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RETAILING TONY GATTARI

Butchering the quality

THE GOOD OL' DAYS! Don't we all wish we could go back to a time when things were so simple? We had so much time, Sundays were spent with the family down at the beach instead of in a shopping centre looking for a car spot. Remember when we used to go down to the corner shop and order ourselves a hamburger with the works and a huge serving of chips?

This was also a time when the local butcher shop was an integral part of the community, with some of the butchers out the front of their stores loudly spruiking the daily specials to the crowd of shoppers.

A friend of mine's grandfather was very successful in running butcher shops, and is still talked about by butchers around the country today. He was revolutionary in some of his practices, but was extremely well-known for his hard-headed determination in supplying the best quality meat to his customers.

This reputation is supported by stories of him turning around delivery trucks that had driven for over a couple of thousand kilometres, because the meat was not up to scratch. He was not the cheapest. The quality of the meat was also well-presented due to the grandfather's paying butchers the highest wages in the industry, which meant an endless supply of quality butchers queuing up to work there, regardless of how strict he was.

In the early 1990s this grandfather decided to sell the butcher shop. He had been butchering since he was 15 years old and felt that the time was right to retire. Also he noticed that the industry was under attack from the supermarkets that were now starting to sell meat. The convenience of buying your meat in the

same destination as your fruit, vegetables and groceries was going to be too appealing to the consumer. He also had had a good and prosperous business life, and was not up to fighting in the later parts of his years.

The new owners changed the way that the shop was run. They lowered the price and so as to maintain margins, lowered the quality of the meat. The butchers were paid at normal award rates, so the quality and the standard of the cuts of meat started to fall behind the previous owner's standards. Also the grandfather used to make his own small goods which were a hit with the customers. The new owners saw making small goods as a labour intensive exercise, so they purchased their small goods from large wholesalers.

The result? Well the grandfather shop was turning over \$40,000 a week (big money for a shop in today's money let alone the eighties) whilst the new shop was doing around \$8000 a week.

Developing a leader strategy

Are the big guys destroying your industry? Have you got a player in the market who is producing a similar type of product and service to you, but is leaving you for dead? This is because you have not clearly defined what you business is to the market. A lot of experts and commentators will describe this as the branding or the image of the business.

Fluffy words that mean really nothing at the end of the day, as your branding is only relevant if the product and service that you supply can be clearly defined to the market. In the example of Shaun's grandfather's butcher shop, he clearly defines the business as being the best quality of meat all the time and not

compromising on this – this business is defined in a category as a 'premium butchery'.

Defining the category that your business is in is the first step in setting defensive barriers to competition. If you open a hairdressing salon in a shopping centre with six other hairdressers, what will make customers leave their existing hairdresser to come to you. Don't they all cut hair?

You can survive in a crowded market space or against much larger competitors if you differentiate yourself into a highly defined category. This is generally referred to as a niche strategy, however I don't believe that there is such things as a niche strategy, as I see this as a leader strategy.

That is the ability to define yourself in a narrow market whereby a group of consumers will be attracted to you as they relate your business with the category of product or service that you supply. If you are 'a premium butchery', and support this by having the best meat, butchers, small goods and cuts and deliver this on a consistent basis, the word of mouth advertising will spread like wildfire. ●

■ The author, Tony Gattari was the General Manager of the computers and communications division of Harvey Norman and oversaw the growth of this business from \$12 million to \$565 million in nine years. He is now founder and Chief Energy Officer of Achievers group. He is a much-in-demand passionate professional speaker, business educator, author and corporate, business advisor. He has worked with over 110 businesses around the world.

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