



**DISTRICT
MANAGER
TRAINING**

Multi-Unit Leadership at Dollar General

FACILITATOR GUIDE

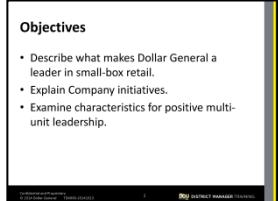
Module Title: Multi-Unit Leadership at Dollar General

Module Duration: 1 hour

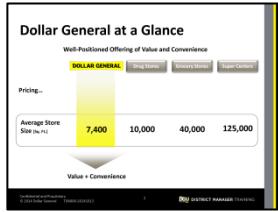
Preparation Notes/Materials:

- Contact Jodi Siebert for a current operational alignment map that can be emailed to participants as reference.
- Facilitator Guide, Participant Guides, and Presentation

Module Description: This module empowers new District Managers to know more about Dollar General, a leading small box retailer. District Managers are introduced to characteristics that are meaningful for multi-unit leadership.

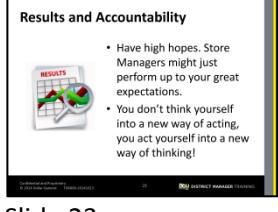
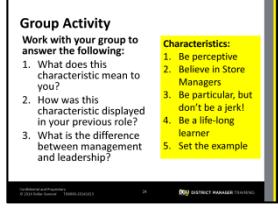
Section	Content	Slide
Introduction	<p>(1 minute)</p> <p><u>Objective:</u> Set tone for training, orient participants to class.</p> <ul style="list-style-type: none">• Show slide 1.• Introduce the topic.	 <p>Slide 1</p>
Objectives and Agenda	<p>(1 minute)</p> <p><u>Objective:</u> Summarize objectives for this section.</p> <p>Over the course of this module you will be able to:</p> <ul style="list-style-type: none">• Describe what makes Dollar General a leader in small-box retail.• Explain Company initiatives.• Examine characteristics for positive multi-unit leadership. <p>Throughout this module, I want you to actively consider – HOW DO YOU IMPACT DOLLAR GENERAL?</p> <p>Each of us was hired to be a District Manager in the Organization. Each of us plays a part in the success of our Company's mission, values and goals.</p> <p>One note about today's presentation, while some of this information is publicly disclosed, we may discuss items that have not been shared with our investors or Wall Street. As an employee, you need to understand that we must adhere to the policies in place that outline what data can be shared externally and what needs to remain internal, to the employee group.</p>	 <p>Slide 2</p>

Evolution of Dollar General	<p>(3 minutes)</p> <p>Dollar General started as J.L. Turner and Son in 1939. A father and son business that started with a \$10,000 investment to purchase a storage warehouse in Scottsville, Kentucky. J.L. Turner and Cal Senior made a living traveling from town to town purchasing items for wholesale purposes. In 1955, they decided to open the first Dollar General store to have a place to sell all the items acquired. The first Dollar General was located in Springfield, Kentucky and every item in the store was at the \$1.00 price point. It was called Dollar General simply because every item was a dollar and the store carried general merchandise. In the early days, our customers never knew what they would find in our stores.</p> <p>But as time changed, so did our merchandising disciplines and store growth. The growth in store count added to growth in employee count, not only to run the stores, but operate the distribution centers and support the store teams through Real Estate, Human Resources, Administration, Payroll, Accounts Payable, etc.</p>	 <p>Slide 3</p>
Dollar General Stores	<p>(5 minutes)</p> <p>There are 3 formats for our stores currently:</p> <ul style="list-style-type: none"> • DGT or Dollar General Traditional, our most common store, has an average of 7,200 square feet. • DGP or Dollar General Plus has expanded coolers and larger square footage. • DGM or Dollar General Market, has an average of 15,000 square feet and has expanded coolers, meats, and produce. 	 <p>Slide 4</p>
	<p>Dollar General has multiple price points. Not everything is a dollar. Dollar General is a neighborhood general store.</p>	 <p>Slide 5</p>
	<p>There are many aspects of the business that need to run effectively to get the product into our customer's hands.</p>	 <p>Slide 6</p>

	<p>Dollar General stores have less square footage than super centers, but offer the same quality merchandise at a competitive price point.</p>	 <p>Slide 7</p>
Growth Potential	<p>(10 minutes)</p> <p>Here is a glance at our current status – remember, we are in 40 states currently.</p> <p>Let's look at a current Network Map (handout). This map can be located on DGe, Logistics, Domestic, Network Map. It is updated frequently.</p> <p>One of the things you will notice on the network map is the location of the Distribution Centers and the number of stores each Distribution Center supports.</p> <p>Look at possible growth, and what opportunities may exist.</p>	 <p>Slide 8</p>
	<p>Where is our chance for growth? If we opened new stores in our existing 40 states, we have the potential to expand 8,800 more stores.</p>	 <p>Slide 9</p>
	<p>What if we add new states? You can see the potential growth and that is within the lower 48.</p> <p>What does this growth tell you about your role, your impact? How does the current network map compare to this?</p> <p>In your table groups, take 5 minutes to discuss these questions. I will ask for a few call-outs after you have had time to compare notes.</p> <p><i>Facilitator Note: during their discussion time, create a flip chart to document answers. Keep this flip chart up as it may be motivational.</i></p> <p>Who would like to share?</p>	 <p>Slide 10</p>
Real Estate Summary	<p>Take a look at the real estate summary for 2013.</p> <ul style="list-style-type: none"> Review the growth in just a single year from 2012 to 2013 for each type of store format. 	

		Slide 11																				
	In addition to new stores, there is a significant effort on relocations and remodels.	<p>2013 Real Estate Summary</p> <table border="1"> <thead> <tr> <th></th> <th>2013 NEW STORES</th> <th>2013 RELOCATIONS</th> <th>2013 REMODELS</th> </tr> </thead> <tbody> <tr> <td>Traditional</td> <td>599</td> <td>171</td> <td>322</td> </tr> <tr> <td>DG Plus</td> <td>331</td> <td>78</td> <td>10</td> </tr> <tr> <td>DG Markets</td> <td>20</td> <td>1</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>650</td> <td>250</td> <td>332</td> </tr> </tbody> </table> <p>TOTAL: 1,232</p>		2013 NEW STORES	2013 RELOCATIONS	2013 REMODELS	Traditional	599	171	322	DG Plus	331	78	10	DG Markets	20	1		TOTAL	650	250	332
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		Slide 12																				
Growth Opportunities	<p>(10 minutes)</p> <p>Dollar Store Landscape</p> <ul style="list-style-type: none"> There is an estimated 25,000 dollar stores in the U.S. by the end of 2013. The chart represents the number of stores for each of the top dollar store retailers. 	<p>Dollar Store Landscape*</p> <table border="1"> <thead> <tr> <th>Retailer</th> <th>Number of Stores</th> </tr> </thead> <tbody> <tr> <td>DG</td> <td>11,100</td> </tr> <tr> <td>FDO</td> <td>8,000</td> </tr> <tr> <td>DT</td> <td>5,000</td> </tr> <tr> <td>99¢</td> <td>300</td> </tr> <tr> <td>Fred's</td> <td>700</td> </tr> </tbody> </table> <p><small>*Industry estimate based between 2011-2012. Data from internal Dollar General 2012 Sales Report.</small></p>	Retailer	Number of Stores	DG	11,100	FDO	8,000	DT	5,000	99¢	300	Fred's	700								
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	<p>The opportunity identification approach:</p> <ul style="list-style-type: none"> Uses post offices, churches, and fast food locations to identify population hubs. Analysis of locations using demographic and Dollar General performance data. Over 16,000 optimal locations identified. 	<p>Organic Growth</p> <p>Opportunity Identification Approach</p> <p>868,000 Seed Points Identified</p> <p>16,000 Optimized Points Identified</p> <p>Validation Methodology</p> <p>16,000 Optimized Points Identified</p> <p>Competitive Positioning Assessment</p> <p>Customized Market Examination</p> <p>Aerial Photos</p> <p>Customer Traffic Patterns</p> <p>Sales Potential Analysis</p> <p>14,000 Final locations identified</p>																				
	<p>After the 16,000 optimal locations are identified, there is an internal validation process. Positioning, sales potential, and traffic patterns are analyzed. Over 14,000 optimal locations are validated.</p>	<p>Organic Growth</p> <p>Validation Methodology</p> <p>16,000 Optimized Points Identified</p> <p>Competitive Positioning Assessment</p> <p>Customized Market Examination</p> <p>Aerial Photos</p> <p>Customer Traffic Patterns</p> <p>Sales Potential Analysis</p> <p>14,000 Final locations identified</p>																				
	<p>Further analysis determines:</p> <ul style="list-style-type: none"> If there is sufficient population density to support a store. Optimal location further refined based on traffic patterns and demographics. Point is re-positioned based on competition, traffic counts, and aerial images. 	<p>Organic Growth</p> <p>Validation Methodology</p> <ul style="list-style-type: none"> Block group identified with sufficient density to support a store. Proprietary model identifies optimal location based on traffic and demographics. Point is re-positioned based on competitive position, traffic counts, and aerial imagery to provide the best opportunity for success. 																				

	<p>Dollar General also classifies Metro Stores and Rural Stores. Table groups — discuss if your region or district is located in a metro or rural area and what kind of growth opportunity you identify in your region or district.</p>	 <p>Opportunities by Metro or Rural: 14,000</p> <p>2013 OPPORTUNITIES</p> <ul style="list-style-type: none"> • Metro-Satellite City • Rural-Small Town <p>© 2013 Dollar General. TRINITY STRATEGY</p> <p>17 DOLLAR GENERAL DISTRICT MANAGER TRAINING</p> <p>Slide 17</p>
<p>Multi-Unit Leadership Characteristics</p>	<p>(30 minutes)</p> <p>Transition: Now that you know a little bit about the business of small-box retail, let's take a look at some of the characteristics helpful to being a multi-unit leader.</p> <p>Definition of multi-unit leader: any leaders directly responsible for the collective performance of two or more managed units (stores). A District Manager is a multi-unit leader.</p>	 <p>Multi-Unit Leadership Characteristics</p> <p>© 2013 Dollar General. TRINITY STRATEGY</p> <p>18 DOLLAR GENERAL DISTRICT MANAGER TRAINING</p> <p>Slide 18</p>
	<p>The first trait is “Be Perceptive.”</p> <p>How can you do this?</p> <ul style="list-style-type: none"> • Keep an eye on the business. What are the customers and employees telling you, beyond the numbers? • Learn about company and industry trends. Keep up to date on Dollar General trends, and on the retail industry trends as well. • Be a change agent. What are these trends telling you? What can you tell others about what you see? 	 <p>Be Perceptive</p> <ul style="list-style-type: none"> • Keep an eye on the business. • Learn about company and industry trends. • Be a change agent. <p>FORTUNE 500</p> <p>Retailing Today</p> <p>© 2013 Dollar General. TRINITY STRATEGY</p> <p>19 DOLLAR GENERAL DISTRICT MANAGER TRAINING</p> <p>Slide 19</p>
	<p>Believe in Store Managers.</p> <ul style="list-style-type: none"> • Everyone experiences bumps in the road. Work as a team to solve problems and show your support in good times and difficult situations. • Learn from mistakes to avoid making the same mistake twice. Everyone makes mistakes. Guide store managers to the best solution when mistakes happen. Share your expertise. There is a good chance you were once in their shoes. 	 <p>Believe in Store Managers</p> <ul style="list-style-type: none"> • Stay strong in your support of Store Managers, in good times and difficult times. • Learn from mistakes, to not make the same mistakes twice. <p>© 2013 Dollar General. TRINITY STRATEGY</p> <p>20 DOLLAR GENERAL DISTRICT MANAGER TRAINING</p> <p>Slide 20</p>
	<p>Be particular, but don't be a jerk!</p> <ul style="list-style-type: none"> • During the District Manager Training program, you will be introduced to several leadership modules that will further develop your leadership skills and help build strong relationships with people. • The policies and procedures are just about the same 	 <p>Be particular, but don't be a jerk!</p> <ul style="list-style-type: none"> • Be tough on standards, but easy on people. • Don't make concessions on policies and procedures. <p>LOVE 'EM OR LOSE 'EM Standard Operating Procedures</p> <p>© 2013 Dollar General. TRINITY STRATEGY</p> <p>21 DOLLAR GENERAL DISTRICT MANAGER TRAINING</p> <p>Slide 21</p>

	<p>in every store, but what makes a store successful... the people. Treat people like you would want to be treated. You may have heard the saying that people don't leave companies, they leave people.</p>	
	<p>Be a life-long learner.</p> <ul style="list-style-type: none"> • To keep leading you need to keep learning. • There is something new to learn every day. • Resources for self-development can include: DGU, blogs, trade publications, podcasts, just to name a few. • Ask the class to name additional useful resources. 	<p>Life-long Learning</p> <ul style="list-style-type: none"> • To keep <i>leading</i>, you need to keep <i>learning</i>. • There is something new to learn every day!  <p>Slide 22</p>
	<p>Set the example for results.</p> <ul style="list-style-type: none"> • Store Managers can perform up, or down, to your expectations. Expect the best and you might get it. • Leaders inspire by doing, set the example for what success looks and acts like. 	<p>Results and Accountability</p> <ul style="list-style-type: none"> • Have high hopes. Store Managers might just perform up to your great expectations. • You don't think yourself into a new way of acting, you act yourself into a new way of thinking!  <p>Slide 23</p>
	<p>Group Activity</p> <p>Divide the participants into five groups. Each of the groups will be assigned one of the characteristics of multi-unit leaders.</p> <ol style="list-style-type: none"> 1. Be perceptive. 2. Believe in Store Managers. 3. Be particular, don't be a jerk! 4. Be a life-long learner. 5. Set the example. <p>Each group will then answer the following questions:</p> <ol style="list-style-type: none"> 1. What does this characteristic mean to you? 2. How was this characteristic displayed in your previous role? 3. What is the difference between management and leadership? <p>Allow each group to share their responses. Monitor your time with the remaining amount of time for this module.</p>	<p>Group Activity</p> <p>Work with your group to answer the following:</p> <ol style="list-style-type: none"> 1. What does this characteristic mean to you? 2. How was this characteristic displayed in your previous role? 3. What is the difference between management and leadership? <p>Characteristics:</p> <ol style="list-style-type: none"> 1. Be perceptive 2. Believe in Store Managers 3. Be particular, but don't be a jerk! 4. Be a life-long learner 5. Set the example  <p>Slide 24</p>

Close	<p>Multi-Unit Leadership</p> <p>Summary: A multi-unit leader uses indirect influence, not hands on control. You are not a supervisor, rather a person to inspire and guide others.</p> <p>You visit people, not stores. You work with people, not processes.</p>	<p>What is Multi-Unit Leadership?</p> <ul style="list-style-type: none">As a District Manager you impact employees, customers, and the business with indirect influence, not hands on control.Put it all together:<ul style="list-style-type: none">You visit people not storesDevelopment vs. inspection <p>Slide 25</p>
		 <p>Slide 26</p>