

tapping technology

BY RICK STERNE

Independents: The real “ultimate survivor”



The future survival of independent operators hinges on superior customer service, specialty departments, targeting to niche markets, elimination of the estate tax and better use of technology.

Were you, like many others, glued to the TV during “Survivor 2”? Spellbound viewers were exposed to the dangers of the remote location where participants were responsible for finding their own food and shelter and surviving the ultimate danger—other competitors. After several weeks and much strategy, the last one on the island was designated the “Ultimate Survivor.” Welcome to “reality TV.”

Does the show “Survivor” remind you of the situation facing many of today’s independent grocery store operators? Survival happens every day in the grocery industry, but it isn’t a game. It involves real-life operators faced with real-life decisions. On a weekly, sometimes daily or even hourly basis, independent operators confront the challenges of survival. The result may not be 15 minutes of fame or \$1 million; more likely, it is mere existence.

What will it take for independents to continue to survive? An independent’s battle plan for the new millennium should include superior customer service, specialty departments and better use of technology. Independent operators need to evaluate and understand their unique marketplace and determine the areas in which they can capitalize. A well-planned, complete and even aggressive strategy should be developed to avoid being voted out of the neighborhood, as customers cast their vote with their cars and wallets. Strategies must focus not only on today’s marketplace but also on the future. The independent must develop the ability to recognize change, “think out of the box” and deal with the changing world environment. As in the TV show, independents must create an experience where consumers won’t want to miss what’s happening each week in their store.

Has the independent positioned his business in such a manner that it weaves into the fabric of the community? What can independents do to develop an edge? They can begin by looking for opportunities created by changing consumer lifestyles. Growth in takeout foods, natural foods, ready-to-prepare or already-prepared foods, fresh bakeries and specialty foods all have been driven by today’s on-the-go working family. Even the delivery systems should be examined. Do you offer vehicle carry-out, free local delivery, an express drive-through window and busing for seniors? All of these services may be viable options for independents. Does the growing senior-citizen community present an opportunity to market to that specific niche with special pricing, events and services?

Beyond these questions, future success for independent operators rests in two key areas: better use of technology and the elimination of the estate tax. Repeal of this tax, which is scheduled to occur by 2010, should enable families to reinvest in their businesses and not worry about huge tax levies in the future.

Technology is a key area for independents to explore. System vendors

need to deliver products to assist independent retailers with their “survivor tactics,” perhaps through POS systems, POS programs, and professional services such as training, support and expert assistance in the overall area of technology. Following the National Grocers Association conference early this year, one press release cautioned brokers not to forget the independent retailer in their everyday business plans. Technology vendors need to heed this advice as well. Suppliers of technology, whether software or hardware, need to offer independents the “right solution for the right price.” When independent operators choose POS solutions, consideration must be given not only to the hardware and software but to the planning, technical support, staffing and training costs necessary to support the undertaking.

While technology can be used to provide a competitive edge or address a labor problem, it is also a necessity for independents. Despite the widespread use of scanning, some independent retailers are still hesitant to take this step. Education on the benefits of scanning, return on investment analysis and future advances need to be discussed and a solution provided for these retailers. This education process must come from the wholesaler as well as the POS supplier. Vendors need to form alliances with each other to continue to develop our offerings to consistently meet the needs of independents. These retailers may require extra support to help them realize they are making progress and not fighting a losing battle. It’s no secret that you usually can’t beat the big competitors with prices. But the independent can use technology to help control the cost of doing business, increase store efficiency and learn more about his customers while focusing on the battle plan that best meets his needs and satisfies his shoppers.

Today’s independent operator needs a POS platform built with the independent in mind. POS systems can provide an affordable solution to assist the retailer in his operations. Vendor alliances may include interfaces to software offerings like DSD, inventory, shelf and sign printing or may be related to hardware such as new scanner technology. Together, the vendor community can offer independents complete systems. Additionally, they must develop services to assist with training, rollouts, planning and implementation. Ongoing support via help desks, depot maintenance, on-site maintenance and software assistance is also an integral part of a package.

Long-term relationships can—and must—be developed among wholesalers, POS technology vendors and independent retailers. The efforts put forth will help preserve the viability and long-term success of the independent. All long-term relationship partners must do their part to make sure the independent operator is the real “Ultimate Survivor.” □

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