

Culture Club: Learning New Ways of Operating

Every aspect of this Toronto fish market's business was overhauled, from team members to finances

By Amanda Baltazar | Photos by Gladstone Media

e La Mer fish markets is a high-end retail chain with stores in four Toronto neighborhoods. The stores offer highquality products, sustainable seafood and excellent customer service. They are beautifully designed and feature solid branding.

But it wasn't always that way.

Not too long ago, the stores suffered from excessive staff turnover and costs that were too high. So president and owner David Owen turned to The Miick Companies in Boulder, Colo. "They opened my eyes to how we could improve profitability through a healthier culture with better communication and teamwork, resulting in reduced costs," he says.

"David wanted to take a family business and blend the best of family and the best of corporate operations," says Rudy Miick, FCSI, MA, CMC, founder and president of The Miick Companies.

Initially, says Owen, his problem was staff turnover, which was on a par with the retail industry at about 100%. "That's a lot of people to go through; it was stopping us from growing the business," he explains. He realized that what was needed was a shift in culture, which is where The Miick Companies entered the picture back in June 2018.

"They hired us to create a culture," says Miick, who credits Owen with taking every opportunity to shift the company dynamically. This was important, he says, because "the business culture drives brand performance and quest engagement."

Miick began by looking at what Owen was happy with about his brand. "The brand experience is the execution of all things, so if you're happy with something, how do we keep it? And if you're not, how do we shift it?," says Miick. From there he helped further develop the business's purpose and a vision of what Owen would like the business to look like. Previously the company had not had a purpose

statement. Next came values — what would lead to the vision — and Miick created mission teams to achieve goals he had set.

The process of working with Miick Companies was "painful initially," Owen says. "I felt like I was slogging uphill through a mudslide." It hasn't been an easy ride, he recalls, but it has been worth it.

Tackling Communication

Communication was a vital part of the change that Miick brought to De La Mer. He developed tools to be used by everyone, to create a common language and an environment that's open to feedback.

This can lead to uncomfortable conversations about people's personal lives at times. But "establishing relationships and trust with the team is important," Owen points out. And Miick taught him these communication and openness rules need to pertain to everyone, from the c-suite down. "In the end, none of it sticks unless

the owner is engaged and invested in that process," Owen points out.

Miick also worked on workplace behavior "to diminish drama, because drama builds a lot of energy," he says. "We work extensively with behaviors and decision-making and skills, and being caring, and we talk about love and kindness in business and adding value and doing no harm."

This eliminates the complainers, Miick points out. "Staff either chose to perform or chose to get out. It's very purposeful. At De La Mer you won't hear moaning and groaning, you'll hear about how good it is." This is about changing the entire culture of a company.

The improved communication at De La Mer has resulted in a bigger change to operations than anything else, says Owen. "We have been learning to have difficult conversations. but they end up being the right move. The other hard part is recognizing that the change needs to come from within myself as well."





AT A GLANCE

Facility: Four De La Mer operations, ranging from 1,000 sq. ft. to approximately 3,000 sq. ft.

Project goal: Position the company for growth; define business culture to drive brand engagement

Management advisory services consultant:

Rudy Miick, FCSI, MA, CMC, The Miick Companies

Project budget: \$322,000, over three years: year one: \$128,000; year two: \$107,000; year three: \$72,000

Foodservice equipment budget: \$90,000 Scope of management advisory services work:

Improve company performance, top-line sales, bottomline performance, staff retention, cash flow, all hiring, training, coaching and communication. Define and refine all systems: management, accounting, costing, communication, coaching and sustainability. Costing APP development included.



Left: Having employees who want to come to work makes De La Mer a more pleasant experience for shoppers.

Below left: De La Mer has reduced its cost of goods and increased profitability since hiring The Miick Companies.

Right: The four De La Mer stores have a following in Toronto neighborhoods, and sales are up 40%.

Financial Overhaul

At the same time, the most impactful change, says Owen, is fiscal stability. Without that, he says, "it's impossible for the business owner to stop running on the treadmill long enough to step off and do other things."

Within the first six months of working with The Miick Companies. De La Mer's staff turnover dropped to less than 40%. Sales are up 40%, and prime costs have dropped by 11 percentage points. Profitability has increased by nine percentage points — from between 1% and 2% profit to 11%. The picture at De La Mer is very different now compared to two years ago.

The company has also dropped its cost of goods from 52% to 45%, which totals CA\$350,000 annually on CA\$3.5 million sales. Owen has returned some of that money back into the company for equipment upgrades and staff pay raises — most have gone from earning around \$14.50 per hour to between \$16.50 and \$17. Offering pay raises was important, Owen says, and he learned through The Miick Companies to attach them all to data-based performance metrics.

He also started profit sharing with the management team under Miick's guidance, and this past summer extended that to all employees who have passed the probation period and achieved at least one of the company's internal certifications. And these certifications, says Owen, are cumulative "so the more you have, the more hours you work, the bigger piece of the pie you get."

As with the pay raises, the profit-sharing scheme isn't a blanket program. "We try to take into account skill and hours worked rather than everyone just getting an equal slice," Owen says. Due to this, he also had to ensure his financials were clear and easy to understand, with easy-to-read profit-and-loss statements "so [employees] know why they're getting the money," he says. "We're teaching the staff how to read a P&L and how to build a P&L for themselves.

They're starting to look at it with ownership eyes."

Having fiscally open books and a profit-sharing scheme "creates more performance, not less, and achieves an inspired ownership attitude in staff." says Miick.

No Stone Left Unturned

Miick has also brought about physical changes in the four De La Mer stores. They are cleaner and better taken care of; windows, glass cases and coolers are kept fingerprint-free all day; the bathrooms are now welcoming to women; and a mountain of cigarette butts outside the back door is gone forever.

"They've followed through with every piece of performance, and we've worked on all these brand touchpoints," says Miick.

Owen says he's learned to delegate more and not be running around himself, putting out fires. "This is the self-destructive tendency of a lot of entrepreneurs," he says. "They think they need to do it all and

feel lost when the fires are put out. But the job of an entrepreneur is to grow the company."

All in all. De La Mer's work with The Miick Companies was a threeyear project that's now drawing to an end. The first year was creating the new culture and training staff to use new skills to better communicate, learning the skills of a fishmonger and developing the new culture. The second year was getting used to the new normal and developing new habits. In the third year the business has shifted. and everyone has had to get used to the business constantly changing.

What The Miick Companies brings to the table is strategic planning and change, Owen says. "There's a spiral of change, and the next thing you know is you've got a whole new company performing at a radically more positive level," he says. As for the three-year process, he says, "it's been absolutely fantastic. It's been challenging, but really rewarding."