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A chance meeting on an airliner changes an A/V specialty retailing business forever

by MICAH SHEVELOFF

Doug Argue, owner of Sound Plus in Vancouver, Canada (www.soundplus.ca), a 12,000-square-foot high-end electronics retailer employing a staff of 16, found himself traveling to Boston in order to preview new products at Bose headquarters. His store has been selling audio, video and lifestyle products and providing custom installation services to consumers in the Vancouver area since 1978.

Chance meeting

On his return flight home from New England, Argue happened to be seated next to a woman and noticed she was reading a book about business. They struck up a conversation at cruising altitude, and Argue learned that the woman, Lt. Johanna Wickie of the Canadian Armed Forces, was just starting an MBA program analyzing a department of the Canadian military from a human resources (HR) perspective as part of a project for her course

studies. "I have always been interested in human resources, especially the related shortcomings typically found in a small business like Sound Plus," Argue relates. As the flight neared its end, Argue suggested to Wickie that she do her study on Sound Plus rather than a branch of the Canadian military. After some consideration, she contacted Argue and they reached an agreement for her to do an HR-based analysis of Sound Plus, including one hour per week that Argue would have to make available to the MBA student over the course of a year. Wickie reflected that she was enticed to make the change in plans because she felt that her study might go unnoticed in the daily complexity of the Canadian military. However, she was sure she could contribute useful data to a small business like Sound Plus, and possibly yield positive results. Reflecting back on the recently completed one-year process, Argue adds, "Sound Plus is a small business. It was valuable coach-

ing that I could not have afforded otherwise."

The timetable for Wickie's interaction with Sound Plus went as follows: April 2002: Started project; April–December: Research and analysis phase; October–December: External portion of research phase, including mystery shopper experiments, Internet and library research. December: Compose manual containing analysis; January: Edit manual (together) in order to reach publishable final result.

Upon completion of the project, Wickie delivered a 93-page document and a slide presentation to Argue, providing a comprehensive analysis of Sound Plus from a human resources perspective. "She compiled a large amount of data, looking at the state of the home entertainment business both in North America and in our local region," says Argue. "Each week, she would ask me a variety of questions



from a fresh perspective, often forcing me to explain and rethink why we do things a certain way. It was a very valuable exercise," he adds.

They discussed the company's mission statement, vision for the future, marketing tactics, financials, employee pay plan, hiring strategies — any facet of the business that could, in some way, factor into an overall analysis. After a careful explanation of how she did the research and what problems she had uncovered in her interpretation of the analysis, Wickie presented an action plan to Argue based on the SHRP System (Strategic Human Resources Planning), a format designed to analyze the short- and long-term needs of the business based on the data collected, leading an enlightened Argue toward a strengthened and improved Sound Plus organization.

A new perspective on HR

The implementation of Wickie's action plan included the creation of a new HR program within Sound Plus, a program designed to work in concert with the goals for future growth that Argue himself had spelled out to her during her research phase. "We talked about my vision for the company over the next five years, and her recommendations addressed such points as who you are going to need to be able to achieve your goals, and how you will acquire these people," Argue explains.

Implementing the plan called for job descriptions for each position within the company, and each description established a standard by which the employee's performance could be measured and properly reviewed. Job descriptions and hiring criteria were created for future positions in Sound Plus as well, accounting for the growth depicted in Argue's five-year vision. Wickie explained that such a plan helps to insure an equitable work environment for everyone employed by the company. Another segment of the strategy was for Argue himself to iden-

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**— Doug Argue,
Sound Plus**

tify and create a succession plan through and beyond his active years at Sound Plus.

One of the problems that Wickie's study unearthed was the average age of the employees at Sound Plus, and the message that sends to consumers "We typically hire 40 [year-olds] and above, and her point was that we should look at who our clients are, and hire people that they can relate to," Argue stated. "We are too old and too male," he added, according to the study. Argue referred back to the often-used pyramid chart, highlighting the massive volume of consumer electronics sales at the bottom of the pyramid where it is widest, reaching up to the higher-end portion of the industry where Sound Plus resides, located at the narrower top section of the graph. "All I have to do in order to grow my business is move downward on that chart one notch," said Argue. "The study has indicated that in order to reach those additional customers, I must hire younger on the sales floor." Argue attributed much of his personal success over the years to his traditionally accurate assessment of what the baby-boomers would want to buy for themselves, even as they have matured and gotten older. "Now, their children are shopping for consumer electronics products, and they

probably send their kids to Best Buy because they perceive my store as too expensive," Argue muses. "We need to increase the comfort level of this younger group of consumers by having a less intimidating staff," he adds.

'Timing' is everything

Wickie broke down the action plan into steps referred to as "timings." The first of these timings called for Argue to appoint an implementation team, which could include his participation but would be headed up by someone other than himself. It would be the responsibility of the implementation team to carry out the steps as outlined by the action plan. The second timing called for the creation of hiring criteria, and the third was to have in place all job descriptions, then to be carefully reviewed by the team. Next, the team would address staff development plans, allowing them to acquire the best personnel based on the job descriptions and hiring criteria that were created to match Argue's five-year vision. The action plan also called for yearly reviews for everyone on staff, using the standards established within the job descriptions to measure the performance of each employee. The final page of the research document stated that any strategy without effective implementation is doomed to fail, encouraging Argue and his staff to make use of the findings and nourish their business.

After having dedicated a year to the effort and coming to respect Wickie as a very bright woman, Argue has an optimistic outlook about his ability to apply what he has learned. "We are hoping to implement the entire action plan, and it has been a great opportunity working with Johanna for an entire year," Argue states. "This represented the next best thing to going back to school for an MBA myself. I had an opportunity to see the course through someone else's eyes," he says.