



Case Study

Design and implement a “turn key” gift shop operation for a medium size hospital to be located in the newly renovated lobby area.

Objective

Create the model for a fiscally sound, customer friendly gift shop in a designated 600 square foot space that will be ready to open within a six-month time frame. Help recruit and train gift shop staff.

Situation

The hospital had an auxiliary sponsored gift shop several years previous, but the auxiliary disbanded, and the space was leased out to an independent retailer. The hospital foundation had oversight of the gift shop area, however, had no say in the staffing, hours of operation or merchandise selection. Furthermore, due to declining sales revenue, lease fees had declined over the years to less than \$2,000 per year.

Solution

Determine feasibility of the project:

Based on the bed size, employee population and data from similar sized hospitals projected sales and profit opportunities. To help hospital administrators determine if a gift shop would be a financially sound idea, we provided:

- A financial operations plan to use to budget gift shop expenses for the first year including staffing and payroll needs.
- Specific recommendations on how the sales for the new shop would be achieved.
- A sales and stock plan detailing the dollar amount of inventory necessary to stock the new shop.
- Based on architectural drawings, a determination of fixture needs and costs.
- Based on sales volume of the shop, a determination of costs for a point of sale system and operational supplies.

Once all costs associated with designing, stocking and staffing a new shop were determined, it was decided that a gift shop would be a fiscally sound idea. Approval was given, and we moved forward to Phase I of a new shop planning engagement.

Phase I – Plan the New Gift Shop

Plan the Business:

- A sales and stock plan for each department, which detailed the planned sales and the dollar amount of inventory necessary for each department to achieve the sales plan.
- Six- month merchandise buying plans for individual departments to be used to purchase appropriate categories and quantities of merchandise for the new shop.
- Recommended merchandise assortment plan for individual departments detailing:
 1. Categories of merchandise for each department.
 2. Average units of merchandise per category.

Plan the Shop Concept:

Based on architectural drawings, created a master floor plan that included:

- The location of each department and category of merchandise.
- Allocation of appropriate space to meet sales and profit projections.
- Layout of fixtures to create an efficient traffic flow throughout the shop.
- Recommendations and sources for appropriate fixtures and hardware that would accommodate each category of merchandise.

Facilitate the transition of Shop Concept to Viable Gift Shop:

Based on the time action calendar that outlined shop opening target date and responsibilities:

- Attended and participated in on-site meetings with hospital planning committee.
- Participated in scheduled teleconference meetings with gift shop planning committee throughout the planning process.
- Worked closely with hospital purchasing department during fixture order process.
- Wrote orders for all accessories and hardware necessary for merchandise presentation.
- Made recommendations and wrote orders for necessary gift shop supplies/packaging/ticketing/display items.
- Researched, and recommended an appropriate point of sale system.

Phase II -Implementing the New Gift Shop Plan**Gift Shop Operation Services:**

Prior to gift shop “merchandise set-up” the following services were provided:

- Measurable goals and gift shop operations expectations.
- Provided appropriate job descriptions for the gift shop personnel.
- Helped in the manager recruiting process.
- Participated in the final interview process for gift shop manager.
- Met with hospital accounts payable representatives to implement appropriate bank deposit, cash handling and bill paying procedures.
- Met with hospital payroll representative to implement appropriate payroll deduction procedure.

Gift Shop Merchandising Services:

- Worked closely with hospital representatives to determine specific and suitable merchandise categories and vendors.
- Attended a major gift market to source appropriate product and place orders for the new gift shop.
- Contacted appropriate vendors and set up necessary appointments prior to gift shop opening to arrange service and write orders for basic product.
- Provided a current vendor directory with phone numbers and websites of appropriate vendors.
- Spent one-day on site participating in and training gift shop designated volunteers and manager in appropriate processing of packing slips, invoices, handling discrepancies and ticketing merchandise for resale.

Gift Shop Set up Services:

Prior to gift shop target opening date:

- Spent two-days on site prior to gift shop opening to supervise and participate in setting up the new shop.
- Worked closely with designated gift shop volunteers and manager to provide merchandise presentation guidance and training to create appropriate, professional visual merchandising standards for the gift shop.

Phase III – Gift Shop Follow- Up Training

Thirty days after the gift shop opened, provided the following:

- A copy of, the *Advantage Program Back Office* Software and User Guide.
- Installed and trained the gift shop manager how to use the Advantage Program Back Office to plan and manage inventory.
- Provided an on-site customer service training session for all gift shop staff.

For the first year of operation:

- Reviewed monthly reports and provided feedback.
- Accompanied the gift shop manager to a major gift market.
- Made quarterly, one-day, onsite visits to review gift shop operations and merchandising. Provided appropriate written feedback.
- Answered questions and provided information via telephone and email.
- Provided quarterly vendor directory updates and regular “hot item reports.”