



May 23, 2019

Sometimes, the simplest of ideas can have the greatest impact on our business. When was the last time you reviewed your Average Retail Sale numbers? Did you compare present numbers with the previous month? The previous year? The trend for the previous three years? If so, are you steadily increasing the number over time or have you settled into complacency?

Although the concept of selling higher priced items for growth will often elicit the “DUH” response, we can easily lose sight of the fact that this simple concept can have a dramatic impact on your store. The cumulative effect of small changes consistently monitored over time can have a significant impact on annual sales and profits without additional cost on your part.

The average retail store does approximately 5000 transactions per year (in all categories excluding bead sales). So, let us look at a simple scenario:

- 5000 transactions at an average retail of \$200 will yield \$1,000,000 in sales.
- 5000 transactions at an average retail of \$400 will yield \$2,000,000 in sales.
- 5000 transactions at an average retail of \$600 will yield \$3,000,000 in sales.
- 5000 transactions at an average retail of \$1000 will yield \$5,000,000 in sales.

Of those 5000 transactions, 5% of them (250 transactions) are from your diamond and colored-stone sales. However, those 5% of transactions - which will generally account for half 50% of your sales dollars. Therefore, it stands to reason that placing a greater emphasis on your diamond and color sales department will make the biggest impact on your bottom line. But do not forget there are 4,750 other transactions that, with a little work, can also greatly improve your retail average.

Of course, you cannot simply double prices overnight and expect these results. To achieve greater numbers requires a slow and steady process of implementing a number of factors, the greatest of which is constant monitoring in order find those areas that require work. Some areas to review:

- Staff training – Do your salespeople have goals? Are they trained to “sell” and not simply “show” your inventory? Are they trained to have confidence selling higher sales numbers rather than simply handing-off the sale to someone else? Are they trained on properly pricing repairs and special orders?
- Display – Are your better items prominently displayed or are they lost in a sea of competing stock making it difficult to truly be seen by your customers?

- Repairs and Special Orders – Are you charging enough? Let go of the fear of someone walking over a few dollars: Your time and expertise are valuable, particularly on special orders. They are “special” for a reason and should be priced accordingly.

Just a few tweaks in areas such as the above examples, with constant consistent vigilance, will provide substantial rewards in the long run. We invite you to visit our website, www.NVPrimeConsulting.com, for an overall view of the services we provide. If you have questions as to how we may be able to assist you, please do not hesitate to call - 888-849-4978. Should you so desire, we provide a free business analysis to help you determine how we can help you address outstanding issues and/or achieve desired goals. Of course, all communications and information are strictly confidential.

Sincerely,

The PRIME Team – *Jim, Jeannie & Warren*

-----Professional Resources & Inventory Management Experts-----
