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Purpose, Passion and Profit

As a community owned shop, you will be striving to provide an outstanding service to your customers whilst also ensuring that you are sustainable. Profitability is vital to your sustainability as it enables investment for the future and also provides reserves for the difficult trading periods that you might face.

To become profitable requires a shared Purpose ('what' you are trying to achieve) and a real Passion to make it happen (the 'how'). The best retailers also focus on the five 'P's of People, Place, Product, Price and Promotion.

Purpose

Most community owned shops have a number of groups who will have a view on why the shop exists – customers, volunteers, staff, the committee etc.

Having a shared purpose for all those involved to work towards is vital to unify the team and to focus all your actions to achieve. Developing the Purpose with a representative group, writing the agreed Purpose down and then living by it will make success much more likely. It is also very important, as with all the best elements of retailing, to keep it simple. For example – 'Our community owned shop will provide outstanding customer service and generate profit for sustainability'.

It is a good idea to have your purpose written down and kept somewhere visible to staff/volunteers and customers alike.

Passion

Passion is about wanting to see improvement every day in how your customers feel about your shop and ultimately how much they buy. Engaging all the team (voluntary and paid) with weekly sales and monthly gross profit targets is vitally important to share in the success and challenges of running a sustainable and profitable shop. An environment where everybody is passionate about the shop's performance will generate excitement, new ideas and ultimately..... **Profit**

The following Advice Sheets explore the 5 Ps that will enable you to grow your sales and profit. It is also really important to re-visit the Income Profit and Pricing Advice Sheet in the Ready for Trading section.



People

The atmosphere of your shop is partly a result of the way it looks but primarily a reflection of the way staff engage with customers. Providing a friendly welcome and great customer service feels good, and it will make customers want to come back and recommend you to others.

Customer Service

Most community owned shops have a number of groups who will have a view on why the shop exists – customers, volunteers, staff, the committee etc.

Having a shared purpose for all those involved to work towards is vital to unify the team and to focus all your actions to achieve. Developing the Purpose with a representative group, writing the agreed Purpose down and then living by it will make success much more likely. It is also very important, as with all the best elements of retailing, to keep it simple. For example – ‘Our community owned shop will provide outstanding customer service and generate profit for sustainability’.

It is a good idea to have your purpose written down and kept somewhere visible to staff/volunteers and customers alike. Excellent customer service will retain and develop your current customer base, which is the single most important way you can grow sales and profit. It is always easier to persuade current customers to return than it is to attract new ones. Here are a few tips for good customer service:

Smile and address every customer by name if possible, and thank them when they leave saying ‘goodbye’.

Give the customer your full attention and stop any private conversations with other staff or volunteers. Chatting and small talk is important, but avoid gossip, confidential matters, and distracting customers from browsing and shopping!

Be attentive to the customers’ needs, taking them to goods they cannot find, rather than pointing and offer to place an order for goods that are out of stock. Pay particular attention to the elderly, without interfering or pestering them.

Give added value to your customers by packing their bags at the till, carrying heavy loads to their car, taking telephone orders and collecting customer comments and feedback.

Presentation of all staff and volunteers is important - consider using a uniform to present a professional image.

Capability of all staff and volunteers is also important - ensure everyone is trained in the relevant areas such as till procedures, return policy and current legislation.

Engage all staff and volunteers in the running and performance of the business from current offers and new stock through to trading figures, profits and margins.

Sympathise if customers complain, and use the criticism constructively to help you improve your standards and service.

Consider the value of a mystery shopper who can visit the shop with no agenda, and objectively report on their shopping experience. This will pick up on the performance, attitudes and



knowledge of the staff and volunteers as well as the cleanliness or tidiness of the shop. An alternative option is to create arrangements with other community-owned shops whereby you take in turns visiting each other's shops and reviewing each other. This is a good way of sharing ideas, networking and learning from each other.

Expanding Your Customer Base

If you are confident that you are doing all you can for current customers, then you should look to attract new ones. Before you are in a position to increase your customer base you need to know who your current customers are. You could ask yourselves a number of questions:

- Who uses our shop currently?
- What is our geographical spread?
- How do they use it, and how often?
- Why don't non-users use the shop?
- How can we increase footfall of existing and new customers?

You can find out this information in a number of ways:

- Informally ask your staff/volunteers/committee and any non-users
- Survey existing customers to find out how they use the shop and what changes would persuade them to use it more
- Survey the whole village, including neighbouring communities, local businesses and tourist spots

After collecting this information, you will be in a position to consider how best to go about increasing your customer base. Listed below are some ideas that other shops have used successfully.

Possible ways of increasing your customer base

Discreet targeting of those who don't currently use the shop, with perhaps a casual mention of a new product or service.

Focused publicity to the village, neighbouring villages, tourists and/or local businesses.

Attend meetings of local groups such as parish council and WI – perhaps combined with a tasting session

Visit new residents to tell them about the shop and provide them with a welcome pack, inviting them to become shareholders (if applicable) or volunteers (again, if applicable).

Further Information

Useful Tools and Resources

Consultation Questionnaire – A template questionnaire to gauge from the community what products and services they would like from the shop

Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

The Plunkett Community Shops Network:

<http://www.plunkett.uk.net/>



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Place

The way your shop looks will determine whether customers decide to buy from you or not. The shop should be tempting them to come in, presenting products in an effective and attractive way, leading customers through the ranges and communicating something different about what you have to offer compared to your commercial rivals. It should be saying this shop is special.

Your window/shop front is the single most important way of signalling 'we're here and we want your custom'. It must be welcoming, it must give new passers by reasons to come in and it must be readable in seconds. If you don't have a window then create one by putting up a stall at the front of the shop that you can also sell from. One shop in Yorkshire came up with an innovative way of overcoming the lack of a conventional window by painting a window display from the outside. See further information section for the link.

Customers often decide what it is they want before coming to the shop but the ability to surprise a customer by presenting something new or in a new way – the "Wow!!" factor is vital. Using your shops 'hot spot' effectively (usually just inside the front door) is a key way to achieve this. Products should change here on a daily basis so that your regular customers will always be tempted to look at what's new or on offer.

The benefits of this sense of excitement combined with the reliability of always having well priced essentials in stock provides the three key drivers to grow your sales –

Footfall
Conversion rate
Average transaction value

Footfall

As it implies, this is all about getting customers into your shop. Customers tend to visit stores that meet their needs and the more you do that the more times they will visit and the more likely they are to recommend you to their friends.

Conversion rate

Once your customer is in the shop, the next skill is to convert the visit into a sale. The more you can get the best range of products into the minds and then the hands of customers the more often you will convert them from browsers into buyers. If they don't buy anything, find out why not – this is the best customer research you can get and it's completely free!

Average transaction value

The final skill is to increase the total spend by connecting products (sauce to go with the pasta), temptations or bargains by the till and the most important technique of all selling! Most staff are uncomfortable about selling but there are some who will take to it naturally; seek them out and encourage them.



Don't forget to go back to the 'Shop Display and Merchandising' Advice Sheet in the Ready for Trading section to see if there are elements of the shop you should be changing or moving round.

Outgrowing Premises?

At some stage in the shops' development, you may decide that the premises are no longer meeting the needs of the business. Before you look for alternative premises, it is worth considering the viability of interior design improvements or extensions. Professional shopfitters, for example, can radically improve the workability of existing space through re-designing the layout. It is also worth revisiting the funding section of the Advice sheet to see how you could raise funds for your established shop or for adding on new services.

Further Information

Useful Tools and Resources

Look for Local Food Toolkit - a practical guide for village shops wishing to increase sales of local and drink. Produced and published by the Plunkett Foundation, available on application only.

How to Open a Local Food Shop - a practical retail guide including shop design, layout and merchandising. Produced and published by the Plunkett Foundation, available on application only.

Burton in Lonsdale – Photograph of a mural window display

Shop Display and Merchandising Advice Sheet

Shop Design, Fixtures and Fittings Advice Sheet

Sources of Funding from Outside the Village Advice Sheet

Community Investment Advice Sheet



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Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

The Plunkett Community Shops Network

<http://www.plunkett.uk.net/>

Making Local Food Work:

<http://www.makinglocalfoodwork.co.uk/>

Rural Shops Alliance

<http://www.rural-shops-alliance.co.uk/index.htm>

Last reviewed: July 2010



Product

Once you are trading your customers will show you what products they want and don't want through their purchasing patterns. There is obviously a relationship to price so it is important that you know you are competitive before making changes.

Consulting with your Customers

Are you providing the goods and services your customers want? Keep talking to your customers to make sure – volunteers can do this too. Have a suggestions box or survey the local community. Have a 'request book' that staff and volunteers can add to each time a request has been made. Introducing new lines and products helps keep customers interested - but beware of offering to meet every request, some specialist items simply will not sell in sufficient quantity - and some will not sell at all despite being requested.

Look at your existing stock lines, and its speed off the shelves. If lines are slow, consider whether they are worth promoting to stimulate sales, or whether you need to lower the price. Alternatively, consider whether the space could be better utilised by faster selling items.

Introduce New Products and Services

Return to the 'What to Stock' advice sheet to consider the four different types of goods and services provided by a village shop. Particularly consider 'Additional Services' to increase footfall including;

Financial Services – Postage Stamps, Credit/debit card machine, ATM Machine, Cash back, Pay Point or Pay Zone facility, National Lottery.

Administration Services - IT services, Photocopier/fax, Mobile Phone Top-ups.

Specialist Foods - Delicatessen counter, butchery, food/wine tasting, seasonal promotions, local produce.

Social Activity – Coffee Machine, café, seating areas, microwave/food heater, local information.

Collection Service - Prescription drop off point, dry cleaning, shoe repair, home delivery service.

Increasing Current Ranges

If a certain product or product line is selling well, consider increasing the space dedicated to it, or increasing the range such as new flavours, or other items from the same brand name or related products. Always be aware of the gross profit margin you are making on product lines – reduce or eliminate the lines making a poor margin and taking valuable shelf space.

Talk to other Village Shops

From time to time, you should visit other village shops and find out what they are stocking that you're not. In most cases, village shops will not be directly competing against each other, owing to their loyal and local customer bases. For this reason, it's worth being open and honest and sharing information with them about trading and stock performance. The Plunkett Online Network is also an excellent opportunity for these discussions which will bring in several community-owned shops into the discussion at the same time.



Further Information

Useful Tools and Resources

Consultation Questionnaire – A template questionnaire to gauge from both existing customers and potential new customers the products and services they would like from the shop.

Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

The Plunkett Community Shops Network

<http://www.plunkett.uk.net/>

Making Local Food Work:

<http://www.makinglocalfoodwork.co.uk/>

Rural Shops Alliance

<http://www.rural-shops-alliance.co.uk/index.htm>

The Independent Retailers Confederation

<http://www.independent-retailers.co.uk/>

Retail Enterprise Network

<http://www.retail-network.org/>



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Acknowledgements: Oxfordshire Rural Community Council
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Price

Whether through the price you pay to your supplier, the price you charge your customers or the mix of goods on sale there are a number of ways you can seek to increase your overall gross margin and hence your profit.

In theory, increasing your profit margins through pricing is a relatively straightforward process. The table below shows some of the basic options and possible actions.

Options	Possible Actions
Purchase products at a lower price but charge the same retail price	Negotiate with suppliers for improved terms
Increase range of higher margin goods	Increase the ranges of goods such as delicatessen items and introduce new services such as dry cleaning
Increase retail prices	2% increase except on list of 15 KVI* goods
Reduce wastage	Improve system for checking dates and ensure wastage is recorded. Consider nominating a volunteer for this job?
Reduce number of markdowns	As above
Promote higher margin items	Wine promotion through village magazine

You can use this list to select one or two areas to focus on. Try these for a month or so and monitor the difference. It is far better to KEEP IT SIMPLE by concentrating on just a few areas that you think will make the most difference.

*Known Value Items are those goods that consumers purchase so often they know the usual price – bread and milk are the obvious ones followed by such items as baked beans, cornflakes and sugar. The list of 15 items can be found by following the link in 'Useful Tools and Resources'.

Further Information

Useful Tools and Resources

Plunkett Profit Guidelines – a guide to what margins you can expect to make against product lines.

Ready Reckoner – a tool for converting mark-up to margin.

Relevant Organisations and Websites

The Plunkett Foundation:

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Promotion

Once up and running, don't expect the shop to sell itself. You need to take active steps to promote your own valuable service to the community. The shop is a commercial concern; no one owes you a favour, so you must create a demand for your products and services through advertising, promotion and public relations.

Advertising

Does the community know about the shop? The village and surrounding areas will need continual reminders that you exist. Ways of doing this are:

Opening Hours - Notices of shop opening hours and the services available should be continually visible in all public places – parish notice boards, taxis and pubs, and regularly in the village or parish magazine, etc.

Local Events – Have a stand at local events, and advertise there and in any accompanying programmes or leaflets.

Signage - Some Local Highway Authorities will erect official brown tourist signs from a main road directing people to your shop. The price varies, and in some areas the charge is waived depending on local policies.

Sandwich Boards - 'Sandwich board' notice at the roadside.

Web site – Develop your own or use ukvillages www.ukvillages.co.uk for free

Notices - Notices by local tourist routes and venues - walking routes, canal towpaths, cycle tracks, campsites, etc.

Leaflets - Print leaflets to be distributed throughout the village and surrounding areas as well as to local industrial estates or business parks.

Till Receipts - Print your shop name and phone number on all till receipts.

New Services - Advertise any new services, products, promotions, opening times, etc.

Logo - Develop a logo

Promotion

The best-run shops will be promoting themselves and products throughout the year. People need reminding and made aware of all that you have to offer – and why they should use the shop. See 'Useful Tools and Resources' section for a calendar of promotional dates and events. For example, you could promote chocolates and gifts for St. Valentine's Day or link an event to a national Charity Day. Above all, ensure you have good availability of promoted items. Additional ideas include:

Promote seasonal produce such as fresh strawberries and new potatoes

Organise special events, such as coffee mornings, a wine and cheese tasting, a Christmas party

Post Office – if you have a Post Office, advertise new Post Office products and services

Announce bargains, price reductions, special offers (three for the price of two, etc) and cut price sales, including WIGIG ('when it's gone it's gone')

Offer to purchase items for village events, parties, open days and club events

Emphasise those special products for which you have a reputation

Consider 'linked promotions' – meal deals, beers & snacks, free pack of biscuits with a jar of coffee

Ask your supplier for point of sale material, or make your own 'shelf barkers'

Remind customers at the till of new products, items they may have asked for in the past or any current promotions



Public Relations: Press and Media

Never forget that community-owned shops are a relatively rare phenomenon, and that you are part of a very unique club – your shop and your story is therefore very newsworthy to the outside world. It is important to keep in contact with your local press and media so that you can inform them of any exciting events/developments with the shop, and likewise they can contact you for local features.

Some stories they might be interested in reporting about your shop are: any awards received; any human-interest stories (eg oldest-youngest customer); shop milestones (anniversaries, increased turnover, loan repayments); any original new products, services, promotions; the impact your shop has had on your local community

In your press release you will need to include: name of your shop and location; contact name(s) and contact details; head up with a 'quote' or catchphrase to attract interest; your story with any accompanying pictures. A template is provided in the 'Useful Tools and Resources' section.

The Plunkett Foundation receive many national press enquiries about community-owned shops and refer journalists to specific shops and communities. For this reason, remember to keep in contact with the Plunkett Foundation about any new developments of newsworthy stories and so that the online directory is maintained and up to date.

Local Public Relations

The community shop can strengthen the heart of the village, but to promote it, there needs to be a feeling that the shop takes an active part in other aspects of village life. Consider selling and distributing tickets and programmes for village events; donating raffle prizes; supporting local charities with collection boxes on your counter; encouraging members of other local groups to use the shop.

Encourage Feedback

From time to time circulate a questionnaire to ask the village what it thinks of the shop and what it wants from it. You could also: point out the real cost of using a car to go shopping in the nearest town; do a 'shopping basket' comparison and publicise the results; ask customers to 'Take Five' – take five items off their supermarket shopping list and buy them at the village shop.

Further Information

Useful Tools and Resources

Plunkett Foundation Press Release - a template press release and recipient list for community-shop openings.

Plunkett Calendar - a calendar of dates and events for promotional sales.

Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

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Management Committee

Once a community-owned shop has opened for trading, the role of a committee is not over! Depending on the legal and staffing structure adopted, the volunteer management committees' input will vary, but the most important thing to remember is that it's all in the name – they exist to manage, not to run the business.

Some members of the management committee will also be 'ordinary' volunteers so get involved in both the management as well as the day to day running of the shop. It is important to keep these roles separate, however, to avoid the situation of the manager reporting to and being answerable to every single member of the management committee.

Some members of the committee who have been instrumental in getting the shop set up in the first place will be rightly proud of all they have done and achieved, but their personal sense of ownership can block others (and the manager in particular) from being able to manage or introduce new ideas.

The skills required for a management committee setting up a community-owned shop differ from that of a trading community-owned shop. This does not necessarily mean you will need to a completely fresh committee, but the 'shop launch' does provide a good opportunity to reconsider committee roles and electing people for those roles. Some committee members will be fatigued by this point, and will naturally choose to step down.

Re-structuring your Management Committee

Ideally you will be looking for six to eight committee members to allow a breadth of skills and experience, and a manageable number to make decision. You will also be looking for a wide range of skills and experiences – including retail, accounting, people management, marketing etc – with at least one person with strong financial skills. Just as importantly you are looking for people with a real passion and commitment to make the shop a success.

It is also worth trying to ensure that the committee is composed of a mix of individuals who span various different sectors of the village and from a good spread of ages and interest groups. It can be helpful to have someone who is on either the parish council or the village hall committee but it is not essential. It is always possible to co-opt someone onto the committee for a specific task.

Responsibilities of the Management Committee

Key tasks include;

- Setting the business targets – see further information.
- Establishing adequate monitoring systems which spot potential problems in advance
- Supporting the shop manager (if you have one) to manage and take initiative
- Meeting regularly (usually monthly) so that problems do not have a chance to build up
- Manage – not do, recognising that the committee role is separate from shop volunteering – even if they are the same person



The Five Key Management Areas

The committee as well as all of its members should have a clear set of objectives and with clear lines of responsibility. A few clear objectives are much more effective than a long detailed list of things to do. It is a good idea to have key committee roles and allocate them to willing committee members. This is one way of ensuring that there are clear lines of management responsibility. If you have additional members of the committee you might want to think about splitting the people area into staff and volunteers as both can be somewhat time-consuming.

The five key areas include;

- Finance
- People
- Retail
- Legislation
- Development

You may also wish to set up a sub-committee for the finances. The person with financial responsibility would have overall responsibility but others would be involved through the sub-committee, and finer details could then be investigated outside the main meetings.

Further Information

Useful Tools and Resources

Management Committee Areas to Target - a template to help target areas of the business through designation through committee roles.

Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

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Financial Management

It is good practice to set up a finance sub-committee to oversee the day-to-day matters and produce the financial reports for the management committee meeting, along with the banking, book-keeping and record keeping.

Key Requirements

- You must have clear policies and procedures for all financial aspects of the business
- You need to account for income and expenditure on a monthly/quarterly and annual basis
- You set annual budgets and cash flows to be used for monitoring purposes throughout the year
- You must satisfy the legal requirements of: Providing timely and accurate annual accounts; paying and keeping records of PAYE payments, paying and keeping records for VAT; paying income tax and corporation tax as required

Banking - Your shop will generate significant amounts of cash and for reasons of both security and cash flow it is important to bank this money as quickly as possible. Are you using a safe? How often are you banking? Can a volunteer do this job? Can you reduce the amount of cash by promoting cash back?

Book-keeping - It is good practice for the book-keeping to be done by someone other than the manager. The manager can help the process enormously by providing all necessary information in an organised and timely fashion. It is important that everyone realises that good paperwork is vital to good financial management and ultimately a more successful business. A typical community-owned shop will require between 3 to 5 hours of book-keeping a week. Some shops may be lucky enough to find a member of the management committee or a volunteer to do this work otherwise it is a cost that needs to be built in.

Cash flow - The budget gives an overview of income and expenditure for the period but it does not look at the actual timing of income received or expenditure made. Any business can find itself without enough cash to cover expenses. A cash flow will help to forecast and avoid this situation by looking at individual items of income and expenditure on a monthly basis.

Management Accounts - Management accounts set out information, normally on a monthly basis, in such a way that allows the management committee to understand the financial position at any given time. It might include: Key performance data (see below); an income and expenditure account; a cash flow statement, a record of receipts and payments which summarises the cash in the business; Comparisons with the budget to see the variance and anticipate any problems.

Key Performance Data - Key Performance Data are the pieces of information that give a very good guide as to how the business is going and is readily understandable to everybody, not just the financial experts. Key performance data for a shop might include:

- Weekly or monthly sales tracked on a graph compared with last year's figures (with or without VAT). The Z reading figure from the till at the end of the day includes VAT while the final trading accounts will use figures excluding VAT
 - A working gross margin figure. If you have an EPOS system - this can be tracked weekly
 - Tracking of any additional targets you have set yourselves
-



Record Keeping - You have a legal obligation to keep records of your financial transactions; currently 6 years for registered companies. You will need to keep bank statements, sales invoices, purchase orders and invoices, cash books, PAYE and VAT. This can end up being a lot of paper and finding somewhere off site for storage can be a good idea.

Preparing Annual Accounts - At the end of each financial year the shop needs to prepare annual accounts for submission to the appropriate registering body. A shop will need to appoint a suitably qualified accountant for this. Accountancy costs can be kept to a minimum by doing as much of the leg work as possible.

To keep costs down you might consider; finding a suitably qualified person in the village who will do the work for free; some accountancy firms will do 'community group' work at much reduced rates; explore what pro bono options there are locally for free legal advice (see *Further information* below).

The annual accounts need to be approved by the management committee, audited (if required) and circulated to members before the Annual General Meeting (AGM). The annual accounts must be presented to members at the AGM. After that they need to be submitted to the appropriate register by the due dates (10 months after year-end for charities and 7 months after year-end for IPSs).

In agreement with your accountant you might want to consider circulating a single page summary of the financial results to your members rather than the full accounts which can be 8 or so pages and contain a lot of jargon. Most people are not familiar with reading accounts and they can cause quite a bit of confusion. As long as the summary says clearly that the full accounts are available on request this can be a better approach.

Further Information

Useful Tools and Resources

The Plunkett Cashflow Forecast - a template to consider your cashflow forecast.

Financial Management - A financial management training manual for community owned shops

Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

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Stock Management

Stock Management is about sourcing the right range of goods from suppliers at the right price, ordering at the right time, and knowing what stock you already have.

Sourcing Stock

Return to Suppliers Advice Sheet.

Preparing Orders

Judging the right amount of stock to order can be tricky, and even the most experienced shopkeepers get it wrong from time to time, so don't be disheartened if it takes a while to master the art! Check that the shelves have been filled from the stockroom before you begin, so that extra stock is not ordered in error. And take into account how many days' stock you require by calculating the number of days between making the order and the next but one delivery date.

A comprehensive stock list in an order book is an essential tool if you do not have an EPOS system. If you use an EPOS system to generate the order, still check that everything on the order is required – a computer doesn't always appreciate why more stock is sold one week than another!

Some suppliers will provide an order book with a list of stock for you to use. For smaller suppliers, create a stock sheet of regular products. Listing the usual daily/weekly stock holding in a 'make up to' box gives a useful guide. Use pencil so that the same list can be used more than once

When you place an order, keep a copy that you give to a wholesaler or supplier, whether by phone, fax or over the internet, until you have received the delivery and checked it off. When errors occur it is much easier to check what you ordered and receive credit or replacement goods if you are able to show what the original order was for.

Taking Delivery of Goods

Make sure that you have an invoice or delivery note that lists the items in the delivery, their cost to the shop, whether the items are liable for VAT, and a recommended retail price if known. Count the items in and check what has been delivered agrees with the delivery note.

Always check deliveries against the invoice before pricing goods and putting them out on the shelf. This will improve stock control and reduce errors.

Once delivered, you will need to double check that:

- The goods itemised on the invoice correspond to the goods delivered.
- Discrepancies are reported as soon after delivery as possible, and credit claimed from the supplier if appropriate
- The goods are not short dated – always check 'Best Before' and 'Use By' dates, particularly on chilled food. Reject any items too close to the date
- The goods are in perfect condition - goods that are delivered in damaged boxes, or any dented tins and broken jars should be returned to the supplier for credit/replacement



- Frozen and Chilled goods should be delivered within a specific temperature range – not above -15 degrees for frozen and between 0-8 degrees for chilled. Goods should be proved on arrival or checked with the delivery driver. A record should also be kept for due diligence purposes
- The selling price correctly corresponds to the cost price. Even if you follow recommended retail price and do not need to calculate the sell price, check that you have been correctly invoiced
- Promotions or price marked goods have been invoiced correctly to give the correct profit margin
- The price scans correctly at the till and corresponds with the price displayed on the shelf edge, if using an EPOS system
- The delivery is entered on to the EPOS system so that the stock holding figures are correct. If any adjustments have to be made for changes in prices, barcodes or special offer items, ensure that they are made as soon after delivery as possible

Putting Deliveries Away

- Make sure Staff / Volunteers are aware and trained in relation to your good receiving policy
- Chilled and frozen goods to be put away as a priority
- Rotate stock so that goods with a shorter date life are at the front of the shelf
- Do not leave half opened packs of stock lying around on the floor or where they might fall.
- Put excess stock into the stockroom
- Any damaged goods should not be put out in the shop. Inform the shop manager of the damage so it can be monitored in the waste book, and/or arranged for return/credit

Stock Taking

An annual stock take will have to be undertaken as part of the process of completing the end of year financial reports. It involves counting all the stock held in the shop and valuing it at cost price on the date that completes the trading year. A practical guide is available from the further information section.

Further Information

Useful Tools and Resources

Sourcing and Managing Suppliers Advice Sheet

Stock Count - a practical guide on conducting a stock count.

Relevant Organisations and Websites

The Plunkett Foundation:

<http://www.plunkett.co.uk/whatwedo/rcs/ruralcommunityshops.cfm>

The Plunkett Community Shops Network

<http://www.plunkett.uk.net/>

Local Environmental Health Officer:



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Last reviewed: July 2010



Volunteer Management

In a community-run shop volunteers are the backbone of the organisation: without a committed and dedicated team your shop may not be able to run efficiently, if at all. Managing your volunteer staff is an extremely important role and needs a dedicated organiser. This person may be someone from the management committee or could be a volunteer with the skills and interest to take on this role.

However many volunteers you have, they will need to have confidence in a well-run system which offers them good support.

Volunteer Rota

Some shops find that a good rota system is on a weekly timetable, run 4 or 5 weeks at a time. Session times could be 2-hourly, starting from 30 minutes before opening time (45 minutes on Sundays to sort out the papers and supplements, or to bake extra croissants etc), finishing 30 minutes after closing time. Not all volunteers need to know how to open up and close, but you should have a good number who do.

Roles and Responsibilities

Most shops will also assign roles and responsibilities to volunteers to avoid over-burdening them with task lists and manuals. One person might be responsible solely for wine, for example, and come in regularly to rotate, replenish and order stock. Others might be responsible for checking wastage at the end of the day, taking sales, doing deliveries/collections etc. For shops solely run by volunteers, more comprehensive roles will need to be established but taking into account the time available per week a volunteer offers. You might want to consider team leaders for example.

Supporting and Thanking Volunteers

After the rush of the early days it can become a challenge to retain the initial numbers.

Keep Talking - One of the most important things to do is keep talking to your volunteers. Ask them what they want out of volunteering - and are they getting what they want? Do your volunteers feel adequately supported? Are they happy with the tasks they have been allocated, or would they like to try something new? Does their time slot on the rota still suit?

Appraisals - The questions above could be asked in a formal appraisal, once or twice a year. Alternatively, and perhaps more realistically, this could happen in an informal, 'just checking everything still OK' chat every now and then.

Accreditation - Develop a system of accreditation and training for volunteers so that they feel valued. This can also be a stepping stone for people getting back into regular employment which, while you do not want to lose volunteers, can act as an incentive for others.

Training - Make sure that all volunteers receive adequate and appropriate training, even if they are only working for a few hours a week. Keep volunteers well informed of any major changes, such as in personnel, systems used, and ways of handling new products. This can be done either in a diary kept in the shop, or in a regular (perhaps quarterly) volunteers' newsletter.

Equality - If you have paid staff ensure they understand the importance of the volunteer team

Keep it Social - Have an occasional volunteers' social event - it is a good way to say 'thank you'. Events such as Christmas, New Year or shop anniversary drinks and a summer barbeque need not be elaborate or expensive.



Manager - As soon as possible employ a paid shop manager. This could be a part-time post, but it takes pressure off the volunteers and will give greater consistency and sustainability.

Say it! - Always remember to thank your volunteers and staff after each session.

Keep Recruiting

It is essential to keep recruiting volunteers as there will be natural wastage. Responsibility for this falls to the volunteer organiser, but the best way to reach new people is by word of mouth.

Regularly ask your existing volunteers if they know anyone who might be interested in helping – people recently retired, parents with children now at school, or those new to the village. Research shows that most people who don't currently volunteer say they would if asked. Existing volunteers often enthuse about how much fun it is working in the shop, how many new people they have met, how they have learnt new skills they never thought they could do – persuade them to spread the word. Encourage volunteers from all sections of the community, even those who can only spare a little time, or can only help out on an irregular basis – these people can be vital at holiday times.

Further Information

Useful Tools and Resources

Relevant Organisations and Websites

The Plunkett Foundation:

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Staff Management

The management committee has the responsibility for managing any staff employed by the community-owned shop. This will encompass all areas from recruitment, contracts, paying, managing and perhaps dealing with disciplinary problems. Many of these issues are covered in other Plunkett advice sheets and our examples of best practice, all of which can be found on the Plunkett web site.

This sheet focuses on the relationship between the management committee and any staff; it considers ways of motivating and improving staff performance.

Setting the Scene

In order for you to be able to manage any staff effectively you need to have four things in place:

Accurate job descriptions – see further information for template

Clear reporting lines – the shop manager should report directly to one member of the committee and the remainder of the staff to the Shop Manager

Agreed sets of targets – for the shop manager, this should in most cases be a monthly sales target and a gross margin target for the shop. See further information for examples of targets.

Appraisal process – the appraisal process is used to manage performance. It can help your manager and staff feel that their good work is recognised and that they are valued. It can also provide an opportunity to discuss any weaknesses or problems they may have and to come up with some solutions. The appraisal is also used to set targets and identify resource and training requirements.

Providing Resources and Training

It is important to realise that the staff might need some resources or training in order to achieve the targets you have set. It might be necessary for you to budget for this or you might be able to find some grants or help free of charge. Other community-owned shops may be happy to offer advice, and you could check the Plunkett website or ask your Community Retail Adviser.

Carrying Out Appraisals

The manager's appraisal will be carried out by the management committee member who has responsibility for staff. It does not need to be very formal nor does it require a complicated form. It may be that the manager has not had an appraisal before and might feel rather nervous. It is therefore worth stressing that the appraisal process is a really good opportunity to take time out from the day to day pressures of the job and to take stock. It is a two-way conversation allowing both parties an opportunity to review and debate the good and the bad.

The targets set and any problem solving must be agreed by both parties. A short summary of the targets and the discussions should be written up and signed by both parties. It will be referred to next time, is a written record for the rest of the management committee and ensures a clear understanding all-round.



By setting clear targets there is the opportunity to offer incentives and rewards as motivators. These are most likely to be financial but not necessarily so. Reward options might include:

- A pay rise
- A bonus if financial targets are exceeded
- The offer of a more flexible working arrangement if this is seen as desirable
- Further training

"The best example of good practice is the clarity around the weekly sales and expenditure targets set for the manager. The manager has a clearly identified weekly target to achieve which she has translated to a daily basis. I was impressed when she told me she will sometimes check the day's sales figure in the late afternoon, and be ready to stay open slightly later if she thinks this will help reach the target". Chris Coe, Community Retail Consultant.

You may also need to tackle poor performance. You will need to consider whether the poor performance is to do with competence, lack of training or lack of support. Before addressing this directly with the person it is worthwhile just checking that the job itself is well enough described and that the person is allowed to get on with the job (without interference).

If it is a case of poor performance then:

- Would some training help?
- Would clearer guidance and clearer targets help?
- Would closer mentoring be helpful?
- Is the person right for the job?
- Can the job be altered to suit the person's strengths?
- Only as a last resort consider terminating the contract

Further Information

Useful Tools and Resources

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Tourism and Attracting the One-Off Visitor

As well as serving your regular, local community, it is also worthwhile making sure your village shop is a destination for one-off visitors.

Point of Difference

Community-owned shops are really something quite different and special, and certainly an achievement worth emphasising to potential customers from outside of your regular, local community. For this reason, make sure 'community ownership' forms part of your marketing strategy and features in all publicity material that is produced. This may also lead to the one-off customer deciding to invest in your shop and become a remote 'shareholder'.

What 'unique selling points' does your shop have that might make it of particular interest to tourists? Locally produced food and other products are perhaps the most obvious. Could you have a display in your shop selling regional food (e.g. cheeses, pies, certain varieties of fruit) which are only made or grown in your area? Is the building of ecological interest? Is there space for an interesting local crafts and art gallery?

Reaching the One-off Visitor

You will need to consider where the one-off visitor may be coming from, what you have to offer them and how you might best inform them of all you have to offer:

- Is your shop in an area of outstanding natural beauty or national park? Contact your local branch to see if they will include you in their publicity.
- Is your shop near a national cycle or walking route? If you are, contact the managing body and ask to be included in their mapping information or websites.
- Are there any hotels, B+B's, youth hostels, campsites etc near to you? What signage could you have to entice people to come to your shop, and where best to erect it (after checking with the relevant authorities)? Do you have literature you could provide them with? Could you supply goods to the accommodation providers or provide the guests with an online ordering system pre-arrival or post arrival?
- Is it worth contacting boatyards further along the canal or river to see if your shop could be included in any information they might give to holidaymakers?
- Have you contacted your local tourist information?
- You need to make sure people are aware of your shop and all its facilities. Even if people only visit once, it is possible they might pass on information about you to tourists considering visiting the area

UKVillages

It may well be that your village already has information and links on the UKVillages website. This is a well-used national website where villages and communities can display for free local information or links to other websites of interest, such as schools, doctors', businesses, bus timetables – and shops. Anyone can access information and it is worthwhile uploading details of your enterprise.



Further Information

Useful Tools and Resources

Polgooth Casestudy - an arrangement between a holiday resort and village shop, where all self-catering guests are able to pre-order local food and household supplies to be delivered before their arrival

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