

RETAIL CHECKLIST

Successful retail business owners are always looking at ways they can grow their business and maximize their profits. Our checklist can help you ensure you're doing just that.

1. Check you have the right products

Offering the right products

Whether your retail business focuses on one primary product group – such as furniture – or sells a variety of products based on a theme – such as a homeware store, it's important to make sure what you're selling is still relevant to the market.

Use your product sales data to review your range and determine which of your products are the most popular. Can you add a wider range to your inventory? Do you need to retire stock items that have falling sales and increase others?

Generate feedback through surveys and talking to your customers when they're making purchases. Find out if there's anything you're not offering that they'd like to see on your shelves. Make the most of your social media platforms to poll and survey your customers about your products.

Review suppliers

Attend trade shows (in the US and overseas) to identify new suppliers who can offer new products. Explore importing products direct or build relationships with wholesalers to identify new products you could be offering your customers.

Stay on top of competitors

Watch your competition closely to make sure they haven't launched new products or found exclusive new suppliers which you can't match. If they seem to be generating more sales than you, determine why. What are they doing that's enticing your customers away and how can you address this? Complete a competitor analysis to understand what they are doing well and what you could do to offset these actions.

2. Check your selling model

Sell online

Retailers are increasingly going online to widen their distribution channel and to target new markets. Even if you can't match overseas online prices, target those customers that will pay a premium to buy through a US based business. Customers often prefer buying online from a local bricks and mortar business especially with products that require guarantees or servicing.

If you do sell online, invest in a responsive/mobile website, a great end to end user experience and have a planned online campaign to generate awareness.

Keep an eye out for new markets

On a local level if your store is doing well in your current location, research the market in a different region. Document what makes your location work, then target similar areas with similar customers. Is there an obvious opportunity to open new stores?

3. Check your marketing

Review your current strategy – what is it and is it working?

Successful retailers are continually reviewing their marketing strategy. It's important to keep up with how people are making purchasing decisions, their sensitivity to pricing, and how they find out about you. If something is working, do more of it. And vice versa.

Check out your competition

If competitors successful, find out what are they doing and what can you learn from them. The retail business is highly competitive, so if you see your competition doing something that's effective and successful, try to implement it yourself, but see if you can improve on it to enhance your competitive edge.

Target your advertising

Advertising works best if you know the customers you're targeting, rather than a scattergun approach. Determine who your ideal customer is, and what their needs are. Then make sure what you offer is designed to address their need.

Review seasonal trends

Review seasonal issues that could affect your business, like school terms, the weather and national holidays. Coordinate your promotion and product purchases with events that are planned during the year. Develop a calendar that captures any excuse to get in front of customers, from sports events, local celebrations, to national holidays.

Work with local retailers to get more people to your area

Just because you have competitors doesn't mean you can't work with them to entice more people to your location. Once they're there, you can fine-tune your marketing strategy to get them buying from you. Or you can work with another business to gain more customers together.

Collect feedback and implement what you learn

Either from social media or direct from your customers, if you get great feedback, then tell everyone and use the comments as testimonials on your website. If you're seeing complaints, use them to turn a negative customer experience into a positive one. Make sure you have processes and a person in place to deal with complaints early and effectively.

4. Check your systems

Ensure your ordering system is efficient

If you're purchasing a wide range of different products for your inventory, it's important that your system is effective, efficient and easily understood by your employees so you can manage your cash flow and stock levels.

Check inventory for defects and quality

Ensure you document the inventory you receive, and check for defects or incorrect delivery. If you are constantly returning product, then it's time to search for new suppliers.

Use inventory software

Even smaller retail businesses should automate between the till and what's being sold, and your inventory levels and what you have left in stock. It will allow you to use 'just in time' ordering to keep your inventory to a minimum without running out.

Offer your customers more ways to pay

Customers appreciate being offered the latest way to pay, with the most up-to-date technology. Online and mobile payments mean that you aren't spending time invoicing and chasing up late payers.

Be aware of fraud and theft

Train staff on what to watch out for concerning fraud and theft. Store security is a balance between a great customer experience and reducing the chance of having product stolen.

Use accounting software to keep everything up to date

A good accounting system is crucial for a retail business. With it you can monitor cash flow, transactions and inventory, develop a customer database, and keep up to date with your bills and payroll. A cloud-based accounting system offers increased security, as well as being able to check all your financial data in real time. Many accounting software applications can be used on your smartphone as well, making it easier to update your records.

There are also a number of retail specific software add on products that integrate with your accounting software.

Develop a customer sales system

Provide training to employees to keep up-to-date with the products you're selling, and to offer an outstanding customer experience. One of the main differentiators for a retailer is customer service, in a world where the customer can buy most products online. Create a system so everyone in your business can go that extra step, know your customers by name, be involved in the local community and anticipate customer needs.

Check you're not overstocking

If you find yourself with products that aren't selling, and running out of those that are, you need a better inventory system. Invest in inventory management software so you can see on a daily basis what is happening. Clear old stock to make way for the new.



5. Check your capacity

Review sales volume

If your business has queues outside the door and you can't keep up and customers are turning away, you need to find a solution. Larger premises, more staff, longer opening hours, more cash registers, or mobile payments to prevent queuing are all options.

Regularly check with staff about the amount of work they have, to prevent errors within the business or providing a less than expected customer experience.

Recalculate your break-even point

If you do find you are flat out but not making any profit, then it could be time to review break-even. If you lower your overheads, raise prices, and focus on selling higher margin products, you will find you need to sell less to make the same money.

Compare your actual sales against your sales forecasts

This is to make sure that your forecasts are on track, so that you can use them to continue to predict sales and make decisions based on them. If your sales forecasts are inaccurate, it's time to review how you predict sales and costs so they're more realistic.

Check your costs are within budgets

Keep an eye on things like fixed costs to make sure that they're not going over what's been budgeted for. Review your overheads – rent, power, internet, etc. – and if they're more than you expect, look at ways to reduce them. For instance, if your store is in a shopping mall, chances are you're paying prime commercial rent.

Make sure you're matching or exceeding your industry gross margins

Every retail industry has 'accepted' markups that you add to products before you sell them. If you're not achieving industry norms, it's time to look at ways you can increase your margins. Increasing price, targeting less price sensitive customers, widening your product range to cover better margin product will all help.

6. Stay up-to-date

Be social media savvy

Successful retailers are finding more and varied ways to be in contact with and connect to customers. Keep in contact with way your customers want to hear from you, from updating what the business is doing on social media, to blogging on popular retail topics, to posting photos of new product releases.

Build a personalized experience

By using your sales data and customer contact information, build a one to one personal relationship with your customer. It's not only good business for you, but customers appreciate you understanding and anticipating their needs.

Use customer sales software

Build a profile of your best customers, enroll them to receive your e-newsletter, develop a customer loyalty scheme, or start rewarding them based on their purchases. Make buying from you a rewarding experience.

Be aware of customer trends

Research what is happening to the demographics of your best customers; are they part of the baby boom market (born 1946-1964) who are all approaching retirement? Or are they younger teens? Or parents with children under ten? Each will require you to be aware of what they want, how they want it, and how they want you to sell to them.

Please note that the information provided isn't intended and should not be relied upon as professional or personal financial product advice. You should seek professional advice before making any decision that could affect the financial health of your business.