

Retail Plan

You will be working with a group of your peers on opening a new retail establishment in the Oktibbeha County area. I recommend groups of 5-6 group members for this project, but be sure to talk about schedules first to see what meeting times are going to work best for all of you throughout the semester.

We will be having multiple activities where you will be able to talk to people and figure out what you find interesting and what you would like to work on. We will be working on this project extensively throughout the class.

Include in Your Retail Plan:

Retail Strategy (Chapter 5)

Include a retail strategy statement that includes:

- A description of your target market
 - In follow-up paragraph describe in detail (and explain WHY your retail business would suit this customer). Assess the potential audience in the area and what surrounding areas you might draw from. Use numerical estimates when possible. (*Chapter 4*)
- The format the retailer plans to use to satisfy the target market's needs (what type of business will you be opening and how will it satisfy customer needs)
 - *Thoroughly research the type of retail business you are going to be opening. Ex. if you are opening a dog grooming business, do research on dog grooming businesses. Things to look into include: Who are the major players in the industry? What do they do well/poorly? What makes them successful? What is their business model like? How are they laid out? What could you do to improve the experience that is currently being offered by others?*
 - Include in the paragraph below include retailer characteristics such as the type of merchandise offered, the variety and assortment that are proposed to be offered and the services proposed to be offered (*Chapter 2*)
- The bases on which the retailer plans to build a sustainable competitive advantage.
 - Include in the paragraph below what the main competition would be for your retail establishment and how your retailer would position itself in the market (including a perceptual map would be a good idea).

After the retail strategy statement, include a paragraph on each of the above bullet points, going into more detail on 1) the target market, 2) the retail format, and 3) the competitive advantage, and further justify why you are taking the direction you propose.

Product (Chapters 2, 4, 9, 11, and 12)

- Establish at least 10 products you will be selling.
 - Describe each in detail and why you are choosing to sell each item (*Chapter 11 and 12*)
 - Include suppliers for each when possible. What are the advantages of the suppliers you selected? (*Chapter 9*)
 - Provide images of each product and how it would be displayed.

Price (Chapter 13)

- How much would be charged for each product? Why?
 - What type of pricing strategy would be used? Identify any factors that would impact the pricing of your products.
 - Estimate how much would it cost you to buy/make each product.
 - Research suppliers and determine prices.
 - How much will you be selling each product for?
 - Calculate the margins on each item as well as the percentage margin (for example, if a t-shirt costs \$9 for you to buy, and you sell it for \$10, your margin is \$1, and your percentage margin is 10%).

Place (Chapter 7 & 8)

- Where will this new retail establishment be located? (Work with the ACTUAL Oktibbeha county-area real-estate market. Can use resources like Loopnet.com)
 - What type of retail location is it in?
 - Structured/non-structured?
 - Mall, Life-style center, etc?
 - What are the advantages/disadvantages of this location?
 - Ex. How much foot traffic would you get? Cost of location? Parking availability?
 - Will you build or buy? Why?
 - Approximately how much would it cost to buy/rent this location?
 - Scout and provide pictures of potential retail establishment.
- What would the exterior of the retail establishment look like?
 - Why would this appeal to customers?
- How would the interior of the retail establishment be laid out? (Chapter 16)
 - Create a retail store layout plan.
- What days and hours will your store be opened for?
 - Estimate utilities expenses per month.

Promotion (Chapter 14)

- How would you let people know about your retail location and encourage them to come to it?
 - What types of promotions will you use? (Please describe)
 - Include detailed examples of 1-2 promotions
 - Why would these promotional activities be effective for your type of business and target audience?
- Describe what efforts might be made to use customer relationship management (Chapter 10)
 - Estimate how much will these promotional efforts would cost.

People (Chapter 15 and 17)

- Briefly describe how you would acquire and retain employees for your retail establishment.
- How many people will you be hiring for this retail location?
 - How much will they be paid (hourly/salary?)
 - How many hours will they work (full/part time?)

- Estimate any benefits you will provide for employees (insurance, etc.)
- Create a job description for at least 2 employees (*Chapter 15*)
- How would personalized service or standardized service be employed? Why?
- What training would your employees have to maintain customer service standards?

Financial Strategy (*Chapter 6*)

- Estimate total sales for your first year
 - Show assumptions—how many customers do you think you will gather and how, and how much do you think each customer will purchase?
- Estimate operating profits/losses for your first year
 - Show your calculations (remember, investments such as building a retail store would not be included in *operating* calculations, though you may want to estimate how long it would take to pay it off).
- If you were to actually open this retail store, how would you propose getting the needed funding?

Retail Plan Formatting

- Project should start with a cover page with the group's name, class section, and the names of all of the group members
- Table of contents should follow cover page, including all of the section titles as well as the figures and where they are in the document
- All pages should be numbered, and all figures labeled
- Font: Times New Roman
- 1" margins
- Citations should be in text and references at end of paper in APA format

Project Deliverables:

- Retail Plan (15% of final grade)—turn in a single pdf to instructor by the final day of class.
 - Group evaluations
 - Self-reflection paper
- Presentation (10% of final grade)

Firing a Group Member

If a group member is not participating and/or is not getting along with another group, the group may fire that group member before the 21st of February. In order to fire a group member, the group must send an email to both the instructor and the group member. If a group member is fired, they may petition to join another group (they must ask this other group for permission to do so) or they may complete the project on their own.

Group Evaluations and Self Reflection

Your final grade for the group project will be determined on both your group evaluations and your self-reflection. If it is indicated by your group that you were not contributing equally to the project or you are not able to justify what you contributed to the group project, your grade will reflect that to the degree of severity that it is indicated you did not contribute. Additionally, if it is indicated by the group evaluations and your self-reflection that you contributed above and beyond other group members, your grade will be raised in accordance with the degree of contribution you have shown.

Note on Group Evaluation Collusion: All group evaluations will be completely anonymous. Please do not make an agreement that you will say that everyone contributed equally when everyone did *not*, in fact, contribute equally. I take group evaluations seriously and ask that you do as well. Note that contributing equally does not mean that every person has to do the same thing; there are many components to this project, and everyone has different strengths.