

# Learn From Trader Joe's<sup>1</sup>

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If you've ever been into a Trader Joe's store, you know it is unlike any other grocery store. People working there are always friendly and playful, dress in colorful Hawaiian shirts, and are called *Crew Members*. Products are unique and generally inexpensive. Service is consistently outstanding—Crew Members, who see you standing in an aisle, will frequently ask you if you need any help.

What makes Trader Joe's so unique?

The answer is the Trader Joe's philosophy, expressed in a "Values Guide," which contains seven values that guide the company and all of its employees. New-hires are given the Guide and told that everyone at Trader Joe's lives by the seven values, makes decisions based on the values, and focuses behavior and evaluates performance according to the values.

Two years ago, I had the opportunity to coach a Trader Joe's Crew Member. He gave me many examples of how the seven values are manifested in the daily life of Trader Joe's. Those examples are very relevant to any organization desiring to be the best.

Following are the seven values with his examples.

## VALUE #1—INTEGRITY



"As a Crew Member, when I focus on treating all customers, vendors, or suppliers as I would like to be treated, I am demonstrating my Integrity. My Store Director (known as *the Captain*) told me that Crew Members help each other out when asked. For example: I might be at the cash register talking to a customer who forgot to pick up a can of coffee. I ask the nearest Crew Member I see who is not at a cash register to get the coffee for the customer. My Captain also told me that the most important thing is to ask for help from fellow Crew Members in a nice way, not command someone to do it—it's all in how you

phrase things. The Captain and other managers model integrity for the rest of us. They interact with customers and with each other in exactly the same way they want us to do."

## VALUE #2—PRODUCT DRIVEN



"When it comes to products, my Captain told me that the Trader Joe's strategy is like comparing a Corvette to a Ferrari. Corvettes are much cheaper than Ferraris, but they have 80% of what Ferraris have in terms of value. Trader Joe's aims for the first 80% and leaves the extra 20% to high-end grocery stores. Buyers are constantly out looking for products—they don't wait for vendors to come to them. Trader Joe's has far fewer products than in a regular grocery store, but the products are special—some are unique to Trader Joe's, while others are staples (such as cereals) at a far cheaper price."

<sup>1</sup> From: [http://www.arniedahlke.com/101015\\_Learn\\_From\\_Trader\\_Joes.pdf](http://www.arniedahlke.com/101015_Learn_From_Trader_Joes.pdf)  
Please take a moment to look at Arnie's site: <http://www.arniedahlke.com>

### VALUE #3—CREATE WOW CUSTOMER EXPERIENCE



“Every day at work, I see a huge focus on the customer. I’m told that without them there would be no business and I should treat them as honored guests in my home. What matters is how the customer thinks. What counts is being able to see things from the customer’s point of view. We are encouraged to interact with our customers. When we are at the cash register, we are taught to give customers extra attention. For example, we ask customers if they need any help carrying their groceries out. We are encouraged to make customers feel that somebody is paying caring attention to their needs.”

### VALUE #4 - NO BUREAUCRACY



“One of the first things I noticed when I started working at Trader Joe’s was that there is no manager office, just a boxed-in area, visible and open to everyone, called the *Captain’s Deck*. The Captain is constantly out on the floor. The Captain pitches in doing what needs to be done, like everyone else. I’ve seen him going out and getting carts and sweeping the floor. He has no ego and does not hesitate to get his hands dirty. Decisions are not handed down by corporate. They are made at the store level under the assumption that the people in the store know best what is going on.”

### VALUE #5—WE’RE A NATIONAL CHAIN OF NEIGHBORHOOD GROCERY STORES



“Trader Joe’s makes each store look like the neighborhood with pictures of happenings in the city, local street signs at checkout counters, etc. The layout and interior of the store is deliberately set up to convey an informal, freewheeling, casual atmosphere, where shopping is an adventure and you never know what you may find around the next corner. The stores are intentionally kept small in size compared to other grocery chains—an average of six to twelve thousand square feet, which is about one sixth the size of a typical supermarket. This also promotes a neighborhood feel.”

### VALUE #6 – KAIZEN!



“Managers tell us to think about how we can improve at least one percent every day. When I see something that I think could be done a better way, I’m encouraged to tell the Captain. He listens carefully and considers every suggestion he gets from me and other Crew Members. The Captain is strict about evaluating us but always in a constructive manner to help us improve. He they rate us on punctuality, availability, teamwork, rotating products, volunteering, and *especially* customer service.. The emphasis is continuously on improvement.”

### VALUE #7- THE STORE IS OUR BRAND



“An important key to living up to this value is consistency. Every Crew Member is trained on every aspect of the store. When I restock a shelf, I do it the same way other Crew Members do it. When I interact with customers, I treat them the same positive way that other Crew Members do. Trader Joe’s sees its own people as a way to build brand recognition for the store. The attitude of managers is that the people they hire and train are just as important as the low prices and products offered to customers. Trader Joe’s has a well known reputation of treating its employees with a respect and dignity unequaled in the supermarket industry. (As a result, I’m told, Trader Joe’s has lower turnover rates.) To reinforce its brand, Trader Joe’s does everything from letting customers sample items before they buy, giving them a full refund if they don’t like the product, and encouraging light-hearted communication with Crew Members.”

Even though Trader Joe’s is a retail market chain, the values that guide it can be adapted to *any* organization that provides a product or service. The most important focus of any company is delivering value to its customers. The seven values of Trader Joe’s serve as excellent guidelines for improving customer value.

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