

Running head: INDIVIDUAL PROJECT 1: LIFEWAY

Individual Project 1: Lifeway Christian Stores

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Lifeway Christian Store in Lynchburg, Virginia is a branch of Lifeway Christian Resources, a national company that sells Christian materials to help people grow closer Christ. Lifeway's mission statement is, "As God works through us, we will help people and churches know Jesus Christ and seek His kingdom by providing biblical solutions that transform individuals and cultures," (Lifeway, 2010). Lifeway is based out of Nashville, TN and has stores all over the United States. The information in this report is only based on the Lynchburg, VA store. The information in this document is based on an interview with the store manager, George Barth. This paper will evaluate some of the critical success factors of the store and the overall picture of its success.

Strengths, weaknesses, opportunities, threats

This section of the paper will cover the SWOT (strength, weakness, opportunity, threat) analysis chart. See Appendix 1. These factors are important because they help measure the overall success of the company.

One of Lifeway's strength is its employees. Every morning before the store opens the employees gather together and pray for the customers that will visit the store that day as well as anything else that God places on their hearts; the same thing is done each night at closing as well (George Barth, personal communication, September 15, 2010). This daily ritual helps the employees remember that Lifeway is a ministry as much as it is a business, and that they should seek to serve God in their work environment. This is an example of how Lifeway uses total quality management in an everyday activity. Mr. Barth also mentioned that the morale of the store's management team and employees is usually positive because everyone knows that some of the customers who come in do not know Christ and they might have an opportunity to share the "good news" with someone.

Lifeway's weaknesses include auto-inventory and limited parking. Having an automatically replenishing inventory system can be a disadvantage at times. Sometimes, the store will get large shipments of certain items that will just sit around taking up space for months while a very popular item goes un-stocked. For example, the staff notices that around Father's Day, cheaply made "junk" is shipped every few days, but customers are not the least bit interested in buying it. Meanwhile, in another section of the store, a very popular item such as a certain Bible study is not shipped often enough to keep the shelves stocked. The other weakness is the limited parking. Lifeway is located in a small, congested area of town. The store is sandwiched between a very busy road and railroad tracks, which severely limits the parking space. When the store holds special events to attract new customers or hosts a book signing, some of the customers cannot participate because they have nowhere to park. This can deter many people from shopping at a store.

Lifeway has capitalized on its many opportunities and as a result, has seen tremendous success. One of the opportunities Lifeway has is watching what God is doing through local churches. It is these trends that help Lifeway stay ahead of its competition. Another captured opportunity is the geographical placement of the store, which is brilliant. It is located next to one of Liberty University's two main entrances and is within minutes of dozens of churches. Because of this great location, the Lynchburg store is one of the two most successful. A third positive opportunity includes pending changes to Lifeway's current ministry discount. Lifeway currently offers ten percent discounts to paid clergy, but the Lynchburg store specifically is trying extend the discount program to Liberty University professors (George Barth, personal communication, September 15, 2010).

One of the largest external threats Lifeway has to overcome is its lack of innovative technology. Mr. Barth said that the technology that Lifeway uses in its day-to-day tasks is about ten years old. Employees spend hours upon hours alphabetizing books, organizing the gifts department, and updating inventory. If Lifeway would embrace a newer technology system, those man-hours could be spent more productively. Also, more and more people are transitioning from paper to electronic books such as Barnes and Noble's Nook. Lifeway could potentially benefit from something like that. Fortunately, Lifeway understands how important technology is for success, so the company is working on improving the technology. Introducing new technologies to the company could potentially increase its profits. Lifeway uses its profits to help build new stores, send people on missions trips, and help provide underprivileged ministries with Christian resources (George Barth, personal communication, September 15, 2010).

The overall things that help give Lifeway an advantage is how they handle their customers with the love of Christ, keeping track of any trends within the church, modernizing business processes, and helping the overall quality of the organization. These factors help Lifeway stay in business and expand in areas that need their supplies.

Analysis with each CSF and how they are measured

The information pertaining to this section of the paper will help explain how the critical success is measured through the following factors: life-cycle costing, benchmarking, business process improvement, and total quality management (see Appendix 2).

Life-cycle costing is used a little differently for Lifeway. Mr. Barth said most of the products that Lifeway carries sell pretty well. At Lifeway, a product's life-cycle is normally controlled by trends and movements within Christian churches, especially Southern Baptist churches. Products that do not sell well are discounted in order to clear shelf space. They are

discounted at twenty-five, fifty, seventy-five, and ninety percent respectively. According to Mr. Barth, clearance products sell best at twenty-five percent off (George Barth, personal interview, September 15, 2010). Lifeway has policies for handling discontinued and unsold merchandise. First, items are clearance. Remaining items are kept in the stock room and donated as needed to various ministries.

Benchmarking, according to the text, “...studies the best practices of other firms for achieving these CSF, and then implements improvements in the firm’s processes to match beat the performance of those competitors (Blocher, Stout, & Cokins, 2010, p. 19). Sometimes it is hard to launch a new product if the demand is not there first. “To launch a new product successfully, there needs to be adequate timing, enough people to help have it launched and have enough resources to help market the product (Cooper, & Kleinschmidt, 2007,p. 64).” These trends help Lifeway stay in business in this through economic times. Lifeway also owns its own publishing company named Lifeway Press, which helps keep costs down for the customer.

Business process improvement was selected because Lifeway uses a form of this to help make sure that the policies it has implemented are being used for its overall success. The critical success of this process is important because it deals with the overall outlook of the corporation. This process is measured by the overall sales performance, mystery shops, audits, and feedback from customers (Mr. Barth, personal interview, September 15, 2010). With this information, corporate leaders and store managers can get a complete picture how the store is performing. Mystery shopper visits help make ensure that employees know the information they need to know in order to best assist customers. Lifeway’s mystery shoppers often come into the store asking for outrageous, unusual items like church busses and steeples—which Lifeway carries and can order via catalogue. This keeps employees knowledgeable and current on situations they

do not deal with very often. Lifeway has an audit twice a year. This is to make sure that the paper work and the store looks like it needs to. The audit also gives critical feedback about the store and how they can improve their performance. With the information that is gathered from these sources, the store can improve and achieve its mission.

Total quality management helps the store to have overall success and keep its customers happy. "TQM is a management philosophy which highlights the need to improve the quality of goods and services in order to better utilize the resources of organizations (Seetharaman, Sreenivasan, &Boon, 2006, p. 1)." Lifeway is in business to help people grow closer to God. Some of the employees, according to Mr. Barth, view their carrier there as a ministry opportunity. The employees can assist customers who may be grieving, stressed, overwhelmed, feeling uncertainty about God, questioning life, and a number of other situations find books that might help them grow closer to God. The critical factor is ultimately measured by the quality of employees and how they treat each customer they come into contact with.

Conclusion

Lifeway continues to grow as sales and performance allow it. Lifeway's success can largely be credited to how it handles its customers because every action taken is ultimately geared toward giving them a better shopping experience and helping fill their needs. Lifeway is a business and as such, has to adhere to strict accounting and inventory standards. However, it is also a ministry seeking to reach the world through Bibles, books, gifts, and music. In conclusion, Lifeway has become a shining beacon of God's love in a hurting world.

Appendix 1: SWOT Analyses Chart for Lifeway Christian Store



Appendix 2: Balance Scorecard for Lifeway Christian Stores

Mission: As God works through us, we will help people and churches know Jesus Christ and seek His kingdom by providing biblical solutions that spiritually transform individuals and cultures (Lifeway, 2010).

Vision: (1) continue to reach out to people and churches with their needs first. (2) Continue to increase sales and promote a positive morale work environment.

Perspective	Critical Success Factor (CSF)	Measurement
Financial	Produce revenues sufficient to cover expenses and provide reserves for the future	Increase in sales growth in relation to target
	What would be a goal	Achieve corporate earnings percentage in relation to target
		Achieve ROI by each market business unit (Profit center) in relation to target
Customer	Total Quality Management	What are the concerns with the store?
		How the store looks and having to keep inventory to match Lifeway's mission statement
Internal process	Life-cycle costing	This is measured through overall sales.
		Keeping inventory up-to-date
Organization Innovation and learning	Benchmarking	Measured by Trends
		Economy
		How churches are growing and what direction God is leading them.
	Business process improvements	maintained by mystery shops
		Audits
		Feedback from customers

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