

# Gloomy retail sector requires innovation

## Is there a future for any training provider in retail?

It's hard to miss the story in the mass media that the Australian retail industry is in bad shape. The tales of woe are relentless: sudden increase in online purchases from overseas providers, mass closures of local bookshop chains, supermarket wars over the price of milk, massive discounting, premature sales and more and more empty premises in shopping malls.

Surely the bad news is enough to make any training provider specialising in retail training want to walk away. So it is surprising to hear that at least one training provider is determined to stay operating in the retail industry and not only that, its leaders don't believe everything they read in the media about their industry. Further, its leaders see opportunities to do innovative work in the retail sector, and are fast pursuing them.

While accepting times are tough in retailing, Sue Freeman, Brisbane-based director of national retail training provider First Impressions Resources, says there are "some pockets in this industry that are continuing to report increasing sales".

"There is a downturn, but in the past a downturn has been pretty well across the board, but this time round we are seeing really different performance levels. Coles has come out with a report of increased sales and the same with Woolworths".

Freeman has co-owned First Impression Resources for over two decades and in that period she has seen downturns as well as booms, but overall she accepts her industry is currently in strife. Then why is she staying committed to servicing this industry?

"I get a bit prickly when asked that. That's what we do, our focus is skilling the retail workforce and you can't interchange retail with another industry just because there's a downturn. We've been doing it for 23 years, there have been downturns in that time, and there have been really buoyant periods. It's what we do."

Being inside the industry, she views the industry's challenges in ways not normally reported in the mass media.

"Managing the negativity is one major challenge. You talk about the negativity and the impact on customers, think about being an employer and managing that negativity among your people as well.

“Then there is the challenge of bridging the gap between online retailing and bricks and mortar retailing; that’s a huge one. It’s been there for a long time, but it’s been one that many retailers have chosen to ignore. And of course now it’s headline material.

“Retaining good staff, when you’re in cost cutting mode, is a challenge. So I think there are a whole lot of challenges all on the horizon at the one time. And what falls out of that for us is that there are a range of different skills that are required in the marketplace.”

So while some training providers with less experience are possibly looking to move away from retail training, Freeman believes that in tough times retailers need more and better skills.

“In a downturn you’re doing more with less. You have skinnier staffing on the floor, and people have to play broader rather than narrower job roles. If you think of a department store, people are covering whole floors at the moment, not just the electronic/white goods departments they’ve worked in for the last four years. These people have the need for better product knowledge. So suddenly you want your people to be full bottle across a range of areas in the store.”

In this new environment, Freeman sees many opportunities to offer training for retail staff in how to be multi-skilled, but it requires her organisation to be very flexible.

“Industry is time poor at the moment. So we need to develop different training products and methodologies that don’t compromise quality. We need to maintain our quality and yet deliver the skills that retailers need.”

Her general manager Mike Wallace adds that in these tough times retailers are not going to send their staff to off-site classes. And retailers are even reducing the time they can spare their staff to participate in on-site training.

“The time that we used to get on the floor, for workplace based delivery, has been cut down. So we’ve got to look at our materials and other ways in which we can work to ensure that we can get that training across.”

Faced with these fundamental challenges, First Impressions Resources is responding with a raft of different innovations, including moving into the field of timber merchandising, leveraging off its existing strength in hardware retailing.

Freeman acknowledges that the downturn has “driven us as an organisation to look outside of what we’ve normally done”. So to offer training in timber merchandising, “which is half retail units and half forestry units”, First Impressions Resources is partnering another provider “who’s got that skill in the forestry products”.

Another innovation is a project for which the company won State government funding and involves working with retailers in the Lockyer Valley recovering from the devastating floods last January. And rather than work separately with each retailer, they are working with the whole community of retailers.

Yet another innovation is their recent entry into a partnership in India “in a campus in Hyderabad that’s been purpose built, which will be a retail specialist. Our role is technical advice and capacity building support. So we’re looking overseas as well.”

In Australia, Freeman believes that any growth in the retail sector in Australia over the last twelve months has largely been due to global retailers and she is pleased her company is the preferred training provider nationally for Aldi supermarkets.

“If you look at the new Westfield centre, the anchor tenants are overseas retailers like Gap and Zara. They have never operated in Australia before, however they are successful internationally and they bring their own skill standards.

“It’s great to have an Australian retail training package that you can be proud of, but the reality is we’ve got to be heading towards global standards of performance for retail”.

Freeman and Wallace want to see the retail training package catch up with the massive changes occurring in the industry. Wallace appreciates that “retailers have had to respond to significant changes in their environment in the last twelve months, changing their strategies and redesigning jobs and reviewing their staff capability”.

If retailers can ignore the eulogies in the mass media and change themselves to meet their challenges, Wallace believes the VET sector can at least overhaul the retail training package, “redesigned from the roots up, to help update the skills really needed in the business”. Training package developers, not just training providers and retail businesses, need to share the pain, shift with their industries and be much more innovative.

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