

## ‘Investing in Marines, for Duty, Home and Self’

**A**lthough the fundamentals of goods and services at a value have not changed as part of the Marine Corps Exchange (MCX) equation, Business and Support Services Division (BSSD) Deputy Director and Chief Operating Officer (COO) Jennifer Ide and the headquarters and store-level teams take pride in enhancing the relevancy and efficiency of the MCX benefit. In this exclusive interview, Ide also discusses the ways in which the organization has aggressively innovated in anticipation of its evolving resale environment and changing patron expectations.



Ide

Management (CRM) system to gain further insight into patron shopping behavior. These efforts are going to reach not only the customers that shop us, but more importantly, the ones that can but don't.

*E and C News: What are your and MCX's top priorities for the second half of fiscal 2016, and into fiscal 2017?*

**Ide:** Priorities in the second half of 2016, of course, include a focus on holiday sales. Consistent with our strategies and results thus far in 2016, we are focusing on driving productive sales, not just buying topline sales.

So far, we are seeing more productive merchandise metrics and higher net profits overall. This also includes executing the final phases of the Store Operations Transformation objectives to align staffing to demand to meet organizational payroll goals, and regionalizing our distribution network to better flow goods to the stores to help reduce the workload on the stores. This will continue to be our focus through the first half of 2017.

*E and C News: MCX seems to take a very creative, yet highly disciplined approach to developing new business ideas. What inspires the organization's thinking when it comes to new business opportunities?*

**Ide:** First, we have embraced “Design Thinking” — solution-based thinking — within our culture, and

we use these disciplines and processes as we pursue innovation and technological advances.

More tactically, and from a product perspective, we have two strengths. First, our talented, experienced buying team is traveling to markets and is immersed in the business to ensure we are on top of trends and emerging brands or businesses.

Second, the size of our business allows us to be more agile and make decisions when a brand trend changes or is underperforming.

As a team, we have pushed ourselves to be less risk averse, be willing to change things up, and be willing to adjust fire sooner rather than later, when we aren't hitting the target as expected.

Within our Campaign Plan development, we are owning our values: “Accountable,” “Bold” and “Connected.” That's how we frame every decision we make.

From an enterprise perspective, we are focusing on innovative service delivery models that are unconventional, and I will expand on that in a bit.

*E and C News: A year or two ago, MCX was faced with having to reduce the size of its store/convenience footprint as diminishing tobacco and alcohol sales and lost add-on sales threatened store revenues. Where does MCX stand with facing down those challenges today?*

**Ide:** One of our organizational construct strengths is our ability to align, quickly, to commandant of the Marine Corps (CMC) and service priorities. It would be easy to be the “victim” of policy changes, but we embrace the opportunity to support the greater mission of the Marine Corps.

Then, it gets back to the innovation and new business development ideas. Where is the opportunity to “replace” sales that we may have lost? Sales have stabilized in those categories, and the sales we currently have in those categories are more productive based on specific actions to better manage their inventory and distribution. We will always support bigger Marine Corps priorities, and be responsive to requirements as they change.

*E and C News: How are the MCX and the Marine Corps preparing for demand for greater efficiencies across the defense resale enterprise that may arise from the Defense Resale Business Optimization Board (DRBOB)? What are some changes we are likely to see? How transparent will this be to customers, and will there be any knock-on effects?*

**Ide:** We have been preparing for the “perfect storm” of budget and funding challenges, troop reductions, and operation tempo changes since 2012,

*E and C News: What do Marine spouses and Marines, suppliers, and Marine Corps leaders tell you they want from MCX? What do they say MCX could do better?*

**Ide:** Many say that customers' expectations are continuing to get higher and higher, and for the most part I think that is true. But fundamentally, I don't think it's changed much in the 20 years I have been with MCX: goods and services at a value that are meaningful to the Marine lifestyle and support quality of life aboard our bases.

But we can always do better, everyone can! We are expanding customer outreach, feedback capabilities and are planning to implement a Customer Relations

MCX prides itself on its agility in responding to and anticipating customer expectations. Marines and their families at MCAS Miramar, Calif., enjoy the store's on-trend assortment.

MCX PHOTOS





# MCX Executive Interview

with our transformation efforts.

We identified the need, organizationally, to focus on becoming a more efficient back-of-the-house organization, and hopefully, any new requirements will align to the work we have already started.

With any organizational back-of-the-house support initiative, the goal is to make every change transparent to the customer with little business disruption. We are engaged and involved in the DRBOB process as this body seeks optimization initiatives with the broader resale ecosystem. But we don't have the time to dwell on what might happen; we continue to press forward with our initiatives aligned to our Campaign Plan and our mission of "Investing in Marines, for Duty, Home and Self."

*E and C News: Are there any other new initiatives on the horizon that MCX is exploring to improve the benefit?*

**Ide:** Layering onto the business development discussion, earlier this spring we stood-up a marketing branch. Previously, we didn't have an integrated marketing capability. We had an advertising team focused on MCX promotions, a national research analyst, digital media manager, and sponsorship coordinator all compartmentalized in different parts of our organization.

When Sandy Bates came on board as chief marketing officer (CMO), she brought with her an extensive background in marketing and innovation that has helped us to formalize and professionalize our marketing capabilities to better achieve our goals.

Additionally, our new marketing branch is currently working with our installations and a talented Brand Rollout Team to launch an exciting new internal communications strategy to achieve cultural alignment within Marine Corps Community Services (MCCS). The customer message is "Our Mission is You," and the employee message is "Make it Your Business."

We have also been working diligently on our broader Morale, Welfare and Recreation-(MWR) Innovations initiative, and through the support of industry professionals, have been able to gain great insights on where our "Core Marine" customer (i.e., youthful demographic) will "allow" us to interact in their world, whether it's related to duty, getting stuff done, or recharging after a tough week. And sometimes, that means looking at the overall service delivery model and thinking unconventionally.

We are also ready to move from pilot to full implementation of Android Pay and Apple Pay at our point of sale, which we know is gaining adoption by our Core Marines. That is going to be a great enhancement to the store experience, especially during holidays.

Another new initiative that we are exploring is a mobile application for smartphones that will enable Marines to connect with other Marines in a secure environment. This would enable Marines to connect with opportunities that they might not find out about otherwise. Marines will also be able to set-up their own events and connect with other interested participants.

Finally, we are pursuing "Retail Experience Innovation." Later this year, we will be conducting a needs



When Marines deploy or train where no permanent exchange exists, MCX is at the ready with Tactical Field Exchanges and/or cooperative efforts/agreements with its sister exchange services and host nations.

assessment focusing on the customer experience, and will develop a new business model that will be used as a framework for everything from customer service, to merchandise assortment, store design, marketing touch points, and technology capability.

We are also close to launching a new system called "GoRPM" to help us aggregate and analyze facility refresh and sustainment costs, in order to improve operations, identify cost-saving opportunities, and inform decision makers at all levels of the organization.

*E and C News: You've traveled across the world for the MCX in the last year, including a trip to the Pacific region. What has been your sense of the level of satisfaction and loyalty to the MCX brand you have encountered on your travels?*

**Jennifer Ide:** I was able to travel to MCB Camp Butler, Okinawa, MCAS Iwakuni in Japan, and MCBH Kaneohe Bay, Hawaii, in December of last year. It was a great trip for a couple of reasons. First, it was my first trip there in my role as deputy director and COO, so it was very interesting how my lens changed and my view broadened as I toured all of the business operations, not just MCX.

Second, given that MCX does not operate the exchanges in Okinawa, I personally had very little engagement with MCCS Okinawa in the past. But given my portfolio of responsibilities now includes Food, Hospitality, Commercial Recreation and Services, it was great to visit Okinawa and experience the bases and stations to truly understand the broad scope of that operation.

The MCX brand does not exist in Okinawa, but Marine Corps Community Services (MCCS) is probably more important to the Marines and families there, along with Iwakuni, than any location I have ever seen. Both Hawaii and Iwakuni have not yet matured the MCX brand in the same way that our other bases have.

MCX Hawaii has not had a refresh or renovation encompassing the MCX brand standards. We have a three-phased plan that will get the current location incorporating as many brand standards that make sense during a reset. We are also working with the

command and the MCCS Construction Committee to scope a future large addition/remodel to right-size the main store at MCBH Kaneohe Bay.

So having said that, MCX shoppers may have experienced the brand at other bases, but not completely in Hawaii ... yet. Brand loyalty and recognition there is probably more focused on MCX as a component of MCCS, which is an important contributor to quality of life. The phases of the reset that have been completed have already made a great impact, and we are excited about the next phase kicking off shortly.

It had been almost five years since I had been to Iwakuni, and it was nearly unrecognizable! They are getting an Air Wing from NAF Atsugi, Japan, and have been undergoing a transformation on base to nearly double their population. That build-up included a new Inns of the Corps Lodge and Town Center with shops and services that opened in August.

There is a new MCX that is going to be built, but it won't open for a couple more years. It will be built on brand, maybe with some slight modifications, based on Government of Japan and Defense Policy Review Initiatives (DPRI) requirements.

That is going to be a beautiful facility, and just like today, be an important service to those stationed in Iwakuni. Up until now, there have not been extensive efforts to brand the MCX facilities, knowing many were going to be upgraded and renovated in the build-up effort.

*E and C News: What would you like to tell associates and managers, and those working in or servicing your worldwide store network?*

**Ide:** The team working in the store is the heart and face of our organization. They are the ones that execute and operationalize the mission and for that, I am so proud and appreciative of what we collectively accomplish every single day.

Having started my career in the stores 20 years ago, I know how hard that is! But I think it's a great time to be on the sales floor with our customers. We have been laying the groundwork of a great store experience, for both associates and customers, and we are starting to see the results of everyone's hard work!

—E and C NEWS