

Charity Retail Association®

The voice of charity retail



Case study: Cybertill and Barnardo's



Implementing a new retail management system

National charity Barnardo's work to transform the lives of the UK's most vulnerable children, helping thousands of families each year build a better future. With over 700 shops across the UK, its retail operation generated £15m profit in 2018, 25% up on previous years.

"Information is power" states Roy Clark, Director of Retail and Trading at Barnardo's and instant access to management information was one of the benefits the charity saw when it implemented CharityStore, Cybertill's EPoS platform.

"Each morning I receive a set of emails that show me the KPIs and allows me to understand how the business is performing against those key metrics."

Prior to this project, Barnardo's found it difficult to get instant access to data such as sales progress; Gift Aid capture and daily shop sales. The new system has shifted the culture within the business, letting them set dynamic KPIs and implement a reward and recognition process. "It makes it easy for us to understand upward and downward trends in performance, meaning we can intervene before it's too late."

Individual stores are actively encouraged to share data on a daily sales board, so staff, volunteers and management can all understand what they're trying to achieve as Roy explains, "If a volunteer walks into a shop, they can see straight away what the store's ambitions are in terms of sales. Volunteers like it, they like to know what their contribution amounts to."

Gift Aid

A key factor was to produce sales information and Gift Aid integrity that was lost through a manual system. This is one of the many challenges charity retailers face when trying to increase revenues and capture Gift Aid.

"We have to take a pragmatic and realistic approach; our Regional Managers have their own Gift Aid sales conversions and their Area Business Managers have the same. We can now see these conversions at a more granular level, and specific to each store."

Roy Clark, Director of Retail and Trading, Barnardo's

Charity Retail Association®

The voice of charity retail

Barnardo's understand that Gift Aid capture can often be determined by social demographics. If a shop is in an area where there are a higher number of elderly people, or workers below the tax threshold, you're less likely to have people sign up to Gift Aid, reducing the capture.

As a result of having access to this information, Barnardo's can set nationwide sales targets for its 700 plus shops, taking historical performance into consideration, while looking at what the new technology can bring to improve the process.

"The key thing for us is that we have an agreed set of sales targets with our managers. We operate in a 'tiered fashion' where I set the nationwide sales conversion, and this is then broken down into four geographical regions, each with approximately 170 to 180 stores. Each of these regions has a regional manager, who has around eight business managers reporting to them, each with around 20 to 25 stores to look after" explains Roy.

Out of the 7 areas that were using CharityStore by June 2018, all showed a significant increase in Gift Aid sales conversion, varying from 8% improvement up to 25% (based on sales from a manual system used from June 2017 – January 2018, and on EPOS from June 2018 – January 2019).

Making the change from a manual system, means Barnardo's has seen a dramatic increase in Gift Aid capture, as Roy explains; "in one of our areas we had 25 stores with an average Gift Aid capture of 37% on the manual system. This was good as it is slightly higher than the national average for the industry, which according to BDO is 31% but the average for Barnardo's was 41%."

"Since implementing CharityStore, Gift Aid capture started to increase, but not as much as other areas, so the Area Manager put in place some key actions to address this, including talking to peers to gain best practice advice and understanding performance levels. By acting upon this advice, the area is now consistently hitting around 57% capture. It's incredible. Since implementing CharityStore it's not uncommon for stores to hit over 70% Gift Aid capture"

As the capture continues to increase, Roy tells of how some stores are hitting around 73% Gift Aid and maintaining it, which he believes is down to involving store managers in the process.

The way some store managers operate now has changed completely, they can now send out Thank You notes to staff and volunteers who managed to improve their sales activity and capture more Gift Aid in the process, "although there is no cash bonus, people are rewarded by the fact that they're seeing good financial results and making more money for Barnardo's, all because of extra Gift Aid."

Increasing donor engagement

Barnardo's continue to develop thankyou emails for their donors, that are sent to opted-in contacts each time a donation is made. "It's incredibly engaging" explains Roy, "I speak from experience, we did a lot of research and insight around this, which is why we decided to get this extra piece of work done."

In line with HMRC rules, Barnardo's write to donors every six to eight weeks, thanking them for donations, and notifying them how much their donations have made for the charity, "it's something we get a lot of positive feedback from."

Charity Retail Association®

The voice of charity retail

Along with full visibility of Gift Aid conversions, Barnardo's can also see a trend in the regularity of Gift Aiders, providing them with the information to track numbers of regular and new Gift Aiders they have signed up.

Creating advocates through training

Implementing a new retail management system across 700 plus stores is no mean feat, and something that required intensive training. As such, Barnardo's got five store managers per area together, and made them the designated trainers, ambassadors and advocates for the new system and on-boarding process. After a 3-day 'train the trainer' session with Cybertill trainer Carina, the newly appointed trainers went back to their areas and trained their staff.

"The training approach taken gave us a number of key things, including strength and depth. In each area, we have at least five skilled people, who are now totally immersed in the platform and have now become real experts."

Roy Clark, Director of Retail and Trading, Barnardo's

This proved to be a major benefit, as the chosen management know the stores inside out, and understand how each individual shop manager works. Providing that emotional and geographical connection with who they are training, the Cybertill advocates are on hand to pick up any low-level issues that people have forgotten how to do, "it makes it easier for colleagues to pick up the phone and talk to someone in the store down the road because they have that company and local knowledge" continues Roy.

Adopting this approach also helped to minimise costs, as with such a big store estate, training cost could be quite high, and too many managers would be away from their shops. As Roy explains, "it worked for us seamlessly and we've transitioned from the manual tills to the EPoS system easily, whether it's a 16-year-old or a 90-year-old volunteer, they've all been trained. In fact, we have a photograph of 91-year-old volunteer getting EPoS trained – that's awesome."

Future proofing

When Barnardo's started working with Cybertill, Roy commented that "investing in EPoS is an essential move into the digital realm for our retail chain. In the future, we do need to focus online. Like high street retailers, we need to accept the reality that there are lower levels of in-store footfall impacting sales. The only way to mitigate this is to venture online.

"Another growth area for us is new goods and having a perpetual inventory process. We're looking at how we can manage stock, sales, space, inventory and link all this with logistics."

With staff getting behind sales of new goods, Barnardo's saw a much improved Christmas period over 2018, with sales figures up 21% for the four weeks leading up to Christmas. Putting it into perspective, Tesco only achieved 2.2% growth.