

## Seeking Alpha $\alpha$

# Best Buy Co., Inc. F4Q06 (Qtr Ending Feb 25, 2006) Earnings Conference Call Transcript (BBY)

## Question-and-Answer Session

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### Operator

(Operator Instructions) Your first question is coming from Dana Telsey with Telsey Advisory Group. Please go ahead.

### Brad Anderson

Good morning.

### Darren Jackson

Hi, Dana.

### Dana Telsey - Telsey Advisory Group

Can you hear me okay?

### Darren Jackson

Yes, we can.

### Dana Telsey - Telsey Advisory Group

Wanted to follow-up a little bit on the customer centricity shift to one format from what you had before. Can you detail a little bit, what from your learnings of customer centricity will be applied to the one format now? Are the results of the customer centricity stores improving to the expectation that you would like? Thank you.

### Brian Dunn

This is Brian, Dana. Thanks for the question. Before I turn this over to John, I just want to clarify that it is not one format. It is one support operating model to support the multiple formats.

As we went to do this work, to capture a speed to benefit and a speed to market, we purposely built some redundancies into the organization so that we could have teams focusing on the new work while we were continuing to drive strong performance in the base work. Now what you're hearing from us is we're going to move the support groups into one operating model to support multiple segments across the field. John.

### John Walden

Thanks, Brian. We talked about this before. Last year we went at this by transferring stores from the old model to being customer centric model. We went from 67 stores a couple of years ago to what we hoped would be something like 300, 350 last year.

As we went through each wave, adding 50 more, we found that we could do it at a relatively small scale. We could put this new model into a store because we had a group of folks that could control the environment, teach, train, make sure the stores understood it.

Once we got to a point of fairly large scale, and we call that sometime about the third quarter, we got to a point we could no longer do that just at small scale because we were there, at that point, at a big scale. At that point, in order to move us from the old model to the new one we realized that we needed to go to one model. So everybody in the chain, our field leadership teams, our field support teams, our training teams, everybody, was teaching one model. It is that model we're really talking about this year.

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