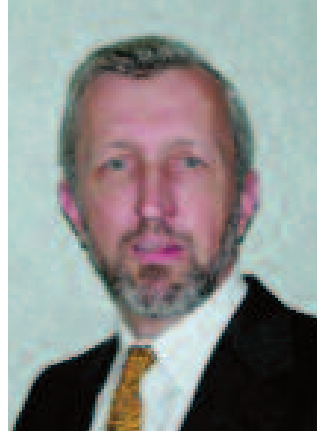


Small Details, Big Pay Days

After four fiercely contested rounds in Augusta last April, Trevor Immelman bested Tiger Woods to win the U.S. Masters Tournament. The margin that separated the two golfers was slight: 280 strokes for Immelman versus 283 for Woods, a difference of just over 1%. Yet this seemingly insignificant performance edge translated into an out-sized disparity when it came time to divvy up the prize money. Immelman took home \$1.4 million for his winning efforts, twice the comparatively paltry \$700,000 second place money. In other words, a 1% performance differential translated into a 100% reward differential.

The same equation holds true in most commercial enterprises. Small differences in performance are what deliver big paydays. Success rarely is the result of a “eureka” moment where the entrepreneur is transformed by an inspirational vision. Rather it’s the by-product of dozens, even hundreds, of tiny and often barely perceptible refinements. The rewards for those who cultivate these improvements are disproportionately large. Leo Fender didn’t invent the electric guitar, but his name has become synonymous with the instrument because he was the one who spent untold hours at a workbench getting all the details right. Although his Broadcaster wasn’t the first electric guitar on the market, it performed better than everything else, which is why Fender is now a globally recognized trademark and the names of other guitar pioneers—Paul Bigsby, the Larsen brothers, and George Beauchamp—are merely footnotes in the history books.

In retail, there is no shortage of people with broad-brush concepts for the perfect retail store. (Hang around the bar at a NAMM show and you’ll hear lots of them.) The real heroes of the business, however, are those who understand the gritty details of making the concept work in practice: like how to squeeze out an extra margin point or two, how to buy judiciously to accelerate inventory turns, and how to close 2% more of the customers who walk through the front door. The hundreds of successful retailers we’ve profiled over the years have had wildly different styles



and strategies. However, what they’ve all had in common was a laser-like focus on getting the little things right, whether its keeping the bathrooms clean, taking the extra cash discount, or keeping inventory shrinkage to the absolute minimum.

At a time when gas prices are high, housing values are low, and consumer confidence is sinking, it’s worth stressing the importance of the details of business. None of us can do anything by ourselves to rein in commodity prices, improve the mood of the buying public, or for that matter, stanch the relentless flow of negative news stories. However, you can always find ways to make your business run better.

On page 82 of this issue, veteran sales rep Bill Peterson offers up a laundry list of suggestions for running a better retail store. His 54 tips, which cover everything from window signage to the message on the answering machine, provide a road map for sharpening even the most successful retail operation. None of the ideas will individually generate a 100% profit improvement, but we would wager that there are at least ten suggestions that could add 10% to your bottom line. And, if you can find ways to improve your bottom line in challenging conditions, you’ll reap even greater rewards when the market turns. Which it always does.

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