

7 TOP TIPS FOR RETAIL SUCCESS!

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WHAT NEEDS FIXING? THE RETAIL RISK!



- You cannot accurately predict customer needs
REMOVAL OF RISK = INCREASED PROFIT
HOW TO REMOVE RISK?
- Understand customers - know the *Retail Detail*
- Have a *Structured* approach to buying
- Ensure *Flexibility* in your supplier structure
- Analyse your performance & ask *Why & React ?*

Trading Culture

1. Keep it Simple!

- *Retail is about Sales, Stocks & Commitment control :*
 1. Always know the detail about these Retail Basics
 2. Don't shy away or get distracted. Core focus.
 3. Know your sales /square foot
 4. Systems – will ask you the questions : you have to decide on the answers & actions!
 5. Use your product hierarchy

Use your product hierarchy!

“LUSCIOUS LIVING”

CERAMICS

CANDLES

CLOCKS

KITCHEN

2. Know your sales drivers

- *How are your product groups & suppliers performing? :*
 1. How is the total business trading vs the year ?
 2. What groups are up and down? Why?
 3. Suppliers – who are up and down vs the year? Why?
 4. Note your “**power categories**” and “**power suppliers**”

3. Embrace the *retail detail*

- *The successes, failures and missed opportunities :*
- *Don't take on the world!*
 1. What are your top sellers? Did you run out when you wanted them? (**full price sell thru**)
 2. What were your worst sellers ? (**sell thru/ wks cvr**)
 3. Tackle them by product group

3 retail detail : Line review

Sell thru

- Good seller : buy 100 , sold 70 = 70% sell thru
- Poor seller : buy 100 , sold 20 = 20% sell thru

Weeks Cover (stock divided by average weekly sales)

- 10 weeks sales = 150 divided by 10 = av wk sales of 15
- Stock of 315 = 21 (high)
- Stock of 105 = 7 (low)

nb ideal weeks cover depends on supplier lead time

4. *Monday mornings!*

1. Make MM a time to review trading & decide key actions
2. Set up trading dashboard to analyse performance
3. Run a best sellers report from your system
4. Review the whys and wherefores !?
5. Record the key learnings in a trading diary
6. Repeat on best sellers, replace high sell thus with newness

Structured Planning & Buying

5. *Build a forward retail strategy*

- *Based on a review of your **retail detail** : sales performance , missed potential, day to day experience & trends :*
 1. Set **Sales Plans** for the season you are buying for based on your successes & weaker areas
 2. By **Product Group** -what is the growth on the year ?
 3. What is your overall growth? (total of product classes) and sensor check

EXAMPLE SALES REVIEWED (retail vat inc)

PRODUCT	Xmas 17 Act. (k)	Xmas 16 Act (k).	% VARI
CERAMICS	£98	£109	-10
CANDLES	£123	£105	17.1
CLOCKS	£67	£67	-
KITCHEN	£76	£62	22.5
<i>LL TOTAL</i>	<i>£364</i>	<i>£343</i>	<i>6.1</i>

FORWARD SALES PLANS (retail vat inc)



PROD.	XMAS 18 PLAN (k)	XMAS 17 ACT. (k)	% VARI	XMAS 16 ACT (k)	2 YR % VARI
CERAMICS	£95	£98	- 3.1	£109	-12.8
CANDLES	£130	£123	5.7	£105	23.8
CLOCKS	£70	£67	4.5	£67	4.5
KITCHEN	£80	£76	5.3	£62	29.0
<i>LL TOTAL</i>	<i>£375</i>	<i>£364</i>	<i>3.0</i>	<i>£343</i>	<i>9.3</i>

6. *Buy to a Buying Plan using Open to Buy*

- *A Buy plan = sales plans + break stock*
- **WHAT IS BREAK STOCK?**
- The level of stock you plan to finish on at the end of the selling period
- **WHAT IS OPEN TO BUY ?**
- The amount of cash available to spend on product

. *Open to buy (retail vat. Inc)*



PROD.	OPEN. STOCK (k)	ON ORDER (k)	TOT. STK & ON ORDER (K)	BUY PLAN (k)	OTB (k)	% BGHT
CERAMICS	£42	£17	£59	£123	£64	48%
CANDLES	£21	£20	£41	£169	£128	24.2%
CLOCKS	£4	£24	£28	£91	£63	30.7%
KITCHEN	£10	£33	£43	£104	£61	41.3%
LL TOTAL	£77	£94	£171	£487	£316	35.1%

2. Forward Buying Plan(retail vat inc)



PRODUCT	XMAS 18 SALES PLAN (K)	END DEC 18 PLAN BREAK STK (K)	BUY PLAN (k)
CERAMICS	£95	£28	£123
CANDLES	£130	£39	£169
TOTAL TABLE	£225	£67	£292
CLOCKS	£70	£21	£91
KITCHEN	£80	£24	£104
TOTAL HOME	£150	£45	£195
HH TOTAL	£375	£112	£487

7. *Flexible Supply Base*

1. Open to buy only works if your suppliers are able to repeat in season and / or bring newness to you
2. How many of your suppliers can do this? Are they your largest ones?
3. It is vital that your key suppliers are able to support your business. Otherwise it is a high risk position.

The Seven for Success!



1. Keep it Simple
2. Product Group review
3. Know the Retail Detail
4. Monday Morning Trading
5. Set realistic forward Sales Plans
6. Use Buy Plans & the resultant open to buy
7. Develop a flexible supply base



USE OF THE SEVEN WILL ENSURE :

1. A **stock mix** that reflects the best product groups at the right time
 2. **A range** reflecting best sellers and bought in volumes to improve availability.
 3. **Reduced stockholding** and cashflow savings
 4. **Improved sales through de risking / use of otb**
 5. **Reduced markdowns, increasing net margin .**
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1. *A thrilled and expanding customer base*

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THANKS FOR LISTENING!

ANY QUESTIONS ?