**15 Things We Learned About The Downfall Of Target Canada**

By Laura Northrup January 22, 2016

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Why did Target’s expansion into Canada fail so quickly? The company is based in Minnesota, which is dangerously close to *being* Canada. Yet Target Canada failed spectacularly. Why? Sure, they expanded too quickly, and had supply chain problems: we all know the answer. Yet what did that look like on the ground?

Employees on both sides of the border must have worked very hard to make the launch happen, and it resulted in [a terrible experience for shoppers](https://consumerist.com/2013/08/20/target-expands-to-canada-no-one-really-likes-it/). Canadian Business interviewed employees who were there when Target Canada launched and when it failed. For all of the scary details, [head over to their site to read the whole story.](http://www.canadianbusiness.com/the-last-days-of-target-canada/)

Note that Target wouldn’t confirm any of what the ex-employees say, and most of them asked for anonymity because they want to keep working in the industry.

Here’s what we learned from the article: and we thought that we already knew a lot about Target Canada, eh.

1. Target wasn’t ready. The point of sale systems weren’t working and the company struggled to get inventory into stores, yet they went ahead and opened the first test stores anyway.
2. When an employee asked Greg Steinhafel, then CEO of Target, what he would change about how Target Canada had launched if he could, Steinhafel said that he would not have bought Canadian discount chain Zellers. The transaction began when Walmart approached the owner of Zellers about a sale, and knowing that their competitor was involved made Target bid more ($1.8 billion) to open 133 stores on a much faster timeline than was actually possible.
3. Target couldn’t just box up its behind-the-scenes software and send it to Canada, since it was built specifically for the use of Target in the United States, and couldn’t handle French characters or Canadian dollars. They bought a new system from an outside vendor, which usually took stores that were already operating several years to implement. Getting the system to work while also creating Target Canada was a disaster.
4. The products and codes had to be entered manually. Data entry employees were rewarded according to volume of entries. In the U.S., Target hires corporate employees who have the right personality right out of school and trains them. In Canada, they did the same, but the bright and friendly young employees they hired received very little training compared to their American counterparts.
5. There was intense time pressure, but employees didn’t realize how crucial it was that the software running the supply chain had to be correct. “You had these people we hired, straight out of school, pressured to do this insane amount of data entry, and nobody told them it had to be right,” one former employee explained. Inaccurate information delayed shipments and caused other logistics disasters.
6. The fall before the launch, the merchandising team realized that there was so much inaccurate data in the system that they would have to take a week and do nothing but verify with suppliers every piece of information (size, weight, everything else you can imagine) about every item that the stores planned to carry. It was a miserable week. Target sent ice cream and pizza to comfort the workers.
7. Target’s employees in suburban Toronto couldn’t type the information into the system themselves: there was another set of workers in India who did that, which was another way errors could creep in. Interviewees disagree about whether their work was error-riddled or not.
8. The good news: the first stores in Ontario had more customers than expected. Unfortunately, that meant that customers encountered empty shelves.
9. Warehouse and supply chain software weren’t communicating, which led to empty store shelves and overstuffed distribution centers. The company forecast demand for different items based on information from U.S. stores, not a new chain launching in a new country.
10. The point-of sale (cash register) systems were buggy and sometimes froze. Self-checkout stations sometimes gave out the wrong change.
11. No matter how badly the launch went, Target Canada had to keep going and keep opening new stores, because the company had paid so much for the former Zellers leases.
12. Target Canada president Tony Fisher left the company in May 2015, two weeks after [CEO Gregg Steinhafel stepped down](https://consumerist.com/2014/05/05/target-ceo-clocks-out-in-wake-of-data-breach/).
13. One week, stores were sold out of every item pictured on the front of its sales flyer. We can’t even add any snarky remarks to that.
14. Employees were expecting some store closings and layoffs, and were shocked when headquarters in Minneapolis announced that [Target Canada would file for bankruptcy and close all of its stores](https://consumerist.com/2015/01/15/target-preparing-to-exit-canada-will-close-all-133-stores-in-the-country/).
15. Canadians can shop at Target again… sort of. The company partnered with Borderfree, which handles the logistical issues of international e-commerce. One of the countries they’ll ship to is Canada.