

A photograph of three men standing in front of a stone archway. The man on the left is wearing a blue button-down shirt and glasses, with his right arm raised. The man in the middle is wearing a dark polo shirt. The man on the right is wearing a light blue polo shirt and a watch. They are all looking towards the camera.

Turnover Turnaround

BY LISA VAN WAGNER

Wesco Inc. reduced turnover by more than 50 percent in one year with a program called Churn Busters led by a team including, from left, Mike Esh, training manager, Joe Gauthier, director of operations and Jim Westgate, co-president.

Imagine reducing turnover by 50 percent or more in less than a year. Sound impossible? That's exactly what Wesco Inc., Muskegon, Michigan, did in its 50 stores with an innovative program President Gerald (Jerry) Westgate calls Churn Busters.

In an industry where turnover averaged 127 percent for hourly employees in 2002 according to the *NACS State of the Industry (SOI)* report, Wesco, which was already outperforming the industry average with an annual turnover rate of about 85 percent as of June 2002, set out to make further improvements. With the help of Churn Busters, it reduced churn to 42 percent by June 2003.

The company began the program by taking a good, hard look at why it was losing personnel.



Employee Turnover

CATEGORY	STORE MANAGER		HOURLY EMPLOYEES	
	2001	2002	2001	2002
A (1-10 stores)	22.4%	29.3%	88.7%	103.2%
B (11-50 stores)	41.7%	26.8%	155.7%	131.1%
C (51-200 stores)	35.9%	31.3%	206.9%	166.2%
D (201-500 stores)	31.4%	31.0%	121.0%	132.8%
E (over 500 stores)	27.5%	24.4%	91.6%	120.8%
Industry Average	29.3%	26.2%	107.9%	127.1%

Source: 2003 NACS SOI Survey Data

“We asked ourselves what we could do to improve our current status, even though we’re beating the industry average,”

Westgate says. “We realized churn was happening in pockets, and that there were pockets of excellence where there was no churn. We decided we could learn from that experience.”

Working with consultants, Wesco designed a program to help management and associates recognize issues that lead to churn and learn from people who were successful in keeping turnover low. The company established a mentoring program and developed a coaching process for those who were having specific problems with churn.

“We took the people who were having problems and matched them up with people who were experiencing success,” Westgate says. “We set up a coaching program and we share the results daily.”

The daily sharing of results is crucial to the success of the program, Westgate explains.

“Every store gets to look at how we did every day through a daily e-mail. That’s critical. We had to get a commitment from each store that if they lose somebody, they report it,” he says. “We don’t just say we had a loss; we say why. That way we can start looking for patterns.”

According to Westgate, Wesco looked at its existing system and implemented processes to create systemic improvement.

“Our company will save in excess of \$600,000 in hiring and training costs this year,” Westgate says. “That’s why we did it. If there is less money coming in, and you expect to lose money, you have to figure out how to become more operating-efficient.

“This is where the light went on for me. Most people don’t recognize training

costs. It’s one of those unreported costs. We were looking from a different perspective.”

Through Churn Busters, Wesco revamped its hiring process to include a set of pre-employment questions to help the company determine who will be a good fit for the position.

By using the interview to explain what the job entails and outline the expectations Wesco has for its employees, the company has been able to dramatically reduce churn among new hires.

“We wanted to make sure that people knew exactly what the expectations were going in to the job,” Westgate says. “Some people think they want to work in a convenience store because it’s fun — and it is fun! It’s a great place to work! But then they find out the other part — that it really is work.”

Communication is key to reducing churn, Wesco found. Coaching people on the importance of communication, from the hiring process through daily management, reduced churn across the board.

Westgate lists the following points as contributing to reducing churn:

- Identify patterns
- Identify expectations
- Publicly account for those expectations
- Focus on people’s strengths
- Focus on their being successful
- Get help from successful people who have reduced churn in their own areas
- Communicate



The Wesco Inc. Churn Busters team meets twice each month to discuss its progress. Pictured, top from left, are Jim Westgate, co-president, Mike Esh, training manager and Kyle Esh, store manager and churn coach. Pictured, bottom from left, are Joe Gauthier, director of operations, Lee Wilcox, store manager and churn Coach, Bob Cavanaugh, director of food service, Wanda Schultz, regional supervisor, George Barnhardt, regional supervisor and Sheridan Lewis-Rardin, QSR supervisor.

“Churn Busters is a fantastic adventure that Wesco’s been on for the past year. We have daily communication about it. And most importantly we’ve got buy-in from our people,” Westgate says.

Looking for the strengths and traits that will help make a person a successful employee, and coaching and encouraging those strengths is what Churn Busters is all about. It is one of the many ways Wesco shows it cares about helping people be successful in their jobs from day one through their entire career with the company. ○

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