

Ask Harry.....

You may recognize the slogan that Harry Rosen used to build brand awareness by creating the perception that he was an expert in his field – upper end men's clothing.

There's no doubt that it paid off. The Harry Rosen group is now one of Canada's most consistently successful and profitable retailers – in an industry that is notorious for being extremely difficult and highly competitive. I recently heard a talk by Larry Rosen, Harry's son and the current Chairman, in which he made a number of points that apply to growing businesses of all sizes.

They have a very clear idea of who their target customers are and they understand both their needs and men's "unique" buying behavior. As a result, Harry Rosen stores not only provide the benefits their customers want but they do it in a way that caters to their purchasing style (if men have such a thing). As part of their target marketing strategy they have a goal to keep the average age of their customers at 39 – avoiding the trap of being identified with an aging group as their market changes around them.

The concepts of lifetime value and customer retention form a fundamental part of their business strategy. It's common knowledge that it costs less to sell more products to an existing customer than to continually find new ones. Male shoppers, having given someone their trust, are intensely loyal. So in-store associates are trained to build relationships with their clients, enabling them to tap an ongoing flow of sales over the customer's "lifetime".

Harry Rosen supports their strategy with the use of information systems and training. A customer relationship management (CRM) system allows the sales associates to build a database of information about each customer. When a client returns to a store the associate provides personalized service and can quickly focus on specific products and their benefits. Members of the sales staff are trained on an ongoing basis and there is 1 in-store coach for every 3 associates, to provide immediate, pro-active follow up on customer interactions. The database also enables Rosen's to target email campaigns to different parts of their customer base.

Larry was asked at what point they began using "professional" managers. He replied that they did this when they wanted to introduce strategic planning (back in the early 90's) and realized that they could not do it alone. He was quite emphatic when stating his belief that, no matter what its size, every company must spend a day or two each year planning – and get outside help to do it.

He referred several times to the fact that they had used outside specialists and advisors throughout the growth of the company. Larry gives the impression of being a shrewd and very pragmatic business man. He appears to be totally convinced that using consultants and external advisors can add value to a company and seems comfortable that they can bring knowledge and objectivity to an issue. My guess is that he looks closely at the return on such an investment and the fact that a company needs to find advisors who have the experience to be of value and whom they trust is implied in his comments. He also talked about a family

owned, high-end retailer in the U.S. – Mitchells of Westport – who they use as a benchmark for performance and with whom they exchange ideas about all aspects of the business.

My favorite part of Larry Rosen’s talk was when he said – “It’s all about execution.” He emphasized my own long held belief that the key difference between those companies which grow and which are consistently profitable and those which don’t, lies in how they execute. The concepts and strategies they use aren’t new or revolutionary. Other retailers – men’s women’s, furniture and household goods etc. – are, or should be, aware of all of them. However, how many of those others have consistently grown in size and profitability and developed the brand awareness of Harry Rosen? So, what is left but execution?

The same thing applies whether you are a manufacturer, distributor or service company. Knowing that target marketing works, understanding of the importance of customer retention and lifetime value and using CRM, or other, systems and continuous training are not enough. Having an idea or strategy is only the beginning. The devil is in the implementation - it’s all about execution.

If you have an opportunity to hear Larry Rosen speak may I suggest that you take it? He has that rare combination of having a good story to tell and a great style of speaking, so it was a lot of fun and a great learning experience.

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