

What is Your Game Plan?

seed^p Health Check

A Self Help Audit

Specifically designed for assisting retailers

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1. Introduction

What is the Seed Health Check?

The following interactive tool will ask you a series of questions relating to your retail business. The aim of the questionnaire is to determine where your strengths, weaknesses, opportunities and threats lie and what action plans you have in place to continually succeed and improve in your business.

How to use the Health Check tool?

This Retail business Audit has been developed from the experience and knowledge of Retail Consultants.

The style of this health check is to:

1. Assist in planning your discussion about your business
2. Identify the key issues of your business
3. Determine specific objectives and measures to combat the specific identified issues
4. Create a set of action plans for the store to implement
5. Understand your next steps in allocating resources to achieve your objectives?

2. What Is Your Game Plan?

The Issues to Discuss:

Retailing in a shopping centre environment is always going to be very competitive! Many new retailers try to compete head on with the major retailers and quickly find that this is not a sensible or practical strategy.

This self help manual will attempt to assist you in better understanding the strengths, weaknesses and opportunities that exist within your store and utilise a methodical approach to prepare you for business improvement. Initially you need to confirm the direction your business is heading in.

Questionnaire:

Tick the most relevant stage that your business currently focused on:

Business Stage	Tick	Timeframe for action
Growth		
Stabilising and Sustainability		
Selling		
Closing or Exiting the Business		

Topic	Retailer Response & Actions to be Taken
How long have you had the business	
Why did you buy or establish it	
What do you see as the opportunities for your business	
Where do you see your business in 3 years	
Is your current performance in line with your plan	
Is your plan still relevant	
Do you need to update or develop a new plan for your business	
What is it that you need to do now to achieve your plan	

2.1 Who is your customer?

The Issues to Discuss:

A common pitfall found from individual store research was too much stock that too few people in their local market will ever want to buy. Often this is because they don't know their customers.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
Describe your customer: <ul style="list-style-type: none"> • Types • Age groups e.g. 15-25 • Gender • Family status • What are their needs and wants • How frequently do they shop 	
Which ones should you target	
What do they really think of your store	
What do they buy from you frequently	
What do they spend the most money on	
Why don't they buy more from you	
Do you attract the aspirational or budget conscious customer	

2.2 What is your product offer?

The Issues to Discuss:

Understanding what your product offer should be to best meet your customers needs is an ongoing process of reviewing what your customers are buying from you and what they are likely to want in the future.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
Does your business have a winning product offer	
Is your offer a generalist or a specialist offer	
What do you offer that is unique	
What sells in high volume and what is low in sales	
Product Sourcing: <ul style="list-style-type: none"> • Do you buy individually or part of a group? • What makes your business different? • How much of your product can be bought elsewhere in the centre? 	
Do you have an open-to-buy plan	
What are the areas that you are most competitive	
Do you have the right levels of stock in these areas	
Do you have the correct balance of stock in all categories of your business	
What are the areas that you are most competitive	
What determines the stock you buy? <ul style="list-style-type: none"> • Category based merchandise plan • Past Sales (historical/category) • Suppliers • Buying / Franchise Group • Personal Choice and Taste 	

Insert your estimated category break up:

Category Break Up	Margin %	Sales \$	Space %	Stock \$
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

2.3 Understanding your Competition

The Issues to Discuss:

Every retail business will generally have a high level of competition from other retailers selling similar products. It is imperative to constantly consider how you win against your competitors and grow opportunities to differentiate against them. Although you may have similar products there are many ways of creating a point of difference with service and in store experience.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
With whom do you compete	
What do you win on – what are the opportunities	
In what areas are you the same	
What do you lose on – what are the threats to your business	
Are you gaining or losing in the market	
Does your core customer care about the areas that you are good at (does it make profit)	

2.4 Managing your People

The Issues to Discuss:

Managing the performance of our human resources in a retail organisation is the backbone for driving an efficient and sustainable business. Our human resources are often one of the greatest investments that we have in business – it is imperative that they are managed effectively to maximise the return we receive for our investment.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
What role do you play in the business	
How many hours a week are you currently working	
Do you have structured roles for the members of your team	
How would you rate the performance of your team	
How are your team developed and lead	
Do you use a performance appraisal system – if so how frequently	
How do you recruit new team members to your business	
How do you induct new team members	
What support or management tools do you have to manage poor performance	
Where do you see the areas of improvement for your team	

2.5 Marketing & Promotions

The Issues to Discuss:

For many smaller retailers the question is always going to be how can I best get my sales message to the right customers who will respond and buy my products? There are many examples of smaller retailers competing very effectively against the major retailers with very clever and successful methods of promoting their businesses.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
How do you market and promote your business	
How do you plan promotions for hot spots and windows	
Do you have a database or loyalty program, if so how do you use it	
How do you promote outside the centre and is this paid marketing	
How do you participate in centre marketing campaigns	
What support do you get from your suppliers / franchise	
What have been the most effective promotions that you have utilised in the past (prioritise in order)	
Where do you get advice and assistance	

2.6 Store Layout & Visual Merchandising

The Issues to Discuss:

Being able to professionally layout the store and visually merchandise the product offer is a major challenge for independent retailers. Unfortunately, many retailers underestimate the importance of merchandising and the potential impact on sales of the store. Professional merchandising is much more than making a store look "attractive to the customer", it is about communicating the product offer to the customer in a way that will maximise sales. The understanding of the physical and visual dynamics of the store's selling space is a combination of technical knowledge and a "feel" for what will attract the customer into the store, move through the store and be enticed to make a buying decision.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
Is your store laid out in product categories	
How do you determine where to best merchandise each of your product categories <ul style="list-style-type: none"> • Category/department • Theme • Item • Supplier 	
Who has the responsibility and skills to merchandise your store	
What are the best performing areas in your store and how do you decide on what to merchandise in this area	
What areas of your store do not generate significant sales turnover	
How frequently do you update the front of your store	
How do you manage your problem or clearance stock	
Do you have enough room to merchandise all of the products adequately	
If you had more space what would you display more of	
What was the most effective window promotion that you have installed and why	
Do you have a plan for what you will display in your windows and hot spots 3 months in advance (is this linked to the new products that you are ranging)	

2.7 Business Financial Health

The Issues to Discuss:

The great challenge for smaller retailers is trying to manage all aspects of the business operations while ensuring the financial health of the organisation is optimised. Some retailers will manage this balance with ease as they have measures to control their financial performance daily. This means that smaller retailers can run more efficient businesses by allowing more time ‘working on the business rather than in the business’ and keeping close controls of the financial health of the business.

Questionnaire:

Topic	Retailer Response & Actions to be Taken
What do you see as the issues for business financial stability	
What is your financial position	
How much has been borrowed to finance the business	
Are there additional overdrafts or credit cards – what amount is this	
What are your cash reserves	
What are your monthly interest costs	
How much is outstanding to suppliers	
Do you have any payment plans in place with any debtors	
Are there any non core costs associated with the business	
Are you taking drawings from the business	
Do you know your breakeven and how often do you make it	
Do you know month to month if you are making a profit	
Do you have an Open to Buy (OTB) plan	
Do you have a cash flow management plan	

2.8 What are your Retail Key Performance Indicators? (KPIs)

The Issues to Discuss:

If you can't measure the store performance, then you can't monitor its performance. Reviewing and evaluating the performance of the store requires the owner to identify and measure Key Performance Indicators (KPI's) that include all major components of the business.

Questionnaire:

Topic	Retailer Response & Actions to be Taken	
How do I compare my performance with like businesses		
Do you capture?	YES/NO	weekly/monthly/annually
1. Total Sales/including category split \$ & %		
2. Sales m\$2		
3. Break even		
4. Initial GP/GM		
5. Final GP/GM		
6. Markdowns		
7. Shrinkage		
8. Occupancy cost \$ & %		
9. Wages including on costs & owners drawings \$ & %		
10. Store contribution \$ & %		
11. Stock levels/ Stock turns		
12. Customer counts & spends		
How did you collect this data?		
<ul style="list-style-type: none"> • POS system • Cash register • Other 		

2.9 What planning & management reporting tools do you use?

The Issues to Discuss:

For many smaller retailers being able to access timely information in their business that assists with sales, product and financial knowledge is an ongoing challenge. Without this timely information retailers will always be “flying blind.” Experience tells us that those retailers with their fingers on the pulse are able to make quick and effective decisions that impact positively on the sales and profit performance of their store.

Questionnaire:

Topic	Retailer Response & Actions to be Taken		
What information can I access to monitor the health of my business			
Where is my business going and how can I influence the change in its performance			
What do I currently plan & monitor?	YES/NO	weekly/monthly/annually	
1. Forward sales & expenses budgets			
2. Forward stock flow & levels budget			
3. OTB for purchases			
4. Merchandise assortment plan			
5. GP \$ & % Goal (required to pay the bills)			

2.10 Business Strategy & Growth

The Issues to Discuss:

Developing a business strategy and planning for growth starts with a desired vision of the future then works out the steps needed for the business to achieve that vision effectively.

Analysing information about current operations and identifying business opportunities from your Self Help Audit is the basis for developing a vision of the future. These strategies will act as a road map for getting to the goals envisioned for the future of the business.

Naturally the strategies you use to get you to the future must take into account current aspects of your business environment, both internal and external. They are your foundations.

Given the areas covered and issues identified, you now need to consider your key strategic objectives for the next 12 months? In this section you will detail all of the following:

- Objectives
- Action Plans
- Measures
- Timeframes
- Resources
- Responsibilities
- Recorded outcomes

Questionnaire:

Topic	Retailer Response & Actions to be Taken
What do you see as the strategic opportunities for business growth and development	
What further information or assistance is required to be able to establish your objectives & action plan	
How will you celebrate or reward for success when achieving your objectives	
What will be your contingency plan if your objectives are not able to be met	
Now it is time to list all of these objectives to develop your action plan.	

Return to the start of the Self Help Audit and highlight in each questionnaire the Topics that required actions to be taken.

Transfer these points onto the Key Strategic Objectives planner in the next section. You will then need to detail the Measures/Aims, Timeframes and Resources required for making these changes.

3. Key Strategic Objectives

Identified issues to take action

Identify Issue & Set Objective	Action to be Taken	Measure / Aim	Timeframe	Resources
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

4. What are your next steps?

By now, you have identified areas of your business that require improvement and noted down your action plans. From here, you can seek support from your Centre Management office, or look into some training courses that are designed specifically for Retailers.

Take extra advantage of your Action Plan by building your business skills knowledge. After completing this health check, you should have a good idea of areas you would like to know more about.

If you have found your way to this handy tool, you would have seen the training options available to you.

Training Options:

1. Seed Online Short Courses

The Seed online learning program allows you to purchase and access short interactive courses in times most convenient to you. These cost effective courses allow you to select training topics that suit your immediate needs.

2. Seed Retail Excellence Workshops

The Seed Retail Excellence Workshops are designed to provide you with practical materials that aim to build business improvement strategies. You can choose to attend the particular workshop that matches your training needs, or progressively expand your retail knowledge as you attend each of the four workshops:

1. Visual Merchandising
2. Retail Marketing
3. Customer Service
4. Profitable Retailing

3. Seed Diploma of Retail Management

Set to launch in early 2008, this diploma caters for individuals who wish to take a higher level of study in retail management. Delivered over a 12 month period with 8 one day interactive workshops, participants will be guided by an experienced ARA facilitator using practical exercises and case studies that align to the day to day challenges of a retailer.

4. External Support Resources

1. Finance Arrangements including merchant fees
2. Shopfitting supplies
3. Telecommunications
4. Marketing
5. Consumables
6. Employment Relations Services
7. Tenancy Support Services (Leases & Legal)

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