

# DRIVING RETAIL SUCCESS

## Reflect, Clean House, Get Ready!

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This editorial feature is sponsored by Pearl Izumi with Mercedes Ross.

Things are slowing down, so it's a perfect time to review your ordering, re-ordering and store operations. While you're at it, let's look at your back room/warehouse, back-stocking habits and close-out practices.

### **Ordering and Re-ordering**

It's time to look at the numbers, pull those spreadsheets out and analyze your habits. Not what you think you did, but what you actually did, in ordering and re-ordering for the season.

Did you over-buy and have to close out? Did you under-buy and lose sales? Analyze whether you had shorts in all sizes in stock all season, so you're not losing sales.

Talk to your staff. Did you serve all the price levels of all your customers? A good monitor of your success is what's left over!

Get your apparel reps involved in number-crunching. Look at each week, especially in June, what did you run out of? Do a little self-analysis: Are you the owner? Are you the only one buying or re-ordering? And are you losing sales because you're a bottleneck?

### **Store Operations**

Hangers and fixtures: Are all your hangers the same? They should be! Is there a system in place to keep size rings on every hanger to increase sales?

Do you have enough fixtures (straight bars, waterfalls, hang rails, shelves and mannequins) to display a good selection of apparel for both men and women? How about your special-order book and client wish-lists. Are they generating sales?

### **Back Room/Warehouse**

Your back room determines what your retail space is going to look like! Strong warehousing systems keep a store uncluttered and well-merchandised. Have a balance of stock out front to make a good presentation and enough in the back to restock.

The warehouse system's easy accessibility for your employees assures smooth restocking. You can't sell the purple helmet in the box in the back if the customer can't see it.

Likewise, if your glove display is missing the large black gloves on a busy Saturday... and you have a pile of them in a bin in back but they're hard to get at... you lose a sale. Make restocking easy. Use well-marked open shelving units and clear plastic tubs

### **Backstock**

With weekly re-ordering, it's vital to have backstock so you don't lose vital meat-and-potatoes sales like shorts, socks and gloves. How you store the backstock will determine whether it actually gets stocked in a timely manner.

Hanging apparel should all be on hangers and ready to go, with the appropriate size ring in place. It's easier for the employee to re-stock. Your re-ordering will also improve, since it's easy to see what you have.

Bins are fine for gloves and socks, take the bin out to the floor to restock the fixture. A rolling rack means hung garments can be brought out easily to restock the floor. They cost \$65 from any fixture store.

### **Identifying Close-outs**

Except for black shorts, tights, black gloves and white socks, anything that is a single item left out of a size run or color is now relegated to the sale rack. If you've had a size run of something left all season, look at three things:

- Your initial order (you may have just ordered a bad color)
- Your re-order habits (did you pay attention to sales?)
- Back-stock (was the product stuck in back-stock?)

The sale rack can be a road map for next season's buy. It tells you whether your buying is in alignment with whom your customers are and what they want to buy. We'll look at that next month.

### **Profits in 2011!**

Now's the time to take a look back at 2010, with the help of Ken Bankson from RMSA. "Here's the question you need to ask yourself," Bankson advised. "Did your sales, inventory, open to buy and cash flow planning process deliver the results you need? And the way you keep score: Do you have the cash in the bank that you planned to have?"

Bankson suggests that you ask yourself these questions about 2010 so you can plan for a more profitable 2011:

- Do you have more or less inventory on hand now than you had planned?
- Which vendors had the highest profitability, both in margin and turnover?
- Which SKU's did you run out of that you wished you had more of?
- Which SKU's do you still have that you don't want?
- Why did you run out or still have the product left over?
- Was it price? Quality? Received too late? Color? Size? Bought too much or too little?



Ken Bankson, RMSA

### **Do it Now!**

- Create Holiday gift card display
- Order or reorder for Holidays
- Holiday staff training

### **Get Ready**

- Count fixtures and create floor plan
- Collect catalogs for 2011 orders
- Feed the closeout rack

### **What's Next?**

- Smart buying
- Who's your target customer?
- Create a merchandising plan