# Class 7: Supervalu

Michael Plasmeier

1. I think that management centralized decision making previously because they thought they could do it better. First, managers come from different backgrounds. Instead of training them in decision making, Supervalu just wants to give them a plan to execute. Many chains work on this basis of nationwide standardization. As they said in the case, they are preventing incompetent managers from really messing up. Second, Supervalu probably thought that they could make centralized decisions better. More time and energy can be invested into each decision when it affects many stores. Third, I know that placement is often something that is very politicized in supermarkets. Suppliers are willing to pay extra for placement. Supervalu might have been making those deals.
2. Yammer seems to be helping about 20% of the store directors communicate. Those that use it seem to be doing well because they can share tips and tricks to other store managers. The average store is now losing only 2% as opposed to 5%. I don’t believe those figures were broken out for stores on Yammer and not.
3. I think these management initiatives are a good step. I don’t know enough about the other aspects of the business (competition, labor costs, real estate, etc) to say whether the whole business will be turned around.