

A few years ago, the Nova Scotia Liquor Corporation needed a retail pro to help revitalize its brand. It found one in Bret Mitchell.

BY RACHEL BOOMER

# CHEERS TO CHANGE

**B**ack in 2004, the newly restructured Nova Scotia Liquor Corporation asked what its customers liked about shopping at their local NSLC outlet.

To say the least, it was a sobering experience for the Crown corporation. When asked about their customer experience at an NSLC outlet, many people laughed. Women said the shelves were high, product was difficult to reach and they felt unsafe in the stores. Meanwhile, men said they liked to shop at the NSLC mainly because staff left them alone when they went in to pick up their beer — not exactly a ringing endorsement for the corporation's customer service.

Enter Bret Mitchell.

Since Mitchell came on board as president and CEO in January 2006, the chain has revamped its inventory system, its store layouts, and — perhaps most importantly — its approach to customer service. Today, even the smallest NSLC outlet features wines from around the world, well-labelled shelves and store employees that will happily help you find that wine you tried last week but can't remember the name.

continued on page 44

---

#### BY THE NUMBERS

##### Nova Scotia Liquor Corporation

- ➔ **4,000:** Number of different products sold in NSLC outlets
- ➔ **1,600:** Number of people employed by NSLC
- ➔ **106:** Retail stores operated by NSLC
- ➔ **55:** Agency stores across the province
- ➔ **4:** Rank of NSLC among retailers of beverage alcohol in Canada
- ➔ **5:** Rank of NSLC among all businesses in Nova Scotia in revenues
- ➔ **\$198.7 million:** Amount NSLC earned for the province in 2007-08 fiscal year

Source: NSLC Annual Report 2007-08

#### VITALS

##### Bret Mitchell

- ➔ **Education:** B.A., University of Toronto
- ➔ **Hobbies:** Walking, fishing, hunting
- ➔ **A night out:** Halifax's Neptune Theatre and Symphony Nova Scotia.
- ➔ **Favorite NSLC product:** San Fabiano Calcinaia Chianti Classico Preserva



PHOTO CREDIT: PERRY JACKSON



## retailer profile

continued from page 42

The numbers suggest the corporation is now on the right track. The year Mitchell started, the NSLC's gross sales were \$488 million; now, they're at \$536.4 million, nearly a 10 per cent jump within two years, with the highest gross profit percentages in a decade. And if things stay on track, the NSLC will achieve its five-year strategic plan of returning \$215 million in 2010 to its only shareholder, the provincial treasury, a year ahead of schedule.

All in all, not bad for a couple years' work. But even when confronted with evidence about his success at the helm, Mitchell is more interested in talking about what his employees are achieving. For instance, the NSLC recently entered into a partnership with the Nova Scotia Community College that allows its employees to undergo online customer-service training, and Mitchell says the results have been nothing less than fantastic.

---

“For us, [what's next] will be the customer experience we need to invent for the next generation of customers,” he said. “It's easy to go into a retail environment and change it in a short period of time; it's harder to maintain customer interest.”

Bret Mitchell, President and CEO, NSLC

---

“It's one of the greatest successes as an organization, to see what our employees are doing,” Mitchell says. “I'm both very proud of them and a great admirer of them.”

It's fair to say that most teenagers starting their first jobs at the mall probably aren't thinking of pursuing a life-long career in retail. But when Mitchell took a job in parcel pickup at a Parry Sound, Ont., grocery store at age 15, he was hooked. The constant interaction with customers, the fast pace, the dynamic environment — it has all kept him in retail for more than 30 years.

“At some point, you get bitten by the retail bug. I've never lost that,” says Mitchell. “It can be a very demanding environment. When you've spent as many years in it as I have, you'd better love it.”

Mitchell worked at an A&P store while studying history at the Univer-

sity of Toronto and became a store manager in that chain by the age of 24. By age 27, he was heading up the chain's general merchandising; in 1991, Sobeys then whisked him away, first to its Stellarton, N.S., headquarters, then to run its Ontario marketing and merchandising operations. By 2003, he was in Calgary as chief merchandising officer for the Forzani Group, which owns SportChek and Coast Mountain Sports, among other sporting-goods chains.

From foodstuffs to footballs to fruity Merlots — it has been an interesting progression, but Mitchell says all the jobs he has held in his career have one common element: the importance of encouraging the customer to walk into your store, savour the experience, and buy.

“It doesn't matter if it's liquor or running shoes or lettuce or frozen pizza,” he said. “At the end of the day, retail is about creating customer experien-

ces that consumers value and for which they are willing to pay.”

And a better customer experience is exactly what the NSLC was looking for when it recruited Mitchell for the top spot. From its start in 1930 to 2001, the NSLC was a government-run monopoly; government officials, not seasoned retailers, ran the place, and it showed in everything from customer service to inventory control. For instance, stores made a habit of ordering much more inventory than they thought they would need because they couldn't be sure the order they faxed to the warehouse was the order they'd actually get.

By 2001, the Nova Scotia government decided it was time to run the NSLC as a retail business and gave it a commercial mandate for the first time. It permitted agency stores in communities too small to justify a full-sized NSLC outlet, allowed its stores to stay open

longer, and replaced its entire executive as it started the search for executives with proven retail experience.

When Mitchell arrived, he saw right away that what most employees really wanted was the opportunity to know their product and to learn how to help customers without making them feel pressured to buy. While training opportunities were put in place to sharpen employees' customer-service skills, Mitchell's executive team went to work improving the supply chain process, implementing a new SAP system that would allow the NSLC to track what was being sold where.

But while increased sales and efficient operations are vital goals for any retail organization, the NSLC hasn't stopped there. Like other provincial government-owned liquor boards, the NSLC has stepped up its social responsibility campaign spending in recent years, from \$60,000 in 2003 to almost \$600,000 today, and it has won national and international awards for its efforts. Its “Lots of Ways” campaign, for example, drew international applause for the way it used humour to reinforce the message that drinking and driving is never an acceptable option. It is also striving to be an environmental leader in the province; in the past two years, the NSLC has stopped offering plastic bags, built eight stores to LEED specifications and organized employee-driven clean-up days around the province. In addition, the NSLC has won 54 awards, 52 in the last two years, in merchandising, store design, supply chain, occupational health and safety, communications and marketing, including one of the top five marketing programs in the world at the World Retail Congress awards and the only Canadian retailer to be nominated.

Next up? Mitchell says the corporation has now trained employees in some regions to be product specialists, ensuring customers can tap them for specialized knowledge. And soon it will be time to haul out the saws and hammers again to make sure the stores' look stay fresh in a retail climate that encourages customers to expect new experiences.

“For us, [what's next] will be the customer experience we need to invent for the next generation of customers,” he said. “It's easy to go into a retail environment and change it in a short period of time; it's harder to maintain customer interest.” ■