

MEMORANDUM

Date: December 11, 2023
From: Sweet Charity Planning and Oversight Committee (“Committee”)
To: Shop managers – Meg and Glenda

Introduction and Background

Sweet Charity’s sales revenue is vital to sustaining the mission of Advent House for the short and long term. With shop rent and related costs projected to increase each year, we must take specific steps to increase gross sales. The approach to increasing gross sales for a shop like Sweet Charity is driven by the key fact that we have zero acquisition cost for the goods that we sell. Unlike other retail operations, we do not need to focus on margin (*i.e.*, the difference between the cost of the goods and sale price obtained), but rather on moving as much inventory as quickly as possible.

As a result of personnel transitions over the last year, it has not been clear to whom the shop managers should report and from whom they are to take direction. Because the PEM Board meets only quarterly, it has determined that the Committee will provide that function for the managers on an ongoing basis, setting policies and operational direction that the managers and staff will then implement.

Following additional discussions among the members of the Committee over the last several weeks, and with the endorsement of the Board at its meeting on December 11, the following policies and initiatives should be immediately implemented at Sweet Charity.

1. Shop Openings

General principle: *The store will be open for normal hours five days each week (Tuesday through Saturday) throughout the year, except for typical federal holidays.*

This is consistent with the way retail stores need to be run. Extended closures are not necessary, and impact our ability to increase sales volume. Most recently, we were pleased with the efforts of the staff to open the shop for Black Friday and Small Business Saturday. The results speak for themselves, with sales of over \$3500 that would not otherwise have been realized.

Similar openings need to occur at year end, a change from what has occurred in prior years. Sweet Charity will maintain normal hours for the following days:

Wednesday, December 27 through Saturday, December 30
(close on Tuesday, Dec 26)
Tuesday, January 2 through Saturday, January 6

Manager and staff schedules should be coordinated to assure sales floor coverage, with an understanding that some may wish to utilize some PTO, and that volunteers may not be available to receive, sort or deliver goods on all days during those time periods.

Looking ahead, a calendar for any proposed store closures throughout 2024 should be presented to the Committee for review by January 6, 2024. Where federal holidays fall on Monday, it may be appropriate

to consider closure on the Tuesday immediately following. Any proposed “deep cleaning” or seasonal transitions should be limited to one day to minimize closed days.

2. Pricing of Goods

General Principle: *With our cost of goods at zero, original and subsequent discount pricing must reflect the goal of selling shop inventory as quickly as possible and reducing any backlog of unsold goods.*

Aggressive lower pricing should be favored over trying to maximize the sale price of a particular item. As goods age on the floor, a consistent markdown strategy must be adopted in the interest of moving out the inventory, even at lower prices. A method of inventory marking must be devised and implemented over the first quarter of 2024 so that there is objective knowledge of the aging of goods on the sales floor, rather than relying on memory.

Consistent with this same principle, sales (“percent off” or flash sales) either on entire store inventory or select categories should be used frequently to spur sales. As recently implemented, an annual or semi-annual perk for our dedicated volunteers at Advent House and Sweet Charity will be a coupon or similar mechanism to obtain a significant discount off an item. This is not a loss to the store, but rather another sale and additional revenue that might not otherwise occur.

Unless particular donated goods are determined to be of such poor quality or in “bad shape” that we do not wish to display them, they are to be retained and sold at appropriate “deep discounts” rather than being transferred to Goodwill or discarded. The “classy boutique” feel that we want to preserve for the shop does not depend on pricing, but on the look and feel of the goods.

As an example: if a sofa or other piece of furniture is at least acceptable for display, it can simply be priced low as a “special deal”, assuring a sale, and saving the time and cost of transportation from Sweet Charity to another outlet.

3. Sales, Publicity and Advertising

General principle: *Advance planning and publicity is to be implemented consistently.*

By the first of each month, sale days and amounts should be determined by the managers in consultation with Nicole for the entire month. This advance planning will allow for timely advertising to be implemented.

Where appropriate and helpful, paid advertising in community publications, or by social media “boosts” will be purchased to reinforce community knowledge of the shop and the opportunities for purchases and for donations. An example is the recent reintroduction of an advertisement in the “55 Plus” magazine. Decisions on paid advertising will be the prerogative of Nicole as Director of Fundraising, with input from the managers.

4. Focus on Analytics

General principle: *Decisions and steps to increase revenue will be driven by analysis of the sales data.*

Within five days following month end, appropriate Committee members will prepare a report of the month's sales by category generated from the database for analysis by the Committee. Copies will be provided to the Committee and the managers with the goal of identifying improvements that can be made to shop operations. Whenever possible, the monthly report should compare sales for that month to the same period in the prior year, so that trends, strengths and weaknesses can be identified and addressed. The Committee intends to meet regularly.

Over time, the managers and the Committee will identify through analysis of the sales figures such things as: what day(s) of the week result in the highest revenue, what categories of goods should be our focus, the best timing for special sales, and any other relevant insights.

Consideration will be given to experimenting with expanding or changing hours of operation to see the effect on sales (*e.g.*, staying open later one or more days each week; special "sale evenings", etc.).

5. Employee and Volunteer Development

General principle: *Cross-training and delegation of responsibility within the shop should be increased and additional volunteers recruited to increase our personnel resources.*

Given the goal of being continually open, and ensuring continuity of knowledge as staff and volunteers change, responsible staff and volunteers should be delegated as much authority as feasible, and given the opportunity to gain or increase their skills. This will allow us to confidently open and close the store and conduct all operations even if a manager is not present.

Areas of delegation should include: responsibility for opening and closing the shop; decisions on retention or rejection of goods; pricing and markdown of goods; window display creation.

A strategy for recruiting and training additional volunteers, and creating a culture of recognition, responsibility and advancement must be implemented.

Sweet Charity Planning and Oversight Committee

Kevin Cooman, PEM Board Chair and Committee Co-chair
Jim Brekovsky, PEM Board director and Committee Co-chair
Ray Wager, PEM Treasurer
Nancy Loughran, Shop manager emeritus
Nicole McClurg, Fundraising Director
Amy Hiller, Business Manager