



# DAIRY BOX BIZTALK MANUALS

LET'S TALK RETAIL

*Dairy*codemy

# DAIRY BOX BIZTALK MANUALS

The Dairy Box Biztalk Manuals corresponds with the Business Talks organized by the Philippine Carabao Center spearheaded by the Business Development and Commercialization Unit (BDCU)

## WHAT ARE THE MOST IMPORTANT THINGS YOU HAVE TO CARE ABOUT IN A RETAIL STORE?

Managing a retail store requires the same attention to detail regardless of the size. If you plan to open a store as your own small business, you should write and include an operations manual as part of your business plan. Having a clear vision of how you want to run your store before you open your doors could be the difference between slow and steady success or instant failure.



### Inventory Control

Retail stores project revenue based on how much merchandise will sell and control inventory electronically by scanning and tracking merchandise from the exact time of delivery to the time of sale.

- Stocks
- Damaged
- Sold at a discount
- Stolen

All retail store employees must be trained to recognize opportunities to prevent inventory loss.

### Customer Service

From an operational perspective, satisfied customers -- those who are happy with service received, and the price and quality of products purchased -- become repeat customers and increase a retail store's bottom line. Customer service training, therefore, plays a central role in a retail store's operations. Effective training must be well-planned, which requires materials, training personnel and a budget.

Happy  
Customers

Repeat  
Customers

Increase  
Sales

Customer service is an on-going operational concern as products, prices and customer bases evolve continuously.



### Employee Retention

Seasoned employees know the store, the clients and their job expectations well.

- Retaining such employees diminishes the amount of time and resources a retail store spends on recruiting, hiring and training new staff.
- New employees, for example, are more likely than seasoned employees to make inventory control or customer service mistakes that result in loss.

### Progress



Offer progress wherever possible. Rather than making employees feel as though they are in a dead-end job, show your employees that the old tale is a misconception and they can progress with your company.

### Horizontal Growth



you can train them in other areas rather than just customer support. In truth, you will come across employees who don't actually want to reach management level but you can keep them happy by increasing their training.

### Career Advancement Roadmap



Ask what it is they want in order to stay longer. When this is in place, suddenly all employees know what they have to do in order to proceed.

### Training

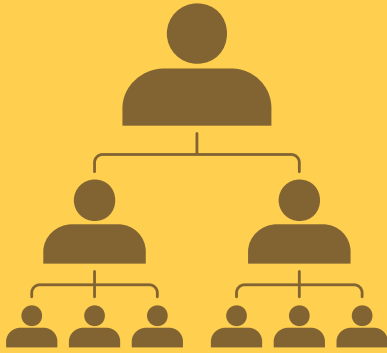


It takes training and hard work from both employee and employer to create a special customer service employee.

### Cash Handling

Improperly handled cash can result in problems that range from incorrect tax reporting to allegations of theft.

- proper staff training
- delegation of counting tasks & store safe access to trustworthy employees
- clear store opening, closing and bank deposit instructions to prevent loss.
- Verify criminal background related to money theft.



### Retail Store Company Structure

Determining the company structure for a retail store is an important part of a successful business plan. Laying out a clear and well-defined operational and reporting structure will help you establish individual responsibilities and a chain of command. The complexity of a retail store company structure will depend on the size of the operation, management philosophy and type of management desired. Some possible elements of this structure include executive, sales, marketing, finance and operations.

#### Executive

The executive module of a retail company structure will include the department heads who exercise ultimate control over their area of responsibility.

Department designations: operations, finance, sales, marketing and human resources.

- The title of director or officer will depend on the structure of the company and executive ownership options.
- The president or chief executive officer serves as the head of the entire company structure.

#### Operations

Operations can refer to a wide range of responsibilities within a retail company structure, such as:

- operations,
- warehousing and shipping,
- security,
- logistics
- facility maintenance

#### Finance

- The accounting and bookkeeping arm of a retail store company structure is responsible for all financial issues
- Retail store employees are responsible for daily accounting and record keeping, which is then passed to the corporate level.

### Internal Process of a Retail Store

The processes a retail store adopts guide its employees and management. They serve as a road map for how various aspects of the store function. Unlike policies, which outline the store's rules, and procedures, which give step-by-step instructions for implementing the rules, processes paint an overview of the steps involved to complete key tasks. The store's operational manual contains the processes for easy reference.



### Security-Related Processes

Shoplifting and employee theft plague retail stores. A 2011 study by the National Retail Federation and University of Florida found that dishonest employees and shoplifters accounted for more than half of retail shrink, or inventory discrepancies. Typically, a store has a process for thwarting shoplifters and dishonest employees. Loss prevention processes include daily checks to ensure security systems work, greeting shoppers, monitoring fitting rooms, regular cash audits and management supervision. Reconciling recorded cash sales against the money physically counted each day, preparing bank deposits and keeping adequate change on hand count among the steps a retail store's cash management process covers. Other security processes call for the protection of sensitive customer information, controlled access to confidential company documents and employee files, as well as information technology use.



### HR Processes

Hiring, training and scheduling represent types of human resources processes. The hiring process includes identifying manpower needs, advertising, screening, interviewing and onboarding. Staff training may comprise three phases: self-paced instruction on company history and mission, self-paced cash-register instruction and mentoring period on the floor. The training process for management would include the same steps plus rotation periods in areas such as the cash office, receiving and loss prevention, depending on the size of the store. The scheduling process guides the HR manager through the schedule-creation steps such as establishing associate availability and determining staffing needs by department based on store hours, promotions and budget, then adjusting assigned work times to maintain floor coverage and comply with meal and other labor laws.



- Human resources professionals have a unique challenge when working in the retail sector. Retail jobs are demanding and ever-changing, requiring HR representatives to be on their toes and ready for anything. For HR teams, the retail environment can present a landscape akin to a minefield; knowing how to guide your human assets safely through can dramatically enhance your store's profitability.

### Turnover



- High turnover rates create a major problem for human resources, disabling the department when succession planning comes into play. Your HR personnel should have a system in place to help them anticipate increases and downturns in business levels, including seasonal ones. Keep in mind that managers of retail businesses generally retain a greater investment in the organization and tend to stay for longer periods of time while hourly employees may not. Encourage your employees to grow with the company by considering the addition of profit-sharing, regular performance reviews and employee awards programs.

### Hiring and Firing



- Recruitment is an ongoing activity for human resources in the retail industry, as are the duties associated with hiring and terminating employment. These enterprises are strictly governed by employment laws, which focus largely on protecting employees. Discrimination when interviewing or hiring, and wrongful termination cases are but two of the complex issues employers in retail may face. It could be highly beneficial to a retail business owner to leave these tasks to professionals trained in human resources issues.

### Legalities



- The fast pace apparent in many small retail businesses may push employment law on the back burner for a manager or business owner. The industry is fraught with costly lawsuits, requiring HR professionals to be ever more vigilant in holding managers accountable for following the law. Discrimination, harassment and arduous work hours are a few of the legal issues that often plague the retail industry. Attentive human resources departments are the first line of defense in safeguarding your business from these and other serious infractions.

### Compensation



- Many retail businesses engage in compensation practices that are not fair or equitable to woman or various ethnic groups. A regional survey of 435 retail workers completed in December 2011 by the Retail Action Project revealed that women in retail jobs, especially those of color, were being paid \$1.13 per hour less than their male counterparts. Engaging in biased work practices can bring to your door discrimination litigation from which your business may not fully recover. Human resources professionals work to ensure your business treats all workers fairly and consistently.

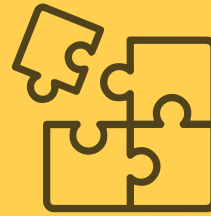
### Risk Management



- The possibility of injury can be great in retail due to ongoing circumstances such as employees without proper training unloading large shipments or climbing tall ladders. Your HR staff members should develop and implement training programs that focus on lifting, chemical handling and ladder climbing, as well dealing with situations involving customers. These could include instances of sickness, falls or other injuries sustained at your store. Your human resources representatives should train employees to look for and correct unsafe conditions within the store, such as protruding shelving, spills or other slipping hazards. HR can also arrange for low- or no-cost classes in CPR for your employees.

# layout strategy

Objectives, Importance, Requirements  
and Constraints



## Objectives of a Layout Strategy

Develop an economical layout which will meet the requirements of:

- Product design and volume (product strategy)
- Process equipment and capacity (process strategy)
- Quality of worklife (human resource strategy)
- Building and site constraints (location strategy)

## What is a Facility Layout

Location or arrangement of everything within and around buildings. The objectives of a Facility Layout are:

- Customer Satisfaction
- Utilization of space, equipment, and people
- Efficient flow of information, material, and people
- Employee morale and safety



## IMPORTANCE OF A LAYOUT STRATEGY

### Proper layout enables:

- ✓ Higher utilization of space, equipment, and people.
- ✓ Improved flow of information, materials, or people.
- ✓ Improved employee morale and safer working conditions
- ✓ Improved customer/client interaction
- ✓ Flexibility

### What are the Requirements for a Good Layout?

- An understanding of capacity and space and requirements
- Selection of appropriate material handling equipment
- Decisions regarding environment and aesthetics
- Identification and understanding of the requirements for information flow
- Identification of the cost moving between the various work areas

### Six (6) Layout Strategies

- **Fixed Position Layout**
  - large bulky projects such as ships and buildings
- **Process Oriented Layout**
  - deals with low-volume, high variety production
- **Office Layout**
  - position workers, their equipment, and spaces/offices to provide for movement of information
- **Retail Service Layout**
  - allocates shelf space and responds to customer behavior
- **Warehouse Layout**
  - addresses trade-offs between space and material handling
- **Product-Oriented Layout**
  - seeks the best personnel and machine use in repetitive or continuous production

### Constraint on Layout Objectives

Product Design and Volume

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Process Equipment and Capacity

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Quality of Work Life

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Building and Site

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### Retail/Service Layout

**Design maximizes product exposure to customers**

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**Decision Variables**

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- *Store flow pattern*
  - *Allocation of (shelf) space to products*
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**Types**

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- *Grid design*
  - *Free-flow design*
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### Retail Layouts - Rule of Thumb



- Locate high-draw items around the periphery of the store
- Use prominent locations such as the first or last aisle for high-impulse and high margin items.
- Remove crossover aisles that allow customers the opportunity to move between aisles.
- Distribute what are known in the trade as “power times” (items that may dominate a shopping trip) to both sides of an aisle, and disperse them to increase the viewing of other items.
- Use end aisle locations because they have a very high exposure rate.

### A GOOD SERVICE LAYOUT



#### Ambient Conditions

Background characteristics such as lighting, sound, smell and temperature

#### Spatial Layout and Functionality

Which involve customer circulation path planning

#### Signs, symbols and artifacts

Characteristics of building design that carry social significance