

5 Retail Lessons Learned from Nordstrom

Love,
NORDSTROM

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Introduction:

You want your business to become larger and more successful. You want to continue growing and pleasing your customers. Whether you have been in business for years or you are brand new to this industry, you want to look to the success stories for tips and inspiration.

One of the companies that we've found embodies the ideal when it comes to retail is Nordstrom. Over the course of this e-book, we will look at what we believe are five of the most important lessons that you and your business can take away from this company when it comes to retail.

Develop and Nurture a Strong and Respectful Company Culture

You need to build a great company culture, which is something Nordstrom has excelled at. This does not mean you need to follow the same formula that Nordstrom has used. Every company is different, and that means you need to develop a culture for your company that fits your style and products.

When you are branding your company, the culture should emanate naturally from the brand and your offerings. As the company grows, it is then possible to have the culture exert effect not only on the employees but also the customers.

Tips for Developing a Company Culture

The following are some tips you can use when you are developing your own company culture.

The Core Values

The core values are about what your business represents. When you created your business, you thought about the values that you would be bringing to the table. As you nurture your company culture, you need to make sure those values are front and center, as they are the foundation of that culture.

Be Open and Transparent

You want the employees at the company to feel as though they understand what's happening in the company. You won't want them wondering what's happening and why decisions are being made without their knowledge or input. While you may be responsible for making the final decisions on how things are done and on how certain aspects of the company are run, the employees should feel involved.

This makes them more invested in the company, and they may have insight into the day-to-day operations of the company that you simply don't know. This leads right into the next tip.

Empower the Employees

Nordstrom has been known to provide their employees with a fair amount of autonomy when it comes to how they do their jobs. Of course, they've been highly trained and there are still certain rules they need to follow. However, they have more latitude on how they handle things.

Do not micromanage people. Give them guidelines. They will feel more involved and empowered. Talk with the employees to see what does and doesn't work. In addition, you can also do this with your customers. It will give you more insight into how the company is run and the things you could do to improve the function of the company, as well as the overall culture.

Praise the Employees

A large part of creating a company culture that's welcoming is treating the employees well. Praise them when they deserve praise, remember their names and deeds, and provide them with the best training possible. Value their opinions and listen to their problems.

Do more than just listen though; also act. They may have concerns that need addressing, or they might have ideas that will make the company better. Make things better for the employees, and they will come to care more about the company and whether it succeeds not.

Those who have a company culture built around treating the employees poorly, or who do not listen to their employees' concerns and ideas are more prevalent than you might imagine, and they all have something in common. They all have employees who do not care about their company.

Focus on the Customers

This seems like a natural answer, and it is. However, it is one that not all companies seem to be following in today's world. Companies are focusing solely on profits, and see the customers only as a wallet or credit card. This is a massive mistake, and it was one that Nordstrom has been adamant in not making.

If you listen to most business, large and small, they will say the same thing. All of them claim that they are focused on the customer. However, this needs to go beyond just lip service and smiling when they come into the retail location. You need to work to get and keep those customers.

Tips for Developing a Customer Focus

You need to know your customers and you need to know them well. The more knowledge you have regarding your customers, the better. Gather information about the customers, with their permission, naturally. Ask questions through surveys, fliers, or even in-person; depending on the nature of your business. Gaining more knowledge about your customers will make the process of selling easier, as you know more about *what they want and need*.

When you know the answers to those things, you can more easily provide for them. If you are not yet on social media with your company, it is high time you got started. It will allow you and your designated employees to communicate with the customers easily. You have near real-time interactions with them.

This will also help you to retain your customers. It's generally quite a bit easier to sell to your existing customers than it is to keep finding new ones. That's not to say that you don't want to have strategies in place to get new customers all the time – you do. However, you need to make sure you are treating the customers you have well. If you are good to them, they will be loyal to you.

How do you treat them well? You listen to them when they have problems. If they have a return, you try to make it as easy as possible.

Keep in Touch

You will want to keep in touch with the customers as much as possible, without becoming an annoyance. You can do this through social media channels by getting them to follow you, and you can do it through email. Get the customers to sign up for email and newsletters, and to follow you on social media, by offering good deals through your physical retail store or online store. Perhaps offer them a discount coupon if they sign up for email newsletters, for example.

Learn from Mistakes

While you certainly want all your interactions with your customers to be wonderful, the truth of the matter is that this will not always be possible. In some cases, you simply can't make a customer happy. Maybe you do not have what they need in stock. There could be any number of things that could cause them to become disgruntled. You want to defuse the situation as quickly as possible, and you want to use it as a learning opportunity. This is true when you lose a customer or a single sale.

Think about what went right and what went wrong. Be honest and make changes. Of course, if it was something one of your employees willfully did to lose the sale, such as berating a customer, you will need to deal with that employee. This is a worst-case scenario though.

Great People

The employees you bring aboard the company are one of the most important elements when it comes to your success and growth. Nordstrom knows this, and they strive to make sure they hire only the best. Once they choose great employees, they also put them through a full training program so those employees have the best chance for success.

You need to have a quality team around you made up of effective employees. Each of the people you bring onto the team needs to have something special that they can add to the business. This is true even when you are hiring for what you might think of as "filler" retail positions. Never just hire someone because they can do the basic tasks needed. Hire them because they are the best choice and because you believe in what they can bring to the table.

Less Wasted Time and Money

When you take the time to make sure you are hiring the right people, there is a better chance those employees will stay with the company for a while. One of the issues that many companies of all sizes have is hiring employees, particularly in retail, who are only at the store for a few months or less before they move on to other things.

You want to hire people who are loyal and who are willing to stay on with the company. Of course, you need to make your company attractive enough to keep the best people. Whether it is through the pay, the benefits, the perks, training, or something else, you must make your company the type of place that the best employees would want to work and spend their time.

Good employees tend to be more productive and have a better overall impact on the company.

Tips for Hiring the Right People

You know how important it is to hire the right people, but choosing the best people to bring onto the team can be challenging.

First, make sure you have proper job descriptions written. If you have poorly written job descriptions, it might deter the employees that you want. Let people know what you need from them as an employee and let them know what you can provide as an employer.

Second, check social media profiles. You will already likely be doing a background check, but also check social media. Doing this can provide you some important information about a person, and how they would fit into your team.

Third, work to fit the personality to the job. A person's personality is important when considering them for a job. For example, someone who is antisocial and who admittedly doesn't like to deal with people is not the type of person who should be the face of your retail store!

Fourth, make sure you think about the interviews and the interview questions. Ask questions that can give you a better read on the person and his or her personality. Ask why they are leaving their current job, for example. Those who blame someone else, such as coworkers or a boss for their leaving, could be a problem. Make sure you probe deeper with further questions to get a better idea of why they left.

Fifth, check their credentials and other information on the resume. Sure, everyone tends to embellish somewhat, but you need to know that the person truly has the skills and experience he or she claims before hiring them.

You Won't Regret the Work

When you put in the effort to find a quality employee, it will make a real and positive difference in your company. Do this for *all* the employees you bring onboard regardless of the position. It takes time and effort, but it is well worth it.

Great Products or Service

Here's another area where Nordstrom excels and where you can learn. They strive to have only the highest quality products on their shelves. They want to make their customers happy with the items they offer, and they know they have a clientele that expects the best.

Only the Best

Naturally, you want to cultivate the same type of customers. This is true whether you are a retail store that sells products manufactured by others, or if you sell products you manufacture on your own. If you hope to succeed, you need to make sure you are offering only the best when it comes to products and services. Only the best will do for companies that expect to grow.

After all, if another company could offer a product for the same price, or a comparable price, and that was simply better than what you were offering, where do you think the customers would go? They would go with the better product or service, naturally. That's the way the world works.

Therefore, you need to work hard to make sure you are putting forth your best effort when it comes to the products and services offered for sale.

Lead by Example

Someone who wants to be successful and who wants to build a successful company needs to lead by example. The founders of Nordstrom knew this, and this was passed on to all the managers that have served in the company and those that still serve.

The team watches the leaders of the company. If those leaders are not willing to work hard and to put in the work, the employees do not feel as motivated. They can feed off the type of energy you put out there. By showing exuberance and by fostering happiness and purpose, they will feel secure in their job. They will want to work hard because they believe in the work and they believe in you.

Leading by example is one of the hallmarks of a good leader. It's true in retail at places such as Nordstrom, as well as the military. When you show that willingness to work hard to overcome obstacles, your team will follow you anywhere.

Tips for Leading by Example

Saying that you lead by example and doing it are two different things. Here are some quick tips to help you "walk the walk" and lead your company. These are rules that the managers at the company should live by as well.

- ❖ **Take responsibility and don't foist the blame onto others**
- ❖ **Be honest**
- ❖ **Be persistent**
- ❖ **Come up with solutions**
- ❖ **Listen to others**
- ❖ **Delegate wisely**

With these simple tips, you can become a better leader, and your employees will be more willing to follow you. When this happens, it strengthens your overall company.

Conclusion:

As you can see from the tips outlined in this e-book, Nordstrom has done many things to help solidify their place as one of the top retailers in the world. While many of these might seem like “common sense” moves, it might surprise you just how many companies take few of these, or none of these, into account in the way they run their company.

If you want to cause real change and growth in your retail business, you will take these lessons to heart. You will find ways that you can incorporate them into your company. We know that all businesses are different and that you might need to make a few adjustments here and there so these will work with your business.

The important thing is to take the heart of what these ideas mean. They will help to make you a better and more responsive business. This is something your customers will surely love, and they can make a real difference in your overall success.

Resources:

<http://www.forbes.com/sites/micahsolomon/2014/03/15/the-nordstrom-two-part-customer-experience-formula-lessons-for-your-business/#1f20b3112335>

<http://blog.marketo.com/2016/06/5-lifelong-business-lessons-i-learned-from-nordstrom.html>

<http://www.forbes.com/sites/groupthink/2013/10/04/how-to-build-a-great-company-culture/#6fb6febe3ab2>

<https://www.entrepreneur.com/article/244309>

<http://www.inc.com/ss/12-ways-to-a-great-corporate-culture>