

# What's News

---

April 2004

## Susan Van Vleet Consultants, Inc.

9285 TEDDY LANE, SUITE 235, LONETREE, COLORADO 80124  
PHONE (303) 660-5206 FAX (303) 814-8217  
WEBSITE: [svanvleetconsult.com](http://svanvleetconsult.com) E-MAIL: [svvconsult@aol.com](mailto:svvconsult@aol.com)

An article in the April 12, 2004 Business Week by Stanley Holms and Wendy Zellner talks about Costco's policy towards its employees, including wage policies.

The article is well done and lays out thoroughly how and why Costco believes it should, on average, pay its workers \$4.40+ more per worker than Sam's Club does. The figures are pretty much the same for health care costs. Costco pays \$2,300 more for its workers than Sam's Club does and it covers more workers. The figures for retirement benefits fit the same paradigm.

The Costco philosophy seems simple enough; to get more productivity out of your workers you need to pay them more.

And they appear to be right. Employee turnover is 6% at Costco and 21% at Sam's per year. Labor and overhead costs are less and profits per employee are \$2,600 more than they are at Sam's Club. The author's of the article conclude that "Costco shows that with enough smarts, companies can help consumers and workers alike".

What does this mean for all of you? Well, if we're reading correctly, it means you must look at your employee policies as part of your overall strategy to build your income growth and your profit margin. It means that when you begin your next downsizings and layoffs you should make sure you have a well thought out reward policy for the survivors.

And even more importantly, it means you need to look at what your employees need and want added; the adding of which would increase their productivity and your profit per employee. We have some suggestions about some value added programs that have worked elsewhere as well as some suggestions for building per employee profit.



If you have any programs you know have worked for you give us a call, we'll add them to our list.

## **SPRING/SUMMER CLASSES ARE FILLING UP**

If you plan to attend a Susan Van Vleet Consultants, Inc spring or summer workshop listed on our Public Workshop Schedule please let us know by the end of April. They are filling up.

Fall classes are beginning to fill as well so don't wait past the first week of July to reserve your space.

## **Organization Man Meets Organization Woman scheduled for 2004**

This very special course will assist you and your organization in dealing with gender diversity at a very deep level. John and Susan lead this course together. They will take you through what is really in the way of you and your company using all of the assets it has for productivity.

We recommend that a Male/Female work team attend together.

## **E-mail and Website Access to the Newsletter**

If you would like to receive your newsletter via e-mail, please send us an e-mail and list "Newsletter Via E-mail" in your subject/title line. It takes us only one cycle to switch you over.

If you are searching for back issues of our newsletters you can find them archived on the Susan Van Vleet Consultants, Inc. website at [www.svanvleetconsult.com](http://www.svanvleetconsult.com). Click on the left hand prompt for *newsletters*.



# ***Congratulations Are In Order.....***

To Angie Paauwe on her new job as the Superintendent of the Steelcase Wood Plant

To Kitty Li and her family on the birth of her child



**Susan Van Vleet Consultants, Inc.<sup>®</sup>**  
9285 Teddy Lane, Suite 235,  
Lonetree, CO 80124  
303-660-5206 Fax: 303-814-8217 Website: [svanvleetconsult.com](http://svanvleetconsult.com)  
E-mail: [svconsult@aol.com](mailto:svconsult@aol.com)