FASHION RETAIL ORGANIZATIONS AND ITS DIVISION

Merchandise

- ❖ A retailer uses various techniques to boost the sales of products. Out of those tactics, merchandising is also an effective technique to boost the sales of products in-store. Merchandising consists of various activities such as special offers, display techniques, on-spot demonstration, free samples, shelf-talkers, and other point-of-sale methods.

- ❖ It can be defined as planning of displaying the right merchandise at the right place, at the right time, in the right quantity, and at the right price to attract more and more customers.
- ❖ The merchandising techniques are highly influenced by the season, culture, and climate. A merchandising technique in summer season can't be the same as a merchandising technique in the winter season.

- ❖ Merchandising can be of different types, and it depends on the choice of retailer, space available, and the type of merchandise to be sold to select a suitable merchandising type.

Following are the different types of Merchandising

1. Product Merchandising:

This consists of all promotional activities related to boosting the sales of a product. The definition of product merchandising will remain the same, whether you are selling something online or in-store.

in-store promotional activities such as product display and online activities such as website design are examples of product merchandising.

2. Visual Merchandising:

A visual merchandising can be defined as all activities used to display the product to highlight its features. The activities used in visual merchandising can be created by making the use of space available, lighting in the store, and using different designing.

3. Retail Merchandizing:

Retail merchandising strictly refers to selling merchandise in a physical store or brick and mortar store. Retailing merchandising includes all marketing and promotional activities which are somehow used to sell products to consumers in brick and mortar store.

4.Omnichannel Merchandising:

Omnichannel merchandising or omnichannel retailing refers to creating unified customers experience at all the platform where a retailer sells his products and can reach his customers.

5 .Digital merchandising:

Digital merchandising is a term used at the place of retail merchandising for selling products at digital platforms. This includes all types of activities used to promote products on the internet. It is also referred to as online merchandising or e-commerce.

It includes all activities like website promotions, digital products display, email marketing, social media marketing, Digital marketing etc. Digital merchandising is getting importance as more and more retailers are taking their business online to reach a wider audience.

Merchandizing operation

Merchandizing operations are our purchasing, selling, collecting and payment activities. Although cyclical in nature, they are ongoing operations designed to improve your cash flow. Efficient merchandising operations keeps your store well stocked with inventory that your customers want to buy. Offering attractive credit terms to qualified buyers can increase your sales income. Collecting on your credit sales and paying your invoices promptly keeps the merchandise operations cycle functioning smoothly.

Merchandise Purchase Operations

Your merchandise operations start by placing an order with a vendor. When the merchandise arrives, you enter each item into your inventory accounting system. The merchandise is sorted and placed in storage until it is needed. Return any damaged or incorrect merchandise to the vendor. If your order is missing items, contact the vendor to arrange for another delivery or to have the amount deducted from your invoice total. If you purchase merchandise on credit, enter the vendor's invoice into your accounts payable system.

Merchandise Selling Operations

Each cash and credit sale increases your sales revenue and reduces your inventory. For cash sales, immediately deduct any sales discount or price markdown from the list price. You receive the cash payment at the point of sale. Credit customers take your merchandise with them with the understanding that payment is due at a later date. You enter a sale into each customer's accounts receivable account. As merchandise is sold, you take new stock from storage and bring it out for sale. Inspect returned merchandise and return it to the shelves for resale or set it aside if the item cannot be resold.

Payment Collection Operations

Credit customers receive an invoice listing each purchase they made during the accounting cycle and the total amount that is due. You can offer your credit customers a discount if they pay their invoices within a set time. For example, you can allow your customers to take a 2 percent discount off the total invoice amount if they pay within 10 days of the invoice date. Payments reduce the customer's accounts payable account and increase your cash flow. Collection procedures should include running an accounts receivable aging report so you can better collect overdue amounts from slow-paying or non-paying customers.

Vendor Payment Operations

You use the money you collect from your cash and credit customers to pay your merchandise vendors. Keeping track of the invoice due date allows you to lower your merchandise purchase costs by taking the early payment discount. If you receive damaged merchandise or your purchase order was incorrectly filled, you want to return the merchandise within the vendor's deadline to get a full credit for that amount. Run an accounts receivable aging report to make sure you do not fall behind in your vendor payments.

Human Resources (HR)

Human resources or HR is the company department charged with finding, screening, recruiting, and training job applicants, and administering employee-benefit programs. As companies reorganize to gain a competitive edge, HR plays a key role in helping companies deal with a fast-changing environment and the greater demand for quality employees.

Understanding Human Resources

An HR department is an essential, if not critical, component of any business regardless of the organization's size. It focuses on maximizing employee productivity and protecting the company from any issues that may arise from the workforce. HR responsibilities include compensation and benefits, recruitment, firing, and keeping up to date with any laws that may affect the company and its employees.

Research conducted by The Conference Board has found six key people-related activities that HR must effectively do to add value to a company. These include:

- Managing and using people effectively
- Tying performance appraisal and compensation to competencies
- Developing competencies that enhance individual and organizational performance
- Increasing the innovation, creativity, and flexibility necessary to enhance competitiveness
- Applying new approaches to work process design, succession planning, career development, and inter-organizational mobility
- Managing the implementation and integration of technology through improved staffing, training, and communication with employees

Special Considerations

HR departments perform human resource management strategies. HRM is a strategic and comprehensive approach to managing employees and the organizational culture and environment. It focuses on the recruitment, management, and general direction of the people who work in an organization.

HR is also more involved in improving the organization's workforce by recommending processes, approaches and business solutions to management. For example, in IKEA, HR shifted its focus on values and cultural fit rather than skills and experience in recruiting employees.

The HR departments of large companies have moved away from traditional personnel, administration, and transactional functions since the start of the 20th century.

Companies outsource these functions to free the department to recommend and implement meaningful and value-adding programs that impact the business in positive ways. Functions typically outsourced include payroll administration, employee benefits, recruitment, background checks, exit interviews, risk management, dispute resolution, safety inspection, and office policies.

Financial Control

Financial control may be construed as the analysis of a company's actual results, approached from different perspectives at different times, compared to its short, medium and long-term objectives and business plans.
These analyses require control and adjustment processes to ensure that business plans are being followed and that they can be amended in the event of anomalies, irregularities or unforeseen changes.

Objectives and benefits

1. CHECKING THAT EVERYTHING IS RUNNING ON THE RIGHT LINES

Sometimes, financial control just checks that everything is running well and that the levels set and objectives proposed at the financial level regarding sales, earnings, surpluses, etc., are being met without any significant alterations. The company thus becomes more secure and confident, its operating standards and decision-making processes being stronger.

2. DETECTING ERRORS OR AREAS FOR IMPROVEMENT

An irregularity in the company finances may jeopardize the achievement of an organization's general goals, causing it to lose ground to its competitors and in some cases compromising its very survival. Therefore, it is important to detect irregularities quickly.
Various areas and circuits may also be identified which while not afflicted by serious flaws or anomalies could be improved for the general good of the company.

3. OTHER USES

Financial control may also serve to:
Implement preventive measures. Occasionally, early diagnosis of specific problems detected by financial control makes corrective actions unnecessary, as they are replaced by solely preventive actions.

Communicate with and motivate employees. Precise knowledge of the state of the company, including its problems, mistakes and those aspects which are being handled correctly, encourages better communication with employees and motivates them to ensure that they follow the correct line or improve the necessary aspects.

Take action where required. Detecting the situation is of little use without concrete actions to get a negative situation back on track thanks to specific and detailed information provided by finance control.

Implementation strategies

Financial control must be designed on the basis of very well defined strategies if the directors of the companies are to be able to:

•**Detect anomalies in budgets**, balance sheets and other financial aspects.

•**Establish different operational scenarios** putting profitability, sales volume and other parameters to the test.

Although there are many different types and methodologies, a very common set of steps can be distinguished in the vast majority of financial control implementation strategies.

STEP 1. ANALYSIS OF THE INITIAL SITUATION

The first step is to conduct an exhaustive, reliable and detailed analysis of the company’s situation across various areas: cash, profitability, sales, etc.

STEP 2. PREPARATION OF FORECASTS AND SIMULATIONS

On the basis of the initial situation analyzed above and the establishment of a set of parameters or indicators, a set of forecasts and simulations of different contexts and scenarios can be prepared.

These simulations are immeasurably helpful in making appropriate decisions on such crucial aspects as investments, profitability, changes in production systems, etc.