
Retail Business Owner's Assessment

Whether your store is six months old, reaching its fifth anniversary, or something that you inherited, it is good business practice to pause regularly to confirm that you really are maximizing your profits. Seeking to strengthen local businesses and recognizing that the common challenge is organizing that evaluation effort, BDI created a Retail Business Assessment to provide a process that jumpstarts store improvement evaluations. This three phase process starts with the Owner's Assessment. Based on that assessment and a 3 to 4 hour store visit, BDI completes an Operations Evaluation Assessment and recommends changes likely to improve profitability. Working with the business owner, those recommendations are converted into a time phased action plan.



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Section One: Existing Business Conditions

Who are your customers?

Age:	Income:
Sex:	Occupation:
Family Size:	Education:
Geography:	Lifestyle:
Other	
What % of the customers who enter your store purchases something?	
What is your average \$ transaction?	
How many transactions do you average per day?	
In one sentence, why do customers choose your store?	

Store Design

Total Square Footage:	# of Entrances:
Selling Square Footage:	Last Interior Remodel:
Describe Interior Space:	
Last Facade Renovation:	
Describe the atmosphere, theme, or predominate feeling that your store design creates.	

Hours and Business Flow

Day	Regular Hours		Holiday Hours	
	open	close	open	close
Monday				
Tuesday				
Wednesday				
Thursday				
Friday				
Saturday				
Sunday				

What times of day are busiest?

Describe the seasonal flow of your business.

Employees

Payroll Summary				
# Full-time Employees		# Part-time Employees		Payroll Hours per Week
Average Hourly Wage		Weekly Payroll \$		Annual Payroll \$
How many hours do you work each week?				
What days do you take off each week?				
Where do you find employees?				
How many employees were hired during the last 12 months?				
How long do employees typically work for you before they change employers?				

Location Analysis

Accessibility (Comment on how easily customers can enter and exit your store.)

Compatibility (Comment on how your store shares customers with adjacent businesses)

Congestion (Comment on conditions in the area that prevent customers from accessing your store)

Interception (Comment on daily activities like traveling to work or school that cause customers pass your store)

Mutual Attraction (Comment on similar stores nearby that make customers to feel that they can “shop” your category)

Merchandise

Are you a fashion leader or a fashion follower?

Does your store have a few of many styles or multiples of a few styles?

How often do you mark down merchandise for clearance?

What percent is your first clearance markdown?

Who are your key vendors?

How do you monitor inventory levels?

How do you determine “Open-to-Buy?” (How much you will spend on merchandise)

Marketing

Briefly Describe your annual advertising plan.

How do you use social media and e-mail to contact customers?

What special events have successfully increased sales?

List mentions you have received in local newspapers.

List community events to which you donate prizes or act as a sponsor.

Administration

Describe your Point Of Sale (POS) system. (Computer, Cash Register, Adding Machine)

What procedures do you use as a back-up when your system fails?

Describe the organization of your backroom/backstock.

Financial Statistics

	Item	Budget This Year	Actual Last Year	Actual 2 Years Ago	Actual 3 Years Ago
1	Annual Sales				
2	Cost of Merch				
3	Gross Margin (1-2)				
4	Gross Margin % (3/1)				
5	Payroll				
6	Payroll % (5/1)				
7	Occupancy				
8	Occupancy % (7/1)				
9	Advertising				
10	Advertising % (9/1)				
11	Display				
12	Display % (11/1)				
13	Shrinkage				
14	Shrinkage % (13/1)				

Intercept Interviews

Customers (complete at least 5)

1. What first attracted you to this store? Why?
2. Why did you come into the store today? Were you satisfied? Why or why not?
3. If you owned this store and had an unlimited budget, what changes would you make?(Prompt for types of merchandise, special events, number of sales people, and anything else.) Why?
4. Just for fun, if this store were a famous person, who would it be?

Non-customers (complete at least 5)

1. What do you recall about the store you just passed? Why? (If they don't volunteer the type of merchandise, ask: "What type of merchandise is sold there?")
2. Do you ever shop there? Why or Why not?
3. What changes could the store make to attract you as a customer? Why?
4. Where do you buy the type of merchandise this store sells? Why?

Competitor Analysis

Description

Item	Store	Competitor 1	Competitor 2	Competitor 3
Name				
Address				
Annual Sales				
Store Size				
Layout				
Design Features				
Weekday Hours				
Saturday Hours				
Sunday Hours				
# Employees				
Merchandise Quality				
\$ Inventory				
% customers who buy				
Average \$ Transaction				
Return Policy				
Mark Down Policy				
Promotions				

Pricing

Choose 10 identical or nearly identical items to comparison shop. Use the net prices at which the items are selling on the same day.

Item	Store	Competitor 1	Competitor 2	Competitor 3

Location Analysis

Using the following 1-5 scale, rate your location and the locations of your competitors.

- 5 - Ideal situation
- 4 - Presents only minor or easily corrected problems
- 3 - Tolerable situation
- 2 - Situation likely to reduce projected sales by up to 10%
- 1 - Situation likely to reduce projected sales by 10 to 20%
- 0 - Situation likely to reduce projected sales more than 20%

Site Characteristic	Competitive Store		
	1	2	3
Accessibility			
Compatibility			
Congestion			
Interception			
Mutual Attraction			
Total			