



**YOUR BEST
STORE MANAGER
ISN'T ALWAYS
THE BEST PICK
FOR THE NEXT
STEP ON THE
COMPANY
LADDER**



WHEN Topcat GETS PROMOTED

We've all seen it: Company A needs a district manager, so it promotes the organization's top profit-producer to run six stores scattered throughout nearby counties. The decision appears to be a no-brainer: Mr. Topcat has won Store of the Year three years running, he has added 100 new customers the past two years and the numbers for his store always top every report. Best of all, Topcat's staff turnover has been nearly zero. But six months later, the six stores have shown almost no improvement—in fact, two are clearly worse off than ever, some managers have quit—and the smooth operation that Mr. Topcat left behind is in disarray, too. Profit and customer count are declining and Topcat's successor, his longtime assistant, suddenly seems lost. Judging from results to date, it appears the company just wasted its best store manager and still doesn't have a good district manager either. What happened?

by Bud Holladay

The dilemma the company faces could have been avoided had management done a little more homework before making its move. Eager to reward its top manager for a successful run at the single-store level and fill an important slot at the same time (“*We promote from within!*”), it failed to understand that a manager’s job expands both horizontally and vertically when he takes on more than a few stores. If his skills and abilities are not extra-dimensional, disaster awaits. Someone should have told management that Mr. Topcat’s practice of just doing more of what got him promoted would prevent him from being successful in that new position.

Back in his own store, he *was* the “Top Cat.” All decisions were made by him; his touch was on every activity. Nobody gassed up a truck without first checking with Mr. Topcat. He was famous throughout the company for coming in early, leaving late and calling the store or dropping in on days off and during vacations. The owner often spoke glowingly of his “favorite workaholic.” And therein lies the problem. It is difficult to be a workaholic, at least an effective one, in six different workplaces at once.

While a district manager must lead, direct, inspire and orchestrate the activities of six or more managers, a store manager has only one manager to manage: himself. The assistant manager is rarely more than the second key holder and relief truck driver. He or she fills holes, handles some paperwork

of professional hari-kari. Upward mobility is not on their résumé.

It should not be surprising that Mr. Topcat and this assemblage of hardworking anybodies can turn out impressive work over a long period of time. The rent-to-own business is so number-centric that once a few key ratios are mastered and good customer service is a habit and not a goal, everything else falls into place. Of all the events that can interrupt growth and impact profit in a rent-to-own store, none match the prolonged or frequent absence of an experienced, hard working manager. Likewise for the debilitating effect of a manager who works short hours and takes off at inopportune times. The Mr. Topcats of the industry often get promoted because they are *always* on the job. But they have to be, because nobody else in the operation can make a decision or start or stop any of the processes that make the store go. No one in the store is trained upward but everyone is trained exceptionally well in doing the tasks required for tenure at their job level.

So if Mr. Topcat was the wrong cat for the job, who might have been the right one? The effective multi-store manager must, above all, be good at managing managers, or be able to get good at it. This quality can be spotted early if one knows what to look for. Beyond basic job knowledge and the ability to communicate effectively (Ever see some of those memos from rookie district managers?), some other characteristics trump things like loyalty, depend-

ability, etc. Those are: inclusiveness, sharing, patience and a tolerance for forward-leaning errors.

Inclusiveness simply means that the potential district manager includes everybody in the management of his current store. Each person is accountable for managing some part of the operation and all are regularly reviewed on the progress and gains they make on their own. This is a form of coaching that assumes everyone can manage something, even if it is only himself. Employees who experience it gain confidence that fosters new competencies and they usually want to go on to bigger things.

Sharing and patience may be in short supply among the Type-A managers preferred by some companies, but among the best of the best those attributes are commonplace. A manager at any level who has learned to share the credit with his workers—and has taught them to share the responsibility

for satisfying customers and managing outcomes—will probably never lose his entire staff at one swoop or suffer two consecutive quarters of customer losses and revenue slippage. His people simply won’t let those things happen. They want to be part of a good thing.



and can generally answer a few questions about inventory and past dues. But all power resides with the store manager. Topcats surround themselves with people of unquestioned work ethic, character and loyalty. The people they hire and keep are used to following orders. Making decisions is, in the eyes of those people, a form

Patience is critical because people don't learn to accept their responsibilities overnight in all cases, just as some don't learn new procedures as quickly as others. The manager who is patient, who includes his people in running things, who shares the credit for wins and analyzes failures evenly, will rarely be slack enough to hire people who don't want to be part of those things.

Most everybody has at some time in their life proclaimed, "There are no dumb questions!" Of course, we all know that is incorrect. The more accurate response would be, "There are no dumb questions that I will be rude enough to point out." Forward-leaning errors are the opposite of dumb questions. People ask dumb questions just to hear themselves or because they truly are too dumb to know that their question has already been answered. An employee who makes a forward-leaning error has tried to do something helpful, for the right reason, but somehow got it wrong. The part that went wrong can usually be attributed to lack of sufficient training, knowledge or experience.

Now doing that same thing again and again with the same result is akin to asking the dumb question. But doing it once—and learning from it—is part of developing as an effective decision-maker and task handler. Managers who don't allow employees such freedom fail to do so because they do not want to absorb the fallout from critical mistakes and they are unable to create scenarios where employees can fail without doing significant harm to the business. So those managers become good at stifling and just come in earlier and leave later to cover all the bases.

The skills required to effectively manage managers are very different from those needed to manage employees or hourly associates. All good managers are competitive by nature. The really good ones are high performers. Managing high-performing competitors is no easy task—just ask any NBA or NFL coach. Mr. Topcat and those like him who have never employed or led high-performing, ego-driven employees in their own stores miss this simple precept. Managers don't become managers to take orders from other people who know about the same or even less, or to get lost in the tall grass with the other underachievers. Most people become managers so they can earn high reward for personal performance.

The best managers know that personal performance in business means leading others in organized activity. Those who figure that out early have a good start on becoming effective multi-unit managers. A high-performing store manager who has not turned out other store managers, who never loses an employee to the competition, who never offers up his second-in-command to go help another manager in trouble, who never offers valid observa-

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tions on the problems of other stores, is the wrong choice for district or regional manager. No matter how great his numbers or how long his tenure, that manager does not possess the big-picture mentality required of an effective district manager.

The big picture doesn't mean he can take apart the company's balance sheet. It means he has developed an overview of the business that goes beyond today's deliveries and this week's closeout; he understands what is good for the company and realizes that might take away from his own operation, if only temporarily. He can plot trajectories based on skills, competencies, training levels and actual results.

If you ask a big-picture manager why he thinks Store 17 across town hasn't gained a customer in six months, his answers will be compelling, insightful and accurate. They will match your thinking (let's hope yours is right). Mr. Topcat will tell

you it is the advertising or the bad neighborhood that surrounds Store 17. He will probably take a shot at the manager, too. If you ask the good manager why his store has gained every month for a year he will cite training, the company's customer service initiatives and support, and knowledgeable staff. Asked the same question, Mr. Topcat will tell you it's because he is the best salesperson in the company and gets the most out of his people.

It is not easy, this science of picking managers and district managers and regional managers. Sometimes personality and clichés play too big a role: "strong," "dynamic," "winner," "team player." You've heard them all. But the descriptive term least often used is "rounded." Being rounded means having an even balance between developing people and driving numbers; understanding that not all people are alike, but the people we like share many of our same qualities. Rounded describes the manager who can work a 50-hour week and get great results or put in 70 hours solving problems and never experience the same issues later. A manager who is rounded can convince other managers to follow him because he has everyone's interest at heart, not just his. And that is probably the key to effective multi-unit management: understanding the "What's in it for me?" equation. If you are a good district manager or ready to become one, you know that you have six "me's" and none of them are you. ■

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