



Testing Ideas is Key at \$15 Billion Retailer

case study



“We did evaluate a whole set of options. Our industry is a very competitive environment, and when you see the results and you implement them, you can really get a good organizational feedback loop going. It causes people to get more and more disciplined about testing because they see the results,” says

the president of a large retailer about his company’s approach to ignite sales and margin growth.

“Our store is big box, food, and general merchandise,” he continues. “We’re around \$15 billion. We have tens of thousands of employees and several hundred stores. Several years ago, we took a substantial amount of cost out and did it successfully.” However, the company is increasingly focusing on sales and margins, as he notes, “You never really cost cut your way to success.”

The company began testing many ideas simultaneously because, as this retail executive says, “I absolutely believe, in almost any intervention or organization, about half of what you’re doing in the end really doesn’t make much difference at all.”

People were excited to be involved in testing. “For us, every measure we use is to improve sales and margin. When all is said and done, that’s really what we’re there for,” said the president. “We had a little over thirty test factors. We tested things as simple as how we display products, where we present products, bulk outs in center aisles – just lots of different things. I can’t tell you how excited some of our team members were in our stores when they knew that they were part of a test. They knew it had serious support and had serious consistency.”

The results produced some real surprises. He says, “We really thought that if we took certain products and put them on the front cover of the ad instead of other products, that would really drive sales. And it didn’t.” The experiments provided a rigorous, repeatable method for testing ideas for sales growth.

He added, “We believe that it’s okay to not know the answer. And that’s a beautiful thing in our company. We are always free to go out and try and test things.”

Ken Holland, Customer Relations Vice President for QualPro Inc., the company that supported their efforts, stated, “I am very proud of the contribution that our MVT® process has made to this retailer’s success. The executive team has truly embraced the concept that testing many improvement ideas and implementing the winners leads to breakthrough innovations.”