headquarters—has been providing training that is turning things around. MU has all the collegiate trappings: a campus, a faculty, alumni, and even sweatshirts. But most important, it's a place where Mervyn's corporate theorists and hard-line retailers come together and experience the turning points of their careers.

## A stitch in time

Mervyn's University provides experiential-based training programs. The cornerstone is the "Area Manager in Training." This 10-week program for new area managers includes on-thejob training, followed by classroom instruction. There are two phases. Trainees must satisfy specific performance measures in the first phase before they can move on to the next one. Phase 1. Newly recruited area managers begin working for Mervyn's in a "training store"-an actual store run by a manager whose experience and performance are exceptional. His or her job is to orient the new recruits on the store's policies, procedures, and job positions. This on-the-job training takes about five weeks. At the end, trainees must pass a written examination.

**Phase 2.** In phase 2, trainees attend Mervyn's University, where a motivational video—shown on a floor-toceiling screen—introduces a week of classroom training.

The training modules address performance management, leadership, and the presentation and management of merchandise. Two store managers serve as instructors. At the conclusion of the training, trainees present a sales plan, a shortage-reduction plan, and a merchandise-presentation plan (or block plan) to a team of store managers. Trainees also must pass shortanswer and essay examinations.

Then each trainee meets with the team of store managers to get feedback on his or her test scores and presentations and to go over notes made by the instructors during the classroom part of the training. Through the feedback, trainees learn exactly what their strengths and development needs are.

Next, trainees return to the training

store and complete four weeks of supervised practice. If they show proficiency, they're assigned to a store and given a department to manage. If they don't show proficiency, they repeat one or both of the training phases. Failed second attempts are handled on an individual basis.

Throughout the program—especially during the classroom training emotions can run high. There is a sort of boot-camp intensity. Trainees realize that if they fail the presentations or exams, they will have to repeat the training. Or, they may not go on to become area managers. But the intensity seems to engender a sense of partnership among them.

"Two of the program's objectives are for trainees to connect with customers and with each other," says John Irvin, senior vice-president and general merchandise manager.

## **Fully vested**

The resources of Mervyn's University include three well-equipped classrooms, customized videos, an elec-

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tronic system for training registration, five course designers, at least seven full-time trainers, and several administrative-support people. The retail business isn't known for investing in training. So, why did Mervyn's decide to provide such sizable resources?

The high degree of corporate support results from the program's "organic" evolution, according to Marjorie Holmes, vice-president of human resources. Mervyn's University grew out of a clear need, defined by poor sales and high employee turnover. Senior managers recognized that area managers needed more and better training. And Mervyn's University was able to meet those needs early on.

"The success of the program sold itself," says Holmes.

What began as a training program for new area managers has expanded to include a sophisticated computersimulation program for training new and current store managers.

On-site learning centers in Mervyn's stores enable employees to participate in self-study programs on such topics as fabric construction and stress management. Mervyn's is planning to build satellite universities. And MU has added a team program, "Managing the Pipeline," to show Mervyn's merchants (buyers) the big picture—what happens to the merchandise they buy as it flows down the pipeline from vendors through a distribution center, to the stores, and, finally, to customers.

## Looking at the details

In the retail business, merchants make decisions about what merchandise to buy. They're expected to know the consumer markets and to have an aesthetic sensibility. Quite often, merchants become company stars; good purchasing decisions can have enormous financial benefits and can create a loyal base of customers.

But store managers can make or break a good buying decision by their choice of where to display merchandise or how to handle customers. Store managers are on the front lines, often in the stores long after the merchants have gone home. On the day of a "Managing the Pipeline" session, merchants see firsthand the possible outcomes of their buying decisions.

As the session opens, the merchants divide into teams according to the departments they buy for. Then they visit the loading dock of a store that carries their merchandise and begin taking boxes and racks off the vendors' delivery trucks.

As the merchants examine the merchandise they ordered, they make comments such as these:

• "They put my wallets in a box filled with fleece. No wonder so many get lost!"

• "These shirts are supposed to be flat. Why are they on hangers?"

• "We shouldn't have gotten this many of this style belt!"

Next, the merchants move from the loading dock to the sales floor and continue commenting:

"There isn't enough room on this fixture for all of the dresses I ordered.""Why are all the signs in this de-

partment wrong?"

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• "This merchandise should be moved to a high-traffic aisle!"

Then the merchants reconvene in the store's training room. The facilitator asks each team to list on a flipchart all of the issues that arose. Typically, the word "they" comes up as the teams write: "They" (the vendors) didn't ship the correct merchandise. "They" (the store managers) didn't use the right hangers. "They" (the vendors) sent the wrong signs. "They" (the store managers) didn't follow the block plan.

The facilitator tries to get trainees out of a "they" mindset and into a "we" mindset. That usually prompts the teams to start generating lists of what could be done to prevent many of the problems. By the end of the session, almost every team member has a personal action plan. "They" has turned into not just "we," but also "me."

In the afternoon, the teams visit a local Mervyn's distribution center, where they're assigned to guides—people who handle the merchandise in the merchants' departments. The idea is to let the merchants see how their buying decisions affect order processing.

In one recent program, a guide announced, "I've put aside a few boxes of your merchandise." Then she pushed open some double doors to reveal a room the size of two football fields. High-speed conveyors whisked the boxes from one station to another. Then lasers scanned the boxes to read their contents and destination. Next, fingerlike projections pushed the boxes onto another conveyor, which ended at a semitrailer bound for a specific store.

The system was complex and, yet, amazingly precise. The awestruck faces of the merchants showed that they had no idea what was involved in processing their merchandise for store delivery.

## Alterations

A recent session of "Managing the Pipeline" showed just what can go wrong after a merchant has made what he or she thinks is a good buying decision. On that day, some merchandise had arrived from a vendor in boxes that were wrapped so tightly that opening them took two days longer than expected.

In addition, a shipment of jeans

was labeled as a certain size on the box, which was wrapped in plastic stamped with a different size. The inseam labels showed yet another size.

Some sweatshirts were packed individually in plastic and divided into double-wrapped packs of five. Employees had to remove all of the wrapping before they could sort the merchandise. The inventory analyst in the group shook his head and said that the manufacturer must have thought that if the shipment fell off the boat, the plastic would have kept the sweatshirts from sinking.

At the end of the day, the teams debriefed. As usual, the to-do lists were legion. But the merchants found that they could have prevented many, if not all, of the problems simply by making a phone call or by negotiating

> "THEY" TURNS INTO NOT JUST "WE," BUT ALSO "ME"

effectively at the time of purchase.

By examining the pipeline firsthand, the merchants learned some valuable lessons. A key one: Every time merchandise has to be handled, it is delayed. That costs money.

## The fabric and pattern

Carolyn Yates, manager of program development for Mervyn's University, views it as a place for ongoing dialogue—an ever-evolving forum in which ideas are exchanged, learned, and improved. Her staff of course designers tries to keep up with the dialogue and to maintain an experiential learning environment focused on continuous improvement.

MU's model of training is threefold: Training must originate from a perceived need, identified by an organization's line managers.

 Using line managers as subject matter experts and trainers adds power to training. It's one thing to say, "Do as I say." But it's more persuasive to say, "Do as I have done." In addition, line managers often know reallife stories and examples that can enliven training. With a little coaching, manager/instructors can use firsthand information to help trainees learn in a very practical way.

• Experience is the best teacher. MU leads trainees through exercises and situations that mimic what they encounter on the job. For example, instead of just lecturing on sales plans, the instructors tell trainees to write their own sales plans and to present them to store managers—just as they would have to do in their actual jobs.

How does the training transfer to the sales floor? "I can tell when I walk through a department that is run by a graduate of Mervyn's University," says Sandy Salyer, vice-president of public affairs. "It looks different. And the area manager can talk with you about the fundamentals of the business."

As an added benefit, Mervyn's University has changed the hiring profile of store managers, according to Chris Peck, vice-president of store regions and store operations. Mervyn's human resource managers have become aware of the skills that are necessary for completing the training, and they are hiring better-qualified candidates. They assume that there isn't much point in hiring prospective managers who are unlikely to graduate from Mervyn's University.

Says Peck, "In the past three years, we've seen a tremendous increase in the skill level of new managers."

Eric Snyder, director of team training and organizational development, describes his vision for employee development: No matter what level someone starts at in the firm, he or she starts with training—from day one.

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