Walmart Now Selling Boeing Dreamliners

Thu, 11/26/2009 - 00:16 — Derrick  [1]

- The customer experience is king: design, execute, monitor and adjust (Plan-Do-Check-Act).
- Cost savings come in the oddest places, leave no stone unturned.
- Know your limits and use experts to help, such as a mentor, coach or consultant.

In keeping with my series about how we're not as far along as we think, I'd like to talk about a few major faux pas I've seen recently. One was at a famous and large retailer, Walmart. The other is visible from my backyard.

Walking into the jungle

That was what it felt like. This is one of those mega Walmarts that has everything. I'm surprised they didn't sell Boeing Dreamliners in there, the place was huge. To give you some perspective, I'm a Trader Joe's customer. If you're not familiar with Trader Joes, they are very focused on providing high-quality, customer focused groceries. They don't try to carry everything, and what they carry is neatly laid out providing a casual and worry free experience. Very different from Walmart's zoo-ville. Anyhow, upon entrance I noticed that it was very dim in the place, which I thought was odd. Why would a store have such poor lighting? I looked up, no skylights? Then as I looked for the toy I had been sent in to retrieve, I noticed I was being barraged by all kinds of noise from TV ads all over the store, all out of sync, a lot like white noise with the edge of an ice pick. Where was the pleasant or trendy music for me to hum along to, to make me comfortable and want to hang out and look around?

Customer Experience is King

All customer experience touch points should be part of a plan of continuous improvement. The vibe of a store should encourage people to want to hang out. There are a number of studies out there that correlate the amount of time a customer spends in the store with larger purchases. Oddly enough, the last one I read mentioned Walmart and K-mart, i.e. K-mart's average store purchase was ~20% higher than Walmart's.

The management team should be monitoring the customer experience to ensure people enjoy the time in their business. While at Walmart, all I could think about was my escape, and although my relative saved a few bucks buying the toy there, I don't think the money was worth the loss of quality in the experience. Maintaining businesses costs are important, but when it damages the positive impression of the customer or the employee, then your business will begin to lose ground quickly.

The lessons here are; make a system of improvement and control the quality of your customer's experience, it will pay off handsomely.

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Savings are Everywhere, Just need to Look

I overlook a business (a warehouse) from my terrace. As they were building this very large structure, which accomodates 30-40 truck bays on each side, they put on a reflective white material on the roof. I had supposed that this was the first layer which would then have the darker gravel applied. Wrong!

I called a friend in large property development and asked why they would do that. He said, because it saves money on the cooling of the building. I thought to myself, OK, makes sense, IF YOUR IN TEXAS. I live near Mukilteo Washington on Port Gardner Bay. It gets hot here a few days a year, hot being somewhere around 85 degrees farenheit. The rest of the year is rather cool. If you look at the almanac, most months are running daily averages in the mid to upper 40's. Then it rains so much that you may not see the sun for several months at a time.

So here's my question, where was the building designer for this monster of a warehouse, Arizona? Can you imagine the cost savings this building would have in the heating bill if the roof were black? It needs to absorb heat far more often than reflect it, about a 90 to 10 ratio in favor of heat absorption.

Find the Obvious

The lesson here; consider operational costs at the time of design within the environment. Look at everything in your budget, you never know where you've made an error in planning. Something simple may have been overlooked that is costing you your shirt. Heck, I found an email policy error that cost a company $3 million a year in productivity. Leave no stone unturned. To help you find those glaring and simple issues bring someone in to look with you, who has a fresh set of eyes and a different perspective. Many mistakes are made by people who are too close to be objective.

Two large operations making easily visible mistakes - as I said, we're not as far along as we think. The good news, we can fix it with focus.

By the way, if you have not seen Boeing's Dreamliners, you must go here [2]

- Performance Management [3]
- Quality Excellence [4]

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