

Turbo Leadership Systems™

The **TURBO** **Charger**

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To our clients and friends

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Big Orders



Larry W. Dennis, Sr.
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*Get the facts,
take a risk;
you will
measure up!*

Aaron, planing mill lead man for a large timber company in northern California, told Session 3 of the Leadership Development Lab:


"It was November 1994 and I was working at Sunset Market in Redding, California. I had recently been promoted to dairy manager. An important part of my job was ordering product – all the standard dairy products, and the many whipped creams, eggnogs, and other special holiday items. I was responsible for keeping our coolers fully stocked with these products. Thanksgiving weekend was coming, so I knew that I had to order big for the dairy department's largest holiday sales. I had often been on the receiving end of complaints about product shortages from customers and checkers because the previous dairy manager had always played it safe on busy holidays and ordered light. As a result, we ran out of product early, a big problem on holidays. I decided to order larger numbers of product in almost every category than we had ever ordered before. I was sure they would sell. My boss, the store director, was skeptical; 'Are you sure this will sell? We have never ordered this much before.' but he went along with the idea. This is a classic example of if you have stock that goes bad and you have to throw it out, you get in trouble; if you run out, senior management really doesn't know about it. The only one who knows about it is the customer, and in this case, the frontline checkers who had to field the complaints. Do you see how just keeping score of spoilage alone is keeping

score of the wrong indicator?

"Intelligent holiday ordering can only be done with the specific numbers from last year's sales – sales tracking from the former years with weather notes in the log, fuel costs might keep people from traveling, and general economic sales trends. Another factor to take into consideration is the day of the week the holiday falls on. I tried to take all of these factors into consideration as I did my ordering. As a result, it turned out that I had ordered perfectly. We had the largest sales increase ever in my departments' history, and we didn't have excessive inventory to carry forward. My boss was so pleased that he gave me the following Monday afternoon off with pay and a \$100 bonus.

"The lesson I learned from this experience is that progress and improved performance requires taking calculated risks. I must have all the information calculated and then be willing to take a risk. I also learned that playing it safe may save lost money on spoilage, but not having enough product can cause large losses in sales, profits and customer satisfaction.

"The action I call you to take is to get all the facts, do thoughtful calculations, and then go out there and take risks, set your goals high with a plan to reach them. The benefit you will gain is a more productive and profitable business, and you will feel good about your part in the success of the enterprise."



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(LDL)**

OPEN CLASS ~ JANUARY 2010
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