RASCI
Retailers Association's
Skill Council of India

Participant Handbook

Sector
Retail

Sub-Sector
Retail Business

Occupation
Consumer Sales, Sales

Reference ID: **RAS/Q0201, Version 4.0**
NSQF level 4

Direct Seller

Disclaimer

> **Skilling is building a better India. If we have to move India towards development then Skill Development should be our mission.**

Shri Narendra Modi
Prime Minister of India

About this book

This participant handbook has been designed to enable training for the specific Qualification Pack (QP). Each National Occupational Standard (NOS) has been covered across units. The key learning objectives for the specific NOS mark the beginning of the units for that NOS. The symbols used in this book have been described below.

An Individual in this position work for him/herself to earn income instead of working for an employer that pays a salary/wage. An Individual in this position can also be a Direct Sales Agent/ Salesman/ Sales Executive working on the field to achieve sales objectives / business targets.. The trainee will enhance his/her knowledge under the trainer's guidance in the following skills:

• **Knowledge and Understanding:** Adequate operational knowledge and understanding to perform the required task

• **Performance Criteria:** Achieve the required skills via hands-on training and complete the necessary operations within the specified standards

• **Professional Skills:** Ability to make operational decisions related to the area of work

The handbook incorporates the well-defined responsibilities of an Direct Seller.

Symbols Used

Key Learning Outcomes   Unit Objectives   Exercise   Tips   Notes   Activity   Summary

Practical

Table of Contents

Employability Skills is available at the following location :

https://www.skillindiadigital.gov.in/content/list

Scan the QR code below to access the ebook

1. Introduction to the Retail Sector

Additional Reading

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. State the meaning of retail
2. Identify the difference between the traditional and modern retail sector
3. Identify the traditional forms of retailing in India
4. Explain the features of various retail formats
5. Identify the departments and functions in a modern retailing operation
6. Describe the components involved in the retail supply chain

UNIT 1.1: Introduction to Retail

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. State the meaning of retail.
2. List the features and components of retail.
3. Discuss the reasons for the growth of retail in India.
4. Differentiate between the traditional and modern retail sector

1.1.1 Introduction to Retail

Retail: Originates from the French word 'Retailer', which means 'to cut, divide into pieces and sell in small quantities to customers. In other words, retail is the sale of goods or commodities in small quantities to customers.

Retailing: Retailing is the activity that enables products, merchandise or services to reach the customers or end consumers.

Retailer: A retailer is a person or an outlet through which products or services are sold to customers or end consumers.

Features of retailing

The factors of retailing are:

- Selling directly to customers or consumers.
- Selling in smaller units/quantities.
- Location advantages: closer/more convenient to consumers.
- A range of products or services in one place: convenient to customers.
- Differences in service levels: customer experiences.
- Regular promotions: to attract customers (for example, 20% off on MRP).
- A large number of outlets: more stores.

Key components of a retail store

The key components of a typical retail store are:

- Products and services
- Retail store and store staff
- Customers or consumers

The retail store and staff are the last stage in the 'market' where consumers or customers buy the products or services that they need.

Factors that lead to the growth of the retailing sector in India

Reasons for the growth of retail in India

- **Rising income levels:** More money to spend
- **Rising expectations of the young segment of the population:** More demand for new and different products
- **Nuclear family structure:** Not a joint family structure
- **Growing literacy:** Understand the market better
- **The rapidly expanding middle class:** Spending power will be more
- **Growing urbanisation:** The social process whereby cities grow and societies become more urban (more stores to satisfy the needs of the customers)
- **Increasing media penetration:** Get more information about products and services
- **Exposure to international brands and products:** Increased demands and explain the traditional retail scene in India. Highlight the highest and lowest organised retail percentages

Activity

1. **The objective of the activity:** To help learners understand how the barter system works.
2. **Learning Outcome:** Learners will be able to understand the barter system.
3. **Procedure to conduct the activity:** Divide the class into three or four groups depending on the size of the class. Give each group a card with one of the following items written on it:
   i. Group 1: Rice: 50 kg
   ii. Group 2: Vegetables: 20 kg
   iii. Group 3: Salt and masala: 1 kg
   iv. Group 4: Vessels: 10
4. **Suggested time for the activity:** 10 minutes
5. Once the task is completed, share the feedback and discuss what you did, why and how.
6. **Suggested time for discussion:** 5 minutes
7. **Debrief:** Explain the importance of the barter system as the very first way of the 'buying' system. Explain that money evolved to make buying more flexible and the subsequent growth of retail.
8. **Suggested time for debriefing:** 5 minutes

1.1.2 Comparing Traditional and Modern Retail Sectors in India

In India, the traditional retail sector used to be the conventional business space where consumers went physically to complete the buying experience. However, the situation has changed quite a lot in the modern retail sector. From one-stop shopping experiences like malls to e-commerce websites that directly cater to people, the functioning of the retail sector in India has changed considerably.

In the traditional retail sector, there were dedicated and specific shops/ business centres for a particular kind of product. The salesperson used to visit the shops to engage in person with the people, attempting to either tell them about a new product or get the orders.

However, with the emergence of the modern retail sector, consumers do not have to move around in the market to find the product of their choice. A building with multiple store options (also budgets) ensures their shopping experience is a little better. Furthermore, the tracking of inventory is also done by dedicated software.

Given the advantages of the modern retail industry, this does not mean that the traditional sector is inadequate. Traditional businesses that have accumulated generations of experience market themselves as unique and encourage clients to experience that flavor. They too have entered the online world, expanding their authenticity while also making them more adaptable.

UNIT 1.2: Traditional and Modern Retail in India

Unit Objectives ⌖

By the end of this unit, the participants will be able to:

1. Differentiate between the traditional and modern retail sectors.
2. Describe the traditional retail scene in India
3. Describe the emerging modern forms of retailing in India
4. List the departments and functions in a modern retailing operation.
5. Outline the structure of and roles in a front-end store operation.
6. Describe the role of Individual Sales professional

1.2.1 Traditional and Modern Retail Sector

Traditional: Selling goods and services in smaller stores.

Modern retail stores: Supermarkets, hypermarkets, malls, etc.

Factors that differentiate the traditional and modern forms of retailing are:

- **Technology:** Technology plays a vital role in modern retail in the following areas: billing software, customer relationship management and indent software - which is used to place orders for products through mail and equipment (used to prevent losses). But the traditional retail sector does not implement any technology for its growth or improvement.

- **Systems:** Modern retail follows proper procedures for handling customer complaints, product return policy and ordering procedures. Modern retail companies have their own Standard Operating Procedures (SOPs) to ensure that the day-to-day operations are taken care of, but traditional retailers do not have any specific procedures/systems to handle their stores on a day-to-day basis. It is a totally biased or one-sided decision. This may cause dissatisfaction among their customers.

- **Size and reach:** Modern retail stores are in different formats, depending on the size of the store, the size of the department and the customers' shopping convenience. They reach customers in different areas and cater to different segments. Since traditional retail forms do not have the above features, their size and reach are very limited.

- **Service levels:** Modern retail stores are in different formats; in each format, service levels are different and higher than in traditional retailers. For example, in a lifestyle store, the service levels are really high, and the SOAs will understand the customers' needs, help them select the right products, and do consultative selling. The services are offered from entry to the exit of the store. But, in traditional retail forms, the service levels are not on par with the modern retail forms due to different reasons like size, untrained staff, etc.

- **Scope of products:** Since modern retail has different formats, it offers products in various ranges/ collections, prices, sizes and quantities. It also caters to customers of different levels. On the other hand, traditional forms of retail offer a very limited range of products, and the customers do not have much selection of products.

- **Markets:** Unlike the traditional retail sector, modern retail exists in all segments of the market, like urban, rural, and semi-urban areas, catering to a wide range of customers.

Traditional forms of retailing in India

• **Kirana/mom-and-pop stores:** Small shops selling to consumers in the immediate neighbourhood. They have a low cost of operations, flexible selling prices, and limited product range and offer high service levels to their customers.

• **Weekly bazaars/markets:** Small temporary stalls selling to customers (small traders) as well as consumers from large areas around the bazaar with low costs of operations and usually lower prices. Specialist traders have a variety of products but in small quantities and with low levels of service.

• **Wholesale markets/mandis:** Permanent but small stalls. They undertake wholesale and retail activity, essentially food and grain centres, mainly selling to small traders, have a low cost of operations and offer lower selling prices (prices fluctuate with demand and supply of vegetables, etc.) with low levels of service.

• **Hawkers:** Movable shops with small push carts or vehicles, mainly selling to consumers in a specific locality. They offer low-cost operations, focus on convenience to consumers and usually charge higher selling prices. Store-needs hawkers carry products for regular consumption and offer high levels of service.

1.2.2 Emerging Retail Scene in India

Malls, hypermarkets and supermarkets are getting more importance in the Indian retail scenario.

Malls

• A huge retail building that houses many stores.

• A one-stop shop for all customer needs.

• Many products and services: groceries, apparel, jewellery, books, restaurant, cinemas

• For example, Alsa Mall (Delhi) and The Forum (Bangalore).

• High-quality shopping environment and shared services.

• Parking, walkways.

• A dream shopping destination.

Non-store retailing

• There are other ways of selling which may not need a store.

• E-Retail: Marketing and selling directly to the customer over the internet.

• Telemarketing: Showing products on TV and taking orders over the phone, mobile or internet.

• Catalogue marketing: Sending catalogues (books with details of products) to customers and taking orders over the phone or posted orders.

• Direct selling: Visiting the customer's home and demonstrating products or services, followed by direct order taking.

1.2.3 Departments in Modern Retailing

Handling the day-to-day working of a store effectively and efficiently is called 'Store operations'. A store's main responsibility is to sell the products and provide good service to its customers. This has to be done in a manner to satisfy customers' needs.

A Store Manager manages a store with the support of their team members: Assistant Managers, Department Managers, Supervisors, Head Cahiers, store HR personnel, store V.M. personnel, store logistic personnel, store operations assistants(SOAs), security personnel and housekeeping personnel.

In order to run a store successfully, cooperation and support of the following departments are also required: merchandising, warehouse, finance, projects, human resources and marketing. The cricket team activity from the previous slide can be referred to explain this. Each member of a cricket team is dependent on each other; in the same manner, the store staff members are dependent on other departments to run the business successfully.

Each department has its own roles, responsibilities, and importance while being dependent on one another.

- **Merchandising:** The roles and responsibilities of the merchandising department are:
  o Planning and deciding the products to buy and sell.
  o Sourcing products and supplies to the store.
  o Deciding on store displays.
  o Negotiating with vendors for the best price.
  o Placing new products in the store.
  o Fulfilling the store's requirements in terms of products.
- **Warehousing:** The roles and responsibilities of the warehousing department are:
  o Receiving the stocks from vendors.
  o Storing the received stocks and dispatching the stocks to stores.
  o Receiving damaged, expired, old stocks from the stores.
  o Fulfilling the store's requirements in terms of supplying products.
- **Finance:** The roles and responsibilities of the finance department are
  o Planning budgets.
  o Processing the invoices and taking care of payments of the vendors.
  o Assisting the store staff in terms of handling day-to-day commercial operations.
  o Managing commercial operations.
- **Projects:** The roles and responsibilities of the project department are:
  o Identifying store locations.
  o Designing store layouts.
  o Setting up the store.
- **Marketing:** The roles and responsibilities of the marketing department are:
  o Building the brand.
  o Advertising and promoting merchandise and services.
  o Planning and designing different types of promotions.
- **Human resources:** The roles and responsibilities of the human resource department are
  o Hiring eligible and suitable candidates for different departments.
  o Conducting different types of training and development programmes for the present employees and conducting inductions for newly joined employees.

- o   Processing payroll.
- o   Managing the manpower of the company.

In a retail business, it is very important that all the above-mentioned departments work closely, and achieving the required goal is not possible without proper coordination and cooperation. As in a cricket team, the different departments of retail are important for the working of the team together.

Note: An example of the above explanation could be: the coordination between merchandising department and the warehouse. Stores cannot sell without the right products. The merchandising department plays a vital role in this by selecting the right product at the right time. Similarly, the warehouse plays an important role in dispatching the required/ordered products to the store at the right time.

1.2.4 Structure and roles in a store

- • The **Store Manager** is the head of the store and is overall responsible for the day-to-day operations of the store. The Store Manager reports to the Area Manager/Regional Manager.
- • The **Store Operations Manager** is the next in charge, like an Assistant Manager, who takes care of the store operations. The Store Operations Manager reports to the Store Manager.
- • The **Department Manager** takes care of a particular department and is responsible for all the activities in that department. The Department Manager reports to the Store Operations Manager.
- • The **Supervisor** supervises a particular department/section and is responsible for the day-to-day activities of that department/section. The Supervisor reports to the Department Manager.
- • The **Store Operations Assistant (SOA)** works for a particular section and is responsible for the day-to-day maintenance of the same. The SOA takes care of stacking the products, executing the planogram, housekeeping the section, attending to customers' needs, selling, etc. The SOA reports to the Supervisor.
- • The **Store Logistic Manager** takes care of receiving products from the warehouse and dispatching products from store to warehouse. Other responsibilities are product code updating at the store level, disposal of damages, backroom management, etc. The store Logistic Manager reports to the Store Manager.
- • The **Store Logistic Assistant** or **Store Operations Assistant** helps in receiving products from the warehouse, takes care of back room arrangement and damage disposal and handles the day-to-day operations of the store logistics department. The Store Operations Assistant reports to the Store Logistic Manager/supervisor. The store operations assistant is also responsible for filling the shelves and maintaining required and adequate stocks at the store.
- • The **Head Cashier** takes care of the store's commercial activities, prepares and checks all commercial reports, and is responsible for the overall commercial activities of the store. The Head Cashier reports to the Store Manager.
- • The **Cashier** is responsible for billing and managing the cash counter effectively. The Cashier reports to the Head Cashier.
- • The **Store HR/Administration Manager** takes care of store hiring, payroll processing and the day-to-day HR and administration activities. The store HR/Administration Manager reports to the Store Manager.
- • The **Store HR/Administration Executive** takes care of the store's day-to-day HR/administrative functions, viz., maintaining attendance, leave, salary, etc. The store HR/Administration Executive reports to the Store HR/Administration Manager.

- The **Store Visual Merchandising Manager** takes care of the overall Visual Merchandising activities of the store - planogram implementation, festive and other seasonal displays, etc. The Store Visual Merchandising Manager reports to the Store Manager.
- The **Store Visual Merchandising Associate** takes care of the day-to-day display activities of the store's Visual Merchandising - arrangement of displays, printing promotional talkers, maintenance of signage, banners, etc. The Store Visual Merchandising Associate reports to the Store Visual Merchandising Manager.
- The **Store Security Officer** is responsible for the overall security of the store and takes care of issues related to pilferage, etc. The Store Security Officer reports to the Store Manager.
- The **Store Security Personnel** takes care of receiving products from the warehouse, opening and closing the store, checking product movement and staff movement, etc. The Store Security Personnel reports to the Store Security Officer.

1.2.5 Responsibilities of Individual Sales Professionals

An individual sales professional has quite a role when it comes to pitching and marketing a product. The responsibilities include:

1. creating leads and developing connections with potential customers.
2. presenting and demonstrating goods or services to customers.
3. negotiating with clients and closing deals.
4. maintaining accurate record of sales operations and consumer data.
5. coordinating with internal teams to address problems and ensure client satisfaction.
6. keeping up with changes in the marketplace and industry trends.
7. meeting or exceeding sales targets and goals.
8. developing and maintaining a strong network of professionals and personal brand.

The simplest type of business organisation is self-employment, which is essentially a one-person enterprise without an employer or employees.

There is little paper work required to get started. A person is considered to be self-employed if they receive their revenue from customers directly as opposed to working for an employer.

A direct selling or network marketing individual sales professional runs their own company. He or she is a self-employed business owner who runs everyday operations with the intention of turning a profit. For instance, well-known companies in the direct selling and network marketing industries that use ISPs include Tupperware, Herbalife, Avon, and Amway are a few popular names in the direct selling/ network marketing sector who engage Individual Sales Professionals. Individual Sales Professional who also owns and operates his or her own retail firm. Imagine a newspaper vendor who sells newspapers both at his stand and by delivering them to his clients' houses. The number of customers a newspaper vendor serves and the number of daily visitors to his or her stall directly affect how much money the vendor makes.

Individual sales professionals can include home-based business owners, street sellers, and kiranawalas, to mention a few.

These persons often operate for themselves and don't have any workers. Their income is limited because it depends on how many hours they personally can work in their businesses. Although they find joy in offering a service or a product and are happy with the jobs they have built for themselves, the fundamental reason they are in business is to make a living.

The discussion above does not imply that individual sales professionals never have the opportunity to envision a large-scale strategy for their company; rather, it shows how their dedication, know-how, and support from organisations like the Ministry of Micro, Small, and Medium Enterprises (MSME) enable them to succeed at a higher level.

Individual sales professionals typically have the following characteristics:

1. **Strong Communication Skills:** The ability to effectively communicate the features and benefits of a product or service is crucial for a sales professional.
2. **Self-Motivated:** Sales professionals need to be self-driven and able to motivate themselves to achieve their targets.
3. **Persuasion Skills:** The ability to influence and persuade potential customers to buy is a key characteristic of a sales professional.
4. **Adaptability:** Sales environments can change rapidly, and sales professionals need to be able to adapt their approach to meet the needs of the customer.
5. **Customer-Oriented:** Sales professionals must have a customer-first approach and understand the needs and desires of their potential customers.
6. **Organizational Skills:** Sales professionals must be able to prioritize their tasks, manage their time effectively, and keep track of their progress.
7. **Resilience:** Sales can be challenging and can involve facing rejection and disappointment, so sales professionals need to be able to bounce back and keep pushing forward.
8. **Product Knowledge:** Sales professionals need to have a deep understanding of the products or services they are selling, including features, benefits, and competitors.

Benefits of being an Individula Sales professional

1. **Flexibility:** Many individual sales professionals have the ability to set their own schedules and work from different locations, which can provide a great deal of flexibility.
2. **Commission-Based Income:** Sales professionals are often compensated based on their performance, which can result in a high commission-based income.
3. **Career Advancement Opportunities:** Successful individual sales professionals can often advance their careers and take on leadership roles within their organizations.
4. **Independence:** As an individual sales professional, you have the ability to make your own decisions and take control of your sales process.
5. **Building Relationships:** Sales professionals have the opportunity to build relationships with their customers and work closely with them to understand their needs and provide solutions.
6. **Personal Growth:** Sales is a challenging field that requires constant learning and growth, which can help sales professionals develop their skills and become more confident in their abilities.
7. **Variety:** Sales professionals often have the opportunity to work with a wide range of products and services, which can provide a lot of variety in their day-to-day work.
8. **Opportunity to Impact Business Success:** Sales professionals play a crucial role in the success of a business by bringing in revenue and helping to grow the customer base.

UNIT 1.3: Retail Formats

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Illustrate the different retail formats
2. Summaries the key features of retail formats
3. Elaborate on the departments and functions in a modern retailing operation

1.3.1 Retail Formats

Selling or retailing can be done through various formats. Each kind of format is suitable for a specific customer base. As selling is an integral part of business, so is buying.

The retail format is the overall appearance and feels it presents to customers, primarily its look and layout, the sort of range it stocks and the approach to pricing.

Parameter	Format	
Size	Mini (500-1500 sq ft)	Super/Hypermarket (2000 - 200,000+ sq ft)
Location	Standalone	Malls
Range	Speciality (narrow range)	Departmental (wide range)
Brands	Exclusive (one company/brand)	Multi-brands (different brands/ companies)
Product Type	Staples (everyday products)	Lifestyle/Luxury (special occasion/specific)
Price	Value/Discount	Premium

Table 1.3.1: Different forms of retail formats cater to a designated set of customers.

Types of retail formats

• **Standalone stores**
  o Small to mid-size stores: 500 to 2000 sq ft.
  o Generally, merchandise one company's (branded) items.
  o Consists of different sections within the store for related products.
  o Located within the planned shopping mall or on the high street.
  o For example, Pantaloons, Nike, Puma, Reebok, Levis, Zodiac, etc.

• **Department stores**
  o Large stores: 20,000 to 50,000 sq ft.
  o Cater to a variety of customer needs.
  o Further classified into departments such as clothing, toys, home needs, etc.
  o Multi-brand range.
  o Premium-priced.
  o It may be located in shopping malls or on the high street.
  o For example, Shoppers Stop, West Side.

- **Discount stores**
  - Mid to large size : 2,000 to 10,000 sq ft.
  - Sell in bulk, reaching economies of scale or excess stock left over at the season to offer discounts.
  - The product category can range across a variety of goods: food, grocery, and apparel.
  - Always on discount.
  - For example, Mega Mart, Brand Factory, and Factory outlets.
- **Speciality stores**
  - Can range from small to very large: 500 to 100,000+ sq ft.
  - Specialise in a very specific range of merchandise and related items.
  - Build expertise and customer base within this range.
  - For example, Croma, Crossword, Apple Store, Health & Glow.
- **Convenience stores**
  - Relatively small stores (400-2,000 sq ft).
  - Located near residential areas – proximity to the consumer.
  - Stocks a limited range of high-turnover convenience products.
  - Prices are slightly higher due to the convenience factor.
  - Generally sells Fast Moving Consumer Goods (FMCG) and perishable products.
  - For example, Reliance Fresh.
  - This is traditionally the stronghold of local Kiranas
- **Supermarkets**
  - Large size: 2000 to 20,000 + sq ft.
  - Self-service stores that offer a wide variety of grocery, processed food, perishables, dairy products, meat and bakery products, non-food products and household merchandise.
  - Organised into departments.
  - For example, Food world, More.
- **Premium store/Lifestyle stores**
  - Mid Lifestyle, Central.
- **Hypermarkets**
  - Superstores which may combine a supermarket and a department store (covers 150,000 sq ft to 2,50,000 sq ft).
  - A very large retail facility has an enormous range of products under one roof, including full lines of groceries, apparel and general merchandise.
  - One-stop weekly/monthly shopping destination for customers.
  - Focus on high-volume and low-margin sales because of their large footfalls.
  - For example, Big Bazaar, Wal-Mart, and Reliance Mart.
- **Malls**
  - Largest form of organised retailing today (6,00,000 sq ft to 10,00,000 sq ft).
  - Located mainly in metro cities in proximity to urban outskirts.
  - Lend an ideal shopping experience with a combination of products, services and entertainment.
  - Stores, restaurants, cinemas, and kids' play areas.
  - Essentially provide a platform for many retailers/stores to tap into a common consumer base.
  - For Example, Prestige Mall, Forum Mall, and Garuda Mall.

Activity

1. **The objective of the activity:** To help the learners understand the different retailing formats.
2. **Learning Outcome:** Learners will identify and understand the different retailing formats.
3. **Procedure to conduct the activity:** Divide the class into two or three groups (depending upon the number of learners). Ask them to elaborate in class on the following:
   i. The retail format they have selected
   ii. Why the particular retail format was selected
   iii. What is the present function of that retail format
   iv. How the retail format operates in the market at present
   v. How an individual sales representative will approach that particular retail format
4. **Suggested time for instructions:** 5 minutes
5. **Ask** every learner to observe and ask questions to the presenter.
6. **Debrief:** Bring out the importance and relevance of each retail format in India
7. **Suggested time for debriefing:** 5 minutes

1.3.2 Departments and Functions in a Modern Retailing Operation

In a modern retailing option, every department is specific, and each has a few designated functions in the overall operation of the business.

- **Marketing department**

  One of the most important departments in a modern retail option, the marketing department is responsible for promoting the new and previous launches to old and prospective customers. It is their strategies and teamwork that establish a product in the market.

- **Advertisement department**

  This department is responsible for seeing the products' advertisements and curating good branding ideas. They decide the medium of advertisement, duration, and which customer base to focus upon.

- **Inventory management department**

  This crucial department is responsible for keeping detailed and real-time records of the stock of the business. This helps the marketing team to know which products are selling fast and which need more boost. Their record also helps the manufacturing unit to process the production.

- **Logistics department**

  This department keeps track of the products dispatched from the stores and to the suppliers.

- **Human resource department**

  The talent acquisition for each specific department is taken care of by this department. From looking for suitable candidates to fixing interviews to onboarding suitable candidates, this department is responsible for ensuring that the most suitable people are brought into the company.

- **Finance department**

  From drawing budgets to sending out salaries, this department takes care of every money-related matter.

UNIT 1.4: Retail Supply Chain

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. State the meaning of supply and retail supply chain.
2. Identify the elements of a typical supply chain.
3. List the features of a supply chain.
4. Identify the factors that influence supply chain management.

1.4.1 Meaning and Importance of Retail Supply Chain

What is supply?

The quantity of something (products and services) that is available in the market is called supply.

Supply and demand trends form the basis of the modern economy. Each specific good or service will have its own supply and demand patterns based on price, utility and personal preference. Producers will add to the supply if people demand a good and are willing to pay more for it. As the supply increases, the price will fall, given the same level of demand. Ideally, markets will reach a point of equilibrium where the supply equals the demand (no excess supply and no shortages) for a given price point; at this point, consumer utility and producer profits are maximized.
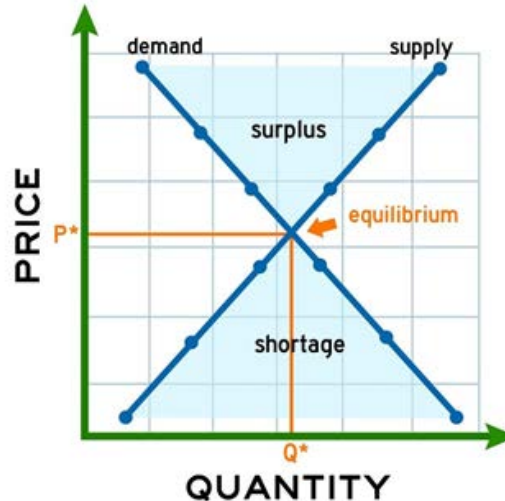
Fig. 1.4.1: Demand and supply curve

One of the most important factors that affect supply is the good's price. Generally, if a good's price increases, so will the supply. The price of related goods and the price of inputs (energy, raw materials, labour) also affect supply as they increase the overall price of the goods sold.

Government regulations can also affect supply, such as environmental laws, as well as the number of suppliers (which increases competition) and market expectations. For example, environmental laws regarding the extraction of oil affect the supply of such oil.

Retail Supply Chain

All the processes utilized to ensure the products reach the customers, starting from procurement of the raw materials, managing incoming materials and production processes to last-mile delivery of those products at your customer's doorstep, are together known as a Retail Supply Chain.

Retail Supply Chain Management is the process of synchronizing the flow of physical goods and associated information from the production line of low-level component suppliers to the end consumer.

Components of a retail supply chain

A typical retail supply chain has four important components. Each component makes the chain complete; without it, the chain will not function properly. Let us get an idea of the components of a supply chain.

The customer creates a demand for products and services, which prompts the manufacturers to produce them.

The four important components of a supply chain are:

- **Manufacturers:** The role of manufacturers in a retail supply chain is to produce goods. They could also be contract manufacturers who supply products to the core brand manufacturer, like the franchise bottlers for Coca-Cola, etc. They need to ensure timely production, availability of products and efficient distribution.

- **Distributors:** These people store the products in large quantities to serve the needs of retailers in their region. From the warehouse or distribution centre, the products go to the relevant market destinations, which could be any one of the several locations or channels that the company sells through. In India, distributors are the backbone of the retail industry.

- **Retailers:** The caretakers of the shopping environment. The retailer receives the products, stores them and displays them same for sale. They receive the customers into their stores and serve their needs. Retailers are the bridge between the manufacturers/brands and the customers. They build a strong relationship with the manufacturers and suppliers of products. Retailers are the voice of the manufacturers in the market and also the voice of the customers.

- **Customers:** The products stored and displayed in the retail stores are bought and used by the customers.

1.4.2 Features of a Supply Chain

Features of a supply chain are:

- **Many components, all very important:** As discussed earlier, each component plays a very important role in the supply chain, and the process of manufacturing and supplying goods to the customers will not be complete in the absence of any of these components.

- **Many products, one supply chain:** There can be several categories that a company may be producing and many variants of the product in each of those categories. So, the supply chain has to find a way to manage all the products according to each of their variants. For example, Nike shoes in a store have many different styles, sizes and colours to choose from. Each of the shoes on display is a unique product. In addition, there are other apparel products that Nike makes.

    In retail, each variant of a product is a Stock Keeping Unit or an SKU, based on which the supply chain works when it has to cater to multiple categories (food, non-food, apparel, etc.), products and variants.

- **Cross-functional coordination:** The components of a supply chain are interdependent or mutually supportive-to be successful, a supply chain requires a lot of support and coordination from different departments. There should be very close coordination between functions.

Example: A manufacturer of dairy products will need a wholesaler who has the infrastructure to store the products at the right temperature. If the wholesaler does not have the right infrastructure or does not store the products as per instructions, the customers may not be happy with the quality of the products.

Similarly, the operations team is responsible for the performance at the store level, and they are the custodians/caretakers of the customer's requests and demands. If they do not indent for and stock the right products required by the customers, the customers will not be satisfied.

1.4.3 Supply Chain Management

Supply chain management can be defined as:

• Making products and services available to customers in response to their needs—conveniently and efficiently.

• Management of the entire set of organisations/people that produces and delivers products and services to the final customer.

Supply Chain Management oversees materials, information, and finances as they move from supplier to manufacturer to wholesaler to retailer to consumer. Supply chain management involves coordinating and integrating these flows both within and among companies.

Factors that influence the retail supply chain

Technology-based systems have raised the level of effectiveness.

The retail supply chain is not a standalone function and requires the help of different functions. Since a lot of functions are involved, it is difficult to manage without the help of technology in multi-product, multi-location and multi-situation stores. So, technology plays a vital role in the retail supply chain. The three most important functions that are involved in the retail supply chain are:

1. **Transportation:** Transportation of goods is a physical activity. It is one of the links in the supply chain that executes the whole supply process. Transportation means packing products, loading and sending them off on their journey to the customer. The enormous development in the field of automobile technology has helped to reach goods and services from one department to the other effectively and efficiently.

   Points to be reiterated:

   • Physical activity
   • Executes the whole supply process
   • Packing products, loading them and sending them off on their journey towards the customer.

2. **Logistics:** The process of planning, implementing, and controlling an efficient cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from the point of origin to the point of consumption for the purpose of meeting the requirements of the customer. Logistics planning involves the operations related to the coordination of all the components of a supply chain, for example, figuring out how many trucks need to be added to the unit for effective distribution in the city.

Today, thanks to the development of technology, there are very well-developed M.I.S (Management Information Systems). With large networks like S.A.P (Systems Applications Products) and E.R.P (Enterprise Resource Planning), it has now become possible to effectively plan and coordinate the activities involved in the retail supply chain.

3. **Modes of communication:** As in any other business operation, communication plays a vital role in the execution of a retail supply chain.

   Modern modes of communication like the telephone, cell phone, fax machines and the internet/email have changed a tremendous supply chain's functioning. They have helped the supply chain function smoothly and effectively by making it possible to quickly and accurately pass on the information to the concerned department/person quickly and accurately.

The last vital link—you

The store staff members are the last link in the retail supply chain—they interact with the customers, help them find the right product, and get value for their money. After all, the very purpose of executing the retail supply chain is to achieve customer satisfaction.

The store staff is the last vital link in the retail supply chain. Their functions include:

• Arranging the products.
• Replenishing and replacing the products according to the planogram for easy access to customers.
• Guiding customers through the store.

Summary

- Meaning of retail.
- Difference between the traditional and modern retail sector.
- Traditional forms of retailing in India.
- Roles and Responsibilities of an Individual Sales professional
- Features of retail formats.
- Departments and functions in a modern retailing operation.
- Components involved in the retail supply chain.

Exercise

Multiple Choice Questions:

1. Retail originates from the French word "Retaillier' which means _____.
   a) To cut   b) To add

   c) To distribute   d) None of the above

2. Key components of a Retail Store include:
   a) Products and services   b) Retail store and store staff

   c) Customers or consumers   d) All of the above

3. Retail Formats include:
   a) Standalone stores   b) Department Stores

   c) Discount Stores   d) All of the above

4. The _____ is the head of the store and is overall responsible for the day to day operations of the store
   a) Store Manager   b) Department Manager

   c) Supervisor   d) Store Logistic Manager

5. A typical retail supply chain includes:
   a) Manufacturers   b) Customers

   c) Retailers   d) All of the above

Answer the following:

1. What is Retail?
2. Discuss the factors influencing a retail supply chain.
3. What are the reasons behind the growth of retail in India?
4. What are the traditional forms of retailing in India?
5. Describe structures and roles in a store?

Notes 📓

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https://www.youtube.com/watch?v=xOkRogadXqk

Retail formats in india

2. Preliminary Preparation to Start a Business

Unit 2.1 - Liaison and Interaction with Local Corporations/ Authorities

Unit 2.2 - Legal Compliances with Respect to Selling of Products and Services

Unit 2.3 - Business Rights

Unit 2.4 - Hazards and Risks Involved in Business

RAS/N0201

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Identify the local corporations and authorities that have a bearing on a particular business process
2. State the legal requirements in various stages of a business structure
3. Describe the policies and procedures that have a bearing on a particular business process
4. Discuss legal formalities applicable to the particular business
5. Demonstrate ways to handle various equipment and hazardous materials involved in the business

UNIT 2.1: Liaison and Interaction with Local Corporations/Authorities

Unit Objectives ⊚

By the end of this unit, the participants will be able to:

1. Identify the local authorities/corporations related to establishing and operating a business
2. Explain the impact of local authorities on the business
3. Elaborate on the ways of building and maintaining business relationships with key persons

2.1.1 Local Corporations/Authorities That Have a Bearing on a Particular Business Process

A local corporation is an enterprise primarily responsible for all the public services and facilities in a specific area.

In order to commence a business, it is crucial to obtain the legal certifications/permissions arranged by the corresponding local corporations and officials. The management can alter how companies function and affect the economy by either creating regulations or altering their expenses or taxes. Local officials can assist companies by monitoring their requirements, supporting local networks, working with chambers of commerce and developing new business improvement districts (BIDs).

Some of the legal obligations are as follows:

- **Taxes** - Sales taxes, taxes on business income, and personal and real property taxes are types of local taxes. The state government may also be involved in these taxes based on which state the municipality is located.
- **Land use laws** - You can't run a business anywhere you want. Most areas have regulations about how the area can be utilised, and it differs by geographical location. Manufacturing is restricted to certain locations, and commercial and specific retail outlets are allowed in certain areas only.
- **Trade Licence** - A trade license is permission to perform a particular trade in a specific area. The municipal corporation of the area provides this license.
- **Shop & Establishment Registration** – It is a license or primary evidence of your establishment or shop. To obtain this, the owner has to apply for the registration and the license within 30 days of starting the business.
- **Labour laws** - Usually, labour regulations are the responsibility of the state or Central Government. However, many cities and towns have their own regional laws.
- **Food License** - In a food business, one must acquire the FSSAI registration to function in India. There are three types of permits that a street food License must choose from:
  - Basic Registration
  - FSSAI State License
  - FSSAI Central License

In the case of a retail business, it is important to identify the local government bodies for the required licenses and legal policies.

- **Municipal bodies** - Municipal Corporation has an important role in any retail business. From taking care of legal requisites to ensuring that the business has a firm official holding, the local municipal body has several crucial roles. In a rural setting, panchayat, and a small town, the town panchayat norms will have to be maintained.

- **Fire department** - Just like any other business, the retail industry is also required to follow the norms of the fire and safety department.

- **Police department** - It is important to abide by the relevant local laws of the respective area to ensure that the police department provides all the necessary support.

2.1.2 Building Relationships with the Key Persons to Ensure Smooth Functioning of Business

It is very important to identify the key persons who may have a bearing on the business. A smooth-running business cannot afford misunderstandings or minor and major stifles. To make this happen, the retail business must build and maintains relationships properly. In order to achieve this, the parameters mentioned below must be maintained.

- **Communication** - It is very important and rewarding to communicate well and clearly with all the key persons to ensure that the business does not suffer in any way. Proper communication helps to foster business relationships that go far beyond to ensure that the business can fulfil obligations and more.

- **Transparency** - Just as communication, businesses should also maintain transparency in business dealings in every sector. Be it suppliers, employees, or customers; everyone has the right to know what is going on and why. When a business is clean, its reputation and economic prosperity enhance.

- **Personalised touch** - Every key person in a business wishes to feel worthy. It can be made possible if the business tries to build the relationship through a personalised touch. When the bond is more than mercantile, it will go a long way.

- **Share ideas** - Be it customers or authorities, everyone wants involvement. When the business shares ideas, everyone feels included. This not only forges a deep business bond but also ensures the connection is truly maintained.

- **Maintain the commitments** - As a trustable business, it is essential to maintain commitments. When the key people notice that the business is maintaining its commitments, it paves the way for a long and healthy relationship.

UNIT 2.2: Legal Compliances with Respect to Selling of Products and Services

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Illustrate the process of getting permissions and compliances with respect to legal requirements
2. Elaborate on the process of seeking the required legal and accounting expertise for the Business Structure
3. Describe the relevant rules and legislative policies for a particular business structure

2.2.1 Process to Get Permissions and Compliances as per Legal Requirements

Every legal requirement has a process that must be adhered to get permission and compliance. The ideal way is to understand which legal requirements must be obtained and proceed with the same.

Decide a name for the business

Obtain the form of the particular legal requirement

Put in all the details after cross-checking

Determine the nature of the business

Keep all the documents handy

Submit the form and follow the asked steps
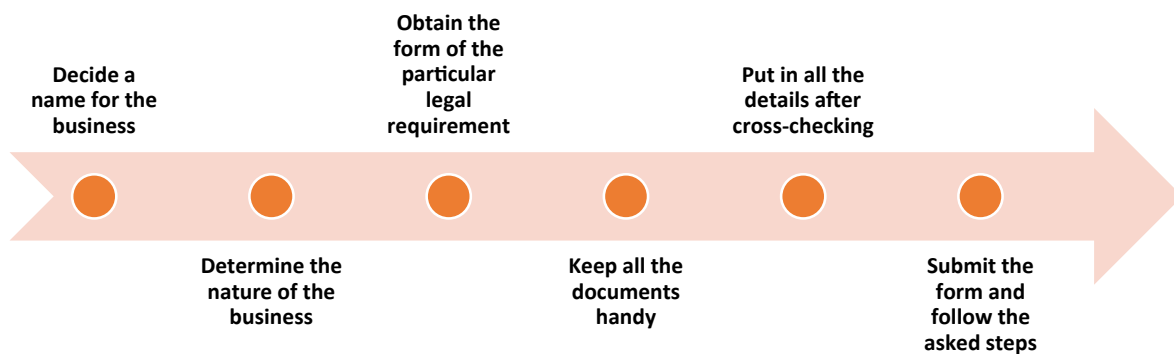
Fig: 2.2.1: Process to get permissions and compliances as per legal requirements

- **Deciding on a business name**

  Once you decide which business structure fulfils your purpose, you are then required to choose a business name that reflects your venture's ideology and make sure some other entity does not already claim it.

- **Determine which kind of business you want to have**

  It is crucial for any business to first choose which kind of business to open. If it is LLP (Limited Liability Partnership), OPC (One Person Company), PLC (Private Limited Company), or PLC (Public Limited Company) should be determined first. Each kind has its specific requirements.

- **Obtain the form of the particular legal requirement**

  The first step will be getting the form and understanding all the requirements. This will ensure that the form is filled up easily.

- **Keep in hand all the documents**

  Everything has to be kept handy in original and photocopies, from identification proofs to other official documents.

- **Put in all the details after cross-checking**

  Legal requirements are a crucial part of authorising a retail business. Hence, while applying for the same, it must be ensured that every detail is updated and put in as in the official identification documents.

- **Submit the form and follow the asked steps**

  Once the application is filled out, the business will be asked to follow certain steps to get the final legal permission.

The first step for establishing a business in India is to ensure that the documents required for registration are complete.

General registrations required are:

- GST registration
- Permanent Account Number
- Tax Account Number
- Bank Account
- Shop and Establishments license
- ROC registration
- Professional Tax registration
- Provident Fund registration, and
- ESIC registration

Many legal formalities and documentation are necessary for setting up a business in India. The following are the most crucial documents required:

- IEC code (To do import and export business)
- FSSAI License (To start a food business)
- Kosher Registration (To deal with kosher goods)
- Halal Registration (To deal with Halal goods)
- Other licenses for other types of businesses
- Digital Signature Certificate (DSC)
- Director Identification Number (DIN)
- Registration on the MCA Portal
- Certificate of Incorporation
- Commencement of Business Certificate

The steps to examine legal options for the most suitable type of business structure

Identifying and settling for the most suitable business structure while opening a business is important. Here are a few steps to examine the legal options that should be checked:

- **Who bears the responsibility?**

  While looking at the legal aspects, it is important to understand who is asked to bear the responsibility in each business structure. After analysing the areas of legal obligations, choose the one that suits your business perspective the most.

- **Ease of registering the business**

  The process of registering a business varies due to the structure of the business. While all legal procedures are detailed, one may seem easier than the rest. For instance, a sole proprietorship is easier to register as only one owner exists.

- **Cost of registration**

  When it comes to registering a new business, money plays a crucial role. For instance, LLP has lesser registration costs than other business structures.

- **Compliance requirement**

  Every business structure has different compliance requirements. For instance, only LLPs need to submit Annual Return Statements and Statements of Accounts as compliance.

- **Filing tax returns**

  In any business, filing tax returns is very important. If the business is joint ownership, the legal process of filing taxes can be difficult compared to sole ownership businesses.

- **Fundraising**

  Any business needs capital to start as well as operate. Hence, choosing the business structure is also a crucial step. While some owners are responsible for raising funds independently, partnerships can share the responsibility.

- **How much freedom/responsibility is allowed?**

  This is also a crucial step to consider. This completely depends on the prospective business owner that if more freedom or responsibility is preferred. While sole proprietorship allows more freedom, it also calls for more responsibility. Thus, the business structure should be chosen accordingly.

2.2.2 Seeking Legal and Accounting Expertise For Making Final Decisions Regarding Business Structure

For any business framework, it is crucial to understand the legal and accounting areas, as these two are the most crucial requisites that provide a strong foundation.

In the case of acquiring legal assistance regarding notifying final settlements concerning the business framework, it is advantageous to discuss with a legal team. An experienced legal team will be able to assist you regarding the legal liabilities that each company structure entails. This will enable you to create a sound decision. For example, in a sole proprietorship or partnership, every owner will be responsible for taking up the risks of legal liabilities. Thus, the legal team will guide you about all such details and help you make the final and informed decision about which business structure is most suitable.

Accounting skill is an aspect that has to be considered in detail while planning a suitable business framework. It is best to discuss with financial experts and understand the tax structures and other minor details about each business framework.

The policies and procedures that impact the business are the rules and guidelines that ascertain the smooth functioning of any business.

Hence, it is crucial to comprehend the policies and procedures that impact the Functioning and overall stance of the business.

- **Attendance and leave policy**

    This policy is about the work and the leave infrastructure. It has detailed information on the complete paid leaves according to the classification and when unpaid leaves are applicable. The guidelines for marking attendance are also stated in detail. The standard action that will be taken by the company while failing to meet the policy guidelines is also stated.

- **Safety, security, and health of workspace policy**

    This is a much-needed policy to ensure that the workers and the management know that the health and safety of the workers are of the utmost priority. Also, the security policy will save the employer from any legal actions if any unwanted accident occurs at the workplace. In this way, the property is also protected.

- **Employee conduct policy**

    The organisation's vision, culture, and values are derived from the core of this policy. It states the expected behaviour of each worker. For example, it may comprise of the rules about dress codes, the utilisation of social media on the work premises, and other work regulations and expected behaviour.

2.2.3 Relevant Rules and Legislative Policies

The legislative policies for conducting business in India are:

New Companies Act, 2013; Competition Act, 2002; FEMA, 1999; Foreign Trade (Development and Regulation) Act, 1992; SEBI Act, 1992; Industries (Development and Regulation) Act, 1951; Income Tax Act, 1961; Reserve bank of India Act, 1934; Contracts Act, 1872; Factories Act, 1948 and the Mines Act, 1952; Industrial Disputes Act, 1947 and the Trade Unions Act, 1926

How to comply with the rules and regulations for the smooth running of the business?

Every business must comply with a set of regulations to ensure lucid functioning. Primarily, it is crucial to comprehend the norms while penning them down and popularising them among others. Then, the workers must be educated on the rules and regulations they are expected to follow.

2.2.4 The Concept of Reducing Losses and Increasing Gains

For any business to succeed, it is important to comprehend reducing losses and increasing profits. The loss can be reduced if the business does away with irrelevant manufacturing costs and waste generation. Similarly, when production and sales increase, the profit is maximised.

UNIT 2.3: Business Rights

Unit Objectives

By the end of this unit, the participants will be able to:

1. Elaborate on the process of securing the information on purchase rights
2. Identify the process of establishing the cost of procurement rights to products and services (if applicable)
3. Identify the process of determining brand ownership and protection rights
4. Elaborate on the hazards and risks involved with the process of securing the rights of the business

2.3.1 Securing Information on Purchase Rights to Products

The government website and authorised officials are the best sources to gather information on purchase rights to products and services. Detailed information from the right sources will ensure that the business understands its implications. This is relevant because a business is not just about securing profits. It also seeks to get and give them the rights that are deserved.

The process to establish the cost of procurement rights to products and services (if applicable)

The cost of procurement rights to products and services (if applicable) depends on the procurement process. The cost incurred at each step should be calculated accordingly to establish the cost of the procurement rights to products and services, wherever applicable.

How to determine brand ownership and protection rights?

Brand ownership is protected under the Trademark Act. The Trademarks Registry's information centre can be accessed to determine the brand's ownership. The protection of the trademarks or brand owners is also provided by the same. It ensures that the specified trademark for the goods and services is protected and that any fraudulent use or activity is prevented.

2.3.2 Establishing the Cost of Procurement Rights to Products and Services

The 5 procurement rights to minimise costs are as follows:

• Inputs of the right "Quality"
• Delivered in the right "Quantity"
• To the right "Place"
• At the right "Time"
• For the right "Price"
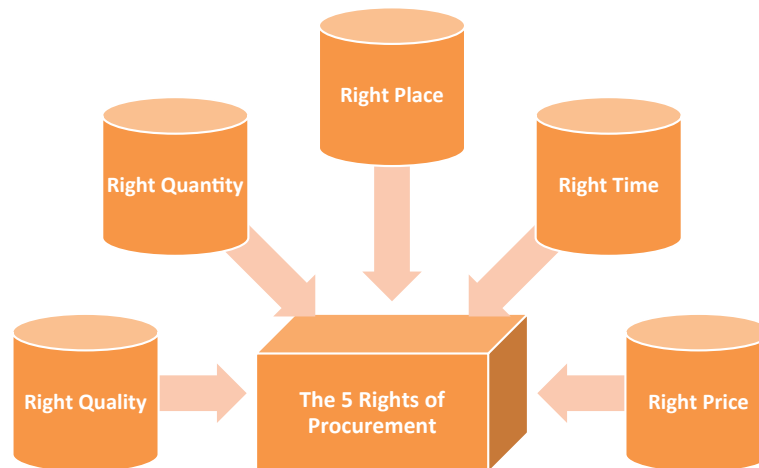
Fig: 2.3.1: The 5 Rights of Procurement

The 5 rights are a conventional formula expressing the basic objectives of procurement and the general criteria by which procurement performance is measured. Even if they are not called 'five rights', they are covered in procurement literature as " key performance variables" or "procurement factors"; importantly, they are all the same thing.

A gist of the five rights of procurement and the importance of achieving them here are as follows:

1. **The "Right Quality":**

   Obtaining items which are of satisfactory quality and fit for their purpose (suited to internal and external customer's needs) by:

   • Accurate specification of requirements and quality standards
   • Supplier-and buyer-side quality management

   If the right quality is not achieved:

   • Stock may have to be rejected or scrapped
   • Manufacturing tools may be Damaged
   • Finished items may be defective and have to be scrapped or repaired
   • Damaged items may reach consumers, resulting in recalls, returns, compensation claims, and damaged reputations.
   • The firm will incur heavy expenses

2. **The "Right Quantity":**

   Obtaining items in enough numbers to meet the demand and maintain service levels while minimising extra stock holding (which incurs costs and risks), by:

   • Demand forecasting
   • inventory management
   • Stock refilling methods

If the right quantity is not achieved:

- Insufficient stock may be held to meet the demand
- Shortage of inventory may cause bottlenecks or shutdowns in production; the expense of idle time; delayed delivery to consumers; lost trustworthiness, goodwill, and sales
- Extra inventory may be held: tying up capital in 'idle' stock; wasting storage space; risking deterioration, burglary; risking obsolescence or disuse; incurring 'holding expenses'

3. **The "Right Place":**

Having goods delivered to the appropriate delivery point, packed and transferred in a way as to secure their safe arrival in good condition by:

- Distribution Planning
- Transport planning
- packaging

If the right place is not achieved:

- Items may be delivered to the incorrect location, creating delay and correction expenses
- Items may be subject to unnecessary transport and handling
- Items may be damaged, contaminated or stolen during the transfer
- Transfer may cause needless environmental damage

4. **The "Right Time":**

Securing the delivery of items at the perfect time to meet demand, but not so early as to incur unnecessary inventory costs, by:

- Demand management
- Supplier management

If the right time is not achieved:

- Items may be delayed, causing production congestions and/or delays in delivery to consumers
- Items may arrive early, causing unwanted risks and costs of holding inventory

5. **The "Right Price":**

This is about securing all of the above at a reasonable, fair, competitive and affordable price. Ideally, minimising procurement costs in order to maximise profit by:

- Price Analysis
- Supplier cost analysis
- Competitive pricing and negotiation

If the right price is not achieved:

- Supplier will be free to charge what they like without checking
- Suppliers' profit margins will be 'squeezed' unfairly, leading to the insecurity of supply
- Materials and supply expenses will increase

- Profits will drop – or prices charged to consumers will have to rise (losing sales)
- There will be less profit to motivate shareholders and re-invest in the business

Based on this analysis, it is noteworthy that the 'five rights' formula does not involve the "right supplier", – although selecting the right supplier will be crucial in achieving the other procurement objectives.

The right supplier can deliver the right quantity and quality to the right place and time at the right price. However, there may be other considerations in choosing a supplier, such as a supplier's compatibility with the buying organisation; its credibility and reliability; its potential for innovation and development; its willingness to commit to continuous improvement and relationship development; its ethical and environmental performance; and so on.

Procurement costs are the expenses your organization incurs to provide the goods or services your customers expect. There are numerous procurement costs you need to monitor. Evaluating these costs against your budget for procurement is an essential KPI that indicates just how effective your procurement management strategies are.

Direct vs Indirect Procurement Costs

There are two kinds of procurement costs: direct and indirect costs. Direct procurement costs cover the costs related to the product and sale of goods or the labour costs for contractors. Indirect procurement costs involve expenses that aren't related to product production but are necessary for the business to function.

Examples of Direct Procurement Costs: Raw materials, manufacturing, transportation, and storing of products. Hourly labour costs for contractors.

Examples of Indirect Procurement Costs: Pens, paper, marketing collateral, rent, IT services, employee travel, and capital expenditures.

Types of Procurement Expenses

In most businesses, there are 7 different types of procurement-related expenses. To effectively manage your procurement costs, you need to take all these expenses into account. Failing to do so can lead to significant budget miscalculations that can negatively impact your business.

- Base Cost: The total cost per unit of a product.
- Transportation Cost: The cost associated with acquiring new products.
- Closing Cost: Any costs associated with buying and selling inventory.
- Taxes and Duties: You must pay taxes on your purchase orders.
- Negotiation Costs: Cost for researching, evaluating, and negotiating contracts with vendors.
- Inventory Costs: The cost of storing and managing inventory.
- Contract Management Costs: Costs associated with evaluating vendor performance, QA, enforcing contracts, arbitrating disputes, and renegotiating terms.

11 Ways to Reduce Procurement Costs

Cost savings is a key component to effectively managing your procurement process. Keep in mind that it shouldn't be your overall goal, as businesses now know the value of thinking about procurement more strategically. Still, if you overspend on your budget, you could run out of money before the projects are complete. And this could put your business in danger.

To help ensure your procurement process stays lean and supports your bottom line, implement these 10 strategies. They'll help you quickly identify the financial haemorrhages in your procurement process and reduce that waste before it permanently damages your organization.

Fig 2.3.2: Ways to reduce procurement costs

1. **Automate procurement processes**

   Automation streamlines and secures workflows. Integrated systems share data, giving you correct real-time insights. And you'll drastically reduce labour prices, errors, and waste with a clear procurement process.

   Without automation, several processes described in this list aren't possible or can simply fall. You'll be unable to save on prices if your organization still depends on spreadsheets for data processing and storage. The advantages of automating your procurement process are numerous; if you want to experience those advantages, you must invest in better systems.

2. **Reduce and Eliminate Tail spend**

   Roughly 80% of a company's purchases make up 20% of its spending volume. These purchases are referred to as tail spends. It will cover a variety of purchases, from maverick spending to one-off purchases for services.

   Tail spending tends to be high in organizations that lack visibility into their expenditure. They cannot mix purchases or secure better deals with vendors without that visibility. Over time, these expenses add up. Procurement automation reduces tail spend by increasing visibility into your supply chain, better tracking purchases, and installing systems to block unapproved purchases.

3. **Navigate Taxes and Duties**

    Luckily, there are some ways you can lower the taxes and duties related to your procurement costs. One of the ways is to try and source locally to avoid VAT or GST. You'll be able to work with states or countries with lower sales taxes.

    However, if the products or services you need are location-dependent, you'll need to pay the required duties and taxes for procuring materials and services. Still, it's worth evaluating your choices by comparing vendors.

4. **Compare Vendors**

    Reduce prices by shopping around and comparing vendors. The price reduction should not take priority over value generation. Instead, you're trying to balance the quality of your product and services against your overall cost.

    There are plenty of ways you'll be able to work with vendors to reduce costs. You should assess the types of materials, product design, and packaging. You can also evaluate the quality of each product. Additionally, to find a balance between quality and cost. Bulk discounts will save your money on larger orders

    When working with vendors for services, you should weigh efficiency against price. A vendor with a lower hourly rate for services could take longer to complete tasks, or the quality of their work could require extra visits. In the end, a cheaper contractor may cost you more in the long run.

5. **Evaluate Transportation costs**

    You need to get your raw materials and product to wherever they have to go. But you'll be paying additional costs if you're not evaluating your logistics. Check if you can consolidate orders and deliveries. Try alternative transportation methods. And explore different types of warehousing to keep your product closer to your customers, reducing transportation expenses.

6. **Reduce overhead**

    Reconsider the facilities your business uses to build and house products. Explore cheaper choices that give strategic benefits along with reduced costs. Assess the types of machinery you utilize to make the product. Consider the cost of repairing against replacing. Ask yourself if you'll be able to purchase better quality machines to save costs in the long run.

    Outsourcing production could also be a choice if the vendor provides the same quality product at a reduced price.

    If your business rents a workplace, think about going remote. After the pandemic, most companies are leaning toward remote work to reduce costs while increasing productivity. Ask yourself, "Does the workplace add irreplaceable value? Or can we conduct operations remotely?" can your organization move to a smaller or shared workspace? It does not define your business if you do not "need" an office. Instead, examine whether or not it facilitates or adds value to your everyday operations.

7. **Review Inventory**

    Every item sitting in your warehouse costs your business money. It also runs the chance of turning obsolete. Conversely, fewer inventories will disrupt your brand and cause lasting supply chain disruptions. Evaluating your inventory against current market and consumer trends is vital to ensure you have enough stock while not burning your budget to store unnecessary products.

8. **Conduct Risk Management**

Working with ethical vendors, transitioning to sustainable procurement practices, and reducing maverick spending are nice ways to reduce risk to your business. However, they're not the sole risks to your procurement process. You would like to often assess the resilience of your supply chain by conducting a risk analysis to seek out potential weak points.

Inspect your vendor relationships. Check that you're not over-reliant on a particular supplier. Assess your company-wide spending and leverage it to secure supplier relationships that benefit your business.

Automating your procurement process helps centralise and secure data, whereas eliminating human errors reduces potential threats to your bottom line. You'll conjointly gain greater insights into factors (natural disasters, political instability, etc.) that may impact your sourcing. With those insights, you'll be able to adjust your supply chain proactively, avoiding potentially catastrophic costs.

9. **Minimize Administrative costs**

If you've got to obtain paper invoices, conduct manual approvals, or sort through the office filing cabinet to seek out vendor contracts, you're wasting valuable time and money. Automating your procurement processes can centralise the data and make it easier to trace and store the files needed to streamline procurement management tasks.

10. **Streamline Negotiations**

Negotiation is a component of the procurement process, and it's not a game, though. Instead, you must be prepared to work with suppliers to build mutually beneficial relationships. Still, getting the leverage, you need in those negotiations is exhausting without insights into your supply chain, specifically your vendors and their competition.

An automated vendor management system will track and store your vendor data. If it has a self-service portal, your vendors can upload their details, saving you time. When it comes to evaluating vendor contracts, you'll be able to quickly review their performance and pricing before comparing them to competitors within the platform. These insights can assist you in getting the best deal when it comes time to renegotiate or adjust your contracts.

11. **Continuously Optimize procurement Cost**

Markets change constantly, and Globalisation adds complexities to them. The key to staying ahead of it and minimizing your procurement costs is continuously analysing your purchases against your company's current and future needs.

The challenge with continuously improving your procurement costs rests in how complicated supply chains have become. And as your business grows, it'll solely become more and more complicated. This can be the best value add for procurement automation. By integrating your systems, cleansing your data and storing it in a very secure, centralized location, you'll have the real-time insights you would need to evaluate your supply chain at a glance. As a result, you can quickly adjust to shifting conditions and demands, keeping procurement lean in your organization.

2.3.3 Process of Determining Brand Ownership and Protection Rights

What is Brand protection?

• Brand protection is the process of protecting the intellectual property (IP) of firms and their associated brands against counterfeiters, copyright pirates, and infringers of alternative types of IP, like patents, design rights, colour marks and trade dress.

• This is done not solely to shield the loss of revenue from a corporation but conjointly to shield a company's image, reputation and overall worth. Essentially, brand protection prevents Brand abuse.

What is Brand abuse?

• Brand abuse is an umbrella term for an outdoor party infringing on a brand's intellectual property (IP)to take advantage of its well-respected reputation. Brand abuse can come in several forms, including, but not restricted to:

• Counterfeiting

• Rogue websites

• Copyright piracy

• Trademark squatting

• Patent stealing

• Social media impersonation

   Companies need to remain vigilant against any type of Brand abuse. However, counterfeiting is the most prevalent and challenging for brands.

What is counterfeiting?

• A counterfeit product imitates the products from an authentic brand. The fake product can use the logos and Trademarks of the authentic Brand without permission to deceive customers.

Fig. 2.3.3: Counterfeit Products

• From some perspective, by 2022, the world counterfeiting trade is expected to be valued at $4.2 trillion.

• Counterfeiting is simply one type of intellectual property infringement because it specifically targets the trademarks of an authentic Brand. So, operating against counterfeiting is the primary goal of brand protection firms and services.

Rogue websites

• Rogue websites are sites created for malicious intent, either against a legitimate company or infringing its intellectual Property (IP). They are available in a variety of variations:

• Cyber squatters are sites that claim domain names to take advantage of alternative brands' trademarks.

• Typo squatters rely upon internet users, creating mistakes when typing in the address of alternative websites.

Copyright piracy

Copyright is the legal protection granted to creative, literary, and scientific creators. Firms must protect their copyright and have a robust brand protection strategy, even though they're not creating art, books or scientific reports. Counterfeiters can copy a product's authentic pictures and use them to market and legitimize their illegal product listings online.

Trademark squatting

Trademark squatters register trademarks in bad faith. This will be available in various forms, including foreign registration of marks belonging to brands yet to register abroad, and written text issues, just like the Jordan/Qiaodan case.

Patent Theft

Patents are legal protections given to inventive products which provide an innovative solution to a problem. Inventors who have created a new product are entitled to patent protection because it forbids outside parties from using their design, and outdoor parties infringing on patents can benefit from the time and money invested into designing the invention.

Social media impersonation

• Counterfeiting and kinds of IP theft, in general, are growing quickly on social media and maybe a huge online Brand protection challenge for several firms.

• Unofficial third parties produce social media accounts imitating authentic brands, then use their fake profiles to sell counterfeits, send users to phishing pages, and distribute harmful malware.

What do Brand protection services do?

The services offered by Brand protection Providers can be summed up as four general processes:

• **Detection:** Brand protection firms and services will assist you in noticing infringements online and where ever they will be.

• **Validation:** Ensuring that the product tagged as infringements truly are infringements that's the vital step. Validation is employed so that authentic firms aren't penalised by mistake, whereas attempting to enforce IP rights.

• **Enforcement:** Brand protection is the step of really removing IP infringements online. This includes removing the infringing product listed on an internet marketplace, taking down a Rogue website, or closing the imitation account from social media.

• **Reporting:** This is the final stage of a Brand protection service. Reporting refers to presenting data to brands that are helpful and actionable, to remain aware of the status of intellectual property online, and to enhance the method of brand name protection in the future.

Brand protection services

Counterfeiters protection software can now take advantage of the internet. There are four key aspects of Brand protection software:

• Keyword Monitoring
• Image recognition
• Machine learning
• Smart user experience

Keyword monitoring

The first tool of brand name protection is keyword monitoring. Counterfeits sold on e-commerce platforms rely on specific keywords to appear in listings. For Brand protection services, this implies programming bots to continuously scour high-risk websites, searching for listings and alternative content with these keywords. Counterfeiters constantly update and alter the keywords used to sell fakes in online marketplace listings. Thus, this step is vital for brands to stay up.

Image recognition

Image recognition refers to a type of software that is ready to analyse images online quickly. Forms of image recognition vary in complexity. The simpler technology is photo recognition, which might search and find matching images.

Machine learning

Machine learning is the computer's ability to use neural networks to repeatedly identify patterns and correlations in data to form many precise and reliable search parameters. Once these new parameters are created, keyword monitoring and image recognition programs can function more effectively to shield your brand online, and enhancements will be developed continuously.

Smart user expertise

It is important that the user experience is simple to grasp and easy to use. Adopting a modern brand protection service saves enormous time and money compared to hiring a team of lawyers. However, if that service needs the brand to spend hours going through complex data, then there's very little advantage over simply employing legal personnel. A smart brand protection service should filtrate unimportant details and solely show users the details they need to make decisions quickly.

Consequences of counterfeiting for brands

When counterfeiters target an established brand, additional issues arise and have a wider impact than with other brands. The term "counterfeiting" refers to more than just a few individuals participating in a single black market business. Impact of counterfeits on brands are:

• Falling sales – If counterfeiters can produce IP-protected products, and may provide them at a significantly lower price than the authentic brand, then the brand can suffer a substantial hit to their sales.
• Reputation – Brands work hard to establish a reputation. Suppose a company is without a brand protection strategy and is targeted by counterfeiters. In that case, its name will be in danger, leading potential customers to avoid your brand in favour of reliable, trustworthy and high-quality brands.

- Attending to deceived customers – several shoppers of the counterfeit product are unaware they're shopping for fake products when they make the purchase. Once counterfeits prove themselves low-quality goods, the shoppers take them to the authentic brand for replacements and are annoyed to be told that they have been duped.
- Losing trust along with your partners – The actions of counterfeiters will massively undermine the trust between businesses which takes years to develop. Distributors can see counterfeiters offering products much cheaper than the minimum value agreed with the authentic brand , or suppose their exclusive rights are being betrayed and will blame the brand they'd worked with for years.
- The resources it costs to fight counterfeits – Fighting back against counterfeiters will be a slow and expensive process that draws resources from alternative departments of a business. Large sums of money will be invested in paying lawyers in a trial to shield the brand and keep the counterfeiting troubles at a minimum, sometimes to very little avail.

How to defend your Brand

Knowing how to protect intellectual property is crucial information for several brands. Counterfeiters are persistent when targeting firms they think they will benefit from and can use any tactic at their disposal to remain in business.

There are various brand name protection strategies that firms will implement to assist them in the fight against infringers, both offline and online.

1. **Monitor your brand's online presence:** Stay informed of what people are saying about your brand on social media, forums, and review sites.
2. **Address negative feedback:** Respond promptly and professionally to any negative comments or complaints, and attempt to resolve the issue.
3. **Protect your trademarks and intellectual property:** Ensure that your brand is legally protected by registering trademarks and protecting your intellectual property rights.
4. **Develop a crisis management plan:** Plan ahead for potential crises and develop a strategy for how to handle them if they occur.
5. **Build a positive brand image:** Consistently provide high-quality products and services, and engage in positive marketing and PR activities to reinforce your brand's positive image.
6. **Stay true to your brand values:** Maintaining consistency in your brand's messaging, values, and actions helps to build trust and credibility with consumers.

UNIT 2.4: Hazards and Risks Involved in Business

Unit Objectives

By the end of this unit, the participants will be able to:

1. Demonstrate handling process for goods, equipment and hazardous material involved in the business
2. Discuss hazards and risks involved in the above processes

2.4.1 Processes Related To Handling of Goods, Equipment, and Hazardous Materials

The employees working in an organisation must be aware of or trained to handle goods and equipment efficiently. Handling goods involves a huge process from receiving goods, going through the production process, storing them in warehouses and eventually distributing them. It is the goods handling methods that ensure the smooth functioning of the organisation. The goods handling process emphasizes the factors like how the items are stored, maintained, transported and processed. The goods handling process also involves the handling of various kinds of equipment. As a method, goods handling involves using a wide range of manual, semi-automated and automated equipment and systems that support logistics and make the supply chain work. The implementation of this equipment helps in the following:

• Predicting
• Allotment of resources
• Manufacture planning
• Managing flow and process
• Stock management and control
• Delivery to customers
• Post-sales support and service

The main objective of the goods and equipment handling process is to provide the customers with the best service possible, minimise the stock, reduce the time taken to deliver and, most of all, cut-down expenses in production, disbursement and relocation.

The principles of Goods Handling

While designing a material handling system, it is important to refer to best practices to ensure that all the equipment and processes—including manual, semi-automated and automated—in a facility work together as a unified system. Analysing the goals of the material handling process and aligning them to guidelines, such as the 10 Principles of Material Handling, a properly designed system will improve customer service, reduce inventory, shorten delivery time, and lower overall handling costs in manufacturing, distribution and transportation. These principles include:

Fig. 2.4.1: Principles of Goods Handling

- **Strategizing:** Define the needs, strategic performance objectives and functional specification of the proposed system and supporting technologies at the outset of the design. The plan should be developed in a team approach, with input from consultants, suppliers and end users, as well as from management, engineering, information systems, finance and operations.

- **Regularisation:** All material handling methods, equipment, controls, and software should be standardized and able to perform various tasks in various operating conditions.

- **Process:** Material handling processes should be simplified by reducing, combining, shortening or eliminating unnecessary movement that will impede productivity. Examples include using gravity to assist in material movement and employing straight-line movement as much as possible.

- **Workplace Efficiency:** Work and working conditions should be adapted to support workers' abilities, reduce repetitive and strenuous manual labour, and emphasize safety.

- **Large Containers:** Because less effort and work is required to move several individual items together as a single load (as opposed to moving many items one at a time), unit loads—such as pallets, containers or totes of items—should be used.

- **Capacity utilization:** To maximize efficient use of space within a facility, it is important to keep work areas organized and free of clutter, maximize density in storage areas (without compromising accessibility and flexibility), and utilize overhead space.

- **Rules:** Material movement and storage should be coordinated throughout all processes, from receiving, inspection, storage, production, assembly, packaging, unitizing and order selection to shipping, transportation and the handling of returns.

- **Atmosphere:** Energy use and potential environmental impact should be considered when designing the system, with reusability and recycling processes implemented when possible, as well as safe practices for handling hazardous materials.

- **Mechanisation:** To improve operational efficiency, responsiveness, consistency and predictability, automated material handling technologies should be deployed when possible and where they make sense to do so.

- **Life cycle expense:** An analysis of life cycle costs should be conducted for all equipment specified for the system. Areas of consideration should include capital investment, installation, setup, programming, training, system testing, operation, maintenance and repair, reuse value and ultimate disposal.

Rules and regulations for handling goods and equipment

Safety rules and regulations ensure that fewer incidents occur at the workplace while handling and moving various products and equipment. Therefore, a set of safety rules must be implemented in the workplace. These rules are:

- Avoid lifting materials from the floor or while seated
- Make use of available handling aids
- Refrain from using sudden or jerky movements
- Never lift a load over an obstacle
- Perform lifts in areas with adequate footing, space and lighting
- Modify objects and redesign jobs to make moving easier
- Seek assistance from co-workers
- Stay in good physical shape
- Begin lifts close to the body
- Use containers made of lighter materials
- Reduce load sizes when possible
- Do not twist or bend while lifting objects
- Ensure repetitive, heavy and bulky lifts are not performed
- Keep lifts between shoulder and knuckle height
- Use conveyors, slides or chutes to eliminate pushing or pulling

2.4.2 Process Associated with Handling of Hazardous Materials

Every business-related process comes with certain associated hazards and risks. As a business owner, it may be formidable to decide and adhere to every process needed for the beginning and operation of the business. Mistakes could also be committed within the understanding and following up processes. It's so necessary to coach the employees or keep them aware of the processes for handling Hazardous materials. Some of the processes are as follows:

- Follow standard practices and carry out job duties as trained for.
- Be cautious and plan ahead. Imagine and think about what could go wrong, and pay close attention to what you are doing while working with or around hazardous materials
- Always wear the proper protective equipment, and check that it is safe before each usage.
- Ensure all equipment are properly labelled and materials are contained in an acceptable container. Don't use any chemical not contained or labelled properly. Report broken containers or unclear labels to your supervisor instantly
- Read labels and also the Safety Data Sheets (SDSs) before using any material to make sure you understand hazards and precautions

- Use all materials intended for that purpose. For example, Don't use solvents to scrub your hands or fuel (gasoline) to wash equipment
- Never eat or drink when handling hazardous material. If your hands are contaminated, don't use cosmetics or handle contact lenses
- Employees handling hazardous materials must read labels on chemicals they use or handle and have Safety Data Sheets (SDSs) available to refer.
- Store all Hazardous materials properly, separate incompatibles, and store in airy, dry, cool areas
- Employees should keep themselves and the workspace clean. When handling any hazardous material, wash it with soap and water. Clean the work surfaces at least once per shift so that the contamination risks are reduced
- Learn about emergency procedures and equipment. Understanding emergency protocols implies knowing how to handle fires, spills, and leaks as well as how to evacuate and report emergencies.
- Keep emergency eyewash and shower stations clean. Check them monthly to ensure they're operating properly and keep them accessible; don't let litter build up around the stations.

2.4.3 Types of Hazards

Electrical hazards

Some main causes of electrical hazards and accidents:

- Faulty electrical equipment
- Loose, trailing, cut, non-insulated cables or wires
- Improper or untrained usage of equipment
- Manufacturer warranty and maintenance slippage

Accidents

- Fire
- Injuries to people due to improper electrical equipment
- Electrical shocks that can lead to death

Some safety precautions

- Check for any malfunctioning electrical wirings and equipment
- Report to the authority on the malfunctions if any
- Use electrical extension cords wisely
- Keep clothes, curtains and other potentially combustible items away from all heaters
- Never overload extension cords or wall sockets
- Regular maintenance of equipment as per guarantee/warranty or AMC (Annual maintenance contract) of servicing and maintaining equipment)
- Trained usage of equipment

The most important fire precaution is to have a functioning smoke alarm in your store and to practice a store escape plan frequently with your store staff.

Fuses and circuit breakers

When a fuse blows or a circuit breaker is tripped, alert your staff members immediately, inform your seniors and call the concerned department staff.

Inform your seniors

To minimise fire and shock hazards, whenever you see any wire hanging in the store/department or damages in the electrical equipment or unwanted materials piled up in a corner, carton boxes or papers kept near electrical equipment, you have to inform your seniors or concerned department staff immediately.

Warning signs

Many electrical problems can be detected before they cause a fire or harm. To ensure electrical fire safety, learn to be alert and pay attention to any irregular electrical function in the store. Some warning signs include:

• A recurring problem with blowing fuses or tripping circuit breakers
• A tingle when you touch an electrical appliance
• Discolouration of wall outlets
• A burning smell or unusual smell coming from an appliance or wiring
• Flickering lights and some weird sound from the equipment

If you notice any of the above warning signs, or if an appliance functions oddly, take appropriate measures to prevent an accident - inform your seniors, alert the store staff and inform the concerned department staff. Unplug the malfunctioning appliance immediately. Electrical fire safety is serious, and precaution is of utmost importance. Ensure that learners understand the importance of avoiding electrical hazards.

Housekeeping and storage hazards

Some major causes of housekeeping hazards

• Slippery surface due to greasiness & wetness
• Spillage of liquids & chemicals
• Improper cleaning, removal of garbage & disposal of waste

Accidents that may occur due to housekeeping hazards

Injuries from slips, trips, and falls: Injuries from slips, trips, and falls can cause torn ligaments, strains and sprains, and broken bones. They can also cause back or spine injuries, resulting in handicapped or death.

Benefits and costs

Benefits of good housekeeping: Good housekeeping eliminates accidents and fire hazards, maintains safe and healthy work conditions, saves time, money, materials, space and effort, improves productivity and quality and boosts the morale of the staff members and reflects a well-run store.

Activity

1. **The objective of the activity:** To understand the various business rights

2. **Learning Outcome:** Learners will be able to identify and elaborate on business rights

3. **Nature of the activity: I**ndividual presentation

4. **Procedure to conduct the activity:** The faculty should ask each learner to present a detailed understanding of any one of the business rights discussed in the class.

5. **The faculty may debrief on the following points:**

   • Analyse the relevance of the discussed right in the present day

   • The role of the particular right in smoothening the process of the business operation

Summary

- Licenses and legal policies required for a business procedure
- Business rights and their implications
- Local corporations and authorities that have a bearing on a particular business process
- Policies and procedures that have a bearing on a particular business process
- Handle various equipment and hazardous material

Exercise

Multiple Choice Questions:

1. A _____ is an organization that is officially responsible for all the public services and facilities in a particular area.
   - a) local authority
   - b) vocal authority
   - c) focal authority
   - d) none of the above

2. Parameters to maintain a relationship with key persons include:
   - a) Communication
   - b) Transparency
   - c) Personalised Touch
   - d) All of the above

3. For any business to achieve success, it is important to understand the concept of minimising _____ and maximising _____.
   - a) losses, gains
   - b) costs, income
   - c) profit, expenses
   - d) none of the above

4. Rights to procurement include:
   - a) Right Quality
   - b) Right Quantity
   - c) Right Place
   - d) All of the above

5. Type of procurement expenses include:
   - a) Base cost
   - b) Transportation cost
   - c) Closing cost
   - d) All of the above

Answer the following:

1. Mention the various rights related to a particular business.
2. Demonstrate the ways to handle various equipment and hazardous material.
3. State the legal requirements in various stages of a business structure.
4. State various rights related to a particular business.

Notes 📝

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Scan the QR codes or click on the link to watch the related videos

https://www.youtube.com/watch?v=tAkxbbGmok0

What is Shop and Establishment License?

3. Planning the Finances for the Business

Unit 3.1 - Financial Resources and Cash Flow

Unit 3.2 - Maintaining Profit and Loss Accounts

Unit 3.3 - Analyzing Fraudulent Activities in Monetary Transactions

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Elaborate on the process of managing funds and cash flow
2. Demonstrate the process of maintaining a profit and loss account
3. Explain the process of implementing security procedures to safeguard monetary transactions

UNIT 3.1: Financial Resources and Cash Flow

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify the source of funding and the ways of securing it
2. Explain the process of opening and managing a bank account
3. Elaborate on the process of planning, preparing and controlling the budget by monitoring various financial elements

3.1.1 Sources of Funding

For any business, funding is one of the most important aspects. Funding or financing helps operate the business's current format and allows it to take over new projects and expansions. Hence, to put it simply, financing is an act of monetary contribution to the various needs of the business. There are different sources of funding:

- **Debt capital** - This is a form of funding that can be procured through loans. This is usually done privately by banks. However, the public may also contribute to debt financing when the company issues debt to them.

  The company may opt for debt financing in cash, debentures, mortgages, and leases from the banks. For the public, promissory notes and corporate bonds are issued. In this case, the company is responsible for paying the debt amount (principal + interest) within the stipulated and scheduled time frame.

- **Equity capital** - This form of funding entails giving out a proportionate ownership share to the public by issuing company shares. The public contributes funds to the company by buying the shares and becoming shareholders. Another option is private equity financing. In this case, individuals in the company's network provide the required funds. A major benefit of this kind of funding is that the company is not responsible for paying interest to the person borrowed from.

- **Retaining earnings** - This is perhaps the most conventional and convenient way of generating funds for a company. In this situation, the company sells goods much higher than its production cost. Hence, this required strategic planning of sale prices. The profit generated from this forms quite a bulk of companies with which the company can fund projects or pay dividends to the shareholders.

3.1.2 Opening and Managing a Bank Account

One of the foremost requirements of operating a business is to open a bank account in that name. This will ensure smooth and centralized transactions among the company and other related concerns. To open a proprietorship bank account, the company has to mention the kind of business and the registered address. However, if the business is a partnership structure, the legal name of the business and its address, names and addresses of the partners, along with the telephone numbers, have to be provided. Hence, to open a bank account for the business, it is judicious to contact the branch and provide all the required documents required for the specific business structure.

The business's bank account has to be managed by an authorized person. For instance, the owner will be responsible for managing the bank account if it is a sole proprietorship. However, for a partnership,

the business must submit a power of attorney certificate signed by all the partners. It can be given either to a partner or an employee. This person will only be able to manage the bank account on behalf of the company.

3.1.3 Controlling Costs of a Business

For any business, it is important to gain more profit than the cost. The easiest way of doing that is by controlling the costs of the business. While it is easy to think that the costs of a business can be controlled, it is better to assess and interpret the information on costs along with knowing the allocation of resources. By identifying where and how resources are to be allocated, an informed decision can be reached regarding the cost control of a business.

- **Production costs** - The business owner should analyse the costs of raw materials and processing charges. This forms quite a bulk of the total business expense. If this can be analysed, planned accordingly, and reduced, the production cost will also be reduced.
- **Marketing costs** - While paid marketing does pay off, any modern-day business has to look for cheaper and out-of-the-box alternatives to market the products. For instance, collaborating with social media influencers can be a great way to advertise a product.
- **Financial expenditures** - Insurance and other financial obligations can be expensive if not managed carefully. While opting for insurance, seek providers currently offering the most competitive rates. Also, by ensuring the company does not take on any unnecessary liability, like new debts, the business can control its costs to a considerable extent.
- **Encourage virtual working opportunities** - Unlike traditional physical working spaces, virtual spaces are not only about less hassle but also lesser expenses. For instance, if meets can be arranged online, there will be no travelling costs and other office requirements like stationery and beverages.
- **Office supplies expenses** - It is important to analyse the quantity of office supplies your business needs. Accordingly, they may be bought from wholesalers and other sources. This analysis and interpretation will allow you to control costs to quite an extent.

3.1.4 Preparing a Budget

For a new business, it is extremely crucial to prepare a financial budget. This ensures a better allocation and management of resources. Before that, the process of preparing the budget should be well-researched and meticulous.

- **Estimate funding** - Before you start the budgeting aspect, you should be able to have an approximate idea of the funding that will finance your business. This should be the first step of the budgeting process. This will make the next steps easier to analyze and plan.
- **Analyse the expenses** - Any business owner should be able to analyze the expected costs of running a business. Thorough knowledge of the cost of raw materials, production, labour charges, marketing expenses, and so on provides a solid idea about the approximate cost that the business will have to bear initially. This also ensures that you do not make a rough budget and go ahead in a planned manner.
- **Negotiate with the suppliers** - It is very important to discuss the prices with the suppliers. The negotiation will give a proper idea about the cost of the raw materials and future production costs. The more one can negotiate, the better the prices and the enhancement of the budget will be.
- **Project a profit margin** - Once you know the production costs, you can add the profit margin you expect on that. This will give an estimate of the price that you can put in. This will give a fair idea of the money the business will have after a good market experience. Hence, this is a crucial step of the budget procedure.

- **Cash flow** - This is where the business owner will analyse how the money spent will be retrieved from the market. Whether getting payments from customers or sending payments to suppliers and staff, the cash flow sequence determines how flexible your budget should or should not be.

- **Expense goals** - Once the business owner is clear about all the previous steps, it is important to determine how you intend to spend your earnings. There should be a proper balance between earnings and spending, as the remaining amount will be a considerable part of the next financial year or the standby asset of the company.

Controlling budget through monitoring of various financial elements

After the budget has been drawn, the next step is to monitor its various elements. For a business to run smoothly and achieve success in the long run, it is essential to look closely at the various things that support a business.

- **Income and expenditure** - The income of the business includes the production cost. Hence, the expenditure that must be paid off should be kept in mind while contemplating the expenditure. In the same way, by monitoring the income generation, the company will have a fair idea about its financial situation. That will ensure which expenditure should be done first and which can wait. And most importantly, income should determine the expenditure, not the other way around.

- **Profit and loss** - Both profit and loss should be monitored very carefully and assessed in terms of per cent of the total expenditure. This will give the company a clearer perspective on controlling the aspects. For instance, if the profit per cent is more in comparison to the loss, the focus should not just be on increasing it further but also on decreasing the loss per cent more.

- **Other elements to monitor** - A business has key elements like debt, equity, external funding, etc. Each should be monitored with utmost priority to ensure that the company not only runs smoothly on the present budget but can also draw up a better and more nuanced budget in the future.

This monitoring will also clarify the company officials and prevent them from taking unnecessary deviation steps.

UNIT 3.2: Maintaining Profit and Loss Accounts

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify the elements of basic financial accounting
2. Demonstrate the process of conducting basic accounting tasks and maintaining required reports
3. Identify the sources of profits and causes of losses as reflected in the reports

3.2.1 Parts of Basic Financial Accounting

Financial accounting shows the financial position of a business. It's a vital facet that summarises how the company started its journey in terms of finances and where it's presently standing. Hence, it's vital to take note of the essential parts of monetary accounting:

- Assets - These can be tangible and intangible, showing what the company owns—for example, liquid money, property, patents, etc.
- Equity - This is often the portion of the assets that the owner(s) and, therefore, the business's stockholders fully own and have paid for.
- Liabilities - this is the number that the company owes to others. For example, mortgages and loans.
- Expenses - This is the amount the company spends to develop the finished product it sells within the market. This includes advertising, transportation, utilities, and other related but indirect costs.
- Income - This is the money that the company makes after selling the product within the market. It includes the profit from the marketable securities' dividends and interests.

3.2.2 Conducting Basic Accounting Tasks and Maintaining Required Reports

Conducting basic accounting tasks

Basic Accounting

Basic accounting is one of the key functions in most businesses. It's generally performed by an accountant or a bookkeeper at a small company or by large finance departments with dozens of staff at larger companies. The reports that numerous streams of accounting generate, like managerial accounting and cost accounting, are crucial in helping a company's management make informed business decisions

Without accounting, it might not be possible to determine whether products were successful, business decisions were effective, and whether the company is generating revenue or making a profit. It would be impossible to find out what proportion of tax to pay, whether or not to buy or lease a property or whether or not to merge with another company. In different words, accounting is not as regarded as recording financial transactions; it measures a company's success in achieving its goals and helps shareholders perceive how expeditiously their money is getting used. This is why businesses should be proficient in accounting to make good decisions.

Processes included in Basic Accounting

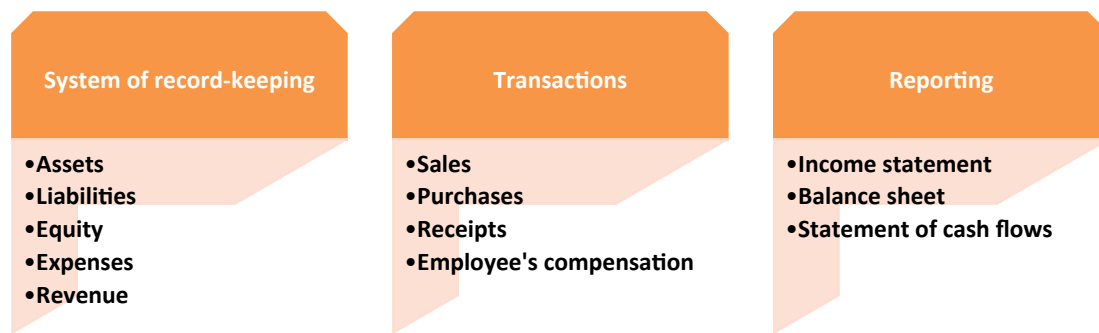| System of record-keeping	Transactions	Reporting
•Assets •Liabilities •Equity •Expenses •Revenue	•Sales •Purchases •Receipts •Employee's compensation	•Income statement •Balance sheet •Statement of cash flows

Fig: 3.2.1: Processes included in Basic Accounting

1. System of record-keeping

Companies should have a rational approach to record-keeping before they start the accounting process. They need to line up accounts in which to store info and accounts comprised of the following classifications:

- **Assets:** These are the resources or physical objects that the corporate owns. Assets have future amounts that will be measured and expressed in financial terms. Samples of a company's assets embrace investments, cash, inventory, assets, land, supplies, equipment, buildings and vehicles.
- **Liabilities:** These ask for the legal money obligations or debts that corporations incur throughout business operations. Liabilities may be restricted or unlimited, and they're settled over time by transferring economic advantages like cash, services or merchandise.
- **Equity:** Equity, additionally referred to as shareholder's equity, refers to the amount of cash that a corporation should come to its shareholders if its assets are unit liquidated and every one of its debts is paid off. Equity is calculated by subtracting a company's total assets from its liabilities.
- **Expenses:** Expenses are the prices of operations that companies incur to get revenue. Common expenses include worker wages, suppliers' payments, instrumentality depreciation and plant leases.
- **Revenue:** Revenue refers to a corporation's financial gain from its traditional business operations, including deductions and discounts for returning the product. Revenue is the gross financial gain figure from that price area unit subtracted to see the net.

2. Transactions

Some crucial business transactions include:

- **Sales:** These area unit transactions during which products/services area unit transferred from patrons to sellers for money or credit. Sales transactions are a unit recorded within the seller's accounting journal (a document that contains an outline of the transaction) as a credit to the sales account and a debit to money or assets. Sales generally involve the creation of AN invoice to be sent to the purchasers, particularisation the number that the client owes.
- **Purchases:** This area depicts the transactions companies need to get the materials and services necessary to accomplish their goals. Purchases usually involve the supply of purchase orders and the disbursement of provider invoices.
- **Receipts:** This area reflects the transactions that ask a corporation to obtain procured providing services or merchandise to customers. The receipt dealings are recorded within the journal for the vendor as a credit to assets and a debit to money.

- **Employee's compensation:** Compensation describes the cash rewards paid to employees in exchange for their services. It may include base salary, wages, incentives and/or commission. Total compensation includes cash rewards as well as any other company benefits.

3. Reporting

Once all the company's transactions associated with an accounting amount are completed, the consolidates the knowledge within the accounts. It types it into 3 documents that are called money statements. These statements include:

- Income statement
- Balance sheet
- Statement of money flows

Maintaining required account reports

What Are Accounting Reports?

Accounting reports are periodic statements that present the financial status of a company at a certain point in time or over a stated period. It details business transactions and operations.

They are a compilation of financial information from a business's accounting records. Their nature varies, as they can be brief or custom-made with a specific purpose: detailing sales per region, the profitability of a product, etc. Usually, these reports are considered to be financial statements which include:

- **Balance sheet:** A balance sheet is a financial statement that reports a company's assets, liabilities, and shareholder equity. The balance sheet is one of the three core financial statements used to evaluate a business. It provides a snapshot of a company's finances as of the publication date.
- **An income statement:** An income statement is one of the three major financial statements that report a company's financial performance over a specific accounting period.
- **A cash flow statement:** A cash flow statement summarizes the amount of cash and cash equivalents entering and leaving a company. The CFS highlights a company's cash management, including how well it generates cash. This financial statement complements the balance sheet and the income statement.

These are just 3 of the main accounting statements businesses use for their daily financial operations. We will cover this more in detail later in the post with a few financial dashboard examples, but first, let's look at the main benefits of these analytical tools.

The Need to have Accounting Reports

These reports are important elements of a business, regardless of its size. As we have said, they are very useful for maintaining a track record of transactions, cash flow, income, etc. But they also reduce the risk of reporting inconsistencies to investors, financial managers, or tax authorities. You can be sanctioned for accountancy inaccuracies; that is why you want to avoid them at all costs. Some other benefits you can reap from these analytical tools include:
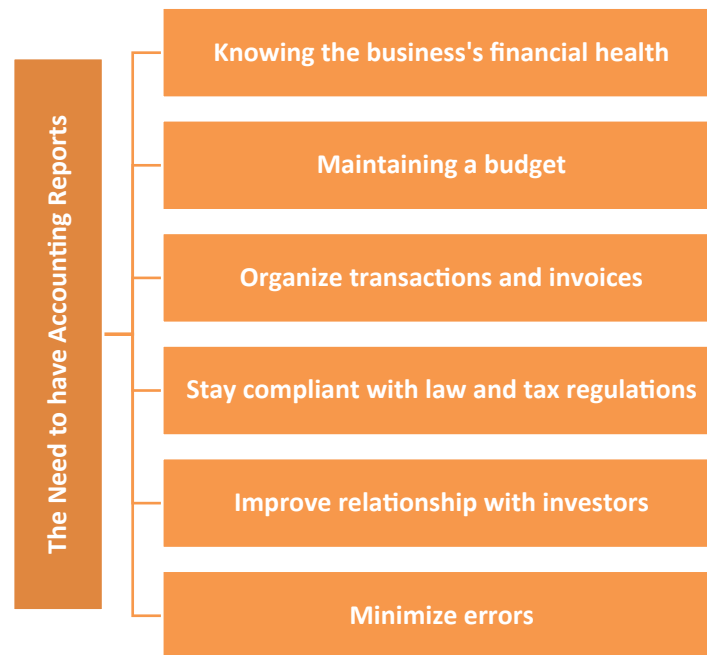
Fig: 3.2.2: The Need to have Accounting Reports

- **Knowing the business's financial health:** Generating accounting reports is crucial for a business's correct management and functioning. They provide all the key information needed to paint an accurate picture of the company's financial health and help decision-makers make important financial and non-financial decisions to ensure the company grows profitably. An objective view of the financial situation enables top management to make better-informed investments, sales, and purchase decisions.

- **Maintaining a budget:** To ensure the correct functioning of the different strategies and activities, managers must set a budget that will cover everything while ensuring profitability. This is a fundamental aspect, especially considering that a shocking 82% of small businesses fail due to cash flow mismanagement. Smart accounting reports prevent this from happening by providing businesses with all the needed information to make the best decisions and build a sustainable budget.

- **Organize transactions and invoices:** Transparency is a key factor when it comes to efficient financial reporting. Reporting in accounting helps you do just that by providing an efficient bookkeeping system of all transactions and invoices to keep close track of every movement. Having a centralized location for transactions with the transaction's time, date, and nature helps organizations understand money and goods distribution.

- **Stay compliant with law and tax regulations:** The risk of greed, theft, and dishonesty exists everywhere – and every month, we discover corporate abuse somewhere in the world. Companies have to be held accountable for their methods and ways of running a business, and therefore specific accounting areas were enforced to eliminate fraud (auditing, income taxation). For that purpose, monthly accounting reports serve as a means for businesses to prove to authorities that they are staying compliant with any laws and tax regulations; they assist organizations in calculating the correct amounts of taxes to pay, keeping in mind regulatory guidelines.

- **Improve relationship with investors:** As we said already, professional accountant reports provide a complete picture of a company's financial health. This also proves to be a very useful document when it comes to attracting new investors and keeping the ones you already have happy.

- **Minimize errors:** You might have full trust in your accountant's reporting abilities. However, managing data and sensitive information manually is both time-consuming and risky due to the possibility of human error. With modern accounting statements generated with professional online reporting software, the calculation and report generation process is done automatically. This means more time to make informed decisions as well as significant mitigation of errors that can resonate across the organization.

Accounting statements will let you keep track of business transactions and help you maintain a budget, predict cash flow, and forecast revenue. They also allow for an assessment of the current situation compared to a previous one and/or compared to a forecast. The more accurate the records, the better the financial analysis or projection.

In general, a well-implemented accounting reporting system makes it easier to access the financial statements you need whenever you need them. Good accountancy helps financial analysts to understand and interpret the data and thus communicate it effectively. However, you need good accounting software and a solid online data visualization tool to do so. We will go deeper into the role of visuals for efficient financial analysis, but first, let's take a deeper look into the common types of financial reports.

Types of Accounting Reports

Now that we have a definition of accounting reports and analysis, as well as a list of insightful benefits organizations, can reap from them, it is time to go deeper into the topic by looking at the main types of accounting reports and what is their main purpose.
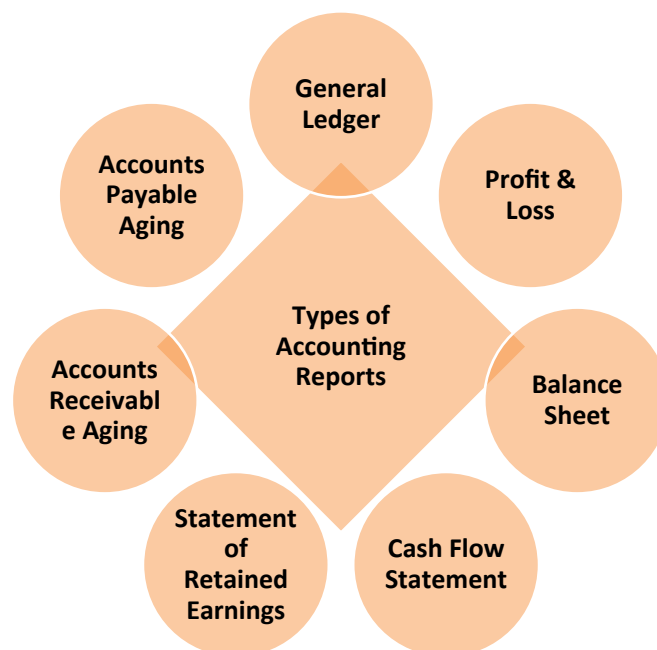

Fig: 3.2.3: Types of Accounting Reports

General Ledger

The general ledger is the foundation of your business bookkeeping, used to organize and summarize all your financial transactions. This report is often used to prepare for an audit, apply for a loan, and balance your books. It is composed of various accounts, representing categories that show where your money is going and where it is coming from. Common accounts include your assets, liabilities, equity, revenue, and expenses.

Another important element from a general ledger report is debits and credits. These represent whether the amount of money your business has increased or decreased. The meaning of these two changes depends on the type of account being observed. For instance, when talking about assets, cost of sales, inventory, and other related accounts, a debit increases the amount of money, and a credit decreases it. On the other side, when we talk about liabilities, revenue, equity, and capital, to name a few, a credit increases the money in the account, and a debit decreases it.

Profit & Loss

The profit and loss statement portrays details regarding a business's revenues, costs, and expenses over an accounting period, usually a quarter or a year. It is one of the most popular or common reports as it tells organizations if they can generate profit by increasing revenue, decreasing costs, or both. This information enables managers to make important decisions such as budget planning, adjusting expenses, and evaluating profit generation, just to name a few.

Also widely known as an income statement, this report comprises four key indicators: income, expenses, costs of goods sold and net income. It can be compared to other periods to see how things changed over time and highlight areas of the business that could be more profitable.

Balance Sheet

The balance sheet is another important report in accounting. It summarizes a company's assets, liabilities, and shareholders' equity during an observed period of time. In short, it provides a complete picture of an organization's liquidity by listing what it owns and owes and what is invested by shareholders.

That said, the balance sheet has 3 main components: assets which is everything your company owns that can be turned into cash; liabilities which is everything your company owes to others; and equity which is the value of ownership of your company. By looking at these 3 elements together, you get a complete picture of your company's financial health. You can extract deeper conclusions, such as the effectiveness of your pricing strategies or if you are spending too much. Lastly, a balance sheet is also a great document to show to potential investors or to apply for a loan, as it shows how financially stable you are.

Cash Flow Statement

A cash flow statement is the third of the most important financial accounting reports, together with the P&L and the balance sheet. It provides insights into a company's inflows and outflows of cash during a specific period, which can conclude in a positive or negative cash flow. A positive one indicates you earned more than what you spent and you are able to pay creditors and investors, while a negative one means you spent more than you earned.

There are two ways to use a cash flow statement. On the one hand, we have the direct method that considers all cash movements from core operating activities. And on the other hand, we have the indirect method, which considers cash movements coming from operations, investments, and financing activities. The sum of these three core elements is called the net cash flow, and investors often use it to determine the value of a business's stock.

Statement of Retained Earnings

As its name suggests, this report portrays the beginning and ending of retained earnings over an observed period of time. In short, retained earnings are a portion of the company's profit from the net income at the end of an accounting period for future use as shareholder's equity, paying liabilities, or investing.

Also known as a statement of owner's equity or statement of shareholders' equity, this accounting report is used by analysts to understand how profits are being utilized. It can be used as a complement to a balance sheet or income statement as well as a separate document. Its main three components include the beginning retained earnings, net income, and dividends paid to shareholders. This type of report is done once every accounting period and allows businesses to understand if they are in a position to finance operations and pay off debt or if there is a deficit.

Accounts Receivable Aging

Next in our list of types of accounting report formats, we have the accounts receivable ageing report. This report type categorizes a company's accounts receivables by the time they've been outstanding or, in other words, have not been paid yet. Accounts receivables arise when a company offers its customers services or goods on credit. For example, an energy company provides electricity to its customers and cashes them once the month is finished based on their consumption.

Generally, the receivables are broken down into time intervals that can be 1 to 30 days up to 90+ days with complementary information such as the customer name, money balance, and days past, among other things. Businesses use this report to keep a record of customers' debt and stay on top of collections and any bad debt.

Accounts Payable Aging

Following the same line as the previous report type, the accounts payable ageing shows the money your business owes to others instead of what others owe you. Examples of accounts payable include transportation and logistics, production materials, energy/power, and building leases.

The accounts payable ageing report is intended to give businesses a quick idea of all payments due in the immediate future. Typically, payments are separated into different time intervals, for example, a 30-days period. Managers use the information extracted from these statements to manage cash flow, build budgets, and calculate future expenses, among other things.

3.2.3 Sources of Profits and Causes of Losses as Reflected in the Reports

Profit is the money earned by a business when its total revenue exceeds its total expenses.

Any profit a company generates goes to its owners, who may choose to distribute the money to shareholders as income or allocate it back into the business to finance further company growth.

The method of calculating profit is simple: subtract a business's expenses from its total revenue over a fixed amount of time.

As the profit margin is predetermined while creating the financial budget, the profit is earned when the revenue is generated due to buying the products. The marketable securities' dividends and interests are also key sources of profit.

There are three primary levels of profit:

- **Gross profit** subtracts only the direct cost of producing goods from the total revenue. Since the cost of producing goods is an inevitable expense, it is considered a measure of a company's overall ability to generate profit.

- **Operating profit** takes into account both the cost of goods sold and operating expenses such as selling, general and administrative costs, also known as Selling, General and Administrative expenses (SG&A).

- **Net profit** is the money left over after subtracting all expenses from total revenue. Net profit can refer to earnings before or after tax, so some use "net net" to clarify net profit after taxes.

Revenue is the total sales a business generates for its goods or services. Profit is the earnings left over after expenses have been deducted.

To calculate profit, you need to take the revenue, subtract all expenses, and then take away any deductions. This difference is the final amount of money gained after completing all transactions.

Losses are incurred when the production cost exceeds the revenue generated at the end. The causes can be multiple – from unsuitable marketing policies to customer dissatisfaction.

A net loss is when total expenses (including taxes, fees, interest, and depreciation) exceed the income or revenue produced. Net Loss is calculated as:

Net Loss = Revenues - Expenses

A low revenue stream is the most common factor contributing to a net loss. Strong competition, unsuccessful marketing programs, weak pricing strategies, not keeping up with market demands, and inefficient marketing staff contribute to decreasing revenues. Decreased revenues result in decreased profits; when profits fall below the level of expenses and cost of goods sold (COGS) in a given time, a net loss results.

Other factors include increased production costs, high carrying costs and unplanned expenses.

UNIT 3.3: Analyzing Fraudulent Activities in Monetary Transactions

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Elaborate on the possible fraudulent activities related to monetary transactions
2. Explain the process of implementing security procedures to stop monetary loss due to any fraudulent activities

3.3.1 Possible Fraudulent Activities Related to Monetary Transactions

Types of Financial Fraud

Common individual mortgage fraud schemes include identity theft and income/asset falsification, while industry professionals may use appraisal frauds and air loans to dupe the system. The most common investor mortgage fraud schemes are different types of property flipping, occupancy fraud, and the straw buyer scam.

Fraud also occurs in the insurance industry. Thoroughly reviewing an insurance claim may take so many hours that an insurer may determine that a more cursory review is warranted, considering the size of the claim. Knowing this, an individual may file a small claim for a loss that didn't occur. The insurer may decide to pay the claim without thoroughly investigating since the claim is small. In this case, insurance fraud has been conducted.

In many cases, the fraudster seeks to dupe investors through misrepresentation and somehow manipulate financial markets. These crimes are characterized by providing false or misleading information, withholding key information, purposefully offering bad advice, and offering or acting on inside information.

Various Types of Fraudulent Schemes

Payroll Fraud

Payroll fraud can manifest in a variety of ways. Employees could lie about their productivity, sales, or hours worked to get higher pay. Some may request a pay advance without the intention of paying it back. Others may even take it further by enlisting a co-worker to manipulate their attendance records by clocking in and out for them.

According to most studies, payroll fraud disproportionately affects small businesses because they are less likely to have anti-fraud measures and systems.

How to avoid it: Do background checks on every potential employee. Have managers closely monitor time sheets and use secure automated payroll services.

Asset Misappropriation/Skimming

Asset misappropriation is one of the most common types of business fraud, but it is also one of the easiest to spot. Watching out for forged checks, missing inventory and accounts that simply don't add

up is the key to identifying asset misappropriation. You could also fall victim to skimming, which is the act of taking money from either a customer or the company without recording the transaction.

How to avoid it: Rotate cash-handling staff and do not entrust all financial tasks to one employee.

Invoice Fraud Schemes

This type of fraud happens when the fraudster (often an employee in sales or accounting) creates fake invoices to steal money from the business. This could mean invoicing for products and services that were never bought, creating a fake supplier/shell company to funnel the money to, or awarding over-inflated contracts to personal friends and family.

How to avoid it: Cross-check every invoice with purchased goods and services. Do comprehensive background checks before approving a new supplier.

Financial Statement Fraud

Financial statement fraud involves fudging important numbers like sales, revenues, assets and liabilities. Usually, this is done to dupe investors or the public, manipulate stock or increase bonuses. While this is one of the rarer kinds of business fraud, it is also one of the most damaging.

How to avoid it: Delegate different accounting functions to different employees. Closely examine financial statements for inconsistencies or inaccurate information before publishing.

Tax Fraud

Tax fraud (also known as tax evasion) happens when an individual or company's earnings and expenses are misreported to the IRS, often to take advantage of lower tax brackets and special exemptions.

How to avoid it: Do not over-report expenses or under-report earnings. File your taxes completely, accurately and on time.

Data, Intellectual Property and Identity Theft

A lot of businesses handle sensitive information, whether personal data or intellectual property (IP). IP theft can damage your business if an employee leaks trade secrets and patents to your competitors, and identity theft can hurt your reputation due to lower customer trust.

How to avoid it: Restrict access to high-level documents. Have a security policy in place for the classification and handling of sensitive information.

Insurance and Banking Fraud

Most companies offer health insurance or workers' compensation to their employees. Sadly, some employees try to profit off insurance by filing false claims or lying about injuries and illnesses, resulting in higher premiums and more out-of-pocket expenses for small business owners.

How to avoid it: Be strict about filing insurance claims/workers' compensation requirements. Check all submitted documents to ensure they're real.

Money Fraud

Money fraud is a type of fraud where a customer uses fake bills to make a real purchase. If you don't check regularly, you won't notice the notes are counterfeit until it's too late.

How to avoid it: Train cash-handling employees to check for counterfeit banknotes. Invest in a counterfeit money detector if you regularly handle large amounts of cash.

Return Fraud

Many retail businesses have some sort of return, refund or exchange policy that allows customers to send back defective items. Some people take advantage of this by lying about purchases, returning stolen goods, stealing receipts, or using items and then returning them before the return period is up to get their money back.

How to avoid it: Require receipts for all returns and exchanges. In the case of refunds, give store credit instead of cash.

Bribery and Corruption

Bribery and corruption encompass a variety of practices, such as skimming/getting kickbacks from projects, using money to influence major company decisions, and manipulating contracts to favour some people over others.

How to avoid it: Implement stricter compliance programs and gifting guidelines. Conduct due diligence with all employees, management and third-party vendors.

In any business's monetary transaction, there is always a possibility of possible fraudulent activities. The various kinds of fraud that a business may face concerning money include:

- Forgery - From duplicating authorized signatures to altering important documents, forgery is one of the most common fraudulent activities that can cause huge monetary losses to a company. Forgery, in law, is the making of a false writing with the intent to defraud. To be a forgery, writing must either have legal significance or be commonly relied upon in business transactions. It need not be handwriting; the law of forgery also covers printing, engraving, and typewriting.

- Insufficient financial reports - When financial reports are not prepared meticulously or are filled with fraudulent work, the company may suffer financial damages.

- Embezzlement - When funds are misplaced or completely removed from the company's accounts, it is an act of embezzlement, and this can cause serious damage to the company's funds.

- Unauthorized reporting of services - If the papers show goods received when they are not, and payment has been issued for the same, it is fraudulent. This causes monetary damage, and the company faces losses.

- Issuing receipts of unpaid wages - If receipts are sent to staff of payments when they are not, it is also a fraudulent monetary activity.

Process of implementing security procedures and checks to prevent monetary losses due to fraudulent activities

Every business is susceptible to fraud. That's largely because there are so many different kinds of fraud.

Cybercriminals adapt their methods almost as quickly as cyber-security firms create new products and services. It's nearly impossible to protect against every type of attack.

However, there are some measures to help safeguard your business against hackers, cybercriminals and identity thieves. Here are five techniques you can incorporate into your business practices.

- **Protect your bank accounts** - If you haven't created separate bank and credit card accounts for your personal life and business, do so now. If hackers get their hands on one account, they won't have access to the other, and vice versa. Look into the security systems your bank uses for online banking

to be sure things like automatic logout are available. Create a well-monitored reimbursement policy for employee expenses and stick to it. If you give credit cards to employees, ensure that the card provider has suitable fraud protections in place, such as automatic alerts if an employee spends over a certain amount. Handle bills online, so as few paper bills are lying around an office as possible. The more paperwork there is, the more likely that a bill with banking information could fall into the wrong hands.

- **Safeguard your computer systems** - Hackers are experts at cracking computer systems. A sturdy firewall can help protect your company data, while antivirus software can help detect breaches early on. There are several well-regarded cyber-security vendors. Find the product that best addresses your needs. Set up strict protocols that require employees to create passwords that are difficult to decipher. Have employees change their passwords every 60–90 days, and set password requirements to help ensure they generate strong passwords. Consider backing up your files daily or weekly and storing them offsite. If something happens to your system, you'll be able to restore the files you need without much downtime.

- **Check employee background** - When expanding your workforce, it's crucial to find people who are not only qualified but also trustworthy. Don't rely entirely on references and work history. Conduct a thorough background check. Some companies can provide this service for you. When you narrow down a list of potential hires to one or two people, you can run a check on the finalists before making your final decision. Make sure you obtain proper permission to run the check.

- **Create a secure entry** - A secure entry system can keep out unwanted visitors. Some key-card systems provide time-stamped records of an employee's entries and exits from your offices. In addition, management can limit access to specific areas to certain people. For instance, you can use a key card system to only let the IT managers inside the server room. Limiting access to sensitive areas keeps you and your business safer.

- **Purchase insurance** - While there are many precautions you can take, no measure is foolproof. If a fraudulent attack occurs, having insurance is crucial. Consider ID Theft Insurance to mitigate loss should an attack occur. Although it can't prevent the attack from happening, ID Theft Insurance makes it easier to return to day-to-day life in the event of an attack. Depending on the provisions of your policy, it may report the problem to creditors and reimburse you for the money taken.

  While fraudulent monetary practices damage the business's overall financial well-being, security procedures must be adequately implemented to prevent such monetary losses. These security procedures will ensure that every step is cross-checked and verified.

- **Verification** - If a signature is needed, it should be verified as authentic and passed through. Verifying data and resources is an absolute must while conducting any financial transaction.

- **Careful surveillance** - Every company premise should be surveyed by authentic sources so that no fraudulent practice occurs.

- **Biometrics** - Introducing a biometric system is a great way to backtrack any activity, and this is a crucial part of the financial security procedure.

- **Software centralization** - When all the activities are centralized in single software or digital platform, it is a great way to maintain financial security.

Summary 📑

- The process of managing funding and cash flow
- The process of maintaining a profit and loss account
- The process of implementing security procedures to safeguard monetary transactions

Exercise 📝

Multiple Choice Questions:

1. Sources of funding include:
   a) Debt capital   b) Equity capital
   c) Retained earnings   d) All of the above

2. Controlling costs of a business comprises of:
   a) Production costs   b) Marketing costs
   c) Office supplies expenses   d) All of the above

3. Elements of basic financial accounting include:
   a) Assets   b) Equity
   c) Liabilites   d) All of the above

4. _____ includes all the processes utilised to record an organisation's financial transactions.
   a) Basic accounting   b) High level accounting
   c) Basic excel   d) None of the above

5. Type of accounting reports can be like:
   a) Ledger   b) Profit and Loss
   c) Balance Sheet   d) All of the above

Answer the following:

1. Elaborate on the process of preparing a budget.
2. Elaborate on the process of controlling the budget.
3. Explain the process of opening and managing a bank account.
4. Explain the ways of securing funds.
5. Describe the process of opening and managing a bank account.

Notes

4. Acquiring Market Awareness

Unit 4.1 - Updating Self on Products/Services Relevant to Business

Unit 4.2 - Equipment Required for Daily Operations

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Explain the importance of understanding market trends and update yourself on the products/ services relevant to the business.
2. Describe the concept of sourcing and processing products and service data relevant to business
3. Analyse the new technologies that can improve business efficiency and reduce the related risk

UNIT 4.1: Updating Self on Products/Services Relevant to Business

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify the products and services related to a business and market trend
2. Identify the opportunities for up-selling, cross-selling, and expansion of business
3. Elaborate on the concept of sourcing and processing product and service data relevant to business
4. Perform market analysis for the products and services offered by the competition

4.1.1 Products/Services Involved in the Business

- Products are tangible items, while services are intangible items. They are both parts of the business output. However, if seen carefully, products can be intangible and vice versa. There are a few key products and services that are integrally involved in the process of the business.

- Equipment - In a business production process, equipment is deeply involved. A business cannot operate adequately without the right equipment, be it major production or small accessory equipment.

- Parts - Apart from equipment, a business requires other parts supporting it. For example, tools and scanning machines are the supporting products involved in the business.

- Raw materials - These are key products required to get a business going. The raw materials ensure that finished products come out as well as expected.

- Finished material - The finished material makes the business stand out from the rest of the market. Hence, it is a key part of the business.

- Business services - Business services are what a company offers to its clients. It can be intangible, like satisfaction and comfort, or bonus services only a particular company specialises in.

4.1.2 Market Trends Concerning Sales Patterns

Market trend plays a key role in determining what consumers presently want. It can make or break a market. For instance, consumers are now more inclined toward handmade and authentic products instead of machine-made ones. Handcrafted beauties with their unique flaws have taken the market by storm. Hence, the sale of these products has increased. This shows how the current market trend demands that a company stays on terms with it if it wants to achieve its target sales.

The sale trend analysis shows that the business is keen on maintaining the market trend. Furthermore, a detailed analysis will show the performance of the business and its areas of improvement. Thus, a market trend directly influences sales patterns.

Up-selling, cross-selling, expansion of business

A business owner will not only think of starting a business, and once the business is up and running, the company will think of expanding its scope and reach. Up-selling and cross-selling are the two most crucial aspects of expanding a business, and they open up opportunities that were not thought of before.

Up-selling ensures that the business can reach a position where it can market and sell many enhanced versions of the previous products. On the other hand, cross-selling sells a wide array of ancillary products in addition to the product originally asked for by the customer. For instance, if the business wants to retail a clothing item, up-selling will be about selling the most expensive item. Cross-selling will try to sell various accessories that complement it.

Both of them open new opportunities. If the consumers buy the expensive product, the company can focus on producing high-end products. And, if the consumers want other accessories, that area can be focused upon too in terms of expansion. In an ideal situation, a business will try to cater to both sections of consumers, bringing about a healthy business expansion.

4.1.3 Concept of Sourcing and Processing Product and Service Data Relevant to Business

The concept of sourcing is quite simple. It is procuring supplies from vendors and other suppliers. Here, sourcing means raw materials and the services required to process the materials. The processing of the product means making it go through various stages to prepare it for the market. Sourcing and processing are two concepts interlinked with the business's overall functioning. Hence, it is important to analyse the suppliers, their rates, time schedules, and the skills and requirements relevant to processing a product.

Service data is one of the most important elements of the business. It helps the business to stay relevant in the present time and age. It includes data mapping, looping, and aggregation. Hence, it helps generate insights that help businesses enhance their competitive advantage in the market. While businesses struggle to streamline the company's various data, service data ensures the harnessing and allocating of the information in the correct places.

UNIT 4.2: Equipment Required for Daily Operations

Unit Objectives

By the end of this unit, the participants will be able to:

1. Demonstrate the steps to operate relevant equipment involved in business
2. Explain the preventive measures and maintenance required for equipment
3. Identify new technologies that can improve efficiencies and reduce risks

4.2.1 Operative Relevant Instrumentality Concerned in Business

Office instrumentality that a corporation should have

Every business must have faith in the categories of apparatus their company desires so their workers can do their job properly. Workplace instrumentality helps manage office-related work and makes your day-to-day tasks runs smoothly. Workplace instrumentality is sometimes not noted, however essential. The correct and necessary instrumentality ought to be offered for each worker so that they will work fruitfully and expeditiously. Not solely can workers like smart quality instrumentality, but it'll conjointly profit your business image. The correct workplace sends out a positive message to purchasers and partners.

Fig. 4.2.1: Relevant Equipment in a Business

Furniture

Buying the correct furniture is very important for numerous reasons. Firstly, it'll make your workplace look pleasant and skilled, and it will be comfy and accessible for your staff and customers. Selecting the

correct furniture article will also play a crucial role in increasing the morale and productivity of your staff. Staffs tend to feel better-off working in a very pleasant atmosphere. In this fashion, they develop a positive perspective towards the organisation and feel more motivated to work efficiently and be productive.

For instance, victimization, the correct colours, and lighting will solely increase productivity. Invariably detain mind to balance what you'll be able to pay with what your staff would like. Lastly, workplace furnishings can portray the character of your business, and attractive furniture articles provide a decent impression to guests. This may improve the image of the workplace, and it'll create the corporate look additional reliable and skilled.

When shopping for an article on furniture, it's essential to think about the house of your workplace. Invariably, an attempt to prepare this workplace provides a way that will make the workplace look larger and more accessible.

Choosing the correct article of furniture might sound difficult since it'll confirm the comfort of your staff and the means they perform. Thus there are some factors to think about once creating your selection. Shopping for an article of furniture may be a long investment. Thus, it's not simply a matter of style but of paying each coin with wisdom. It's best to mix style with purpose and performance.

Additionally, determine whether the furnishings you select are mobile and convertible to the workplace space. Safety is another essential issue to think about once selecting the correct furnishings.

Internet Connection

A high-speed internet connection is, without a doubt, mandatory for every business. Without a reliable internet connection, businesses couldn't connect with and share information internally and externally. Since many businesses operate online, a good internet connection contributes to daily tasks.

A lot of office equipment can connect to the internet. Therefore, the internet is a great system that enables different smart devices to transfer data over a network without human interaction. These smart devices include speakers, photocopiers, coffee machines, smart locks, and more. Having such smart devices in the office comes with potential security risks. No matter what size your business is, having good office security is crucial to managing smart devices safely. Other types of office equipment businesses need are routers and on-site backups.

Kitchen provides

Choosing a water dispenser in your workplace is thus a good plan.

There are tons of Water dispenser machine suppliers , Tea & coffee machine suppliers that facilitate workplaces in selecting a tailored office dispenser. If your company prefers a lot of quality brew, you'll select Brew machine accordingly. Looking at your business's dimensions, you'll choose from different kinds of machines suppliers .

The choice to heat food could encourage workers to remain at work for lunch. Thus providing cutlery and a different room for food consumption will keep the employees intended and effective . Completely different cleansing like paper towels, and dishwasher soap is required in the room to maintain the space tidy.

Telephone Systems

Effective communication is a vital tool for any business. Once considering business instrumentation, firms must always invest in an exceedingly smart workplace communication system.

There are different options, sizes, and choices of varied phone systems. Firms ought to select the one that might match their business the simplest in terms of objectives and desires. 2 systems decently suited to businesses are PBX and VoIP phone systems. The biggest distinction between these 2 systems is the means they connect users.

Workers create calls through the net with VoIP systems because it could be a cloud communication system, whereas PBX systems use a regular phone line. Business mobile phones are the simplest resolution for mobile workers, which means those who travel for business functions. Sales representatives might enjoy a business itinerant because it permits them to enhance sales processes.

Photocopiers and Printers

Every business should undoubtedly have some basic machines: a business printer, a copier, and a scanner. Photocopiers and printers are no doubt essential workplace instrumentation among businesses. Rather than shopping for a copier, low-budget firms will want the copier rental. Identical applies to printers, as a printer rental will be a decent efficient alternative. Again, looking at the wants of your workplace, you'll select different kinds of workplace machines.

Firstly, it is vital to trust the dimensions of your workplace. Check that your printer doesn't take up abundant space. Printers may have scanning and faxing choices, and document feeders are required if your business needs scanning tons of documents quickly.

Computer software package

Since data is the backbone of each business, the laptop software package is another necessity that belongs to an essential workplace provider. The laptop software package includes helpful apps, an anti-virus software package, a data processing software package, and CRM systems. Firms will think about different kinds of apps in line with the business. A reliable anti-virus software package is a necessary tool to shield devices from hackers.

Word processing software package is vital for offices because it offers automatic corrections of misspellings, improves overall speed, and reduces errors. Besides these edges, data processing conjointly helps workers work much more efficiently and correctly. Lastly, CRM systems are a useful gizmo to include in businesses. Building a decent client relationship is crucial in any business, and making and maintaining this relationship will wear out a web atmosphere or personal communication through phone calls.

Stationery

Office letter paper is the basic daily essential thing each business should have. Things like pens, paper, and notebooks, are essential workplace instrumentation for workers to work profitably and efficiently. Although the technology is evolving speedily, letter paper's importance remains robust and remains a valuable tool. One of the most reasons workers prefer to use letter paper is the organisational purpose. Keeping all data at reach is easier after you have separate, tagged notebooks or protection folders. Keeping technological malfunctions in mind, having a tough copy is much more reliable than simply having a web document.

Using excessive paper in offices isn't the simplest eco-friendly means of operation. Attempting to find a balance between online documents and onerous copies may well be a decent resolution. A good means of victimization paper meagrely could be a digital paper pad. It should be a rich investment. However, it's undoubtedly valuable, considering providing it's a good thing to save nature.

Even with letter paper, firms will channel a positive message towards purchasers. This workplace will be branded with the corporate name representing expertise and uniformity.

Storage instrumentation

The office provides storage folders, USB flash disks, and external drives to facilitate businesses to keep everything organized and separate. Storage folders are thus a useful gizmo for businesses that wish to keep their files organized. Tagged storage boxes may additionally facilitate an archive of documents.

Saving documents to a USB flash disk is another great way of keeping documents organized and safe. Once saving documents to a USB disk, you're positive that you have a backup of the first document.

Collaboration Tools

Collaboration tools like workplace boards are necessary workplace instrumentation. These tools create it easier to keep ideas in a corporation organized. The essence of collaboration is sharing data and skills to realize the simplest result. Whiteboards are an ideal tool for sketching mind maps or ways, and it's conjointly a good thing to simply write down many reminders to keep you on the right track. They match the best private offices and conference rooms. Another essential collaboration tool in any business atmosphere is a bulletin board. The aim of this board is principally to tell workers about this state of affairs and to update them on their daily duties.

Projectors also are a requirement in firms. This workplace instrumentation represents a contemporary, innovative and sophisticated business atmosphere. With a projector, firms will share data quicker, communicate more, and collaborate more simply. A projector is a decent workplace tool for coaching and

Office Waste and utilization Tools

Shredders create it easier for firms to destroy confidential documents, client reports or different documents.

Recycling within the workplace and keeping your workplace clean contribute to your company's image. Having enough rubbish and utilization bins is a big part of any organized and clean workplace. Businesses won't solely keep their workspace tidy; however, they will conjointly contribute to a greener atmosphere. Last but not least, utilization in offices helps in increasing the oneness. It's the way of keeping the corporate clean and pleasant.

4.2.2 Precautions and Maintenance Required

For the business to operate smoothly, certain precautions and maintenance steps must be implemented to ensure no unfortunate incident.

- Data audit - Businesses should implement a data audit system for every department. This will ensure that each work takes place according to schedule, and if anything goes amiss, it can be backtracked easily.
- Threat detection - There should be a system to understand if any threat is detected in the digital or physical workspace.
- Assign efficient and experienced people - This is a key precautionary measure. When the company hires suitable people for the right job, there is less probability of mishap.
- Surveillance - Be it in the physical or digital space, everyone should know that each action or click is being monitored. This will also ensure that the employees work in a safe space where their hard work is noted.

For the maintenance part, every business must note that each implementation has to be assured that it is looked after. From taking note of glitches to ensuring that professionals look into every system regularly, the business has to do proper maintenance to survive in the long run.

4.2.3 New Technologies That Can Improve Efficiencies and Reduce Risks

In the present world, technology is a great tool to improve efficiency and reduce risks. The new technological advancements ensure that businesses stay ahead of time and can assure the company of enhancing efficiency and reducing risk.

• **Document data extraction** - This is an automated process of analysing the data received and entering them into a designated space in system records. This enhances work efficiency by leaving no possibility of missing out on any data. Thus, this reduces the risk of wrong entries as well.

• **AI or Artificial Intelligence** - This is one of the most relevant and widely used technological advancements. From knowing customer preferences to enhancing the speed of transactions, AI has changed how business is done.

Summary

- Information related to products and services connected with a business
- New technologies that can improve business efficiency and reduce the related risk

Exercise

Multiple Choice Questions:

1. _____ plays a key role in determining what consumers presently want.

    a) Market trend
    b) fashion trend

    c) Economy trend
    d) None of the above

2. _____ means both raw materials as well as the services required to process the materials.

    a) Sourcing
    b) Producing

    c) Selling
    d) None of the above

3. With _____ systems employees make calls through the internet.

    a) VoIP
    b) VVIP

    c) VIIP
    d) None of the above

4. Precaution and mantainence methods include:

    a) Data audit
    b) Threat detection

    c) Surveillance
    d) All of the above

5. _____tools make it easier to keep ideas within a company organised.

    a) Collaboration
    b) Installation

    c) Threat detection
    d) none of the above

Answer the following:

1. Explain the process of up-selling and cross-selling.
2. Describe the products and services related to a business.
3. Elaborate on the concept of sourcing and processing product and service data relevant to business
4. Elaborate on the precautions and maintenance required for sourcing and processing product and service data relevant to business
5. Discuss about the new technologies that can improve efficiencies and reduce risks.

Notes

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Scan the QR codes or click on the link to watch the related videos

https://www.youtube.com/watch?v=mmm0ccYPliU

Pricing Strategy An Introduction

https://www.youtube.com/watch?v=QiVGmFztyuw

Pay Yourself When Pricing Your Products & Services

5. Aspects of Marketing

RAS/N0204

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Elaborate on the concept of the target audience profile/ market
2. Identify products being offered by competitors/other players in the locality
3. Illustrate the process of selecting the best promotional medium
4. Discuss the steps of managing inventory and sales effectively

UNIT 5.1: Planning of Product Assortments and Range-Based Market Analysis

Unit Objectives ⊚

By the end of this unit, the participants will be able to:

1. Explain the process of mapping the target and identification of customer need
2. Illustrate the buying patterns and the process of modifying the assortments according to the observed trends
3. Identify the products being offered by the competitors in the vicinity

5.1.1 Target Audience Profile/Market

Defining an audience

In General terms, an audience is a cluster of listeners or spectators, however here we are referring to the audience in the retail industry.

In the retail business, your audience refers to the specific cluster of shoppers possibly to need your product or service. Knowing your audience helps you to make decisions concerning what info you must include, however you must arrange that info, and what kind of supporting details are necessary for the audience to understand what you're presenting.

Iidentifying your target marketing is important. It helps you discover new customers and bring interested buyers, resulting in higher conversion rates and sales.

What is audience analysis?

An audience analysis could be a structured method of gathering and decoding info and knowledge concerning the folks presumably to consume your product or service. The goal is to spot the distinctive and customary characteristics.

There are different approaches to researching your audience; however, they often follow similar steps. The plan of action you decide on depends on your variety of businesses and, therefore, the lifecycle stage of your product. This determines the audience you want to outline and the factors you want to investigate in your selling strategy.

Types of target audiences

Start by breaking your analysis down into categories or types of target audiences. Typically you will define them according to:

• Demographics
• Interest
• Consumer behaviour
• Product-specific criteria

Set your priorities. Is your customer base primarily defined by demographic information, related factors, or any other types? That's where you start your analysis. Eventually, your market research and target audience definition will comprise elements from each category.

Let's look more closely at what each category includes.

Demographics

Demographics defines the most basic type of target audience. Demographic factors include:
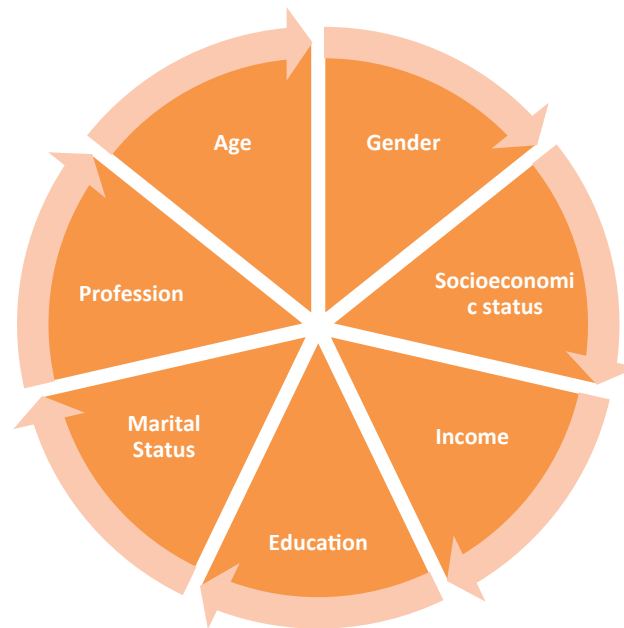

Fig: 5.1.1: Demographic factors

- Age
- Gender
- Socioeconomic status
- Income
- Education
- Marital status
- Profession

Interest

You want to find out if your audience shares common interests and preferences. This could come in addition to the demographic parameters and be more influential.

- Hobbies
- Type of sports
- Preferred reading
- Music & movie genres
- Values
- Political tendencies
- Social involvement

Consumer behaviour

In many industries, it is important to characterize your customers' online behaviour, specifically regarding purchasing decisions. Analysing how people purchase allows you to adapt your website's UX/UI design, marketing campaigns, marketing message, and overall marketing efforts.

• How long is the purchasing process?
• Which social networks do they prefer?
• Payment preferences?
• Through which marketing channel did they arrive?

Product-specific

It's likely you offer more than a single product or even several product categories. You want to specify what's unique and how you can target the most probable customer for each product type.

Let's say you are offering separate subscription packages for your SaaS platform, from a basic start up to a full-scale enterprise. What features does the enterprise solution offer, and what common pain-point does it solve for business owners and digital marketing professionals? What does this mean for the potential user who would or would not benefit from your product?

This is also relevant for niche products or solutions that are highly specific. Let's say you're a small business offering online courses in web programming. You want to find out if you are attracting beginners who are making a career change or experienced programmers who want to expand their knowledge.

For any business, the profile and market of the audience are of utmost importance. In order to build a customer base, the business must first determine the target audience and understand the marketing strategies that will be required to reach them. The target audience's profile should match the persona of the products you want to market.

Ways to find and research your target audience

• **Buyer personas:** Imagine your ideal customer. Who would benefit most from your product? Create a detailed profile including demographic data, interests, and purchase behaviour
• **Surveys:** Ask your audience directly about their interests and preferences. Simple, free survey software, such as Survey Monkey, lets you create easy-to-navigate questionnaires that you can distribute to your contact lists or on social media
• **Google Analytics:** Collect data with GA about audience demographics and online behaviour
• **Similar web:** Get additional data with similar web audience analysis tools and monitor your content. Investigate your competitor's audience demographic information and behaviour and compare against them
• **Facebook and Twitter Insights:** Use the analytics tools various social media platforms offer
• **Social Monitoring:** Start social media monitoring with programs like Sprout and social listening tools to get additional insights. Find out who says what about you and your competitors
• **Sales force:** Analyse your current customers' preferences and characteristics and map out the buyer journey
• **Feedback via email, or website:** Request feedback after purchase or interaction with customer service. Encourage customers to leave reviews. Engage with your audience directly
• **Competitors' websites:** Analyse your competitors' websites and social media presence
• **Relevant online groups:** Join relevant online groups and participate in discussions

Buying patterns of customers to define assortments and modify them as per trends observed

While studying the market, it is important to analyse customers' buying patterns. For instance, it may be noted if the customers are buying in bulk or selectively. This helps the business to define assortments. The department stores understand the buying pattern of the people: they know the more they offer, the more sales there will be. Again, if this pattern changes, the marketing policy will change. It will then be promoted that handpicked and chosen products are the best to buy. Hence, noticing and working on customer buying patterns ensures that a business stays adaptable by modifying according to the observed trends.

Customers are easy to access to target selling to them

Creating a target audience profile and understanding the buying pattern leads the business to categorise customers based on their accessibility. First, it is important to identify the easy-to-access customers. They are an easy target to sell. It may be their social media presence or frequency of store visits –they are easy to access and can be identified when they readily respond to the business and its various marketing strategies. This identification smoothens the selling process. The customers' ease of access makes them wonderful potential customers.

5.1.2 Products being Offered by Competitors/Other Players in the Locality

A business should understand that gone are the days of monopoly. There will be competitors outside the market who sell similar kinds of products. Hence, it is judicious to identify the competitors and the products they offer to the customers. This allows the new business to enhance its products or implement a marketing strategy that calls out its uniqueness. Competitors and other players, such as distributors, should also be analysed. Studying the local market concerning competition ensures that the new business can stay one step ahead of others.

UNIT 5.2: Organising Resources and Promotional Programs

Unit Objectives ⊚

By the end of this unit, the participants will be able to:

1. State the importance of Selecting appropriate medium of promotions
2. Elaborate on the process of planning budgetary requirements for the promotional programs
3. Explain the process of tracking and monitoring the effectiveness of the promotional programs

5.2.1 Selecting Right Medium for Promotions

Implementing the right medium of promotion is one of the most crucial ways of marketing a business. The study of creating the profile of the target audience and understanding the buying pattern tells the marketing department which form of promotion connects most with the buyers. For instance, if the target customers are 20 to 40 years old, social media can be a great place to promote. However, a big and vibrant public display can be a suitable choice if the target audience is of a larger age group. To select the appropriate medium of promotions, studying the prospective buyers, their expectations, and the market is an absolute must.

Organising resources depending on the marketing medium

The medium of marketing has to be determined along with the duration of display and the way of presentation. These factors determine how much money it will take to advertise the product the way the marketing department wants. Once the money to be spent is determined, the company is required to organise the resources. Interestingly, all resources should not be spent at once. For instance, if the marketing medium is social media, advertisements may be boosted for a short period. This will not only require a smaller portion of resources but also will create a sense of anticipation. Once the potential customers start to engage and there are positive transactions, more resources may be further allocated. Hence, when organising resources according to the marketing medium, test the waters and then plunge in.

Planning budget requirements for the promotional programs

Planning a budget is extremely crucial for any business. However, planning a budget for promotional programs is widely different from the production budget. Here, a few factors have to be kept in mind.

• Medium of promotion - Each medium of promotion has a different price range. If it is a new business, emphasis should be given to smart promotion. Hence, choose a medium of promotion that resonates with the customers and get quotes accordingly.

• Duration - The longer the advertisement stays visible, the more expensive it gets. The business should first determine its needs and move accordingly.

• The glitz of the advertisement - A fair amount of money must be spent to make the advertisement or promotion more eye-catching. From artists to writers to printing/social media posts, a price has to be paid at each step.

Hence, it is important to understand how, when, and where the company wants the advertisement to be. Accordingly, talk to the key players, find the prices, and prepare the budget.

The process of tracking and monitoring the effectiveness of the promotional programs

The best way to track and monitor promotional programs' effectiveness is to seek insights into the same. This gives a detailed breakdown of who engaged, who positively brought in revenue to the business, who shared and reviewed, and how much the traffic of viewers is. While a social media post will give detailed insights easily, the marketing team must study the market once more for physical promotional programs. If the sales increase after a promotional product and customers talk quite a lot about it, it ensures that it has been a success. Thus, meticulous and categorical survey and report generation is the best process of tracking and monitoring the effectiveness of the promotional programs.

UNIT 5.3: Inventory Management

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Discuss the process to prevent inventory loss
2. Elaborate on the targets to achieve business gains
3. Describe the importance of Monitoring stock levels and maintaining them at the required levels
4. Illustrate the process of planning for contingencies

5.3.1 Assess Inventory/Procuring Capacity as per Costs Involved

Inventory carrying costs are among the main inventory management challenges organisations deal with. These costs arise from stocking items at a warehouse, distribution centre or store and comprise storage, labour, transportation, handling, insurance, taxes, item replacement, shrinkage and depreciation. Also known as typical holding costs, inventory carrying costs differ from organisation to organisation and their size. Generally, these costs comprise twenty to thirty per cent of the entire stock expense and keep growing with the time the stock is kept before selling. The percentages differ according to the number of products an organisation sells, the stock turnover ratio, the location of the storehouses and the things required to preserve the stock.

Procuring capacity as per costs involved

Inventory carrying costs are a benchmark for an organisation to ascertain whether the company is operating efficiently or not. If the inventory carrying costs are high, it will denote that the company has more stock than the demand in the market. It also means that the organisation needs to adjust the frequency of transactions while giving orders to the manufacturers and distributors, or it needs to find a solution to move the stock smoothly. There are four sectors in which the inventory carrying costs can be divided. These are:

| Capital Costs | Storage Costs |
| Service Costs | Inventory Risk Costs |
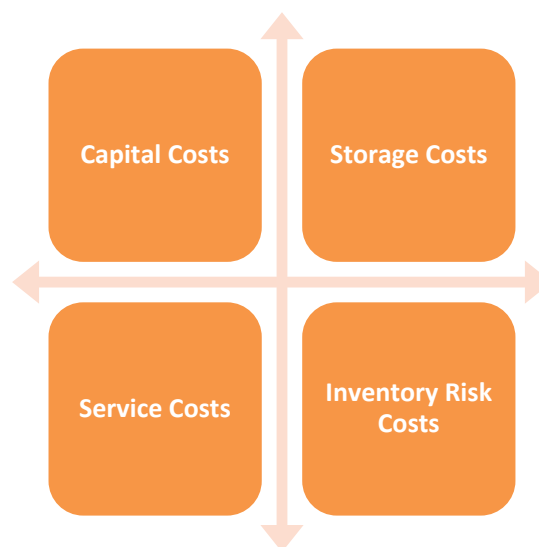
Fig. 5.3.1: Types of Inventory costs

1. **Capital costs** – Comprises the expenses incurred on investments, interest on working capital, taxes on inventory paid, insurance expenditures and other expenses involved with legal liabilities. The inventory storage and capital costs are dependent upon and differ from the strategy of the management to manage stock in house or by utilising outsourced vendors and third-party service providers.

2. **Storage costs** - Inventory storage costs typically include the Cost of Building Rental and facility maintenance and related costs. Cost of Material Handling Equipment, IT Hardware and applications, including the cost of purchase, depreciation or rental or lease as the case may be. Further costs include operational costs, consumables, communication costs and utilities, and the cost of human resources employed in operations and management.

3. **Service costs** – service cost comprises all expenses incurred on building, supporting, and delivering the service. Examples of service cost components include equipment, staff labour, professional fees, software, license fees, and data centre charges.

4. **Inventory risk costs** - Inventory risk costs include the shortfall of inventory primarily occurring due to the misplacement of products resulting because of factors other than sales. This includes theft and administrative errors such as misplaced items, transportation problems, or delays in system updates.

The importance of calculating Inventory carriage costs

Inventory carrying costs may comprise one-quarter of all inventory spend, affecting a business's overall financial health. If an organization can't quantify the cost of keeping stock on hands, such as by employing an inventory or stock control system, it may have cash flow problems.

A company could also miss out on a promising investment or growth opportunity because it has too much money tied up in inventory without leaders even realizing how much carrying costs are holding back the business.

Some reasons why calculating inventory carrying cost is important

• **Production planning:** Once a company understands how much it spends to store inventory, it may rethink its production schedule. In particular, if a certain product can be manufactured quickly, the business may want to keep only a small quantity in stock. On the other hand, a certain item may be a big seller and have a low carrying cost, so it makes sense to dedicate more warehouse space to it. A material requirements planning (MRP) process can provide insights.

• **Profitability of existing inventory:** By calculating inventory carrying costs and tracking the value of each product, an organization can better estimate how much profit it can expect from existing inventory. Carrying costs are a major inventory expense, so once that's deducted, it's easier to measure profit by item.

• **Inventory accounting:** Inventory is one of the biggest expenses for many companies, so it's important to accurately calculate the cost of holding that inventory and the value of those products. The accounting team needs this data to produce accurate financial statements.

5.3.2 Assess Operating Costs

Operating costs involve the maintenance and administration of a business on a day-to-day basis. Operating costs include direct costs of goods sold and other operating expenses—often called selling, general, and administrative which include rent, payroll, and other overhead costs, as well as raw materials and maintenance expenses. Operating costs exclude non-operating expenses related to

financings, such as interest, investments, or foreign currency translation. The operating cost is deducted from revenue to arrive at operating income and is reflected on a company's income statement.

Calculating operating costs

Enterprises must keep track of operating costs and the costs linked with non-operating activities, such as interest expenses on loans. Both costs are for differently in a company's books, allowing analysts to determine how costs are associated with revenue-generating activities and whether the business can be run more efficiently.

Generally speaking, a company's management will seek to maximize profits. Because profits are determined both by the revenue that the company earns and the amount the company spends to operate, profit can be increased by increasing revenue and decreasing operating costs. Because cutting costs generally seems like an easier and more accessible way of increasing profits, managers will often be quick to choose this method.

Trimming operating costs too much can reduce a company's productivity and, as a result, its profit. While reducing any particular operating cost will usually increase short-term profits, it can also hurt the company's earnings in the long term.

For example, if a company cuts its advertising costs, its short-term profits will likely improve since it spends less on operating costs. However, by reducing its advertising, the company might also reduce its capacity to generate new business so that future earnings could suffer.

The following formula and steps can be used to calculate the operating cost of a business. You will find the information needed from the firm's income statement that is used to report the financial performance for the accounting period.

Operating cost = Cost of goods sold + Operating expenses

Components of Inventory procuring expenses and ways to minimise them

1. **Cost of Capital** - Cost of capital, usually the biggest portion of inventory carrying costs, includes the purchase price of the products plus any interest and other fees if the business took on debt to pay for that inventory. Tying money up in products could affect cash flow and increase the need for and cost of additional capital. To reduce the cost of capital, invest in forecasting that leads to smaller or more strategic purchases. You could also negotiate a lower purchase price with suppliers.

2. **Cost of Storing Inventory** - The real estate items taken up in a warehouse or store are valuable: Warehouse space costs an average of $6.53 per square foot, so each shelf, bin, and box counts. Using a third-party logistics (3PL) provider makes it easier to figure out this cost because that partner may charge by the shelf, pallet or item. A company can often re-imagine its warehouse layout or how it stores products of different shapes/sizes to reduce storage costs. Paring down inventory may even allow a company to move to a smaller warehouse, another way to trim storage costs.

3. **Employee Cost** - This is the cost of labour associated with receiving and putting away products, fulfilling orders and other touch points. Businesses can often rearrange their warehouses to increase employee productivity by, for example, storing the most popular items near packing stations or supplementing human workers with automation. Experimenting with different picking methods and using software that maps the most efficient pick paths for employees are worth considering if labour costs rise.

4. **Opportunity Cost** - If you overspend on inventory, that ties up money you could have used for marketing, new hires, real estate, and countless other investments—many more valuable to the organization than items on a shelf.

5. **Obsolescence** - Obsolete inventory—stock that can no longer be sold because it's reached the end of its lifecycle—can lead to a spike in inventory carrying costs. Products become obsolete after they depreciate to the point of having no value and must be written off. Organizations can minimize obsolete inventory by finding ways to offload stock while it still has some value, perhaps through deep discounting, donating it or selling it to a liquidator. Otherwise, you'll likely pay to dispose of it. Without regular checks, companies may be holding obsolete inventory in the warehouse that incurs added costs and ties up space in the warehouse, so items must be disposed of promptly before they become obsolete.

6. **Insurance/Taxes** - Many companies invest in an insurance policy to protect one of their most valuable assets: inventory. Then if a flood or fire destroys a store or warehouse, all is not lost. But the more products in the warehouse, the more that insurance policy will cost. Similarly, the more inventories you hold, the higher your taxes. An organization can pare down both insurance and tax expenses by keeping fewer products or only its highest-performing goods in the warehouse.

7. **Administrative Costs** - Administrative costs encompass various expenses, including property taxes, facility maintenance and cleaning, transportation and equipment depreciation. Generally, if a company holds more inventories, it has higher administrative costs, partly because it needs a larger facility.

8. **Material Handling** - Labour and the number of "touches" a product requires—from putting it in a warehouse bin to printing a shipping label—is a big part of the money spent on material handling. But machinery, equipment and damage to products after you take possession are also part of this expense category. A company may not need as much machinery or equipment, or it may use them less frequently and reduce the need for maintenance and repair if it stores fewer items in its facility.

9. **Shrinkage** - When inventory is lost after your company purchased it, but before it's sold to a customer, that's shrinkage. Sources of inventory shrinkage include theft, fraud, and damage in transit or record-keeping mistakes. As with other inventory carrying costs, the more stock a business holds, the more money it will commonly lose to shrinkage. An organization could identify and terminate employees who are stealing, talk to vendors about common causes of damaged goods and perform more frequent physical inventory counts to reduce shrinkage.

10. **Delayed Innovation** - If a company is constantly focused on moving excess stock, it's likely not innovating and brainstorming ways to, for example, add a feature or new product requested by customers. Businesses can find themselves stuck in this loop if they carry too much inventory consistently, and optimising stock levels will free up resources for research and development.

5.3.3 Steps to Prevent Inventory Losses

Inventory management is one of the most important tasks of the business. It shows how much raw materials are being used and indicates when to bring in the next lot of orders. Hence, strict steps should be taken to prevent inventory loss. The best step to take is to introduce physical and digital two-way tracking. When a product is taken, it is logged into the system with details like the person's name, quantity, date, etc. If this is a two-way tracking method, there will be no scope for inventory loss, as any discrepancy can be easily backtracked.

5.3.4 Targets to Achieve Business Gains

To achieve business gains, the company must set certain targets to help it understand how much effort or other means may be required.

• Customer goals should include the number of customers to reach, how to engage them, and how to retain them.

- Financial goals - This is usually determined while drawing the budget. Once this is set, the production costs and sell price are set accordingly.
- Competition - The possibility of facing competition from other players in the market should also be considered. How much or less they will be focused upon can be a target to achieve business gains.
- Production and supplier goal - The lower the supplier and production cost, the lesser liability of funds. This situation will help in the better achievement of business gains.

5.3.5 Checking Inventory Levels

As previously mentioned, inventory management is one of the key ways of operating a business. Hence, keeping track of the available inventory is a must. Maintaining a physical and digital log of every activity ensures that the business is always aware of the stock of inventory available at present. Proper tracking mechanisms ensure that when the inventory levels go down, the proper people are notified straightaway. Thus, maintaining a detailed record will show that the required inventory is on hand when it is required.

Stock taking and cyclical counting

Stock-taking is the process in which all inventory items are counted at once. A stocktake is conducted when the entire business might need to shut down or work after hours to allow for each item to be physically counted. This count is then compared with data obtained from the inventory management system. These two data sets will agree in an ideal situation, indicating that the inventory management system is working well and that no inventory stock items are missing.

For a large business with numerous inventory items, conducting a stock take once a year is insufficient, but small to medium-sized businesses can function happily with stocktaking annually as the inventory stock is less in number and much easier to control accurately.

On the other hand, Cycle counting is where a certain proportion of inventory stock is counted in intervals. It can be done each month, week or day. Once a cycle count of all products has been completed, the cycle starts again.

The benefit of this inventory counting method is that the entire inventory will be counted within a certain time period, maybe a year. This, of course, happens without the need for a large-scale shutdown because the smaller the count is, the more controllable it is.

Two assumptions must be made in cycle counting:

- The accuracy of the counted items must represent the accuracy of the entire population (or warehouse of inventory in this instance)
- Any errors identified in the counted items must represent errors that exist in the population.

Stocktaking or cycle counting is an entirely individual choice of the company. However, the effects of each should be carefully considered.

In larger companies, it might be extremely difficult to halt warehouse operations for a period. However, smaller companies may be able to shut down relatively easily, and it may also be easier to identify and rectify errors that emerge once a year.

Regardless of the method of physical counting, it is vital to have a good inventory management system in place to function collaboratively with the choice of counting.

5.3.6 Planning for Contingencies

Contingencies are events that can happen in the future. While a business cannot say what the future will truly be like, it is always better to stay prepared.

A contingency plan is prepared for disaster response, backup operations, and post-disaster recovery to ensure the obtainability of required resources and the continuity of operations in an emergency.

To plan for contingencies, a business should:

• Identify and make a list of the possible risks

• Segregate risks based on their possible impact and severity

• Allocate plans for each risk

• Share the plans with the associated team and get them approved

• Distribute your contingency plans among concerned stakeholders

• Ensure that the plan is maintained in terms of preparing and analysing the future

• Create a new contingency plan if necessary

Summary

- The concept of the target audience
- Customers and the market
- Process of selecting the best promotional medium
- Steps for preventing inventory loss
- Products sold by the competitors in the market and the locality

Exercise

Multiple Choice Questions:

1. Understanding the _____ leads the business to categorise customers based on their accessibility
   a) buying pattern
   b) selling pattern
   c) producing pattern
   d) none of the above

2. _____ costs are a benchmark for an organisation to ascertain whether the company is operating efficiently or not.
   a) Inventory carrying
   b) employee-related
   c) miscellaneous
   d) None of the above

3. Steps of procuring costs involve:
   a) Capital Costs
   b) Storage Costs
   c) Service Costs
   d) All of the above

4. _____ is the process in which all inventory items are counted at once
   a) Stock-taking
   b) Stock clearing
   c) Stock management
   d) none of the above

5. _____ are events that can happen in the future
   a) Contingencies
   b) Fests
   c) Galas
   d) None of the above

Answer the following:

1. Discuss the buying patterns and the process of modifying them according to the observed trends.
2. What is target audience analysis?
3. Describe the type of target audience.
4. Describe the ways to find the target audience.
5. Describe the steps to minimise procuring expenses.

Notes

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Inventory Management Tips For Wholesale Businesses

6. Understanding Business Relations

Unit 6.1 - Vendor Management

RAS/N0205

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Describe the importance of building and managing networks with vendors and dealers
2. Explain the significance of establishing trust and confidence with vendors and partners

UNIT 6.1: Vendor Management

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify vendors and ways to connect with them
2. Identify the needs and requirements of specific vendor
3. Identify and elaborate on the process of proper contracting with vendors
4. Discuss the importance of maintaining cordial relationships with vendors by minimising possible risks and losses in vendor relationships

6.1.1 Sourcing of Vendors

For any business to take off, it is important to find the right vendors for the various requirements. In order to get the relevant information and help, the business should remember to keep a few aspects in mind:

- **Source locally** - For any business to get the best rates, it is judicious to look for local options. Local vendors provide the local materials and ensure that you are paying less than when sourced from faraway places. When local vendors are selected, the local authorities and corporations can be great sources of help and information.

- **Seek e-commerce options** - Today, e-commerce listings can help you get great vendors, and their rates and services are listed on the page, making the selection process easier. Furthermore, the websites also provide helpline numbers to get help and other information when required.

- **Government websites** - The government also provides online listing options. For instance, NASVI, or the National Association of Street Vendors of India, is a great source to secure information and help regarding street vendors.

6.1.2 Understanding Specific Requirements

In order to understand or identify which vendor suits your requirements best, it is better to understand what you require from them. It is this understanding that helps you to choose the vendor and get the process running. Hence, you should:

- Check what the vendor specialises in
- Find the price of bulk buying
- Ask about the transportation costs
- Know the time it will take for delivery

Every specific seller has some unique points that set it apart from the rest. It may be the quality of the products, or it may be the price point. For instance, you may want to select a specific vendor that will deliver you goods that no one else can, and you may ask another vendor to deliver the bulk goods if the price quoted is suitable. Simply put, the specialities of each vendor make you understand what you need from them.

Articulating Needs Clearly and Coherently

A transparent relationship with the vendor is crucial for any business owner. To achieve that, in reality, it should be taken care that all the requirements and terms are told clearly from the beginning. It may be the quantity required, delivery schedule, payment terms, etc. Each aspect that will impact the vendor and the business owner should be clarified and kept in writing. Hence, the needs can be best expressed in a written contract that both parties sign. This work contract clearly expresses everything both parties need to know and follow. Also, it assures that both parties will follow the expectations and obligations. Thus, after this, it is quite easy and legally sound to enter a workable relationship with the vendor/s.

6.1.3 Negotiating for a Better Deal

The need to negotiate effectively with vendors

It is quite rare that prices are set in stone, and you can find a more desirable agreement through skilled negotiation. Negotiating prices can exponentially affect your business since better prices on ever-growing orders over longer periods can mean a massive reduction in cost for you.

It's not just about price. Negotiating with vendors could help you improve an overall vendor contract. The negotiation process can help you understand the needs of each party and determine a contract that benefits both sides of the transaction. From interest to the length of the contract to payment terms, your vendor contract is made of many facets that can be negotiated. You can negotiate with potential suppliers and existing vendor contracts, so think outside the box.

Ways to effectively negotiate with vendors

- **Build a foundation of communication**

  Without clear and trustworthy communication, you'll never get anywhere. Take the time to commit to the conversation mindfully, and speak in person whenever possible. Do your best to respond to communications promptly, and show respect by saving communication for appropriate times. Consider a single point of contact for the vendor, so it's always the same person reaching out and getting to know one another. When there are issues, give your full attention to solving the problems and establishing trust. If a vendor sends mass emails about prices or services, they are unlikely to negotiate, so look for vendors with a personal touch in communication.

- **Research pricing**

  Nothing will spoil negotiations faster than asking for a price at or below their wholesale cost. You must research the wholesale cost (including transportation, packaging, etc.), so you understand how much flexibility your supplier will have with pricing. You will also need to understand variance in quality since most vendors will try to justify higher prices with better quality. For most vendors, keeping existing customers is cheaper and more expensive to find new business. If a vendor is worried, they might lose you, and this could be used as leverage as they may be more willing to whittle down prices. Understanding what existing vs. new business costs them can aid in negotiation.

- **Learn from them**

  Treat your vendors like the industry experts they are, and ask them to help you learn more about your field. Not only will you better understand your industry, but you'll earn their respect. Do your best to understand where they are coming from and the issues they face in the industry. Vendors want to work with well-informed business owners that will run their companies successfully over the long term. Demonstrate that you want to stay on the cutting edge of industry development and learn the business details, and you'll demonstrate that you're a company smart enough for partnership.

- **Sell the vendor**

  Your vendor wants to be well-represented and sell as much of their product as possible. Demonstrate to the vendor how you can help them meet their goals and increase sales. Will you get their product in front of key demographics? Is your sales team world-class? Maybe you can find ways to promote the vendor in your operations. Sell your operation to the vendor, and they'll be excited to work with you (and be open to negotiations).

- **Get quotes**

  Even if you know which vendor you'd prefer, always get multiple offers from potential vendors. Competition is key for driving down pricing and increasing your vendor's customer service. Consider not only other products but getting your own wholesale with transport and packaging (or any other steps the vendor would complete). Don't forget to get quotes for different quantities or tiers. The entire process of procurement is negotiable and presents multiple touchpoints for improvement and innovation.

- **Try a different angle**

  It may be that your vendor is unable or unwilling to negotiate the price. That doesn't mean the contract negotiation is over! Try finding other areas where you can make a better deal, perhaps the down payment, interest, repayment terms and length, discounts in bulk, or other factors. You may be able to transfer all of your business to this single vendor or bring in other businesses for them, such as another company in your building. You may not get a lower price, but you can improve your cash flow for maximum effect.

- **Talk to customers**

  If you want to establish a relationship with a supplier that will include the perks of price negotiation, it's a good idea to talk to their current customers. Ask the supplier for a list of client references and then reach out to them. You can determine if they're a reliable vendor and also come armed with the prices their existing customers are paying. The payment terms offered to these customers may give you a jumping-off point for your negotiations.

- **Lead with a deposit**

  The vendor is the one taking a risk, and what they truly want is to get paid. If a vendor feels confident in your payment, they'll be more willing to negotiate prices. Therefore, offering up a large deposit or downpayment on order can encourage the vendor to give you a better price.

- **Don't get desperate**

  It's a general rule of thumb that the "winner" is usually the party who wants it the least because the party who wants it the most is more willing to bend. When you're ready to negotiate, have a Plan B and even a Plan C for other vendors. Stay confident, and remember that you can always walk away. Typically it's not a good idea to take the first offer—carefully consider and respond with a better counteroffer. It's also important to leave plenty of time for negotiations and not rush through.

- **Be partners**

  A successful relationship between you and your vendors will look more like a partnership, not an order fulfilment chore. Figure out what will make your vendor's life easier—how can you save them money or time? Offer your supplier something mutually beneficial and treat the relationship like a long-term partnership. Consider what other services and perks you could offer them beyond your business order. In a partnership, you may log months or even years together, so know when to back off and let them "win" for the time being.

- **Start strong**

  Vendors are not likely to negotiate with a company that has missed a deadline or made late payments. Similarly, vendors don't want clients who are overly complicated to work with. By making your payments in full and on time, you begin to build trust. Communicate promptly, treat all points of contact with respect, and represent yourself as the type of client they want to retain.

6.1.4 Contracting with Vendors

As previously discussed, proper contracting must be done for a hassle-free business experience. A proper contract is possible when both parties lay down their terms and sit with a legal team. The legal team will be able to guide the business owners and vendors regarding the most suitable clauses. A proper contract should bind the vendors legally and ensure that they follow all the clauses for the duration of the contract. Hence, a proper contract should not leave out any loopholes, lay down all the requirements and obligations, and mention the payment terms.

Ensuring the minimisation of possible risks and losses in vendor relationships

In order to maintain a suitable vendor relationship, the possible risks and losses must be minimised. It can be done when the business follows a well-defined and regulated procedure.

- Regular monitoring of the working - Experienced professionals should regularly monitor the work of the vendors.
- Maintain contractual standards - There should be firm contractual standards that every vendor uniformly follows.
- Regulated vendor selection - A dedicated team should regulate the vendor selection process.
- Vendor auditing and risk management process - The business should have a risk management process that audits vendor performance.
- Create governance documents - The business should have certain governance documents that clearly say the responsibilities of the vendor management team.
- Regular reporting - The report should be prepared at regular intervals and contain risk assessments and the portfolio of the vendors.

Best practices for maintaining cordial relationships

A vendor-company relationship is very crucial in any business structure. The best practices for maintaining a cordial relationship with vendors are:

- **Transparency of terms of the contract** – clarity of a contract is essential for any business to strengthen its relationship with its vendors. Contract transparency is the disclosure of the contracts signed between companies and their vendors, and it helps maintain clarity in buying and transporting goods.
- **No hidden obligations** – The vendors should not get the chance to feel obligated. This is necessary to establish a strong foundation of goodwill and trust, ultimately benefiting the business in the long run.
- **Timely payments** – One of the best ways to maintain cordial relationships is to ensure timely payments. With payments cleared on time, the vendors automatically become confident about the organisation, which ensures more effective deals and business growth.
- **Regular conversations** – Maintaining regular conversations is essential to follow up on a process and stay updated with changes. It also helps in building a strong sense of goodwill. The vendors are assured that the organisation is taking them seriously or is interested in extending business with them.

Summary

- Process of how to build and manage networks with vendors and dealers
- Process of establishing trust and confidence in vendors and partners

Exercise

Multiple Choice Questions:

1. Steps of sourcing vendors include:
   a) Source locally
   b) Seek e-commerce options
   c) Government websites
   d) All of the above

2. _____ with vendors could help you improve an overall vendor contract
   a) Negotiating
   b) Quarrelling
   c) Fighting
   d) None of the above

3. Possible risks and losses in vendor relationships can be achieved through:
   a) Regular monitoring of work
   b) Maintaining contractual standards
   c) Regular reporting
   d) All of the above

4. Ways to effectively negotiate with vendors include
   a) Build a foundation of communication
   b) Research pricing
   c) Learn from them
   d) All of the above

5. To understand the specific requirements of a vendor, one should:
   a) Check what the vendor specialises in
   b) Find the price of bulk buying
   c) Ask about the transportation costs
   d) All of the above

Answer the following:

1. How to build and manage networks with vendors and dealers?
2. Explain the process of establishing trust and confidence in vendors and partners.
3. Explain various ways to express needs clearly and get into a workable relationship with vendor/s.
4. Explain the procedure to minimise possible risks and losses in vendor relationships.
5. Elaborate on the process of ensuring proper contracting with vendors.

Notes

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Learn English for Retail Salesperson

7. Importance of Personal Hygiene while Doing Business

Unit 7.1 - Maintaining Basic Hygiene and Cleanliness

Unit 7.2 - Workplace Hazards and Precautionary Measures

Unit 7.3 - Standard Safety Procedure

RAS/N0206

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Implement overall basic hygiene factors and understand emergency-related procedures at the workplace
2. Develop healthy habits to maintain personal hygiene
3. Dispose of waste safely
4. Explain the process of taking preventive measures to avoid work hazards
5. Elaborate on the process of following standard safety procedure

UNIT 7.1: Maintaining Basic Hygiene and Cleanliness

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain the importance of being presentable and well-groomed to service customers of all types
2. Discuss the process of safe disposal of waste at disposal stations
3. Elaborate on the process of wastewater drained off in a designated way
4. Explain the importance of health and sanitation requirements

7.1.1 Maintain Personal Hygiene and Grooming

For a business to establish itself in the market, it is important to present the products and services in a well-groomed manner. This enhances the marketability and credibility of not only the company but also the products and services it has to offer. To be presentable and well-groomed to services customers, the following need to be noted:

- **Good first impression -** When the product is first launched in the market, it has to be ensured that it has a great first impression. From colour schemes to simple language, everything should be such that it catches the attention of the target audience.
- **Availability -** The product should be available in the market it seeks to achieve from online to offline.
- **No unnecessary confusion -** The simplistic appeal of the product should be such that customers can identify it without any confusion with other products.
- **Reliability -** A well-groomed service will want to create a sense of customer reliability.
- **Address the customers' needs -** A product is presentable and well-groomed when it can cater to the target audience's needs.
- **Versatility -** A company cannot survive with only a few customers; it needs to grow and expand. To do that, it should be able to create versatile products that appeal to all kinds of customers.

7.1.2 Preventing the Creation of Unauthorised Waste Dumps

Businesses need to maintain cleanliness on the premises. One of the most crucial aspects of maintaining cleanliness is to ensure that areas of use are segregated according to the needs. For instance, it may so happen that nearby clean areas can get converted into unauthorised dump yards over time. This is unacceptable, as the safety of everyone involved with the business depends on maintaining a clean and healthy working environment. In order to prevent the clean areas from becoming unauthorised waste dump yards over time, the business has to look into the activities of the co-vendors.

- **Surveillance** - Every action in the yards and the surrounding premises must be under surveillance. And everybody who uses it should be aware of that. This will ensure that no vendor is doing any waste dumping that is not approved.
- **Meetings with vendors** - The responsible teams, should discuss with the vendors the expected course of action regarding how they dump the generated waste, and this will ensure that everyone knows what has to be done.
- **Place competent guards** - The guards should be able to guide if any co-vendor is unaware of where to dump waste.

- **Routine cleanliness checks** - Every space on the premise should be checked on a routine. This way, no waste will find itself in an authorised place, irrespective of the quantity.

Collecting and disposing of waste at the end of the day at the nearest waste disposal station

Daily waste disposal should be made one of the primary tasks. Waste generation is quite a common phenomenon in a business setting where production occurs. However, to ensure that the production process is not hampered, all wastes should be collected and disposed of safely at the end of the day. This thought can be converted into practice by:

- Allotting a waste collection team
- Ensuring that waste is collected at a particular time every day
- Identify the nearest waste disposal station and ensure the collected waste is taken there.
- Maintaining records of waste collection
- Having regular updates from the waste disposal station regarding safe disposal

How to ensure that wastewater is drained-off in closed drains or in a designated way?

As was previously discussed, it is important to identify the waste disposal station or technique. While researching a little about the disposal techniques used by the station, it can be determined if they dispose of the water in closed drains or in a properly designated way. As a responsible company, it can allocate a team to conduct regular inspections to check if disposals are taking place the way they should. Furthermore, if the funding allows, the company may also consider constructing treatment plants. This will ensure that the company can have complete control over the designated disposal of wastewater.

Other ways to maintain cleanliness: Not to litter and dump waste in an unauthorised area

While effective waste and water disposal are an absolute must, the company should keep the other ways of maintaining cleanliness in mind. This includes not littering and dumping waste in an unauthorised area. This objective can be achieved in the following ways:

- Authorise a waste disposal area
- Educate the staff about cleanliness and its benefits
- Ensure that less waste is generated
- Ask the waste collection team to collect the waste at regular intervals (before the final collection at the end of the day)
- Littering should not be encouraged in any way (consider imposing fines)

UNIT 7.2: Workplace Hazards and Precautionary Measures

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Identify various workplace hazards
2. Elaborate on the causes of accidents at the workplace and identify measures to prevent such accidents
3. Discuss the ways and means to handle emergencies like fire, robbery, riots etc.
4. Explain the process of mitigating risks to people and property during emergencies

7.2.1 Various Workplace Hazards

Several work hazards may impact the workers of a business:

• Safety hazard - This includes hazards that are caused due to safety mishaps. For instance, tripping on a machine or falling from a height are safety hazards.

• Physical hazard -This includes hazards that are caused due to harsh physical conditions like working outside in the sun or being exposed to radiation from machines.

• Biological hazard - If the workers work amongst bio-conditions, they may be susceptible to this kind of hazard.

• Workload hazard -Excessive physical or mental pressure may cause this hazard. It includes stress, trauma, and so on.

• Ergonomic hazard - Lifting heavy weights or sitting in a single posture for a long time may cause this kind of hazard.

• Chemical hazard - Exposure to harmful chemicals and other flammable gases may cause this hazard.

Causes of accidents at the workplace and identify measures to prevent such accidents from taking place.

Accidents of many kinds may occur in the workplace. The main causes are not following safety protocols, skipping training, not working under expert supervision, unintentional faults, etc. While accidents do not give a warning before occurring, certain measures can prevent them from occurring.

• Wear safety gear like face masks and gloves always or as and when required.

• Wear a safety harness while climbing heights.

• Ensure to work under expert supervision.

• Follow the instructions carefully, and do not take any caution lightly.

Health and safety practices for storing, cleaning, and maintaining tools, equipment, and supplies

The health and safety of the premises and the staff are the utmost priority of any business. Hence, certain practices must be followed for storing, cleaning, and maintaining tools, equipment, and supplies.

• **Designate places for storage**

Each item must be stored properly in a designated space, ensuring that everything is well-navigable and stays out of anyone's way when not in use.

- **Regular cleaning routines**

  The management should ensure that a thorough cleaning is done regularly, and this will promote overall health and safety.

- **Proper training in usage**

  To ensure that the health and safety of the staff are not compromised in any way, adequate training should be provided about all the best practices of use, storage, and cleaning.

7.2.2 Precautionary Measures to Avoid Work Hazards

Safety protocols should always be maintained if the staff wants to stay safe and keep others from harm. To adhere to safety standards, the staff should be aware of their actions and not do anything that may cause material damage to the business. The office should also stipulate certain safety guidelines (as previously mentioned) and ensure that the staff always follows them. Regular practice drills may be conducted to ensure that the staff learns and always follows the safety standards.

Ways and means to handle emergencies like fire, robbery, riots, etc.

In any workspace, unfortunate events can happen anytime, and the management must be ready to handle such emergencies.

- A detailed plan of action of reference

  The company should have prepared a plan of action for every possible unfortunate event and ensured that the concerned team knew what to do.

- Planned construction

  The premises should be constructed, so emergency exits are easily accessible when needed. It may be fire or riots, but the management should be able to evacuate people quickly and peacefully.

- Keep a calm head

  One of the best ways to manage an emergency is not by losing your cool.

- Assign competent people to the risk management team

  The company should note that only experienced and competent people handle emergencies.

7.2.3 Fire Hazards

The various causes of fireplace within the work are:

- Common fireplace Hazards - These embrace flammable and combustible materials like paper, cardboard, wood, sawdust, hay, straw, liquid fuels, gas cylinders, etc.
- Faulty Electrical Wiring - This is one of the common causes of fire outbreaks at the workplace.

Faulty Electrical Wiring includes:

- Out-dated and worn wires and cables
- Misuse of transportable heaters, which incorporates puts them extraordinarily to combustible surfaces like upholstery, couches, chairs, desks, rugs and carpets
- Misuse of Extension Cords by plugging appliances into Extension Cords
- Misuse of cords by material possession they run beneath rugs (made of flammable fibre)
- Installation of lamps and lightweight bulbs with an electric power specification too high for the present retailers

- **Faulty Electrical Instrument** – Faulty electrical equipment is one of the major cause of electrolution.
  - Short Circuit is caused by the internal breakdown of the apparatus, leading to insulation deterioration.
  - Short Circuit is additionally caused by insulation failure thanks to lightning surges, overloading of apparatus thanks to warming, physical injury, etc.

Depending on the source, fires can be classified into the following:

 Class A: fires involving solid materials such as wood, paper or textiles	 **Class B**: fires involving flammable liquids such as petrol, diesel or oils
 Class C: fires involving flammable gases like propane, butane, methane, etc.	 **Class D**: fires involving combustible metals like sodium, magnesium, potassium, lithium, titanium, aluminium, etc.
 Class F: fires involving cooking oils, such as in deep-fat fryers	

Learning the Methods of Extinguishing Fire

- The most common methods for extinguishing fire are:
- Cooling the Burning Material
- Cutting out the Oxygen Supply from the Fire
- Removing Fuel from the Fire
- Using a Flame Inhibitor (like Fire Extinguishers that chemically react with the burning material and extinguish the fire)

Among the above, using Fire Extinguishers is the most popular method of extinguishing fires.

	Colours	Fires involving wood, paper, textiles etc.	Fires involving Flammable Liquids, petrol oil etc.	Fires involving Flammable gases, butane, propane etc.	Fires involving burning metals eg. magnesium.	Fires involving electrical equipment	Fires involving cooking oils and fats
Water		✓	✗	✗	✗	✗	✗
Foam		✓	✓	✗	✗	✗	✗
Dry Powder		✓	✓	✓	✗	✓*	✗
M28/L2		✗	✗	✗	✓	✗	✗
CO2		✗	✓	✗	✗	✓	✗
Wet chemical		✓	✗	✗	✗	✗	✓

Fig 7.2.1: 5 types of fire extinguisher – A guide to use the right type of extinguisher

Follow the appropriate procedure in case of a fire emergency

Dos

• Switch off the isolation switch to stop the electric supply. This will prevent the spreading of fire
• Use a wooden stick to switch off the isolation switch to protect you from an electric shock
• Check electrical sockets and switches to ensure there are no loose wires
• Use appropriate Fire Extinguishers to put out Fire

Don'ts

• Do not place combustible items like cotton
• Waste - oil-soaked cotton or oil near the brazing or electrical points. These are highly inflammable, and even a small spark may start a fire
• Do not keep the LPG cylinder's regulator switched on
• Do not use water on electrical fires

Different Types of Fire Extinguishers and their Use

The main types of Fire Extinguishers and their uses are:

Water - For extinguishing wood, cloth, plastics, coal, textile, paper and fires from other solid combustible materials *Fig. 7.2.2: Water Fire Extinguisher*	**Powder** - For extinguishing fires from solid combustible materials, liquid, gas and electrical sources *Fig. 7.2.3: Powder fire Extinguisher*
Foam - For extinguishing fires from combustible solid and liquid materials *Fig. 7.2.4: Foam Fire Extinguisher*	**Carbon dioxide (CO2)** - For extinguishing fires from liquid and electrical sources *Fig. 7.2.5 : Co2 Fire Extinguisher*
Sand - For extinguishing fires, dry combustible substances like leaves, branches, wood, etc. *Fig. 7.2.6: Sand*	

Use the various appropriate Fire Extinguishers on different types of fires correctly

- **Water:** After ensuring that the extinguisher is full (by checking if the Pressure Gauge is pointing at the green area), the Safety Pin must be removed, which would break the seal. For a fire to spread horizontally, the hose of the Water Extinguisher must be aimed at the base of the fire, and the jet of water must be moved across the area of the fire. For a fire to spread vertically, the hose of the Water Extinguisher must be aimed at the base of the fire, thus moving the jet upwards, following the direction of the fire. The lever must be gradually squeezed to discharge the extinguisher. The user must gradually move closer to the diminishing fire, applying the extinguishing agent simultaneously. The user must look out for any hot regions that may reignite. The user must note that Water Extinguishers are only suitable for Class A fires.

- **Powder:** After the extinguisher is full (by checking if the Pressure Gauge is pointing at the green area), the Safety Pin must be removed, which would break the seal. For extinguishing fires from flammable solid materials, the hose of the Powder Extinguisher must be aimed at the base of the fire and moved gradually across the area of the fire. For extinguishing fire from spilt liquids, the extinguisher's hose must be aimed at the near edge of the fire and moved with a brisk sweeping movement, thus driving the fire towards the far edge till all the flames have been put out. To extinguish the fire from flowing liquids, the hose of the Powder Extinguisher must be aimed at the base of the fire and swept upwards till all the flames have been put out. The lever must be gradually squeezed to discharge the extinguisher. The user must gradually move closer to the diminishing fire, applying the extinguishing agent simultaneously. The user must look out for any hot regions that may reignite. The user must note that Powder Extinguishers are only suitable for Class A, B and C fires. A Powder Extinguisher must be used differently, depending on the class of fire it is being used on.

- **Foam:** After ensuring that the extinguisher is full (by checking if the Pressure Gauge is pointing at the green area), the Safety Pin must be removed, which would break the seal. For extinguishing fire from flammable liquids, the hose of the Foam Extinguisher must be aimed at a vertical surface near the fire. It must never be sprayed directly at the fire to prevent the fire from being pushed and spread to the surrounding areas. Using Foam Extinguisher on live Electrical Fires must be tested to 35 kV, keeping a safe distance of 1 km. For putting out the fire from combustible solid materials, the hose must be aimed at the base of the fire, moving across the entire area of the fire. Foam Extinguishers are suitable for both Class A and B fires. However, the technique of application differs for both classes. Foam Extinguishers help put out fires by accumulating a thick foam blanket across the entire fire surface. This built-up foam blanket prevents the re-ignition of fire.

- **CO2:** After ensuring that the extinguisher is full (by checking if the Pressure Gauge is pointing at the green area), the Safety Pin must be removed, which would break the seal. While putting out the fire from flammable liquids, the hose of the CO_2 extinguisher must be aimed at the base of the fire and briskly move across the area. The user must ensure that the CO_2 jet does not splash the burning liquid. To extinguish the live electrical fire, the power supply must be switched off if it is safe to do the same, and the hose must be aimed directly at the fire. Adequate care must be taken to extinguish the fire completely since resignation is possible while using CO_2 extinguishers. These extinguishers are suitable for use on Class B and E fires. However, the technique of application differs for both classes.

- **Wet Chemical:** After ensuring that the extinguisher is full (by checking if the Pressure Gauge is pointing at the green area), the Safety Pin must be removed, which would break the seal. The heat source must be turned off. The lance must be held at arm's length from the body, thus maintaining a safe distance from the fire. The nozzle, at this juncture, must be at least 1 m away from the source of the fire. The lever must be squeezed slowly to discharge the extinguishing agent. The spray must be applied in gentle round movements, allowing the wet chemical to enter the fire gradually, thus preventing hot molten fats and oils from splashing onto the user. The user must ensure that the fire has been extinguished since wet chemicals may instigate re-ignition. These extinguishers are suitable for putting out Class A, B and F fires.

7.2.4 Electrocution

Some main causes of electrical hazards and accidents:

• Faulty electrical equipment

• Loose, trailing, cut, non-insulated cables or wires

• Improper or untrained usage of equipment

• Manufacturer warranty and maintenance slippage

Accidents

• Fire

• Injuries to people due to improper electrical equipment

• Electrical shocks that can lead to death

Some safety precautions

• Check for any malfunctioning electrical wirings and equipment

• Report to the authority on the malfunctions if any

• Use electrical extension cords wisely

• Keep clothes, curtains and other potentially combustible items away from all heaters

• Never overload extension cords or wall sockets

• Regular maintenance of equipment as per guarantee/warranty or AMC (Annual maintenance

• contract) of servicing and maintaining equipment)

• Trained usage of equipment

The most important fire precaution is to have a functioning smoke alarm in your store and to practice a store escape plan frequently with your store staff.

Fuses and circuit breakers

When a fuse blows or a circuit breaker is tripped, alert your staff members immediately, inform your seniors and call the concerned department staff.

Inform your seniors

To minimise fire and shock hazards, whenever you see any wire hanging in the store/department or damages in the electrical equipment or unwanted materials piled up in a corner, carton boxes or papers kept near electrical equipment, you must inform your seniors or concerned department staff immediately.

Warning signs

Many electrical problems can be detected before they cause a fire or harm. To ensure electrical fire safety, learn to be alert and pay attention to any irregular electrical function in the store. Some warning signs include:

• A recurring problem with blowing fuses or tripping circuit breakers

• A tingle when you touch an electrical appliance

- Discolouration of wall outlets
- A burning smell or unusual smell coming from an appliance or wiring
- Flickering lights and some weird sound from the equipment

If you notice any of the above warning signs, or if an appliance functions oddly, take appropriate measures to prevent an accident - inform your seniors, alert the store staff and inform the concerned department staff. Unplug the malfunctioning appliance immediately. Electrical fire safety is serious, and precaution is of utmost importance. Ensure that learners understand the importance of avoiding electrical hazards.

7.2.5 Ways to Mitigate Risks to People and Property During Emergencies

To mitigate risks to people and property during emergencies, the company should keep in mind to:

- Bring improvements in the design of infrastructure and services
- Ensure to introduce of hazard-specific control activities
- Meticulous planning and considerate executions

The company's considerate actions during emergencies and planning ahead will ensure that risks to people and property are mitigated to a considerable extent.

Evacuation plan

Use/Proper Utilization of Breathing Apparatus

- Check the parts of the breathing apparatus thoroughly
- Check the bypass knob. Close it if you see it open. After this, press the reset button (area above bypass nob)
- Inspect the face mask to see that it is undamaged
- Lift the cylinder, ensuring that the cylinder valve is present on the top. The back plate of the cylinder should face the wearer
- Wear the breathing apparatus on the shoulder like a bag pack, and by the neck strap, hang the facemask
- After wearing the breathing apparatus tighten the shoulder straps and fasten the waist belt
- The cylinder valve should be opened slowly to inspect the pressure gauge
- Make sure that 80% of the cylinder is full
- Wear the mask slowly by resting your chin on the resting cusp and pulling the head strap slowly over your head. Pull the head straps for a snug but comfortable fit
- Breath in and normal to see if you can breathe normally or not
- Now insert a finger sidewise of the face mask for easy outward airflow
- Slowly close the cylinder valve without leaving the knob
- Be steady for 10 minutes and hold your breath or extremely slow to listen to any wheezing sound.
- Also, check the pressure gauge for any dip in the pressure
- Normally breathe to vent system
- Listen for a whistle alarm while observing the pressure gauge at 55 bar (+/- 5 bar)

Briefing and Guidance for Fire Fighters

There are 3 methods with the help which people can be rescued from a building engulfed in a blazing fire. To ensure on-site reception, here are 2 important steps we will discuss now. These come under the best safe lifting and carrying practices.

Conventional Technique: This is a good method if there is an open area close by. The first rescuers will make the victim sit under their armpits and grab their wrists. The other rescuer will cross the ankle (victim) and pull up that person's legs on his shoulder. Finally, on the count of 3, both will lift the person and move out.

Fast Strap: In case the victim is completely incapable of moving out of the fire zone. The rescuers should follow this method. One of the rescuers will place their knee between the victim's shoulder and head. Pin the webbing loop to the ground with the help of the knee. This acts as an anchor. With the non-dominant hand, hold the other end of the webbing and make a loop. With steady hands, pull the victim's hand in from the loop, tie it securely, and clip the webbing loops.

Essentials for Smooth Evacuation: The following are essential to have a smooth evacuation during an outbreak:

• Clear passageways to all escape routes
• Signage indicating escape routes should be marked
• Enough exits and routes should be present to allow a large number of people to be evacuated quickly
• Emergency doors that open easily
• Emergency lighting where needed
• Training for all employees to know and use the escape routes
• A safe meeting point or assembly area for staff
• Instructions on not using the Elevator during a fire

Special Evacuation Requirements for Specially Abled Persons

• The Visually Impaired
    o Announce the type of emergency
    o Offer your arm for help
• With Impaired Hearing
    o Turn lights on/off to gain the person's attention, indicate directions with gestures or write a note with evacuation directions
• People with Prosthetic Limbs, Crutches, Canes, Walkers
    o Evacuate these individuals as injured persons
    o Assist and accompany to the evacuation site if possible
    o Use a sturdy chair, or a wheeled one, to move the person to an enclosed stairwell
    o Notify the emergency crew of their location

UNIT 7.3: Standard Safety Procedure

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Explain the significance of checking and reviewing the storage areas frequently
2. Identify and elaborate on the process of following health and safety practices for storing, cleaning, and maintaining tools, equipment, and supplies
3. Demonstrate safe lifting techniques
4. Describe various display safety signs at places for people to be cautious

7.3.1 Process of Checking and Reviewing the Storage Areas Frequently

The storage area is one of the key areas of the production procedure of any business. Hence, care should be taken that the supervising team is always checking and reviewing the storage area regularly.

- Surveillance devices need to be implemented in the storage areas.
- Regular reports on the 'stock' of storage areas should be prepared and submitted.
- The storage should be done so that space is utilised to the maximum.
- The traffic of goods should be tracked in real-time.
- Implement regular maintenance work

Importance of health and safety

- To provide an environment that is safe for the customers and employees.
- To retain the image of the store, which is an important part of the store's brand and reputation.
- To ensure that the store and the organization are profitable

Electrical hazards

Some main causes of electrical hazards and accidents:

- Faulty electrical equipment
- Loose, trailing, cut, non-insulated cables or wires
- Improper or untrained usage of equipment
- Manufacturer warranty and maintenance slippage

Accidents

- Fire
- Injuries to people due to improper electrical equipment
- Electrical shocks that can lead to death

Some safety precautions

- Check for any malfunctioning electrical wirings and equipment
- Report to the authority on the malfunctions if any
- Use electrical extension cords wisely
- Keep clothes, curtains and other potentially combustible items away from all heaters
- Never overload extension cords or wall sockets
- Regular maintenance of equipment as per guarantee/warranty or AMC (Annual maintenance contract) of servicing and maintaining equipment)
- Trained usage of equipment

The most important fire precaution is to have a functioning smoke alarm in your store and to practice a store escape plan frequently with your store staff.

Fuses and circuit breakers

When a fuse blows or a circuit breaker is tripped, alert your staff members immediately, inform your seniors and call the concerned department staff.

Inform your seniors

To minimise fire and shock hazards, whenever you see any wire hanging in the store/department or damages in the electrical equipment or unwanted materials piled up in a corner, carton boxes or papers kept near electrical equipment, you must inform your seniors or concerned department staff immediately.

Warning signs

Many electrical problems can be detected before they cause a fire or harm. To ensure electrical fire safety, learn to be alert and pay attention to any irregular electrical function in the store. Some warning signs include:

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- Flickering lights and some weird sound from the equipment

If you notice any of the above warning signs, or if an appliance functions oddly, take appropriate measures to prevent an accident - inform your seniors, alert the store staff and inform the concerned department staff. Unplug the malfunctioning appliance immediately. Electrical fire safety is serious, and precaution is of utmost importance. Ensure that learners understand the importance of avoiding electrical hazards.

7.3.2 Housekeeping and Storage Hazards

Some major causes of housekeeping hazards

• Slippery surface due to greasiness & wetness

• Spillage of liquids & chemicals

• Improper cleaning, removal of garbage & disposal of waste

Accidents that may occur due to housekeeping hazards

Injuries from slips, trips, and falls: Injuries from slips, trips, and falls can cause torn ligaments, strains and sprains, and broken bones. They can also cause back or spine injuries, resulting in handicapped or death.

Benefits and costs

Benefits of good housekeeping: Good housekeeping eliminates accidents and fire hazards, maintains safe and healthy work conditions, saves time, money, materials, space and effort, improves productivity and quality and boosts the morale of the staff members and reflects a well-run store.

Costs of poor housekeeping: Poor housekeeping results in slips, trips, and injuries from electrical problems, collisions and falling objects, health problems, insects and rat problems.

Housekeeping habits

Good housekeeping habits: Good housekeeping habits include evaluating your workspace regularly, i.e. your department and store, on housekeeping aspects; removing hazards before starting work; turning off the equipment after using it; making sure to keep your store neat and tidy always and never ignoring a safety hazard.

Prevention

Daily housekeeping checklist: Floors, aisles, workstations, equipment, storage areas and storage waste disposal, toilets, trial rooms and every other corner of the store need to be checked.

Trained staff: You need to train and mentor a good housekeeping team. Ensure they are also part of the store team and own responsibility. Educate them on the safety and cleanliness of the store to both the staff and customers.

Clean immediately and use signage: Use appropriate tools and chemicals to clean the spilt area immediately. Use appropriate signs before and during the cleaning process. Barricade the area which is unsafe for customers. Once the cleaning is done, and you are sure it is safe for customers, clear the barrier and allow customers to the cleaned area.

Prevent slips: Regular floor walk for checks, clean up spills, repair leaks, pick up objects lying down, sweep up debris and wear slip-resistant shoes.

Disposal: Segregate and dispose of waste, spoiled products, etc., as per company policies and procedures aligning with local government health inspection authorities. Infected food products have the bacterial process to spoil the good products also. Ineffective disposal also attracts rodents, insects, etc., creating an unhealthy environment for the store.

Housekeeping hazards can lead to an unhealthy environment, reducing the store's profits.

7.3.3 Entry and Exit Hazards

The major causes of entry and exit hazards are:

- Stocks kept at entry, exit and fire exit points
- Unwanted material piled up near exit/entry and fire exit points
- Improper maintenance of exit/entry doors and fire exit doors

Prevention

- Blocking the entrance/exit and fire exits of the store by dumping the stock and unwanted materials like carton boxes, garbage, etc. are called an entry/exit and fire exits hazards
- The store entrance and exit should always be free, i.e., it should not be filled or scattered with a disorderly accumulation of objects, carton boxes or other unwanted things
- It is very much important to keep the entry and exit areas clean and tidy always
- In case of an emergency evacuation, the customers and staff can leave the store without any commotion and confusion
- The store staffs are responsible for keeping the entrance/exit and fire exit areas free, clean and tidy, always
- Prevent trips by cleaning up straps and bands. Put away electrical cords and air hoses. Do not stack items in walkways. Keep drawers closed and be careful when you carry objects and put away tools once you finish using them
- Ensure that the surface near exit/entry and fire exit points is clear of debris, dust, lint, paint, granular materials, tools, parts, loose carpeting, and other slip/trip hazards
- Ensure regular maintenance checks on all doors, including fire exits, along with the help of the maintenance department, manufacturer and others responsible for the doors or electronic access

7.3.4 Material Handling Hazards

The major causes of material handling hazards are:

- Improper carrying of heavy boxes or materials.
- Reaching higher points using chairs or tables or using improper equipment.
- Untrained usage of packing and cutting tools; knives, blades etc.
- Stocking materials without barrier signage.

Prevention

Plan the route and use barriers while arranging stock

- Ensure the route is free of customers
- Clear the route from all obstacles; stock, debris, spillage, customers, staff, equipment, etc.
- Take the support of housekeeping and staff to clear stock and other debris in the planned route.
- Ensure it is spillage free and safe to move the goods in the route planner
- In case there are customers in the vicinity, use necessary barricades and safety cones to move the stock material
- Use reflector vests and two staff: one in front and one in back while moving the stock to clear the route while you move
- Plan in advance the movement and stacking of material during working hours of the store for customers

Lifting heavy objects

• Bend on your knees while lifting material and use appropriate equipment (refer to the image in the next slide). Proper care should be taken while lifting and moving from one point to another. Also, ensure the minimum and maximum load the trolley/equipment can accommodate if you are using additional support to transport

• Refer to manuals and procedures for the equipment's minimum and maximum load lifting capacity. Deviating from such limits can cause damage to everyone in the store and also result in malfunctioning of the equipment used

• Ensure you do not lift more load than you can

Steps to be followed while lifting heavy objects:

• Keep your feet wide enough equal to shoulder-width apart, with one foot slightly ahead of the other

• Squat down, bending at the hips and knees only. If necessary, put one knee on the floor and your other knee in front of you, i.e. half, kneeling

• Look straight ahead, and keep your back straight, chest, and shoulders back. This helps keep your upper back straight while maintaining a slight arch in your lower back, avoiding any kind of a back strain

• Slowly lift by straightening your hips and knees (not your back). Keep your back straight, and don't twist or turn as you lift

• Hold the load as close to your body as possible, at the level of mid stomach

• Decide your route plan in advance and use your feet to move in the direction where you have to take the load by taking small steps

• Lead with your hips as you change direction. Keep your shoulders in line with your hips as you move

• Set down your load carefully, squatting with the knees and hips only

Keep in mind

• Do not attempt to lift by bending forward. Bend your hips and knees to squat down to your load, keep it close to your body, and straighten your legs to lift

• Never lift a heavy object above shoulder level

• Avoid turning or twisting your body while lifting or holding a heavy object

• Use ladders for higher levels to climb for cleaning or stacking products. Follow the instructions based on the image on the next slide

Steps to be followed while using a ladder

• Ensure the ladder is free of rust and not broken

• Rest the ladder against a surface which has proper grip. Make sure it does not slip

• Hold both sides and climb one step at a time

• Complete your task at chest level

• Do not hold it with one hand

• Leave the first two steps of the ladder always free.

• Get trained in the usage of tools to open boxes or pack

Steps to be followed for cutting/opening packed boxes

- When opening boxes, always use a box cutter with a proper handle
- Check the thickness of the cardboard
- Thin cartons require less pressure to cut, and caution should be taken not to damage the contents with the box cutter
- Place one hand on the box and use the other hand to firmly hold the box cutter
- Begin cutting with the box cutter blade angled slightly upward and away from the merchandise
- Keep the cutter away from your body while cutting and as close to the top of the box as possible
- With each cut, be sure any body part and clothing is not in the path of the box cutter
- Safely dispose of unwanted material after unpacking
- Follow packing procedures as per company policies and procedures when certain stock has to be returned to the vendor, DC or other stores

7.3.5 Hazardous Materials

The major types of hazardous materials in the store are:

- CLASS 1—EXPLOSIVES

  Explosives are materials or items that can detonate rapidly due to ignition by fire.

  For example, fire crackers produce a hazardous amount of heat, light, sound, gas or smoke.

- CLASS 2—GASES

  For example, lighters, fire extinguishers, spray cans(body deodorant), refrigerant gases in ACs and refrigerators.

- CLASS 3—FLAMMABLE LIQUIDS

  For example, adhesives, paints/lacquers/varnishes/turpentine, alcohol, perfumery products, gasoline/petrol, and diesel fuel.

- CLASS 4—FLAMMABLE SOLIDS

  For example, matches, camphor, batteries, and cells.

- CLASS 5—OXIDIZING SUBSTANCES

  For example, bleach, chlorine, hair dyes, and toilet cleaners.

- CLASS 6—TOXIC SUBSTANCES; INFECTIOUS SUBSTANCES

  For example, medical/biomedical waste, clinical waste, chloroform, and cyanides.

- CLASS 7—RADIOACTIVE MATERIAL

  For example, x-ray materials, smoke detectors, watches and clocks, ceramics, glass and fertilizers.

- CLASS 8—CORROSIVES

  For example, batteries, battery fluid, fuel cell cartridges, dyes, and fire extinguisher charges.

- CLASS 9—MISCELLANEOUS DANGEROUS GOODS

  For example, lithium-ion batteries, lithium metal batteries, battery-powered equipment, battery-powered vehicles, fuel cell engines, first aid kits, car airbags and seatbelts.

Prevention

- Identify the type of hazard using the symbol
- Any material to be considered hazardous should be kept away from customers
- Products containing low levels or high levels of hazardous materials should be cautiously handled
- Equipment or maintenance materials containing hazardous materials should be regularly checked and serviced
- Spillage or leakage of any hazardous substance, please follow instructions as per policies and procedures and inform relevant authorities immediately
- Disposal of waste also contains hazardous wastes. So be extremely cautious in disposing of them as per government regulation and store operating policies and procedures
- Create a plan and schedule to monitor hazard maintenance and service

Remember

- Hazard is a synonym for DANGER. Always take precautions to prevent any mishaps
- Hazardous waste is another major danger if not disposed of appropriately
- Types of accidents and emergencies
- Equipment malfunctioning accidents
- Vehicles accidents (fork-lifts, trolleys)
- Fall from heights while stacking products: Injury during such incidents
- Improper material handling techniques lead to physical accidents, thus, injuries
- Stocks or packages falling on the human body from heights
- Tripping and falling due to protruding materials and furniture in walking or working area
- Explosion / Fire / Burns due to gas, faulty wires, malfunctioning equipment, combustible chemicals
- Physical violence at work, riots and natural disasters

Summary

- Process of implementing basic hygiene factors
- Emergency-related procedures
- Process of disposing of waste safely
- Process of taking precautionary measures to avoid work hazards
- Process of following standard safety procedure

Exercise

Multiple Choice Questions:

1. Ways to prevent unauthorised dumps include:
   a) Surveillance
   b) Meeting with vendors
   c) Place competent guards
   d) None of the above

2. Various workplace hazards include:
   a) Safety hazard
   b) Physical hazard
   c) Biological hazard
   d) All of the above

3. Types of fire hazards include:
   a) Common fire hazards
   b) Electrical fire hazards
   c) Chemical fire hazards
   d) All of the above

4. Class A fire includes materials like
   a) Wood
   b) Paper
   c) Textiles
   d) None of the above

5. Types of fire extinguishers can be like this:
   a) Water
   b) Powder
   c) Carbon dioxide
   d) All of the above

Answer the following:

1. Explain the process of implementing basic hygiene factors.
2. Discuss emergency-related procedures.
3. Explain the process of disposing of waste safely.
4. Explain the process of taking precautionary measures to avoid work hazards.
5. Discuss the process of following standard safety procedures.

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Scan the QR codes or click on the link to watch the related videos

https://www.youtube.com/watch?v=1umJD13FexA

Merchandising principles - Health and safety

8. Customer is the King

Unit 8.1 - Identifying Target Customers

Unit 8.2 - Sales Opportnities

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Elaborate on the process of understanding the needs and wants of target customers
2. Illustrate the process of establishing rapport with customers
3. Discuss how to maximise sales opportunities
4. Explain the importance of building strong relationships and network

UNIT 8.1: Identifying Target Customers

Unit Objectives

By the end of this unit, the participants will be able to:

1. Explain and identify target customers
2. Elaborate on the process of understanding and assessing target customer needs and desire
3. Elaborate on how to build rapport with customers and express genuine interest in clarifying customer requirements

8.1.1 Target Customers

Target customers are most likely to buy your product. A target market is a group of customers with shared demographics who have been identified as the most potential buyers of a company's product or service. Identifying the target market is crucial for developing and implementing a successful marketing plan for any new product.

For any business to succeed, it ought to perceive client wants and wishes and cater to them. The most effective ways to understand and assess client wants are:

- **Conducting research**

  The market should be completely explored to grasp what customers want.

- **Keep a watch on the activities of the competitors**

  The competitors' activities and, therefore, the purchasers' response can provide a higher plan of what's desired by them.

- **Direct feedback**

  Feedback requests can be sent to existing as well as potential customers via email or text. This may provide a better understanding and assessment of the existing business

- **Planning and execution**

  The corporate must assess the knowledge received via feedback to execute everything into action.

8.1.2 Possible Options to Satisfy Customer Needs

Once the company recognises the needs and wants of the customers, it is time to implement suitable measures to fulfil them.

- Streamline the collected data
- Brainstorm about the ways to bring the changes
- Reformulate the products keeping in mind the suggestions
- Fulfil the commitments made
- Make the customers feel cherished

A business becomes a brand in the market when it convinces the customers of its quality and top-notch services. Furthermore, it is important to establish an honest rapport with the customers to reach a little closer to them.

- Know them by their names
- Engage in direct conversations
- Try to understand from their perspective
- Encourage them to share their feedback
- Value their opinions
- Assure them that action will be following their responses

Expressing genuine interest in clarifying customer requirements enhances the outcomes and assures the customers that they are an integral part of the company. The customer service team should maintain a cordial relationship with the customers and ask them what they love or want.

Customers should never feel that the interest is not honest enough. Thus, to enhance the outcome of establishing rapport with the customers, the customers should be treated with honesty and integrity.

UNIT 8.2: Sales Opportunities

Unit Objectives

By the end of this unit, the participants will be able to:

1. Develop strategies to maximise sales opportunities by use of add-on and complementary sales techniques
2. Elaborate on the process of building relationships with customers
3. Plan and implement sales presentations
4. Explain how to handle customer grievance

8.2.1 Maximise Sales Opportunities by Use of Add-on and Complementary Sales Techniques

A customer always wants to feel cherished and valued. While the quality and authenticity of the products do appeal to customers, the company should go a few extra miles to maximise the sales opportunities. The add-on and complementary sales techniques are a great way of doing that. This includes special gifts on their special days (or even a message at the least), special privy access to offers, and so on. Furthermore, personal attention may also be given. For instance, the salesperson may take note of the shopping preferences and suggest other products and services that will complement the overall experience. For instance, if a customer buys handmade notebooks, the sales representative may recommend a handmade tote bag to carry them.

8.2.2 Building Relationships with Customers to Generate Referrals

One of the most crucial ways of expanding the customer base is to encourage referrals. However, it is quite rare that customers generate referrals on their own. For that to happen, a special bond has to be created with the customers:

• Introduce offers for referrals
• Assure customers that when they refer, they will be featured as a priority customer
• Gifts for top and successful referrers
• The sales team pays special attention to the consistent referrers

When customers feel they have something to gain apart from the usual services, they will surely refer others to join in.

8.2.3 Process of Planning and Implementing Sales Presentations

Sales presentations are integral to pitching a product and its services to not only the other members of the company but also the wider customer base. A well-planned process should be followed that comprises:

• Research and planning

• Crisp introduction

• Raising relevant questions about the present market position

• Smart presentation of the product's objectives

• After-sales services to be provided

The process of understanding customer complaints and problems and supporting difficult customers to produce a positive outcome

As the pillar of the business, customers expect to be treated well not only when they appreciate the good of the company but also when they offer negative feedback. In order to understand customer complaints and problems and support difficult customers to produce a positive outcome, the following may be considered:

• Listen to the problems without passing comments

• Be gentle, considerate, and compassionate

• Encourage them to talk to you (or they will spread their bad experience in the market)

• Put them in their position

• Designate a grievance address team for swift and acceptable readdresses

• Ask if the customer is happy with your solution

• If not, ask what they would prefer and try to make that a possibility

8.2.4 Customer Loyalty Programs

Maintaining customer loyalty

To build customer loyalty:

• Communicate openly with clear and concise information. Clarify always

• Build trust and confidence: All stores might sell the same product. The only difference to be made is in the level of service and assistance

• Be consistent in providing prompt and friendly service

• Stretch yourself to travel that extra mile. Only when you exceed customer expectations do you gain their loyalty

• Be empathetic. Ensure you are always in their shoes and think

• Be responsible and take accountability for the service you provide. You might have to take certain decisions by consulting seniors

8.2.5 Grievance Handling

- Active listening: Being attentive, understanding the complaint fully and demonstrating a willingness to help.
- Body language: Being open and empathetic to create confidence in customers.
- Facial expressions: Smiling, showing concern and willingness to help.
- Personal space: Giving the customer space and time to make decisions. Interrupting and crowding the customer may lead to further dissatisfaction.

Importance of Listening

Listening to the customers is important for the following reasons:

- Make the customer feel important: Customers feel that they are taken care of and that their problems are given importance.
- A customer complaint should be attended to and
- Be attentive to the words, tone of voice and body language the customer uses. Focus fully on listening for any unspoken messages. For example, if their body language starts opening and closing, either what you are saying or how you are saying it is not meeting the customers' needs. If they are pausing in response to questions being asked, it might signal that they cannot understand. Customer feels valued when enough care is demonstrated to listen to what they say and how they feel. Listening will enable us to provide solutions to the customers.
- Shows concern: The most important reason to listen to complaints is simple. If someone is complaining, the chances are there is a problem with the products or services that are causing it. Listening to complaints allows finding out what the problems are with the business and solving them. The customer feels that you are concerned with their problem and would be happy that their problems will be solved and they would get refunds or replacements.
- Shows a willingness to help: By listening to the customers, you show that you are willing to help the customer or are making efforts to help the customer/provide solutions.
- The cost of winning a new customer is five times more than keeping an old one. Even if keeping a dissatisfied customer costs now, it will certainly save money in the long run.
- If a customer complains, it gives them a chance to make them satisfied with the business again, which encourages dissatisfied customers to complain.

Shows respect for the customer: The customer would be happy to be attended to and given respect. If the complaint can be fixed quickly, it shows that the business respects the customer and wishes to provide a good service and the reliability of the business, even when things go wrong. It can give customers a sense of security, making them much less likely to go to competitors.

Handling complaints—verbal communication

The following factors need to be kept in mind for the appropriate tone and intonation while talking to customers:

- Clarity of speech
- Calm and neutral
- Confident
- Empathetic tone
- Non-aggressive

The third step—Apologise and acknowledge

- Apologise: Ask learners why they should apologise. Discuss and explain the points mentioned in the slide. Apologise to the customer and tell them how long they can expect to wait to receive a reply. Treat complaints sensitively and in a way that takes account of their needs.
- Use appropriate tone: Use an appropriate and soothing pitch of the voice to communicate with the customer. Talk to the customers calmly.
- Be empathetic: Take responsibility for responding to the customer. Put yourself into the customers' shoes and think. Understand the needs, feelings, problems and views of the customer.
- Take ownership: Be proactive in taking responsibility for providing a solution to the customer's complaint.
- Acknowledge: Acknowledge the customer's complaints. Let the customer know that you understand the situation. Inform the customer that you are taking the matter seriously.
- Provide assurance: Express confidence that the matter will be resolved to the customer's satisfaction. Inform the customer if the matter has to be escalated and approximately how long it would take to resolve the complaint.

For example, "Did it break after one use? Oh, I can understand you were upset. I know! It would have made me mad. I'm sorry that it happened. Would you rather have an exchange or a refund?"

The fourth step is—Provide solutions

- Suggest alternatives and confirm: After understanding the problem, offer alternatives to the customers so that they can select the best one. After they accept the option, confirm the same to avoid further confusion.
- Speed of action to make necessary arrangements: Act on the solution with a sense of urgency. The customer complaint should be resolved considerably quickly so that the customer's problem is not prolonged for such a long time that the customer loses confidence in the store. Be fast and make all the necessary arrangements to make the customer happy.

For example, meeting the concerned department head/manager/taking the customer to the concerned department/section/getting a different brand/s, etc.

8.2.6 Feedback Collection and Implementation

Feedback is organised information collected from your customer about their opinion, suggestions and experience about the product or service.

Importance of Customer Feedback

Customer feedback allows sales companies to better understand how customers to rate and use their products or service against competitive products. It is important to determine where a company's products and services excel or fall short against customers' expectations and alternate service providers in the market. For example, customers may like the network coverage of ABC Sales as against XYZ Sales, which means that XYZ Sales would need to improve its network coverage.

Customer feedback can help sales companies in evaluating how employees treat customers. Customer Service Satisfaction surveys are a common type of marketing research. Companies can determine whether customers are getting their questions answered and problems resolved through surveys.

Additionally, a company can determine if some customer service representatives are rude to customers, especially if the topic of rudeness comes up frequently during the surveys.

Advantages of Customer Feedback

Get Honest Opinions

Customer feedback is vital to the sales industry to get honest customer opinions on services or products. These opinions can make it easier to get into the minds of the most important critics.

Improve Relations

To ensure that customers remain loyal to your company, make your customers feel that your company truly cares about them and what they think. Obtaining feedback from customers is indicative of the fact that the company truly listens to and respects their opinions.

Inexpensive Business Advice

Customer feedback is essentially inexpensive business advice directly from the source. Some companies pay a huge amount for someone to come in and tell them what improvements need to be made to products and services to win over new customers.

More Customers

When a business is willing to receive feedback and listen to it, word spreads, and the customer base increases.

Positive Changes

No company likes to talk about the negative aspects of its operation. They want to have mostly positive feedback from customers. Therefore, customer feedback can mean positive changes according to their comments, which could mean a better reputation and more money for the business.

Capturing in Timely Manner

In today's competitive Indian sales market, capturing customer feedback on time is very important. This will allow your company to improve their product or service and enhance customer satisfaction.

Feedback Recording Process

Here is the way sales companies capture customer feedback:

For a sales company, the frontline staff speaks to customers day in and day out. Hence, companies must have a feedback recording process and train their frontline staff to deal with angry customers and record feedback. Let us look at the feedback recording process first.
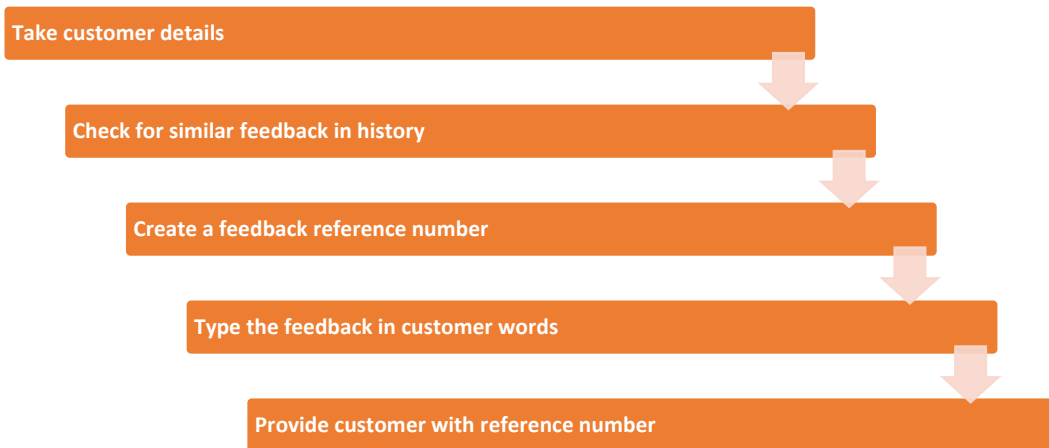
Fig. 8.2.1: Feedback Process

Take Customer Details

The first thing you do before you proceed in logging customer feedback is to ensure that you have all the required customer information like the customer's telephone number, mailing address & name. This is required to ensure that you access and record the feedback for the right customer.

Check for similar feedback in history

Check if the customer has complained or provided feedback for the same situation because sometimes it could be that the instrument that the customer is using is faulty. There is no problem with the service provided. This procedure can also result in immediate resolution and improved customer satisfaction.

Create a feedback/Complaint Reference Number

Every time you log feedback or a complaint on the customer's account, the system generates a reference number that the customer can use to follow up and check for resolution status. This also helps sales companies to categorise complaints and ensure that a specialist can speed up the resolution process based on the nature of the complaint.

Type the feedback in the customer's words

Type the feedback in the customer's words as much as possible. It is human nature that a person can best explain a problem when he has been facing the problem. When your customer faces a problem and gives feedback, they can emphasise it with specific words, which helps the resolution team understand customers' dissatisfaction level. This will also allow the specialist to understand the exact problem.

Provide the customer with a reference number

Provide your customer with the feedback/complaint reference number, as they will call back if the problem is not resolved within their expected time. Providing the customer with the reference number will allow the other customer care executive to locate the feedback form and provide the customer with an update without wasting time.

Ensure to submit/save

This is a very small action in the process but can become the biggest problem when not done. Submit/save the feedback/complaint immediately after talking with the customer. Not following this step or human error can result in either no resolution or a call back to the customer, thus wasting time.

Let's look at a simple process in dealing with customers with feedback or complaints.
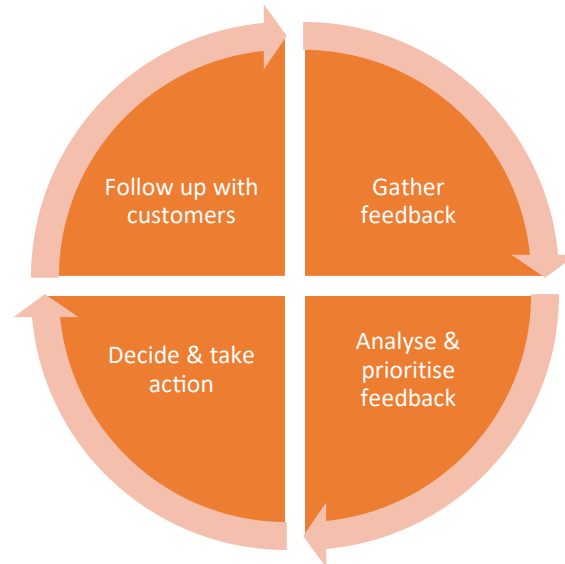
Fig: 8.2.2: Customer Feedback Loop

Summary

- Process of understanding the needs and wants of target customers
- Process of establishing rapport with customers
- How to maximise sales opportunities
- Importance of building strong relationships and network

Exercise

Multiple Choice Questions:

1. _____ are the customers the company addresses as it knows that they will be interested in its products

   a) Target customers
   b) Common customers

   c) Online customers
   d) None of the above

2. One of the most crucial ways of expanding the customer base is to encourage _____.

   a) Referrals
   b) Publicity

   c) Branding
   d) None of the above

3. Process of planning and implementing sales presentations include:

   a) Research and planning

   b) Crisp introduction

   c) Raising relevant questions about the present market position

   d) All of the above

4. Steps of grievance handling include:

   a) Active listening
   b) Body language

   c) Facial expressions
   d) All of the above

5. Factors that need to be kept in mind for the appropriate tone and intonation while talking to customers are:

   a) Clarity of speech
   b) Calm and neutral

   c) Confidence
   d) All of the above

Answer the following:

1. Explain the process of understanding the needs and wants of target customers
2. Explain the process of establishing rapport with customers
3. Explain how to maximise sales opportunities
4. Explain the importance of building strong relationships and network
5. Elaborate on how to build rapport with customers

Notes

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Scan the QR codes or click on the link to watch the related videos

https://www.bakercommunications.com/sales-training-videos.htm

Sales training videos

9. Creativity and Innovation in Business

Unit 9.1 - Creativity, Innovation for Sustenance, and Business Growth

Unit 9.2 - Self-Development and Business Growth

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Display creativity and innovation for sustenance and business growth
2. Elaborate on the process of self-motivation to enhance and grow the business

UNIT 9.1: Creativity, Innovation for Sustenance, and Business Growth

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify opportunities and create solutions to face uncertainties
2. Elaborate on how to expand business in other fields/lines of business as desired
3. Discuss innovation and improvisation to pick up performance

9.1.1 Identifying Opportunities

Any business can face uncertain situations. However, when such situations occur, they should not create demoralization. Rather, the business may want to look into opportunities and create solutions to overcome uncertainties.

- **Diversify investment -** It is best not to put all the investments in one place during uncertain situations; diversification will lessen the damages.
- **Look into gaps and convert them into chances -** Some gaps in the uncertainties may be converted into fresh opportunities.
- **Staff transparency -** The company should be transparent with its staff, and this transparency regarding the situation will help to win back their trust.
- **Be smart instead of defensive -** When an uncertain situation arises, it is judicious to be smart and seek a solution. Getting defensive will not bring the solution that you seek. When the company thinks smartly, it can get clarity that will offer the opportunity.

9.1.2 Expansion of Business in Other Fields/lines of Business

Every business attempt to grow and expand as the years' pass. When there are thoughts of expansion, it should first consider where is the most demand. This market analysis clarifies the other fields or lines of business where expansion can be beneficial. To expand beyond the existing field or line, a business should:

- **Do ample research about the market and its demand**

  Before venturing into any new business field, it is best to test the waters. This will only be possible when you analyze the market and try to understand what it lacks. This will help you act accordingly.

- **Bring in a team of experienced professionals**

  A team of experts in your intended new field will be able to guide you about what you need to do. From budget planning to product conceptualization, you will be greatly helped by the team's experience.

- **Decide the funding**

  Identifying the funding you can do for the business is very important. This will decide which new field will be most suitable for expansion.

When the business desires to expand, it is always judicious to follow the suitable procedure instead of jumping in.

UNIT 9.2: Self-Development and Business Growth

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Explain the drive of self-development through the use of available media
2. Illustrate the process of identifying and gaining certifications in a related line of business

9.2.1 Innovating and Improvising to Pick up Performance

The pick-up performance of the business determines its current position. To improve and improvise it, it is best to:

- **Go beyond the conventional norms -** From communication to selling in the market to bringing innovation and improvisation, a business must go beyond traditional conventions.
- **Embrace new technologies -** Technologies are always improving. Hence, business innovation should allow technology to innovate the production procedure and connect with the audience.
- **Cater to the customers' demands and expectations -** Customers do not seek unrealistic demands and expectations. Their wishes can open up newer opportunities for overall innovation and improvisation.
- **Bring a balance to the workforce -** While the old workforce has the experience, the new is bubbling with fresh ideas. Hence, there should be a healthy balance between the workforce for all the innovation and improvisation dreams to come real.

9.2.2 Drive Self-development through Available Media

For any business, self-development should be one of most primary aims. However, self-development does not mean trying new opportunities or bringing in more innovations, it can be done by enhancing the available media as well. The media that the business is currently using can be made a channel for driving self-development by:

- **Improvising the presentation -** Self-development is going beyond what is presently there. Hence, if the presentation of thoughts can be pondered upon and understood what the customer wants, that realization is also self-development.
- **Taking in others' feedback -** Other means both the customers and the employees. It is as good as any other if they are asked to submit their opinions via the available media. As long as the feedback is valued, there can be self-development.
- **Channelizing the media the best way possible -** Every medium has its benefits. If the company cannot bring in new media to drive its self-development, it can channel the same through what they presently have.

If self-development is the aim, the available media will suffice to drive the possibilities of self-development.

9.2.3 Certifications in a Related Line of Business

For any business, gaining just the required knowledge is not enough, and the company has to identify the related line and determine the certification tests it can take. For instance, the Certificate of Proficiency as a Boiler Operation Engineer is required for those engineers responsible for managing a boiler or a battery of Boilers with more than 1000 sq. meters of heating surface.

Hence, to get the most competent person for a job, it has to be explored which certifications are required. This gives the company an added advantage over competitor companies, and the relevant certifications enhance the overall credibility.

Summary

- Creativity and innovation for sustenance and business growth
- Process of self-motivation to enhance and grow the business

Exercise

Multiple Choice Questions:

1. Process for identifying opportunities include:
   a) Diversify investment
   b) Staff transparency
   c) Being Smart
   d) All of the above

2. Steps of expansion of business in other fields involve:
   a) Doing ample research
   b) Bring a team of experienced professionals
   c) Decide the funding
   d) all of the above

3. The process of innovating and improvising to pick up performance comprises of_____
   a) Going beyond conventional norms
   b) Embracing new technologies
   c) Bring balance to the workforce
   d) All of the above

4. For any business, _____ should be one of most primary aims
   a) business development
   b) self-development
   c) no development
   d) none of the above

5. To get the most competent person for a job, it has to be explored which _____ are required.
   a) certifications
   b) abilities
   c) qualities
   d) None of the above

Answer the following:

1. Discuss the creativity and innovation for sustenance and business growth
2. Elaborate on the process of self-motivation to enhance and grow the business
3. Explain how to expand business in other fields/lines of business as desired
4. Discuss innovation and improvisation to pick up performance
5. How to drive self-development through available media?

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10. Use Social Media to Market Products and Services

Unit 10.1 - Maximize Impact Through Social Media

RAS/N0230

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Explain the principles of using social media for marketing, branding, and customer communication
2. Use multiple social media and online platforms to create marketing campaign to promote brand, products, and services

Unit 10.1 Maximize Impact Through Social Media

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Explain the importance of knowing the target customer base
2. Explain purposes for use of social media and online platforms for marketing products and services
3. Discuss the social media guidelines, policies and procedures required to be followed with respect to:
   - Promotional content
   - Providing service to customer
   - Resolving customer complaints and privacy
4. Discuss the policies and procedures that need to be followed for publishing images and any content of others
5. Describe the characteristics of amenable and appealing content on different social media platforms.
6. Explain the functions of different social media platforms and how to:
   - Upload different types of files (pdf, images, videos etc)
   - Insert formatted text
   - Monitor activities and comments of prospects/ customers
   - Use alerts and respond to alerts
   - Responding to comments of customers
7. Explain the principles of positive and professional online communications that can lead to effective customer communication
8. Discuss the approaches to be used when dealing with negativity, complaints, and conflicts on social media

10.1.1 Importance of Social Media in Modern Business

In today's digital age, social media has become an indispensable tool for businesses of all sizes. Its role in modern business extends beyond just a platform for social interaction; it has evolved into a powerful channel for marketing, customer engagement, and brand building. The importance of social media cannot be overstated, as it plays a crucial role in how businesses communicate with their audiences, promote products and services, and ultimately drive growth.

Global Reach and Accessibility

One of the primary benefits of social media is its **global reach and accessibility.** Unlike traditional marketing channels, social media platforms enable businesses to connect with a vast global audience instantly. Whether a small local business or a large multinational corporation, social media provides an equal opportunity to reach potential customers worldwide. This global accessibility allows businesses to expand their markets, enter new regions, and attract a diverse customer base, all from the comfort of their offices.

Cost-effectiveness	**Cost-effectiveness** is another significant advantage of social media marketing. Traditional advertising methods, such as television, radio, and print, often require substantial financial investment. In contrast, social media platforms offer free access and low-cost advertising options. Even with a limited budget, businesses can create impactful campaigns, promote their products and services, and achieve a high return on investment. The ability to reach a large audience at a fraction of the cost makes social media attractive for businesses looking to maximize their marketing budgets.
Real-time Customer Engagement	Social media also allows for **real-time customer engagement,** essential for building strong customer relationships. Businesses can interact directly with their customers, answer questions, address concerns, and provide personalized responses through platforms like Facebook, Twitter, and Instagram. This immediate communication helps build trust and loyalty, as customers appreciate the prompt and attentive service. Furthermore, social media platforms provide valuable insights into customer preferences and behaviors, enabling businesses to tailor their offerings and marketing strategies accordingly.
Impact of Social Media Presence on Brand Recognition and Customer Loyalty	Finally, the **impact of social media presence on brand recognition and customer loyalty** is profound. A well-maintained social media presence helps businesses establish a recognizable brand identity, differentiate themselves from competitors, and create a loyal customer base. Regularly posting engaging content, sharing customer success stories, and interacting with followers can significantly enhance a brand's visibility and reputation. Over time, a strong social media presence translates into increased brand loyalty, as customers are more likely to trust and engage with brands they see consistently and positively online.

Table 9.1 Importance of Social Media in Modern Business

In conclusion, the importance of social media in modern business lies in its ability to offer global reach, cost-effective marketing, real-time customer engagement, and enhanced brand recognition. For businesses aiming to thrive in today's competitive market, leveraging the power of social media is not just an option—it's a necessity.

10.1.2 Identifying Target Customer Base on Social Media

Identifying the right target customer base is crucial in any successful social media marketing strategy. Understanding who your customers are, what they value, and how they interact online allows businesses to craft tailored messages that resonate with their audience, ultimately leading to higher engagement, conversions, and customer loyalty.

One of the first steps in identifying your target customer base on social media is understanding demographics and psychographics. Demographics refer to the basic characteristics of your audience, such as age, gender, location, income level, education, and occupation. Psychographics, however, delve deeper into your audience's attitudes, values, interests, and lifestyles. By analyzing demographics and psychographics, businesses can comprehensively understand their audience, allowing for more precise targeting. For example, a brand targeting young professionals might focus on platforms like LinkedIn and Instagram, where this demographic is highly active, while a company targeting retirees might find more success on Facebook.

Various tools and techniques can be employed to identify and understand your target customers effectively. Audience insights on social media platforms are among the most valuable resources available to marketers. Platforms like Facebook, Instagram, and LinkedIn offer detailed analytics that provide data on who interacts with your content, what posts they engage with the most, and when they are most active. These insights help businesses refine their targeting strategies by identifying patterns and trends within their audience.

Another powerful tool is social listening. Social listening involves monitoring social media channels for mentions of your brand, competitors, or relevant keywords. This technique helps businesses understand what customers are saying about them, what they care about, and their pain points. Social listening tools, such as Hootsuite, Sprout Social, or Brandwatch, enable businesses to gather real-time data on customer sentiment and behavior, which can be used to fine-tune marketing messages and strategies.

Once you have gathered demographic, psychographic, and behavioral data, the next step is creating customer personas. Customer personas are fictional representations of your ideal customers, based on real data and insights. Each persona includes age, job title, interests, challenges, and preferred social media platforms. By creating these personas, businesses can ensure that their social media content is relevant and appealing to the right audience. For example, if one of your personas is a tech-savvy millennial who values sustainability, your social media posts might focus on innovative, eco-friendly products and highlight your company's commitment to environmental responsibility.

In conclusion, identifying your target customer base on social media requires a deep understanding of demographics and psychographics, using audience insights and social listening tools, and the creation of detailed customer personas. By taking these steps, businesses can ensure that their social media efforts are focused, effective, and aligned with the needs and preferences of their audience, leading to stronger engagement and better business outcomes.

10.1.3 Strategies for Using Social Media to Market Products and Services

Effectively leveraging social media to market products and services requires a combination of strategic content creation, partnerships, and advertising techniques that resonate with your target audience and align with your business goals.
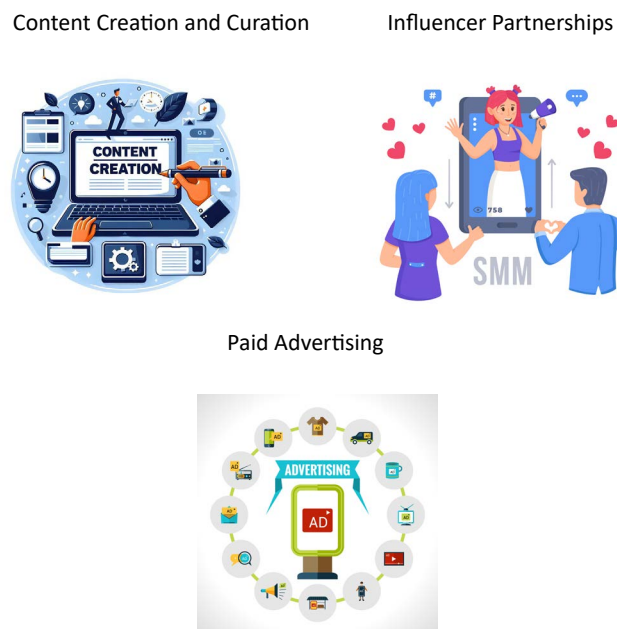
Content Creation and Curation   Influencer Partnerships

Paid Advertising

Fig. 10.1 Strategies for Using Social Media to Market Products and Services

Content creation and curation are at the heart of any social media marketing strategy. Creating original, high-quality content that reflects your brand's values and appeals to your audience is crucial. This can include blog posts, videos, infographics, and more. Curating content or sharing relevant third-party content is equally important as it helps position your brand as a thought leader and keeps your audience engaged with various perspectives and information. The key is to ensure that all content is aligned with your brand's messaging and adds value to your audience.

Influencer partnerships have become a powerful tool in social media marketing. Collaborating with influencers with a strong following within your target market can extend your reach and gain credibility. Influencers can create authentic content that promotes your products or services, often in a way that feels more relatable and trustworthy to their audience than traditional advertising. Choosing the right influencers—those whose values and audience align with your brand—is critical to the success of these partnerships.

Businesses must balance paid advertising with organic reach when driving visibility and engagement. Paid advertising, such as sponsored posts, social media ads, and promoted tweets, allows for targeted campaigns that can reach specific demographics or psychographics. However, organic reach—achieved through unpaid posts that naturally resonate with your audience—is equally valuable, as it builds long-term trust and engagement. A well-rounded strategy combines both paid and organic efforts to maximize impact.

Case studies of successful social media marketing campaigns provide valuable insights into what works and what doesn't. For example, brands like Airbnb have effectively used user-generated content and influencer partnerships to create authentic connections with their audience, increasing brand loyalty and sales. Analyzing such case studies can offer practical lessons and inspire innovative approaches to your own social media marketing efforts.

In summary, successful social media marketing requires a mix of creative content, strategic partnerships, and a balanced approach to advertising. By learning from case studies and continuously refining your strategy, you can effectively promote your products and services to a wider audience.

10.1.4 Guidelines, Policies, and Procedures for Social Media Marketing

Establishing clear guidelines, policies, and procedures is essential for maintaining consistency, legal compliance, and brand integrity in social media marketing.

One of the key aspects of a successful social media strategy is maintaining a **consistent brand voice** across all platforms. This involves using the same tone, language, and messaging that align with your brand's identity and values. Consistency helps build trust and recognition among your audience, making your brand more memorable. To achieve this, it's crucial to develop a brand style guide that outlines the specific language, tone, and visual elements to be used in all social media communications. This guide should be regularly updated and shared with everyone involved in content creation.

In addition to internal consistency, it's important to **adhere to platform-specific guidelines**. Each social media platform has its own set of rules regarding content, advertising, and user interactions. For example, Instagram has strict rules against the use of certain hashtags, while Facebook requires transparency in political advertising. Staying informed about these guidelines and ensuring compliance is essential to avoid penalties or content removal. Regularly reviewing and adapting to platform changes should be part of your social media strategy.

Company policies on social media usage by employees are another critical component. Employees often act as brand ambassadors, whether intentionally or unintentionally, so it's vital to have clear policies in place that outline acceptable behavior and content sharing on personal and professional social media accounts. These policies should cover confidentiality, appropriate conduct, and the responsible sharing of company-related content.

Finally, businesses must consider **legal considerations,** including **disclosure requirements for paid promotions**. The Federal Trade Commission (FTC) and other regulatory bodies require that businesses clearly disclose any paid partnerships or sponsored content. This includes using hashtags like #ad or #sponsored to indicate that a post is part of a paid promotion. Failing to comply with these regulations can result in legal repercussions and damage to your brand's reputation.

In summary, having well-defined guidelines, policies, and procedures helps ensure that your social media marketing efforts are consistent, compliant, and aligned with your brand's goals, while also protecting your company from potential legal risks.

10.1.5 Copyright Images and Other Intellectual Property

Understanding and adhering to copyright laws in relation to social media is crucial for businesses to avoid legal issues and maintain a professional image. Copyright laws protect original works, including images, videos, music, and written content, giving the creator exclusive rights to use and distribute their work. When using content on social media, it's important to ensure that you have the legal right to do so.

Using images, videos, and music legally on social platforms requires obtaining permission from the content creator, purchasing licenses, or using content available under Creative Commons licenses. Creative Commons licenses allow creators to share their work with certain conditions, such as attribution or non-commercial use. Understanding the terms of these licenses is essential to avoid unintentional infringement.

Licensing agreements provide a formal way to secure the rights to use copyrighted content. These agreements outline the terms of use, including where and how the content can be used. For businesses, entering into licensing agreements ensures that they are legally covered when using third-party content for marketing purposes.

In addition to using content legally, it's important to focus on protecting your own intellectual property on social media. This includes watermarking images, using copyright notices, and actively monitoring for unauthorized use of your content. If you discover that your intellectual property is being used without permission, you can take steps to have it removed, such as filing a Digital Millennium Copyright Act (DMCA) takedown notice.

In summary, understanding copyright laws, properly licensing content, and protecting your own intellectual property are essential practices for businesses using social media. These practices not only ensure legal compliance but also help maintain the integrity and professionalism of your brand online.

10.1.6 Importance of Positive and Professional Online Communication

In the digital age, **professionalism in online communication** plays a critical role in building and maintaining trust with your audience. Social media is often the first point of contact between a business and its customers, and the way a company interacts online can significantly influence public perception.

The role of professionalism in building trust online cannot be overstated. Customers are more likely to trust and engage with businesses that communicate clearly, respectfully, and consistently. Professionalism also helps in managing crises, where a well-composed response can mitigate potential damage to the brand's reputation.

Guidelines for positive interactions with followers and customers include using polite language, addressing individuals by their names when possible, and responding in a timely manner. It's important to stay calm and composed, even when faced with criticism or negative comments. Positive interactions create a welcoming environment, encourage customer loyalty, and enhance your brand's image.

Dealing with negative comments or criticism in a professional manner is equally important. Negative feedback is inevitable, but how a business responds can turn a potentially damaging situation into an opportunity for improvement. Acknowledge the issue without becoming defensive, apologize if necessary, and offer a solution. This approach not only resolves the issue but also demonstrates your commitment to customer satisfaction.

Fig. 10.2 Importance of Positive and Professional Online Communication

In conclusion, maintaining positive and professional communication on social media is essential for building trust, fostering customer loyalty, and managing your brand's online presence effectively. A consistent, respectful approach to interactions can significantly enhance your reputation and customer relationships.

10.1.7 Handling Feedback on Social Media

Handling feedback on social media is a critical aspect of customer relationship management. Feedback can come in various forms—positive, negative, or neutral—and how a business responds can significantly impact its reputation and customer loyalty.

Three primary types of feedback are received on social media: positive, negative, and neutral. Positive feedback, such as compliments or praise, should be acknowledged and appreciated, as it helps reinforce customer loyalty. Negative feedback, including complaints or criticisms, should be addressed

promptly and professionally to prevent further dissatisfaction. Neutral feedback, such as questions or suggestions, also deserves attention, as it can provide valuable insights into customer needs and preferences.

Best practices for responding to feedback include responding quickly, being empathetic, and maintaining a polite tone. When acknowledging customer concerns, listening actively and validating their feelings is important. A simple acknowledgment, like "We understand your concern and are here to help," can go a long way in diffusing tension and showing customers that their feedback is valued.

When offering solutions, it's important to do so publicly and privately. Public responses show other customers that you're proactive and willing to resolve issues, while private messages allow for a more detailed and personalized resolution. This dual approach demonstrates transparency while respecting the customer's privacy.

Finally, leveraging feedback for business improvement and customer satisfaction is key. Negative feedback, in particular, can highlight areas in your business that may need improvement. Businesses can identify common issues by analyzing feedback trends and taking proactive steps to address them, ultimately enhancing the overall customer experience.

In conclusion, social media is a powerful tool for promoting products and services, providing businesses with unparalleled opportunities for global reach, cost-effective marketing, and real-time customer engagement. Businesses can maximize their social media impact by understanding and identifying the target customer base, creating engaging content, leveraging influencer partnerships, and balancing paid advertising with organic reach. Adhering to guidelines, protecting intellectual property, and maintaining professionalism in online communication is essential for sustaining a positive brand image. Additionally, effectively handling feedback and using it to drive continuous improvement ensures long-term customer satisfaction and business success. With a strategic and thoughtful approach, businesses can harness the full potential of social media to achieve their marketing goals.

Summary

- Social media is essential for modern businesses, serving as a tool for marketing, customer engagement, and brand building.
- It offers global reach and accessibility, enabling businesses of all sizes to connect with a vast audience and expand markets.
- Social media marketing is cost-effective, allowing impactful campaigns even with limited budgets.
- Real-time customer engagement on platforms builds trust, loyalty, and provides insights into customer preferences.
- A strong social media presence enhances brand recognition, visibility, and loyalty.
- Identifying a target customer base involves understanding demographics and psychographics, utilizing audience insights and social listening, and creating customer personas.
- Effective social media marketing requires original and curated content, influencer partnerships, and a balance of paid and organic efforts.
- Establishing guidelines ensures consistent brand voice, compliance with platform-specific rules, and legal adherence to disclosure requirements.
- Understanding copyright laws and licensing content ensures legal compliance and protects intellectual property.
- Professionalism in online communication builds trust, manages crises effectively, and fosters positive customer relationships.
- Responding professionally to negative feedback can turn challenges into opportunities for improvement.

Exercise ✎

Multiple Choice Questions:

1. What is one primary benefit of social media for businesses?
   a) Limited customer engagement
   b) Costly advertising options
   c) Global reach and accessibility
   d) Minimal brand visibility

2. How does social media compare to traditional advertising methods?
   a) It is more expensive.
   b) It requires more time investment.
   c) It offers free access and low-cost advertising options.
   d) It has a smaller audience reach.

3. Which feature of social media enhances real-time customer engagement?
   a) Pre-scheduled posts
   b) Direct interaction with customers
   c) Automated responses only
   d) Limiting customer queries

4. Why is it essential to understand demographics and psychographics for social media marketing?
   a) To create broad and general content
   b) To better target the right audience
   c) To reduce marketing efforts
   d) To avoid interacting with customers

5. What is a customer persona in social media marketing?
   a) A real customer profile
   b) A fictional representation of an ideal customer
   c) A random demographic chart
   d) A competitor's customer list

Answer the following:

1. Why is timely and constructive response to feedback important for brand reputation?
2. How can businesses identify their target audience on social media platforms?
3. Why is social media an essential tool for brand building and customer engagement?
4. What are the best practices for responding to customer feedback on social media?
5. How does maintaining a positive tone in online communication impact a brand's image?

Scan the QR codes or click on the link to watch the related videos

https://www.youtube.com/
watch?v=S0k7LlpxPGc

https://www.youtube.com/
watch?v=xvZHNwBHirQ

https://www.youtube.com/
watch?v=4dcVQO0vcsA

Copyright Images and Other Intellectual Property

Importance of Social Media in Modern Business

11. Employability Skills

Scan the QR codes or click on the link for the e-books

https://www.skillindiadigital.gov.in/content/list

12. Annexure

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
1. Intro-duction to the Retail Sector	UNIT 1.3: Re-tail Formats	1.3.1 Retail Format	20	https://www.youtube.com/watch?v=xOkRogadXqk	Retail formats in india
2. Prelim-inary Pre-pa-ration to Start a Business	UNIT 2.2: Legal Com-pliances with Respect to Selling of Products and Ser-vices	2.2.1 Process to get Per-missions and Compliances as per Legal Require-ments	47	https://www.youtube.com/watch?v=tAkxbbGmok0	What is Shop and Establishment License?
4. Acquir-ing Market Awareness	UNIT 4.1: Updating Self on Prod-ucts/Services Rele-vant to Business	4.1.1 Prod-ucts/Services Involved in the Business	79	https://www.youtube.com/watch?v=mmm0ccYPliU	Pricing Strategy An Introduction
		4.1.2 Market Trends Con-cerning Sales Patterns	79	https://www.youtube.com/watch?v=QiVGmFztyuw	Pay Yourself When Pricing Your Products & Services
5. Aspects of Mar-ket-ing	UNIT 5.1: Planning of Product Assort-ments and Range Based Mar-ket Anal-ysis	5.1.1 Target Audience Profile/market	96	https://www.youtube.com/watch?v=CF2K58sPFcc&t=27s	Defining Products - An introduction

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
	UNIT 5.2: Or-ganising Re-sources and Pro-motional Programs	5.2.1 Select-ing the Right Medium of Promotions	96	www.youtube.com/watch?v=zIdwm__fnEc www.youtube.com/watch?v=nPTRzfi11gg&t=39s	Integrated Marketing Campaigns - An introduction
	UNIT 5.3: Inventory Manage-ment	5.3.1 Assess Inventory/pro-curing Ca-paci-ty as per Costs Involved	96	https://www.youtube.com/watch?v=r7FoV4XoAaw	RFID in fashion
		5.3.5 Check-ing Inventory Levels	96	https://www.youtube.com/watch?v=jxCG9MxIoK0&t=44s	Inventory Management Tips For Wholesale Businesses
6. Under-standing Business Relations	UNIT 6.1: Vendor Man-agement	6.1.1 Sourcing of Vendors	104	https://www.youtube.com/watch?v=Gm-agMsfu0s&t=11s	Learn English for Retail Salesperson
7. Impor-tance of Personal Hygiene while Do-ing Busi-ness	UNIT 7.2: Workplace Hazards and Precau-tion-ary Mea-sures	7.2.5 Ways to Mitigate Risks to People and Property during Emer-gencies	126	https://www.youtube.com/watch?v=1umJD13FexA	Merchandising principles - Health and safety

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
8. Customer is the King	UNIT 8.2: Sales Op-portuni-ties	8.2.2 Building Relationships with Customers to Generate Referrals	139	https://www.bakercommu-nications.com/sales-train-ing-videos.htm	Sales training videos
10. Use Social Media to Market Products and Services	Unit 10.1 - Maximize Impact Through Social Media	Copyright Images and Other Intellectual Property	158	https://www.youtube.com/watch?v=S0k7LlpxPGc	
			158	https://www.youtube.com/watch?v=xvZHNwBHirQ	
		Importance of Social Media in Modern Business	158	https://www.youtube.com/watch?v=4dcVQO0vcsA	

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