

Kmart: performance management tactics

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Kmart- Performance Management Tactics More than one hundred years ago, Sebastian Spering Kresge opened a modest five-and-dime store in downtown Detroit and changed the entire landscape of retailing. The store that Kresge built has evolved into an empire of more than 1, 500 stores and an Internet presence that reaches millions of customers. Overall, Kmart's workforce is highly diverse. Kmart's total associate population, including store managers, reflects the communities it serves.

Almost 32 percent of its workforce represents multicultural minorities. ("Kmart Corporation" 2008, Funding Universe) Nation's second largest retailer made an effort in the past few years to execute headquarters' strategy at the store level, at least in housewares, Kmart can report some success stories. Accurate category management can "even the playing field and eliminate the gulf of mistrust that sometimes exists between vendor/broker and retailer," said Ron Gellish, director of strategic market planning for Kmart. Discount Store News, May 1995) Performance Management Tactics; first step is to review the category, make sure both the retailer and vendor agree on a source for data and that both understand terminology and methodology. A. - Agree on the goal of the project, be it volume increase or profit gain. B. - Assess the category's unit and dollar volume growth rates over the past two years, both by retail trade channel and on a national basis. C. - Determine the market shares for brands in the category and identify any areas ripe for cannibalization. Specifically, Gellish recommended that partners aggregate UPCs by vendor to gauge impact. For instance, the top brand could be from a small vendor, while the next four brands could be

from a megacorporation. D. - Be aware of which products are trending up and which are slowing down. " Maintain objectivity.

Be ready to pull your items if the data suggests they are performing poorly-- don't just try to delist your competition," Gellish. (Discount Store News, May 1995) Products must first earn approval from Kmart's Quality Assurance and Technical Design Laboratory, and vendors that want to be thought of favorably by Kmart should participate in the retailer's " Partners for Quality" and/or " Partners in Merchandise Flow" programs. (Discount Store News, May 1995)