



Over-and-Out for the Walkie-Talkie?

The Container Store enables employee communications with wearable devices

by **BRUCE HOROVITZ**

Walk into any location of The Container Store and you'll find tens of thousands of products in which folks can store their stuff: boxes, bins, cartons and crates. But if company executives have their way, by the end of the year there's something you won't ever find again in The Container Store: an employee carrying a walkie-talkie.

Just think about it. Walkie-talkies are often clunky and typically have to be held to be used. They constantly spray out streams of often-unwanted information. They can distract employees from interacting with customers. And information communicated between one walkie-talkie and another is rarely, if ever, secure.

While retailers are investing billions of dollars updating everything from computer systems to payment systems, The Container Store is among the first major retailers nationwide to install a new, tech-forward way for employees to communicate among themselves.

If all goes as planned, employees at all 77 stores will be using "wearable computers" by the end of 2016.

INSTANT ACCESS

"Our challenge with communication in stores goes back decades," says John Thrailkill, vice president of store systems and business development. Most locations are 25,000 square feet — or larger. Employees are spread out all over the stores, and stockrooms are big, if not voluminous.

What's more, with employees all communicating via walkie-talkie, it's often distracting to the customers they're trying to assist.

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Employees can do just that with the Communicator, a device from voice-enabled communication firm Theatro that's essentially a wearable computer. The Container Store is the first major chain that Theatro is equipping with the devices, but 16 of the nation's 100 largest retailers, including Cabela's and personal shopping clothing service Trunk Club, are also using the system.

The device could be a game-changer, says Nikki Baird, managing director at RSR Research. "In concept, it could make every employee as good as [a company's] best employee," she says, because by using the Communicator, every employee has instant access to every other employee at the company.

About half the size of a mobile phone, the device is typically clipped onto a pocket or apron — and users must wear ear buds or a headset. It is voice controlled and connects via Wi-Fi. And unlike cellphones or walkie-talkies, while using these devices employees are able to keep their heads up — and their hands free.

The Communicator, which has a GPS element, essentially allows any company employee to reach out to any other company employee at any time. Until now, this has not been simple for major retailers — most of whom require employees to put away their cell phones when they're on the sales floor.

With the Communicator, hourly workers who are anywhere on or off the sales floor during their shifts can be connected to peers, executives and even the IT network of the company, says Chris Todd, CEO of Theatro.

For The Container Store, the biggest advantage of the new system is that it helps employees more quickly assist customers. That's because the system nixes all of the group conversations and unwanted messages that go hand-in-hand with walkie-talkies.

Associates are “communicating a lot more, but only with the people who need to hear the message,” Thrailkill says.

INVENTORY CHECKS

As simple as walkie-talkies seem, they can be a serious drain on staff productivity and morale. Just holding a walkie-talkie reduces productivity by 50 percent, notes Todd, and it gets worse: Nearly three-quarters of messages broadcast over a walkie-talkie aren't even directed at the person hearing the message, so staff must constantly screen out messages not meant for them.

With the Communicator, The Container Store employees “are hearing a lot less in their ear,” Thrailkill says. But when they do hear something, they know it's specifically for them.

The Container Store initially installed the system at a location in Austin, Texas, as a pilot. Since then, it's added the system to seven Dal-



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las locations. All new stores will use the system; it will slowly be rolled out at other stores throughout 2016, Thrailkill says.

Much like the iPhone's Siri, the system responds to voice commands. If a user wants to speak to, say, an employee named Howard Jacobson, she simply states the name and is transferred directly to him.

It also functions as a sort of verbal inbox: Since most retailers don't have company email for hourly employees, the system can get all workers on the same page with verbal messages that they all receive, says Todd.

Also, because of the GPS function, the system can locate employees at any given moment — in the stockroom, at a cash register or on the floor helping a customer. Employees working directly with a customer can push a special button on the device that will place virtually all calls into a quiet mode.

To be clear, The Container Store has

no plans to use the system to monitor where employees are. “We are certainly not looking for ways to catch people doing something wrong,” says Thrailkill. “Our employees want to be more productive — and our job is to provide the tools to help them do that.”

The Communicator also gives employees the ability to check inventory without leaving the customer to go check a computer screen or rush back to the storeroom. An employee can simply read off an item number and the system instantly searches — and identifies — how many of the items are on hand.

“This way, you never have to leave the customer,” says Thrailkill.

CUSTOMER CONNECTIONS

The Container Store ultimately wants the communications system to connect all of its stores and all of its employees — not just the eight stores now involved. “Maybe there is someone 1,000 miles away at another store or in the home office who has expertise with a certain product or category that could help answer their question right away,” Thrailkill says.

In the future, he says, it would be especially compelling for the Communicator to also connect to customers — particularly the company's best customers — who opt-in to put the app on their mobile phones. Under that scenario, a salesperson could be alerted the moment a highly valued customer walks in the door, conceivably aware of the products that customer was looking at on his phone before he walked in the door. **STORES**

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