

Reducing Tractor Supply Store Hours to Benefit Customers and Increase Store Revenue



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Reasons to Close Earlier

- Store is in Prescott, a rural, small town where all other businesses are closed by 7:00 p.m.
- Only 4% of store sales made after 5:00 p.m.
- Employee costs, high overhead, and low sales mean minimized profits
 - Last year \$110,000 spent above budget in customer service



Stressed Employees



- Employees are stressed with current closing protocol
 - Too many tasks to accomplish in limited time frame
 - Must continue to assist customers while closing
 - Must punch off the clock at a specified time

Employees Working vs. Time for Closing Tasks

Shift Hours	Number of Employees Working	Customers in Store
8:00 A.M. – 11:00 A.M.	4	112
11:00 A.M. – 2:00 P.M.	4	218
2:00 P.M. – 5:00 P.M.	3	156
5:00 P.M. – 8:00 P.M.	2	49

- Employees must split their time between closing tasks and helping customers in the store
- Sacrifices customer service and makes tasks take longer

Task	Number of Employees Needed to Complete	Time Required to Complete (Minutes)
Take out garbages	1	20
Reduce cardboard boxes/ load cardboard crushing machine	1	5
Sweep sales floor	2	15
Clean check-out areas	1	5
Straighten service desk	1	5
File paperwork	2	20
Restock returned merchandise	2	10
Restock shelves	2	30
Refold and straighten clothing department	1	15
Collect shopping carts and baskets	1	10
Count down money in tills	2	25
Feed/care for chicks and rabbits	1	10
Secure all doors and alarms	1	5
Total		2 hours 55 minutes

High Overheads

- High overhead costs are affecting Tractor Supply more than ever before
 - increasingly tighter budgets
 - decreasing sales due to economic hardships
- Sales expected to fall behind those of last year
- **Smaller Profit Margins!**



Improving Customer Service



- TSC prides itself in exceptional customer service
- Stressed employees don't perform as well
- Reduce stress on closing employees
- More focus on customers = increased customer care!

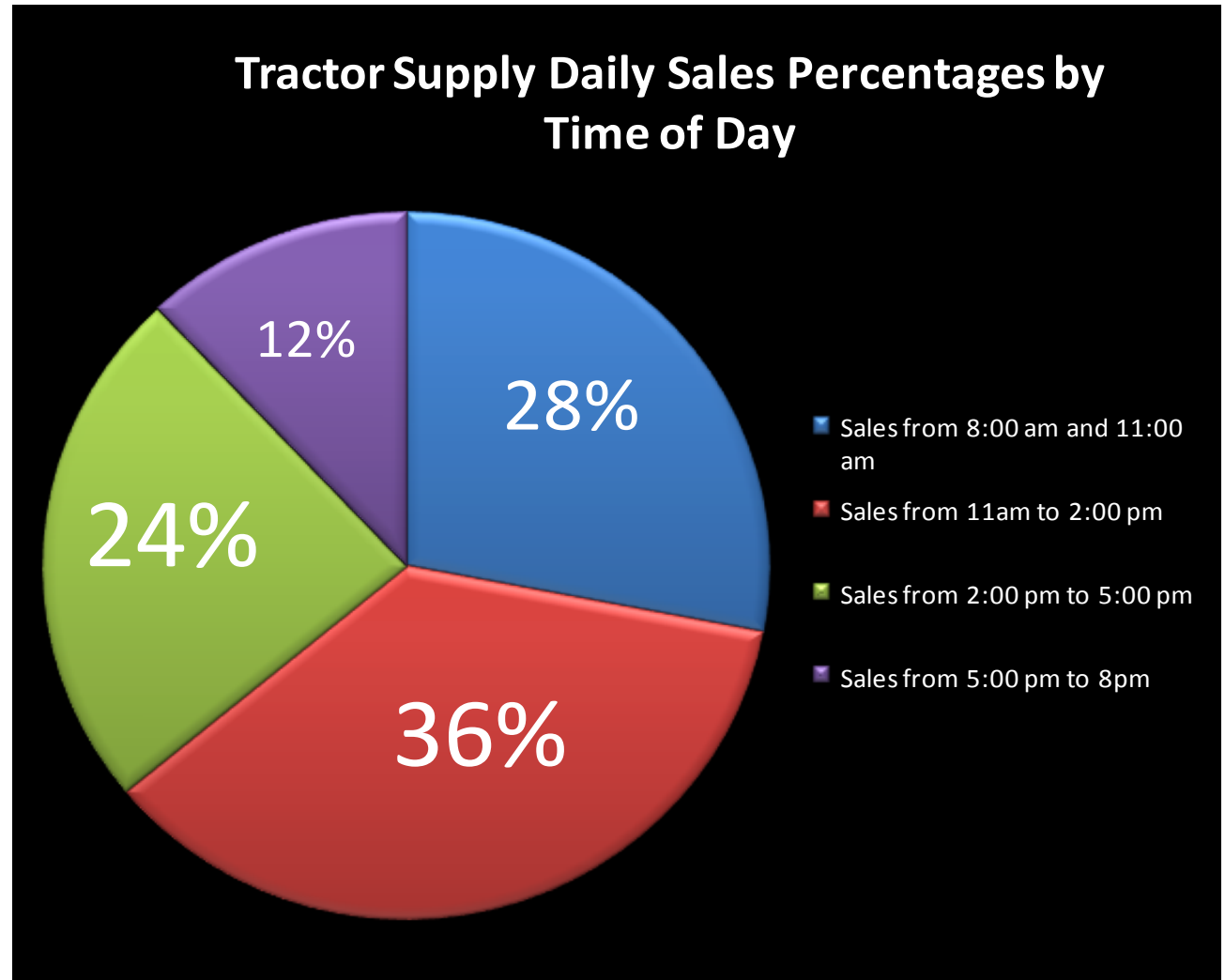
The Survey Says...

- 500 customers were surveyed on their experience shopping at Tractor Supply
- 63% Satisfied Customers
- 28% unsatisfied
 - Indication of a problem in our customer service



Decreased Sales

- Low Sales in last quarter of day (12%)
- High overhead vs. low sales
- Cost Analysis



Here's the Alternatives

- **Alternative 1: Close the store earlier**
- **Alternative 2: Hire an additional employee to complete only closing tasks**



#1: Close The Store Earlier



- Allows for a slight reduction of store operating hours

- Store is open fewer hours = less overhead costs
- Eliminates stress by allowing employees to do closing procedures after the store closes
- Cuts down the time it takes to do the procedures by allowing both employees to work together to complete all tasks
- Customer service issues are no longer a problem

#2: Hire an Additional Employee

- One additional employee hired just to complete closing tasks
- Regular closing employees allowed to focus 100% on customer service
- Low cost to add one more employee for last 3 hours of day
 - \$15.00 an hour would only add another \$45.00 to the current employee expenses



Benefits

- Either option fulfills ultimate goal:



- **Benefit Customers**
- **Increase Store Revenue**

Questions??

