

Sheetz, Inc. and PBS

In 1999, Sheetz, Inc. reached \$1 billion in annual sales. This Altoona, PA-based operator of 227 convenience stores also increased its workforce to nearly 6,350 employees and committed to building 26 new stores during the next year.

How did this former "Convenience Store Chain of the Year" and Hall of Famer achieve such tremendous success?

The plan...

In 1994, Sheetz established a Value Improvement Program (VIP) with the purpose of examining every aspect of store operations. The main goal of the program was to increase store efficiency by reducing labor-intensive tasks. As a result of the VIP, Sheetz implemented new technologies and automated platforms, leaving more time for employees to concentrate on people—customer service as well as team building and employee development.

While the reorganization was effective, it created new challenges. Job requirements had changed, and new positions had been established. Sheetz needed to ensure that incumbent and future employees reflected the corporate vision for the future. They wanted top-quality, career-minded salespeople dedicated to customer service and interested in enhancing their job skills. They also wanted supervisors and managers capable of serving as team coaches and inspirational leaders.

The partnership...

Sheetz wanted to increase their confidence in both hiring and the hiring process. They

wanted to identify and retain the best employees, and they wanted to do so more often and more efficiently. But, they knew that they couldn't do it alone.

They chose Susan Stang, President and CEO of Performance-Based Selection, Ltd. (PBS), to lead the effort. Susan and her staff partnered with Sheetz to develop new assessment and performance management systems for all store jobs, including Salesperson, Shift Supervisor, Food Service Assistant Manager, and Store Manager.

Selecting the best...

To begin the process, PBS staff conducted a formal review of each job. They reviewed job descriptions, talked to employees, observed job performance, studied "superstar" employees, and interviewed executives. Using this information, PBS staff defined the competencies and characteristics required for successful performance in each target job.

To ensure that Sheetz identified and retained top-quality employees, PBS staff then developed assessment systems that could be used for selection, feedback, and development. The system components include cognitive ability tests, work style inventories, structured interviews, 360° feedback instruments, and work sample exercises. All are job-related, practical, and well-accepted by candidates.

Sheetz was pleased with the assessment systems. But, it wasn't enough for Sheetz to just select the best—they needed to guarantee that their employees would remain the best.



Susan W. Stang, Ph.D.
President & CEO,
PBS

Stanton R. Sheetz
President & CEO,
Sheetz, Inc.



Tracking performance...

Sheetz made a commitment to invest in employee training and development. To increase the performance effectiveness of each employee, PBS developed performance appraisal instruments tailored to each job. All store level employees are now assessed on a biannual basis and receive detailed feedback on performance strengths and developmental needs. In addition, ongoing personal development plans are encouraged and supported for every store employee.

Identifying trends...

Sheetz now had employee selection and development systems in place. They decided to add yet another component to their performance management program—to let each employee anonymously rate his or her management team and store. PBS staff, with the assistance of key Sheetz personnel, designed a survey to measure "global" satisfaction. All items included in the survey were to be actionable—things that the Store Manager controlled and could change. The survey provides valuable information about what management is doing right and, more importantly, what needs to be fixed.

Sheetz implemented the survey program more than

three years ago. PBS analyzes the responses and summarizes them into store, district, and corporate reports. The reports profile an individual manager's progress, identify corporate trends, and give Sheetz information about where to focus its efforts for change. For example, PBS identified the responses most strongly related to turnover, and Sheetz developed a plan for decreasing turnover based on this information.

Sheetz values the results obtained from the survey. They have just expanded the program, and will be administering the surveys biannually as well as using them to assess the effectiveness of management trainees.

The results...

Sheetz focus on their mission, vision, and employees has paid great dividends...

- turnover has decreased from 100% per year to less than 70%, with full-time turnover at less than 25%.
- customer loyalty and satisfaction has hit an all-time high.
- same store sales have continued to increase.
- training hours have been reduced by 50%.
- employees' satisfaction has significantly increased.

Since implementing the VIP program and partnering with PBS, Sheetz has received the following honors...

- named "Convenience Store Chain of the Year" by *Convenience Store Decisions* magazine.
- named "Retailer of the Year."
- inducted into the Convenience Store Hall of Fame.
- 1999 was also a year of notable accomplishments...
 - received the 1999 Outlook Award for its visionary thinking and exceptional focus on people.
 - again named "Retailer of the Year."
 - named to *Information Week* magazine's Top 500 Innovators in Technology.

A shared commitment to excellence...

Sheetz and PBS continue to enhance their partnership. In the coming year, they will undertake several new projects, including a leadership development program, a corporate culture study, and a managerial mentoring project.

Sheetz is committed to continuing its tradition of excellence, and PBS is committed to helping them remain the c-store "Employer of Choice."

