

The Warehouse

talent management and business transformation



The Warehouse – everyone’s been getting a bargain there since its doors first opened 24 years ago. It’s an entrepreneurial company with a clear and pragmatic vision, and a corporate culture that puts people first.

Growth has been rapid and sustained – largely based on development of fresh sites around New Zealand – and for many years profit followed a similar positive trajectory. However, what happens when greenfields development is no longer possible without cannibalising existing business? What happens when you’re no longer the fresh-faced newcomer, but rather a mature business whose growth will be determined by doing things smarter and more cost-efficiently than your competitors? These are the issues facing The Warehouse as it enters an exciting new phase in its business lifecycle - maturity.

Ask General Manager (HR), Paul Walsh what those issues mean for talent management and he is upfront: “Things have got to change,” he says.

Environmental Factors

While there is no question that people have always been valued at The Warehouse, as with so many businesses, talent management practices tended to inconsistent. Further complicating matters, the company was operating three, non-integrated competency models which meant that information was difficult to interpret meaningfully.

The challenge has been two-fold... firstly to develop an agreed, standardised competency model and secondly, to implement a talent management solution that recognises the changing needs of the business.

“In the past, it’s fair to say that performance management was inconsistently applied across the business. As

our business has matured, it has become increasingly important to identify the key competencies required to successfully nurture each facet of our operation and to measure our talent against them.

“Internally we were able to agree on a key competency model. However, we recognised we needed a talent management tool that could provide us with objective insight when it came to making appropriate and visionary ‘people’ decisions. Sonar6 is now at the heart of our talent management strategy and has enabled us to preserve our core values whilst stimulating progress,” Walsh says.

Requirements

The Warehouse sought the opinions of a variety of Human Resources and other team leaders. Each was asked to draw up a list of talent management “Must Haves” and another of “Wants”. These were then weighted and scored accordingly. The key attributes of any successful talent management solution were identified as:

- Must enable us to make objective observations and assessments of people against agreed and standardised competencies
- Must assist us to accurately identify the key competencies and strengths required when recruiting new team members
- Must enable us to focus on and create individualised development programmes for our teams
- Must be an intuitive tool - simple to use and easily understood by a wide range of people managers across the business

Results

On pictures painting 1000 words:

"Sonar6 is totally easy to use, but one of the things we like best is its visual, graphic nature. Most people respond really well to visual methodology. It also means that we can see at a glance if the data is correct and you don't have to click 20 times to get an outcome. It's instant – there – now."

On company-wide uptake:

"From the beginning, what has set Sonar6 apart is that at every level of the business, our team has instantly identified how it will benefit the business. Ian Morrice (CEO, The Warehouse Group) embraced the concept and has championed it through the business, but the uptake was almost instantaneous. Across the business, Sonar6 has been greeted with enthusiasm and an 'I get it' response."

- Must enable us to accurately measure our bench strengths and allow us to develop effective succession practices

Sonar6 Solution

According to Paul Walsh, Sonar6 was the only solution seriously considered. "We looked at a variety of TM tools during our research phase. Sonar6 was head and shoulders above any of the competition in terms of fulfilling both our 'Must Have' and 'Want' requirements. As a result, the decision to get Sonar6 on board was a no brainer," he says.

With a key competency model agreed internally, a series of 'factor discovery' workshops for The Warehouse HR team and selected managers were then conducted by Sonar6 consultants.

Information gleaned during these sessions provided the platform for the development phase of a customised Sonar6 solution for The Warehouse. The programme underwent substantial internal testing by a broad cross-section of people managers throughout the business. Once refinements were made, the system went live in late October 2006 and is now used across the business - encompassing 85 'Red Sheds' and over 2000 FTE managers.

Paul Walsh comments: "Our testing process was rigorous, and we deliberately chose people who have been quite demanding and critical of so-called talent management solutions. And yet – across the board – people have gone 'WOW, this is fantastic!'" he says.

However, going live wasn't the end of the line for Sonar6

On recognising and managing talent:

"Finally, the hard TM decisions can be based on hard facts, not perceptions. Understanding and recognising specific competencies enables us to make robust and valid decisions."

On driving the business forward:

"As a mature business, we know we need to do things smarter and more cost-efficiently to successfully continue to grow and develop our brand. From a talent management perspective, Sonar6 is helping us do just that."

On the true meaning of partnership:

"Sonar6 has proven to be genuinely open to feedback and as a result, a far more collaborative approach has evolved in our dealings with the company. They've said to us, 'OK it's working – but what else do you want it to do?' Then they've gone off and figured out how to deliver an even better solution. That's partnership."

and this is something for which they receive high praise from Paul Walsh.

"It was never intended to be a one hit wonder. We knew we needed to further develop other aspects in the TM toolbox. The great thing is that Sonar6 are working on these now. In the spirit of true collaboration and partnership, they will ensure their product continues to evolve as our business does," he says.

Additional performance management and self-assessment modules will shortly be added to The Warehouse system.

Summary

Implementation of Sonar6 has enabled The Warehouse to move with the times and to develop a robust TM programme that will support company growth and success in a changing environment. Sonar6 has also provided a clear methodology and framework on which The Warehouse can base their people decisions, removing reliance on subjective opinion and hearsay.

Sonar6 founder Mike Carden believes the programme delivers a welcome measure of 'science' to the talent management process.

"If there's one thing that the HR discipline currently lacks, it's a scientific methodology on which to base talent management decisions. Working with The Warehouse, Sonar6 has provided that framework ... We've even coined a term for it - 'talent science' - and it's a concept that will continue to evolve."