

People & Grocery



When you've been around for 100 years, you see plenty of things come and go. As newer grocery players battle it out over meal kits and online ordering, a couple of century-old Northeastern supermarkets know that staying fresh in grocery is more about people than produce.

AUTONOMY

Talent Through Training

When margins are deli-sliced thin, skimping on training and wages is tempting. Many grocers do, and their turnover rates sit at a rotten 50 percent! Wegmans, a privately held supermarket chain in Northeastern America, does things differently. Before interacting with customers, Wegmans' employees receive 40 hours of training on products, procedures, and company policies. The company even flies key employees across the world to learn about specialty foods such as wine, meat, and cheese. The knowledgeable employees answer customer questions without help from management,

leaving customers happier and employees fulfilled enough to stay in their jobs. Wegmans and Market Basket, another northeastern U.S. staple, each have a distinctively low 5 percent turnover rate for full-timers, fill large numbers of openings internally, and (commonly) see employees staying with them for 20+ years.

Climbing the Ladder

Market Basket doesn't have self-checkouts, a voicemail system, or discount cards, but it doesn't need to. Its cashiers scan 30 barcodes a minute, its phone operators answer calls on the first ring, and its loyalty program is low prices. Market Basket has a solution better than technology: highly experienced people who've developed business acumen. Full-timers at Market Basket almost all start out as part-timers who have to climb the ladder to full-time work, but those who do tend to stay with the company. Store directors have worked for the company for an average of 34 years. The highly experienced





employees provide customers with better, faster service, and most low-performing employees leave the company voluntarily. “There isn’t anybody who hasn’t worked their way up,” said one employee.

BENEFITS

All-You-Can-Fit Special on Programs

In addition to offering paid leave, health coverage, and four-year scholarships for all employees, Wegmans provides more perks than most people could be expected to remember. Programs range from wellness initiatives such as health screenings and nutritional consultations to financial programs such as mobile phone services and gym membership discounts. The company goes all out on the little things too, such as free hot chocolate for employees during winter and free birthday cakes. “That’s one thing everyone knows about Wegmans,” said one customer, “they’re very good to their people.”

The Ultimate Loyalty Club

Although Market Basket has cooked up a winning combination of employee benefits for decades, former managers nearly ruined the recipe when they tried to remove its key ingredient in 2014. The profit-sharing plan, which is available to Market Basket’s part-time and

full-time staffers, attracts top-quality talent to the grocer and is a vital benefit for many employees. When infighting removed the company’s beloved CEO and threatened to discontinue the profit-sharing plan, employees and customers boycotted Market Basket until the CEO was reinstated and the profit-sharing plan secured. Within weeks of the CEO’s return, employees received \$49 million in bonuses and customers returned to shop at their favorite grocery store.

COORDINATION

Working for a Common Goal

When employees are aligned with the CEO’s agenda, no ambition is too great, even if it’s being the best grocery store ever. Wegmans facilitates executive alignment through open-door days, huddles, focus groups, and a two-way Q&A blog with its senior vice president of operations. Management makes policies after listening to its people closest to customers, and by seeing the big picture and their responsibilities within it, employees do what it takes to assist customers without senior approval. The grocer’s website wraps the process up perfectly: “We believe that good people, working toward a common goal, can accomplish anything they set out to do.”



Every Employee an Owner

At Market Basket, family-owned and operated also reflects how employees treat each other like family and operate with a sense of ownership. Many of Market Basket's 25,000 employees have spent their entire careers working for the grocer, helping to build up the company over decades. They take pride in their work and go above and beyond to treat customers and co-workers with every courtesy. Employees at Market Basket follow the 10-foot rule (they try to contact any customer within 10 feet of themselves), and they meet daily to discuss customer service wins. As one employee put it, the tight-knit work

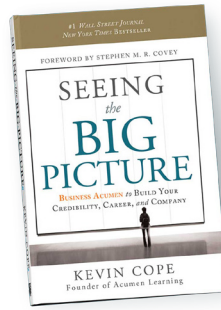
family will "do whatever it takes" and "save the company money in every way [it] can" to keep the company successful.

CONCLUSION

Sometimes you have to look back to move forward. Wegmans and Market Basket may have both started in the 1910s, but they look like the grocery store of the future: capable and autonomous employees, extraordinary employee benefits, and coordination throughout their organizations. With people as their secret sauce, they may well be delighting employees and customers for another 100 years.

At its heart, *business acumen* means knowing how your company makes money and making better decisions around the money-making process. As a business leader, you are in a unique position to bridge the gap between functions. You can grow the business in a way nobody else can.

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