



Batenhorst

"I Believe We Need to Love What We Do"

The Defense Commissary Agency's (DeCA) West Area encompasses 69 commissaries in 14 different states, and spans three different time zones. Oversight of this area is on the broad shoulders of West Area Director Terry L. Batenhorst.

Batenhorst, whose 25-year commissary career has taken him to numerous stops in both Europe and Stateside, is used to working out-of-the box, and in leading the West Area, he is applying forward-thinking solutions again with a view to increasing sales.

E and C News: *In your area's daily operations, are there any new ways of doing business, or new and interesting things happening?*

Terry L. Batenhorst: A change that has delivered a big impact is DeCA's new process for ordering promotions. In the new process, stores receive a multitude of historical sales information from distributors and brokers on the products in the promotional package, along with recommended ordering quantities from DeCA's store operations group.

The stores then create an order for the items in the promotion package, which is sent to the distributors. The order gives our distributors precise order quantities to support the store's promotion.

We are now a few promotion periods into this new ordering system, and stores have become more accurate at projecting quantities. Our in-stock rates have improved, and we are seeing double-digit growth on promotion package products.

Stores are gearing up for their fall case-lot sale, this year renamed the "Commissary Customer Appreciation Case-Lot Sale." Our shoppers really missed the opportunity last year to stock up on large quantities of their favorite products, and we expect strong sales.

We believe that with the Customer Appreciation Sale, along with sidewalk sales and a strong

focus on merchandising displays, sales will come back up to previous levels and hit our sales targets.

CLICK2GO — where patrons can place an order online and later pick up their groceries at curbside — has been a big hit with our customers at Offutt AFB, Neb., and Travis AFB, Calif. Sales have exceeded our expectations at both locations, with the average order being over \$100.

Interestingly, our sales data shows that customers using CLICK2GO are ordering a higher percentage of their groceries from the perimeter departments than our traditional in-store customers.

E and C News: *What factors are store directors and zone managers telling you that are influencing trips, transactions and sales in your area?*

Batenhorst: The price of gasoline has a direct impact on trips to the commissary. When prices hit \$5 a gallon, we saw a drop in visits. With prices under \$4 again, even in California, patron visits to the commissary are making a comeback, and we're starting to hit sales numbers close to what we had before the furlough and shutdown, which is great.

Another factor impacting sales is that fewer Guard and reserve members are drilling near our

commissaries. A year ago, March ARB, Calif., was a bustling base with the look and feel of an active duty location. Today, it's more a weekend training center with limited activity during the week. This has had a huge impact on sales at locations where Guard and reserve members have been training since 2003.

Hiring is being impacted by two factors. Security background checks are slowing the process of getting new hires on board, and the economy has improved at most locations. Nowhere is this second factor more apparent than in West Texas, Oklahoma and North Dakota, where the demand for workers in the oil and gas fields has made employee staffing and hiring more difficult for us.

Even converting employees from part-time to full-time is proving challenging in these locations.

E and C News: *What are some of your goals, including any that are specific or unique to your area? How are you planning to help DeCA meet sales, inventory and compliance goals?*

Batenhorst: In the West Area, we continue to work out-of-the-box solutions to increase sales. One highly successful program we began last year is our monthly display contests. As the program has



DeCA West Area Director Terry L. Batenhorst noted that one of his area's biggest successes was the Cookie Display Contest, featuring displays like the one at Luke AFB, Ariz., which saw sales increases of more than 200 percent.

PHOTO: STEPHAN SESSIONS, DeCA

developed, we've worked to include all departments in the store. Our objective is to create excitement and sell groceries.

Given the large quantity of products we carry in our stores, we can create unique displays that have the "Wow" factor for our customers. This makes the power of our partnership with industry a combination that no outside retailer can match.

Examples of our successes are the Cookie Display Contest, which saw sales increases of more than 200 percent in the West Area, and the Flower Contest, conducted during the holidays, with some stores selling more than 2,000 plants. These displays, on perimeter or involving highly consumable items, add to the basket and increase sales.

Beyond this, stores will continue to tweak and support the promotion packages so we can maintain full displays throughout the promotion period. This is not a difficult job, more a function of our stores getting back to the basics of selling groceries and providing a benefit.

***E and C News:** What is your role in so far as driving sales and transactions is concerned? What are you doing — including with help from industry partners — to attract and entice more patrons into the stores?*

Batenhorst: The key is to get back to basics with clean, attractive stores, full shelves and speedy checkouts. Along with the savings customers enjoy when they shop at their commissary, these basic attributes will deliver great value to our shoppers.

For sales events, we are partnering more often with morale, welfare and recreation (MWR), the military exchanges and health and nutrition experts on the installations to create large community events that add excitement and value for the entire military community.

Our zone and store managers are working with industry to bring back customers who may have drifted away during furloughs and the shutdown, and attract new ones who might not yet have realized the value of this great benefit.

Recently, industry has been trying radio and billboard ads to invite customers to use the benefit. The ads are targeting areas where industry and store managers agree we have growth opportunities.

***E and C News:** Is there any message you'd like to share with store and headquarters support personnel, and industry?*

Batenhorst: To our employees, I owe you my gratitude for the hard work you have done in the

trenches to make our stores better places to shop and bring sales back to pre-furlough levels. Without you, we could not accomplish our mission.

Whether it's the cashier on the front line or the stocker on the night crew, each of you plays an important role in satisfying our customers.

Again, I can't be more thankful for the hard work and sacrifices West Area employees have made to keep the commissary a strong military benefit.

I believe we need to love what we do. I tell employees I meet, "You have to love this business to stay in it. If you dread coming to work, you should look for something else to do."

To the headquarters support staff, we have to keep our focus on the stores and our customers. The more we can do to simplify the processes at the stores, the more successful we will be delivering the benefit. Improving the shopping experience for our customers takes work from everyone from the top down.

To our industry partners, I thank you for your support. We are in this together and need each other to be successful.

—E and C NEWS