



Returning to Greatness

Rick Schepp
Chief Administrative Officer
Kohl's Corporation

A changing era

Brands + Value + Convenience

Sales (\$MM)

\$20,000

\$15,000

\$10,000

\$5,000



1992

1993

1994

1995

1996

1997

1998

1999

2000

2001

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

Fiscal Year

A changing era

An evolving consumer

1

**Less
discretionary
income**

2

**Spending *less*
on categories
where Kohl's
has high share**

3

**Spending *more*
on categories
where Kohl's
has low share**

A changing era

A shifting retail landscape

1

**Rapid growth
of off-price
channel**

2

**Rapid growth
of virtual
retailers**

3

**Changing
consumer
expectations**

A changing era

Time to innovate

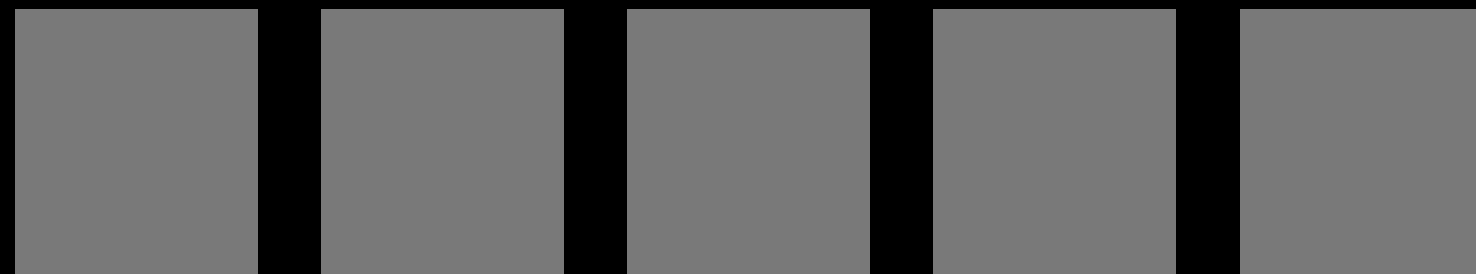
Our Greatness Agenda

ENDURING

Purpose



Pillars



Values



NEAR-TERM

Goal



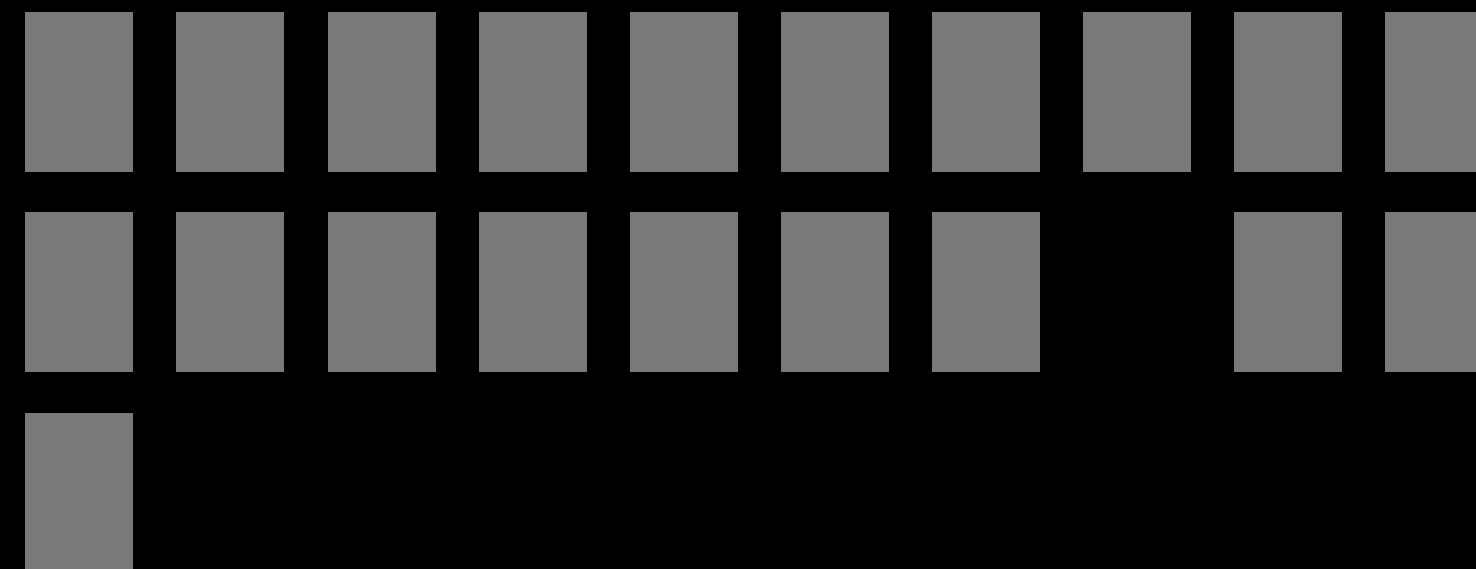
Outcomes



Bold moves



Essential moves



Our purpose

ENDURING

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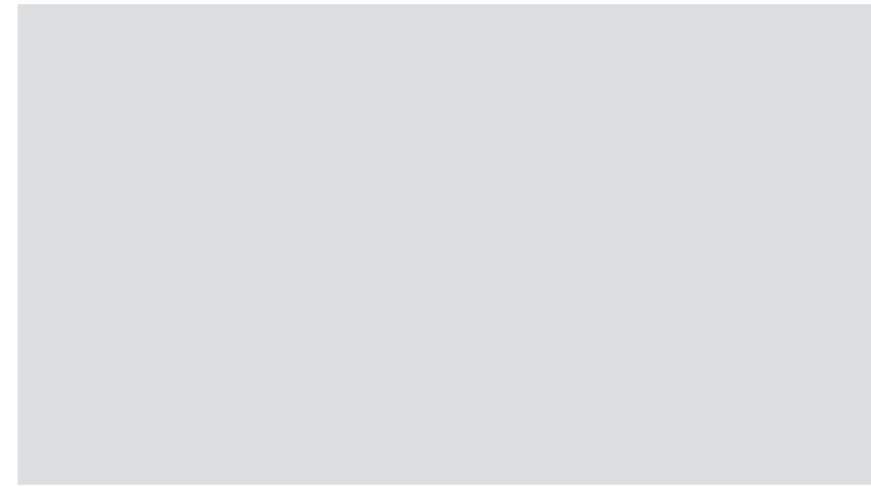


To inspire
and empower
families
to lead
fulfilled lives

Our pillars

ENDURING

Purpose



Pillars



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NEAR-TERM

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Bold moves



Essential moves



Amazing product

Creating assortments that excite our customers, giving them everything they love and need

Easy experience

Designing simple, easy experiences that inspire customers and allow them to shop the way they want

Personalized connections

Understanding our customers deeply to build genuine, enduring relationships with each of them

Incredible savings

Helping every customer get more from every dollar

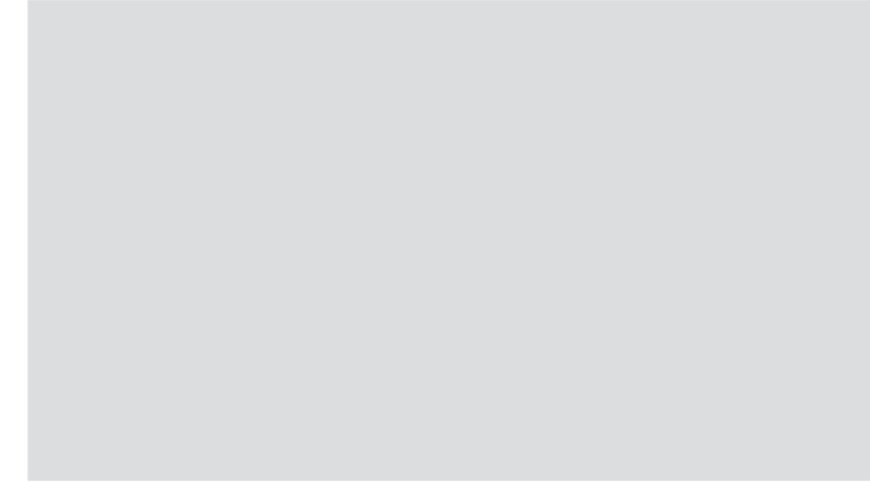
Winning teams

Building teams of engaged, talented, and results-oriented people who are empowered to deliver yes

Our 3-year plan

ENDURING

Purpose



Pillars



Values



NEAR-TERM

Goal



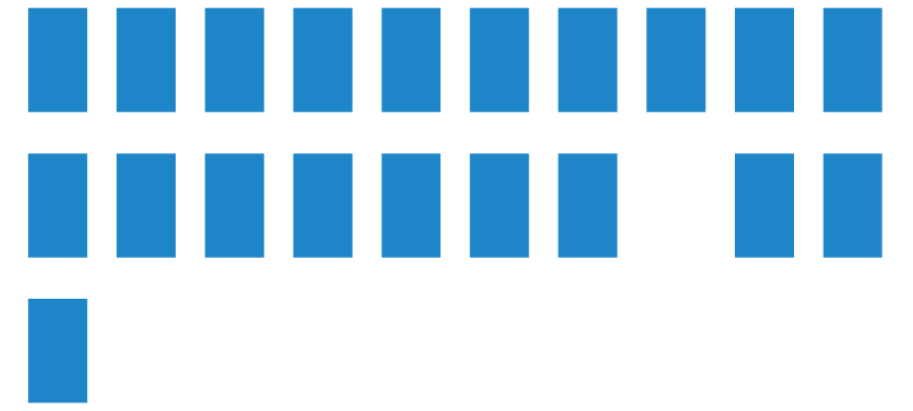
Outcomes



Bold moves



Essential moves



Our Three Year Plan

To be the most *engaging* retailer
in America

Greatness Agenda Three Year Goals

\$21B

Sales

90th

Associate engagement
percentile

Best-in-Class

Customer engagement promoter score

Our Greatness Agenda

Our bold moves

Moves made by seeking out and taking advantage of untapped opportunities that have the ability to dramatically elevate the course of business

Amazing Products

Launch products and categories in unexpected ways

Be the destination for the active and wellness lifestyle

Easy Experience

Create inspiring store experiences

Be world class in mobile

Personalized Connections

Build a personalization capability

Incredible Savings

Develop an industry-disrupting loyalty program

Winning Teams

Be famous for great teams

Our Greatness Agenda

Our essential moves

Moves made in the regular course of business,
actions taken to keep or accelerate current trajectory

Amazing Products

Find and source the most exciting national brands

Increase clarity of assortment

Maximize the fashion trend curve

Build assortments that drive local relevancy

Elevate style and quality

Easy Experience

Develop Center of Excellence for digital content

Optimize in-store fixtures

Simplify the purchase and delivery process

Improve the digital experience

Personalized Connections

Activate a step-change in new customer acquisition

Protect and retain our core customer base

Launch a new and distinct Kohl's brand voice

Define a more focused strategy for Kohl's Cares

Incredible Savings

Innovate unique marketing vehicles

Evolve our marketing calendar to broaden engagement

Focus our savings message to provide clarity

Winning Teams

Create new leadership behaviors

Build a talent planning and acquisition program

Implement a new learning and development program

Implement policies to increase Associate engagement

OUR VALUES

Putting customers first means we...

- See customers as a constant source of inspiration and guidance
- Take a “yes we can” approach to everything we do
- Support the communities and causes our customers and Associates care about

Acting with integrity means we...

- Earn trust by living up to our commitments
- Treat others with respect and fairness
- Make decisions that support the reputation of the organization

Building great teams means we...

- Communicate openly and embrace diverse perspectives
- Actively promote the empowerment, engagement, and continuous development of all Associates
- Recognize and celebrate greatness

Driving results means we...

- Work with a sense of urgency and accountability
- Seek out information to make smart decisions
- Offer up new ideas and solutions beyond the status quo

Our greatness agenda

ENDURING

Purpose



Pillars

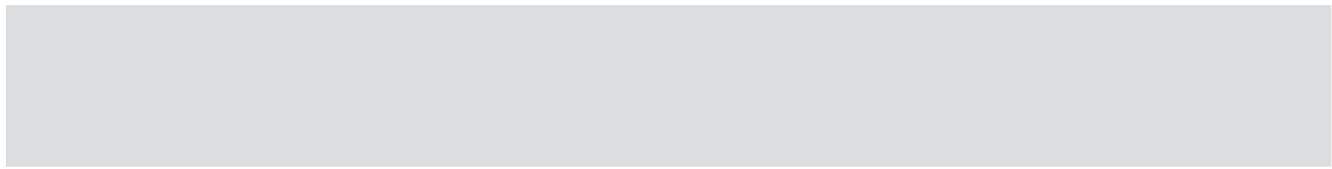


Values

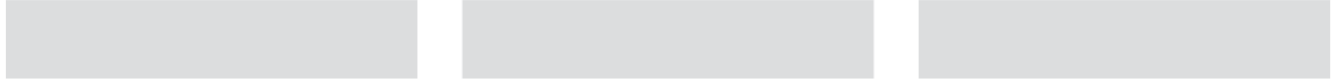


NEAR-TERM

Goal



Outcomes

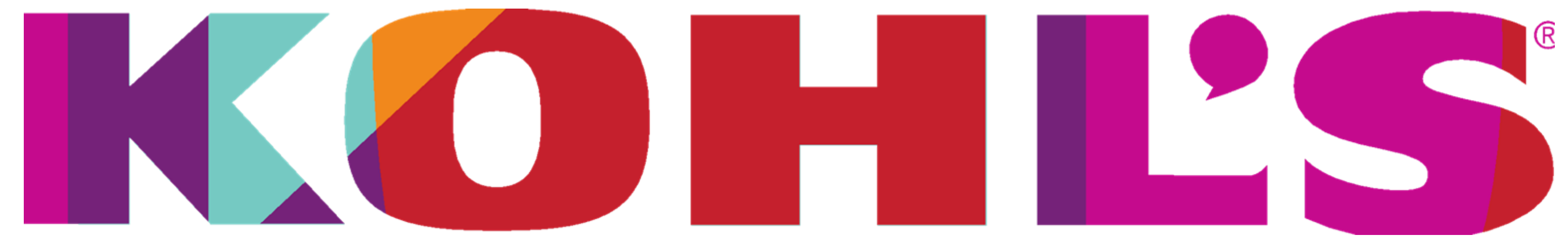


Bold moves



Essential moves





Winning Teams

Rick Schepp
Chief Administrative Officer

Winning teams

Building teams of engaged, talented and results-oriented people





Bold move

Be famous for engaging, developing
and recognizing **great teams**



HIGHER
engagement

=

HIGHER
customer service

=

HIGHER
SALES

Our strategies



Build and foster transparency

Build and Foster a culture of transparency in which communication is open and inspiring



Create opportunities

Create an environment of everyday opportunities for growth, leadership and learning that ignite passions and promote career exploration



Build and foster appreciation

Build and foster a culture of appreciation in which teams are valued, supported and recognized

Build and foster transparency

Build and Foster a culture of transparency in which communication is open and inspiring

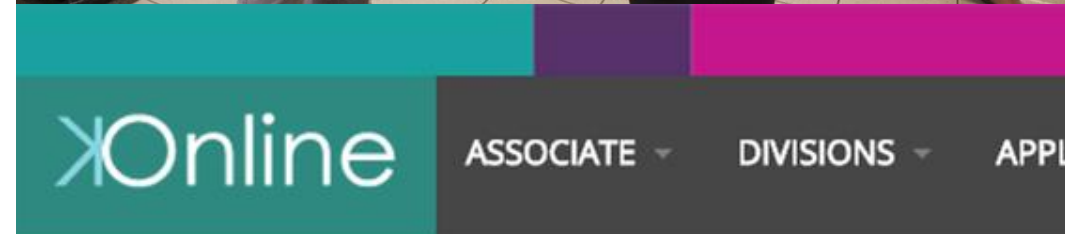


FORTUNE

You want collaboration? We'll show you collaboration

by John Kell, Laura Lorenzetti, Beth Kowitz, Erika Fry @johnkell JUNE 5, 2015, 10:00 AM EDT

How five great corporate teams in the Fortune 500 push the envelope.



Create opportunities

Create an environment of everyday opportunities for growth, leadership and learning that ignite passions and promote career exploration



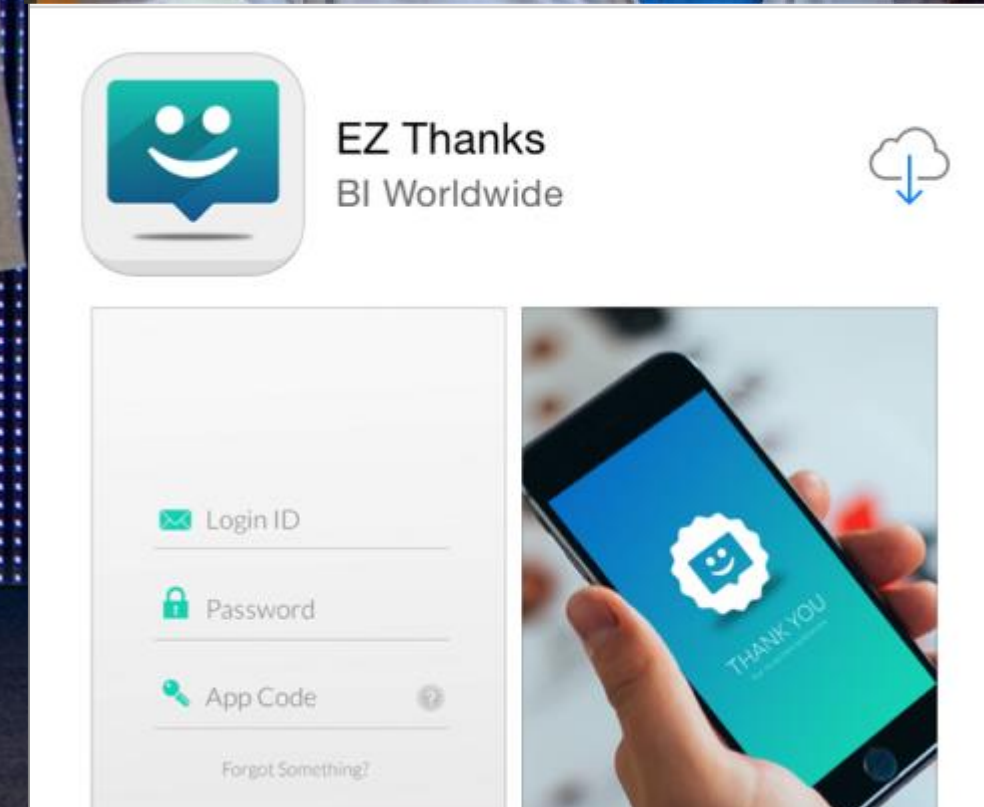
Build and foster appreciation

Build and foster a culture of appreciation in which teams are valued, supported and recognized



Rebecca 
@montijo88

Getting in a 5k+ with my fav Facilities peeps [#lifeatkohls](#)



Measures of Success

ACC.
2014

Associate Engagement survey at **90th percentile** in all major pyramids

Communication categories at **90th percentile** (engagement survey)

10% improvement
in voluntary turnover

Increase percentage of exempt **new hires referred by current associates** across all business units

Greatness Agenda Three Year Goals

\$21B

Sales

90th

Associate engagement percentile

Best-in-Class

Customer engagement promoter score

2015 associate engagement survey

Industry leading participation

100K+

Associates took the survey

94%

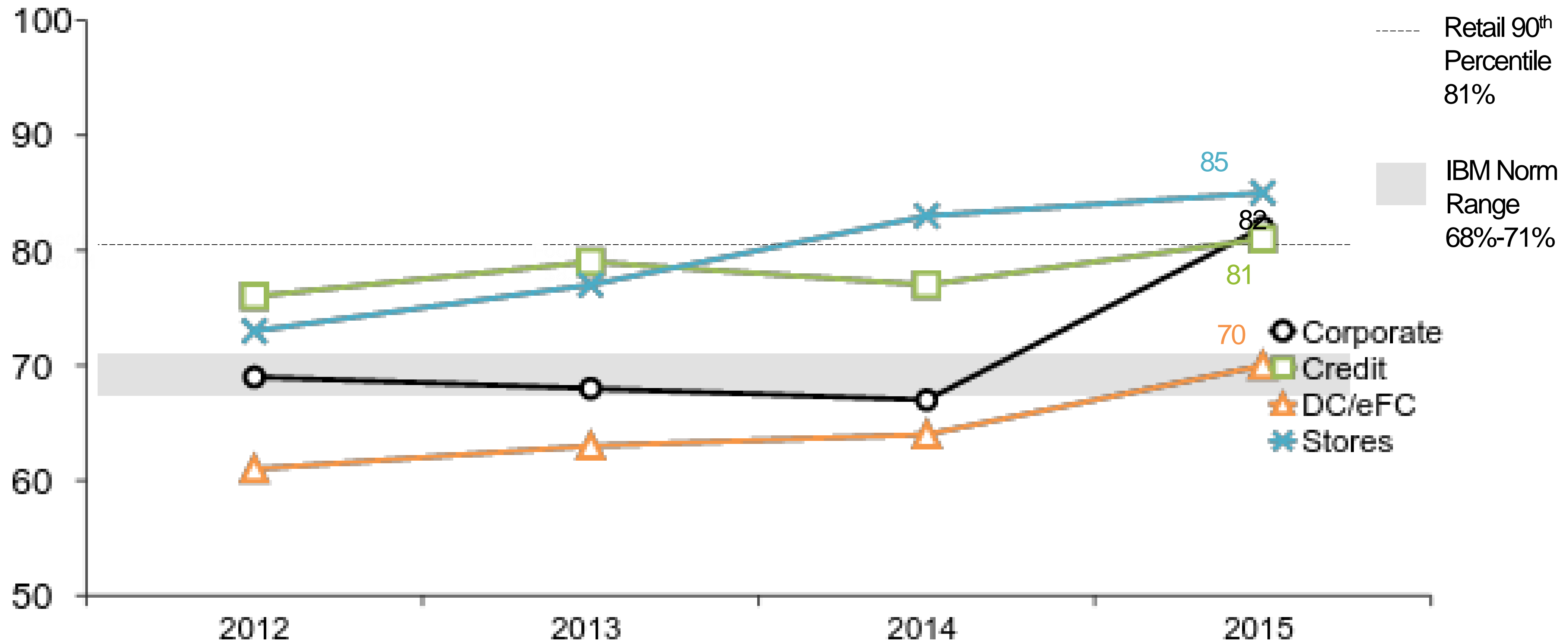
of Associates responded to the survey

200K+

Comments by Associates

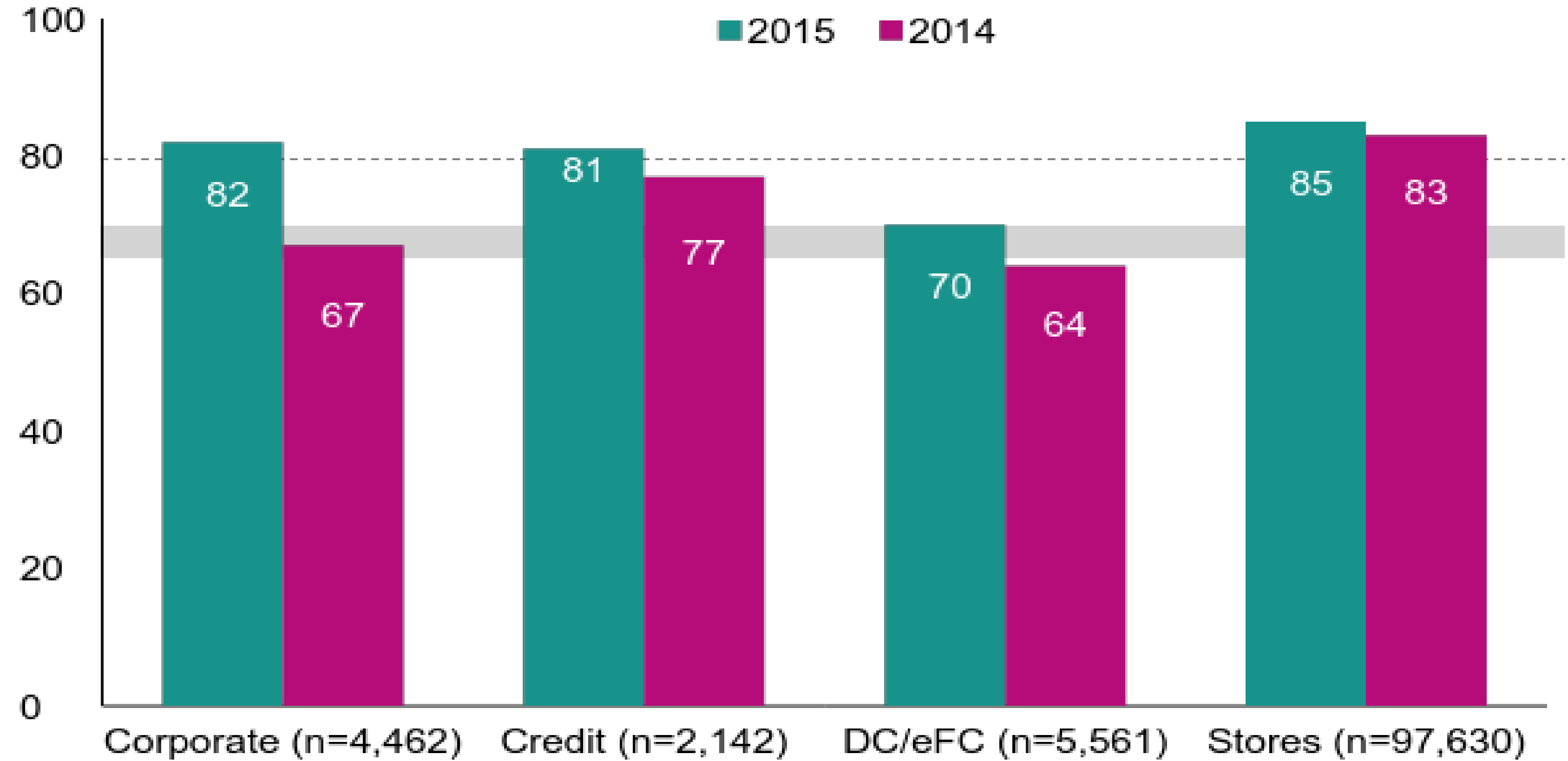
What we have accomplished

Three Business Units are above the 90th percentile





Great Results



Retail 90th Percentile 81%

Norm Range 68-71%

Key Areas of Improvement

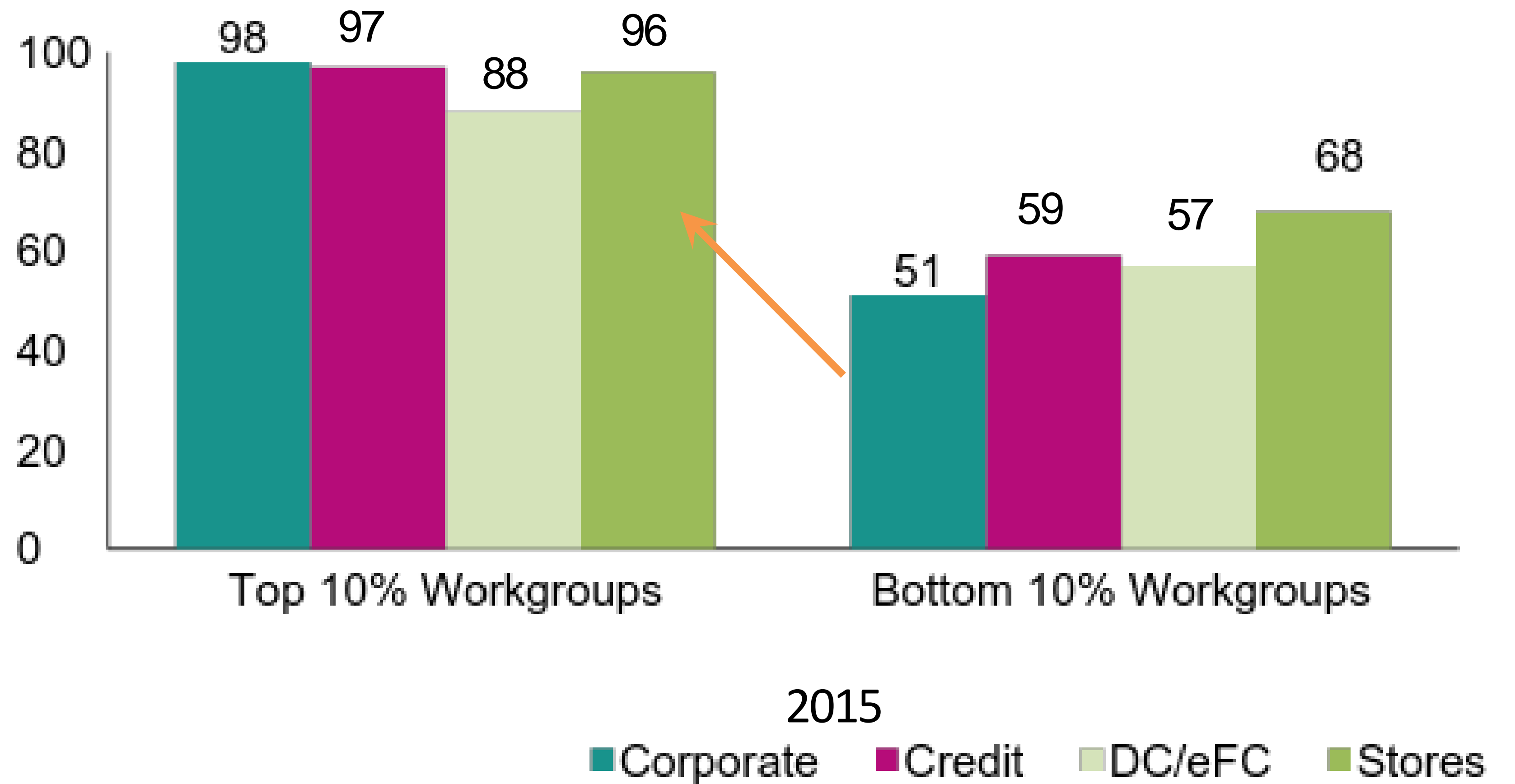
Trust in leadership

Support from my manager

Belief in the Greatness
Agenda



Looking Forward: Closing the Gap



DC/eFC data reflects top scoring location vs lowest