



“WOW” Delivery... A HUGE Profit-Builder!

How to achieve a delivery operation to “WOW” your customers, increase referrals and repeat business, and motivate your staff to reduce cost and waste.

By Larry Stark

For too many stores, all of the money and effort expended on superior advertising, a beautiful store layout, well-trained salespeople, an excellent location, and a warm, inviting shopping experience can be completely torpedoed by the last of your employees the customer comes in contact with—your delivery people. Too often, they are in a revolving-door job that is at the bottom of the food chain training-wise and income-wise, as well as respect-wise. Seems like you no more than get them trained up so they are reasonably qualified, and they leave for a better job. And yet, it really doesn't have to be that way. You can have the best delivery operation in your market area, one that gets rave reviews and referrals from your customers, and attracts the very best delivery people because they want to work for you. How do you do that? Well, there are three elements:

First Of All, You Have To Treat Them As Professionals.

That means uniforms that you buy and they maintain. Get extra shirts so on hot, muggy summer days they have a clean one for the afternoon. Buy Tyvek surgeon's booties that doctor's wear over their shoes in the operating room. They don't cost much, but they sure win the customer's loyalty when your delivery people put them on over their shoes and don't track dust or mud across her clean carpet. Buy them white cotton gloves for upholstery deliveries—just one more indication that you care. Get cell phones for the trucks so they can call ahead and confirm with Mrs. Jones that they are on time for their scheduled delivery. Get a corporate card for the local truck wash and let them use it whenever they need it. They'll be proud to pull up to the client's house in a shiny truck in the middle of winter, when the competitor's trucks are covered with salt and road grime. Help instill a sense of pride in the group—pride in their knowledge, their job skill sets, their appearance, their efficiency, their punctuality, their work ethic, their teamwork—and you will build a team that you can be proud of. And, all of your competitors' crews will want to work for you!

Also, an important part of treating delivery and warehouse people as professionals is to *pay* them to *perform* like professionals. Here's the outline of a system that has been used with great success by clients of ours: You set up a fund that is a small percentage of sales (in the neighborhood of ½%) to be shared among the delivery and warehouse people based on the results of a phone survey conducted by an independent survey company the next day calling the customers who received deliveries the previous day. There are 5 questions in the survey:

1. Did your delivery arrive on time? (Yes/No)
2. If not, did they call you to inform you that they would be late? (Yes/No)



3. Was the merchandise delivered the correct merchandise? (Yes/No)
4. Was it in good condition? (Yes/No)
5. Rate the quality of your delivery experience: 1=Poor, 2=Fair, 3=Good, 4=Very Good, 5=Excellent.

The first 4 questions above are Yes/No questions, and the percentage of yes answers for the month is calculated. The answers to the last question is averaged based on the numeric answers. The total bonus pool is divided by 5. 1/5th of the pool is designated as the bonus pool for each of the five questions, then the actual bonus applied to each question is calculated as follows: For the first 4 questions, a score of 97.5% to 100% gets 100% of the bonus pool for that question. 95.0 to 97.49% gets 75% of the bonus pool for that question, and less than 95% gets a token stipend. For the last question, an average rating of 4.9 to 5 gets 100%, 4.8 to 4.89 gets 50%, 4.7 to 4.79 gets 50% and less than 4.7 gets a token stipend. The calculated resulting amounts for the first 5 questions are totaled and divided evenly among the warehouse and delivery personnel.

Note that both the warehouse and delivery personnel share in this, and there are three inspection stages that every piece delivered goes through before it gets to the customer:

1. By the warehouse personnel when they unpack it.
2. By the warehouse manager when it is staged before loading.
3. By the delivery personnel during the loading process.

Remember the old rule: "You can't improve what you don't measure." To that I would add another: "To get the performance improvement you want, you must pay for it." On the face of it, I know that this appears to increase your costs. The fact is, however, that experience has shown that the significant increase in on time, correct, acceptable condition deliveries significantly reduces the cost of call-back re-deliveries by way more than the cost of the pay-for-performance system involved.

Secondly, You Have To Train Them Continuously.

From the greeting, "Good afternoon, Mrs. Harrison. I'm Harry Jones from (Store Name), and this is my associate, Mr. Robertson. We're here to deliver your furniture, and wondered if you'd be so kind as to show us where you'd like it placed so that we can move your other furniture out of the way." Doesn't that make a better first impression than, "Hi dare, we's here wit your foiniture. I'm Harry and dis is my swamper, Louie. Where do you want da stuff?" Impress upon them that they need to maintain their distance from her, as she is probably home alone or with small children, and these are usually two pretty big guys who can be intimidating. After inspecting the home (remember the booties), and moving anything that's in the way, the delivery is made. After any extraneous material is removed... plastic, cardboard, tape or whatever... they polish the furniture and vacuum the rug for her. Then, they should offer to repair anything that's damaged, whether she bought it from you or not. Taking a minute to go out to the truck, get the repair kit, and fix the scratches her little boy caused by playing with a toy truck on the coffee



table doesn't take long, but buys huge loyalty and referral business. Finally, after doing everything possible to satisfy her needs, make sure they don't forget the gift.

Here's A Gift Program That Really Produces Results.

One of our clients has recently implemented a program for the delivery people that employs a very nice thank you card that has slots for the insertion of promotional cards that can be selected by the delivery people at the time of the delivery. The procedure is that the driver, when he introduces himself to the customer and asks to be shown the area and route to take to place the furniture (see above), observes the area, bearing in mind what he is delivering, and can see immediately what additional needs they have... upholstered furniture, wood furniture or accessories. He returns to the truck, picks the appropriate one of three promotional cards to insert in the slots in the thank you card... 10% discount on next upholstered purchase, 10% discount on next wood furniture purchase or 10% discount on lamps, pictures or other accessories. (You might develop special event-related insert cards in the future in addition to these 3.) After everything else mentioned above has been accomplished, the last thing the driver does is hands the customer the thank you card which he has placed in a nice envelope with the customer's name on it and tells them something like, "We want to thank you sincerely for shopping (Store Name). Here's a nice gift that I know you'll enjoy. Why don't you open it now, and I'll explain it to you." He explains anything that isn't self-explanatory. In addition to the very nicely worded thank you printed on the card, there's a statement that, "If you're not in a position to take advantage of this wonderful offer, you may feel free to do something nice for a close friend or relative by giving this discount card to them so that they may benefit from it in your place. We will honor it just as if you yourself had used it." The client from whom I got this idea sets up a bonus fund for the delivery people that amounts to 0.75% (3/4 of 1%) of the dollar sales *directly resulting* from the use of these promotional cards. This is a new program. The very first month, these promotional cards resulted in \$58,000 in sales... all plus business! That's huge money in any organization regardless of size, and well worth the tiny cost involved.

And, since humans occasionally make mistakes, make sure your delivery people carry an endless supply of \$100 gift certificates for your store. Sooner or later, they are going to scrape a doorjamb or mark a wall. A sincere, profuse apology with a \$100 gift certificate is so out of proportion to the little damage done that she will feel overwhelmed. And, she will probably file it away someplace and you won't see 20% of them come back to the store. But if you do, great! It brought them back to your store rather than someone else's, and your average sale for this type of customer will almost invariably be over \$1,000.

Finally, the delivery crew chief thanks her, give her his card (another touch of professionalism), and leaves. Then, once a week, you as the owner send out a thank you letter (which your computer should be able to create automatically). Customers love being thanked, and you'll be surprised at the number of customers will call to thank you for the letter and tell you how impressed they are with your company. When that happens you know that you've gained another customer for life!



How Do You Implement A System Like This?

It's really simple if you're using PROFIT*windows*. If not, contact your system vendor for information about how the systems described might be implemented in their software. It takes a little work to set up the systems and do the training, but then it will be a huge load off your back, because you'll know (from the survey results, from the Thank You card related sales and from customer thank you calls) exactly how well your team is working, and how satisfied your customers are. They'll tell their friends about your wonderful service, and you'll get more repeat and referral business without spending one more nickel on advertising. Isn't that worth a little work? If you'd like further information about anything in this article, call me, I'd be happy to help you in any way I can, without charge.

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