



Retailing In Focus, LLC.

Strategic Consulting for Retailers and Suppliers

MISSION STATEMENT

Retailing In Focus, LLC. offers marketing-based, pragmatic strategies for retail and supplier clients who plan to grow profitable sales.

SERVICES OFFERED

Retailing In Focus emphasizes practical ways to help you focus your merchandising efforts more successfully and provides a toolbox of techniques that you can use in the future. We partner with you on:

- Development of focused merchandising choices specific to your operational and assortment planning needs
- Problem-solving and better planning for more profitable results, with an emphasis on product positioning, pricing strategies and distribution channel choices
- Evaluation and coaching of your merchandising team, to achieve consistent conflict resolution and positive negotiation outcomes with retail/vendor partners
- Building promotional strategies appropriate to the seasonal or budgetary issues affecting your business

Think of our services as a series of “eye tests” to help you stay focused. Learn more in the next several pages about who we are and what we can do for you!

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ABOUT RETAILING IN FOCUS, LLC.

Retailing In Focus, LLC. is an independent consulting firm founded in 2006 by Richard Seesel. Its goal is to provide marketing-based, pragmatic strategies for retail and supplier clients interested in driving more profitable sales.

Richard Seesel was most recently a Senior Vice President and Divisional Merchandise Manager at Kohl's Department Stores. During his 24 years at Kohl's, Dick managed the Women's Accessory, Jewelry, Cosmetics and Intimate Apparel businesses. Prior to Kohl's, Dick worked at Dayton's Department Stores (Minneapolis, MN) and for his family's retail business.

Dick's education includes an undergraduate degree from Harvard College (AB 1976, magna cum laude) and a Master's degree from the Kellogg Graduate School of Management at Northwestern University (MM 1978, marketing major). During his years at Kohl's, Dick enjoyed "continuing education" through several management training courses, with an emphasis on retail negotiation.

As a lifelong "student of retail," Dick enjoys passing along his knowledge and experience. He was certified to conduct negotiation classes to incoming associates at Kohl's. Recently he has spoken to business students at the Wharton School (University of Pennsylvania) and at the University of Wisconsin-Milwaukee. He will lead a class in Retailing Management at the University of Wisconsin-Milwaukee next spring.

Dick is proud to have helped Kohl's grow from 18 stores to a national retail powerhouse, during an era of change and consolidation throughout the retail industry. He is also proud of his reputation for integrity, fairness, "win-win" negotiation style and getting results.

Dick, his wife and children have lived in the Milwaukee area since 1982. He is an active volunteer at the University School of Milwaukee (where he is an incoming Trustee), and has also volunteered his time to Congregation Sinai, the Harvard Club of Wisconsin and other local organizations. In his spare time, Dick is passionate about movies, baseball, travel and – yes – shopping.

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CONDUCTING YOUR OWN “EXIT INTERVIEW”

There are techniques well-known to marketing research experts, such as consumer panels and focus groups. You may have used many of them yourself when establishing or growing your business. But you may still be trying too hard to be “all things to all people” instead of knowing what you want to stand for and filling that niche more effectively.

Here’s a simple, cost-effective method to evaluate whether your store (or product line) is as focused as it needs to be. When a new customer walks into your place of business, ask her if she would answer a question when she leaves. When she steps out, ask her what she saw – it’s that simple, but the answer might not be so clear-cut.

If the customer can’t answer the question easily, something’s wrong. Now you need to ask yourself the following questions:

1. Am I providing the “clarity of offer” that will stand out from the competition?
2. Is my assortment as narrow and focused as it needs to be, or am I trying to be “all things to all people”?
3. Does my store (or showroom) look like “a bunch of stuff,” or does my merchandise presentation need to be more pointed?
4. Am I providing the in-store marketing cues that the customer is looking for?

You live in your store (or your showroom) so you may not be able to look at it objectively. Even your regular customers may not be the right people to take this test, as they have learned how to navigate your operation. Try this for yourself by evaluating the competition. Walk quickly through a store – whether it’s a small specialty operation or a mall anchor – and ask yourself on the way out, “What did I just see?” If you can’t answer easily, that store has a problem.

Don’t let your own operation suffer from the same unfocused approach. Let Retailing In Focus help you achieve a clearer definition of what you stand for.

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THE 80/20 RULE

One of the oldest clichés in the retail business is that 20% of the inventory (or vendors, or SKUs) may be doing 80% of your business. As with most clichés, it's an oversimplified but valid way to evaluate your resource productivity. If the "other" 80% of your inventory (or supplier base) is not driving profitable sales, then your business is not as focused as it needs to be.

Here are some tough but appropriate questions to ask yourself:

1. Does my business have the right measuring sticks in place to evaluate the results objectively?
2. Does my business need some commonly used software and planning tools so I can focus on the customer experience?
3. What do I want my business to stand for, and am I devoting too much time and energy to the distractions?
4. Is the "top 20%" clear to the customer through my marketing and presentation?

Your retail or wholesale business may be strategically dependent on breadth of assortment. Tiffany is a classic example, and their sterling silver department carries a broad selection. Yet Tiffany becomes known for a handful of "signature" key items (more on that later) and shows the signs of careful editing at every price range and in every category they sell.

Learning how to say "no" is one of the toughest lessons learned for any retailer doing assortment planning. Suppliers putting their product lines together need to make the same hard choices. As a vendor, you need to self-edit long before your retail partner steps into your showroom. And if the retailer takes the editing process several steps further, it's probably a smart decision unless you have a strong argument otherwise.

Both sides in the retailer/supplier relationship will benefit from the mindset that "less is more," because the customer will see more clearly what you are trying to tell her to buy. Let Retailing In Focus work with you on making your business well-edited and easy to read.

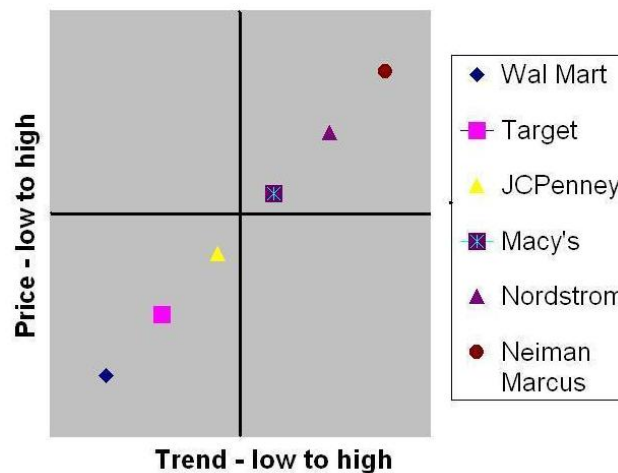
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THE FOUR-BOX GRID

Any “Introduction to Marketing” class teaches its students how to evaluate a product or service using a “brand positioning” grid. It’s a visually graphic, easy-to-understand way to plot your competitive position using attributes that are important to your business.

Let’s assume you want to use “trend” and “price” as the two axes to plot your grid. (Make sure to use whatever attributes are important to you.) Plot your position and your competitors’ on this grid, and be realistic in your assessment of where you stand. For example:



(This simplified example does point out a void in higher-trend, lower-priced merchandise, which fast-growing chains like H&M are filling effectively.)

Now it’s time to ask the following about your own market position:

1. Are your product offerings, service, marketing and presentation all consistent with your strategic positioning?
2. Are you playing in a market space that is too crowded with competition? Where are the underserved places on the grid? Where is the volume “sweet spot”?
3. If you want to grow your market share vs. the competition, are you executing better than they are in the space that you occupy?

Great execution is all about focus. Retailing in Focus will help you zero in on your opportunity in a competitive marketplace.



MERCHANDISING CHECKLIST FOR THE SMART SUPPLIER

“If you build it, they will come.” “Build a better mousetrap and people will beat a path to your door.” These are optimists’ views of what happens when great products get developed, but they are not always grounded in reality.

If you are a vendor or manufacturer, you may have the best, most innovative product in the marketplace but you need to *market with empathy* in order to achieve success. In other words, put yourself in the retailer’s shoes by asking these questions:

1. Does this product duplicate something else in my store’s assortment?
2. Does it fill a niche consistent with my mission as a retailer?
3. Can I make enough money selling it?
4. Can I devote enough space and inventory to make it mean something to my customer?

Question #4 may be the most important if you’re working with a retail customer who wants to stay focused. After all, if he or she is running the store correctly, it meets the “exit interview” test discussed above. The retailer should be looking for businesses or items visible to the customer, not more “stuff” to clutter the store. At least, you hope so if you’re looking for a successful, focused retail partner!

Most importantly, know which channel of distribution will give your product its best chance of success and your best shot at great execution. It’s tempting to shoot for the “home run” by selling a national chain (discounter, department store or mass retailer) but would your product thrive better with a “batting singles” mentality?

Retailing In Focus recently talked to a supplier frustrated at the lack of initial orders to one of the big chain retailers. After some probing, the client realized that the product – swimwear with SPF protection woven into the fabric – might sell better in the “TLC” environment of a specialty operation such as a kidswear retailer or resort shop. Cracking that big chain operation might not end up as a winning move if it leads to inadequate shelf space and support resources.



TEAM BUILDING AND EVALUATION

Every merchandising team should have a leader with a core strength. Yours might be strategic and assortment planning, or merchandise and visual presentation. You may have great platform skills dealing with your constituencies (associates, customers, trading partners).

It's rare to find a team leader or chief merchant that does it all. Yet the smaller your business the more hats you have to wear, whether you have the right skill set or not. If you're successful, you probably already have a sense of your own core strengths. Running your team more effectively (now and for the future) requires that you have the right people in the right jobs. Sounds obvious, but how many organizations can't seem to make it happen consistently?

Retailing In Focus LLC can conduct an informal "audit" of your organization by probing your associates on these and other questions:

1. What do they consider their core strengths and opportunities to improve their performance, and what kind of feedback have they received from their manager?
2. What attracted them to your company and industry in the first place? What keeps them engaged and passionate today?
3. Do they feel their key strength is analysis and planning, or creative merchandising, or contact with customers, or some other strength needed on a successful retail or supplier team?
4. Does your company's management (which may be a small group of people) empower team collaboration or try to control from the top down?

These can be tough questions to ask objectively about your own organization and about your own management style. Your team may be more open to speak to a non-judgmental outsider. Long-term, however, you must be able to conduct your own team audit even if it requires an honest look in the mirror at times.

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KEY ITEM INTENSIFICATION

Not every business will stumble across the next “Pet Rock” or will hit a technological “home run” such as the iPod and its related categories. But every business – retail and wholesale – can benefit from the mindset of key item development, and it usually isn’t a matter of luck.

Start by applying the “80/20” rule at an even greater level of focus. Is there a single item or group of items that is doing more than its share of your business? If it’s driving sales volume out of proportion to your inventory levels, you probably haven’t bought enough.

Identifying those “hidden gems” in your current or future assortment isn’t enough. Next you need to have a strategic plan that starts with the right inventory investment. As a retailer, you need a supplier partner to share the risk-taking, and vice versa.

Build a sales plan down to the item level that allows you to forecast weekly – and if necessary, daily – demand. Make sure you have enough weeks of supply built into your plan, but also make sure you know how to “read” the plan so you recognize when the item has peaked. Collaborate fully with your supplier to achieve the inventory and receipt goals.

Next, inspect all the marketing tools you will need to maximize volume from your key item or classification. For example:

1. Are you giving your customer the visual cues she needs? Does the item have enough fixture capacity and the most appropriate location?
2. Are you using advertising, PR, the Web and other tools to build awareness and demand for the product?
3. Is your team totally committed to buy and sell enough to maximize the item’s revenue potential?

Not every season brings a single item that can grow sales increases, but if you have the right mindset you should always seek to focus on the most solid volume-drivers in your assortment.

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PLANNING YOUR BUSINESS FOR FIVE YEARS FROM NOW

Successful merchants require attention to detail and a sense of urgency. After all, most retail and vendor businesses are SKU-intensive, labor-intensive and seasonal. But it's easy to get so caught up in the day-to-day details of a smooth operation that you don't look toward the future. Make sure your business has a road map, so you know where you are *and* where you are headed.

INTERNAL PLANNING: Do you have a specific goal for your business five years from now? What growth plans do you have in place, in terms of volume or geography? You need to have the mentality of a bigger operation by planning for your future infrastructure needs, even if your expense structure forces you to grow that structure incrementally.

EXTERNAL ISSUES: There are always cultural, social and economic "macro" changes that you should anticipate affecting your business. Changing demographics may affect your location strategy, or how you choose to assort your store to an aging population. The long-term trend toward more technology in all aspects of our lives may affect your product selection or more Web-based ways to reach and serve your customer. These are two of countless examples that you can anticipate along with your team.

UNPREDICTABLES: Spend some time with your merchandising team "brainstorming" outside of the day-to-day demands of running a retail operation. Come up with five "best case" and "worst case" scenarios that can affect your specific operation, outside of the "macro" external issues affecting all of society. Are you positioned to take advantage of the "best case" opportunities – such as a competitor closing its doors? More importantly, have you planned to anticipate the "worst case"? Retailers are natural optimists but need to have contingency plans.

As you work through the "five year" planning process that works for your business, remember that the goal should stay the same: Be consistent, be focused, make it more powerfully apparent to your customer that you know what you stand for.



TESTIMONIALS AND RECOMMENDATIONS FOR DICK SEESEL

Following is a sampling of comments about Dick Seesel from some of his past associates in the retail and vendor communities:

“Dick is a results-driven executive. Highly committed, very passionate, extremely organized. His industry credibility is topnotch.”

--Former manager

“You have definitely made an imprint on Kohl’s and were a spearhead for the success this company has had and the growth we see in the future.”

--Former associate

“Kohl’s has been a key ingredient in our growth and strength over the past two decades. We have always given credit for that consistency and fairness to you.”

--Former supplier

“Dick has tremendous strength in his vision, planning and execution of the business. He is a very bright and articulate executive. A ‘student of retail.’ He clearly understands how and what it takes to drive the customer through the door.”

--Former manager

“I wanted to write and thank you for your support of our business while at Kohl’s. The challenges you brought to us...helped spark our motivation to take this business to another level.”

--Former supplier

“The in-depth knowledge that you have about retail (and life in general) is at a level I hope to reach someday.”

--Former associate

“What counts the most is the respect people have for you. I think you have accomplished that in spades with your colleagues at Kohl’s, and the vendor community at large.”

--Former supplier