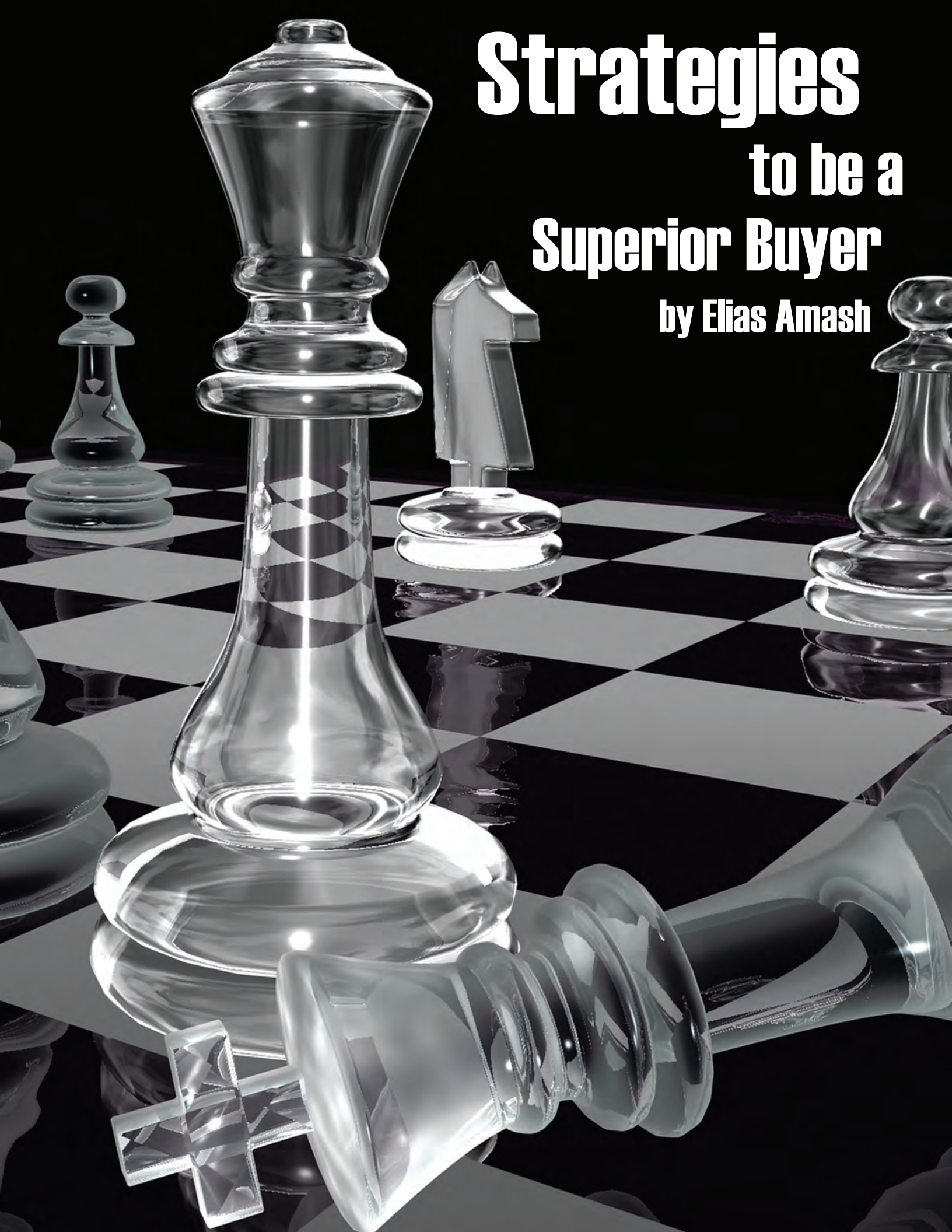


Strategies **to be a** **Superior Buyer**

by Elias Amash



Positioning Yourself for Business & Personal Success



A buyer is a key position at any retail company because buyers determine - among other things - what products are purchased, where they're purchased from, and how much will be paid for them. Buyers who perform these functions in support of a profitable company are the ones that pull ahead and succeed. A buyer can make or break a company with their purchasing decisions.

But what does it take to be a superior buyer? An average buyer works with suppliers in a very basic transactional manner: they take inventory, place orders, receive orders, stock the shelves, and repeat. A superior buyer understands the complete supply chain and how each vendor relationship impacts a company's profitability. To be a superior buyer requires industry smarts, hard work, and an effective system to select the best industry connections. The buyer also understands the critical balance between the vendors they select and the profitability of their company. This paper offers some insights on the process of growing as a person and a professional buyer, based on key principles that can be applied to any endeavor in life.

They include:

- Self-Assessment
- Vision
- Leadership
- Resilience
- Foresight
- Inventory Management
- Well-Being
- Organization

Self-Assessment: The Baseline Skills of Successful Buyers

Every successful person goes through a continual process of self-assessment, an honest evaluation of what they do well and what aspects of themselves they need to work on. A good reflection of one's strengths and weaknesses shows up in professional relationships. People buy from people, not from companies. As such, the best buyers really know how to get along with people. They know when to be assertive and when to

turn on the charm. An *excellent* buyer builds quality relationships and leverages those skills for negotiations with vendors (to get the best products, prices and terms). They also build quality relationships in order to deal with the sales and marketing people (to acquire the sales support materials needed to market their lines).

The most effective buyers also have excellent analytical skills (used to perform such duties as sales forecasting, consumer buying analysis or trend predictions) and excellent communications skills (used to build relationships, interact with others and build necessary vendor networks). When a buyer combines their interpersonal skills with the research and analytic capabilities of their job, it makes a winning combination. These skill sets can be developed over time and refined with focus and dedication. Mastery of these skills separates the novice from the pro and can be keys to a stellar career.

Vision: Recognizing Trends BEFORE They Occur



A savvy retail buyer will structure their buying process to anticipate the expectations of an increasingly informed and discerning customer base. Top-notch buyers must be able to recognize trends *before* they occur. Forecasting is a unique skill set, honed over many years of experience. A skilled buyer must be aware of

competitive products and changing supply trends. In addition, they should also rely on their distributors to recommend new and innovative products. Capitalizing on trends such as “Buy American” or “Locally Owned” add distinction to the retail space. Spotting the right trend in a timely fashion is a great way to make a strong brand statement and for the buyer to put their own stamp of distinction in the retail space. Recognizing changes as they are happening and having the ability to adapt is essential for competing in a global market.

Leadership: Learning from Other's Success

“Success is peace of mind which is a direct result of self-satisfaction in knowing you made the effort to become the best you are capable of becoming.”

- John Wooden, former UCLA men's basketball coach and 10-time NCAA champion coach

Leadership is a trait that must be developed by people seeking to be superior buyers. Leadership skills can be developed by learning from people who have already attained success, even if that means looking outside an industry.

John Wooden is a prime example. Wooden is considered by many to be the greatest basketball coach ever. He spent his career studying his players and the game, and summarized his success principles in something he titled the “Pyramid of Success.”



The Pyramid of Success

The life principles Coach Wooden preached made a huge impact in the lives of everyone he encountered. Take a look at the points and you will see that they weren't limited to basketball ideals. Over his career, Wooden taught these principles to thousands of business people around the world as well.

Why should you spend time with the Pyramid - because it's a roadmap to leadership - one that can help you not to be just an exceptional buyer, but also to live an extraordinary life.

Resilience: Separating Good Buyers From Superior Buyers



Retail buyers need to be flexible and mentally tough to manage the constant barrage of information, options and opinions that come with the territory. The rapid pace of change in the retail industry presents opportunities for those who can bounce back from the ups and downs of day-to-day work. This trait can be summed up in one word: resilience.

Many people mistakenly believe that resilience is an instinct, but in fact it is a learned behavior. As a key concept in the idea of developing a winning attitude, resilience can be honed through a disciplined approach in monitoring how one *reacts* to anything that comes their way. All things

being equal, resilience is on the top of the list of traits that make for a successful career, as a retail buyer or any other walk of life. A well-known secret is that resilience is an ordinary trait, not an extraordinary one, but developing it can make you an extraordinary buyer.

Foresight: Think Beyond Cost Savings

There's more to purchasing than simply focusing on sourcing products at the lowest possible prices. While competitive pricing is important, experienced executives know that value is added when a buyer focuses on other areas that relate to the way a company interacts with and relates with its suppliers. When buyers work with vendors to improve the products they sell and reduce risks by conducting market research, opportunities to innovate become apparent. Not only are vendor/buyer relationships improved but also the ultimate buying experience is enhanced. Success can now be measured on many different levels, each of which bolsters the overall performance of the business.

By thinking beyond merely "acquiring products" and focusing on their company's competitiveness and flexibility, the buyer becomes an invaluable, indispensable part of the success of the whole team.

Get Strategic

When a buyer is just starting out, it's only natural that they will frequently focus on the transactions at hand - the buying, selling, pricing and other administrative aspects of buying. As a buyer matures, they'll begin to think about how the products they buy

contribute to the competitiveness of the company they work for. They'll take advantage of every opportunity they can to improve the buying process, build relationships, gain a competitive edge, better understand the target market and ultimately deliver profits and cost savings.

Evaluate Suppliers

A crucial aspect of buying includes the responsibility of researching and locating the manufacturers to supply the necessary goods their company needs to operate and be profitable. To do this, a buyer needs to develop and maintain excellent working relationships with the manufacturers by communicating and handling issues such as product return levels and delays in orders. Buyers must also be aware of other suppliers that might be able to expand production rates or take over, in the case where there are issues with existing suppliers. Buyers also must keep an eye out on an ongoing basis, for vendors with lower costs. There are other areas upon which vendors can



and should be evaluated, but one of the most important of these is asking how the vendor is able to fulfill the target market's needs and desires. Yes it may be less expensive to buy products overseas, unless "buying American" is a hard and fast requirement that the end consumer insists on. If that's the case, the buyer must be able to weigh out and prognosticate if they can sell more "American made" products, even if they cost more.

Some traits of vendors that are highly desirable in the current market:

- USA Ownership
- They have a responsive sales and customer service staff
- They offer new and innovative products
- They have experience and a solid track record
- They deliver quality product inventory and favorable credit terms

Inventory Management: Betting on Success

When we refer of the health of a retail business, it's about three main factors: cash, inventory and customers. Retailers project sales for the coming year, based on those three factors and the buyer gambles on how they think business will grow. It's a gamble based on external factors such as current and future customer demand, the health of the overall economy and the features of the supply chain. It's a lot to stay on top of and the retail buyer is ultimately the one who places the cards on the table. The buyer has to wager on how the purchases will affect their internal economy as well, namely the warehousing, floor space and marketing capacity. When spending cash to buy inventory, the buyer wagers that sales projections are accurate. The bet involves the money spent to make or buy the goods vs. the opportunity costs of what that cash could have generated had it not been tied up in inventory.

Not Enough Inventory . . . Or Too Much?



Superior buyers understand that there is an art and a science behind stocking the correct amount of inventory. Part of the formula lies in paying close attention to what shoppers are looking for and understanding how to source the product in a timely fashion. Getting to the root cause of purchasing problems may involve keeping a close eye on customers' buying habits as well as performing a complex analysis of other

issues that may arise. The source of problems could stem from management or business planning or they could lie in the supply chain relationships. Ultimately it is up to the buyer to implement a sophisticated and effective purchasing process.

The same process of self-assessment for a superior buyer can be applied to the stocking process. A better buyer is constantly working to find ways to make his inventory productive, to always play the best hand. The worst possible scenario for a retailer would be when the buyer doesn't buy enough inventory. As a result, they might run out of inventory and risk losing business. To be out of stock can cost thousands of dollars in lost sales and other unquantifiable costs. Retailers might not only lose the sale, but could lose their customers forever. Today's business climate has caused retailers to be in the "now" business. They need to have merchandise *now* or risk losing customers to competitors – whether brick-and-mortar or online. There is no "next time" with impatient consumers. For a retailer, having too little inventory can cut down on the already narrow window of

capturing a customer's attention. Retaining customers is easier than attracting a new one and not having what they want can be unforgivable.

Although this has a cost, carrying some safety stock is important for many businesses to protect profits as well as their reputations. Not being able to satisfy customers can also impact the workforce with “flow on effects”, the continued ramifications of dealing with dissatisfaction and criticism. If sales impact the team's income, then improper buying decisions will leave them without products to sell or a way to make money.

When buyers over-purchase a product, they potentially tie up cash flow and space in the warehouse and neither scenario is ideal. Buyers need to avoid the pitfall of over-exuberance and over anticipation. Handling and storage costs, depreciation and shrinkage can easily eat into profits.

Exceptional buyers understand the importance of being responsive. They know that having too much inventory on hand can lead to issues of illiquidity, markdowns and obsolescence. The conundrum of inventory is that it's not the same as cash – it's less liquid and having idle materials or finished goods can severely impact cash flow.

Liquidity can also be affected by markdowns. Many businesses plan for markdowns at times throughout the year. Markdowns are considered a standard part of business when it's time to move excess inventory, especially after the holiday season. However when markdowns result from products sitting idle for unexpected reasons, or when they become an ongoing issue, they can gut profits and send a ripple throughout the entire the buying process.

The true “dead end” for buyers is when inventory becomes obsolete. This is a particular risk in an era of just-in-time inventory. The technology and electronics sectors are particularly susceptible to obsolescence. Changes in market trends or even bad press reports can turn a reasonable supply of a product into dead weight on a business. Obsolescence can be an anchor that keeps a well-planned business from success.

All of these issues of inventory management can have a huge impact on retailers. The superior buyers understand how to weigh their options and hone their instincts. They are real gamblers, and the ones who play the right hand win big.

Well-Being for Superior Performance

1. Learn how to take care of yourself

Many well-intentioned buying professionals lose sight of their own well being in the quest of being good at their trade. Being healthy in mind, body and spirit is an ongoing quest and takes patience, self-understanding and discipline. Make sure that while you work hard, you also schedule for downtime and rest. You'll be a better buyer for it.

2. Always Move Towards Your Goals

Develop some realistic goals (as well as a couple of impossible ones). Do something regularly — even if it seems like a small accomplishment — that enables you to move

toward your goals. Let others know about the goal and track your progress in the open, so others can aid you in your quest.

3. Be Decisive

Learn the parameters of your role and then create a system wherein you can make decisions and guide your own destiny. Ask your superiors for more responsibility and deliver more accountability. When you make a decision, stick by it. When you make a mistake, admit it and fix it. Be generous with your praise of those around you.

4. Develop connections you can count on.

No one gets the job done alone, especially in the retail world. A buyer's success is dependent on many factors beyond their immediate control. Understanding the people whose decisions impact your job is important. Develop those connections into reliable contacts and learn how you can be of support to them as well. Some people find that being active outside the job in civic groups, faith-based organizations or other local groups provides social support - and can be a welcome source for inspiration on the job.

5. Keep your focus on the things that matter.

Maintaining a healthy perspective is a key to resilience. Understand that your life is more than your work, but that success on the job can make the rest of your life even more fulfilling. Make sure that the people in your personal life understand what you do for work so they can support you as well. Keep these steps in mind as you develop your own personal strategy for fostering resilience, a trait of every exceptional buyer.

Organization: The Platform for Success



The retail industry is a fast moving, constantly changing one - and it takes a special type of employee to excel in the position of “buyer”. The best retail buyers have to be well organized in order to stay on top of that dynamic business and also need to be well equipped to deal with the many issues that will arise. Multi-tasking and problem solving are traits that are often found in successful buyers.

Ways to get and stay organized:

1. Get a calendar and maintain it, always

Select a calendar that works for you - whether it's a smart-phone calendar app or an old-fashioned Day-Timer, pick what best supports your management style and stick to it. Start each day by reviewing your calendar and craft your daily list around the schedule you find there.

2. Set your priorities at the start of each day

After you review your calendar and review your goals, move on to spending the next 20 minutes of your day setting your priorities. Don't try to interact with the world during this time - wait to go through your emails, delay answering your phone calls or reviewing your voicemail for at least 20 minutes; use this time to determine what your top 3 or 4 priorities are for the day and then integrate those into your daily list.

3. Prioritize your priorities

Once you've selected your top 3 or 4 priorities, order those items in order of most to least important. Don't prioritize the easiest tasks first - just dive right into whatever items are the most crucial and get those done first. You'll be glad you did because you'll reduce your stress levels and improve your daily accomplishments.

4. Tie up loose ends at the end of each day

Take some time at the end of each day to tie up a few loose ends - review your remaining work, assign projects to your employees, answer emails from earlier in the day and respond to your voicemail so you can start your next day with as clean a slate as possible.

5. Be ahead of the curve on line reviews

Don't wait for a line review. Be constantly aware of trends. Don't wait for a line review to do your homework. Don't miss opportunity because you are too "rigid" with your schedule.

Conclusion

Considering the wide range of issues encountered in a rapidly evolving marketplace, all industry-buying professionals should take stock in their own skill processes and workplace relationships. The topics covered in this report are designed to serve the proactive professional who seeks a route to becoming a superior buyer.

For more information and opportunities within the retail buyer and purchasers industry, we recommend these resources:

- The **American Purchasing Society (APS)** is a professional organization of buyers and purchasing managers and was the first organization to establish certification for

buyers and purchasing professionals. For more information visit their site at: <https://www.american-purchasing.com>

- The **National Retail Federation (NRF)** is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, main street merchants, grocers, wholesalers, chain restaurants and Internet retailers from the United States and more than 45 countries. The NRF Retail Buying Guide is the industry's premier resource for products and services used in retail operations and is searchable by category or vendor. <https://nrf.com/resources/buying-guide>
- The **National Association of Retail Buyers (NARB)** was founded in 2009 and aims to unify and organize those retail professionals who desire to further their career and/or education in the retail buying, selling, planning or product development field. Through formal and informal educational programs, roundtable discussions and networking events, NARB will contribute to the professional growth of its members. www.narbuyers.org

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Learn More: www.whygrip.com



Contact: **Grand Rapids Innovative Products**
4628 Amash Industrial Drive
Wayland, Michigan 49348
P: 616.877.0000
Email: hello@whygrip.com

