

J.C. WILLIAMS GROUP**Managing Uncertainty and the “New Normal”**

There is no “new normal.” Nothing is normal today – not when Wal-Mart is selling its basic jeans at \$15.00, and virtually the same product is sold at trendy boutiques for over \$200. Or when a supplier asks a store to commit six months in advance and Zara can go from an idea to in-store delivery in three weeks. Or when routine call centre or accounting jobs that are hard to fill can be outsourced to India for one-quarter of the wage cost. And these affect every retailer. So how do you cope?

The first step, no matter the size of your company, is to be aware of this. A great starting point is to read *The World Is Flat* by Thomas L. Friedman. His message is clear: there is no “new normal” in a truly global economy. Next, commit yourself to exploring what uncertainty means to your business and the people or companies with whom you do business. Learn how they are affected and what this will mean to you.

Because the “going global” phenomenon is impacting everyone, there are a lot of companies making their living by supporting businesses that are not large enough to do it on their own. A whole new group of global experts are establishing themselves as better and for cheaper sources of capital, cooperative buying groups, quick turnaround supply, scientific logistics, special products design services, low-cost back office services, etc. These are for the small-, medium-, and large-sized stores. The risk around this uncertainty is not in embracing change, but in delaying dealing with it.

Going global also means being prepared to step out beyond Canada’s boundaries. Of course, the obvious place for expansion is the U.S. Or is it? Several Canadian chains are building a global presence by licensing or franchising their brand to local operations in the Gulf States, India, and even Europe. There they have found a less competitive market for their “global” brand.

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The basics to managing uncertainty are the same as they always were. Guidelines that come to mind include the following:

- The corporate culture must cherish being nimble, which implies training decentralization and delegation.
- Avoid having large amounts of capital in fixed assets that may become obsolete.
- Create a corporate mindset that rewards innovation, curiosity, and moving beyond doing things the same way.
- Continually test many new ideas and taking small risks that can lead to success, but that will not hurt the company if they fail.
- Build a speed-to-market operating model.
- Outsourcing non-core functions or activities that specialists can do better.
- Look for ideas outside your industry segment as you will not find anything new from your direct competition.

Managing change has always been the retailers' game. Now is the time to embrace it and join in on global opportunities. It is time to create uncertainty for your competition.