

Off-Price and On Point: A Business Simulation Sets Up Retail Managers for Successful Strategic Implementation



For an American off-price department store chain, enormous growth comes with big challenges. The company has been opening an average of 60 to 70 new stores per year without increasing manager headcount, so the organization's leaders, particularly multi-unit and store managers, have been under increasing pressure.

Multi-unit managers have had to take on more stores, which means they have less time and attention to give each individual store. As a result, store managers have been given more responsibilities, and are under more pressure to deliver results with limited bandwidth and resources. The organization's leaders recognize that operating and thriving within the company's unique business model requires a deeper understanding of the model and how to effectively execute on it. As support, the company developed a new scorecard to help manage complexity and improve strategy implementation, but needed it to be understood and adopted.

The company partnered with BTS to develop two customized business simulation based learning programs – one for multi-unit managers and one for single-store managers – that would build every manager's strategic understanding and develop their business acumen and leadership skills.

Growing Company, Growing Challenges

BTS began the business simulation customization with interviews of over two dozen key stakeholders and leaders. Across the board, BTS found that all agreed the organization faced a specific set of challenges that required concrete changes.

Many of these challenges stemmed from rapid growth – people were moving too fast and missing more as they got busier. Managers needed to be able to think more strategically

and make sound tradeoff decisions while dealing with the pressures of the business. This required an understanding of the backend drivers of the business – the ‘why’ behind the ‘what is happening’ – and the ability to communicate this to associates and build buy-in with every team member.

Each of these challenges and trade-offs was built into the simulation experiences. Both the multi-unit and single store business simulations combined strategic planning and prioritization, as well as the execution of both business and people leadership decisions. Both experiences consisted of pre-work, the in-person business simulation experiences and post-program application of learnings.

Developing Business Acumen Skills for Better Strategic Execution

The programs both began with a strategic planning session, where managers had to evaluate their simulated store or district’s existing position, and then plan and prioritize to turn their strategy into action. This simulated store or district was modeled after real-world business, strategy and marketplace dynamics, and reflected the challenges that participants and the company faced in real life. It was not an exact replica, but was instead designed to balance reality and simplicity in order to emphasize learning points and sharpen participants’ business acumen while delivering actionable takeaways.

During the next phase of the program, participant teams ran their store or district, making strategic decisions and responding to real business challenges. They had to make key choices on which strategic initiatives and store improvements to pursue as well as how to best allocate resources, deal with unexpected events, drive efficiency and bring their strategy to life through their people. Those who applied real-world intuition and learnings into the simulation found the most success; teams were ultimately measured on the metrics of sales and controllable contribution.

The highly engaging, competitive, team-based nature of the business simulation provided participants with an environment to learn, share and foster a new mindset for running their stores and districts. In addition, interspersed throughout the simulation experience were executive dialogues, which offered leaders the platform to go deep and explore business issues within a productive, communicative environment; and debrief sessions, where teams discussed their performance in the simulation and explored the cause and effect of their decisions and behavior.

Results

The program showed managers how to plan and prioritize their time, find the root cause of various issues, and manage their employees for efficiency and engagement, all for improved strategic implementation. The methodology resonated strongly with participants – multi-unit managers ranked their program an average of 9.6 on a 10-point scale, while store managers ranked theirs an average of 9.7. The following are examples of participant feedback:

“Very interactive! Challenged our ability to assess situations and provided a different insight on how we can make the best decisions.”

“Rating: 10. I thought it was a great learning experience, very interactive and informative. Able to see different perspectives and connect the dots on how the focuses are influenced.”

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Definitely recommend for all multi-unit leaders... Most engaging training I’ve participated in not only at [this organization], but while at other companies as well.”

"The training was spot on with our company opportunities and priorities. Very eye opening to see how we look at the business. I was able to clearly see some gaps with my thought process and will be able to make changes based on key learnings."

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"Definitely makes you think differently about the priorities in a District and how to know what is most important in turning around a store. Loved the energy and real life implications it can have in my development."

"I strongly recommend it. It gets you to plan out your priorities and come up with a decision that's going to have the biggest impact. Gets you to consider also the time it takes you to do that."

About BTS

BTS focuses on the people side of strategy, working with leaders at all levels to help them make better decisions, convert those decisions to actions and deliver results. At our core, we believe people learn best by doing. For 30 years, we've been designing fun, powerful experiences™ that have profound and lasting impact on people and their careers. We inspire new ways of thinking, build critical capabilities and unleash business success. It's strategy made personal.

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