

# **The Nordstrom Way Book Summary, by Robert Spector, Patrick D. McCarthy**

by Allen Cheng

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Want to learn the ideas in The Nordstrom Way better than ever? Read the world's #1 book summary of The Nordstrom Way by Robert Spector, Patrick D. McCarthy here.

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## **Video Summaries of The Nordstrom Way**

We've scoured the Internet for the very best videos on The Nordstrom Way, from high-quality videos summaries to interviews or commentary by Robert Spector, Patrick D. McCarthy.

<https://www.youtube.com/watch?v=9HomRBTNQxc>

<https://www.youtube.com/watch?v=Lo6ULMzH2K8>

## **1-Page Summary of The Nordstrom Way**

### **Only One Rule**

Nordstrom welcomes new employees with a handbook that outlines the company's rules. The first rule is to use your good judgment in all situations, and Nordstrom trusts its employees to make decisions on their own. This attitude has helped it develop an army of highly motivated employees who are willing to take risks and enjoy working for this innovative company because they feel empowered.

The company's liberal return policy and decision to empower workers enables them to perform heroic acts of customer service that add to the chain's mystique. That, in turn, separates Nordstrom from its competitors. However, not everyone can handle such high demands and expectations. Employees must thrive in an unrestricted environment if they want to succeed at Nordstrom.

### **The Nordstrom Way**

Nordstrom is a family-owned business that started in 1901. John Nordstrom and Carl F. Wallin opened their first shoe store, which they later expanded to include other items like clothing and accessories. They decided to change the inventory after some traveling salesmen told them that Swedish people needed larger shoes than what they had on offer at the time. Today, customers are still able to find everything

from clothes to jewelry there because of its high value per square foot for inventory space.

Nordstrom is known for its customer service. The company has a policy of always putting the customer first, even when it's more profitable to put their own interests ahead of the customers. If employees go above and beyond what is necessary for a customer, they are never reprimanded; however, if they don't do enough for the customer, they will be punished.

## **Setting Employees Free**

Van Mensah is a sales associate at Nordstrom's Pentagon City, Virginia store. One day he received a letter from a customer who had purchased \$2,000 worth of clothes and accidentally shrunk them by washing them in hot water instead of cold. The customer admitted to making the mistake but asked for Van's advice on dealing with it.

Mensah immediately called the customer and told him that the shirts would be replaced. He asked the customer to mail the ruined shirts back to Nordstrom's - at Nordstrom's expense. Van Mensah never got permission from his superiors to react this way, but he did what he thought was best for both parties involved with no regard for consequences. Nordstrom expects its employees to act in a similar manner; they are empowered with freedom of action on sales floors so that they can take care of customers' needs even if it means going against company policy or procedure.

Because Nordstrom gives its salespeople and managers a lot of freedom, they can act like small-business owners instead of being controlled by corporate rules.

Nordstrom's corporate structure is an inverted pyramid. Customers are the most important aspect of their business, so it makes sense that sales and support staff would be next in line.

The hierarchy of Nordstrom is as follows:

1. Sales staff
2. Department managers
3. Store managers, buyers, merchandise managers, regional and general managers (all work to support the sales staff and customer)
4. Board of Directors (they are at the top of the pyramid).
5. The company's structure aligns with its philosophy that all tiers should work to support the sales staff and customers, not vice versa.

Nordstrom salespeople are free to sell merchandise from any department in the store. This gives them a chance to increase their sales.

## **Nordstrom's Proving Ground: The Floor**

Nordstrom starts every employee on the sales floor. This is an important step because it helps teach new employees what they need to do in order to serve customers better. The company's policy sends a message that the store values the role of its salespeople more than anything else, and everyone recognizes this importance.

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