



LONG RUN

PEOPLE PRACTICES POWER RUNNING STORE'S PERFORMANCE

by Mark G. Popovich and Amanda Newman
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"The person who starts the race is not the same person who finishes the race," so noted a sign at a recent marathon. The trope of challenging journeys that reshape character is common in sports. It also applies well to Charm City Run, a Baltimore-area running and walking specialty store. The company certainly equips and trains those "starters" and "finishers." Since launching a single storefront in 2002, the enterprise has evolved to match their changing goals, methods, and scale.

After earlier booms and subsequent slumps, **selling running shoes** and apparel now is a **tough retail market**. The cross currents include rapidly shifting customer preferences, high velocity churn in products, and top-flight competitors of both the hard-wall and e-commerce variety.

Charm City Run is doing better, however, than just keeping pace. The firm is accelerating even in this extremely harsh market. They are in growth mode when thousands of retail outlets closed across the country this year alone, and the number of running stores has slumped by **three hundred** in recent years. As so many drop off pace, or hang on with ever-dwindling hopes, CCR has upped their investment to eight locations, with the latest opening on the Baltimore waterfront in the hotspot **Fells Point neighborhood**.

Charm City Run is a top performer. And its people make it possible.

Josh and Kara Levinson are the central characters in the CCR story. The married couple are the avid runners and entrepreneurs who started the business after moving from Austin in 2002. Their plans were based on the legendary RunTex stores and run culture guru Paul Carrozza. After 25 years, however, **RunTex shut down**. The Levinsons, in contrast, remain literally and

"Ten years ago, pop up a run specialty store and you'd do okay. There was great growth. Double digit growth in sales was normal. Now, single digit growth is considered phenomenal. Things are challenging. We've been fortunate. We work hard to get people through the door, and we've been fortunate enough to grow from one store in 2002 to eight in 2017."

Tom Mansfield, Chief Operating Officer



figurately with the fleet footed. Fifteen years in, they continue in the leaders' pack as CCR's owners and animating spirit.

CCR's people practices have made them a national champion-caliber retailer. In late 2016, *Competitor* and trade magazine *Running Insight* named them the "Running Store of the Year." They earned top marks for service quality, staff approachability, and product knowledge. The store is good because the staff is good. And the store and staff are good together. That is not just their opinion. In fact, *The Baltimore Sun* named them a top small employer workplace annually so far from 2014 **through 2016**. They are the only retailer on each list. At the time, CCR's Chief Operating Officer Tom Mansfield noted their success factors: "We are nothing



Josh and Kara Levinson and their three children

a part-time sales associate, became a supervisor, manager, and now works with the founders and CCR team as General Manager and Chief Operating Officer. *(Italicized text denotes supplemental information added by the authors.)*

Q: How did you come to work at Charm City Run?

A: I started at CCR in college. I ran in high school and then at Towson University for cross country and track. After my second year, I was looking to make some rent and spending money. Both my roommate and I started working back in 2004 at CCR as part-time sales associates. Thirteen years later and we're both still here. My former roommate buys all the footwear for all of our stores. After some years in part-time sales, I decided to take a chance on a young business and really throw in with owners that I could really get behind. That's why many came on and started. You could see the dream and the passion. We wanted to be a part of it. It's a contagious thing.

without our people and the attitude and energy they bring to our stores every day. Every one of our employees knows that they are the reason Charm City Run exists." CCR also garnered SmartCEO's Corporate Culture of 2016 **recognition**.

CCR's people practices stand out among retailers and small-to medium-size businesses. And their approach is well aligned with their business strategy. We snagged time for a recent chat with Tom Mansfield to learn more. Having worked at CCR in a number of positions for over a decade, Tom has seen it all. He started at CCR during college as



Q: What was your path in the company?

A: I moved from part-time sales associate after a while to be a manager in Timonium. That was CCR's original store. After a year, it was time to help open another store. That one is in Annapolis and involves a different setting than we've worked with before – a higher-end mall complex location. While managing that location for four years, I started running operations across all stores in 2012. COO was a new position. A lot of these roles – like COO, HR, and marketing – had to be created. As we grew in stores, new roles needed staffing. I love what I do as COO because it keeps it interesting every week. I love meeting new people. And I do a lot of things for the business. I want to be in front of the customer and to see what they are asking about. I want to provide service. Working with our staff, our great leaders, and being in front of the customer – that's just phenomenal.

Q: What about CCR's hiring process and approach?

A: There are people who demonstrate a passion for running that pop up in our training groups or at our events. Many times, they come in to the stores regularly and show such great enthusiasm for CCR and our place in the community. That is an ideal candidate to work here. We look for fit with our strong culture and service to the community. They need to be able to work together and provide top service. We have great people. I could probably count on one hand the number we've had to let go. In 15 years in retail, that's pretty solid. Everyone who applies with this business must come in and fill out our application. Caroline, our HR person, talks with them and does a phone interview. *(Online application processes and extensive questionnaires/tests are common in retail while in person initial contact is far less common.)* If we like them and they like us, they meet next with Caroline and with our store manager. If we like them more, they come in and meet again for a final interview, and I sit in. And if it's not me, it's another senior person, or it could be Josh Levinson. One true consistent throughout the growth of CCR is that we need to know people before we hire them.



*Tom Mansfield, Josh Levinson, and Deirdre Weadock
(Manager, Locust Point store)*

Q: What's the profile of your workforce?

A: We have 80 employees across the leadership and the eight stores. This type of business was once fairly seasonal. But that's not the case anymore. There isn't the slump down in total



employees as there once had been in January and February. Now we have planning and developing going on. About 75 percent of our workforce is part time, and this counts all who work any amount under 40 hours per week. Half are in the 20 hours per week or over range. At each store, we have at least one full-time person and some have two.

Q: Tell us about some of your people practices.

A: Hourly wages start at \$11 per hour and the median is over \$12 per hour. *(Many chain athletic equipment and apparel retailers pay minimum wage to new part-time sales associates. That is \$9.25 per hour in Maryland in 2017. BLS reports median retail wage in the Annapolis region is \$10.45 per hour.)* We're regularly reviewing with people and they know the path to how their hourly wage can increase. Turnover is nonexistent. Something is going on here that is special. *(Annual turnover in part-time retail sales associates ranges around 67 percent.)* All

people run into life changes that alter the ability to work – like maternity leave or going back to school. We want them back and many return. The average tenure for full-time CCR workers is over five years now. *(Bureau of Labor Statistics reported an average job tenure in retail of 3.0 years in 2016.)* CCR offers retirement contributions to 401k plans for anyone over 30 hours per week and health insurance with an employer contribution to premiums that is over 50 percent for full-time employees. Finally, scheduling is important to job quality and managing lives outside of work.

"The staff of Charm City Run embodies everything that is great about locally owned running stores. They share their passion of running by taking the necessary time to help each and every customer. Running is for everyone and Charm City Run makes everyone feel like they belong."

Brian Metzler in Selecting CCR as Running Store of the Year 2016

Our associates see their schedules two weeks in advance. There's an ability usually to approve preferred schedules and requested leave. If an associate is inside two weeks and the schedule is out, we ask them to find coverage. But if an associate is hit by something like a friend's funeral, we're going to fix that. We don't have on-call scheduling. But this is retail and people know there are weekend and evening hours to fill.

Q: What about training and preparing staff to do their jobs and really know the products?

A: Everybody has different strengths and areas for growth. We put supports in place to help people where they need to grow. We meet with our employees at least every six months. That's more frequent with new employees to see how they are progressing. The learning curve, because of the different products, is pretty extreme. Customers are well-informed, and product mix can change weekly. You have to be on your game. We do general training on the brands we carry, and from there, our staff needs to be touching the product and trying it on. Some of the information is available directly online from the manufacturers. We all learn from that too.



A couple of year ago, we saw that our training needed a little improvement. It's been a focus of the last year with time commitments from leadership and making it possible for our employees to learn new skills and master the information they need. We're not just onboarding, but mapping out the first six months. After six months, the training continues too. We encourage our people to go beyond working the floor. We want them to be involved in product recommendations and product orders. Frankly, a lot of our product mix is driven first by our employees. We want and need staff to speak up, offer feedback, and generate ideas. People push themselves and ask what more they can do for the business. They want to help. The more we train, the more staff are aware of the product and the more fired up they get about what we do.

Q: What are the business benefits of your people strategies?

A: It's everything. In our area, like in much of retail, the product's everywhere. It's in stores that are big and small, in brand and off-name outlets, and online. The best and the biggest thing we invest in, and that we've invested in the last 15 years, is our people. So I think our pay is extremely competitive. Our work environment is very competitive. We want people to have a great time here. And I want people to love working here. We can talk about locations and square footage and product mix. We can look to trim costs and control our P&L's. At day's end, if you invest in people, and they're happy here and trained well, and loving what we do, you're going to do well. So I'd say it's everything to us.



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