

PIVOT TO MOVE FORWARD



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WOW! IT'S BEEN 33 YEARS since I started in the pawn business. As I look back, I see so much is the same, but also different. What I mean is that we still do the same things and have for years, but today how we do it is very different. Moving from the old days of Orion blue books to the introduction of the Internet, from the handwriting transactions to the modernization of computers, from never taking credit cards (only cash for cash) to the current technology of online and omni channel services, pawnbrokers have had to pivot. We've had no choice. Some of us didn't even realize we were pivoting.

In 2020 we started with the same mindset and behaviors as we had in 2019. Business would be the same, PLO would be king, PSC would be the bulk of the net revenue, and retail would be secondary revenue sources, like always. Then in March 2020, COVID-19 rocked our lives and changed the landscape of the Industry we've known and loved. The world and most of us had to pivot and change our behaviors. Some pivoted aggressively some pivoted regretfully, but we all had to pivot in some form or another. Most of us began the year thinking our PLO demand would go crazy and inventories would build. Well, that didn't happen, in fact, just the opposite happened. The PLO took a beating, up to 40% in some cases, and inventories, well there wasn't enough to meet demand.

The reality is the industry might never come back to what we've known. The more we understand pivoting today, the more opportunity we will have for the future and the successes that will come from that. We must be able to visualize differently! Buy transactions may be more important than PLO transactions. Although PLO will never leave us, in today's landscape and with stimulus money

looming on the horizon, our PLO will be impacted yet again in 2021 just like 2020. Will you be ready to pivot again? How will your behaviors change this time? Have you visualized what your business may look like? As looming rate-cap legislations face all of us, have you visualized what may happen to your business or how your business will transform from this epic adjustment? This may be the industry's biggest change during our lifetime, for an industry we all love.

Never forget there's only three ways to operate any business:

- 1. Acquire a new customer:** Understand your Avatar and customer acquisition cost, along with your customer value to your business. This is paramount to your successes in the future. This is another pivoting point. It's not like the old days "just open the door and the customers came in."
- 2. Upsell your current customer:** give them every opportunity to do business with you by pivoting to add an online presence, omni-channel presence, and increase customer convenience with payments, sales and layaways. Always look for whatever you can to give the customer the opportunity to do business in the store or from the comfort of their home.
- 3. Get your current customers to pawn, buy or purchase from you more often:** find ways to embrace social media aspects of today, not just selling items, reaching your customer base for selling your business, asking for items of need, and looking for any PLO opportunities.

The leaders who embrace this and change their behaviors, move forward with it, and are willing to pay the price to invest in themselves, their team members, and their business platforms will have success and will be able to navigate to survive, advance and thrive.

As leaders, pawnbrokers and business owners of today we must learn and embrace pivoting for the future and not live in the past. Moving forward we must stop living with a "that's how it's always been" mentality, now is the time to embrace an all is possible mindset.

If we change our behaviors, come together to galvanize our industry, and look for new ways to reinvent ourselves, we have an opportunity to all survive, advance and thrive. ●

