Roll No. _____
(Do not write anything on question paper except Roll No.)
[This paper consists of FIVE Pages]

Jagan Institute of Management Studies
End-Term Examination, December 2017 – January 2018
Trimester II – PGDM (RM) 2017-19

Retail Store Operations
ET_RM_RSO_3012

Time: 3 Hrs.   *M. Marks: 70*

INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.

Q 1   Attempt any **FOUR** of the following:
- **a)** What kind of retail format is depicted by NALLI SARI , SHOPPERS STOP, MOTHER DAIRY +SAFAL BOOTH, VISHAL MEGA MART
- **b)** Organized and Unorganized Retail- How they differentiate explain with examples.
- **c)** Store Atmosphere can play a transformational role in success of Store? Do you agree /disagree with the statement- explain with examples.
- **d)** Check Out is the place which account for revenue addition or sale at store. What are the enablers at Checkout?
- **e)** Shrinkage of Inventory is a key problem at all retails format – how to tackle the same by enabling use of technology-express through example.
- **f)** POS and RMS contribute as Instore information system. Enlist four features for each of them.
- **g)** Explain the role of Mannequins and Planograms in store operation.   **16**

Q 2 a) Walmart attributes it successes in store operation to the usage of information technology. Explain how RFID (Radio frequency Identification Devices) has helped in Walmart like hyper mart retailer transformation journey.   **6**
- **b)** What are the key tasks performed at the store level, explain through relationship of different enablers.   **6**

Q 3 a) What are the store operating parameters, name three under each category and explain. How do they help in store operation?   **4**
- **b)** A large hyper mall has 20,000 square feet of space which can stock inventory worth of 20 lakhs. The store runs two shifts and employs 120 people paying those 10,000 each. There are business during week days is 20% more than the business on weekend which is 3 lakhs. The average people visiting the store are 1545 per day. They have 6 POS wherein 4 transaction take place every hour/pos. Work out the following parameters with the given information:

i)   Customer conversion ratio.
ii)   Inventory turnover ratio
iii) Stock per square feet.
iv)   Labour productivity.   **8**

Q 4   Raveena is a housewife who shops for her groceries every month. 'Big Bazar' is a supermarket that is located at about 15 minutes' drive from Raveena's home. There is also another supermarket, 'SRS' which is located on the same street as that of Raveena's home, Raveena could in fact walk to 'SRS' for her grocery needs. However, Raveena drives to 'Big Bazar' every month and shops for her monthly groceries. Raveena's husband, Karan is really perplexed about this. He knows that both the supermarkets, 'Big Bazar' and 'SRS' stock almost the same brands and have a wide variety of brands and products. Karan asks Raveen as to why she prefers driving for 15 minutes and goes to 'Big Bazar' rather than walking or driving to the closer supermarket, 'SRS'**.**

a)   What could be the possible reasons for Raveena's selection of "BigBazar' over 'SRS' , the answers should be aligned to various elements of store operations   **4**

b)   What is upselling and cross selling in store management, explain through examples.   **4**

c)   How effective shelf management can lead to impulse buying, explain through example   **4**

Q 5   POINT OF SALE (POS) SYSTEM is an important terminology in In store operations management. Answer the below questions illustrating each point with examples

a)   What are different POS applications, name four of them.   **2**

b)   What functions POS can handle as in- store software cum hardware solution.   **3**

c)   What devices are attached with the POS system**,** list six of them.   **3**

d)   Explain difference between Integrated and Standalone POS through an example   **4**

Q 6   Managing the store is one the task which requires people with deeper capabilities. In this context explain the below questions:

a)   Draw a hierarchy map / organizational structure for store management. **2**

b)   Functions of a Store manager.   **5**

c)   Responsibilities of Store Manager.   **5**

Q 7   Read the case and answer the questions given at the end.
         HealthPartners operates Clinic/Apothecary type pharmacies with relatively small front ends

Background: For more than half a century, HealthPartners has been setting the standard for its high-quality Health Plans, Hospi- tals, Medical & Dental Clinics and Pharmacies. HealthPartners offers Retail Pharmacy services in 15 medical clinics and 1 refill pickup site at their headquarters in Bloomington, Minnesota. All of their stores have a variety of OTC prod ucts and specialty OTC products, as well as candy, snacks, beverages, and greeting cards.

Overview

With pharmacies spread throughout the city, managing the product file for even small front ends is very difficult and time consuming. Each site has a pharmacy manager whose focus and training revolves around the prescription side of the business with limited interest or concern for the front end. Due to the size, no site has a front-end manager which you typically see in a pharmacy with a large front end.

As a result of this problem, price update files emailed to the stores from the head office were often not processed in a timely matter and, at some locations, not at all. Consequently, some sites experienced increased cost of goods without increasing their retail prices, resulting in reduced profit. Ensuring compliance was virtually impossible. Additionally, as time went on, product file discrepancies between sites became larger. Since some sites sporadically processed update files, new products were not added to the database automatically. Consequently, as new items were ordered, they were only in the database of some stores – leaving the other stores to create the items themselves. This resulted in significant inconsistencies between sites and, in some cases; items were sold at the acquisition cost rather than the retail.

Another problem with managing multiple pharmacies is gathering reports for each site and assimilating the data. This was a very labor intensive, time consuming and manual process. Simply looking at cash balancing and daily sales data required many hours of work from many individuals. Comparing store sales required manual data entry into an Excel spreadsheet from store generated reports. Again, a very time-consuming process with results that had to be emailed across the enterprise. Reviewing front-end product detail across the chain was virtually impossible. Consequently, some sites carried products they didn't sell in over a year, while other sites were out of stock on items they sold regularly.

The RMS Solution:

HealthPartners purchased and installed the StarLink Enterprise system which communicates real-time with the StarLite and StarPlus point-of-sale systems deployed at the individual stores.

The StarLink Product Manager allows HealthPartners to process a product update file centrally and push the information down to all sites, ensuring compliance and virtually identical databases. Sites can be managed at the Branch, Store Group or individual store level, so if competition requires Health Partners to vary pricing at a specific store or a group of stores, it can do so easily. What's more, instead of relying on individual pharmacy managers to process emailed files, Health Partners simply forces the updates and restricts the ability of the pharmacy to make changes to the item file.

In the event a new item makes it into the stores without already being part of the database, stores create the item at their location and, as they do so, the information flows up to the StarLink Holding Tank for review by the POS manager. The manager sees each instance of the new item and exactly how it was input by each site. The manager then either selects one of the instances to become the standard or creates the item from scratch. Once this process is complete the updated information is sent to every site.

Today, instead of one person at headquarters creating product file updates and relying on different people at separate locations to implement those updates, one person does it all. And instead of marginal compliance, there is 100% compliance.

StarLink utilizes the latest database technology from Microsoft, opening the door to unprecedented reporting capabilities. Transaction data flow real time from each site to StarLink, giving HealthPartners immediate access to sales data across the chain. Instead of relying on pharmacy managers to run end-of-day reports and send them to headquarters to be manually input into a spreadsheet, all of the data appears at StarLink virtually instantly.

StarLink incorporates Microsoft Web Services to create web-based reports so managers and executives can look at the reports whenever they wish from anywhere they have access to a web browser. This eliminates the need for StarLink software to be loaded on desktops across the enterprise, saving HealthPartner's IT department time and money. Additionally, web-based reports can be tailored to a specific user and restricted to that user. Web-based reports can also be automatically created and emailed to as many individuals as desired. This feature vastly reduced the time and labor required for data analysis while exponentially increasing the amount of information available to management at the click of the mouse.

Today, HealthPartners can run store comparison reports in real time, viewing up-to-the- minute sales data. The need to manually input reports from each site is gone and the time required to make these types of entries is now spent on more important tasks. Viewing

cash balancing results and over/short information for every site is a breeze. Analyzing front-end merchandise is not only possible today, it is easy. Today, management is able to look at everything from top selling items to items with no sales It is simple to review margins across departments and drill down all the way to individual items and view the sales data of that individual item for each store – all on one screen.

The bottom line: If the CFO wants to see the sales for each store for today, this week, this month, this quarter, or this year, he or she can do so with the click of the mouse and no one   in the organization has to do anything to make that happen! The data appears at Star Link virtually and instantly.

Answer the below questions referring to the above case study and apply principals of effective and efficient store operations

a)   What were the store level Issues and Challenges at Health Partners (HP).   **4**

b)   What criteria's would the store manager has arrived to finally select Starlink as the store RMS solution which provided POS and Retail Management function capabilities.   **5**

c)   What were the various store operations parameter analysis capabilities in STARLINK software?   **5**

d)   How Health partners gain competitive advantage by implementing STARTLINK at their store(s).What was the store Manager worries and how this did new solution took care of the same.   **4**

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