



# Staffing our Stores

## Situation Analysis

Baby boomers (born between 1946 and 1964) currently make up approximately 40 percent of the workforce in the United States. But as this generation reaches retirement age en masse, the Bureau of Labor Statistics estimates that there will be 10 million more open positions than available workers by the year 2010.

As baby boomers leave the workforce, a new generation, known as the Millennials (born between 1980 and 2000), is beginning to enter it. Tech-savvy and well networked, Millennials are eager to make an impact on society. They are also very discerning job seekers who will increasingly have a variety of opportunities available to them.

## Project Question

How can we effectively staff our stores with (hourly/executives) teams as we enter the competitive labor market of 2010?

## Project Parameters

Develop an innovative staffing strategy that will help Target continue to attract and retain the best talent in its stores.

Utilize the Suggested Topics section as a guide by exploring the most relevant topics, and supporting proposal recommendations with information that addresses the “why’s” behind each explored topic.

Include in this proposal a SWOT analysis (Internal: Strengths/Weaknesses, External: Opportunities/Threats) of the current situation Target faces in the labor market, as well as a second SWOT analysis based upon implementation of the proposal.

## Suggested Topics

- **Recruiting:** How can Target identify and attract top talent for its stores? What will set Target apart from other potential employers? Where should Target focus its recruiting efforts? What do recent graduates want and expect from potential employers?
- **Retention:** How can Target build loyalty with its team members? What factors influence a person’s decision to stay/leave a company? What role does training play in employee retention?
- **Diversity:** How can Target continue to ensure that its team members reflect the diverse cultures of its communities as it becomes more difficult to find talent?
- **Branding:** How can Target extend its brand image as a fun place to shop to include being a fun place to work?



- Marketing: How can Target better communicate the career opportunities available in its stores? What vehicles would be most effective in spreading this message?
- Guests: What characteristics do Target guests expect from stores team members? How can Target identify potential employees who demonstrate these characteristics? How can Target ensure that it continues to hire team members who will consistently provide excellent guest service?
- Competitors: How are other companies attracting top talent? Who should Target benchmark?
- Trends: What are emerging trends in staffing (both hourly and executive)? Should Target be a first mover on these trends? What trends might not be sustainable?
- Economy: What economic factors will influence the labor market?

### Company Information

#### What is Target?

Minneapolis-based Target serves guests at more than 1,600 stores in 47 states nationwide by delivering today's best retail trends at affordable prices. Target is committed to providing guests with great design through innovative products, in-store experiences and community partnerships. Whether visiting a Target store or shopping online at Target.com, guests enjoy a fun and convenient shopping experience with access to thousands of unique and highly differentiated items. Target (NYSE:TGT) gives more than \$3 million a week to its local communities through grants and special programs. Since opening its first store in 1962, Target has partnered with nonprofit organizations, guests and team members to help meet community needs.

#### What is the Merchandising Strategy?

Target's Merchandising mission is to drive profitable market share growth by fulfilling its "Expect More. Pay Less." brand promise. Specifically, the Merchandising team focuses on the following five areas to remain relevant to guests over time and sustain a competitive advantage:

- Team: Promote continuous learning in a diverse environment where high-performing teams excel.
- Value: Provide outstanding value through price, quality, and great design.
- Differentiation: Create excitement with distinctive, exclusive and innovative offerings.
- Reliability: Drive sales by having what guests want, when they want it, where they shop.
- Frequency: Increase shopping frequency by creating a convenient shopping experience that meets guests' wants and needs.

#### Who is the Typical Guest?

Our guests are young, well-educated, moderate-to-better income families who live active lifestyles. The median age of our guests is 42, the youngest of major discount retailers. They have a median annual income of \$60,000, 51 percent have completed college and



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33 percent have children at home. Also, we have one of the strongest brands in the marketplace. Our Bullseye is recognized by 97 percent of American consumers, even nudging out Apple and the Nike swoosh.

### How Quickly Has Target Grown?

Target opened its first store in Roseville, Minnesota, in 1962. More than 100 new Target stores are opened each year during three cycles in March, July and October. New store prototypes, ranging in size from approximately 127,000 square feet to 174,000 square feet utilize advancements in technology and design to better respond to Target guest needs. Total store square footage of Target Stores is more than 210 million. Target currently operates 26 regional distribution centers (RDC), four import warehouses and one Target.com distribution center.

### What is Target's Role in the Community?

Since 1946, Target has given five percent of its income to support and enrich the communities we serve. Today that equals over \$3 million every week to support education, the arts, social services and volunteerism. In addition to our financial support, Target team members and retirees, along with their families and friends; have contributed millions of volunteer hours to community-based projects. To learn more about our programs and community partners, visit [Target.com/community](http://Target.com/community).

### Market Notes

The growth of the U.S. workforce has steadily declined over the last three decades and is expected to level off by 2010. Additionally, the proportion of 25- to 44-year-olds (considered "prime-age workers") in the labor force is getting smaller. Also by 2010, the number of workers aged 35 to 44 – those typically moving into upper management – will decline by 19 percent; the number of workers aged 45 to 54 will increase 21 percent; and the number of workers aged 55 to 64 will increase 52 percent.