

# Reinvigorating Retail

BIG W is building on its history as a much-loved retail brand by introducing a fresh vision and a new strategy to its 184 stores across Australia.

Images by Scott Ehler

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- Alistair McGeorge

With 20 years of senior management experience in the UK retail industry, Alistair McGeorge is well equipped to lead Australian icon BIG W forward as its managing director. He was appointed to the role mid last year and has since been working to develop a clear vision and strategy to reinvigorate the brand. His plan is to take the heritage of what BIG W has always done well—having the best range, brands, and value for money—and then adding to that by providing a great service to customers, an exciting shopping experience, and a greater degree of innovation.

“Obviously, I wouldn’t have come all this way if I didn’t think there was a great opportunity,” Alistair says. “I looked at the whole of Australian retailing, not just at BIG W, and to be very frank I think there’s a lot of opportunity here.

Australia is well behind the rest of the world, particularly in terms of presentation and service. I thought that BIG W had the makings of a great business, but quite clearly needed to start to develop its point of difference to make sure that it resonated with customers.

“When I went out and talked to customers, they would always speak very favourably about the brand. I discovered that no-one had actually fallen out with BIG W, but clearly we still had to find bigger and better ways of enticing customers into the store. I want to give them more reasons to come in and shop at BIG W because it really is a great place to be.”

Alistair started his career in finance and worked in the accountancy profession for 12 years. He then joined British retail and football betting company Littlewoods, which he led as CEO after working his way up the corporate ladder for

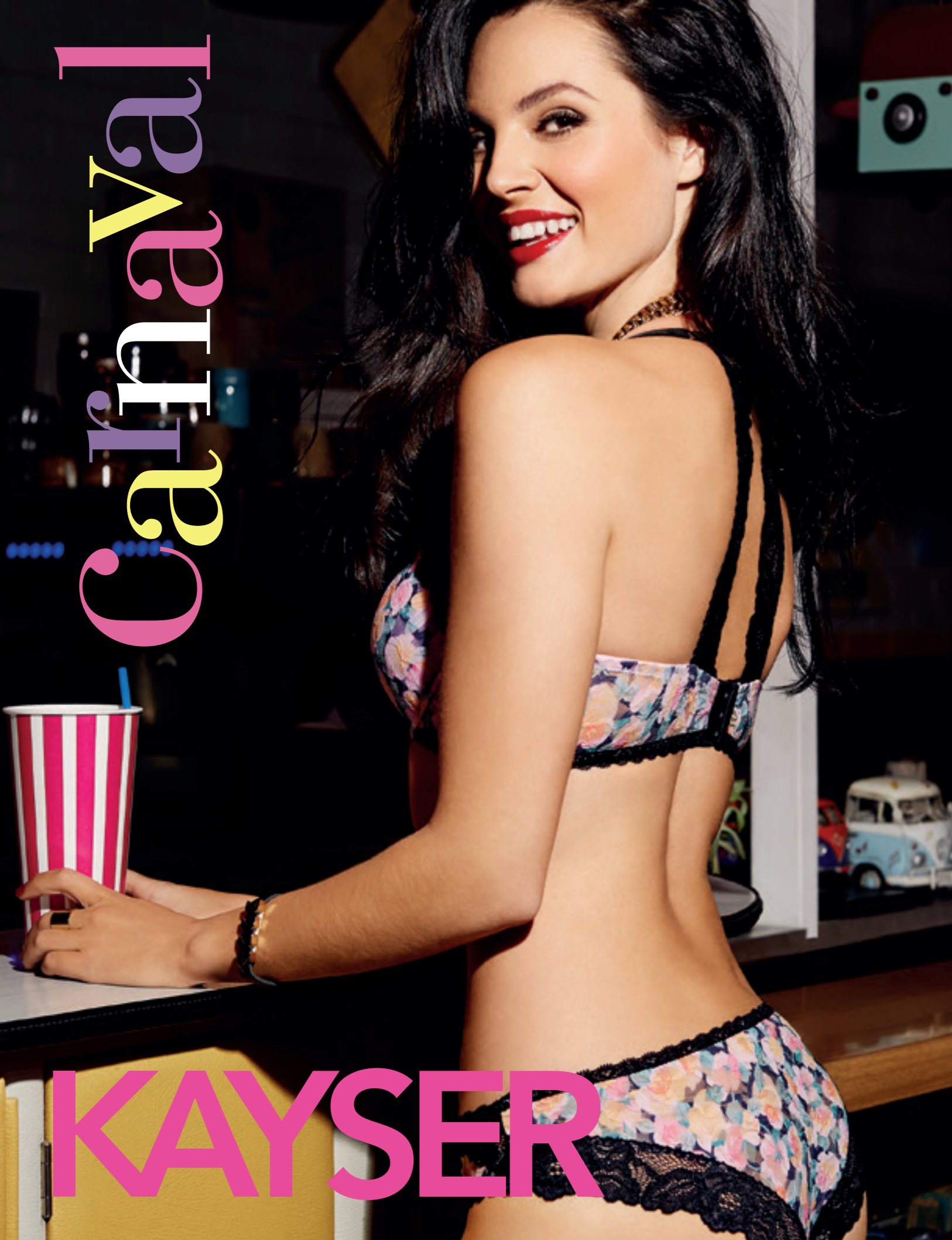
six or so years. After the company was sold, he worked for the new owners for three more years and decided it was time for a change. An opportunity came up to be CEO at the value retailer Matalan. For the next four years, he was instrumental in helping to turn that business around, and this led to his next appointment as the CEO of fashion chain New Look, where he also made changes for its betterment. This extensive experience made him the ideal candidate to lead BIG W.

The first thing Alistair did was highlight four core pillars of focus—people, cash, trading capability, and ‘test and learn’. “All businesses are about people,” he says. “If you don’t have great people, then you won’t have a great business, so we’ve made some changes. We have improved our capability and strength both in terms of the commercial side of the business and instore operations. >



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“The most important thing is that we’ve managed to bring people in from within Australia as well as people from around the world who have great experience in how things are done differently in other businesses. We spend time creating a great workplace environment and trying to develop the culture. We want to give our staff reasons behind why they are doing things, because at the end of the day that is just as important as knowing what to do. The business now stands in a much better position from a people viewpoint, and we have a very rewarding and happy environment where things get done.

“We’ve also invested into our top 70 people a lot of time, money, and effort in leadership. That’s something that’s absolutely key to my mantra—developing good leaders and investing in people, particularly in the area of visual merchandising. We’re starting to invest in our people instore, and we’ve got programs for the development of leadership because that’s really important. We’ve got 184 stores, and therefore we need 184 great leaders leading those stores.”

The second pillar is cash, and Alistair has made some headcount reductions with improvements to process and productivity. On top of that, he is introducing more cost-effective systems to stores. “We need to try new things and find bigger and better ways of doing what we’ve been doing” he says. “The single biggest issue that we had was that we were trying to transition the business from being a hard-goods retailer to a soft-goods retailer, and we had an enormous amount of what I call unproductive stock—stock that wasn’t moving and that was holding us back.

*“Big W have a clear strategic intent on who they want to work with. They have a collaborative approach to building strong business relationships and an appreciation of brand building that sets them apart from other retailers.” - Simon de Winter, Managing Director, Simon de Winter Group*

“There has been a provision made against that stock, and since January we’ve been getting through that stock and reducing our holdings. We’ve made a very good start, and it’s absolutely key to freeing up our stock position so that we can set about investing in new ranges.

“We’re starting to learn to live with less stock and be more efficient. What that does is it actually frees up a lot of hours that previously would have been

spent in the back of house. We can now invest our employees into front of house in terms of either providing some level of customer service or providing better visual merchandising. We’re helping our people to interact with our customers.”

Alistair says that BIG W has invested a significant amount of time and effort into its trading capabilities, in particular merchandise analytics. This means that when new ranges are >





introduced, the business will have a better balance and it will improve the way it replenishes sales as well as space. "I think that this puts the business in a much better position," he notes. "We've introduced some new merchandise systems. We've had a few initial teething problems, which is normal, but eventually these systems will help us with better planning and stock-level monitoring. We've made some improvements—for example, we've reduced our delivery time in Western Australia from seven to four days, and the future focus will really be on how we can reduce our product lead times."

Finally, 'test and learn' is the last pillar. According to Alistair, this is very much focused on the supply chain. "It's something that I've always introduced in any business. We're testing new back-of-house processes to find better ways to flow stock in and use our staff time more efficiently."

"BIC W has introduced a new category—the Party Store. We've done that very well, and we're now rolling that out. We have about 65 in operation already, and we'll have a chance to roll out another 100 next year. I was particularly pleased that we were able to take the party shops from concept to reality in two to three months. It has shown people that we can do things quickly if we want to."

"I'm delighted to say that we've also redone our online platform. We've historically had a lot of issues with our online presence, so in May we relaunched our new platform. We're starting to build the level of stock that our customers can buy remotely, and more importantly our customers can once again start to search for product, which many like to do before they buy. So we've got far greater capability and we're starting to use it in the best way for the business."

Alistair believes a strong online platform is crucial in today's society because customers demand it. In addition, he wants to make

sure that online isn't a separate business but a complementary platform to the instore experience.

"It's a multichannel experience for our customers. We know that customers who shop in more than one channel can and will spend a lot more than a customer who shops in either channel individually. Also, a lot of customers research product before they go to buy it, and the confidence of knowing it's in the store and knowing it's in stock is a great thing."

BIC W has also introduced an option called Simply Collect, where consumers can purchase a product online and then pick it up from their local store at a time that is most convenient for them. The network is being developed in conjunction with other Woolworths Group businesses, such as Woolworths supermarkets, and will result in a greater number of collection outlets than any of its other competitors. "It really can provide our customers with an unrivalled experience because, for >



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many, actually going and picking it up in our local store can be more convenient than having it delivered to home,” Alistair says.

While BIG W has already made significant progress with its new vision and strategy, Alistair notes that there is still a lot to do. “I’m never happy. We’ve done some positive things, and it will take some time before we receive the fruits of our labour, but we’re very confident that we’ve got a clear vision of how to transition this business to be the number one choice for Australian families. We’re clear about what we need to do, but we don’t underestimate the size of the challenge.”

Alistair believes the retail space should be exciting, not dull. To achieve this, visual merchandising skills are important, and staff are educated on what to do so that they can be proud of the stores they work in. BIG W has identified nine key destination departments that will play a role in helping the

business to maintain its reputation as always having the best national brands at the lowest prices. The company will continue to build on that and get more brands in than anyone would ever expect in a discount department store.

“We want to give a better customer experience,” Alistair explains. “All the testing that we’re doing with regard to visual merchandising and new formats is making it far easier for our customers to shop, far easier for them to see the product being presented, and far easier for them to recognise the great value that’s in our stores.”

Innovation is also integral to BIG W’s operations. When Alistair first came to BIG W, he noticed Australian stores didn’t do ‘eventing’ very well, and therefore he has set about changing that for the better. From September this year, BIG W will have dedicated instore spaces to bring events such as Halloween and Christmas alive. He says there are

many ideas circulating about how to make the shopping experience far more interesting and exciting for customers.

The key thing underpinning everything that BIG W is currently doing is its longstanding promise to be a retailer that provides unbeatable value for money. It wants to offer a huge range of choice within each product category and at each price point. “If customers want to come in at the entry level, then they have an appropriate level of choice,” Alistair says. “If they want to buy something slightly better, then again we’ll give them an appropriate level of choice. If they want to treat themselves and buy something that’s branded or maybe at the best end, then, again, we’ll provide them with an appropriate level of choice.

“Our guarantee is that whatever the price is at that level, we’ll make it as good a price as you can get anywhere. Historically, the business



has always been known for having the broadest range of choice, so we’re not going to lose that; we’re going to build on that.”

To achieve all of its forthcoming goals, BIG W will work closely with its supplier base. Earlier this year, it hosted a conference to share its vision for the future and make sure there is clarity around how it will achieve success. “The goodwill and level of intent has been absolutely stunning and fantastic,” Alistair recalls. “I have a simple view that in many cases we’re important to our suppliers, they’re clearly important to us, and we work together in the spirit of partnership. That’s our intent with our key suppliers: to work with them, not against them.

“It’s been a great delight to see the spirit there because if you don’t have spirit in the first place, you can’t do it. The reaction that we had from the conference was great. We shared with them a lot about what we’re doing and trying to do, and we shared with them a lot about new ideas. It was really a very exciting place to be.”

The discount department stores sector is remarkably resilient, but to be successful you need to have a point of difference. BIG W is developing its competitive edge to be around choice, price, and

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experience. “The overall key message at the end of the day is that we’re clearly setting out to be the preferred supplier for Australian families,” Alistair says. “We have an understanding about what’s going on, and most importantly we now have an absolute clear vision for BIG W. We know how we can transition to better meet the needs of our customers and how we can win again. Overall, it’s about delivering unbeatable value for money to our customers.

“I think as we continue to develop this new strategy and introduce it, people will really start to realise what fantastic value for money BIG W is offering its customers and what a great place it is to shop. We have now launched our vision for the future with absolute clarity and we know exactly what we need to do to be successful. We are building on what I think has been the heritage of BIG W, and we are aiming to be the chosen alternative for Australian families in general merchandising.”



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