

July 14, 2021

## Buying Practices

Many of you have had successful re-openings over the past few months. The government ordering retailers to either close or greatly limit their operations during the shutdown resulted not only in reduced sales for the industry but also in reduced spending by consumers during the “crisis.” Such restrictions, along with the government issuing stimulus checks, resulted in the buying public amassing cash and an eagerness to return to shopping once the restrictions were lifted. This return of the consumer has brought about quite an invigoration to the industry.

However, we must not become complacent, thinking that all will return to normal anytime soon. Inflation is currently rising to such a degree that the general public is taking notice, and the Fed does not appear to be in control of the monetary system. No matter what the future may hold, there are enough dark clouds on the horizon for us to maintain our concern moving forward, with particular emphasis on our buying practices.

We have to be conscientious in forming and sticking to a plan for the coming months. Development of your plan has to include a variety of issues that have to be regularly revisited, such as:

- The public has returned to our stores, but are you following what they are buying?
- Are you religiously re-ordering your fast-sellers?
- Beyond fast-sellers, do you have a specific budget laid out for other purchases during the coming months - taking into account that the holiday season will soon be here?
- Have you narrowed down those suppliers whose products are easy, regular sales for your business?
- Do you know the turnaround time from suppliers/manufacturers for the foreseeable future? (Do not forget that many suppliers have cut back staff and holdings because of the Covid scare - so what is their outlook for the foreseeable future, particularly as the holidays approach?)
- Have you designated old inventory that can be traded back or remade to lessen potential cash outlays on new stock?

Your sales may be great at present, but do not become too complacent. If you can regularly attend to some of the issues referred to above, and nothing drastic happens to the economy - then you will better maximize your profits. However, if the economy does take another downturn, then you will have fortified your position to better ride out any storm ahead. When you are busy, it is too easy to get caught up in day-to-day business and not set aside the time to truly discern what would be the best product and practices for your store. But keep in mind, implementing a plan and proper practices only costs a little time, yet failure to commit to a basic plan could have devastating long-term effects.

We at PRIME specialize in assisting retailers in finding the path to achieving their goals and overall success in their business. We invite you to visit our website, [www.NVPrimeConsulting.com](http://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. Of course, all communications and information are strictly confidential.

Sincerely,

**The PRIME Team** – Jim, Jeannie & Warren

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

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