SM2} project—the project phases are illustrated below. Once the project planning was completed, the first key step was a performance analysis to define the dealer performance in detail using a Performance Model and Knowledge/Skill Matrix³. This analysis data was used to “shop for existing training” and ultimately to design a modular curriculum architecture addressing all of the needs. In the Implementation Planning Phase, management established priorities for “gap modules” and approved a curriculum development plan and budget.

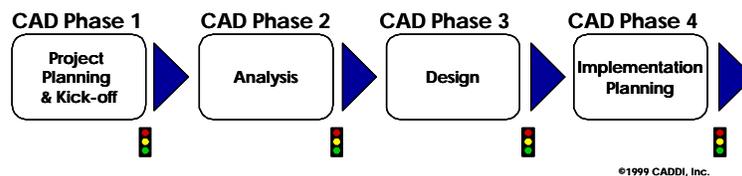


Figure 2: The Four Phases of Curriculum Architecture Design

The Team

As usual, we set up a series of teams to ensure we had the right expertise and the right players engaged in the process. Teams allow us to accelerate the conversations and decision-making that have to happen to realize large-scale changes, such as implementing a new curriculum. They also help keep the project focused on business needs—it is more difficult for someone to advocate a pet project if they have to convince a team of peers. Of course, we also believe that “two heads are better than one,” especially if properly facilitated through a structured process.

² A Curriculum Architecture Design is a broad design for an entire domain of training and development, in this case, addressing those who perform “Retail Site Management.” The intent was to “scope out” all the potential training and then allocate resources on a priority basis to those with the most impact on the new retailer performance.

³ A Performance Model segments the job into Areas of Performance and, for each Area of Performance, defines the outputs, measures, tasks, and typical gaps and causes. A Knowledge/Skill Matrix then derives the enabling knowledge/skill items needed to perform the work in the Performance Model.

The team structure used for this project is outlined in the table below.

Team	Role Description	Members
Project Steering Team (PST)	Set the priorities and direction for the project	The small PST included the process owner for the Associate Management Process and the business manager for one of the larger districts.
Analysis Team	Define the performance and the enabling knowledge/skills	The ten-person Analysis Team consisted of a combination of experienced top-performing retail managers and territory managers.
Design Team	Work with the designers to organize the analysis data into the appropriate “chunks” of training and define a typical sequence for completing it	The Design Team consisted of three members of the Analysis Team, two of which were retail managers.
Implementation Planning Team	Establish the priorities for training to be developed and create a three-year development plan	Priorities were voted by the PST, two key territory managers, and the two retail managers from the Design Team. Then, the Project Work Team (see next) established a three-year development plan based on resource and budget constraints set by the PST.
Project Work Team	Conduct all meetings and document the project outputs	This team included the CADDI consultants in partnership with the Automotive National Retail Development organization.

Figure 3: Project Teams and Roles

Following is a summary of the project and the key “aha’s” and challenges that arose in each phase.

Project Planning & Kick-off

Independent Business Owners Are Different than Captive Target Audience Members

The first and biggest hurdle, as is often the case, was getting agreement to take 8 to 12 master performers off the job to participate in a three-day meeting to define the details of what they do every day. In this situation it was even more difficult because retail managers are not company employees, they are independent business operators. Not only must the corporation be very careful not to violate the regulations⁴ that dictate those types of relationships, but they also cannot mandate that anyone attend. And in the case of a small retail site, getting someone to cover the store for them is not as easy as it might be if they were all employees. For one thing, you can't necessarily have someone from another store cover for you.

It was a challenge for the Imperial project manager to convince her management that this was the best way to go. It was tough—having real master performers engaged in the project can make all the difference. Internal experts and management may get most of the information right, but that last 10 or 20 percent (or even the small details) that the master performers add makes all the difference. But even if they provided nothing we didn't already know, the credibility the project gains from having the field involved more than pays for the headache in working it out at the beginning of the project.

Always Have a Defendable Rationale

Because executives are busy (and organizations are political), it is important to have a clear rationale behind key decisions. That way, if someone questions the decision, it can be evaluated on the merits of the rationale. If we said we picked Analysis Team members because they were “really knowledgeable,” we would be hard-pressed to defend why we picked one individual over another. If we had a more objective set of criteria (and still looked for people who were “really knowledgeable”), management would be able to assess the team choices and explain them to those who were not recruited.

To set up the Analysis Team, we looked for cross-representation of the geographic territories, types of offers (for example, whether they sold gas only, had a convenience store, had a food offer, had a car wash, did automotive service, etc.), size of store, and type of location (urban versus rural). The only common criteria was that they were top performers in terms of sales and profits as well as in compliance with ESSO retail standards. They would also have to be able to contribute and participate in a group meeting.

The next step, Analysis.

⁴ Canada has similar laws as the United States pertaining to an independent business relationship. There are limits that, if crossed, could result in the independent operator being ruled an employee for tax and benefits purposes. Needless to say, both parties have an interest in keeping the relationship legitimate.

Analysis

No Job Is Simple

Most people have been to convenience retail sites, so most people probably intuitively doubt that such a site could be very complicated to operate. Most people would be wrong. It took some work to define our areas of responsibility so that there were no gaps or overlaps and so it was organized logically. For example, at the beginning of the dealer's "life cycle," there were several steps necessary for determining the opportunity and negotiating the offer. A simplified list would include making a business plan, including a forecast of sales, selecting suppliers, and negotiating contracts, etc. But, though you do a complete set of these things all at once up-front and then do all the piece parts on a regular basis throughout the year, we could potentially analyze and define each piece part once and know that the performance is executed in various levels of depth. Easy to conceptualize as an outsider but very difficult to see if you are someone who does it every day and knows there is a world of difference.

And, as mentioned earlier, retail managers perform pretty much every function that occurs in a large company but on a smaller scale. They manage employees. They keep the books and pay bills. They negotiate supplier agreements. They serve customers. They check the inventory. They put together robbery and disaster prevention plans. They do minor maintenance of the equipment. They even have to decide which community charity activities to sponsor. (This is not the entire list!) Even though it is a small business, it covers a wide span of performance.

There Is a Huge Difference between Standardized and "Best Practice"

As mentioned above, each retail manager operates independently. Many of the tasks we were targeting for training were really not standardized—the training could provide a recommended good way but not a required way. That meant that everybody came in doing essentially the same things but with their own local spin. Often the spin was for a good reason (for that site), and sometimes it was completely arbitrary. During the analysis process we had to work continually toward common/consensus information.

Every Industry Has Arcane Terminology and Jargon

As we went forward we found that there were a lot of words that the team was using differently from what we, as consultants, were used to. Some of the variability may have been due to our not understanding Canadian differences, but most of it was our not understanding internal Imperial labels. "Offers" meant what was being sold. For example, "car wash" was an offer. "Branded" (as in "I've got 'branded' at my store") was used constantly to refer to "Branded Alliance Partner," which meant a partner company selling something within your store (e.g., muffins or donuts or even pizza). "Gasoline handling" was used primarily to refer to the regulatory paperwork (for example, it would not include the physical cleanup of a spill). "Inventory management" was used to refer exclusively to gasoline inventory but not to the store merchandise .

The bottom line is that we had to be careful to define how we were using our terms constantly, and we had to clarify/confirm constantly that we understood what they were conveying. A lot of "testing understanding and summarizing."⁵

⁵ We tend to rely heavily on a communication model developed by the Huthwaite organization, which classifies communication behaviors into different types. That way you can tally the communications during a meeting and use the

Dealing with Nontraining Issues

We were charged to develop a curriculum architecture and then training. But, there were a few business issues that arose regularly that we surfaced to the Project Steering Team. Primarily, that was the end of it; however, we did recognize that a key gap to be addressed was the point in time between when a dealer signs on and when they can get to a training course. Because the existing training (and the bulk of the intended future training) was planned for delivery in group-paced format, in part to make use of (fully stocked!) simulated stores at the National Retail Development Centre, it was inevitable that new dealers would face the necessity of operating their site prior to being trained. This was seen as a significant risk to be addressed in the program design.

Another issue was the workload of the territory manager position. One recommendation was to formalize a “buddy retailer” system to provide a “go to” retail manager when a quick answer was needed to help reduce the reliance on the territory manager. Although this was considered, it was eventually not implemented within the time frame of the project. However, it has resurfaced recently as a means of delivering some of the new training and may come back as a formal idea in the future.

Once we had documented the performance and enabling knowledge/skills, we “went shopping” through the existing training. After that, it was on to the Design Phase.

Design

With a distributed workforce for whom travel to a corporate training center was going to be a very limited alternative, we had to consider how best to provision the large amount of knowledge, skills, information, and tasks to the audience—we couldn’t put it all in group-paced events. However, it was feasible to require a large upfront training event at the time of start-up.

The “Keystone Event” Approach

In past projects we have found that there can be a significant benefit in a concentrated, holistic training event early (as in immediately) upon start-up of a new job. This tends to be most appropriate for jobs that are fairly complex and require a diverse set of capabilities. For example, we used this approach for product manager training⁶ because they have to integrate a large amount of knowledge (about the product development process, business finances, marketing, manufacturing, technology, etc.) with management skills (such as communicating/influencing teams, negotiation, delegation, planning, etc.). It is a lot to grasp if much of it is new, but a concentrated, structured event provides enough time to put the basics together—enough to know where to focus your further development.

data to help analyze the effectiveness of the communication. “Testing understanding and summarizing” is a combination of a couple of their categories but one we have found useful for team leaders and facilitators to rely on heavily.

The retail manager was a similar type of job in terms of spanning the responsibilities of running an entire business. Given the opportunity to get the audience for an extended period of time when they first enter the role and the company's existing investment in the training center, using a "boot camp" as the keystone of the initial phase of development was a no-brainer.

Targeted Experimentation

Theoretically, a distributed audience that needs to learn a lot of stuff, much of which is information that could change fairly frequently, would be a prime candidate for some kind of electronic distributed training. In particular, a Web-based approach would allow access at their convenience and provide a single point for home office to make updates. This would allow people to focus on just those areas that pertain to their offer, store size, location, etc.

But, we would have been way ahead of the curve. Access to computers was not a given. Though we could assume there were office centers (e.g., Kinko's) and libraries available to the very determined, we could not risk using a delivery strategy that would be difficult to access for the majority of the target audience for key/critical training or information support.

However, our client knew that change was inevitable. What we decided to do was introduce a computer-based training program (distributed on CDs) for one program—the car wash offer—to begin getting some real-world experience using technology-based training with this audience.

"Piggybacking" on Existing Performance Support Systems

Of course, training is not the only way to install or enhance the capability of employees. Management oversight (direction and coaching) can provide necessary feedback to correct or improve performance. Documentation and work tools are two other means of influencing performance. The way to gain the best use of company resources is to avoid redundancy across these resources and, instead, promote coordination.

For example, this company management oversight focused on the usual results performance, but also on compliance with internal standards. The standards addressed such things as site appearance and maintenance and merchandising. The standards are very comprehensive, and audits are conducted based on very detailed checklists. The training course used the standards documentation as course material and exercises were evaluated on performance per the standards. When management conducted site visits, they were using the same checklists. Audit performance results then became a source of data used to improve the training.

Modularize for Shareability

Within this curriculum architecture we were addressing only a single audience group—the retail manager. However, our focus in designing the module structure was broader. We had to take into account probable shareability of modules with territory managers (in the event they became a target audience). We also had to consider how modules used to train the retail managers could be used by them to train their own employees back on the site. And, though we were initially building training for new retail managers (to support the growth strategy), we assumed that the existing audience would have need for pieces of that training either because they had not been through any formal training or because new content became available after they had completed training.

The project did not include detailed analysis of the needs of all audiences. But we still did our best to address likely reuse opportunities by relying on the informed judgment of our Design Team members.

Next, the Implementation Planning Phase.

Implementation Planning

Once the design was completed (and approved by the Project Steering Team), our next step was to prioritize those modules/events that did not already exist. We used a spreadsheet tool that incorporates client cost ratios, development ratios per delivery media, level of complexity/risk of the content, and availability of source materials to generate a per module estimated development cost. Using the spreadsheet, we were able to make a first cut at a development slate and budget.

Remote Priority Voting

Bowing to pressure from the Project Steering Team, instead of conducting the priority voting in a group meeting, we put together “absentee ballots” and sent them to the designated voters and then tallied the results. I would have preferred the discussion and dialogue of a meeting; however, the end result seemed acceptable to downstream reviewers.⁷

Plan the Work, Work the Plan

Once we had the priorities, we still had to do some shuffling to create the work plan. Some modules that came out as low or medium priority were prerequisites to high-priority modules and, as a result, had to be “moved up.” Some modules were high priority but were also scheduled for near-term significant change—they had to be pushed back. And, even with nine women you can’t have a baby in a month—the workload had to be balanced across the internal team’s capability to provide subject matter and project management oversight.

Using a combination of the spreadsheet mentioned above and a serious Post-it[®]-laden multipage wall chart, we were able to iterate our way to an achievable three-year build plan for management approval. As an aside, this further reinforced my belief that simple project planning tools are the best way to steer a team through a complex set of planning decisions⁸.

Once the plan was designed, the clients used the curriculum design information (curriculum path, event specs, and module specs) to guide multiple developers working in parallel. They used the three-year build plan to track and report progress to management. Ultimately, at the end of three years they had completed the work slate and we met again to plan the next three years!

⁷ The reason this worked in this situation is that there was pretty solid agreement on what the important issues were, and we were targeting only a portion (new ones) of a single audience group. More varied audience groups would have a more difficult time coming to agreement without dialogue and direction from a facilitator to “vote like a shareholder, not a special interest group.”

⁸ You can always put it in the computer after the initial setup if you need to.

The Curriculum Isn't the Only Intervention

In addition to identifying the events to develop, the implementation plan identified potential obstacles to success (sometimes referred to as key enablers). An action plan was created to address each enabler, spanning such issues as

- Creating a fair way to charge back for training (that would cover the costs but not penalize dealers located farther from the training center)
- How to best promote and schedule training deliveries
- How to ensure all new retailers are routed through the New Retailer Development Process
- How to engage territory managers to help with training and development planning and coaching

Conclusions

We, as consultants, were very pleased with the implementation of the project. Though our clients actually made it all happen, we cannot resist mentioning that the New Retailer Development Program won an ISPI Award of Excellence in 2000 in the category of "Outstanding Instructional Product or Intervention."

Just as good, the design and the three-year build plan turned out to be pretty robust to the changes in the business. We were invited back at the end of the three-year period covered by the first plan to update it for the next three years. The vast majority of the work in the new plan was due to new initiatives and business-driven changes.

Going forward, we expect to see an increased use of technology to distribute the training to the audience and advanced training for the experienced audience members. In fact, some of the technology in use in the dealerships (such as the point of sale system) is enabling them to manage their businesses more effectively. Using the data from this system for category management is on the horizon now, but it would have been impractical to incorporate it in the original training.

It is rewarding to see the contribution that a logically structured curriculum architecture can make toward the advancement of capability of a business and the individual performers. It takes the right team members, some planning, and a lot of work, but it really can pay off.

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