



Turn, Turn, Turn

RITCHIE SAYNER

One of the classic musical pieces of the 1960s was a song called "Turn, Turn, Turn." Put to music originally by Pete Seeger, and later recorded by The Byrds among others, the song is adapted almost entirely from the Book of Ecclesiastes in the Bible's Old Testament. The basic premise of the song is that there is a time and place for all things. Being consumed by retail when I was growing up, I was certain that someone had written a #1 hit about *turnover*. What did I know?

"Turn, Turn, Turn" should be every retailer's theme song today. If we put a retail spin on the lyrics, **increasing sales volume** would undoubtedly be the opening verse. Following would be a refrain on selling inventory more quickly. In other words, **faster turn!** Notice I did not mention margin. The margin that you maintain is irrelevant if sales are not sufficient to cover expenses and merchandise receipts.

I currently work with shoe retailers who

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are achieving turnover rates of more than three times annually, and feel that four is within reach. These are stores in the size and width business just like yours, that are not missing sales, enjoy good margins, and are growing sales volume. They get it.

Increased turn and sales growth can be achieved by adhering to the following protocol:

> Readily identify hot selling styles and trends, and react accordingly.

> Work with resources that can supply product.

> Negotiate stock balancing agreements in advance for poor performing styles.

> Minimize seasonal carryover and avoid packing goods away for the next big sale.

> Reserve Open-To-Buy (OTB) for off-price opportunities that can be volume drivers.

> Pay close attention to scheduling deliveries, so that there is a constant flow of fresh merchandise arriving regularly. Employ this keep-it-fresh merchandising philosophy, as opposed to front-loading at the beginning of each season in hopes that you planned (guessed) correctly about future business.

> Chase product when possible. This is a much preferred strategy to overbuying and trying to cancel. Any manufacturer's rep will support me on this.

> Don't become the vendor's warehouse.

> Negotiate longer terms. Even an extra 30-60 days will help cash flow and give you an



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opportunity to sell some of the product prior to the invoice coming due.

I have taken the liberty of rewriting some of King Solomon's original words, but the tune remains the same. I invite all of you to sing along with me. Here we go...

To every class Turn, Turn, Turn, there is a season Turn, Turn, Turn, and a time for every markdown under heaven.

A time to buy, a time to sell; A time to reorder, a time to review;

A time to plan, a time to promote; A time to markup, a time to markdown the old stuff that isn't selling.

A time to open, a time to close; A time to hire, a time to train; A time to motivate, a time to unload sales people whose selling costs continually exceed 10%.

A time to relocate, a time to remodel; A

time to lease, a time to renegotiate your lease especially if it's over 8-10% of your sales.

A time to transfer, a time to cancel; A time to test new vendors, a time to drop lines that no longer work or are not profitable .

A time to forecast deliveries, A time to budget expenses; A time for a new POS system, A time for Facebook, Twitter, and perhaps even Groupon; A time to build your OTB plan by classification and store from the bottom up.

I readily admit that my version may not end up being the #1 hit that The Byrds had. I also added some lines so that folks on the operations side wouldn't feel left out. The central theme however is that improving turnover IS the pathway to profitability. Faster turning stores have better cash flow, larger sales increases, and way better GMROI.

I swear it's not too late! ■

Editor's Note: Ritchie Sayner invites readers needing a lyricist to write a verse about improving sales and turnover in their stores to email him at rsayner@rmsa.com. Sayner is vice president of business development at RMSA, a national retail consulting company specializing in sales and inventory forecasting.)

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