

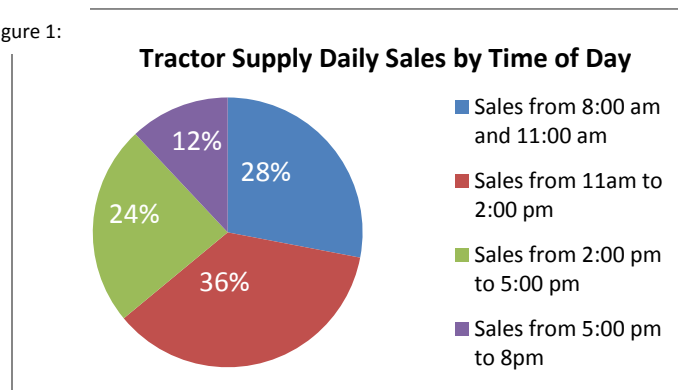
Research on Profit Loss at Tractor Supply due to Extended Hours of Operation

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I have been working at the Tractor Supply Store in Prescott, WI for the past year and a half, and since day one on the job, I have not been able to justify the reasoning behind our store hours of operation. The store is losing business revenue by staying open extended hours in which not many customers are shopping or buying merchandise. The added employee costs and extra overhead reduce company profits and limit the time in which employees can complete closing tasks, leading to unneeded employee stress and a loss in both productivity and customer service. Figure one below shows hourly sales as a percentage of total daily sales. The smallest portion of daily sales is in the hours just before closing. From 5:00 p.m. to 8:00 p.m., only 12% of the daily sales are made.

Figure 1:



Problems and Solutions:

Our customer service motto at Tractor Supply is to “do whatever it takes,” for our customers. We pride ourselves in our customer service, often going miles out of our way to help a customer resolve an issue. Why is it then that we sacrifice

customer service at the end of the day just to stay open an extra hour for business? For a complete list of other Tractor Supply mission statements click [HERE](#)

There are typically only two to three employees responsible for closing the store and completing a designated list of closing tasks in the hour before closing. Team members are not only responsible for their assigned recoveries and closing chores, but must also wait on customers until the store closes.

Often the store has loitering customers even after the set closing time, which delays the closing and shortens the time in which employees must complete closing tasks. Each employee has a previously set schedule and must punch off the clock at a designated time. Therefore, procedures are often hastily or sloppily completed due to a lack of time in which to finish them. On some occasions, tasks go completely undone and must be made up before the store opens the following morning.

This is unacceptable.

I looked at three possible solutions to these problems.

- Alternative 1: Close the store earlier
- Alternative 2: Assign employees to closing tasks several hours before the store closes
- Alternative 3: Hire an additional employee to complete only closing tasks

Research:

I started by researching various outside data from other farm and garden type stores (Fleet Farm, Flugel's, Runnings, etc.) and compared opening/closing hours to those of Tractor Supply, reviewed closing protocol for other retail business, noting how each store's employees handled their closing tasks, and then looked at general retail articles that researched aspects of store closing hours.

I then researched data within the company. I conducted an employee survey in order to interpret employee views, looked at computer data to determine the hours in which the store had the highest sales, reviewed security cameras to determine the number of customers that were in the store at given times throughout the day, and finally ran a cost analysis based on the amount of sales and number of customers in the store to the overhead costs of keeping the store open.

Results:

After doing the research and analyzing the results, I have determined that Tractor Supply customer service is being affected by the extended hours. My research results indicated a very large decrease in the percentage of sales after 5:00 p.m. This supports the first alternative in my proposal, that by closing the store slightly earlier, sales would be minimally affected, customer service would increase, and a large reduction in company overhead costs would be the result.

Please check out some other retail hours and customer service related articles:

[Can I get Some Service?](#)

[Are Longer Branch Hours Convenient to Bottom Line?](#)

[Improving Retail Performance Through Better People-Practices](#)