

UP FRONT

ST. VINCENT DE PAUL SOCIETY - VICTORIA INC.
GARRY MCBRIDE - GM OF RETAIL

**RED
DESIGN
GROUP™**

*Transcript of Interview between
Garry McBride of Vinnies & Janan Greer
of The Creativity Counsel.*

Thursday 29 April 2015 via telephone.



Transcript of Interview between Tim Cecil of Henry Bucks and Janan Greer
of The Creativity Counsel. 9.30am Thursday 28 August 2014 via telephone.

HOW DID YOUR CONNECTION WITH RED DESIGN GROUP COME ABOUT?

I know Roy Tavenor, RED's practice director. Roy and I are St Vincent de Paul Conference members. Roy was the president of the Donvale Conference when we met – the same one I am involved in. You might not know what Conferences are. Conferences consist of 6-15 people and we work as a collective to visit the needy – people that are desperate and need help. They may have no food, clothing or furniture or they may be victims of violence, have mental health issues, or be unemployed. We might give them food vouchers, clothing and furniture. We don't get any government funding. Last weekend with Roy, our Conference went and visited people in the South Melbourne housing commission flats.

I'M SURPRISED THAT YOU DON'T GET FUNDING. I DIDN'T REALISE THAT.

Basically not. Every now and then we may get a miniscule amount but our income comes from two streams – funding from stores and community donations which include bequests. The consistency of income comes from the stores. All of the store profits go straight to the Conferences for the good works. The retail stores are the main generator of income. Together Roy and I had a lot of enthusiasm to increase the level of funding the stores contribute to the Conferences.

WAS THERE A TRIGGER FOR IMPROVING STORE PROFITS?

To answer that, I need to explain my background. I used to be the CEO of ALH Electrical which was a very profitable business. The business employed over 1,500 people and had 200 stores. I then moved to Middy's data and electrical. It was my intention to retire when I left Middy's but during my 'retirement' I was asked to travel around Australia to benchmark Vinnies stores against best-practice. It was a part-time, part-volunteer position and I thought it sounded like a great thing to do. After 18 months doing this, I was asked to get more involved with the Victorian Vinnies stores due to unforeseen organisational vacancies. I was persuaded to leave retirement to take on responsibility for managing Vinnies' Victorian stores.

Having benchmarked best practice for Vinnies, the starting point for me in the new role was to think about how I could introduce it into all Victorian stores. I also have a property background so could see that the stores were sad and tired and needed improving. Vinnies has over 100 stores in Victoria alone. Some are owned and some are leased. Talking with Roy and knowing his background in design and talking with another Conference member with high level retail skills, the three of us sat down and said that on the one hand we needed to upgrade the stores to reasonable standards but on the other, we needed to lift Vinnies out of the ordinary op-shop environment image.

We knew that most of Vinnies' customers were females between the ages of 45 -75 and we knew that if we wanted to grow we were going to need to appeal to all females. We decided to focus on females as they turn over their wardrobes more frequently than men, donating clothing that hasn't been worn-out. Men's clothing still exists in Vinnies stores but it's a very small component compared to female apparel which is the main event.

The idea was for the RED Design Group to come up with a concept for the stores that maintained our existing customers but also appealed to new customers. We needed to have the image of a professional fashion chain, as against the old fashioned op-shop. Red came up with a fabulous concept. Our challenge was then to implement it and trial it.

We first implemented it in Ringwood, 18 months ago. We are fortunate at Vinnies to have a merchandising manager Liz Randall. Liz worked at Myer for many years so knows fashion really well and has excellent stock management, merchandising and presentation skills. Liz joined us at the time that the new concept was about to be rolled out and combining Liz's skills with RED's concept, really helped that first store at Ringwood come together. For example Red designed the racking, but Liz helped get it made.

We've now rolled out the concept to approximately 15 stores. We're 18 months into our five-year refurbishment plan.

HOW DID YOU FIND THE EXPERIENCE OF WORKING WITH RED?

Fantastic. My team was very excited by it all. It was a lovely challenge to have – taking dreary old shops that have been the same for years and putting a rocket up them (laughs) to lift them up. It creates a lot of excitement with the staff – particularly with the volunteers. When we do refurbishments, we have to consider our volunteers and make sure the conditions are good for them – air-conditioning etc.. We have very few paid people. 75% of our stores have a paid manager but the rest of our team is volunteers. We've noticed that they're prouder to come to work when the stores have been refurbished.

The basis of customer service is making great customer experiences. That's where Red has been so helpful – it's very preoccupied on making stores great experiences for the customer. That's what we talked about right from the beginning of the project – how do we make great customer experiences and how do we do it for a younger demographic.

WHAT DO YOU LIKE MOST ABOUT THE NEW STORES?

The brightness, the friendliness, the smiles on faces. Invariably it's a comparison. It looks like your walking into a fashion store as the product is so professionally and systematically presented. It's not evident that you're looking at a second-hand clothing store. The real excitement for me is the thrill I see in the volunteers' faces as they're proud of what they're doing and the environment that they're working in.

WHAT'S THE RESPONSE TO THE NEW DESIGN BEEN LIKE FROM CUSTOMERS?

It's been very positive and surprising. Many customers say "I suppose you've put up the prices to pay for this?" And we say, "no, the prices haven't changed. They're exactly as they were before." We're not trying to get more people in and charge a higher price. We're trying to get more people in to buy more things. Stores need to be clean and inviting.

A challenge that RED met was designing fixtures and fittings that look great but also allow for more product to be on display. We've been able to dense up the apparel. We can actually display about four times as much stock in the new stores – another trade secret. That means that the customer has four times more choice.

WHAT'S YOUR VISION FOR VINNIES' STORES?

We have a five year strategic plan that aims to implement the new concept in all stores. We're fine-tuning the concept a little as we learn from each store. We hope all Vinnies' stores will be very inviting environments for customers to come to.