



Store #1246

1445 N ACRES RD - PRESCOTT WI 54021

Phone: (715) 262-4500 Fax: (715) 262-4517

March 23, 2011

Mr. Marty McCabe, Manager
Tractor Supply Company
1445 North Acres Rd.
Prescott, WI 54021

Dear Mr. McCabe,

Subject: Minimizing overhead business operating costs by reducing store hours of operation and employee scheduled hours

I am pleased to submit the following proposal for a refinement of company hours in order to maximize company revenue and general store appeal to customers. Often the store's busiest hours are well before closing time and the number of customers in the store is drastically diminished by up to two hours before closing. Tractor Supply Company would benefit greatly if employees had this extra time in the store to more adequately supply customers with a better stocked and more organized store without sacrificing time while only serving a small percentage of customers.

Problem

The Tractor Supply store in Prescott, WI is a relatively small store with less of a customer base than many of the stores within the district. The store is currently open Monday through Saturday 8:00 a.m. to 8:00 p.m. and on Sunday from 9:00 a.m. until 6:00 p.m. Often the busiest store hours are between 10:00 a.m. and 5:00 p.m. on any given day. Not many customers shop in the store later than 6:30 p.m. during the weekdays and after 5:00 p.m. on weekends.

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 time 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 a problem because it delays the opening of the store in the morning and creates an untidy appearance for customers.

Scope/Statement of Purpose

Scope:

The result of this research study will determine whether the managers with Tractor Supply Company feel that it is beneficial to install one of three proposed options. This will determine if the company is able to cut some of its unnecessary operating expenses in an effort to increase store revenue.

Statement of Purpose:

The primary goal of closing the store earlier would be to give employees the chance to better stock and straighten shelves and displays, increasing the organization of the store and working to make more products available to customers. Better recovery could be done in each department with an emphasis on proper labeling and product signage. There would be less rush for employees to complete the day's tasks in the remaining hour before closing and the distraction of waiting on customers while doing these tasks would be eliminated. The store would be able to close on time, if not earlier, than it would be in its current practices.

General Closing Tasks Include:

- Taking out garbage
- Reducing cardboard boxes and baling cardboard crushing machine
- Sweeping the entire sales floor
- Cleaning out and straightening of check-out areas
- Restocking returned merchandise
- Straightening service desk area
- Restocking and refilling end caps and displays
- Refolding and straightening entire clothing department
- Returning all shopping carts and baskets to designated area within the store
- Feeding and caring for seasonal chicks and rabbits

Managerial Staff Closing Tasks Include:

- Completing forklift inspection and filling out daily log
- Daily completion of propane log and evening locks
- Counting tills and filling out bank deposit ticket
- The securing of all locks and alarms

Altering closing time or procedures would ensure the completion of all tasks in an acceptable manner. The store would be clean, well stocked, and organized the following morning and the need to delay the store would be eliminated.

Alternative Solutions

The following are possible alternatives that could serve as a resolution to this problem.

- **Alternative 1: Close the store earlier**

The first alternative would be to alter the closing time of the store. Open the store still at 8:00 a.m. Mondays through Friday but close at 7:00 p.m. instead of 8:00 p.m. On Saturday the store would open one hour later at 9:00 a.m. and close at 7:00 p.m. On Sunday the store would open at 10:00 a.m. and close at 5:00 p.m. and Employees would be scheduled until 8:30 p.m. Monday through Saturday and until 6:30 p.m. on Sunday. The extra ninety minutes after closing would allow for employees to focus more on customers until the store closes, while still giving them plenty of time to adequately complete closing tasks. This option eliminates employee stress and still allows for the store to close thirty minutes before it would using the current hours of operation.

➤ **Alternative 2: Assign employees to tasks several hours before closing**

This alternative would involve keeping the current hours of operation. Instead of waiting until after closing the store to begin tasks, employees would be assigned to specified chores several hours before closing. They would have plenty of time to complete closing tasks, but would need to start much earlier in the day. This option would require the company to sacrifice customer service in order to ensure all duties are completed, but would reduce the end-of-day rush.

➤ **Alternative 3: Hire an additional employee to complete only closing tasks**

Hiring one additional employee to focus on completing closing procedures, would reduce the stress on other employees to complete all tasks. Regular closing employees would be able focus on helping customers until the store closes, while the additional employee would focus strictly on completing all tasks.

Research Methods, Tasks, Resources

Primary Research:

I will conduct several methods of research for this proposal. An employee survey will be used to get their views on the different alternatives and to determine which alternative would benefit them the most. In addition to the survey, I will look at internal computer data to determine the hours in which Tractor Supply has the most sales and when sales begin to taper in the evening. I can look at security cameras to determine the number of customers in the store at any given time that do not buy anything. A cost analysis could then be performed based on the amount of sales and customers in the store to the overhead costs of keeping the store open.

The following are some of the questions my survey will consist of:

- On average how many other employees do you close with?
- Do you feel that you are being rushed or pressured nearing closing hours to complete tasks involved with closing the store?
- Do you feel that there are a sufficient number of employees involved in closing procedures?
- If the store were to close earlier, do you think this would help you to complete closing tasks?
- Would hiring another employee to so just closing procedures solve this problem?

Employee feedback may also be important. I would include several open-ended questions in which employees could state ways in which they feel the problem could be improved.

Questions would include:

- How would you improve current Tractor Supply closing procedure?
- Do you feel it would be beneficial to close the store earlier in the evenings? Why or Why not?

External Resources:

- Comparisons of opening/closing hours from other farm and garden type stores (Fleet Farm, Flugel’s, Runnings, etc.)
- Closing protocol for other retail business and note how each store employees handle closing tasks
- General Retail articles that research various aspects of store closing hours, employees, and customer service statistics

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Hawthorne, Dan. "Improving Unit-Level Performance Through Better People-Practices." EBSCO Publishing Service Selection Page. Web. 22 Mar. 2011. <<http://web.ebscohost.com/ehost/detail?sid=fb0d20f8-49b0-4200-83cc-575f8f058f0a@sessionmgr14&vid=1&hid=18&bdata=JnNpdGU9ZWZWhvc3QtbGl2ZQ==#db=buh&AN=48294765>>.

Stoneman, Bill. "Re Longer Branch Hours Convenient to Bottom LIne?" Business Solutions & Software for Legal, Education and Government | LexisNexis. 3 June 2008. Web. 22 Mar. 2011. <[http://www.lexisnexis.com/hottopics/lnacademic/?csi=303174&shr=t&sr=BYLINE\(Stoneman w/3 Bill\) AND HLEAD\(Are Longer Branch Hours Convenient to Bottom Line?\) AND DATE IS 2008](http://www.lexisnexis.com/hottopics/lnacademic/?csi=303174&shr=t&sr=BYLINE(Stoneman w/3 Bill) AND HLEAD(Are Longer Branch Hours Convenient to Bottom Line?) AND DATE IS 2008)>.

Tasks & Time

<u>Tasks</u>	<u>Completion Date</u>
Initial proposal	March 21, 2011
Research/Analyze Options	April 1-15, 2011
Prepare Survey	March 25, 2011
Survey Customers & Evaluate Results	April 30, 2011
Progress Report	April 25, 2011
Prepare & Submit Final Report	April 26, 2008 to April 30, 2011
Formal Presentation	May 2, 2011

Criteria

Some of the criteria for evaluating the applicability of these solutions include:

- Maximum amount of profit
- Number of employees
- Employee hours
- Employment costs
- Overhead business costs
- Customer Service

The above criteria will be the primary points of interest in the research. Each alternative situation will not only focus on these points, but they must also be evaluated to determine which solution best benefits the clients, employees, and the business revenue.

Qualifications

I am a third year student at the University of Wisconsin-River Falls majoring in Marketing Communications and Animal Science. I have three years of marketing experience and nearly a year of retail experience with Tractor Supply Company.

Budget

This will be a minimal cost project. I will use a majority of internal company data to complete this proposal and several external research sources that will have minimal cost. The only cost of this project will be a wage request of \$10.00 per hour while the researching the program.

Request for Approval

The outcome of this research is to provide an alternative to our current closing methods. The best alternative will be one that maximizes profit, minimizes overhead costs, and utilizes current employees. The best alternative will be chosen based on these criteria. Please contact me by phone or e-mail, at 608-921-1768 or molly.willing@uwrp.edu, with any questions or suggestions you may have. If this proposal meets your approval, please signify your acceptance by signing below and returning a copy to me at your earliest convenience.

Sincerely,

Molly Willing

By signing this document I hereby encourage Molly Willing to perform the voluntary research listed in proposal above, and more importantly, signify my interest in this issue and my support in finding a solution.

Accepted by:

Tractor Supply Manager

Date