

INVESTOR IN PEOPLE CASE STUDY: HAVILLS



“Investors in People has effectively kept me in business after a difficult period. It’s made me more disciplined in the way I manage people. Everything is more structured now – from training and development to good communication and the way we motivate staff and recognise them for their efforts. The whole process has made us much more equipped for the challenges that lie ahead.”

Martin Havill, proprietor

Background

Size: Six people

Sector: Retail

Locations: Alphington (Exeter) and Topsham

Status: Achieved Investors in People, June 2003. Successful review, July 2006



INVESTOR IN PEOPLE

The organisation

Havills supplies the full range of high value electrical goods – from freezers to washing machines, televisions, hi-fi equipment and radios.

Founded in 1959, at its current premises in Alphington, near Exeter city centre, by Martin’s late father Peter Havill, the firm expanded into a second shop in Topsham in 1994 and opened a third store in the St Thomas area of Exeter. Havills also built a considerable rental business, with the number of rental items expanding almost threefold between 1989 and 2003.

The growth has stalled in recent years, although Havills continues to trade successfully.

“I decided to close the St Thomas store in March 2006,” Martin says. “I believe we opened too much of a ‘top end’ shop in a ‘down market’ area. We were also unlucky enough to hit a couple of years where sales of TVs dipped hugely because of the changing formats – and competition from supermarkets and internet also kicked in during that period. People held off from buying TVs until the formats and the prices settled down – and there’s certainly more confidence now.”

The challenge

From the initial challenges of building a sales team with the experience and product knowledge to attract a strong and loyal base of customers, Havills, as a traditional High Street retailer, is fighting to succeed in a changing market place.

Price competition from supermarkets and the internet grows more intense by the day, while the dramatic fall in prices of televisions has led to a 34% decrease in the number of items being rented.

“The multiples like Curry’s and Comet have never been a problem,” Martin says.

“But the supermarket chains have the buying power to damage us. They’ll take a batch of product then ‘pile it high’ and sell it off and then move on to other lines. And of course, they’re not offering any advice to the customer. They’re very much ‘shopping trolley’ shops, with no help for setting up the equipment or any support for when it breaks down.

“For stores like ours, it’s a question of survival now – and how we work to retain the business that we already have.”

The strategy

Having committed to Investors in People in August 2001, Martin introduced training programmes in new products to raise the confidence of shop staff and to help them ‘close’ sales more effectively. Havills worked hard to improve communications between its stores, with staff and managers gaining a better understanding of the firm’s goals and targets.

The firm also introduced systems of induction for all new staff and encouraged managers into supervisory training.

With the closure of the St Thomas store and increasing competition from the supermarkets and the web, Havills responded by adjusting its product lines towards a greater emphasis on large items such as washing machines and cookers, away from ‘low value’ gadgetry such as MP3 players.

Supported by an Investors in People adviser, Havills began to seek fresh markets and placed an even greater focus on training and customer service.

Martin says: “As part of the induction, everyone has the company manual, which sets out standards for the conduct of our business. We encourage people to sit down and read it once or twice. Then I’ll take them through each segment, according to their age and experience. Then it’s general on site training and familiarisation with all aspects of the business.

“Everyone is included in our weekly training session, which covers every product group. We include a ‘Mastermind’ quiz that is designed to test people through a product category. It’s working well because no one wants to show themselves up.”

In recognising staff for their efforts, Havills recently awarded an extra day’s paid leave as a ‘thankyou’ for working 75 days overtime, without a single day’s sick leave. The firm also threw a celebration to mark a staff member’s 25 years of service. Other achievements receive coverage in the Havills newsletter, ‘Communicate’.

The results

“I’m pleased to say we’ve recovered very nicely from the closure of the St Thomas store,” Martin says. “We’ve largely been unaffected. Yes, turnover has gone down – but not to the extent that you’d expect from the closure of a single shop – so we’ve obviously retained customers.”

Havills has also begun to diversify into the supply of kitchen appliances for letting agents and for organisations such as the National Trust.

The firm has also gained the confidence to tender for a three-year contract with Devon County Council.

“We’re looking to diversify towards other groups as well, such as organisations for disabled people. Investors in People, with its focus on training and customer care, is very much a part of our working life,” Martin says.

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