



RASCI
Retailers Association's
Skill Council of India

Participant Handbook

Sector
Retail

Sub-Sector
Retail Operations

Occupation
Store Operations

Reference ID: **RAS/Q0101, Version 3.0**
NSQF level 2



**Retail Store Operations
Assistant**

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Retailers Association's Skill Council of India

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Shri Narendra Modi
Prime Minister of India

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



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for

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The preparation of this handbook would not have been possible without the retail industry's support. Industry feedback has been extremely beneficial since inception to conclusion, and it is with the industry's guidance that we have tried to bridge the existing skill gaps in the industry. This participant handbook is dedicated to the aspiring youth, who desire to achieve special skills that will be a lifelong asset for their future endeavours.

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.

A Retail Store Operations Assistant is responsible for optimizing inventory to ensure maximum availability of stocks and minimizing losses; adhering to standard operating procedures, processes, and policies at the store while providing timely and accurate reporting; managing sales and service delivery to increase store profitability; executing visual merchandising displays as per standards and guidelines; ensuring overall safety, security and hygiene of the store; implementing promotions and special events at the store; leading and managing the team for developing store capability, and conducting price benchmarking and market study of competition. The individual should be meticulous, motivated to learn new things, logical, and result-oriented. He or she must have manual dexterity, right eye for visual quality, and excellent attention to detail. Among others, the individual must have decent communication skills and be able to prioritise tasks. 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 a Retail Store Operations Assistant.

Symbols Used



Key Learning Outcomes



Unit Objectives



Exercise



Tips



Notes



Activity



Summary



Practical

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1. Introduction to Retail



Unit 1.1 - Introduction to Retail

Unit 1.2 - Traditional and modern Retail in India

Unit 1.3 - Retail Formats

Unit 1.4 - Modern Retailing and You

Unit 1.5 - Role of Supply Chain System



Key Learning Outcomes

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

1. State the meaning of retail
2. Distinguish between the traditional and modern retail sector
3. Identify the traditional forms of retailing in India
4. Discuss the features of retail formats
5. Identify the departments and functions in a modern retailing operation
6. Identify the components involved in the retail supply chain
7. List the roles and responsibilities of a Store Operations Assistant (SOA)

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. Identify the stages in the growth of the retail sector
4. Discuss the reasons for the growth of retail in India
5. Differentiate between the traditional and modern retail sector

1.1.1 Retail

Retail: Originates from the French word 'Retailleur' 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 consumer.

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/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)
- 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.

1.1.2 Growth of Retail Sector

Barter system: Barter system is a system in which goods or services are directly exchanged for other goods and/or services without a common unit of exchange (without the use of money).

Traditional: Selling goods and services in smaller stores.

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

Bring out the reasons for the growth of retail in India (explain points on slide 8).

- 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

It is a 518 billion US dollar market today (2012) from 1998 which was 201 bn USD.

Organised v/s Unorganised

- Unorganised retail 92% per cent market share during 2012
- 12 million unorganized (mom-and-pop) stores
- Organised retail is expected to account for 20 % of the overall retail market by 2020

Traditional and modern retail sector

- **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 mails 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 procedure. Modern retail companies have their own Standard Operating Procedures (SOPs) to ensure that the day-to-day operations are taken care of, but the 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, size of the department and shopping convenience of the customers. 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 and each format service levels are different and higher than the traditional retailers. For example in a lifestyle stores, the service levels are really high, the SOAs will understand the needs of the customers and will help them to select the right products and also do a consultative selling. The services are offered from entry till exit of the store. But, in traditional retail forms the service levels are not par with the modern retail forms; this is due to different reasons like, size, untrained staff, etc.

- **Scope of products:** Since modern retail has different formats, it offers products in various range/ collection, price, size and quantity. It also caters to customers of different levels. On the other hand, traditional forms of retail offer a very limited range of products. The customers do not have much selection of products
- **Markets:** Unlike the traditional retail sector, modern retail exists in all segments of market like urban, rural, semi-urban areas, catering to a wide range of customers

UNIT 1.2: Traditional and modern Retail in India

Unit Objectives

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

1. Describe the traditional retail scene in India
2. Describe the emerging modern forms of retailing in India

1.2.1 Traditional Forms of Retailing in India

- **Kirana/mom and pop stores:** Small shops, selling to consumers in the immediate neighbourhood. They have 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 cost of operations and usually lower prices. Specialist traders have a variety of products but in small quantities and low levels of service
- **Whole sale markets/mandis:** Permanent but small stalls. They undertake wholesale and retail activity, essentially food and grain centres, mainly selling to small traders, have 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 of 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

The 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. For example Alsa Mall (Delhi), The Forum (Bangalore)
- A one-stop shop for all customer needs. High quality of shopping environment and shared services
- Many products and services: groceries, apparel, jewelry, books, restaurant, cinemas
- Parking, walk-ways
- 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 customer over the internet
- Tele-marketing: 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 customers at home and demonstrating products or services followed by direct order taking

However, this qualification will focus on store based retailing, which is the largest and most popular way of retailing.

UNIT 1.3: Retail Formats

Unit Objectives

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

1. List the different retail formats
2. Summarise the key features of retail formats

1.3.1 Retail Format

Retail format is the overall appearance and feel that it presents to customers, primarily its look and layout, the sort of range it stocks and the approach taken to pricing.

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

Table 1.3.1: Retail format

Types of retail formats

Standalone stores

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

Department stores

- Large stores: 20,000 to 50,000 sq ft.
- Cater to a variety of customer needs
- Further classified into departments such as clothing, toys, home needs, etc.
- Multi-brand range
- Premium priced
- May be located in shopping malls or on a high street
- 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, apparel
- Always on discount
- For example Mega Mart, Brand Factory, 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 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 strong hold 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 to large size : 1000 to 20,000+ sq ft
- Span a wide range of products, entertainment and luxury/ leisure categories
- Merchandises are offered at premium prices
- Operation cost is higher than other formats
- Level of customer service is high
- For example Lifestyle, Central

Hypermarkets

- Superstores which may combine a supermarket and a department store (covers 150,000 sq ft to 2,50,000 sq ft)
- Very large retail facility having 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, 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 product, service and entertainment
- Stores, restaurants, cinemas, kids play areas
- Essentially provide a platform for many retailers/stores to tap into a common consumer base
- For example Prestige Mall, Forum Mall, Garuda Mall

UNIT 1.4: Modern Retailing and You

Unit Objectives

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

1. List the departments and functions in a modern retailing operation
2. Outline the structure of and roles in a front end store operation
3. Summarise the roles and responsibility of a store operations assistant (SOA)
4. Discuss the challenges faced by a SOA at workplace

1.4.1 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 is managed by a Store Manager with the support of his/her 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.

To run a store successfully, co-operation and support of the following departments is 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 and responsibilities and importance, at the same time being dependent on one another.

1. Merchandising: The roles and responsibilities of the merchandising department are

- Planning and deciding the products to buy and sell
- Sourcing products and supplying to the store
- Deciding on store displays
- Negotiating with vendors for the best price
- Placing new products in the store
- Fulfilling the store's requirements in terms of products

2. Warehousing: The roles and responsibilities of the warehousing department are

- Receiving the stocks from vendors
- Storing the received stocks and dispatching the stocks to stores
- Receiving damaged expired, old stocks from the stores
- Fulfilling the store's requirements in terms of supplying products

3. Finance: The roles and responsibilities of the finance department are

- Planning budgets
- Processing the invoices and taking care of payments of the vendors
- Assisting the store staff in terms of handling day to day commercial operations
- Managing commercial operations

4. **Projects:** The roles and responsibilities of the project department are
 - Identifying store locations
 - Designing store layouts
 - Setting up the store
5. **Marketing:** The roles and responsibilities of the marketing department are
 - Building the brand
 - Advertising and promoting merchandise and services
 - Planning and designing different types of promotions
6. **Human resources:** The roles and responsibilities of the human resource department are
 - Hiring eligible and suitable candidates for different departments
 - Conducting different types of training and development programmes for the present employees and conducting inductions for newly joined employees
 - Processing pay-roll
 - 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 for 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, warehouse plays an important role in dispatching the required/ordered products to the store at the right time.

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 of the section, attending to customers' needs, selling, etc. The SOA reports to the Supervisor
- **The Store Logistic Manager** takes care of receiving products from warehouse and dispatching products from store to warehouse. Other responsibilities are product code updating at the store level, disposal of damages, back room 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, 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, maintaining required and adequate stocks at the store

- **The Head Cashier** takes care of the store’s commercial activities and 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, pay roll 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 day to day HR/administrative functions of the store 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 and checking product movement and staff movement, etc. The Store Security Personnel reports to the Store Security Officer

The SOA’s primary role is to support the day to day store operations in the area of receiving, moving and storage of goods.

Store Operations Assistant—snap shot of roles and responsibilities

The roles and responsibilities of a SOA are given in the table below. These roles will be discussed in detail in further sessions and units.

Assist in store operations	<ul style="list-style-type: none"> • Support in store opening and closing • Receive and store goods • Maintain shelf stocks and displays (Merchandising) • Support in running day-day operations • Support in keeping the store clean
Provide good customer service	<ul style="list-style-type: none"> • Understand and assist customers in choosing the right products and services • Understand the concerns of the customers and address them appropriately following company policies • Manage deliveries for the customers
Protect health and safety in store	<ul style="list-style-type: none"> • Protect health and safety of self, team and products • Identify and report emergencies and accidents • Know the first aid and emergency procedures

Work effectively in the teams and organisation	<ul style="list-style-type: none"> • Interact with team members • Cooperate with other teams • Be supportive and guide during team activities • Help plan and organise own learning • Help others learn
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Table 1.4.1: Roles and responsibilities

In spite of having different challenges, a SOA should always smile and be cheerful while working in the store.



Fig. 1.4.2: SOA should always smile and be cheerful

UNIT 1.5: Role of Supply Chain System

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

1.5.1 Meaning and Importance

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

A retail supply chain is:

- The method by which the goods reach the customers
- The entire set of organisations/people that produces and delivers products and services to the final customer

A typical retail supply chain

A typical retail supply chain has four important components. Each component makes the chain complete, and 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 back bone of the retail industry
- **Retailers:** The caretakers of the shopping environment. The retailer receives the products, stores them and displays the 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

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 its 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, apparels, etc.), products and variants.
- **Cross-functional co-ordination:** The components of a supply chain are inter-dependent or mutually supportive-to be successful, a supply chain requires a lot of support and co-ordination from different departments. There should be very close co-ordination 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.

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

1.5.2 Factors that Influence 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 of supply chain that executes the whole supply process. Transportation means packing products, loading and sending them off on their journey towards 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 co-ordination 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), and with large networks like S.A.P (Systems Applications Products) and E.R.P (Enterprise Resource Planning), it has now become possible to plan and co-ordinate the activities involved in the retail supply chain effectively

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, the cell phone, the fax machines and the internet/email have brought about a tremendous change in the functioning of a supply chain. They have helped the supply chain to function smoothly and effectively by making it possible to 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 and 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
- Features and components of retail
- Stages in the growth of the retail sector
- Reasons for the growth of retail in india
- Difference between the traditional and modern retail sector
- The traditional retail scene in India
- The emerging modern retail sector in India
- Retail formats
- Features of important retail formats
- Departments and functions in a modern retailing operation
- Structure of and roles in a front end store operation
- Roles and responsibility of a Store Operations Assistant (SOA)
- Challenges faced by a SOA in workplace
- Meaning of supply and retail supply chain
- Elements of a typical supply chain
- Features of a supply chain
- Factors that influence supply chain management

Exercise

Answer the following questions by choosing the correct option:

1. 'Retaillier' is a _____ word.

a) Spanish	b) Sanskrit
c) French	d) None of the above

2. Small shops are in the list of,

a) Pop store	b) Weekly bazaar
c) Whole sale market	d) Hawkers market

3. The size of standalone stores are,

a) 20,000 to 50,000 sq ft.	b) 500 to 20,000 sq ft.
c) 5,000 to 10,000 sq ft.	d) 500 to 10,000 sq ft.

4. Lifestyle is a type of,

a) Premium store	b) Discount store
c) Supermarket	d) Department store

5. Receiving the stocks from vendors is the work of
- a) Retailers
 - b) Vendors
 - c) Warehousing
 - d) Finance

Answer the following questions using descriptive answers:

- 1. Describe the growth system of retail sector.
- 2. What are the traditional forms of retailing market in India?
- 3. How many retail stores are there describe them?
- 4. What are the departments in modern retail sector?
- 5. What are the structure and roles of the workers in a store?

Notes



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[www.youtube.com/
watch?v=FXHD4VPWkrk](https://www.youtube.com/watch?v=FXHD4VPWkrk)

Be a successful sales person



[www.youtube.com/
watch?v=Gm-agMsfu0s&t=40s](https://www.youtube.com/watch?v=Gm-agMsfu0s&t=40s)

English phrases for sales person



[https://www.youtube.com/
watch?v=xOkRogadXqk](https://www.youtube.com/watch?v=xOkRogadXqk)

Types of Retail Formats

2. Overview of Store Operations



Unit 2.1 - Introduction to Store Operations

Unit 2.2 - Introduction to Product Categories

Unit 2.3 - Key Policies in Receiving and Storing Goods



Key Learning Outcomes



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

1. List the functions involved in store operations
2. Identify the key product categories present in the store
3. Describe the key policies of receiving and storing the goods

UNIT 2.1: Introduction to Store Operations

Unit Objectives

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

1. State the meaning and importance of store operations
2. Identify the important store opening functions
3. List the staff responsibilities towards store opening functions
4. List the post store opening activities
5. Describe the staff responsibilities towards post store opening activities
6. List the day-end activities
7. Describe the staff responsibilities towards day-end activities
8. Identify the important registers maintained in the store

2.1.1 Store Operations

The meaning and importance of store operations is:

- ‘Managing the activities of a store, on a day-to-day basis, with the intention of increasing the profitability of the store and satisfying customer needs’
- In simple words, store operations means, ‘handling a store on a daily basis, effectively and efficiently to gain profit and satisfy customer needs’

Stages in store operations

The three stages of store operations are:

- Store opening
- Post store opening
- Store closing



Fig. 2.1.1: Stages in store operations

2.1.2 Store Opening Activities

Store opening activities and the responsibilities of store staff are given below:

1. Be present when the store is opened for the staff to keep the store ready for customers
 2. Sign the staff register to mark your presence and declare the personal cash and possessions that you are carrying with you as per the company policy
 3. Physical Inventory activity: Check physical stock vs. system stock to know the stock status
Physical inventory: Physical inventory is the process of counting by hand, the number of each type of product in your store at any given time. A physical inventory ensures that the stock in hand matches the quantities of products that are actually available in the store.
 4. Ensure that the housekeeping activities like mopping and wiping the floor and other areas are carried out and check for any further requirements (if anything more needs to be done or cleaning material is required). (pic.4)
 5. Check the attendance of the external agency staff and inform the manager about any absence (Example: housekeeping and security staff)
 6. Check the duty roster and get briefed about staff schedule (from the manager) to have adequate staff in your department
 7. Attend store briefing by the store manager/shift in charge
Store briefing: Store briefing is a daily activity conducted by the Store Manager/Shift-in-charge to update the store staff about the previous day's targets, actual sales, present day's targets and other important store information.
 8. Stack the products neatly on the shelves according to the planogram and check the promotional display, promotional talkers, banners, etc.
Planogram: A planogram is a visual description, diagram or drawing of a store's layout that shows placement of particular products and product categories. Based on the company's display policy, the products are arranged either price wise or size wise. Example: TVs. are arranged size wise viz., 17", 21", 29", etc.
 9. Collect the float cash from the head cashier for a smooth functioning of the billing counter (ensure that the cashier's kit consists of lower denominations of cash, that is 5, 10, 50, 100 and also has adequate stationery like stapler, pins, rubber bands, pen, pencil, sharpener, ruler, scribbling pads, paper clips, bill rolls, etc.)
 10. Keep your section/department ready for store walk (by the Store manager/shift in-charge who takes a look to get the feel of the store) (pic.1). Ensure that all the promotional displays or talkers are in place, products are neatly arranged, shelves are fully stacked and the department looks neat and tidy
 11. Open the store for customers to start business. Welcome the customers with a smile
- Ensure that learners understand their responsibilities in store opening functions.

2.1.3 Post Store Opening Activities

The different post store opening activities which intend to provide better customer service are:

1. Replenish the products and stack them according to the planogram. Rearrange products neatly on the shelves, floor or promo areas, as and when required -this is a continuous activity, because, as customers browse through items, they often change their minds and leave random products scattered throughout the store
2. Ensure that the housekeeping activities are carried out whenever required (this is a continuous activity)

3. Prepare and check sales and other store related reports: This is done to check the sales and know the daily achievements, so that the profits of the store can be checked. These reports will help to understand business (Example: Average bill value, number of bills, exceptional reports viz. returns, damages, etc.)
4. Indent products as per the requirements: Prepare a list of products required and place an order for the same (check for shelf stock, back room stock, damaged stock, excess stock and promotional stock before preparing an indent)
5. Receive the ordered/new products and send the excess/damaged/expired products back to the warehouse
6. Help customers choose the right product and explain to them the new promotions. Remember: customer service is the most important activity in a retail store and every customer interaction is an opportunity to create a positive impression on the customer
7. Ensure that all the billing counters are manned and the billing machines are working properly, as the customers proceed towards the billing counters once they are done with picking up the products
8. Scan the products and bill accurately: This is the responsibility of the cashier. It is the final step in the sales process
9. Help the head cashier to count and deposit the sales cash with the banking agency personnel. (Counting cash and coupons, bundling, segregating credit and debit card charge slips and sealing the cash envelope)

Remember: Customer service is the most important activity in Store Operations. Ensure that each customer is treated well, so that their shopping experience becomes memorable-treat every customer with courtesy and respect - show them that you value their time and money.

2.1.4 Store Closing Activities

The important store closing activities are the following:

1. Inform the customers regarding the store closing time
2. Carry out face ups: arranging the products at the edge of the shelf to make a display shelf look full is known as giving face ups (identical products/SKU facing out toward the customer). Facings are illustrated in the planogram and when zoning/dividing a retail store. This activity will make it easy for the morning shift staff members to arrange the products (FIFO: first in first out: method of stock rotation in which the goods that were received first are sold first.)
3. Ensure that housekeeping is completed and the store looks neat and tidy
4. Return the float cash to the head cashier/shift in-charge
5. Reconcile the till (cash, cards and coupons):
 - a. Cash and card account is settled by entering sales cash, credit and debit cards in the system. This is done by the cashier
 - b. Before declaring the cash, the shift in charge/manager checks it and then the cashier declares the sales cash
 - c. Both the cashier and the manager sign the declaration slip
 - d. The cashier enters all the declaration details (viz. cash, cards, coupons, gift vouchers, etc.) in the cash declaration register/cash movement summary and signs it along with the manager
6. Sign the till and cash register. The cashier hands over the float cash to the shift in charge/manager and enters the same in the till cash register and signs it. The shift in charge/manager then checks and signs it

7. Help the security staff to close and lock the store: ensure that there are no customers inside the store and check the following:
 - a. All taps are turned off
 - b. All the electrical and electronic equipment are switched off - then help the security personnel to close and lock the store

Note: Before closing the store, the Store Manager/Closing Manager will fill the store closing check list and update the opening and closing register.

Important registers maintained in the store

List the various registers maintained at the store and explain their importance.

- **Staff movement and cash/possession declaration register:** Before entering the store, the staff should declare the cash and other possession that they are carrying and sign the register
- **Staff movement register:** Store staff should enter the time and sign the register whenever they enter or leave the store. For example for lunch, coffee or breaks
- **Returnable materials register:** To keep track of products taken from the store for service or repairs
- **Non-returnable register:** To keep track of products which are going out of the store, for example products sent back to warehouse, etc.
- **Materials inward register:** To keep track of products entering the store
- **Float cash register:** To keep track of the float cash. The float cash is collected from the Head Cashier/Store Manager/Shift-in-charge who will sign the register along with the cashier. After the shift, the cashier signs and returns the float cash to the Head Cashier/Store Manager/Shift-in-charge who will again sign the register
- **Cash movement summary:** To keep track of the cashier-wise declaration for both I and II shift cashiers)

Recap of store operations

Recap the important activities under store operations by asking learners to recognise the pictures and discussing them.

- Picture 1: Arranging the merchandise as per display policy
- Picture 2: Billing activity
- Picture 3: Receiving and dispatching the load
- Picture 4: A Store employee providing Customer Service

UNIT 2.2: Introduction to Product Categories

Unit Objectives

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

1. State the meaning of 'product category'
2. Identify the three important product categories in the retail industry
3. Outline the product classification
4. Outline the product classification structure of food, apparel and general merchandise
5. Discuss the impact of product categories on the business

2.2.1 Product Category

Meaning

- Group of same or similar products kept or placed together based on their usage
- Assortment of items, that is stock keeping units that the customer sees as reasonable alternatives for each other

Importance: Helps customers to find the right products at the right place.

Important product categories

There are three broad categories: Food, Apparel and General merchandise.

Different companies could define product categories in more ways depending on their format and product range. A given product category could be further broken up into further product classification as shown in the slide.

For example a store has a particular category, say apparel. This category has different departments such as men's, ladies' and kids'.

These departments are further classified into families, classes, subclasses and SKUs.

The importance of product classification is to determinate the positioning of an SKU/product in a particular category. It helps the store staff to segregate and group similar products for display and customers to find similar products at one place, which helps them shop more easily. Details are given in the next session.

2.2.2 Product Classification

Product classification for apparel

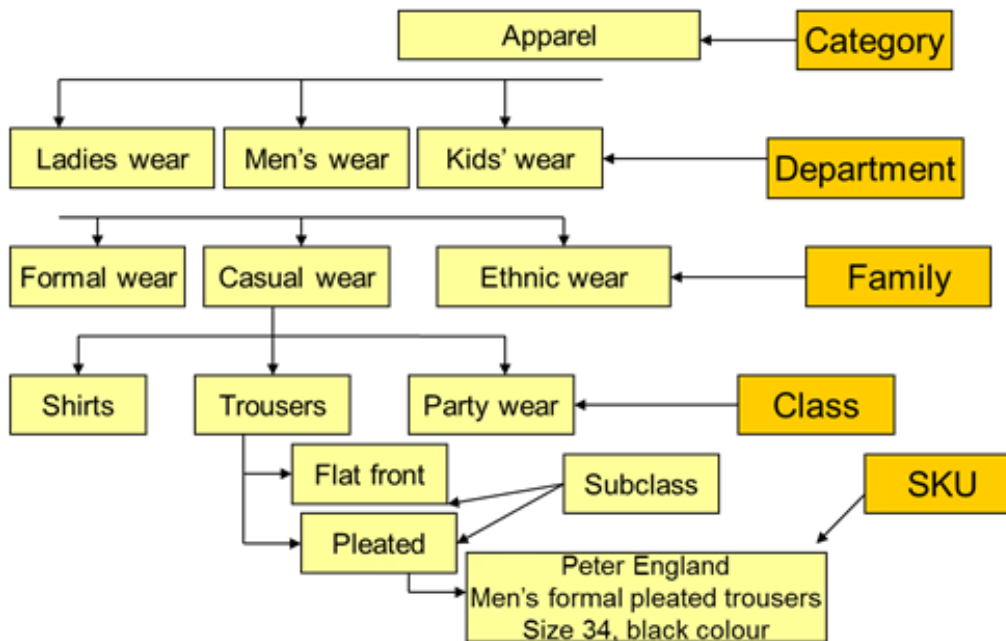


Fig. 2.2.1: Product classification for apparel

Product classification—Food

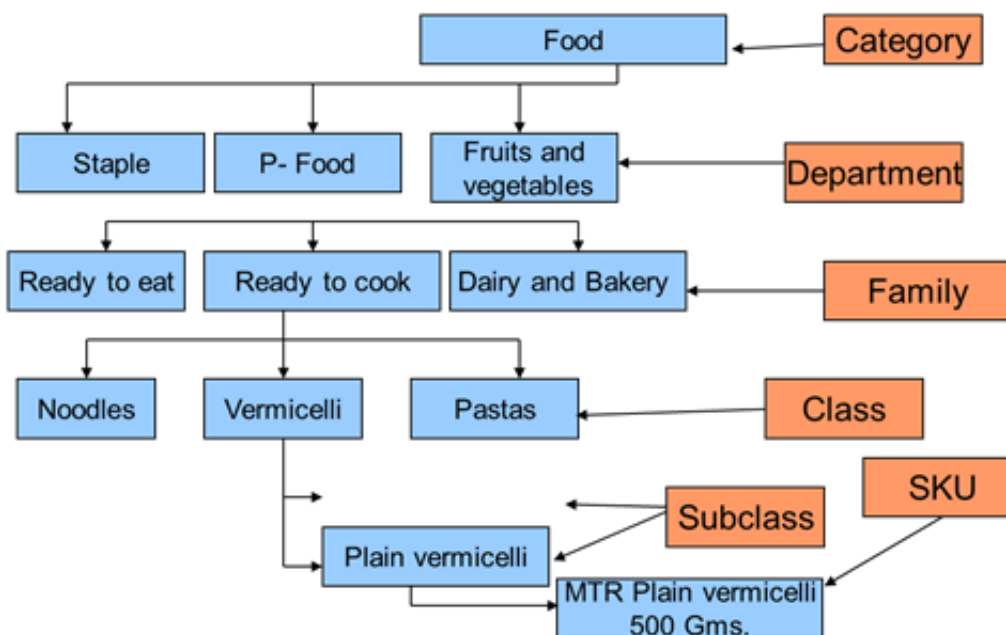


Fig. 2.2.2: Product classification for food

Product classification—General merchandising

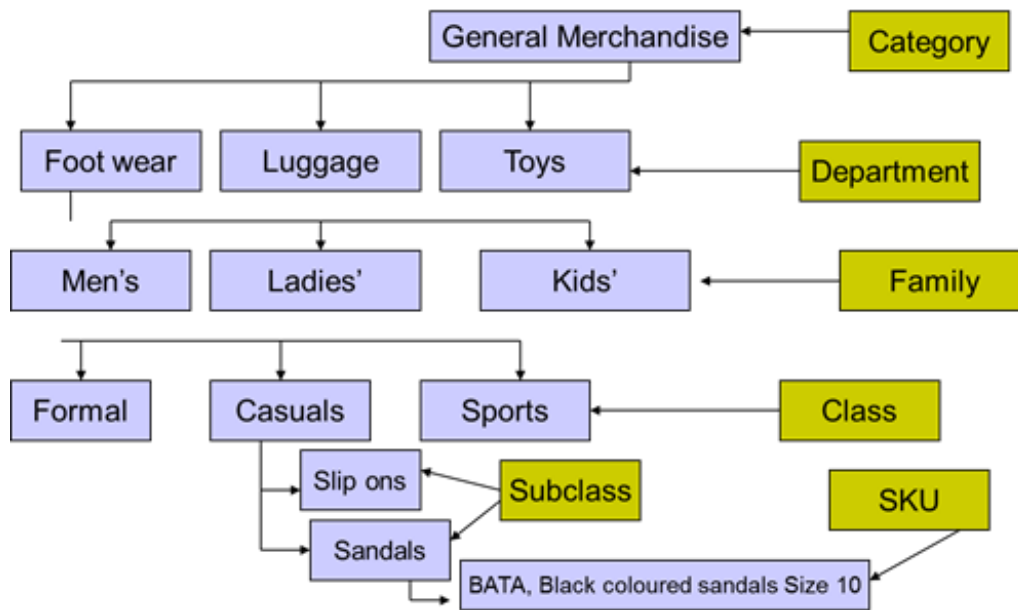


Fig. 2.2.3: Product classification for general merchandising

Business impacts

- **Increases footfalls:** Classifying the products correctly will make the customers' shopping easier and more enjoyable. This will in turn make them prefer the store for shopping and will increase footfalls
- **Increases sales:** Having the right kind of product categories and placing the right products at the right place will attract the customer's attention and educate the customers about the products offered and hence increases sales

UNIT 2.3: Key Policies in Receiving and Storing Goods

Unit Objectives

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

1. Discuss the overarching policies for receiving and storing each classification of goods
2. List the administrative procedures for receiving and storing the goods
3. List the requirements for maintaining security and safety during delivery and storage

2.3.1 Overarching Policies—Receiving Each Classification of Goods

Not all products are received and stored in the same manner. There are various levels of receiving goods broadly based on the category and classification.

Main policies for receiving are:

- Life of product policies
- Documentation policies
- Checking and rejection policies
- Escalation policies
- Presentation and condition policy

Life of product policies

Products should be within the saleable limits (shelf life within saleable dates) . Few examples are cited below.

- Manufacturing date and best-before date (BBD)
- Expiry date – The products stored must not exceed the expiry dates
- Conditions specifying the parameters to receive poultry, meat, fish, etc.
- Some policy specifications for receiving are provided below:
 - Meat—ambient temperature— and can be sold for 1–2 days
 - Meat— frozen at -18°C to -22°C, the type mentioned on label
 - Fruits— chilled at 4°C to 6°C based on quality and condition
 - Milk products—chilled at 4°C to 6°C as per the date of manufacture and BBD
 - Vegetables—ambient— and can be sold for 1 to 1.5 days
 - Bakery products—2 to 2.5 days
 - Bottled and carbonated drinks—60 to 90 days depending on the type
 - FMCG food products—between 30 days and 90 days or as mentioned on pack
 - FMCG non food products—between 60 days and 180 days or as mentioned on packs
 - Apparels—based on season and trend
 - Footwear—based on season and trend
 - Batteries—shelf life as mentioned on the package

- Sketch pens— Will dry off, so check on the packing for expiry date
- Toners and cartridges for printers—check on the packing for expiry date

The information on the shelf life of the product at the time of receipt will be specified by the merchandising or the buying team.

Documentation policies while receiving

- **Receiving documentation:** Invoices, purchase orders and delivery challans are termed as receiving documents. Shortage, excess and freebies documents are also a part of this
- **Storing documentation:** All goods receipt note (GRN) should be stored in separate files, though the number would be mentioned in the invoices before filing. stock transfer note (STN) which is used for inter store transfer should be maintained for a minimum of 3 years like other documents
- **Stock updates:** All stocks that are received in the store need to be updated in the stock control system of the store. Even the free gifts that are received need to be entered and documented with the reference numbers
- **Reports to be prepared:** For the store MIS, following details are required:
 - Planned receipts and actual receipts
 - Quantity of food and non-food received on a daily basis, month to date (MTD) and year to date (YTD)
 - Value of food and non-food received on a daily basis, MTD and YTD
 - Number of vehicles received, manpower engaged and manhours required to unload
 - Vehicles despatched, value and quantity and manpower engaged
 - Differences by category
 - Exceptions—quarantined stocks (because of differences in description, value, Unit of Measure (UOM) or any deviation from the purchase order (PO))

The following documents play a role in receiving:

- Purchase order—with the address of delivery being the store address
- Invoice—mentioning list of articles, numbers, cost and amount in line with the PO
- Delivery challan—mentioning the total number of cartons/bags/parcels
- e-sugam forms where the number of pieces are more than the stipulated numbers, for example for oil not more than 2000kg in an invoice should be transferred. If it is more than that, then an e-sugam form Commercial Tax office (CTO) format should be filled and sent
- PFA (Prevention of Food Adulteration) licence in case of food articles
- Undertaking by the vendor/manufacturer for any legal liabilities

Checking and rejection policies

- Check product description, UOM and tally with the PO
- Check products following the directions from the category team
- Check products for shelf life, damages, manufacturers seal, outer and inner count
- Adhere to category directions before deciding on rejection

Some of the major reasons for rejection are given below:

- Goods not designated for the store
- Goods not conforming to PO
- Shelf life is short, damaged, expired already
- Out of warranty/guarantee

Escalation policies

Following are the issues during receiving that call for escalation to supervisors or higher levels:

- Discrepancy in terms of deviations from PO or invoice
- Deviations in terms of quantity and quality

The escalation policy clearly states the following:

- Whom to report the deviation
- Actions to be taken in such discrepancies
- Timelines for directions or corrections
- Second and third level of escalation, if timelines are not maintained

Presentation and condition policy

- Saleable condition—the product should be clean and presentable
- Neatly packed and sealed—packing should be fresh looking and sealed; if hologram available, then it should be seen by the customer
- No damages and spillage—no bulging of packs, no leakages or spilled packs to be presented to the customer
- Not broken—in case of fragile articles, like cookery should ensure that there are no breakages
- Matching labels of the SKU with the right product labeling unit (PLU)
- Original manufacturers' seal should be present—in case of electronic articles, the manufacturers' seal is very much desired

Storing policies

The main policies for storage are:

- Storage location policies
- Documentation policies
- Freebies policies
- Maintenance policies

Storage location policies

Labelling and tagging: The following information is required to store products at the appropriate location for identification and pulling it out for replenishment purposes.

- Description
- Article code
- Number of pieces

- Expiry date
- Worked by
- Date

Storage location policies

- Once the places are demarcated the merchandise have to be organised only in those areas and not anywhere else
- Not more than two SKUs are to be stored in a pallet
- If stored in cartons, carton outer should clearly mention the contents inside with the expiry date, in case it is a food article
- If fragile, clear signage should be stuck on the carton and should be visible
- The place should be accessible to only authorised people—GR manager, supervisor and freebie counter staff on duty
- All store articles should be kept as per their departments
- No excess or dumping of articles allowed
- Clear movement space for MHEs should be maintained
- No overloading of merchandise should be done
- All articles should be cling wrapped and bound with bands
- Ti Hi should be done for palletised articles (Ti Hi is the way bricks are kept—one perpendicular to the other—while building a structure)

Shortage in storage space

In case of shortage of storage space:

- The SOA should be able to estimate the actual space required to store the goods much before the receipt of goods
- The PO document will help in knowing the stock that is expected to be received with respect to type and quantity at any given point of time
- After estimation of space, one should identify the location and confirm the availability of space to store the goods

- In case there is a shortage of space, the issue should be reported to the supervisor without any delay to ensure further directions on action to be taken are provided
- If the above measures are not followed, when the goods arrive at the store there shall be no space for storage. This will lead to chaos in the storage location further resulting in damage of the goods lying inappropriately, resulting in loss of revenue for the store

Pallet Ti:Hi

Result

Ti Hi: 16 : 10

Box Measurements: 6 x 18 x 7

Packed Pallet: 48 x 40 x 70.00 "

Box Weight: 0.00 LBS

Pallet: 48 x 40

Truck/Container: 101 x 630 x 101

Boxes Per Pallet: 160

Boxes Per Truck: 4800

Box Volume: 756 "3

% of Pallet Used: 89.74 %

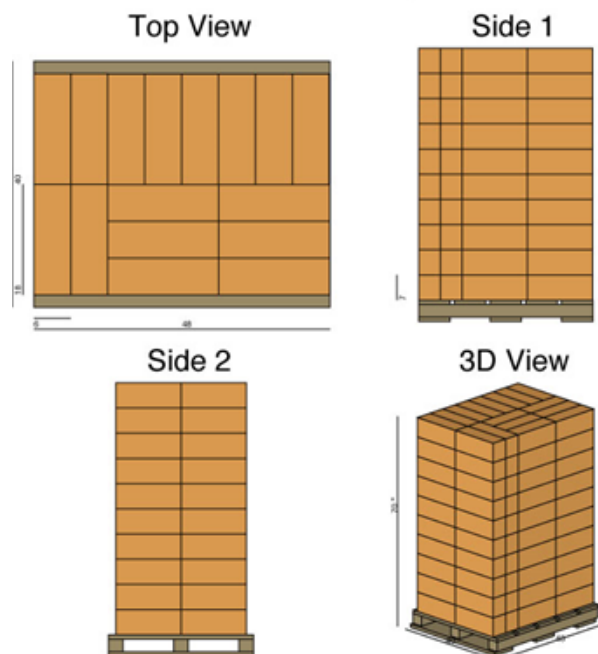
Full Pallet Volume: 120,960 "3

% of Truck Used: 56.06 %

Filled Truck Volume: 3,628,800 "3

Weight of 1 Pallet: 850 LBS

Weight of truck/container: 25,500 LBS



Source: www.pallet-tihi.com

Documentation policies while storing

- Access to documents should be restricted
- Documents should preferably be under lock and key
- Documents which are over a month old should be bound and marked with the month and year on the spine
- Documents which are more than 3 months old should be moved to the record room
- All documents which are older than the stipulated period by law should be destroyed. For example all invoices should be kept for 3 years
- All documents should be verified and initialled before filing
- All commercial related documents should be scanned and electronically filed for processing
- Pending documents should be filed separately and be marked 'PENDING'
- Inward and outward documents should be kept separately

Freebies storage policies

- Freebies are to be kept separately and should be monitored
- Food and non-food should be demarcated for easy accessibility
- Freebies should be clearly marked with promotion codes wherever available
- Freebies should be accessed only by authorised personnel
- Audit of freebies should be done as per policies of the organisation

Maintenance, security and safety policies while storing

- Storage location should be clean and pest free
- Floor should be clean without any fastening tape stuck
- The location should be secured and safe with accessibility log
- Cages and high value items should be locked and should be provided limited access
- Regular maintenance of equipment should be done
- Key log books should be maintained for people using the material handling equipment (MHE) and battery operated pallet trucks (BOPT)

Some examples of storage

The following are some examples of storage:

- Food stocks should be kept away from soaps and detergents, because the smell of soaps and detergents will spread on to the food articles
- Exotic fruits should be kept in chiller storage
- The chiller and freezer rooms will be separate for veg, non-veg and dairy products
- Dairy articles that require chiller or freezer storage should be identified and stored accordingly
- Vegetables should be kept separately
- Ethylene producing fruits, like plantains and pineapple should be kept away from other fruits and vegetables, to avoid ripening

Requirement for maintaining security

Some of the basic requirements for maintaining security when we receive and store goods are given below.

Security

- Loss prevention team
- Trained, literate and uniformed security guards at the receiving area
- Trained staff who can operate Hand held terminal (HHT), if required
- Secured caged pallets (with lock and key) for storing value articles (if any)
- Loss prevention team to maintain and monitor CCTV cameras at the receiving and storage area
- Operative security alarm systems during emergencies
- Metal detectors, batons and any armoury if required, conforming with legal compliance

Requirement for maintaining safety

Some of the basic requirements for maintaining safety when we receive and store goods.

Safety

- First aid box and trained staff to use them in case of emergencies
- Trained staff to operate hydrants, fire fighting equipment, electric panel boards during emergencies
- Location map depicting emergency exits, fire exits, assembly points, route to be taken in case of emergencies, etc.
- Notice board containing emergency telephone numbers of nearest hospitals, police, ambulance and fire
- Cling/shrink wraps for goods to be wrapped safely and stored
- Bands to keep stock in position on pallets
- Food and non-food articles separated to avoid cross contamination
- Vehicle route within receiving area to specify, speed limits, parking area, receiving area, etc.
- All racks grouted properly
- Corrosive articles, like cleaning acids, battery water, etc. kept in earmarked areas

Some safety equipment to be mandatorily available at the store:

- First aid box
- Fire-fighting equipment—extinguishers and hydrants
- Jackets, gloves while operating in freezer areas
- Head gears and helmets
- Safe footwear
- Overcoat/reflective vests/life vests
- Ear plugs
- Eyewear or glasses
- Face masks
- Safety cones, barricading tapes and signs

Administrative procedures for receiving and storing

Administrative procedures for receiving and storing may be listed as under:

- Documentation to record and log of goods that have been received and sent
- Timely opening and closing of the good receiving function
- Demarcation of area for storage and maintenance
- Record and log maintenance of delivery vehicles
- Maintaining adequate manpower for receiving, checking, loading and unloading
- Maintenance and availability of crates, trolleys, pallets, pallet movers, fork lifts and BOPT
- Maintenance of electrical power, generators, systems and accessories
- Availability of HHTs, PCs, printers, copiers, etc
- Housekeeping manpower allocation while receiving and storing for maintaining a clean, pest and rodent free area
- Administration of security and safety
- Maintaining parking area

Summary

- Meaning and importance of store operations
- Important store opening functions
- Staff responsibilities towards store opening functions
- Post store opening activities
- Staff responsibilities towards post store opening activities
- The day-end activities
- Staff responsibilities towards day-end activities
- Important registers maintained in the store
- Meaning of 'product category'
- Important product categories in the retail industry
- Product classification
- Product classification structure of food, apparel and general merchandise
- Business impact of product categories
- Need to receive and store goods at the store
- Classification of goods that are received and stored
- Overarching policies for receiving and storing each classification of goods
- Administrative procedures for receiving and storing the goods
- Requirements for maintaining security and safety during delivery and storage

Exercise

Answer the following questions by choosing the correct option:

1. Store opening is the _____ stage of store operation

a) 1 st	b) 3rd
c) Last	d) None of the above

2. Cash and card account is settled by entering sales cash, is the part of

a) Opening the store	b) Closing the store
c) Post store opening operation	d) Pre store opening operation

3. _____ are the important product categories in a store

a) Food, apparel and general merchandise	b) Food, dairy and cloths
c) Medicine, cloths and food	d) None of the above

4. Kids section is a part of

a) Food	b) General merchandise
c) Both of the above	d) None of the above

- 5. Expiry date is the part of
 - a) Life of product policies
 - b) Documentation policies
 - c) Presentation policies
 - d) All of the above

Answer the following questions using descriptive answers:

- 1. Define the store operation activities briefly.
- 2. Define the classification in a store.
- 3. What are the key policies in a store for receiving goods?
- 4. What is checking and rejecting policy at a store?
- 5. Define the presentation and condition policy at a store.

Notes



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



www.bakercommunications.com/sales-training-videos.Htm

Sales training video

3. Receive and Store Goods



Unit 3.1 - Receiving Goods at the Store

Unit 3.2 - Unloading the Goods

Unit 3.3 - Inwarding of Goods at the Store

Unit 3.4 - Storing Material in a Back Store Area

Unit 3.5 - Measures to Maintain Quality Standards of the Stock



Key Learning Outcomes

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

1. Describe the process of receiving the goods at the store
2. Describe the process of unloading the goods from the vehicle
3. Describe the process of inwarding goods at the store
4. Describe the process of storing material at the back-store
5. Describe the measures taken to maintain quality and quantity of stock

UNIT 3.1: Receiving Goods at the Store

Unit Objectives

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

1. Identify the stages involved in the receipt of goods
2. Identify the key documents involved in the receipt of goods
3. Demonstrate the steps involved in the document and PO check process
4. Demonstrate the steps involved in the sequencing and docking process

3.1.1 Key Terminologies

Dock: The place where the truck or tempo is parked to facilitate unloading of the vehicle.

Pallets: A raised piece of flat surface in wood or plastic that facilitates mechanical handling of stacked stocks.

Staging area: Place where the stocks are received and palletised (arranged on pallet)

Weighing scale: Electronic platform scale where the weights of the articles received can be weighed.

HHT: Hand held terminal, an extension of the computer, used in the receiving of articles

Need to receive and store goods at the store

The basic need to receive and store goods at the store is to sell. Store is not a manufacturing unit; the goods have to be bought and brought to the store. Buy-Move-Sell is the retailers concept.

Goods are received because customer's day-to-day requirements have to be taken care of. Space is a constraint at the store to receive and store. It has to be received in required quantities only. Most products have a shelf life. If stored more than what can be sold, it gets spoiled and results in loss. All products cannot be received frequently in small quantities. There are products which have to be bought in bulk and stored. For example, crockery would be received in a full truck load. For a retail store, the same can be kept in the distribution centre and received when required. In contrast fruits, vegetables, poultry and meat products are received frequently due to the perishability factor. Customers prefer fresh products. If they are received fresh, they can be sold fresh. Another example is imported goods that are bought in bulk and come in huge containers; hence there is the need to receive and store.

Seasonal articles have to be received and stored for the next season (for example kites, Christmas items, Valentine's day gifts, etc.) if they are not sold during the current seasonal period.

Stages in the receipt of material

The following are the stages in the receipt of goods at the store also known as inwarding processes:

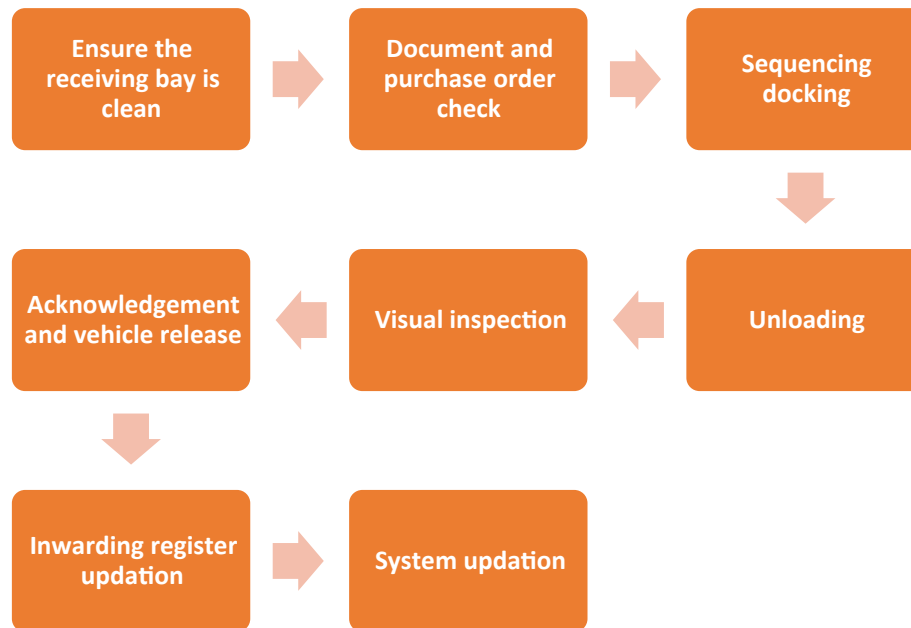


Fig. 3.1.1: Stages in the receipt of material

- **Clean receiving bay**—before receiving the consignment and after completing the receiving of the consignment ensure that the receiving area is cleaned
- **Document and Purchase Order (PO) check**—the first step refers to the documents that have to be inspected when the goods are received into the store
- **Sequencing and docking**—the order in which the goods have to be unloaded at the store
- **Unloading**—the process of unloading and the safety precautions that need to be taken
- **Visual inspection**—the inspections that need to be carried out and the documents used for the same
- **Acknowledgement and vehicle release**—this includes the documents that have to be sent back to the sender of the goods to show that these goods have been received after recording due acknowledgement in all the inwarding copies
- **Updating inwarding register**—updating the first information report of receipt of material into the store. This includes updating details such as vendor name, description of consignment, date and time of receipt, etc.
- **System updation**—the data that is to be input into the system regarding the goods that have been received into the store

Preparing the receiving area

Keep receiving bay clean: An important activity before receiving the consignment and after completing the receiving of the consignment, is keeping the area clean.

- Before every consignment is received the dock should be cleaned and all waste material should be moved out of the place
- If goods receiving place is not kept clean and there are leftovers from the previous consignment, confusion would prevail and create a mess

- A housekeeping person should also be available at (all times in) the receiving area to clean the place as and when it gets dirty

Size and nature of goods: Depending on the type of material (nature of goods) to be received and the size (quantity) of it, the preparation is to be done so that receiving is easy, fast and correct.

- If the goods to be received are of special nature (chilled, frozen, high value), preparation will be done to ensure that the goods reach their destination storage space within stipulated time
- Size makes a difference while receiving and so does weight of each unit (for example a refrigerator or a freezer will be heavy and requires delicate movement. A gunny bag of sugar would weigh 50kg and would require an unloader to do the job). Ensure that the places are marked for receiving the consignment
- Getting appropriate manpower in place is also of prime importance
- Mark the merchandise that has to be moved directly to the floor post the checks done at GR. This would help creating space. In case there is a shortage of space, escalate to the supervisor and get to know what is to be done
- Depending on the size of the consignment, ensure appropriate MHEs are available

Escalate challenges: If any of the infrastructure is short or not functioning properly, speak to the supervisor and have it resolved well before the consignment comes

Material handling equipment (MHE) readiness: Pallets and crates which are required to take in the stocks should be made available at the ramp.

IT readiness: HHTs should be available to receive the consignment error free.

Stationery: Appropriate stationery, like the count sheets, pens, etc. to receive the consignment.

Signage required

- Truck signs
- Barricades
- Safety signs

The following are some examples of preparation pertaining to a particular category of products:

- If fruits and vegetables are to be received, the weighing scale in the GR area should be checked for accuracy and kept clean
- Baskets or crates should be kept weighed in the scale and checked for accuracy
- If F&V is to be received then the place has to be disinfected with suggested disinfectant and kept clean
- If dry food is to be received, then enough pallets are to be kept depending on the size of the consignment to be received
- If apparels are to be unloaded, once again depending upon how they are packed, preparations should be made accordingly
- If high value articles are to be received, then the person from the concerned department and from the security should be present
- If bakery products are to be received then caged trolleys will be required. The caged trolley should be kept clean as food article will be received

- To receive frozen and chilled articles, the rooms in the respective zones are clean and space should be provided. If not, the products will suffer thermal shock and become stale

Key documents involved in the receipt of material

There are many documents that are involved in the receipt of material. These include the purchase order, delivery challan/invoice, packing list, sales tax forms, etc. In the next few slides, samples of these documents and the information that is contained in them will be shown. This will also give an idea of the data points that need to be checked in those documents by the store operations.

Delivery Challan (DC)

A delivery challan or DC is a receipt of delivery that is signed by the SOA as proof of receipt of goods mentioned in it. SOA should receive the DC and check for important data points, such as DC number, date, security seal (with date, time and signature), vendor name and address, purchase order number, stock number, description, quantity, number of boxes, etc. It is also important to check the security seal on the DC/invoice, recording the details of entry of material into the store.

The image shows a sample Delivery Challan (DC) form with the following details:

- Address of Receiver:** Consignee address (circled in red).
- Address of Supplier:** Consignor Address (circled in red).
- Purchase Order Number:** PO No. 101073615 (circled in red).
- Date:** 26-11-10 (circled in red).
- D.C. Number:** 595 (circled in red).
- Quantity Received:** Indicated in the table below.
- Product codes supplied:** Indicated in the table below.
- Signature of Receiving party:** Signature of the SOA (circled in red).
- TIP:** Check security gate seal (blue box on the right).

Item No.	No. of Articles	Description
1.	2000 nos	...
2.	4000 nos	...
3.	5000 nos	...
4.	5000 nos	...
5.	5000 nos	...
6.	2000 nos	...
7.	5000 nos	...
8.	5000 nos	...
9.	5000 nos	...

Fig. 3.1.1: Delivery Challan

Invoice

An invoice is a document also known as a 'bill' which is sent from the supplier to the store detailing the goods that have been supplied, the cost at which it was supplied and the money owed by the store to the supplier.

The SOA needs to check the details of the bill, such as invoice number, date, consignor and consignee address, PO number, stock number, description, quantity, etc. There are also certain legal requirements, like if the consignment is excisable, then it is mandatory that the duplicate copy of the excise duty payment receipt is received from the transporter. This document is very important and needs to be handed over to the staff who takes care of excise duty availing/payment transactions.

Note: Excise duty is paid for the products by the organisations which come under the purview of excise duty payment structure.

Sample invoice

Purchase order number

DUPLICATE FOR TRANSPORT

SRI LAKSHMI PACKAGINGS
 C-100, 8th Floor,
 Tel: 400484
 Email: ADDRESS
 Fax: ADDRESS
 City No. ADDRESS
 Area Code ADDRESS
 Supplier Code ADDRESS
 Customer ADDRESS

TAX INVOICE
 Invoice No: 101074168
 Date: 27-11-2010
 Part No: 101074168
 Part Date: 27-11-2010
 COT No: 447297 DT 15.07.86
 ECC No: AAETS133AXR004

Central Excise Range Office:
 Office of the Superintendent of Central Excise,
 House 1A Range, Thiruvananthapuram - 695109, TN
Central Excise Division Office:
 Office of the D. Commissioner of Central Excise,
 House 1 Division, Thiruvananthapuram - 695109, TN
 Collectorate (Channel III)

Sl. No.	Description of Goods	Qty. (In Nos)	Rate	Assessable Value	Rate of Duty	Duty Payable	Total
1	DBG HQ-4121401 7PLY C/BOX TO SIZE:395X367X52MM	102	38.43	4,035.12	4	161.41	4,196.53
2	DBG HQ-4122301 7PLY CORR/BOX TO SIZE:385X305X515 MM	65	31.09	2,020.85	4	80.83	2,101.68

Side Cases: 0 NA
 SH Cases: 3 NA
 Recycled: 0 NA
TOTAL 6,298.21

Gross Amount (Rs. in words): Six Thousand Five Hundred Fifty Eight Only.
 Gross Excise Duty Payable (In words): Two Hundred Forty Two and Twenty Four paise Only.

Date and Time of Removal of Goods: 27-Nov-2010 at 16:00
 Date and Time of Removal of Goods: 27-Nov-2010 at 16:05

Mode of Transport and Motor Vehicle Regn. No.: TN27 E9098

For **SRI LAKSHMI PACKAGINGS**
 Authorized Signatory

Quantity, rate, duty payable

Fig. 3.1.2: Sample invoice

Security seal on the DC/invoice

The security at the entrance to the store will have to fix a seal (rubber stamp) on the DC registering the details like date, time of entry, number of boxes and affix the security officer's signature.

Packing list

A packing list, as the name indicates, contains the details of what is actually packed in the consignment. A PO contains what has been ordered by the store. The packing list contains what is in the lot that is being delivered, as against what was ordered by the store. Every consignment comes with a packing slip. It is the job of the SOA to check the contents of the consignment with the packing slip and make sure there are no shortages or excesses that have been delivered. The packing slip may be attached to each unit of the consignment. For example every pallet or carton may have a packing slip attached to it or there could be a packing slip for the entire shipment.

Sample packing list

Invoice number and date

Consignee name

DUPLICATE FOR TRANSPORT

PACKING LIST

Exporter - Manufacturer: [Redacted]
 Consignee: [Redacted]

Invoice No. & Date: [Redacted]
 Buyer's order No. & Date: [Redacted]
 Order Reference(s): LT 00130 0488000262
 www.fedex.com

Country of Origin of Goods: INDIA
 Country of Final Destination: Utd.Arab.Emir.

Place of receipt by sea-carrier: BANGALORE, India
 Port of Loading: Bangalore, India
 Port of Discharge: [Redacted]
 Place of Delivery: Utd.Arab.Emir.

Marks & Nos / Container No.	No. & kind of Pkg	Description of goods	Quantity	Gross Wt. Pkg	Remarks	Net Wt. Pkg
ETA/DXB		QUARTZ ANALOG WATCHES	512	128.500		88
EX2122	03 (THREE) NO. 5	PLYWOOD BOXES				
EX2124						

H. S. Code: 9102.11.00. DECDUB016566
 Delivery No.: 6463800
 LC No: 1

DT: [Redacted]

Guarantee cards 3024 no's packed in case no 1EX2123 & EX2124

Signature and date

Fig. 3.1.3: Sample packing list

Document and purchase order check process

A purchase order (PO) is a document that is created by the store for the supplier detailing the description of goods to be purchased, quantities, price at which it is purchased, payment terms, delivery terms, etc. In case the goods are ordered from the distribution centre of the same retailer, it is termed as order form or an indent for goods. It is a written contract between the store and the supplier. The Po or indent form/order form is the basic document without which the process of ordering cannot be initiated in the organisation.

Sample PO/indent form

Vendor code: 5012175

Vendor Code

Purchase order

PO number/date: 10106347 / 25.11.2009
TIN No. 33223320136 dt 01.01.2007
CST NO. 447297 DT 15.07.1986

We wish to place this order on you for supply of items/service as detailed below:

Item	Material	Order qty	Unit	Description	Price per unit	Net value
0001	DECEMBER	2,000	Numbers	DECEMBER	15.50	31,000.00
Total order quantity						2,000.000
Total order value						31,000.00
Net Incl. Tax						31,000.00

Please deliver to:

CONSIGNEE
ADDRESS

DELIVERY TERMS: F8 FOR DESTINATION;
Payment terms: 30 days after receipt subject to accep.

Other terms of PO

- Supplies to be made as per our reqt/specn.
- Rejection, if any, to be replaced at your cost.
- Total Value of the order to be read as Rs.34,896.58 inclusive of ED@24 % Rs.2554.40 and Vat 4% Rs.1342.18.
- Order acceptance should be sent to us immediately on receipt of this order.
- This order is made based on planned qty.However delivery indication will be given based on daily actual requirement.

Fig. 3.1.4: Sample PO/indent form

Minimum bin quantity (MBQ) quantity: MBQ is the same as Re-order level (ROL) which signifies the minimum quantity of stock that needs to be maintained at the store (Back store + Sales floor). If the quantity equals the MBQ or ROL for any stock or SKU the system generates a PO/indent for such items.

The following are the steps to be taken in the PO check process:

- Address matching: This is to make sure that the materials are being delivered from the right supplier. A PO cannot be made for supplier X and then the actual delivery received from supplier Y, even if it is for identical items, quantity and price. A vendor code is also mentioned in the PO to avoid any confusion between two vendors with the same name. The vendor code is a unique identification given to each vendor in large organisations
- Verification of material description: The material that is being supplied should match the description on the PO
- Verification of product codes: All product codes of the consignment have to be verified and corroborated to be the same on the PO and the packing slip of the actual consignment

Importance of document and PO check process

It is important to check the PO before unloading, because it:

- Ensures that the right material is being inwarded
- Ensures that it is from the right supplier
- Reduces the waiting time of the transporter
- Avoids unloading of wrong supply

- Enables preparation for space at the right location
- Informs organisation of correct equipment for unloading

In case of mismatch of documents, the supervisors or the managing staff has to be notified immediately.

Sequencing and docking process

The steps in the docking process are prioritisation, dock allocation and docking.

1. Prioritisation

Once the DC/PO check is done, the SOA should prioritise the goods unloading task. This can be done based on volume, resources and equipment available, etc.

For example in a store, there could be instances when more than one transporter arrives at the same time to deliver material. A transporter with a full load of goods might arrive early, whereas the other transporter with a partial load of truck might arrive later. The unloading of a full truck might require resources such as three or four manpower, forklift, etc. whereas the truck with partial load can be handled with one or two manpower and without the assistance of MHE. Here the SOA should prioritise unloading the second truck first and clear the queue to save time or he could organise the resources in such a way that unloading of both trucks could happen simultaneously given that they can be done with a different equipment.

Exception: In cases where one of the resources is not available, the SOA should organise unloading the material with the available resources. For example inducting more manpower or substituting the lifting equipment in case of non-availability of forklift.

2. Dock allocation

Dock allocation means organising the place for unloading the goods. The criteria applied should be:

- First in first out system—Trucks that come in first have to be unloaded first
- Accessibility—The unloading dock should be allocated in such a way that MHE can access the container and safely transfer the goods into the storage area. If the dock allocation is not done right, it could result in congestion and chaos
- Safe storage of material—This could also involve removal of older inventory to accommodate higher volume of newly arrived material. In such case, right identification, tagging and updation of old material should be ensured to avoid confusion in inventory management

3. Sequencing and docking process is important because it:

- Ensures first come first serve
- Ensures material safety
- Ensures proper accessibility
- Ensures right tagging which would enable right storage
- Helps organise manpower and equipment

Exception: The loads which come with fresh fruits and vegetables, frozen products and other products that need to be stored in cold storages and ambient temperatures need to be unloaded and stored first.

Activity



1. **Objective of the activity:** To discuss as a group and write the steps in the receiving activities
2. **Learning outcome:** Learners will be able to list the role of the SOA in receiving activities
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
 - Form smaller groups within the class
 - Scenario: Learners are all SOAs who are receiving a batch of soaps from the distribution centre
 - Each group should be allocated one of the activities below:
 - Explain the stages involved in the receipt of materials
 - Explain and design the key documents involved in the receipt of materials
 - Describe the steps involved in the document and PO check process, its importance and exceptions
 - Describe the steps involved in the sequencing and docking process, its importance and exceptions

Note down the points debriefed on the following points:

- Analyse the report by cross-checking with the corresponding process
- Validate the report for correctness
- In case of any deviations, provide appropriate feedback/suggestions and ask learners to incorporate the changes

UNIT 3.2: Unloading the Goods

Unit Objectives

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

1. Describe the steps involved in the unloading process
2. Identify the different kinds of goods to be unloaded
3. Identify appropriate tools for unloading material, its importance and exceptions
4. Explain the process of vehicle release

3.2.1 Steps Involved in the Unloading Process

The following are the steps involved in the unloading process:

1. Prepare unloading bay

- Check for adequacy of the space available to unload the goods
- Check for cleanliness—remove unwanted and obsolete material and clear the area for the new load
- Check safety aspects and storage conditions applicable to the storage of the particular material being received to ensure that the material is downloaded at the right place

2. Arrange tools and resources

- Pool required manpower—this involves manpower scheduling between tasks
- Check the availability of equipment, like forklifts, cranes, battery trucks and pallet trucks and ensure it is in working condition
- Organise all resources at the place of unloading—there could be instances where unloading might happen at one place and docking at another place. For example heavy material arriving in trucks will be parked under overhead cranes which are stationary. Once the material is unloaded with the use of crane, forklifts and battery trucks, they will be used to transport to the place of inwards. This may not occur in all the stores, except where heavy and bulk materials are received

3. Unload

- Unload the material using the right equipment—‘appropriate’ equipment depending on the nature of the consignment
- Read the unloading instructions pertaining to the specific material which is to be unloaded. This would give an indication of the equipment to be used for unloading
- Read the signs/stickers pasted on the container. This would also give an idea of the kind of material handling that is to be done

Here are a few examples:

- Material is to be handled only with the use of an overhead crane:
- Material should not be lifted by hand:
- Material is fragile and should be placed upright:

- 4. Material tagging:** Immediately after unloading, the material should be tagged. This is an important step in identifying the material. It is with the help of tags that the material can be later on moved to its right location and also retrieved at a later date. Tagging is a critical part of inventory management. An example is given below:

Product code: XXXXXXXXXXXX
Description: YYYYYYYYYYYYYY
Quantity: XX Nos.
Vendor: AXEVES Vendor Code: 999999
Date of Receipt: 01/12/10
P.O. Number: 88888888
GR Number: 78787878787878
Status: For Inwarding

Fig. 3.2.1: Material tagging

Types of material to be unloaded

The material to be unloaded may be packaged in a variety of packaging material. These include pallets, cartons, barrels and bags. The type of packaging material would depend on the material that is being consigned.

Pallet: Pallet is one of the most common MHE that is used in a store. A pallet is a flat structure made of plastic or wood which enables it to be easily stacked one on top of the other and has the ability to be fork lifted easily. It is an effective way to utilise vertical storage space when the material by itself does not lend itself to be vertically piled. Once the material is loaded on to a pallet, it can be easily moved around with a pallet truck. The pallet is very versatile since almost any kind of material can be loaded on it and shrink wrapped to hold it in place. It also makes taking inventory of material easier in pallets since each pallet would hold a fixed number of units. Since pallets are re-usable, they are also low on investment.

Carton: The next very often used packaging device is the carton. Cartons are cubical containers made mostly from cardboard/paperboard. Its shape lends itself to be stacked easily thereby utilising vertical space in a store. Cartons come in many sizes for different products. Cartons can be stored easily in a store because they fold flat and occupy less space.

Barrel: A barrel is a huge drum and is usually a device for holding liquids. They can be sealed tight preventing any spillage in transit. Barrels are used especially for transporting liquids in bulk. Food industries and chemical industries use barrels extensively. Barrels were made only out of wood in earlier days, but today we also have metal and plastic barrels. Barrels also enable moderate levels of vertical stacking.

Bags: Bags are used as a packaging/MHE when the contents are usually in dry and bulk form. Chemical industries and food industries use bags extensively for transport, for example bags of milk powder, wheat, sugar, rice, etc. Since bags tend to lack stability in stacking, they are usually loaded on a pallet before they can be stacked. Spill-proof and waterproof material is used to make bags.

Crates: Most of the daily consumable food products, such as milk, fruits, vegetables, meat, etc. arrive in crates

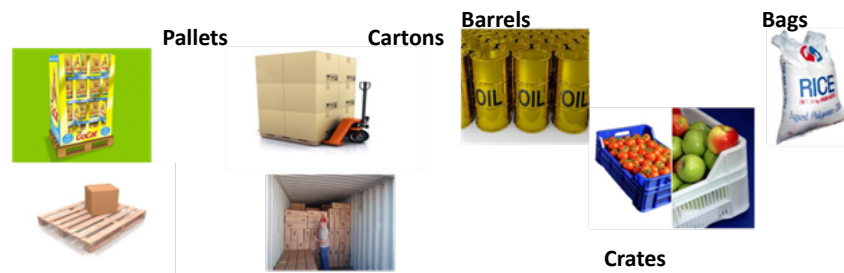


Fig. 3.2.2: Types of material to be unloaded

Classification of goods

In a store there are many articles that are available. They are classified into various segments.

The broad classifications are:

Food that includes:

- Grocery
- Bakery
- Fruits and vegetables
- Poultry
- Meat
- Frozen and Ready-To-Eat (RTE)

Non-food that includes

- Hard lines:
 - Home décor, furniture and linen
 - Houseware and appliances
 - Electronics—entertainment and communication—television, mobiles and music systems
 - Computers
 - Office supplies—paper, pens, pencils, etc.
 - Home improvement—paint, decorating supplies, hardware
 - Lawn and garden
- **Soft lines**
 - Apparel—men's and women's formal, men's and women's casual, children, sportswear
 - Footwear
 - Luggage
 - Cards, books, music and videos
 - Toys
 - Sports
 - Photo and jewellery
 - Decorative material
- **Pharmacy**
 - OTC (over the counter products)—Crocin, Vicks, Iodex
 - Health beverages
 - Health instruments (BP and diabetes instruments)

- **BWS and tobacco products**
 - BWS—beer, wine and spirits
- **Cigarettes, cigars, tobacco contained betelnut products**

Equipment for unloading and movement of materials

Equipment

- Pallet mover
- Pallet stacker
- BOPT—Battery operated pallet truck
- Reach truck or fork lift
- Hang rails
- Flat bed trolleys

MHE or Material Handling Equipment

There are two types of MHE.

- **Manual MHE**—used manually and no battery is used. Works on simple hydraulic systems
- **Battery operated**—electrical energy is stored in charged batteries and used. These are usually heavy duty and require training and license before using them

Manual MHE: Pallet mover is manually pulled. It can pull up to 2.5 tons or 2,500kg. It works on hydraulic principle. The forks are engaged below a pallet; the pallet is raised through hydraulic pump by moving the handle forward and backward. The fork raises and facilitates easy movement of the load without much strain.

Battery operated: Pallet stacker is used to stack pallets one over the other. Sometimes this is also used to raise the pallets to first level of out rigger. This is battery operated and can take light weights across the floor. The operator has to lead the equipment and has controls in the handle. This can handle up to a weight of 1 ton to a height of 12’.

The pallet mover is a hydraulic jack with three sets of wheels. It can transport up to 2.5 tonnes or 2500kg very easily and it is easy to handle. A lever has to be locked and the handle pumped with the fork into the pallet. The pallet would raise and can be moved.

BOPT—Its operation is similar to the pallet mover, the only difference being that a BOPT is operated with battery. There are two types in this: one with a provision for seat and the other to be operated in a standing posture. This would move the pallets onto the floor.

Fork lift or reach truck: In situations like the one found in B2B situations, the pallets have to be raised to out rigger (shelves which are above 6’ going up to 30’). This is a very heavy duty equipment and can be operated only by trained and approved drivers. Lot of precaution has to be taken when driving. This can raise pallets up to a height of 30’ and a weight of up to 2.5 tonnes. At high levels it is suggested that one keeps only 800kg and keeps it increasing as the height comes down.

Hang rails:

These are stands with a cross bar with a base and wheels. These are used to hang apparels in a hanger and then shift them to the floor. Garments are hung on the hang rails from the finishing point or DC post after they have gone through a steam press. These are predominantly used in apparel stores.

Flat bed trolley: Though this is specified for customer use, it is sometimes used even in the GR to transport goods to the floor.



Fig. 3.2.3: Different types of trolleys

Factors to be considered while unloading

While unloading material, the right equipment, resources and materials have to be used to ensure safety, reduce costs and reduce lead time. Some of the factors to be considered while unloading materials are:

- **Using the right resources**—it could be men or equipment or a combination of both. Cost of operating equipment and cost of manpower are of high importance and hence one should plan to use these resources optimally. For example if one man can be used to operate a forklift and move materials instead of engaging ten men with no equipment, the former option should be exercised. Of course this would also depend on the situational needs and the labour costs. If the forklift is currently being used to unload another container, then alternatively manpower would have to be used
- **Overloading the forklift or crane** would result in heavy damage to the equipment and material and potentially the person operating it. The SOA has to be well-versed with the load bearing abilities of the equipment and never risk going over the limits specified
- **Safety of man, material and machine** is most important and hence only authorised personnel should be allowed to handle the equipment. Handling instructions should be strictly followed and appropriate safety gear should be worn while unloading. For example inflammable material storage should be given utmost care. The SOA should ensure that all the safety standards are met and all precautions are taken to handle such hazardous materials

Exceptions

- In case of accidents or breakdown of equipment, it has to be reported to the store supervisor immediately
- It is also important for the SOA to organise for repair with qualified technicians or call the helpline number mentioned in the equipment manual. Check if the equipment is under a maintenance warranty or call the maintenance department

- Alternate methods to be used. For example if battery trucks are out of order, then pallet trucks could be used with more manpower and smaller loads

Identifying faults in the equipment and reporting the same

Six levels in fault finding procedure:

- Define fault—What is the deviation from the regular working conditions?
- Gather details—When and how did it deviate from normalcy?
- Probable cause—What could be the cause?
- Create action plan—How can this be solved?
- Implement action plan—How to avoid the problem repeating?
- Observe result—Is the action plan working?

Examples:

- Define a fault: A pallet mover is not able to lift the load
- Gather details: Where was it last used and how long was it used?
- Probable cause: This was taken into the freezer room and was left there overnight, because of which the hydraulic liquid inside could have frozen, which is a normal phenomenon
- Create action plan: This requires extensive repair and replacement of the pump and the cylinder. Inform facilities management to repair it
- Implement action plan: Pass strictures that no manual pallet mover can be taken inside the freezer or chiller room
- Observe result: Check if the fault recurs

Reporting requirements

- **Date of incident**—time and date of incidence has to be recorded for insurance purpose; record should be made of the point of operation at which a fault was found
- **Last serviced date and details**—the last date of service/preventive maintenance done in case of an equipment—any spares changed, details of the changes
- **Serial number**—Complete description of the equipment—serial number where available
- **Details of the problem**—Brief description of the problem, the sequence should be written for better understanding
- **If under warranty/guarantee**—mention if under warranty or guarantee and details of reference to lodge complaints
- **If under Annual Maintenance Contract (AMC)**—if under AMC, the contact details should be requested from the admin to hasten the process

Steps involved in the acknowledgment and vehicle release process

The following are the steps in the acknowledgment and vehicle release process:

1. **DC duplicate acknowledgment:** After unloading all the material and cross verifying with the quantities mentioned in the DC, SOA should ensure receipt of the following documents:
 - DC
 - Packing slip
 - Invoice

- Duplicate copy of the invoice in case of excisable material
- Statutory documents such as check post documents if applicable

The SOA should affix a seal on the DC which would look as given below:

<u>Name of the Organisation</u>	
No. of Boxes/Containers:	
Date of Receipt:	Time:
Signature:	
Material received subject to verification	

Fig. 3.2.4: Sample Image of a Seal affixed on DC

Exception entries on DC: The following are the exception entries which may be made in the DC: Wrong PO number, material, quantity or address—this has to be immediately cross verified with the concerned staff.

If any of the documents mentioned above are not received from the transporter, then immediately endorse the same in the DC and seek the signature of the transporter. Have the same endorsement entered in the vendor's copy and have the transporter acknowledge the same. A written declaration to be sought from the transporter with regard to non-issue of specific document. The copy of the declaration should be handed over to the transporter.

- In case of damages to the material, immediately inform the supervisor and the purchase staff
- If possible organise for photographs of the damages/deviations. This would be necessary for reporting for insurance purpose as well
- It is always advisable that the status is recorded before unloading the material
- Describe the material receipt condition and ask the transporter to acknowledge the same in all documentation
- A First Information Report (FIR) should be sent to the supervisors in case of deviations found, which will be very helpful for insurance surveyor's visit

Note: Only after concurrence from supervisor, the material is to be unloaded or opened.

2. Once all the above formalities are completed, the SOA should conduct a visual check inside the vehicle, to see if any load has been missed from being unloaded
3. After ensuring the same, the vehicle should be released from the store
4. The security to be alerted for routine check of the vehicle. If the above process is not followed meticulously, it would result in confusion, conflicts and delays in inwarding

Activity



1. **Objective of the activity:** To understand the process of unloading the specific type of packaging material assigned to the group, listing the sequence of preparatory work, resource organising, precautions to be taken while unloading and finally vehicle release
2. **Learning outcome:** Learners will be able to understand the process of unloading the specific type of packaging material assigned to the group, listing the sequence of preparatory work, resource organising, precautions to be taken while unloading and finally vehicle release
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
 - Form smaller groups within the class
 - Read the following scenario: Learners are all store assistants who are receiving a consignment
 - Allocate one of the given consignments to each group:
 - Palletised boxes
 - Cartons (consumer products like jam bottles, ketchups, soap bars, etc.)
 - Barrels (edible oil, etc.)
 - Electronic components (primarily packed in thermocole containers and secondary packing in corrugated boxes which could get damaged on impact if dropped)
 - Each group to share their views on the processes involved in unloading the specific type of packaging material assigned to the group

UNIT 3.3: Inwarding of Goods at the Store

Unit Objectives

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

1. Explain the process of inwarding the goods
2. Explain the importance of visual inspection and quality check process
3. List the steps involved in the quality check process and its importance
4. List the steps involved in the updation of material status in the system and its importance

3.3.1 Process of Visual Inspection and Rejection of Goods

Visual inspection—Before generating a Goods Receipt Note (GRN), the SOA should conduct a visual inspection of the condition of the container. This is done to check for:

- Packaging condition—the SOA should ensure that the packaging of the goods is not damaged. Damages to the packaging could indicate damage to the goods inside and those are set aside to be examined in detail. Goods that are damaged on the outside may be exempt from the usual sampling process and a 100% check will have to be performed on those products
- Leakages—any spills would have to be checked for leakages. If the package is leaking or damaged, do not move it. Clear the area and contact the storage in-charge and other appropriate officials as required. Cordon off the place and put a warning sign placard near the container cautioning people not to get close. Wear protective garments before handling any hazardous materials and containers
- Damages—any breakages, bending of material, broken corners, etc. would have to be investigated
- Stacking condition—stacked material may have crushed the lots at the bottom or may have collapsed in transit leading to damages
- Pilferage—any theft that may have happened while the goods were in transit. Quantity checks will reveal these problems

Any deviations found should be reported to the supervisor immediately.

Procedures followed in rejection of goods that are delivered:

- Reject goods based on the reasons provided in the receiving policies of the company
- Escalate or clarify with superiors in case of doubt in receiving or rejecting
- Once a decision is taken to reject articles, do not receive the goods
- Segregate the rejected goods of the vendor and receive the balance
- Once they are moved into the storing area, create a Non returnable Gate Pass (NRGP) giving details of the article description, article number, UOM, MRP and number of pieces
- Reason for rejection should be mentioned
- Get the vendors representative to sign the NRGF

Example:

If the product is not in the PO, confer with the supervisor who will reject after confirming with the floor.

Some reasons for rejections

Reasons for rejection	Actions to be taken
Not ordered	Check with GR manager and sales floor in-charge if they require on the sales floor. If yes, get a new PO for accepting the goods
Description does not match the PO	Escalate to buyer and get the amendment done in the PO. If not done within a day or stipulated time, reject
UOM is different from ordered—different from what is mentioned in the PO	Escalate to supervisor. If PO is amendable, receive the goods or reject it
MRP is different from PO	Escalate to buyer and get the amendment done in the PO. If not done within a day or stipulated time, reject
Damaged or leakage	Reject
Promotion article not available	Escalate to buyer and get the amendment done in the PO. If not done within a day or stipulated time, reject
Shelf life is below stipulation	Check with floor. If not required. reject
Quantity more than ordered	Check with floor. If not required, reject
Not for the store	Reject

Table 3.3.1: Reasons for rejections

Steps involved in the quantity check process

Quantity check refers to the verification of physical quantities in the consignment by the SOA. This could be by:

- Count—in case of countable pallets, barrels, boxes, bags, etc.
- Weighment—in case of bulk goods which may be invoiced by weight, for example the vegetables are invoiced by weight

Types of counts

- Macro count: In the delivery challan that comes along with the merchandise, the number of packages will be mentioned. Count of these packages is called macro count
- Micro count: Getting into the details of the invoice and tallying the number of pieces received with that in the invoice is called micro count

When the macro count is done, if there is a shortage of a package, it is reported to the supervisor immediately. It is checked with the tally done by the security.

In the event of a shortage:

- The supervisor is informed
- Countercheck is done by the supervisor

- A shortage report is made
- The person who counted and the supervisor have to sign and hand it over to the GR manager
- The GR manager will speak to the vendor or the buyer and detail the shortage
- In the system, the shortage will be recorded as short received and GRN created

The following steps are involved in the quantity check process:

- Organise resources: Organise resources to open the packs as per the work instruction/handling manual available, ensuring the use of appropriate tools, like hammer, nail puller, cutter, etc.
- Check for individual packing slips inside the cartons which would show individual unit quantities in each carton
- Cross verify the packing slip with the packing list accompanied with the DC
- Count the material and record the actual findings on the packing slip, packing list and DC
- Sign with the date on the DC endorsing 'Verified'
- Store the material as per the storing instruction available
- Check damages/pilferages and the material condition
- Check for container leakage or damage
- Record the same in the DC and immediately inform the purchase staff

Process of reporting shortage and over supplies:

1. After counting, if there is a difference between the invoice and the physical numbers:
 - Identify the SKU which is short and report it as short received
 - Identify the SKU which has been received in excess and keep it aside and report to the supervisor
2. Detail the reason for shortage—it can be short supplied, damages not taken into account or expired products not taken into account
3. If breakages are accounted as shortage, then details like where did it break—during supply or post supply should be mentioned
4. If an alternate product is received instead of the ordered one then it should be reported as shortage
5. In case of excess, the excess pieces are kept aside. The excess is then reported to the GR manager who takes it up. Once that is kept aside, the GRN is done for the balance of merchandise

Processes in inwarding the material

Once the SOA has checked the contents of the consignment with the packing slip, then the next step would be to generate the Goods Received Note (GRN). This note indicates that the stock has been verified and can be included in inventory and updated in the system and records. Some of the details that are included in a GRN are supplier name, purchase order number, item code, quantity received, quantities accepted/rejected and reasons for the same. Generating the GRN is an important part of the inventory management system.

The first process that has to be completed once the material is unloaded and physical verification is complete is the updation of details on the system. The GRN screen on the system has to be updated with relevant details retrieved from the relevant PO.

Document filing:

- After updation on the system, GRN printout should be generated

- The details found in the GRN should be updated in the tag already affixed
- The status should be changed to 'Under Inspection'. This would clearly indicate to the quality inspection staff on the lots that need to be inspected. In some cases some material would be exempted from inspection process and it will be directly tagged as accepted. This could happen if the supplier is trustworthy
- The information has to be intimated to the store QC staff with a copy of the GRN
- The printout of the GRN has to be signed and filed
- At the end of the day, a list of all materials inwarded has to be generated and filed

NAME OF THE ORGANIZATION

GOODS RECEIVED NOTE				
GRN NO. _____			GRN Date _____	
Supplier _____			Supplier Code _____	
D.C. NO. _____	D.C. Date: _____	Invoice No. _____	Invoice Date: _____	
Order Number _____			Storage Location _____	

Sl.	Stock No.	Item Description	UoM	Quantity

Date of Entry: _____ Entered by _____

Fig. 3.3.1: Goods receive note

Activity

- Objective of the activity:** To understand the various procedures in inwarding material
- Learning outcome:** Learners will apply the concepts that have been learnt in various procedures in inwarding material
- Nature of the activity:** Group
- Procedure to conduct the activity:**
 - Form smaller forms within the class
 - The given scenario: Learners are all SOAs who have received one of the given consignments. The groups discuss the situation and elect one person to play the role of the SOA who would enact the steps taken to deal with the issue
 - Each group to be allocated one of the consignments given below:
 - The cardboard cartons that toothpastes were packed in are damaged and the packages inside are squashed up totally, rendering them unusable
 - The containers containing cleaning acid are leaking because the bottles they have been packed in have broken
 - The store has received a consignment for edible oil, but while measuring it, the quantity is found to be less than what was ordered
 - The store has received shipment for wheat flour, 50kg in excess of what was ordered and of a different quality

3.3.2 Steps Involved in the Quality Check Process and its Importance

The following are the steps involved in the quality check process:

- 1. Quality check:** The material is handed to the quality control staff or store supervisors who are the custodians of quality check. They will carry out an inspection with the help of the SOA. This would be according to the specifications that have been given to the supplier in the PO. Various examinations would be conducted on the material and finally a verdict would be passed as to whether the lot is accepted or rejected. These tests are usually performed on a sample or whole quantity of the lot
- 2. Quality report:** Once the above mentioned tests have been performed, a quality report is generated by the quality control department. This would give details on whether the material passed all the tests or if certain parameters were not met. This would be sent to the store management which would then make the decision based on this report if the material is worthy of selling. Sometimes minor problems in the material, which would not impact the final quality, would be overlooked. Therefore, the tolerance of imperfection in the material on the final product would have to be judged by the category team
- 3. Tagging:** In most cases, the quality control staff will also fix relevant stickers on the identification tag of the material. In general, the tags are identified with colour codes (Green for Accepted and Red for Rejected). This is a very important step following the quality check as colour-coded tags help the material to be easily identified and prevent errors of rejected material being brought into production
- 4. Segregation:** Once the material has passed the quality check, it has to be sorted into various places in the store depending on its usage. The tags again would be used for this sorting process
- 5. Isolation of rejected material:** Finally the rejected material has to be moved to an isolated area marked for rejected material. This is to ensure that they can easily be returned to the supplier or sent to the dump or scrap lot. Sometimes a representative from the supplier side may also visit the rejected material area in case the rejection has to be contested

Importance of quality check

- **Customer satisfaction:** Every organisation strives for customer satisfaction and the process of quality check ensures that the final output to the customer meets the expectations of the customer. If defective material is used or sold, needless to say, it would reflect on the final output to the customer
- **Cost of poor quality:** Material inspection is a vital process and wrong updation in the system would result in disqualified material reaching the customer. This has long-term cost repercussions. Rejected material would have to be brought back and reworked or scrapped and reproduced to customer's satisfaction. The store could lose credibility, thereby leading to a decline in future sales which again would impact the profits of the organisation

Activity

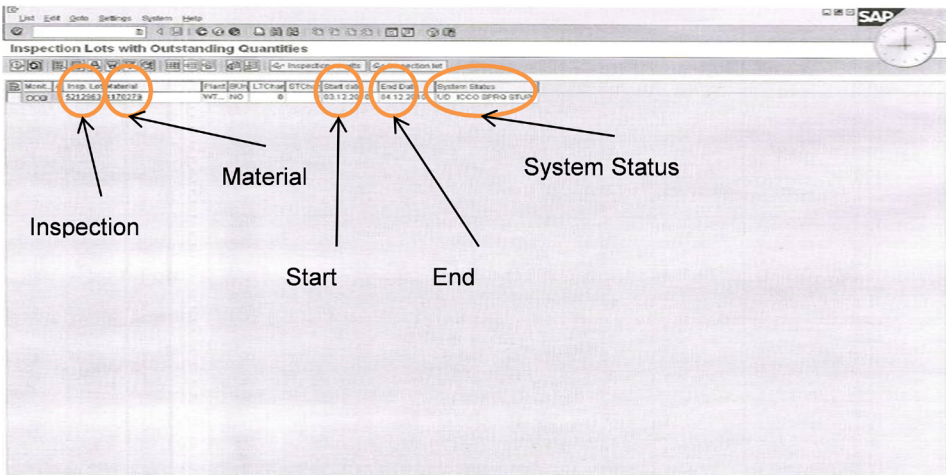
- Objective of the activity:** To state the process of handling sub-quality product
- Learning outcome:** Learners will be able to state the process of handling sub-quality product
- Nature of the activity:** Group
- Procedure to conduct the activity:**
 - Form pairs within the class
 - Read the below given scenario
 - Discuss with their partner how they would deal with the situation
 - Share with the class the process of handling the damage to the product and leakage on the floor

Scenario: You are an SOA and have to do a visual check process for the leakage of oil from its PVC container that has damaged the floor of the truck in which it was transported.

3.3.3 Steps Involved in the Updation of Stock Status

The following are the steps in the updation of material status:

- Generate lot status from system**—the information of verdict is given to the SOA or by default the SOA will have to generate the list from the system at periodical intervals. The next slide has a sample screen shot of an inspection lot list



Material	Start	End	System Status
5212561 1376278	03.12.20	19.12.20	LOD 1000 BPRO SFUC

Fig. 3.3.2: Lot status

- Confirm quantities accepted and rejected**—based on the verdict found in the list, the SOA should confirm the quantities against accepted and rejected status
- Move confirm quantities to the right location**—once the quantities are physically confirmed, the SOA will move the material to the respective location

Importance of data accuracy

Nowadays the Enterprise Resource Planning (ERP) model systems are integrated and any updation in the stock process reflects in various areas, like PO, payment, inventory, material requirements planning, etc. The SOA should take utmost care in updating the data in the system. Any error in data input would have multiple repercussions across the organisation. At the end of the day, SOA should generate a list of all entries of GRN made in the system and physically cross verify against all parameters, like PO number, stock number, description, quantity, etc. This will ensure that the system input and the physical stocks are all tallied and error free.

Consequences of inaccurate reporting

- Inaccurate reporting of goods will lead to complications to all stakeholders alike. The consequences of incorrectly reporting the goods received are:
- Incorrect stock book: We would not know what stock is available and what is unavailable. There would be ghost stocks (only on book and not physically present and those which are available physically may not be there in the book)
- Error in stock book will affect sales. As the stock book is not appropriate, ordering will not be possible. This can result in wrong ordering, that is moving products not getting ordered and those which are not selling gets ordered.
- As a result of wrong ordering and inaccurate stock book, stock level increases. The stock increase leads to space constraint.
- Excessive stock leads to breakages, pilferages and aging.
- Breakages, pilferages and ageing will lead to loss of revenue.
- If right products are not available, customer will move to competition.
- This will lead to loss of sale and reputation.

UNIT 3.4: Storing Material in a Back Store Area

Unit Objectives

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

1. List the steps involved in material movement and storing process
2. Explain the components of a storage location master and its usage
3. Identify different kinds of materials and their standard storage conditions in the store

3.4.1 Storage

Storage is the act of storing goods and material in a specific area. In a store, goods are stored on shelves, cupboards, containers racks and specialised containers.

Storage is important as there is continuous supply of products in the store and these have to be stored in a proper place under appropriate conditions so that the demand from customers can be met at any given time.

Storage ensures that the store can achieve economies of scale by mass storage of products and then replenish the goods in the store as and when required. Efficient storing helps meet the organisation's overall objective of supplying the right goods, at the right time, at the right place, at the right cost and at the right quantity and quality.

The SOA should ensure that the goods are stored in such a manner that it is easy to retrieve them for issue.

Storage objectives

The space in the storage area should be used to the maximum extent. The storage should be done in such a manner that the area is used most efficiently without the goods being spoilt and at the same time it is easy to retrieve the goods. Goods should be stored in an orderly manner. All storage units should be uniquely identifiable and marked accordingly. At the same time, it should be documented as to where what materials are stored. Bar coding of materials will be helpful here.

Storage should be such that there is optimum use of time, labour and equipment. The fast moving goods or lightweight goods should be stored in such a manner that they are easy to locate, count and handle. For example packaged juices can be stored in cartons in fixed numbers, such as 25 juice boxes in a carton.

Bulky material can be kept in such a way that the labour finds it easy to move it using the equipment.

The materials should be stored under appropriate conditions so that they do not get spoilt. Perishable goods, like fruits or medicines should be stored in cold storage. Food grains should be stored keeping them safe from the attacks by pests or rodents. Hazardous materials, like petroleum or acids should be stored as per government regulations.

The storage of goods can also be determined by retrieval methodology. For example if the goods that are stored first are issued first (FIFO method), then the SOAs should store the stock in such a way that the goods are moved to the front once the previous batch is dispatched.

Storing material in a storage

There are various factors involved in deciding the type of storage.

- Exterior or interior storage: The types of goods determine whether they have to be stored indoors or outdoors. Perishable commodities or materials that are solvent in water (like sugar and salt) must be stored in dry areas, F&V should be stored in ambient temperatures, chilled and frozen products should be stored in chillers/freezers respectively inside the storage area.
- Temperature for storing material: Depending on the type of material, the temperature and humidity are important factors to consider during storage. Vegetables, fruits and ice creams have to be stored in cold storage so that they remain fresh and fit for consumption.
- Quantity: One of the criteria to be considered is if the items can be stored together or each item has to be packed separately or stored in individual racks. Units of packaged foods can be stored together whereas items like television, etc. have to be stored in separate racks.
- Size of the units: The size of the units is another important criterion for deciding the storage, for example refrigerators have to be stored on ground level as they are big in size.
- Stock location: Depending on the type of material, the location is decided. The stock location is chosen to optimise the use of time, labour and equipment. Fast moving goods are normally stored in places from where they can be selected and replenished into the store using minimum handling. Slow moving items can be stored at the back of the storage area. Non-perishable and related goods, like notebooks, pens, folders can be stored together. Chemicals, detergents, soaps should not be stored with the food items as this can lead to food items being spoilt or becoming unfit for consumption. Bulky/heavy materials should be stored close to the floor of the storage area and near the place of issue.

Steps involved in storing materials in storage area

A proper process has to be followed while storing material so that all the material is stored at the right place and there are no discrepancies and the objectives of storage that were discussed earlier are met.

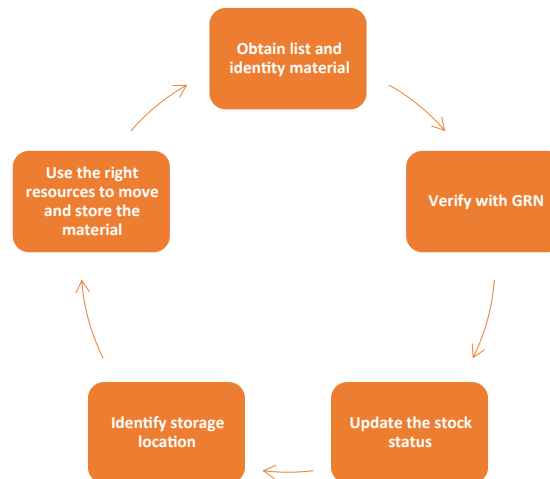


Fig. 3.4.1: Steps involved in storing materials

The steps involved in the storage process are:

- Get the list of material to be stored: Get the list of materials to be stored or Goods Received Note (GRN). A GRN is a document showing description of goods and the quantity received. Typically a list of materials which has been updated in stock will be generated either by quality control staff or if there is no inspection process involved, the SOA will generate this from the system or take a printout of GRN.

- Identify material: As per the list, identify the category to which the material belongs, raw material, consumable (oils, solvents) or components, etc.
- Match with GRN: Match the tag details of the stock unit with the details found in GRN with respect to part number description, quantity and the status—'Accepted' or 'Rejected'.
- Confirm whether accepted/rejected status is clearly identified on the material (a green label indicates acceptance and a red label indicates rejection).
- Update the system stock/bin card: Make relevant entries in the specific storage location in the system/bin card which is basically a record for receipt and issue of materials.
- Identify storage location: One can use the storage location master to find out the details of where the material is to be stocked.
- Choose the right MHE and the relevant staff: Different materials have to be handled differently, for example bulk material should be moved with forklift which is driven by authorised forklift driving staff and so on.
- Move the material: The material has to be moved to the appropriate bins as per details in the storage location master.
- Store the material: Store the material as per storing instructions or manuals, as different types of material have to be stored differently. For example fragile items like crockery have to be handled with extra care. Other items that get affected by temperature or humidity have to be stored appropriately so that they do not get damaged.

Storage location master

The storage location master gives the details of where a material has to be stored. At the time of issue, it tells from where the stock has to be removed. This ensures optimum use of labour and time.

It contains:

- Item or product number—unique identifier of the part/material to be stocked.
- Description of the material.
- UOM of the material to be stored.
- Rack number—the unique identifier of the exact location for the part to be stored.
- Location in the storage area.

The most important reason for having a storage location master is to store the material in the right place and retrieve them quickly at the time of issue.

The example of the storage location master below shows that it gives the accurate information to get to the stock as soon as possible.

IT no.	Description	UOM	Rack no.	Location
WF1234	RG Wheat flour	Bags	A-1	STP-1

Product: Wheat flour bags need to be stored. The corresponding record in the storage location master reads as

Item number: Item number is the unique identifier.

Description: The description column gives the details of the material.

UOM: It stands for unit of measurement in bags.

Rack no: A1 indicates that the material is kept in Rack A, Shelf number 1.

Location: The location of the material is STP 1 which stands for Staples room number 1.

Another example:

Material No	Description	UoM	Rack No.	Location
CB5243	Electronic Circuit Board 5243	No	CL-AM39	ELR



Fig.3.4.2: Storage location master

The storage location master describes the following for an electronic component:

This means the units of Electronic Circuit Board 5243 are measured in numbers. It is stored in Rack CL-AM39 and the location is the Electronic Components Room.

Shortage in storage space

In case of shortage of storage space:

- The SOA should be able to estimate the actual space required to store the goods much before the receipt of goods.
- The PO document will help in knowing the stock that is expected to be received with respect to the type and quantity at any given point of time.
- After estimation of space, one should identify the location and confirm the availability of space to store the goods.
- In case there is a shortage of space the issue should be reported to the supervisor without any delay for further directions on action to be taken.

In case the above measures are not followed, the goods arrive at the store and there shall be no space for storage. This will lead to chaos in the storage location further resulting in damage of the goods lying inappropriately. This will lead to loss of revenue for the store

Categories of goods in a store

Goods stored in a store are of different types and each needs specific type of storage.

The different types of goods are as follows:

- **Perishable goods** like fruits, vegetables, meat or medicinal products, which can be easily spoilt if the temperature and humidity is not right for storage. These need to be stored in cold storage or at low temperatures.
 - Perishables are to be stored in ambient conditions or inside chiller as per product requirement, for example greens and vegetables should be kept in ambient temperature, milk and milk based products should be kept in chiller room.
 - Exotic vegetables and fruits would be required to be kept in chiller. They have to be rotated so that the chill is evenly spread.
 - Dairy products requiring temperature controlled atmosphere should be moved into the chiller room on arrival and the count should be done there.
 - Dairy products have to be handled in order—FIFO. This will help sustain standards.

- Perishables in the frozen department should be turned everyday, to avoid frost bite (white patches which turn black as days go by indicating they have frost bite).
- **Non-perishable goods**, like canned food, soups, sauces and non-food products, etc. They have to be stored in such a manner that the cans, bottles and boxes in which the product is stored do not get damaged.
- **Hazardous materials** are dangerous and are also called HazMat. They are solid (batteries for example), petroleum based liquids, spirits and wine. These can cause serious harm to living beings and the environment. Dangerous goods also include materials that are radioactive, flammable, explosive, corrosive, oxidising, asphyxiating, bio hazardous, toxic, pathogenic or allergenic. The physical conditions around such substances should also be taken into consideration, for example the environment, temperature, etc. may cause certain materials to become dangerous.
 - Safety precautions as per law have to be applied while storing hazardous materials. People who handle dangerous goods have to wear protective gear compulsorily. Fire departments often have a response team specifically trained to deal with accidents and spills of dangerous goods. Persons who may come into contact with dangerous goods as part of their work are also subject to monitoring or health checkups to ensure that the exposure does not exceed occupational exposure limits.

Different types of storage

There are four major types of storages.

- **Cold storage:** Fruits, vegetables, meat, medicines, etc. that are generally perishable in nature are stored in cold storage as these are vulnerable to heat.
- **Humidity controlled storage:** Some materials, like sugar, salt and other food products get adversely affected by moisture. They require humidity controlled storage areas where the temperature is higher than room temperature to avoid moisture.
- **Covered storage:** Materials which get affected by dust and dirt easily (clothes) have to be stored in covered corrugated boxes. All products cannot be kept in the same condition.

Each category or range is required to be treated in different way and thus the facility requirements differ:

- Strong room for high value merchandise, like saffron, mobiles, cameras, etc.
- Freezer room for storing frozen articles.
- Chiller room for exotic fruits that require chilling.
- Area cordoned off for entry by authorised personnel only—for Beer, Wine, Spirit (BWS) as per government norms.
- Drainage for freezer rooms where meat is kept.
- Perishables should be kept in an area right upfront so that it is visible always, so that it is easy to bring the goods to the sales floor. Space should be earmarked accordingly.

Examples:

Dairy products are to be kept in chiller rooms where the temperature ranges between 4°C to 6°C.

Fresh products are to be kept in chiller rooms. They are not stored in freezer rooms else they will have frost bite and would not be good for consumption.

Frozen food that require to be kept and maintained between -18°C to -22°C fall in this category. Ice creams, frozen food and dairy products are some examples.

Vegetables: Exotic vegetables would require to be kept in chiller rooms and the rest in ambient condition.

Dry food to be kept in ambient temperatures.

Non-food should be stored in the appointed area. All non-food articles are kept as per their category in tall racks away from food articles.

High Value Merchandise is kept in strong room or in caged pallets with locks. Saffron in food, Gillette kits in FMCG non-food, mobile phones, etc., fall under high value articles.

Activity

This is a group activity. The faculty must involve in a five-minute discussion to take them through the processes involved in storing certain goods. The perishable commodities require cold storage facilities, and electronic appliances like washing machines need to be stored in covered areas in corrugated boxes. Paper should be stored in fireproof, weather proof building that is dry and ventilated. Food grains should be protected from factors like humidity, rodents and pests. Oil products should be stored in drums in a covered place. They should be kept separate from other items and they should be marked with the grade and kind of oil. Hazardous materials like phenyl and petroleum based products require that their danger levels are tagged and they are stored according to the regulations in the country.

1. **Objective of the activity:** To understand the process of storage
2. **Learning outcome:** Learners will be able to identify and deal with situations that involve decision making regarding storage of goods
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
 - Form pairs within the class
 - Assign each group one of the following items:
 - Ice cream.
 - Oil products.
 - Food grains.
 - Hazardous chemicals.
 - Paper and stationery.
 - The groups must take decisions regarding the storage and issue of the same—FIFO or LIFO.
 - Each group has to present the storage conditions for each item and the reasons for selecting the same.
 - Discuss for 5 minutes and the groups to write their observations.

UNIT 3.5: Measures to Maintain Quality Standards of the Stock

Unit Objectives

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

1. Describe the steps to be taken to minimise deterioration of stock quality
2. Identify the reports that need to be generated during the process of receiving and storing

3.5.1 Determining Product Quality

What is quality?

There are various definitions of quality. When it comes to business, quality can be defined as:

- The characteristics of a product or service that satisfy the stated and implied needs of the customer.
- A product or service that adapts to the requirements of the customer.
- A product or service that is free of deficiencies.

It is important that the organisations maintain the quality of their inventory and do not lose the inventory to external factors as far as possible. The organisation can maximise its profits, can retain its consumers and increase customer base only if their product's quality is satisfactory and they are able to supply products with uniform quality as per consumer's demand.

Maintaining the stock quality

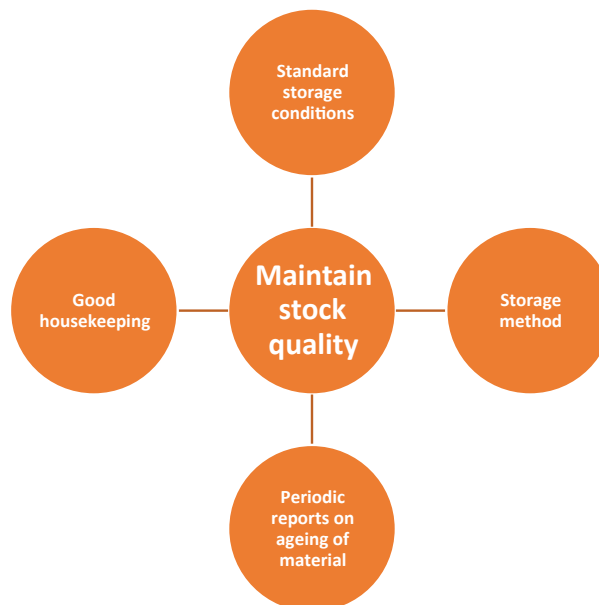


Fig. 3.5.1: Maintaining the stock quality

The faculty must list the methods for preventing deterioration as indicated in the visual.

Storage methods

There are various ways to maintain the quality of the products. Ensure that standard storage conditions are followed. As there are different types of materials, there are different types of storage conditions as well.

- General storages can be used to store goods that have a long shelf life or are non-perishable items such as brushes, plastic furniture, luggage products etc. Goods that require basic packaging and protection can be stored in general storages.
- Perishable goods are vegetables, fruits, meat and medicines that have a shorter shelf life. These products should be stored in cold storage where the temperature is lower than normal.
- For example big vendors like Reliance Mart, have cold storage locations at multiple points which enables them to store vegetables bought from vendors before they are processed and packed to markets across different cities. Similarly, most of the departmental stores have cold storage facilities to store such perishable products.
- Controlled temperature storage is used for storing materials in the right temperature for the material to prevent moisture on the material, for example products such as sugar, salt, etc.

Storage methods

- Storage methods are instrumental in ensuring that stock does not get spoilt or pilfered.
- Storing material in pallets ensure that they are easy to move around by using forklifts and also ensure that the material do not get wet or spoil when the floor of the store room is being cleaned with water, etc.
- Heavy materials should be stored at a lower level as compared to lighter material. This will help in easy storage and retrieval of items and will prevent damage by the stock falling from a height.
- The packaging of a material is important. Fragile material such as glasses and crockery should be packed appropriately to prevent any breakage. Material should be typically stored in the original packaging. If the materials are of odd shapes and sizes, they should be packed in even sized boxes as other materials so that there is no impact of materials being stored, retrieved, allotted and moved around.
- Some materials, like food items or wood products need to be treated with external agents so that the quality remains unaffected, for example use of sugar syrup to preserve fruits like peaches and apricots. Wood products are treated with chemical preservatives to increase their durability and increase resistance to pests.
- Storage racks and bins should be kept in storage worthy condition to prevent shaking and breaking which may result in damage of goods.

Few examples of storage methods

- **Dairy**—Dairy products are to be kept in cool places where the temperature ranges between 4°C to 6°C.
- **Fresh**—All fresh products are to be kept in chilled rooms. They should not be stored in freezer rooms; else they will have frost bite and would not be good for consumption
- **Frozen food**—Various types of food which require being kept and maintained between -18°C to -22°C fall in this category. Ice creams, frozen food, dairy products are some examples.
- **Vegetables**—Exotic vegetables would require to be kept in chilled rooms and the rest in ambient condition.
- **Fruits and vegetable**—The articles in this category which are kept in ambient temperature are kept separately and the ones which are to be kept in chilled condition, are kept in a different room.

- Twice a day or at least once in a day, the storage of products with short life should be checked for any decaying.
- The products received earlier should be brought to the fore and the new ones kept at the back in the storage.
- The principle of first in first out should be followed strictly. This will help to reduce dump.
- Products which have short life should be taken to the floor, price reduced and liquidated, else even the salvage value will not be there.
- **Dry food**—They are kept in ambient temperatures.
- **Non-food**—They are stored in the appointed area. All non-food articles are kept as per their category in tall racks away from food articles.
- **High value merchandise**—All high value merchandise is kept in strong room or in caged pallets with locks. Saffron in food, Gillette kits in FMCG non-food, mobile phones, etc., fall under high value articles

Examples for maintaining quality

- When inspecting the products, especially leafy vegetables, the leaves should be pruned so that the main vegetable retains its moisture.
- Greens should not be kept in back store. If it is there, it should be wrapped in gunny or muslin cloth and moistened every hour or two so that they retain freshness till they are sold.
- If the vegetables are rotten or with fungus or a broken, they should be immediately culled and handed over to the stock controller for processing.
- Milk will not stand for more than one day. If it is in excess, they have to be brought to the floor, prices dropped and cleared.

Minimise deterioration of stock quality

Good housekeeping

- Procurement and inventory policy—It is important that a proven procurement policy and inventory policy is in place. These policies should aim to reduce material losses as far as possible. It is vital that the storage area is neat and clean. If there are any spills or accident, they should be cleared up immediately. The store operations assistants should check for materials that are old or have past their expiry date and take steps to manage them accordingly.
- Material handling equipment—It is important to inspect the storage area for leak, spills and container integrity. The staff at the storage should be trained and experienced in using material handling equipment like forklifts, container opener, battery trucks and others. Few employees should be trained in hazardous materials handling. Equipment used in stores should be maintained frequently and operated efficiently so that they are used to the optimum level. Manual operation instead of machine and vice versa where required will also result in damages to the product. There should be enough space to move the equipment around without damaging the material.

Security systems should be in place.

- It is not only the quality of material that matters, but also the safe custody of materials that matters a lot.
- Adequate security systems should be in place at a storage area which should ensure safety to the products. Opening and closing of store rooms, strong rooms and cupboards where valuables are stored should be done under supervision of authorised people or security staff.

Let us look at an example.

A large departmental store sells very expensive jewellery and watches that need to be received, stored and issued for sales. The system followed to ensure high security system for the material in stores is as follows:

- The expensive jewellery and watches are always stored in a strong room built with thick reinforced walls and thick metal door which has two keys – one with store room in-charge and the other key with store manager.
- The strong room is equipped with alarm system to monitor and alert unauthorised entry or breaking into the strong room.
- Whenever the material needs to be stored or taken from the strong room, the store room in-charge informs the store manager and the security.
- After arrival of store manager and the security, the strong room is opened.
- The transaction of storing or removal of material will happen in the presence of the security.
- All the three personnel sign the receipt or issue document.
- An entry is made with all particulars of the transaction with date and time in a register that is kept inside the strong room.
- Security ensures that the alarm system is active.
- Strong room is locked in the presence of the security.
- It is a mandatory rule that without the presence of any one of these three staff members under no circumstances, the strong room will be opened.

Periodic reports on ageing

The stock ageing report shows the information on which material was bought on which date and the number of time periods it has been lying in the store. This will help the store operations assistant to trigger alerts to the stakeholders and also help the organisation take effective steps to handle inventory.

Scenario

Following is the given scenario for learners to analyse and discuss the solution.

Wheat manufacturers forward their produce of whole-grain wheat to a store in Punjab for storage and packaging.

The wheat is normally stored in the open. Cyclone is predicted in a week's time.

Wheat is stored in bulk in store room. Cyclones can cause rains or other unsuitable weather conditions due to which the material may perish. Long duration of storage can also cause wheat to perish.

The SOA's job is to protect the material. To prevent decay of the material, the store in-charge will update stocks to the store supervisor. Planning team and purchase staff will discuss with the concerned authorities and will speed up the distribution of stocks held or slow down incoming of these products.

Various procedures involved towards protection of the product could be:

- The material has to be distributed under break bulk system which means breaking the product quantity into smaller quantities and distribute evenly.
- It is necessary to fumigate the wheat to destroy micro-organisms that could spoil the wheat.
- The wheat should be stored in moisture-free and waterproof containers.
- Selling the product under concession rates if the supply is more than demand.
- The storage rooms where the wheat is stored should be rodent free and pest free.

Reports during the process of receiving and storing goods

At the beginning of the day the GR manager will have the following reports:

- List of vendors to deliver.
- Department which would have consignments coming in.
- Value and quantity that are to be received.
- A note of things to be dispatched from store.
- Manpower availability if there is a third party involved.

Once the goods are received

- List of deliveries received.
- How many of them quarantined.
- Reasons for quarantine and action initiated.

Storing goods reports

- Total SKUs available in food and non-food at an SKU level.
- Movement of stock reports.
- Value of stocks by the category.
- Damages and expiry removed from storage.
- Quantity moved to floor from storage.
- Space availability.

End of day

- Total quarantine goods cleared.
- Total quantity that has been rejected.
- Goods which has been and which are yet to be dispatched for any reason.
- Schedule for next day.

There are various reports which are to be generated to know what is happening in the GR and storing. Some of them are listed below.

- Total goods received today, till date this month and till date this year.
- Total number of vehicles unloaded till date, this month and till date this year.
- Value of goods received – this would help the buying team to maintain their OTB.
- Value of goods rejected and returned – this would be used by the buyers to evaluate the vendors' efficiency.
- Space availability on a daily basis to plan the receiving.
- Manpower that is deployed on an average per truck
- Average time taken for receiving goods for a truck.
- Average rejections per day/month/till date.
- Reason wise numbers for rejection.
- Types of consignments received and their number (truck, courier, tempos, etc.)
- Shortages received in consignment till date.

Summary

- Stages involved in the receipt of goods.
- Key documents involved in the receipt of goods.
- Steps involved in the document and PO check process, its importance and exceptions.
- Steps involved in the sequencing and docking process, its importance and exceptions.
- Steps involved in the unloading process.
- Different kinds of goods to be unloaded.
- Appropriate tools for unloading material, its importance and exceptions.
- Steps involved in the acknowledgement and vehicle release process and its importance.
- Steps involved in the inwarding of material by system updation.
- Steps involved in the visual inspection and quantity check process, its importance and exceptions.
- Steps involved in the quality check process and its importance.
- Steps involved in the updation of material status by system updation and its importance.
- Steps involved in material movement and storing process.
- Components of a storage location master and its usage.
- Different kinds of materials and their standard storage conditions in the store.

Exercise

Answer the following questions by choosing the correct option:

- Which one is not the key terminology while receiving goods at a store?

a) HHT	b) Dock
c) Pallets	d) Cross
- What is the full form of DC in a retail sector?

a) Delivery Challan	b) Doctors Choice
c) Direct Cost	d) None of the above
- Manpower required during

a) Preparing unloading bay	b) Loading bay
c) Arrange tools	d) All of the above
- Soft lines are the part of _____ category.

a) Food	b) Non-food
c) Both of the above	d) None of the above

4. Prepare products for delivery



Unit 4.1 - Picking products aligned with orders

Unit 4.2 - Packing of products

Unit 4.3 - Labeling products



Key Learning Outcomes



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

1. Accurately pick products according to customer orders and pick lists, ensuring correct quantity, type, and condition, while addressing any inventory or order discrepancies
2. Efficiently and safely pack products as required, ensuring proper protection for transport and organized storage or dispatch
3. Accurately label products with all necessary information, including SKU, quantity, and special handling instructions, ensuring consistency and traceability throughout the inventory management process

Unit 4.1: Picking Products Aligned with Orders

Unit Objectives

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

1. Explain the principles and best practices for accurately picking products according to customer orders and pick lists
2. State the importance of ensuring the correct quantity, type, and condition of products, and determine strategies to address inventory or order discrepancies

4.1.1 Principles and Best Practices for Accurately Picking Products According to Customer Orders and Pick Lists

As a **Retail Store Operation Assistant**, accurately picking products based on customer orders and pick lists means carefully selecting the correct items in the right quantity, following the details on the pick list, and performing quality checks to minimize errors and ensure customer satisfaction. The following are the key principles for accurately picking products according to customer orders and pick lists.

Clear pick list instructions:	Ensure pick lists accurately detail product SKU, quantity, and storage location to guide pickers effectively.
Barcode scanning:	Utilize barcode scanners to verify each item picked, minimizing the chance of picking the wrong product or quantity.
Organized warehouse layout:	Clearly label storage locations and organize inventory logically to facilitate quick and accurate picking.
Picking method selection:	Choose the most suitable picking method based on order volume and product type, like zone picking for large orders or wave picking for high volume.
Quantity verification:	Double-check the quantity picked against the pick list to avoid over or under-picking.
Prioritize Accuracy Over Speed	Focus on ensuring the correct items are picked as per the order. Mistakes can lead to customer dissatisfaction and returns.
Follow FIFO (First In, First Out)	Ensure older inventory is picked first to minimize product wastage or expiry.
Adhere to Product Specifications	Match the product's description, SKU (Stock Keeping Unit), size, and other details with the pick list.
Use Technology Efficiently	Leverage bar code scanners or inventory management systems to confirm product selections.
Organized Storage	Work in a well-organized warehouse or retail backroom to reduce time and confusion while picking.

Fig. 4.1 Principles for Accurately Picking Products According to Customer Orders and Pick Lists

Moving forward, let's understand and learn the best practices for accurately picking products according to customer orders and pick lists.

Employee Training	<ul style="list-style-type: none"> • Conduct regular training sessions on proper picking procedures, including how to read pick lists, use barcode scanners, and identify potential errors.
Performance Monitoring	<ul style="list-style-type: none"> • Track key performance indicators (KPIs) like picking accuracy and order cycle time to identify areas for improvement.
Cross-Training	<ul style="list-style-type: none"> • Cross-train pickers on multiple zones or picking methods to increase flexibility and coverage.
Pick and Pass System	<ul style="list-style-type: none"> • Implement a "pick and pass" system where pickers hand off items to a designated area to improve accuracy and accountability.
Technology Integration	<ul style="list-style-type: none"> • Utilize warehouse management systems (WMS) that provide real-time updates on inventory levels and pick list information.
Training and Knowledge	<ul style="list-style-type: none"> • Ensure thorough training on product locations, inventory management systems, and proper picking procedures.
Communication	<ul style="list-style-type: none"> • If unsure about an item, immediately consult a supervisor or colleague to avoid mistakes.
Error Reporting	<ul style="list-style-type: none"> • Report any discrepancies or picking errors promptly to allow for timely adjustments.
Attention to Detail	<ul style="list-style-type: none"> • Maintain a focused approach to picking to minimize distractions and potential errors.
Cross-Checking	<ul style="list-style-type: none"> • Regularly perform spot checks to verify the accuracy of your picking process.
Understand the Pick List	<ul style="list-style-type: none"> • Review the pick list format and details thoroughly. Double-check the order to ensure clarity on product type, quantity, and specifications.
Use Proper Equipment	<ul style="list-style-type: none"> • Utilize trolleys, picking bins, or baskets to carry products. Wear comfortable and safe footwear for efficient movement.
Zone Picking	<ul style="list-style-type: none"> • If the store uses zone picking, pick all items from your designated zone before moving to the next.
Verify and Cross-Check	<ul style="list-style-type: none"> • Use the barcode scanner to verify products against the list. Cross-check the picked items with the order summary before finalizing.
Handle Items Carefully	<ul style="list-style-type: none"> • Avoid damage during picking by handling items with care, especially fragile or high-value goods.
Maintain Cleanliness and Hygiene	<ul style="list-style-type: none"> • For food and perishable products, ensure cleanliness and maintain hygiene standards to meet customer expectations.
Prioritize Time-Sensitive Orders	<ul style="list-style-type: none"> • Orders with deadlines (e.g., same-day delivery) should be picked first to ensure timely processing.
Team Collaboration	<ul style="list-style-type: none"> • Communicate effectively with colleagues to resolve any issues, such as missing items or stock discrepancies.
Minimize Walking Distance	<ul style="list-style-type: none"> • Plan your route through the store or warehouse efficiently to save time and effort.
Keep Records Updated	<ul style="list-style-type: none"> • Update the inventory management system immediately after picking to ensure stock levels are accurate.

Fig. 4.2 Best Practices for Accurately Picking Products According to Customer Orders and Pick Lists

By adhering to these principles and best practices, retail store operation assistants can significantly improve the accuracy of product picking, contributing to efficient order fulfillment and customer satisfaction. By ensuring efficiency and accuracy in the order-picking process, they contribute positively to the overall shopping experience.

4.1.2 Importance of Ensuring Product Accuracy and Managing Inventory Discrepancies in Retail Operations

A. Picking Process

Picking is a critical process in inventory management where the correct items are selected based on customer orders. The following are the key steps involved:

1. Receive Picking List

- The first step is to receive the picking list, which contains details such as product names, SKUs (Stock Keeping Units), quantities, and any special instructions.
- **Example:** A warehouse management system (WMS) generates a list for an order containing 5 units of T-shirts (Size M) and 3 units of T-shirts (Size L).
- **What to Ensure:**
 - Verify the accuracy of the picking list against the customer order.
 - Cross-check any special instructions (e.g., "fragile" or "rush delivery").
 - Ensure that there are no discrepancies between the picking list and the system.

2. Identify Product Category

- Group similar products together in categories to improve efficiency. For example, all clothing items like T-shirts, pants, and jackets should be grouped in one section, while electronics are kept in another.
- **Example:** In a warehouse that handles various types of products, grouping all clothing together in one aisle helps the picker find items quickly, reducing unnecessary backtracking.
- **What to Ensure:**
 - Organize the products by category to minimize time spent walking around the warehouse.
 - Consider using labels or signs in the warehouse to make categories easily identifiable.

3. Locate the Storage Location

- Use a warehouse layout or WMS to locate where the items are stored. The system provides aisle and shelf locations to make the retrieval process quicker.
- **Example:** The WMS indicates that 10 units of a specific T-shirt are stored in Aisle 3, Shelf 2. The picker goes directly to that location.
- **What to Ensure:**
 - Make sure the picking list and the storage location in the system match.
 - If digital systems or warehouse maps are used, they should be up to date to avoid confusion.

4. Pick the Desired Quantity

- Once the correct product is located, pick the exact quantity required for the order. Double-check the SKU, size, and quantity before picking to avoid errors.
- **Example:** For an order requesting 5 units of a certain T-shirt size, the picker counts carefully to ensure that only the requested quantity is picked.
- **What to Ensure:**
 - Check the quantity thoroughly.
 - If the product is multi-packaged, ensure that you pick the correct number of packs.

5. Ensure Quality, FIFO, and Accuracy

- When picking the product, always verify its quality. This includes checking for any visible damage or defects. FIFO (First In, First Out) should be followed for perishable or time-sensitive products.
- **Example:** A perishable item like yoghurt should be picked from the shelf where the older stock is placed, ensuring that it is within its expiry date.

- What to Ensure:
 - Quality Check: Ensure no damaged or expired goods are picked.
 - FIFO: For perishable products, ensure older stock is picked first.
 - Condition: Check the physical condition of the product to ensure it meets quality standards (e.g., no broken packaging, correct size/colour, etc.).

Sample format for Pick list

Pick List					
Order Number: O123456					
Customer Name: Mr. Arjun Sharma					
Order Date: 3rd January 2025					
Delivery Deadline: 4th January 2025					
Item No.	SKU	Product Description	Quantity	Storage Location	Special Instructions
1	SKU12345	Cotton T-Shirt (Size L)	2	Aisle 2, Shelf 3	Handle with care (Gift Wrapped)
2	SKU67890	Leather Wallet (Black)	1	Aisle 5, Rack 1	None
3	SKU54321	Stainless Steel Water Bottle	3	Aisle 10, Bin 7	Fragile
4	SKU98765	Handcrafted Ceramic Mug	2	Aisle 3, Shelf 2	Fragile, double-check for chips

Table 4.1 Sample format for Pick list

Pick List

- Order Number: Unique identifier for the order.
- Customer Name: Name of the customer receiving the order.
- SKU: Product SKU for each item.
- Product Description: Clear description of the product.
- Quantity: Number of items to be picked.
- Storage Location: Warehouse location of the item (e.g., aisle and shelf).
- Special Instructions: Any additional instructions for the picker (e.g., handle with care, fragile items).

Pick List		Clockwise HK		Date: 2020/12/10 19:55	
You are picking for 3 shipments:		Total Unique SKUs: 2		Total Item Quantity: 3	
Pick Location	Qty	SKU	Item Description	Picked	
Order #1004	1	My First Box (2.0 x 2.0 x 2.0 cm)		Attr: Raphael Dieu <input type="checkbox"/>	
B-01	1	11111	Pumpkin Pecan Waffles	<input type="checkbox"/>	
Order #1002	1	My First Box (2.0 x 2.0 x 2.0 cm)		Attr: Maurice Crau <input type="checkbox"/>	
B-03	1	33333	Pumpkin Apple	<input type="checkbox"/>	
Order #1001	1	My First Box (2.0 x 2.0 x 2.0 cm)		Attr: Johnny Bravo <input type="checkbox"/>	
B-03	1	33333	Pumpkin Apple	<input type="checkbox"/>	

Fig 4.2 Example of Pick list

Source Credit - <https://support.easyship.com/hc/en-us/articles/19255095223826-Pick-List>

B. Packing Process

Once the items are picked, the next step is packing them properly for shipping. Packing ensures that items are securely and efficiently packaged for transportation, considering factors like product type and delivery urgency. This process ensures the products are protected during transit.

1. Select Packaging Type

- Choose the appropriate packaging materials based on the product type:
 - Bubble Wrap** for fragile items like electronics, glassware, or porcelain.
 - Thermal Bags** for perishable items like frozen foods, fruits, or medications that require temperature control.
 - Cardboard Boxes** for sturdy products, books, or general items.
- Example:** A fragile electronic gadget is wrapped in bubble wrap before being placed in a padded box to ensure its protection during transport.
- What to Ensure:**
 - Select the correct package size to prevent products from shifting inside the package.
 - Ensure the package offers adequate protection for the type of product.

2. Sustainable and Biodegradable Packaging

- Choose eco-friendly packaging options, such as biodegradable plastics, recyclable paper, or reusable containers, to minimize environmental impact.
 - Avoid plastic whenever possible by opting for cardboard or recycled materials.
 - Consider using void fill made from recycled paper or biodegradable peanuts to protect products inside boxes.
- Example:** A company that promotes sustainability uses recycled cardboard boxes and biodegradable packing peanuts for shipping products.
- What to Ensure:**
 - Ensure the packaging material is certified as biodegradable or recyclable.
 - Choose minimal packaging to reduce waste, avoid excess packaging, and lower operational costs.
 - Educate employees about eco-friendly materials and their proper use to ensure sustainability goals are met.

3. Secure the Product

- Secure the product inside the packaging to prevent movement during transit. Use tape, shrink wrap, or other sealing methods to ensure the product remains intact.

- **Example:** A large TV is packed with a layer of foam padding inside the box, and the box is sealed with heavy-duty tape to keep the TV secure during delivery.
- **What to Ensure:**
 - Double-check that the product is properly padded and there is no risk of damage during transport.
 - Seal the package properly to avoid tampering or accidental openings.

4. Prioritize Time-Sensitive Orders

- If there are time-sensitive orders (e.g., same-day delivery, rush shipments), prioritize them in the packing process to meet deadlines.
- **Example:** A customer orders a product that requires same-day delivery. This order is packed and shipped first, ahead of others.
- **What to Ensure:**
 - Ensure the time-sensitive orders are packed quickly and meet the customer's expected delivery window.
 - Ensure that tracking information is generated and provided to the customer.

Sample Packing List Format

Pick List					
Order Number: O123456					
Customer Name: Mr. Arjun Sharma					
Order Date: 3rd January 2025					
Delivery Deadline: 4th January 2025					
Packed By: Priya Patel					
Item No.	SKU	Product Description	Quantity Packed	Packaging Type	Special Instructions
1	SKU12345	Cotton T-Shirt (Size L)	2	Eco-friendly box	Include gift wrapping
2	SKU67890	Leather Wallet (Black)	1	Bubble mailer	None
3	SKU54321	Stainless Steel Water Bottle	3	Recyclable corrugated box	Handle with care
4	SKU98765	Handcrafted Ceramic Mug	2	Double bubble wrap	Fragile, use "FRAGILE" stickers

| Total Items Packed: 8 |

| Additional Notes: | | - Ensure all items are sealed properly to avoid damage during transit. | | - Place the packing list inside the package for reference. |

Table 4.2 Sample format for Packing list

2. Use Technology

- Implement technologies such as barcode labels or RFID (Radio Frequency Identification) tags for tracking and inventory management. Barcodes can be scanned to ensure the correct package is shipped to the right destination.
- **Example:** A barcode is printed on the shipping label, which is scanned at every step of the delivery process, allowing both the seller and buyer to track the package in real time.
 - **What to Ensure:**
 - Ensure that barcode or RFID labels are clearly printed and easy to scan.
 - Update the system in real-time as packages are picked, packed, and dispatched.

3. Double-Check

- Before sealing the package, ensure that the label matches the items inside the package, including verifying the SKU, quantity, and shipping address.
- **Example:** The warehouse worker checks the order number and customer address on the label against the picking list before sealing the box.
 - **What to Ensure:**
 - Double-check that the label corresponds to the correct order and that there are no discrepancies.
 - Ensure that any special instructions on the label are followed correctly during delivery.

By following the detailed steps for picking, packing, and labelling, businesses can enhance operational efficiency, reduce errors, and ensure that customers receive high-quality, secure, and timely deliveries. Proper planning, the use of technology, and a commitment to sustainability are key to optimizing the fulfilment process.



Fig 4.4 Example of Labelling

The following tables provide a detailed explanation of packaging and labeling requirements for different product types, along with handling guidelines based on product conditions.

1. Packaging and Labelling Requirements

Product Type	Packaging	Labelling	Examples
Frozen Products	<ul style="list-style-type: none"> • Use insulated materials like Styrofoam boxes or thermal bags. Include gel packs or dry ice to maintain temperature. 	<ul style="list-style-type: none"> • Must include “Keep Frozen” or similar instructions. Include storage temperature range (e.g., -18°C or below). 	<ul style="list-style-type: none"> • Frozen foods like ice cream, frozen vegetables, and seafood.

Temperature-Controlled Products	<ul style="list-style-type: none"> Use vacuum-sealed or airtight containers. Include temperature-control elements like cooling gel packs. 	<ul style="list-style-type: none"> Must state “Refrigerate” or “Store at 0-4°C”. 	<ul style="list-style-type: none"> Dairy products, certain pharmaceuticals, and pre-cooked meals.
Fresh Vegetables and Fruits	<ul style="list-style-type: none"> Use breathable packaging, such as perforated bags or crates. Avoid sealed plastic to prevent moisture buildup. 	<ul style="list-style-type: none"> Include freshness dates and storage tips (e.g., “Store in a cool, dry place”). 	<ul style="list-style-type: none"> Lettuce, spinach, apples, and bananas.
Groceries (Non-Perishable Items)	<ul style="list-style-type: none"> Durable, moisture-resistant materials like plastic or paper bags, boxes, or tin cans. 	<ul style="list-style-type: none"> Must include product weight, expiry date, and batch code. 	<ul style="list-style-type: none"> Rice, lentils, sugar, and canned food.
Consumer Goods (Non-Food Items)	<ul style="list-style-type: none"> Use materials like cardboard, bubble wrap, or shrink wrap, depending on fragility. 	<ul style="list-style-type: none"> Include brand name, product specifications, usage instructions, and safety warnings. 	<ul style="list-style-type: none"> Electronics, toys, cosmetics, and household cleaners.

Table 4.3 Packaging and Labeling Requirements by Product Type

2. Handling Guidelines Based on Product Conditions

Product Condition	Packaging	Handling
Glass/Fragile Items	<ul style="list-style-type: none"> Bubble wrap each item individually and place in a sturdy box with padding. Label as “Fragile” with directional arrows. 	<ul style="list-style-type: none"> Avoid stacking. Handle with care to prevent breakage.
Frozen Products	<ul style="list-style-type: none"> Ensure cold chain is maintained from storage to delivery. Minimize exposure to ambient temperature during transit. 	<ul style="list-style-type: none"> Handle with care to maintain temperature integrity.
Perishables	<ul style="list-style-type: none"> Ensure rapid turnover to prevent spoilage. Use temperature monitoring systems during transportation. 	<ul style="list-style-type: none"> Prioritize timely delivery and proper storage.
Heavy Items	<ul style="list-style-type: none"> Use reinforced boxes or pallets. 	<ul style="list-style-type: none"> Use mechanical aids like forklifts or dollies. Label with “Heavy” and weight information.
Hazardous Materials	<ul style="list-style-type: none"> Follow regulations for hazardous materials (e.g., UN-approved containers). 	<ul style="list-style-type: none"> Train personnel in handling procedures. Clearly label with hazard symbols and safety precautions.

Table 4.4 Handling Guidelines Based on Product Conditions

4.1.3 Importance of Ensuring Product Accuracy and Managing Inventory Discrepancies in Retail Operations

The **Retail Store Operations Assistant** must ensure the correct quantity, type, and condition of products to maintain smooth operations and provide excellent customer service. The following key points highlight the importance of this responsibility, along with strategies to resolve inventory or order discrepancies:

Customer Experience: Retail store assistants directly impact customer satisfaction. Ensuring the right products, in the correct quantity and condition, leads to fewer complaints, returns, and exchanges, enhancing the overall shopping experience.

Inventory Accuracy: Accurate stock levels are essential to prevent issues like stockouts or overstocking. This ensures the store can meet customer demand without unnecessary excess or shortage of inventory.

Operational Efficiency: Correct products in the right condition reduce the time spent correcting mistakes or addressing returns, improving overall store efficiency.

Minimizing Losses: Maintaining accurate records of the quantity and condition of products reduces financial losses due to damaged goods, untracked stock, or incorrect pricing.

Store Profitability: Stocking the right items in the correct quantity ensures that products are sold when needed, leading to improved sales and profitability. Unnecessary returns or exchanges due to wrong products or damaged goods can significantly hurt profit margins.

Compliance and Standards: For stores that sell perishable or regulated products, ensuring the correct condition and quantity is vital for regulatory compliance, and avoiding fines or legal complications.

Fig. 4.5 Importance of Ensuring Product Accuracy and Managing Inventory Discrepancies in Retail Operations

Strategies to Address Inventory or Order Discrepancies:

Implement Inventory Management Software: Use systems that track real-time inventory data, which helps ensure accurate stock levels. Automated systems can alert store assistants about discrepancies before they escalate.

Frequent Stock Audits: Conduct regular stock audits, both scheduled and random, to spot and correct discrepancies between physical stock and the system records. This helps in identifying issues before they affect the customer experience.

Quality Control on Deliveries: Upon receiving new stock, perform thorough quality checks to verify that products are in the correct condition and match the order. Document any discrepancies immediately with the supplier for resolution.

Barcode/RFID Technology: Incorporate barcode scanning or RFID technology to improve accuracy when receiving, stocking, or selling products. These technologies minimize human error and speed up stock-taking processes.

Clear Communication with Suppliers: Establish clear protocols with suppliers for reporting discrepancies. Ensure that there is a process for returning or exchanging faulty, damaged, or incorrect products.

Training and Development: Train retail assistants to spot discrepancies in product condition, quantity, and type. Ensuring they know how to handle returns and manage stock efficiently is crucial for smooth store operations.

Customer Communication: When discrepancies occur that affect customers (such as stockouts or wrong products), ensure that assistants are equipped to handle complaints, offer alternatives, or ensure that items are ordered and delivered promptly.

Stock Replenishment Plan: Develop a strategy for restocking, ensuring the correct products are available based on sales trends and customer demand. Use sales data to predict when to reorder items, reducing the chances of discrepancies caused by running out of stock.

Fig. 4.6 Strategies to Address Inventory or Order Discrepancies

Implementing these strategies helps prevent inventory discrepancies, ensure the right products are available to customers, and maintain efficient store operations. This directly contributes to both customer satisfaction and overall business success.

Unit 4.2: Packing of Products

Unit Objectives

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

1. List the techniques and guidelines for efficiently and safely packing products
2. Discuss the requirements for providing proper protection during transport and maintaining organized storage or dispatch procedures

4.2.1 Key Techniques and Guidelines for Efficiently and Safely Packing Products

For the role of a **Retail Store Operations Assistant**, packing products efficiently and safely is crucial to ensuring customer satisfaction and reducing product damage during shipping or handling. The following are the techniques and guidelines tailored for this job role:

1. Order Verification and Gathering	Accurate Order Picking: Carefully verify each item against the packing slip to ensure the correct quantity and product details are selected.
	Check for Damages: Inspect products for any visible damage before packing and report any issues to the supervisor.
	Prioritize Fragile Items: Identify and handle fragile items with extra care, using protective padding as needed.
2. Packaging Materials and Methods	Appropriate Packaging: Select the right size and type of boxes, bags, or wrapping materials based on the product size and fragility.
	Protective Padding: Use bubble wrap, packing peanuts, tissue paper, or foam to cushion items within the package and prevent movement during transit.
	Correct Box Sealing: Securely seal boxes with packing tape, ensuring all flaps are properly adhered to prevent product damage and package opening.
3. Organize and Label Properly	Product Labeling: Ensure each package is clearly labeled with the product name, customer details, and any special handling instructions (e.g., "Fragile").
	Barcode and Tracking Numbers: Attach barcodes or tracking labels to each package for easy tracking and inventory management.
	Order Documentation: Include packing slips or invoices inside the package, and ensure they match the customer order.
4. Specific Packing Techniques	Bulk Items: For large quantities of similar products, neatly stack items within the box, ensuring proper weight distribution.
	Electronics/Fragile Items: Individually wrap delicate items like electronics with protective material, then place them in a box with additional padding.
	Clothing/Textiles: Fold clothing items carefully and place them in a box with appropriate packing material to prevent wrinkles or creases.

	Liquids: Securely cap containers with liquid products, then place them in a sturdy box with extra padding to prevent leakage.
5. Ensure Secure and Tight Packing	Void Fillers: Ensure all gaps in the packaging are filled with appropriate fillers like packing peanuts, bubble wrap, or air cushions to prevent shifting.
	Double Boxing for Fragile Items: For fragile or valuable items, consider double boxing them with additional padding between the two boxes for protection.
6. Safe Handling Practices	Lifting Techniques: Use proper lifting techniques to avoid back injuries when handling heavy items, keeping your back straight and lifting with your legs.
	Sharp Objects Handling: Exercise caution when packing items with sharp edges, using protective gloves if necessary.
	Preventative Measures: Keep the packing area clean and organized, removing clutter to avoid tripping hazards.
7. Quality Control and Inspection	Final Inspection: Before sealing the package, visually inspect the contents to ensure all items are present, properly packed, and in good condition.
	Order Documentation: Update the packing slip or inventory system to reflect the completed order and any relevant details.
8. Workplace Safety Considerations	Workplace Safety Guidelines: Adhere to company safety protocols regarding lifting limits, proper footwear, and wearing gloves when necessary.
	Ergonomic Practices: Take regular breaks to prevent repetitive strain injuries, especially when packing large volumes.
	Hazardous Materials: Follow specific procedures for handling and packing hazardous materials, if applicable.
9. Streamline Packaging Process	Batch Packaging: For bulk orders, package multiple items together efficiently, grouping similar items to reduce time spent on packing.
	Pre-Packaged Kits: For items commonly sold together (e.g., gift sets, combo packs), pre-assemble them for quicker processing.
	Standardize Packaging Procedures: Develop standard operating procedures for packaging to ensure consistency and efficiency across the team.
10. Customer Experience Focus	Presentation: Pack items in a visually appealing way, especially for high-end products. Consider using branded packing materials or tissue paper.
	Easy Unpacking: Use packaging that's easy for the customer to open without risking damage to the product, and ensure the product is securely protected.

Table. 4.5 Key Techniques and Guidelines for Efficiently and Safely Packing Products

By following these techniques and guidelines, **Retail Store Operations Assistants** can efficiently and safely pack products, minimizing the risk of damage during shipping, ensuring customer satisfaction with their order delivery, and maintaining a safe and organized work environment.

4.2.2 Requirements for Protection During Transport and Efficient Storage and Dispatch Procedures

A **Retail Store Operations Assistant** is responsible for ensuring products are properly protected during transport, stored in an organized manner, and dispatched accurately. This requires following specific procedures to maintain product quality and prevent damage, all while adhering to safety regulations. The role involves managing the entire lifecycle of product handling from transportation to storage and dispatch.

1. Protection During Transport:

Packaging Materials: Selecting the right packaging materials based on product type is crucial. This includes using appropriate boxes, bubble wrap, packing peanuts, and protective sleeves to absorb shock and prevent damage during transit.

Secure Labeling: All packages should be clearly labelled with product details, destination, and handling instructions to ensure proper sorting and placement.

Correct Stacking: Stack boxes carefully to distribute weight evenly and prevent crushing, especially when transporting fragile items.

Pallet Usage: Use pallets for large quantities of goods, securing them with appropriate strapping to maintain stability during transport.

Vehicle Selection: Choose the right transportation vehicle based on product type and volume, ensuring proper climate control for temperature-sensitive items.

Loading and Unloading Procedures: Follow safe loading and unloading techniques to minimize the risk of falls and damage to products.

Fig. 4.7 Requirement for Protection During Transport

2. Organized Storage:

Storage Area Layout: Design the storage area with designated zones for different product categories, considering product size, weight, and expiration dates. This ensures a smooth workflow and easy access to items.

Shelving System: Utilize appropriate shelving units for each product type, including adjustable shelves for flexibility in storage.

Inventory Tracking: Implement a system to accurately track inventory levels, including stock rotation (first in, first out) to prevent expired products from being sold.

Labelling: Clearly label shelves and product bins with product names, SKU numbers, and quantity details to ensure easy identification and access.

Stock Checks: Regularly conduct stock checks to identify discrepancies and address potential issues.

Fig. 4.8 Requirement for Organized Storage

3. Organized Dispatch Procedures:

Order Processing: Accurately processes customer orders, verifying product details, and ensuring correct quantities are picked.

Picking and Packing: Follow efficient picking and packing procedures to minimize errors and optimize time. This includes double-checking items before packaging to ensure order accuracy.

Shipping Documentation: Generate accurate shipping labels and necessary paperwork, including packing slips and invoices.

Delivery Coordination: Communicate with delivery services to schedule pick-ups and ensure timely delivery to customers.

Quality Control: Inspect products before dispatching to identify any damaged or defective items and take appropriate action to prevent dispatching faulty products.

Fig. 4.9 Requirement for Organized Dispatch Procedures

4. Safety Considerations:

Lifting Techniques: Proper lifting techniques are essential to prevent injuries when handling heavy or bulky items.

Forklift Operation: If applicable, adhere to safe forklift operation procedures to avoid accidents and ensure safe handling of goods.

Personal Protective Equipment (PPE): Wear appropriate safety gear like gloves and safety shoes when handling products, especially in high-risk areas.

Fig. 4.10 Safety Considerations

Adhering to these essential requirements helps ensure that products are protected during transport, stored efficiently, and dispatched accurately. This contributes to maintaining the integrity of the products, optimizing operational efficiency, and enhancing customer satisfaction while prioritizing safety standards throughout the process.

Unit 4.3 Labeling Products

Unit Objectives

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

1. Outline the correct methods for labeling products with necessary information such as SKU, quantity, and special handling instructions
2. Discuss the role of consistent labeling in ensuring traceability and accuracy within inventory management processes

4.3.1 Methods for Labeling Products in Retail Store Operations

As a **Retail Store Operations Assistant**, it is crucial to ensure that product labels are accurate, clear, and comply with store policies and industry standards. The correct methods for labelling products with necessary information like SKU, quantity, and special handling instructions include the following:

Essential Information to Include	<ol style="list-style-type: none"> 1. SKU (Stock Keeping Unit): A unique identifier for inventory management enables quick and efficient tracking of products. 2. Quantity: Indicates the number of items per package or unit, ensuring accurate stock counts. 3. Product Description: A brief name or details about the product for easy identification by staff and customers. 4. Price (if required): The retail price of the item depends on store policy or display requirements. 5. Special Handling Instructions: Clearly outline requirements such as "Fragile," "Keep refrigerated," or "This Side Up" to ensure proper care. 6. Date Codes: Include expiration dates or manufacturing dates for perishable goods or products with limited shelf life.
Label Placement and Format	<ol style="list-style-type: none"> 1. Visible Location: Place the label in a prominent area on the product packaging or shelf where it is easily visible to staff and customers. 2. Clear Font Size: Use a legible font size suitable for reading from a reasonable distance. 3. Logical Order: Arrange label information in a consistent manner, such as SKU, Quantity, Product Description, and Special Handling Instructions.
Labeling Procedures	<ol style="list-style-type: none"> 1. Use a Dedicated Label Printer: Utilize a standardized label printer to ensure consistent formatting and readability across all labels. 2. Double-Check Accuracy: Verify all information, such as SKU, quantity, and price, before attaching the label to the product. 3. Securely Attach the Label: Use appropriate adhesives or tags to affix the label firmly to the product or packaging.

Specific Handling Instructions for Different Scenarios	<ol style="list-style-type: none"> 1. Perishable Items: Clearly indicate expiration dates. Store products in designated refrigerated or temperature-controlled sections. 2. Fragile Items: Use "Fragile" labels and ensure extra care during handling and display. 3. Bulk Items: Label with unit price and clear quantity indicators for better inventory management. 4. Seasonal Items: Add seasonal information to assist in timely inventory rotation and promotions.
Important Considerations	<ol style="list-style-type: none"> 1. Store Policies: Follow the store's established labelling guidelines and procedures. 2. Compliance with Regulations: Ensure labels meet any mandatory labelling requirements, such as hazard warnings or nutritional information. 3. Inventory Management: Regularly update labels to ensure they reflect current stock levels and accurate pricing. 4. Communication: Inform colleagues about any changes in labelling formats or procedures to maintain consistency.

Table 4.6 Methods for Labeling Products in Retail Store Operations

By adhering to these methods and guidelines, Retail Store Operations Assistants can ensure effective product labelling that facilitates smooth inventory management, enhances customer satisfaction and complies with operational standards.

4.3.2 Role of Consistent Labeling in Ensuring Traceability and Accuracy Within Inventory Management Processes

Consistent labeling is a crucial component of inventory management, as it enables traceability, accuracy, and operational efficiency. As a Retail Store Operations Assistant, implementing standardized labeling practices ensures clear product identification and tracking throughout the supply chain—from receiving stock to selling it on the shop floor. This approach not only minimizes errors but also optimizes stock levels and enhances customer satisfaction.

The following are the key aspects of consistent labeling for inventory management:

Accurate Product Information	<ul style="list-style-type: none"> Labels should clearly display essential details, including: <ul style="list-style-type: none"> Product name SKU (Stock Keeping Unit) Size and color (if applicable) Lot or batch number Expiry date (for perishable goods) <p>These details facilitate easy identification and accurate recording during stock checks, returns, or exchanges.</p>
Standardized Format	<ul style="list-style-type: none"> Maintain a uniform labeling format across all products to simplify inventory management. <ul style="list-style-type: none"> Ensure consistency in: <ul style="list-style-type: none"> Font type and size Color scheme Placement of labels on product packaging or shelves <p>This standardization allows all staff to easily interpret and use the information effectively.</p>

Barcode Integration	<ul style="list-style-type: none"> • Incorporate barcodes in labels to enable quick and accurate scanning during: <ul style="list-style-type: none"> • Inventory counts • Stock receiving • Sales transactions <p>This reduces human error and speeds up processes.</p>
Location Identification	<ul style="list-style-type: none"> • Labels can include shelf or storage area codes to ensure: <ul style="list-style-type: none"> • Efficient stock rotation • Accurate placement on the sales floor <p>This enhances operational efficiency and reduces misplaced inventory.</p>

Table. 4.7 Key Aspects of Consistent Labeling for Inventory Management

Let's examine how consistent labeling contributes to traceability.

Product Origin Tracking

- Including lot numbers on labels helps identify the product source, which is crucial for:
 - Quality control
 - Handling recalls
 - Swift identification allows for the timely removal of defective items from shelves.

Stock Movement Monitoring

- Consistent labeling supports the tracking of product movement:
 - From receiving to storage and the sales floor
 - Ensuring visibility into stock levels and discrepancies

Customer Service Enhancement

- Clear and accurate labels help staff quickly locate products, improving:
 - Customer service
 - Response time during inquiries or returns

Fig. 4.11 Ways in which Consistent Labeling Contributes to Traceability

Responsibilities of a Retail Store Operations Assistant related to labeling are:

Labeling New Stock

- Accurately label all incoming merchandise, ensuring all necessary information is captured.

Verifying Label Accuracy

- Regularly check labels for correctness, including product details, barcodes, and pricing.

Maintaining Labeling Standards

- Adhere to established guidelines and report any discrepancies to supervisors.

Labeling Returned Items

- Properly re-label returned products to update inventory information.

Fig. 4.12 Responsibilities of a Retail Store Operations Assistant Related to Labeling

The following figure exhibit the benefits of consistent labeling.

Accurate Inventory Tracking: Reduces errors in stock counts and ensures real-time updates during transactions

Streamlined Stock Replenishment: Facilitates timely restocking by providing clear product information

Enhanced Customer Experience: Minimizes errors and ensures customers can quickly find desired products.

Compliance Support: Meets regulatory requirements with clear and traceable labeling

Fig. 4.13 Benefits of Consistent Labeling

By consistently utilizing accurate and standardized labels, Retail Store Operations Assistants play a pivotal role in maintaining organized inventory systems, streamlining processes, and enhancing customer satisfaction throughout the retail cycle.

4.3.3 Expanded Evaluation: Understanding KPIs

Key Performance Indicators (KPIs) are measurable values that allow businesses to evaluate how effectively they are meeting their objectives. KPIs can track operational performance, help identify inefficiencies, and provide valuable insights into customer satisfaction and organizational success. In inventory management and delivery, KPIs ensure that processes like picking, packing, and labeling meet the necessary standards, ultimately enhancing operational efficiency and customer satisfaction.

Key KPIs in Picking, Packing, and Labeling

KPI	Definition	Impact on Organization	Impact on Customer Retention/Loyalty
Picking Accuracy Rate	The percentage of correctly picked items compared to the total items picked.	Reduces rework, boosts productivity, lowers delivery errors.	Ensures timely and accurate delivery, building customer trust.

Packing Efficiency	Average time taken to pack an item or order.	Improves throughput and reduces labor costs.	Faster order processing, leading to quicker deliveries and enhanced satisfaction.
Labeling Error Rate	The proportion of mislabeled items out of the total labeled.	Minimizes delivery errors, compliance issues, and reduces return rates.	Increases brand reliability by ensuring accurate product identification.

Table 4.8 KPIs in Picking, Packing, and Labeling

Examples and Case Studies

Picking Accuracy Rate

Example: A Delhi-based warehouse using handheld barcode scanners achieved a 99% picking accuracy rate. This resulted in a 15% reduction in re-delivery costs and higher operational efficiency.

Case Study: Flipkart, a major Indian e-commerce company, implemented AI-powered picking systems in its Bengaluru hub. This initiative led to a significant reduction in picking errors, enhancing overall operational accuracy.

Packing Efficiency

Example: A Mumbai logistics center optimized its packing lines by pre-assigning tasks to workers. This cut the average packing time from 2 minutes to 1.5 minutes per item, greatly increasing efficiency.

Case Study: Amazon's fulfillment center in Hyderabad automated its packing stations, resulting in a 30% improvement in packing efficiency. This automation minimized human error and sped up the order fulfillment process.

Labeling Error Rate

Example: A pharmaceutical company in Gujarat implemented an automated label verification system, reducing labeling errors significantly. This system ensured compliance and product safety, minimizing returns and enhancing customer satisfaction.

Case Study: Big Basket, an online grocery retailer, introduced RFID-tagged labels for perishables in Bengaluru. This innovation reduced mislabeling incidents by 20%, ensuring product quality and customer satisfaction.

Fig. 4.14 Examples and Case Studies

4.3.4 Pick and Pass System Workflow & Packaging Techniques Workflow

The "Pick and Pass" system is an efficient warehouse workflow designed to streamline the order fulfillment process. It involves multiple stages of picking where items are picked in a specific sequence and passed along to different workstations for further processing (packing, labeling, etc.). The system is especially beneficial for large warehouses with multiple picking zones, allowing workers to focus on specific tasks.

Key Steps in a "Pick and Pass" System Workflow:

1. **Order Received:** An order is generated, and a picking list is created.
2. **Picker Collects Items:** The picker gathers the items from the designated picking zone.
3. **Items Passed to Packer:** After collecting all items, the picker passes the items to a packing station.
4. **Packer Inspects Items:** The packer inspects the items for accuracy.
5. **Packing and Labeling:** The packer packs the items and attaches the necessary labels.
6. **Package Moves to Dispatch Area:** The packed and labeled items are moved to the dispatch area for delivery.

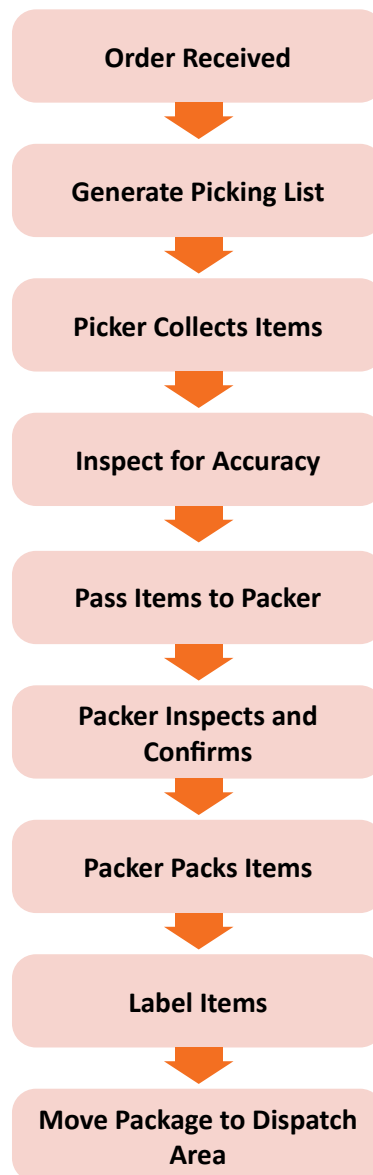


Fig. 4.15 Flowchart for the "Pick and Pass" System

Effective **packaging techniques** ensure that products are securely packed, reducing the risk of damage during transit, and maintaining product integrity. Packaging techniques may vary depending on the type of product (fragile, perishable, etc.), but the basic process remains largely the same.

Key Steps in the Packaging Process:

1. **Product Inspection:** The product is inspected for any damage or defects before being packed.
2. **Choosing Appropriate Packaging Material:** Suitable packaging materials like bubble wrap, foam inserts, or boxes are selected based on the nature of the product.
3. **Packing the Product:** The product is carefully placed inside the selected packaging, ensuring that it is protected from damage during transit.
4. **Sealing and Labeling:** The package is securely sealed, and the necessary labels (including shipping information and handling instructions) are attached.
5. **Move to Dispatch:** The packed and labeled items are moved to the dispatch area, ready for shipment.

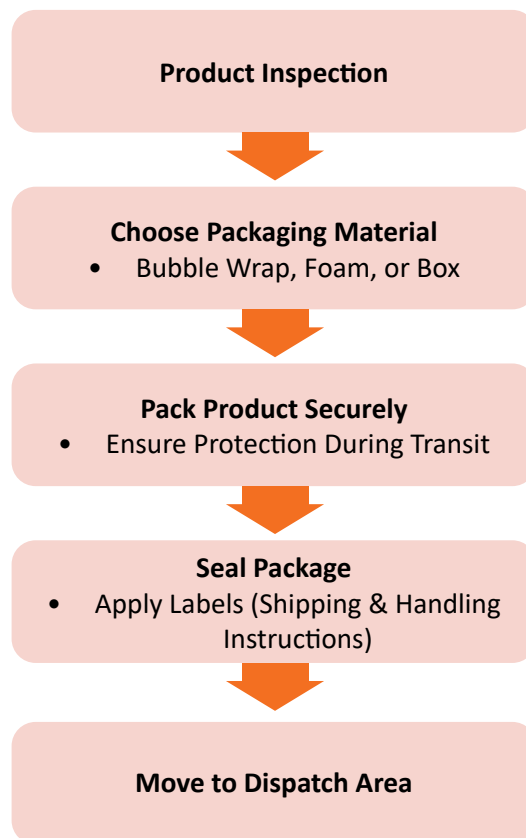


Fig. 4.16 Flowchart for Packaging Techniques

4.3.5 Labeling Placements and Protective Packing Methods

To ensure proper product handling, accurate identification, and protection during transit, the following guidelines for labeling placements and protective packing methods are essential.

1. Labeling Placements

Proper label placement is vital for visibility, accessibility, and correct handling. Labels contain essential information like SKU numbers, handling instructions, weight, and shipping details.

Key Labeling Placement Guidelines:

- **Top-Right Corner Placement:** This ensures the label is easily visible during scanning and inspection.
- **Clear Visibility for Handling Instructions:** Handling instructions like "Fragile," "This Side Up," or "Keep Refrigerated" should be placed where they are easily visible.
- **Include Essential Information:** Each label should have the SKU number, weight, and a barcode for easy scanning.

The diagrams below demonstrate how to effectively place labels on packages and how to securely protect products using various packing materials.

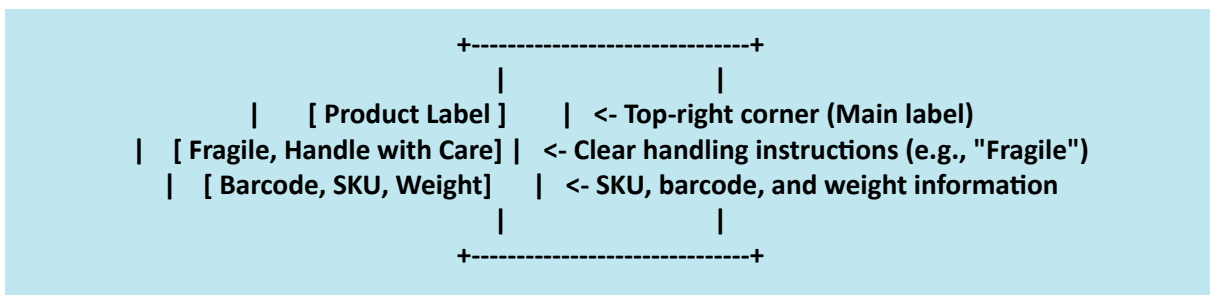


Fig. 4.17 Annotated Diagram for Label Placement

Explanation:

- **Main Label:** Place the **product label** on the **top-right corner** of the box to ensure it's clearly visible for scanning.
- **Handling Instructions:** Important handling instructions like "Fragile" or "This Side Up" should be positioned on the sides of the package or near the top, depending on the product's nature.
- **Barcode and SKU:** For easy identification and tracking, the **barcode, SKU, and weight** should be included in the label.

2. Protective Packing Methods

The protection of products during transit is critical to prevent damage. Using the correct materials and techniques can help safeguard fragile, heavy, or sensitive items.

Key Protective Packing Materials:

- **Bubble Wrap:** To cushion fragile items like glass or electronics.
- **Foam Inserts:** To ensure that products don't move around inside the box, especially during long-distance shipping.
- **Packing Peanuts or Air Pillows:** Used to fill empty spaces and provide cushioning.
- **Divider Inserts:** To separate and protect multiple items inside a single box.

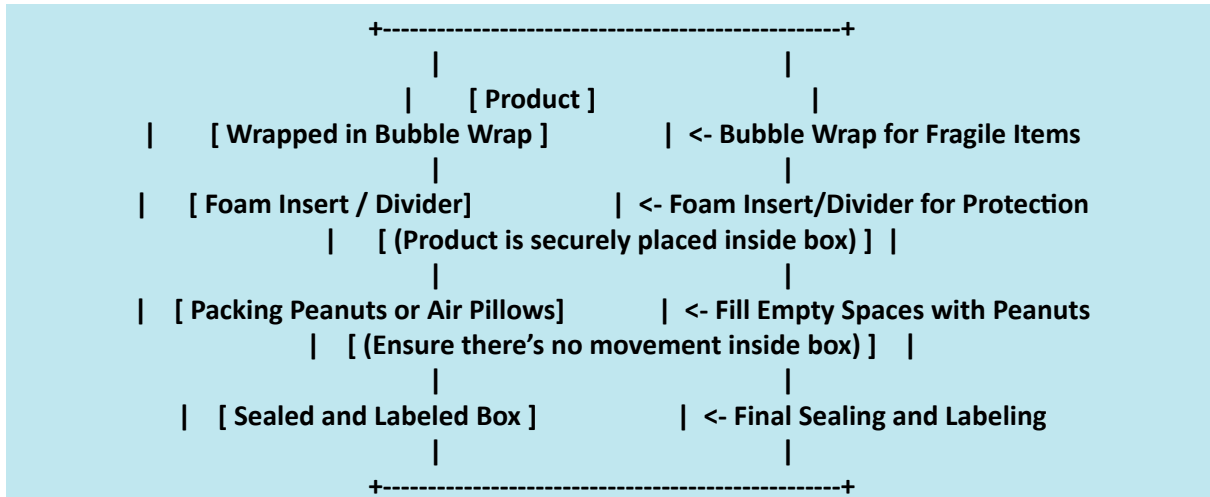


Fig. 4.18 Annotated Diagram for Protective Packing

4.3.7 Regulatory Focus

1. Compliance Standards for Hazardous Materials

- Organizations must adhere to guidelines for the safe handling and labeling of hazardous materials, which are often governed by the Bureau of Indian Standards (BIS) and the Globally Harmonized System (GHS).
 - o **Example:** A chemical supplier in Chennai labeled their hazardous materials with bilingual hazard warnings (in English and Tamil), complying with both Indian and international standards to ensure the safety of workers and customers.
 - o **Regulatory Requirement:** Clear hazard symbols (flammable, toxic, etc.) must be prominently displayed. Additionally, multi-language safety instructions must be included in regions with diverse linguistic populations.

2. Labeling Requirements for Perishables

- In India, the Food Safety and Standards Authority of India (FSSAI) mandates that perishable items should have "Use By" and "Best Before" dates, along with storage instructions.
 - o **Case Study:** A seafood exporter in Kochi used color-coded labels to indicate specific freezing requirements for different types of seafood. This practice aligned with both FSSAI regulations and international export standards, reducing spoilage and maintaining compliance.

4.3.8 Future Trends

1. Voice-Assisted Inventory Picking

- Trend: Workers use voice commands and headsets for instructions, significantly reducing the dependency on handheld devices.
- Example: A warehouse in Mumbai reduced picking time by 15% using voice-assisted inventory systems. Workers receive real-time instructions, improving speed and accuracy.

2. Robotics in Packing

- Trend: Automated robots are handling repetitive packing tasks, ensuring consistency, accuracy, and speed.
- Case Study: A fulfillment center in Pune introduced robotic arms for tasks such as box folding and sealing. This innovation led to a 25% increase in packing efficiency and reduced human labor costs.

3. AI and IoT in Inventory Management

- Trend: AI systems track inventory in real-time, predicting shortages and optimizing picking routes, while IoT devices monitor package conditions.
- Example: IoT-connected temperature sensors are used to track perishable items, ensuring they stay within the required temperature range during transit.

4. Sustainable Packaging Innovations

- Trend: There is an increasing focus on biodegradable materials, reusable packaging solutions, and water-soluble films as companies aim for more sustainable operations.
- Example: A grocery delivery startup in Bengaluru replaced plastic bags with reusable cloth bags, gaining positive feedback from environmentally conscious customers.

Summary

- The role of a Retail Store Operation Assistant involves accurately selecting products according to customer orders and pick lists by verifying details such as SKU, quantity, and specifications.
- Efficient product picking relies on technologies like barcode scanners, an organized warehouse layout, and suitable picking methods like zone or wave picking.
- Prioritizing accuracy over speed minimizes errors and enhances customer satisfaction, while adherence to FIFO (First In, First Out) prevents product wastage or expiry.
- Proper training, cross-training, and regular performance monitoring are crucial for improving picking accuracy and operational flexibility.
- Best practices for packing include verifying orders, using appropriate materials, securely sealing packages, and labeling for safe handling and tracking.
- Products require specific packing techniques, such as using double boxing for fragile items or protective padding for electronics.
- Maintaining workplace safety through proper lifting techniques, PPE, and a clean environment is essential during product handling.
- Organized storage, including clear labeling, logical zones, and inventory rotation, ensures efficiency and reduces discrepancies.
- Real-time inventory management systems and frequent audits help prevent stockouts, overstocking, and errors.
- A "pick and pass" system and standardized packaging procedures streamline operations and improve team accountability.
- Accurate labeling with details like SKU, quantity, and handling instructions enhances traceability and compliance with regulations.
- Barcode integration in labeling improves stock management efficiency by enabling swift product scanning during various operations.
- Implementing ergonomic practices and taking safety precautions minimizes risks during high-volume handling.

- Training in spotting and resolving inventory discrepancies is critical for maintaining smooth store operations.
- Stock replenishment strategies based on sales trends help prevent inventory shortages and overstocking.
- Ensuring high-quality control on received goods minimizes losses due to damaged or incorrect products.
- Properly organized dispatch involves quality checks, clear shipping labels, and collaboration with delivery services for timely shipments.
- Accurate product labeling also aids customer service, enabling staff to locate items quickly and respond to inquiries effectively.
- Standardized labeling, including font size and placement, ensures consistency and aids inventory tracking across operations.
- Retail Store Operations Assistants significantly impact customer satisfaction, operational efficiency, and store profitability through meticulous handling, packing, labeling, and stock management practices.
- Key Performance Indicators (KPIs) are measurable values that allow businesses to evaluate how effectively they are meeting their objectives.
- To ensure proper product handling, accurate identification, and protection during transit, the following guidelines for labeling placements and protective packing methods are essential.
- In India, the Food Safety and Standards Authority of India (FSSAI) mandates that perishable items should have "Use By" and "Best Before" dates, along with storage instructions.
- Organizations must adhere to guidelines for the safe handling and labeling of hazardous materials, which are often governed by the Bureau of Indian Standards (BIS) and the Globally Harmonized System (GHS).

Exercise

Answer the following questions by choosing the correct option:

1. What is the primary purpose of using barcode scanners while picking products?

a) To enhance storage space	b) To ensure items are correctly picked and minimize errors
c) To increase the walking distance in the warehouse	d) To verify employee attendance
2. Which method ensures older inventory is picked first to minimize product wastage?

a) Wave Picking	b) FIFO (First In, First Out)
c) Zone Picking	d) LIFO (Last In, First Out)
3. What is the most suitable packaging material for fragile items?

a) Cardboard sheets	b) Bubble wrap
c) Plastic bags	d) Newspaper

4. Why is clear labeling essential in a retail environment?
 - a) To make products look colourful
 - b) To ensure accurate stock management and easy identification
 - c) To increase the cost of packaging
 - d) To reduce the weight of products
5. Which of the following is a key strategy to handle inventory discrepancies?
 - a) Ignore small errors to save time
 - b) Use inventory management software for real-time updates
 - c) Assign only one person to manage the entire inventory
 - d) Avoid conducting stock audits
6. Why is it important to prioritize accuracy over speed when picking products?
7. Explain the significance of the "Pick and Pass" system in product picking.
8. Describe three best practices for packing fragile items.
9. What are the essential components of a product label in a retail store?
10. List and explain two key strategies to address inventory discrepancies in a retail store.

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



<https://www.youtube.com/watch?v=IX4Jfme9gDg>

12 Essential Retail Operations Management Best Practices



<https://www.youtube.com/watch?v=SvM7fm55bK8>

.wms - How to do a Simple Pick and Pack



5. Manage Stocks

Unit 5.1 - Stock Checking

Unit 5.2 - Stock Checking (contd.)

Unit 5.3 - Maintaining Stock

Unit 5.4 - Stock Rotation

Unit 5.5 - Ordering Stock



Key Learning Outcomes

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

1. Demonstrate the process of stock verification
2. Explain the need to maintain the required and adequate levels of stock in the store
3. Describe the role of store operations assistant in maintaining required and adequate levels of stock in the store
4. Summarise the process of filling the shelf
5. Describe the process of clearing expired, perishable and un-saleable stock
6. Describe the process of ordering goods at the store

UNIT 5.1: Stock Checking

Unit Objectives

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

1. Explain the need for stock checking
2. Identify the reasons for deviation in stock levels
3. Identify how a stock verification system is planned
4. Describe the components involved in stock verification system
5. Explain the stock verification process

5.1.1 Need for Stock Check

- Stock taking means manual counting of items in the store and tallying the physical balance with the quantity as recorded in the books
- Stock taking is a routine and continuous exercise in a store and is a strong management tool to ensure that materials procured are accounted for correctly and that critical items are physically available as shown in the records

Importance of stock taking

- Stock taking is a statutory requirement required by law
- It helps to detect shortage/ excess of materials in the stores
- Helps to identify whether the shortage/ excess is due to negligence, mistake or a wilful wrong act on the part of an employee
- Ensures that important/ critical items are physically available in the store and in good condition for use when needed
- It helps to assess the real value of inventory in the stores and mark prices accurately
- Ensures immediate action in utilisation of the items with limited remaining shelf-life. For example, F&V, meat, medicines, etc., have limited shelf life. If it is noticed during stock taking that the remaining shelf life of an item is short, immediate action could be taken in using that item before its expiry date or to issue it to another user
- Strategic decisions regarding improvement in the overall storage system and enabling better control over inventory can be taken with the help of results of stock taking

Stock check is very important for conduct of business. Following are other factors which emphasise its importance.

- To ensure that sales are not lost due to stock outs of articles
- When a stock check is done, the stock book gets updated. This helps clear the mirage of having stocks and the exact stock position is known and also helps to take appropriate action as seen in the following points
- Ensures that the book stock and physical stocks tally and there isn't any loss of revenue
- For example, at any given point of time, we always look into the balance of cash what we have and estimate how much we have spent. Then tally the amounts. Similarly tallying of stocks is important for running the business

- Results of stock check will guide to avoid overstocking
- When stock check is done, a manager goes through almost all the products in his department or floor; whilst doing this, they understand which products are moving and which are not. This would guide them not to over stock slow moving items
- As a consequence stock taking improves accuracy fo accounting & profit reporting
- When over stocking is reduced or brought under control, investment into dead stocks reduce and the profitability of the organisation increases. Money is invested in those products which are selling and profits are made. Stock check also helps in complying with the mandatory requirement of the Government to declare stock holding at a given point of time (31st Dec or 31st March, depending on the organisation's year ending)
- Will enable the store to identify problems in the beginning stages and weed them out
- When conducting a stock check, it's not just the stock which is being counted, it also gives the manager an idea of the way the team has been organising themselves as far as the stock maintenance is concerned and whether the rules and or guidelines are being followed. If there are problem it can be weeded out at the beginning stages itself
- Ensures correct stocks are available for better customer service
- Based on the stocks availability, the presentation to customers can be done. This will help customers in their decision making process. Correct stocks on books will also enable better customer service
- Will help efficient and correct ordering of articles
- With the stock book getting updated with the correct stock, the reordering system will also capture the right data and ensure the ordering is smoothened for correct quantity
- Helps identify loose ends and minimises theft and loses
- Repeated stock checks done for certain stocks will help monitor SKU's which reduces the profits of the organisation by way of damages or thefts. Stock checks will help in zeroing on the SKU which has been creating challenges
- Builds trust in the systems
- When the system stocks tally with the physical stock, it makes peoples work easy and comfortable. For example, if a customer is looking for a particular product in volumes, the immediate thing to refer would be the HHT. If they are able to find the stock in the system, then a commitment can be given to customer. Imagine a situation if the stocks are not updated post a stock check, what would be the condition of the person attending to the csustomer? A well maintained stock book increases the trust of the team and the customers too
- Will reflect the organisation's health from time to time
- A well maintained stock book reflects the health of the organisation also. The right product in the right quantity will increase stock rotation and generate business and ultimately profits. This would be possible only with a correct and efficient stock check

Deviations in stock levels

The inventory in a storage area can be higher or lower than what is recorded in the books/ system. There can be various reasons for this:

- Goods that have been received are not assigned a proper goods received note (GRN) in the stock card leading to not counting the goods received
- Sometimes material gets issued without any record leading to higher inventory levels in the books
- There can be manual errors like errors in posting quantities in the system, wrong stock card being updated, less or more quantities issued physically as compared to what has been recorded and so on. Errors in calculations can result in differing inventory levels. Some employees may steal goods. Some goods like chemicals might get wasted due to evaporation. Mishandling can lead to wastage

that does not get recorded in the books and this can lead to higher levels of inventory in books compared to actual physical stock. Many times, stock is maintained in the shop floor for ease of use during sales but this usage may not get reflected in the books leading to deviations in inventory levels

Therefore, it is very easy to get differing inventory levels in the books/ system and in the storage area. Hence, an inventory verification process is imperative and must be followed strictly.

Planning of stock verification systems

There are different techniques for stock taking such as perpetual inventory, full stock inventory and stock verification calendar.

Stock taking planning and processing

The stocktaking process is very time consuming and at the same time quite exhaustive as it involves the physical count of each item in the warehouse. Firstly a detailed plan has to be made. Before execution of the step, it should be ensured that manpower, equipment, time etc. are made available. There should be different teams to do this task for numerous items. The team should carry with them standard formats to record their findings indicating item code, item location, quantity physically available, cross reference of item in various storage areas, etc. A computer report of items/ group of items selected is generated. Checking of each item is carried out manually as scheduled and checked against the book balance.

The team must ensure that a given category of items is checked completely at one stretch. If items are available at another location, the total quantity of stock items should be checked at the same time to avoid any possibility of covering the shortage in one place by the quantity available at other place. As far as possible, there should be no change to the plan made and if there is a discrepancy, it should be noted down.

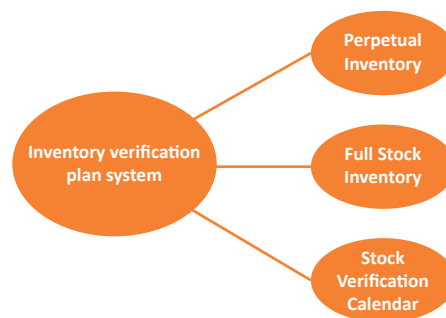


Fig. 5.1.1: Stock taking planning and processing

Components of planning

Perpetual inventory (PI)

The word perpetual means 'continuously for an unspecified period'. An inventory which is being taken repeatedly for categories is called as Perpetual Inventory, inventories done continuously. Cosmetic brands conduct PI almost every week to ensure availability of products at all times.

In this method, the book inventory is continuously kept in agreement with stocks on hand. Many times, the book inventory and stocks on hand may be reconciled as often as after each transaction, while in some systems these two numbers may be reconciled less often. This process is useful in keeping track of actual availability of goods and determining what the correct time to reorder from suppliers might be. This is also called continuous inventory.

Full stock inventory

The physical count of the entire stock is done at certain times during the year. At times like this, the store might be closed for business. The transactions of sales and purchase are not recorded each time. The total amount of goods for sale is equal to the stock at the beginning plus the total purchases made in the time period.

Inventory verification calendar

- At the beginning of the year a detailed stock verification calendar is prepared by the head office clearly indicating the dates of verification
- The calendar should ensure that all items are verified at least once in a year. Generally stock verification would be categorised based on the value of the material versus how many counts the verification has to be done in a year for a particular material
- High value items will be covered more frequently and low valued items less number of times
- Apart from this as a statutory requirement, the organisation will also induct external audit agencies to conduct an intensive stock verification. The results will reflect in the balance sheet
- There are different types of stock taking marked in a stock verification calendar:
 - Annual/ quarterly stock taking: This is done yearly/ quarterly so that the figures in the balance sheet are accurate
 - Monthly, weekly and daily stock taking is done to plan procurement and keep a tab on the inventory and line checks are done to check the quantity of inventory at the end of each product line

The frequency of stock checks depends also on the SKU

- **Stocks which are fast sellers:** This is important because as a fast seller, the availability is critical. Hence a correct balance of the stock should be maintained between the book and the physical stock. If this is to be done, then a stock check is required. The frequency in which it is to be done could be once or twice in a week
- **Stocks which has high shrinkage:** Articles identified having high shrinkage will have a stock check done frequently as might be decided by the operations team. Mostly this will happen on Monday mornings post a busy weekend to know what has been the shrink, if any and what steps are to be taken to tighten the leak
- **Stocks which are of high value:** Saffron, dry fruits, mobiles, sun glasses are examples of SKU with high value. At the end of each day these SKU's global count (total number of pieces) will be recorded and counter signed by the security. The same exercise will be done as the first thing in the morning too

The stock checks frequency depends upon the organisatin's policy which will mark those departments and SKU's which should go in for a weekly PI or quarterly PI or half yearly or if it enough if there is an annual stock check done.

Stock verification process

The four major steps in stock verification.

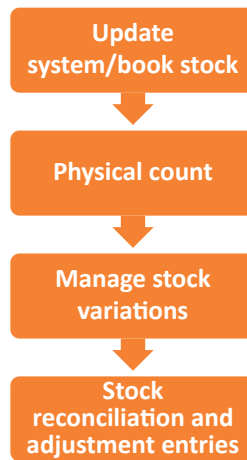


Fig. 5.1.2: Stock verification process

On the day of stock verification, the store operations assistant (SOA) should ensure all the documents are updated in the system. All materials are stored in their respective places as per the stock location master. There should be no mix-up of 'For Inwarding, Under Inspection, Accepted and Rejected' materials even if all are available in close proximity.

The stock statement from the system is generated either at the end of the day or the first thing in the morning. With the help of the Stock Location Master, physically count the items listed in the statement and compare the same with the statement printed. In case the physical count and the book count are same, the SOA should confirm the same in the statement. In case of discrepancies, the SOA should recount the material, verify the receipt and issue documents and check for any errors in the stock update.

Once the verification is over, the SOA has to sign the statement and hand it over to the supervisor for further action. Ensure that any document update happening during the course of stock verification is considered in physical count.

In case of discrepancies, an FIR has to be updated to the supervisor, category team, so that planning of material dispatch or new material is taken for consideration. A stock adjustment note has to be raised detailing the reason for adjusting the system stock in confirmation with the physical stock.

After due approval from the senior management or stakeholder departments, the stocks has to be adjusted in the system. This will have an impact in elevated value (in case of excess stocks) or devaluation (in case of shortages).

UNIT 5.2: Stock Checking (contd.)

Unit Objectives

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

1. Describe the elements of typical stock verification process in the store
2. Identify the steps to perform stock updates and related documentation
3. Describe the reports that need to be produced after carrying out stock checks and system updation

5.2.1 Process of Stock Check and Updating Stock Records

Stock checks happen throughout the year but not always for all the products. A schedule will be circulated from the HO for the conduct of stock check when all the stores across the country will do it on the same day.

The process that is required to be followed is simple but appears to be complicated.

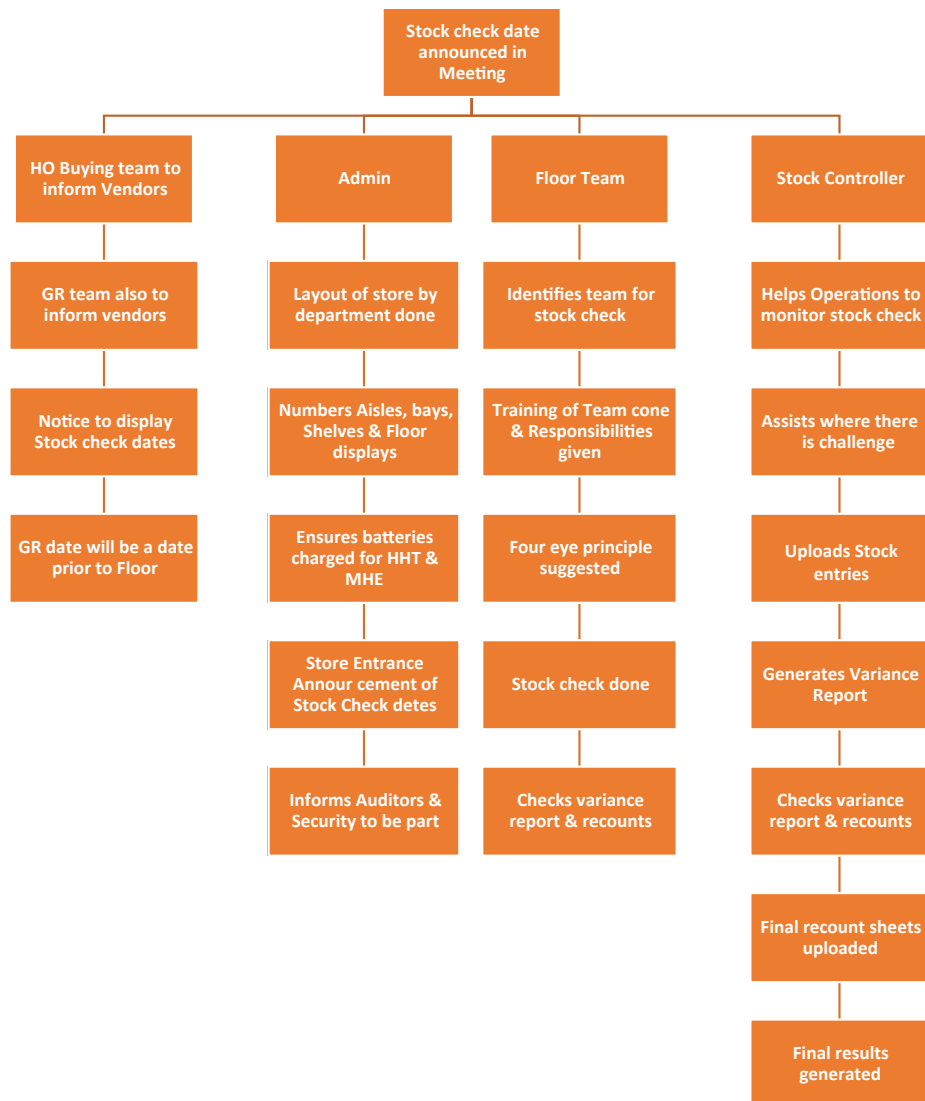


Fig. 5.2.1: Process of stock check

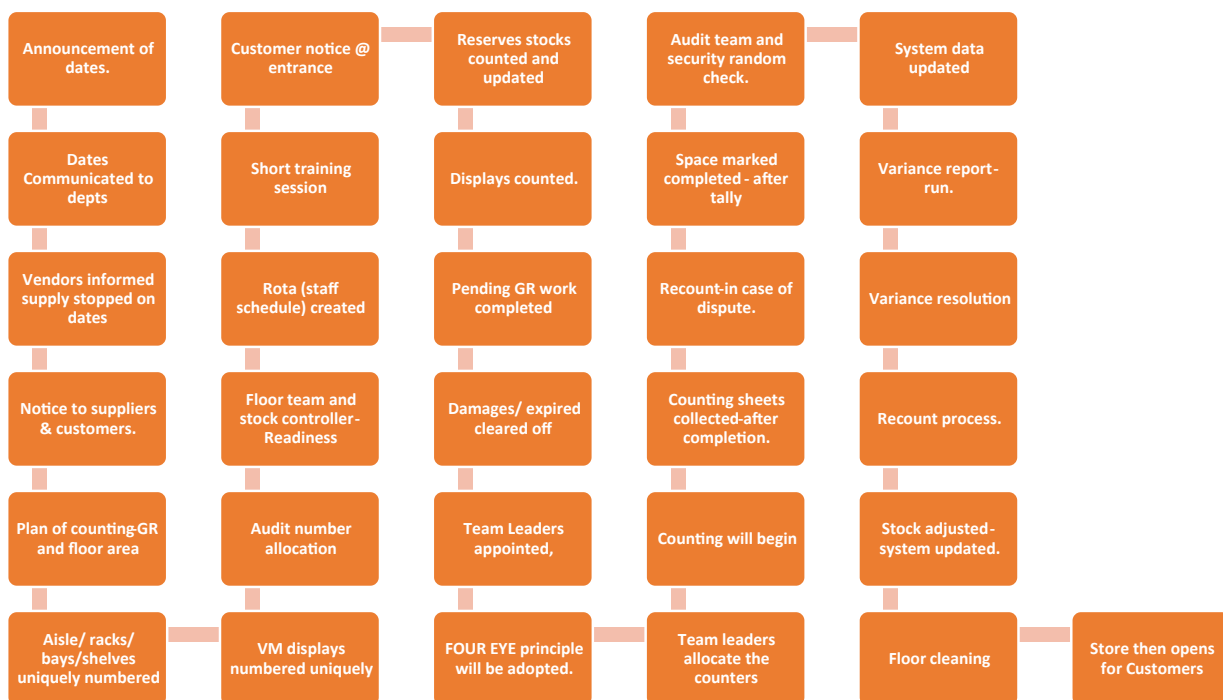


Fig. 5.2.2: Process of stock check

The above steps are explained in detail below:

1. The process starts with the announcement of dates for stock check
2. The date(s) are communicated to the Buying team, Administrations, Marketing, Accounts and Security by the Operations
3. The buying team informs vendors not to supply on dates of stock check and also immediately prior to stock check
4. A notice about stock check dates and no supplies will be received on specific dates will be put for the information of vendors who come to the store
5. Admin will draw out the plan of the entire goods receipts and floor and will assign unique numbers to each of the aisle, racks, bays and shelves. The floor displays, VM islands and the impulse shelves across the floor will be numbered uniquely
6. If it is B2B, then the reserve stocks on pallets will also be numbered
7. The same will be mentioned on the floor plan
8. An audit of such allocated numbers will be done to avoid any duplication of numbers
9. Post the finalisation, this will be informed to floor team and also to stock controller
10. Floor team, simultaneously will create a rota (staff schedule) as to who is going to be in for stock check, who will be doing the first steps, who will come for recount etc., details
11. The HR would initiate a short training session for stock check and on the entire process of how the same will be conducted
12. The HR would also ensure that refreshments are taken care for the people who will be working overtime
13. A notice will be displayed at the customer entrance and at the exit to inform customers about early closing and late opening on dates of stock check

14. The reserve stocks will be counted and details entered with the stock position and also stock count on the carton which should be legible and visible from a distance. These labels will be in accordance with the colour decided
15. Another 'Stock Check Done' label will also be put
16. After completing the stock check of the reserve stocks are completed (before the stock check date) the displays have to be counted on the appointed date
17. All pending GR work should be completed; damages and expired products should be cleared off both physically and documented; all pending variances should be written off with reasons and approved by concerned authority; Pending returnable gate pass should be accounted;
18. Experienced people will be drawn as Team Leaders from floor who would be given a set of aisles to be completed with a team
19. FOUR EYE principle will be adopted (two people doing the same count at different times. Two pairs of eyes = Four Eyes)
20. The stock check for the entire store will be done after store closing hours and open after it is completed
21. Team leaders will allocate the counters, one bay at a time with the aisle, bay and shelf numbers
22. The counters will start from the top left and will continue to right and in the next shelf from right to left till the bottom of the bay
23. Once completed they have to handover the sheets to the team leader. Today most organisations use HHT for counting where the counter scans the bar code on the product and then enters the number of pieces
24. If there is a dispute, the team leader will recount and that count will be taken as final
25. The team leader will have the plan of the floor and will mark the space as completed once tallied count sheets are received
26. Admin would have beefed up the stock controller office and would start entering the reserve stocks;
27. As balance of stocks gets loaded into the system an audit of completed bays will be taken by audit team and security at random
28. This would confirm conformity of organisations policies
29. Once the entire store is completed, the data would be loaded
30. After the data is completely loaded a variance report will be run
31. Set of rules, to start resolving the variance will be initiated. For example, first all SKU's which has more than 25K by value; next 15K value and then 10K value difference; and or top 100 articles which have volume differences and then scale them down
32. The Operations, Commercial, Audit and Security team will go through the recount process with the team doing it
33. After the confirmation of solving the variance of stock, with the approval of the Operations Head, Commercial Head the stock then gets uploaded into the system
34. While the loading of the data is done, the team on floor will clean up the floor and get it ready for sales
35. On the orders from the Operations Head, the store then opens for customers

Documentation and updating stock levels in system

Documents concerning stock check have to be maintained for atleast the next two checks.

Reasons are:

- As a **reference point** for future stock checks. Over a period of time, if there is a huge difference in stock check that is done later, instead of getting back to the first date of deliveries, a document of the previous stock checks can be taken as a reference point. For exam[le, for a SKU 'Z' there is a difference which is very high. SKU Z had been in the store ever since its opening ten years back. To find out where the discrepancy has happened, it requires a reference point. The stock check which was done in the year 2012 can be used which also saves time and labour
- **Major shifts in a category stocking** can be referred back to stock check documents. If all the stock taking entries have been done or not, can be checked. Stock book that is not uptodate would lead to wrong ordering. Example, a particular SKU had a big variance and the variance was not discovered or traced during the recount and was uploaded with difference. When the documents are available, the entire operation can be counter checked for accuracy
- **Negative reports** (A report which shows those articles which have been sold without stock of the same in system, daily). One cannot sell a product without having them in stock. It will reflect in negative report. At instances, a product may scan differently at the POS. Product A will reflect as Product B. This happens when product B is not there in the system it will reflect as negative. If the stock check has been correct, then there is no chance of an article falling into negative report. To check back on the accuracy of the products which are reflecting in negative report we require the documents maintained
- **Future reference:** It is always better to have the previous year stock check documents to refer back as one starts getting ready for the current year. Learnings from the previous year will be a guiding force. For example, layouts which require fine tuning; the flow of stock check in the departments, which would require realignment; reducing manpower for certain categories and increasing it elsewhere will be possible when one has the documents of the stock check. These can be referred from the documents which will be filed and kept in safe custody for two years, maximum
- **Insurance:** In an unlikely event of a calamity, these documents would serve not just as a referral point but also as a stock document for insurance purpose. The balance of stock will be built on basis of stock check document

Maintenance of stock levels in the system

1. The need for maintaining the stock and updating them on a daily basis is crucial
2. Stocks which are to be passed with SAV (stock adjustment voucher) should be passed by the end of the day or latest before the night run of the store
3. Even a variation of one piece might generate or stop generation of a order. Example, if the reoder level of Horlicks is 84 pieces and Horlicks sells well in the store; a piece which was broken was not passed as damaged and no SAV done. The next day, the system will not generate the order because the system still shows 85 pcs. The next day for order generation of Horlicks is one week later. This would lead to loss of sales
4. When the stock levels in system are maintained correctly, the order generation will be automated and stocks reaching the store on time, every time will be ensured
5. Promises to customers can be made on stock availability ensuring customer satisfaction
6. With the stock levels maintained in the system, it becomes easier for the buying team to identify those articles which customers buy and ensures their repeat orders or speaking to the vendor for an RTV (return to vendor) done

7. If the articles are not moving and cannot be returned back to vendor, to identify the quantity that can be moved to other stores, the regular updation of stock system is required
8. If the total product itself is a failure, across all stores and cannot be sent anywhere, the figures in the system will help the marketing team to initiate a scheme where the products can be liquidated with an offer

Role of store operations assistant in maintaining documentation

- Associates who work in Admin or with stock controller have the responsibility of maintaining the documents concerning stock and stock check
- Day to day SAV once entered into the system should be filed by the department atleast till the next stock check
- All documents should be handled by the assistants from the initial stages; the staff rota of the department; the recounters; the layout plan and the count sheets

The documents should be maintained by the associates as per the guidance of their supervisor and should not be kept loose.

Given below are some examples of documents used in the stock management and stock verification process.

STOCK VERIFICATION REPORT -									
Month :		June 2010							
Cycle No. :		1/12							
Bin	Product	No. of SKUs	System Qty	Physical Qty	Excess		Shortage		Net Diff Value
					Qty	Value	Qty	Value	
FTRG	Sunglass	300	78162	78162	12	2757.53	12	3100.55	- 343.02
FTEX	Sunglass	75	1102	1102	0	0	0	0	0.00
FTRG	Accessories	282	21657	21657	27	6219.55	27	6203.26	+16.29
FTRG	Raga Accessories	9	600	600	0	0	0	0	0.00
FTRG	Helios	0	0	0	0	0	0	0	0.00
FTRG	Watch	27	1033	1033	0	0	0	0	0.00
TOTAL		693	102554	102554	39	8977.08	39	9303.81	- 326.73
Grand Total		693	102554	102554	39	8977.08	39	9303.81	- 326.73

R.HI 22
(R. Harikrishnan)

OK
26/08/10
Request your approval
M. K. M. S.
21.8.

Fig. 5.2.3: Documents used in the stock management

The above is a stock verification report. It has the monthly stocktaking report including details of the product and the difference in the physical stock and the system stock.

STOCK ADJUSTMENT NOTE						
Item		Watch	STORAGE LOCATION : FTRG			
Ref No:		1300072272 & 1300072217		Date: 03.07.2010		
L NO	STOCK NO	QTY	ADJUSTMENT (+/-)	GR.NO	PO. NO	
1	M026BR3	2	+			
2	M035BU4	11	+			
3	M067BU2	20	+			
4	M083BU5F	8	+			
5	P088GY1	10	+			
6	P123GR1	23	+			
7	P143BR3	12	+			
8	P091BK1	9	+			
9	P095BK1	1	+			
10	M027BR3	2	-	1300054927		
11	M050GR3	11	-	1300060608		
12	M067BU6	20	-	1300055672		
13	M083BK4F	8	-	1300049844		
14	P097BR3	10	-	126002502		
15	P128BK2	23	-	130003856		
16	P143BK1	22	-			

Reason for stock Adjustment.

Receipt Contra it was found while do the primary packing
 in Import receipts - Sunglasses.

Name of the originator R. HARI KRISHNAN.

Department Sequel Sunglaes warehouse

Signature R.H.K.S.

APPROVING Depts.	Remarks	SIGN
PURCHASE	OK	R.H.K.S. 09/07/2010
PRICE	-	-
APPEARANCE	OK	to be used
POSTING	OK	
PLANNING	-	
FINANCIALS	OK	

Posted
 5300 44 89 20
 30/08/10

Fig. 5.2.4: Documents used in the stock management_2

The stock adjustment note has the details of quantity adjusted for each stock item. It has the provision for approvals for the adjustment as well.

Reports produced after stock checks and system updation

As a practice, stock controllers and admin department retains the last stock check documents for any clarification required. Post the stock check and the uploading of data, the following reports are generated.

The documents will include the layout of the store; numbering sequence of the store fixtures and their positions; Stock check entry sheets; reports generated post the first uploading of data, the variance report as generated; the approval for uploading the variance; correction entries with approvals and the final report of stock that gets uploaded into the system.

- Stock take entries by the aisle, bay, shelves and displays

This report will give details of all locations inside the store where the stock taking entries have been made such as aisle name/number, bay name/number, shelves, displays etc. This is to make sure that all the entries have been done.

- Bays and shelves which have not been counted/ entered
A different report will give details of those aisle(s), bay(s), shelves which have been missed out. This will help in reconciling when there is a big difference. Remember, the Admin had numbered each of the location where the stocks are kept. These would be entered into the system before entry of stock starts. When the entries are uploaded, it will check for count completion in all the location entered earlier. If not, a report mentioning missed out aisle, bay and shelf number will be made.
- Details of stock uploaded by the department, category, sub-category: Earlier reports were given based on the aisle, bay and shelf. This report will get into the level of sub-category and SKU mentioning about the stock that has been uploaded
- Variance between the expected stock and uploaded stock:
This gives the details of what was expected stock (book stock before stock check) and stock that has been uploaded. This can be made available upto the level of an SKU where the need be.
- Stock positions in the store for speedy reconciliation of variance
With the advancement of IT infra, this report has been made available. This report will give all the locations where a particular SKU has been counted giving the location number and pieces entered against that location. Example, if a particular SKU A is spread across ten places inside the store, the system would capture those places with their location number for eacy reconciliation.
- Based on requirement, top variances by the department may be generated
This report is based on requirement. This is generated to knock out printing unnecessary list of articles but focus only on those where there is a need to probe the difference. The scale of variance can be defined for the system to generate the record. It can be as where the value difference is greater than Rs.5000/- and/or the quantity difference is greater than 50 pieces.
- What is the impact of the variances on the total stock by the department
This report will reflect, the contribution by the departments for the stores variance overall. This would be helpful in identifying where the dent has been made and how. From the over all report, it can be derived what the average variance for the store is. Whichever department has a variance more than the stores average is the one to be focussed first for solving.
- Total variance across the store for approval: A final report about what is the impact both by count and value of the store, after posting all the recounts. The count of this report post approval will be uploaded into the system
- Stock updation: Post the stock check report is approved, the system stock will be replaced by the approved stock check quantity. This would take between one week to ten days after the check has been done
The system will be programmed in such a way that the stocks would be frozen before the stock check. After the stock check when the reconciliation happens, the store will be open for sale. All sales that has happened post the stock check will be deducted from the uploaded stock by default.

Activity

1. **Objective of the activity:** To explain the working of the inventory verification process and how inventory balance affects various stakeholders
2. **Learning outcome:** Learners will be able to identify and deal with inventory audit from the perspective of auditors, warehouse assistants and senior management
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
 - Form into three groups, each representing an audit group, store group and senior management respectively. Each group is to participate in the stock verification process of XYZ Company, a leading retailer.
 - The audit group should prepare questions for audit. They should question various policies of the company like the procurement policy, storage policy, perpetual inventory system, stock adjustment and approval policy etc.
 - The store group should be ready to answer queries posed by the audit team and also list out their activities to prepare for the audit.
 - The group representing the senior management should observe the two groups and add or update management policies related to inventory.
 - 10 minutes should be allocated for this activity and for the groups to write their observations.

UNIT 5.3: Maintaining Stock

Unit Objectives

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

1. Explain the need for a store to always maintain the required level of stocks in the storage
2. Explain the need to maintain the adequate stock levels for sale
3. Demonstrate the process of determining the:
 - a. Current stock levels
 - b. The stock levels required to be maintained
 - c. Any short falls in the stocks by using the stock control system
4. Discuss the role of store operations assistant in maintaining the required level of stocks
5. Demonstrate the process of filling the shelves

5.3.1 Terminologies

1. SKU—Stock Keeping Unit. Individual article with a unique identity
2. Stockout—A situation when stock is not available in the store, that is the stock level is zero both physically and in system
3. Service level stock—Stock that is available for sale
4. Safety stock—This can be below the desired stock level but not enough to trigger re-ordering; can also be referred to as a backup stock
5. Gaps—Stocks not available on shelf, but available in the store
6. Lead time—This is the period from the time the order is made till the time the goods are received at the store
7. Shelf life—Timeline till the product can be sold (before expiry of the product)
8. DMS—Daily Mean Sale. The average sale for a specific period of time
9. Forward cover—At the current DMS (average pieces being sold everyday) for how many days will the stock lasts. If the rate of sale is 3 pieces and we have 15 pieces then forward cover is 5 days
10. Reorder level—The stock level at which reordering is done

Need to maintain the required level of stocks

In retailing, the following three factors are very important:

- Customer
- People
- Merchandise or stock

Every store should maintain proper stock. The need to maintain stock levels are discussed below:

- To avoid the possibility of stock out: The situation when there is no stock to be replenished and the shelves become empty, is called stock out

- All stock will not be available at all times. Based on their demand and seasonality, the stock should be built. For example during festive seasons the stock maintained will be in larger quantities than the other days as there is an increase in the sale or demand during such periods
- Each of the category has got a forward cover period, which is maintained by maintaining the stock levels for that period. For example:
 - Grocery—3 weeks
 - FMCG—2 weeks
 - F&V—1.5 days
 - Bakery—2.5 days
- Based on the previous sales data or projected sales data, the stock level has to be maintained
- Not all stocks will be available for delivery on a daily basis. To allow the vendor to supply orders, the right stock levels are to be maintained based on lead time. A vendor might not be holding stocks at all times. It depends on the production cycle and also delivery pattern of the manufacturer. For example Surf Excel Matic—front load is in short supply always even with HLL depot
- Each category has got a supply plan and will be arriving according to that plan. Till the next supply comes, the stocks should sustain sales
- For example, let us assume that eggs arrive at the store at 12:00 noon, therefore one should ensure that the stocks in the store must last till 1:00 pm the next day. To accomplish this, the average daily sale data of eggs is taken into account and the stock levels to sustain the sales have to be maintained
- There is a space constraint and one cannot pile stocks. Based on what business is expected from which stock, their turn around time and shelf life should be considered for maintaining the stock level. (Turn around time may be defined as the time it is sold out and its replenishment time)
- Optimum level of stock will lead to space availability and more range (variety of products that is made available to the customer is called range); resulting in increased business. For example in the beginning of the year, we do not buy and stock everything we would need for the entire year. We buy in small quantities every month so that we can accommodate it in the space available at home. Similarly, even in the store, we have to order for stocks which can be accommodated in the available space
- Over stocking of any products will lead to pilferage, breakage and dump. Therefore only required level of stocks need to be maintained

Note: We have seen the need to maintain required levels of stock. Now we will see the importance of having adequate stock for sales.

What is the difference?

Maintain stock levels—this is done by aligning to the business plan. This focuses on line fill.

Having adequate stock for sales aligns with the current trend of business which would lead to achievement of business plan. This focuses on case fill.

Definition

Line fill: Ratio of SKUs (lines) that are planned for the store to the actual lines available.

Case fill: Ratio of the number of pieces actually available per SKU per line to the planned number of pieces per SKU per line.

For example

Total lines planned: 1200

Lines actually available: 1080

Line fill: 90%

Case fill planned for SKU X: 2000

Case fill actually available: 1600

Case fill: 80%

Maintaining adequate stock levels for sale

For maintaining the levels of stock, focus should be on having adequate stock for sales.

- All stock that have been promised must be made available to avoid stockouts—stock outs are the worst to happen to any store as it reflects the inefficiency of the organisation to recognise customer requirements
- Adequate stocks must be available for serving customers—when a store is able to cater to the requirements of customers they will come repeatedly and provide sales. Hence adequate stocks should be available. The number of customers will keep on increasing and in order to take care of the new customers a planned stocking is required
- Unavailability of stock means drain on finance—when adequate stocks are not available, there will be loss of sale, which is a lost opportunity
- To ensure that the Planogram (POG) is maintained—POGs are made based on the science of customer behaviour. A complete planogram is a treat for customers, the benefits of which will reflect on the sales. If stocks are not enough, there will be gaps and empty spaces in the shelves and this will reflect an unhealthy picture. Adequate stock is required to maintain the POG and also provide customers with a wide range of products. (The planogram is a visual diagram, or drawing, that provides in detail where every product in a retail store should be placed. These schematics not only present a flow chart for the particular merchandise departments within a store layout but also show on which aisle and on what shelf an item is located.)
- Demand rate—Based on the average selling rate, number of pieces that are being sold, and the time for replenishment, stocks should be held to take care of sales. For example during festivities demand for sugar and ghee will be high; during winter demand for woollen clothing will be high. Based on the forecast and demand for a particular product the levels of stock are decided
- Lead time—This is the period between the ordering of stock till its actual receipt. Different products have different lead time, hence stock should be held keeping this in mind. Lead time also plays a role in maintaining adequate stocks. There are vendors who have a long lead time. But the demand for the product will be throughout the year. Based on their supply intervals, the stock adequacy is decided. For example an order has been placed for Hamam soap—125g on 1st of December 2013. The delivery happens on 20th December 2013. The period from 1st to 20th December is called the lead time
- Service level—The quantity of stock that is required to be maintained in the store, SKU-wise which will avoid any stock out situation. Articles like mobil phones and apparels become obsolete within a short period of time. Demand for the core items will be there, but latest designs will get outdated. This would lead to stock out situation. Hence, to maintain required stock for sale, an optimum level of stock is required which can be offered to customers. This is called service level stocks
- Service level stock—Stock which is available for sale bereft of short shelf life, damages, etc.

Determination of current, required and shortfall in stock using the system

A combination of reports are to be seen to ensure that the current stock levels meet the business requirement, to reorder stocks that are required and what should be done about the slow moving stock. These reports will help in knowing the required stock levels.

- **Stock control system:** Various activities that are taken to monitor the stock or inventory collectively is called the Stock Control System. It consists of tools in the form of reports of stock on hand or the current stock level. Some of the reports in Stock Control System
 - Stock statement
 - Stock movement report
 - Stock receipts and despatches
 - Inventory reports (PI, cycle count and annual stock count)
 - Stock adjustment vouchers

- **Current stock level:** This will be available from the stock list. The stock level of all the departments will be given globally. From the store stock level, look into department, category and sub-category level of stocks and finally at the SKU level

- **Required stock level:** This is the projected stock that the store should have at any given point of time

For example:

Let us consider a particular SKU, say X.

When a business plan is drawn, estimation on the expected business from SKU X will also be done.

The number of pieces to be sold, allocated stocking area, the lead time to maintain the stock and repeat order so that SKU X will not run out of stock all these aspects are considered to achieve the target business.

Required stock level can be estimated from the stock statement which would be part of the stock control system.

- **Shortfall:** The difference between desired stock level and available stock level is known as shortfall. Let us continue with the previous example of SKU X.
 - Presume that at any given point of time, the stock of this SKU = 240
 - Stock on hand = 104
 - On order = 24
 - On way = 60

Therefore, the shortfall = $A - (B + C + D)$
 $= 240 - (104 + 24 + 60) = 52$

This will help in identifying the current stock level, provided the stock book has been updated and is maintained regularly.

Each category will have a defined stock level:

- Based on the business projection of the department
- Based on the contribution from the sub-category level upwards

This contribution will come in from the SKUs of the sub-category.

1. There is a lead time for the vendor, and hence covering the lead time, the volume will be decided
2. Then there will be a cushion which would take care of any exigency
3. The target of an SKU in value is converted into number of pieces. This with the safety stock would be the stock required at any given point of time

Example:

For a month	Pcs	Value	Avg./day sales	Required stock
Store target	250,000	5,00,00,000		
Target dept 1	2500	500,000		
Target dept n	xxx	xxx		
Category target	250	50000		
Sub category target	50	10000	1.66 pcs	
Lead time			30 days	50 pcs
Safety stock		(Avg. sales x no. of days)	10 days	17 pcs
Total stock to be maintained	DESIRED STOCK		67 pcs.	
Stock on hand today				56 pcs
Short fall in stock				11 pcs

The current stock levels will be available from the stock list. The average sale rate of a particular SKU will be available from the sales report or the stock movement report. The stock movement report will also reflect the need to replenish, if the stock levels have gone low. This would also help in initiating re-ordering.

- First of the reports to be checked will be the stock list. In the stock list all the SKUs of the store will be listed and the current status of each of the SKU as per book will be known. This can be seen at department, category, sub-category and at SKU levels depending on the requirement of the person who is seeing it
- Stock movement—the second report to be checked after the stock list. The purpose of this is to know which products are selling and which are not and to know the time taken for a product to move from the time of arrival to sales. If a particular SKU is having serious issues of returns, the same can also be seen on the velocity of sales and return of product
- Safety stock—This can be below the desired stock level but not enough to trigger re-ordering
- Reorder level (ROL)—this will help in reordering and maintaining the sale. When the safety stock dips to ROL, the order is triggered and sent to vendors. The ROL needs to be maintained regularly
- Fast selling articles—this report will lead the way to reorder and will ensure that the stocks are made available so that a stock-out situation can be avoided

- Daily Mean Sales (DMS)—this will help in deciding the reordering of the stock with reference to the fast selling article and the stock list. This has to be maintained keeping in view the DMS for all stock put together for the department and then comparing each of the sub-category and SKU
- Inventory inactive list—This is derived from the Stock Movement Report where 'nil' sales of SKUs can be taken out for a particular period. Usually it is taken as not sold for 15 days, 30 days and more than 30 days
- Past sale and stock history—This report should be seen for seasonal articles and not for the live articles
- Ageing report—helps in identifying the old stocks which are required to be discounted and moved for sales. This will give way for new articles

Role of store operations assistant

The stocks have to be stacked by operations assistant, who plays a vital role in the profit of the organisation. This is three pronged.

1. **Receive:** When the product is received at the stores and sent to the floor, the associate (store operations assistant) should receive them on the floor for stacking. While receiving stock, the stocks should be checked and stacked at places where advised. These would be placed right on top of the products where they are displayed or are in the proximity of display. For this, the associate should know where the products are kept and they belong to which category and sub-category
2. **Handle stocks:** Having received the stock, the responsibility will extend to handling the products by taking care of the following
 - **Daily accounting**—Taking a global count at the beginning and at the close of business each day. The report would consist the SKU of the articles that have been received and that have been sold. This happens in high value merchandise, where day-to-day accounting has to be done
 - **Storage**—Identifying the place where it has to be stored, when the stocks are received in the department. While storing, all product that have come in need to be noted with their quantities; also the expiry date, if available, needs to be noted
 - **Movement from storage to floor**—Move the stock from storage to the floor for selling as and when the stock levels deplete. When doing this, the level of stock that is coming down in storage should be noted. Trigger the reordering of stock when it reaches the ROL (reorder level)
 - **Stock shelves**—Bringing in the stock from storage, the same is required to be stocked in the shelves. Planograms are there for each of the shelf. The stocking should happen accordingly, in line with the POG. This requires good understanding of POG. Number of facings, both horizontal and vertical and depth should be taken care. In case there is no product to fill the shelf, make a note of it and ensure that it is triggered for reordering
 - **Fill displays**—taking care of the displays, once the shelves are filled. Associate is required to fill the displays and also clean the displays as already seen in the session on visual merchandising. The display filling should also conform to the stock that has been mentioned in design brief
 - **Labelling**—Taking care of SEL (Shelf edge labelling), product detailing and FAB cards. Identifying the products which require promotional material, normal SEL, product detailing or FAB card. Indent for this should be done by the associate to ensure all products are in order
3. **Help manage stock**
 - **Cleanliness**—Following the cleaning schedule to ensure the cleanliness of the department. There will be a schedule for cleaning for the entire store and also to the department, aislewise. Cleanliness of the department will include, the cleanliness of the product, shelves, beneath the shelves, cleanliness of the SEL and signages and above all cleanliness of self

- **Identify gaps**—Taking care of the aisles, department throughout the day and ensuring that gaps are identified and replenishment is done. This is an ongoing work and at no point of time should the shelf be empty
- **Propose orders**—Ensuring that if a particular article is below the ROL (reorder level), the supervisor or appropriate person is informed and reordering is done. Associates can also propose additional quantities for orders as they would have a qualitative understanding of the product and at times can forecast the sales too
- **FIFO**—Ensuring FIFO (First in first out), maintaining FEFO (First Expiry First Out) where applicable. This is also an ongoing activity. There would be a schedule for doing this and strict adherence is required which would ensure low dump and less loss to the organisation
- **IST/Despatches**—helping the department when there is bulk supply to be done; in picking products, cleaning them (where required), packing them and preparing the packing slip for each of the carton/packaging that has been completed
- **Stock checks**—actively participating in stock checks, be it PI (Perpetual inventory) or Annual stock check. When participating in stock check the associate will be able to identify the locations where the products of the department have been kept and where are the displays which are required to be counted. This would avoid waste of time and energy

Process of filling the shelves

Shelf filling is a continuous process wherein the stocks are made available to the customer.

The process of filling the shelves involves the following steps.

1. Get to know from the supervisor the aisle that needs to be replenished

Replenishment or filling up the shelf is to be done across the store all days. The supervisor would advise which aisle, bay or shelf needs to be replenished and the order to follow, depending on priority. Understand well how it requires to be done. In case of any doubt, clarify it before proceeding with the work.

2. Timing for refilling

This is done mainly during silent hours. In big stores they would have a night shift which would do the replenishment.

- Where there is no night fill team, the first fill will start happening two hours prior to the scheduled opening of the store
- The second fill will happen for an hour in the afternoon when the traffic is lean
- Again a fill will happen, if required before the evening peak hour when the morning shift leaves

3. Identify stocks to be filled

Once the SKU(s) to be replenished is informed, identify the locations where the stock is lying. They can be lying in the top-top or will be available in the GR or would have just arrived in the GR. The Supervisor when giving instructions, would also know the stock position. Get the available stock position and identify the locations. Seek help if it is to be brought down from a higher level.

[Top-top—Top is mostly found in neighbourhood stores, super markets and hyper markets. This is the top most shelf where products are kept and are out of reach for customers. This serves as a storage place.]

4. Identify the location of stocks to be filled

Once the stocks are identified, identify the places and match the SKU to be refilled. This is important or else similar looking products will get placed in the wrong location.

5. Get appropriate MHE (material handling equipment) to get stocks to floor

It is suggested that appropriate MHE be used to bring in the stock to the aisles. A pallet mover would occupy space in the aisle. There are MHE like the cage trolley which has got adjustable shelving and a door which would occupy less space on the floor without being a hindrance to the customer.

6. Clean the shelves

Before placing the article and filling, clean the shelf first. If there are no products, first wipe it with a dry cloth and then with a wet cloth. Allow it to dry before placing the articles.

7. Replenish stock in the shelf

Start filling up the stock in the shelf. Ensure that the principle of FEFO (first expiry first out) is maintained. Bring in the existing pieces to the front and fill the shelf starting from the rear. For example 6 1kg bottles of Boost are available, of which 4 have expiry date December 2014 and 2 have expiry date October 2014. While arranging them, the two bottles of October 2014 expiry should come first and the other four should go behind these two. Now you have arranged them as per FEFO.

8. If the bay is being filled for the first time, start at the bottom

Points to be noted if the bay is being filled for the first time:

- Get a piece of all SKUs which are to be filled
- Start from the bottom most shelf
- Keep the articles as per planogram
- Leave gaps for facings. With the tallest SKU being placed, one would have an idea where the next shelf is to be placed. Having done this at the bottom most shelf, repeat the same as you place the shelves one over the other
- This will help you in not only in filling all the pieces, but also in removing as many number of times

9. Replenish only one article at a time

When working on filling an article, focus only on that article. This would help you in filling effectively and efficiently. Also there will not be too many articles strewn on the floor.

10. Priority replenishment

Priority replenishment depends on the organisation.

The thumb rule is:

- Top selling articles of the department
- Promotion articles
- Gaps

11. Spot fill

This happens during the working hours. As and when a piece is sold, the stocks are brought in from top-top immediately and the space is filled. This ensures that the store looks full at all times. The associate is expected to keep moving up and down the aisle and ensure that the shelves give a filled up look. In case a particular stock is not available in top-top, the pieces are brought upfront to give a filled look.

12. Place correct SELs (Shelf edge label)

When cleaning the shelves, take note of all the SELs which require to be reprinted. Give the list to the admin for printing so that, once filling is done, the same can be placed at the right place. Check with the aid of an HHT (Hand held terminal) for price conformity.

13. Replenish stock in top-top (where applicable)

Top-top is mostly found in neighbourhood stores, super markets and hyper markets. This is the top most shelf where products are kept and out of reach for customers. This serves as a storage place. If articles have been taken from top-top, they have to be replenished too. The filling would be complete only after the top-top is replenished.

14. Install appropriate signage

Get the shelf talkers and FAB slips printed and ensure that they are in place before you move to the next location.

15. Clear debris on floor

Do not leave any waste or debris on the floor. Keep the surrounding and the workplace clean always.

Exceptions: Handling exceptions when you are filling the shelves:

- If the product is not in planogram, one cannot display the article. An existing article would have gone out of planogram and a new article would not have a planogram. Escalate this to your supervisor and till the time you get resolution for it, do not display them
- If the product has not been mapped to the store, then it is 'wrong receiving' which is called a mispick. This cannot be displayed. Escalate to the supervisor and return the goods to the GR
- When trying to fill the shelves, if the space is inadequate for the number of pieces mentioned in the POG, escalate to supervisor and then proceed post resolution
- If there is a difference between the actual product description and the SEL, get it resolved through supervisor
- If there is a price difference between the SEL and the product, get it resolved through the supervisor

Procedure to dispose waste

During the process of filling shelves, lot of waste will be generated. This has to be managed well on floor and disposed of.

- When working in the aisle one should have control over the waste material
- They should be immediately put into a bin, kept close to place of work; else in the bins at the end of aisles
- All plastics should be segregated from waste, as it is not bio degradable and needs to be dumped separately
- Empty cardboard boxes should be flattened. This would ensure that there is no product inside the carton
- Policy of 'clean as you go' should be followed, which will ensure that the place is clean always
- When the bin is rolled into the GR area for dumping, it should be checked by the security for any material moving out of the floor (knowingly or unknowingly)
- Once moved into GR, a corner will be earmarked for dry and wet waste. Dump the material as per their class
- Admin of the store will tie up with agencies which clear the garbage for a cost (in case of wet waste) or paying cost (in case of dry waste)
- Admin will then take care of the proceeds as per the organisations policy

Activity

1. **Objective of the activity:** To understand how to fill in the stock details in the given format
2. **Learning outcome:** Learners will be able to fill in the stock details in the given format
3. **Nature of the activity:** Individual
4. **Procedure to conduct the activity:**
 - Fill the report format given below for the date 10/01/2014 with incidents mentioned here:
 - As per stock records, 500 Cinthol Soaps in the store on 02/02/2014.
 - Sales floor: Date 02/01/2014: 100 Cinthol soaps, Aisle 1, Bay 1
 - Back Store: Date 02/01/2014: 100 Cinthol soaps, Aisle BS2, Bay BS2
 - Required for Date 03/01/2014: 400 Cinthol soaps, Aisle 1, Bay 1
 - To be received on 03/01/2014 from vendor: 50 Cinthol soaps.
 - 5kg of banana spoiled at F&V section, Aisle 46, Bay 1 at 3pm 02/01/2014
 - Not billed in the cash counter: 25 Cinthol soaps.

Sl. no.	Stock details/SKU	Count as per stock control records	Physical count	Shortage/excess and action to be taken
1.	Current stock – Fill stock details			
2.	Required stock			
3.	Expired removed from shelf			
4.	Signature of associate with date and time	Date/Verified by	Signature of Supervisor with date and time	

- Each member should fill the report accurately.
 - Once the task is completed, collect the feedback and discuss what they did, why and how.
5. **Debrief:** Explain the importance of accuracy to be maintained while accounting for the stocks required, current and shortage

UNIT 5.4: Stock Rotation

Unit Objectives

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

1. Summarise the process of identifying expired stocks
2. Identify the action to be taken when stocks with expired dates are identified
3. Describe the action to be taken when there is excess of perishable goods with short life cycle in the stock
4. Describe the role of the store operations assistant in handling un-saleable stocks

4.4.1 Process of Identifying Expired Stocks

Expired stocks are always a challenge to a retailer. If a customer happens to buy it then it would create legal problems. For this reason, processes have been set up in stores for identifying expired stocks which would encompass the following:

Manufacturing date: Date on which the product has been manufactured

Date of packing: Date on which the product has been packed

Expiry date: Date after which the product is not fit for consumption

BBD: Best Before Date—The product is good with mentioned properties till this date. After that no claim on properties such as Vitamin; Calorie contents, etc. will be entertained.

Rotation schedule: A schedule made by the stock controller with the consent of the department manager for checking the expiry dates.

List of products: Products with shelf life in each department will be listed. Predominantly, food products have short shelf life when compared to those in non-food articles. In 'food' the shelf life ranges between 1 day to 1 year but not beyond that. Example, Vegetables to canned food (ready to cook). In non-food articles, the shelf life would range from 180 days to 3 years. Example, Cartridges to Batteries.

- A schedule will be created to check for expired products. The operations team will schedule checks on expired products on a regular basis. A specific bay will be allocated to an associate whose job will be to only check on the expiry dates of products. If products have expired, then that stock will be removed immediately from the shelf. This process is done on all days except on weekends and during promotional periods.
- Bay by bay, shelf by shelf, products will be checked for expiry. Date check is the name of the activity where the associate will identify the product and remove it from display as per the schedule. This activity is not done at random, but in a systematic way going from bay to bay and shelf to shelf without losing track of any article.
- When an expired product is identified, it is immediately removed from display. It is against the law to display or sell expired products. They have to be removed immediately and taken away from the reach of customers. If any article is found which has expired and continues to be in display by the law enforcement officials, it might lead to closure of the store itself.

Action to be taken on stocks with expired dates

When stocks with expired dates are found, following steps should be taken:

Remove: Remove the articles from the reach of customers as well as from their sight.

If high volume: If an entire shelf or bay has to be removed, then put up a tape across the area with a note 'Not for sale' and continue to remove the stock. Ideally, a team member should be assigned the task to ensure that no product from that shelf is taken. This happens very rarely, but one should be aware of it.

Trolley to remove stock: When taking stock out of the floor to a designated place, transfer them on a trolley and the trolley should have a notice 'Expired stock not for sale' clearly visible on all sides.

Back office: A separate place will be marked in the goods receiving area marked 'Expired Not For Sale'. All withdrawn products should be brought here and stacked after proper recording of articles.

List articles and system updation: Note down the article number, description and their expiry dates. These should be maintained till the products are destroyed and the system stocks are updated.

Format for reporting

Dept Name		Date		
Sl. No:	Article Number	Description	Pieces	Reason

- This report comes handy to know what the rate of dump is.
- What is the period in which this gets repeated.
- Helps in comparing with the other department

Stock controller: On receipt of the form which is filled and ratified by respective department manager or the floor manager as case may be, the stock controller keys in the article/s in the system with appropriate comments, this is done at end of day. This removes the piece from the stock holding of the store and updates the stock book.

Admin and security: Before the stock controller updates the system, the Admin person and a security personnel will inspect the products and approve them as 'Destroy'.

Destroy: Once the system is updated, the pieces will be destroyed and Should Not Be Sold under any circumstance. It can be sold as garbage.

Action for excess of perishable goods with short life

Amongst all those articles which have an expiry issue, perishables are those which pose a challenge to staff on the floor.

- **Organising stocks in FIFO** (First In First Out) method is very important; such that the stock with early expiry will move out first. For this, products should be put per their receipt.
 - **FIFO** (First in First Out): This is more in non-food. Pieces that come first should be the first to be sold.
 - **FEFO** (First Expiry First Out): Priority should be given to products reaching their expiry date which can be seen under 'Date of Manufacture'. This is more often done in Food.
 - **FEFO** and FIFO has to be done on a continuous basis to avoid any wastage to the store. If products are close to expiry the store can take action and have them reduced and cleared.
 - If the product expires, then it is of no use and should be discarded, referred as 'dump'.
 - **Shelf life** can be defined as the length of time a product is good to consume and can be kept on the shelf for sale.

Given below are the indicative shelf life of some categories:

- Meat – ambient: 1 – 2 days
- Meat – frozen at 18° to – 22° the type mentioned on the label, varies from 3 months to 12 months
- Fruits – chilled at 4° to 6° based on quality and condition: 2.5 days maximum.
- Milk products – chilled at 4° to 6° as per their date of manufacture and BBD: Maximum of 90 days
- Vegetables – ambient: 1 to 1.5 days
- Bakery products: 2 to 2.5 days
- Bottled and carbonated drinks: 60 to 90 days depending on the type
- FMCG food products: Between 30 and 90 days or as mentioned on the pack.
- FMCG non food products: Between 60 and 180 days or as mentioned
- Apparels: based on season and trend
- Footwear: based on season and trend
- Batteries: Shelf life as mentioned on the packing
- Sketch pens: Will dry off. Need to check on the packing for expiry date.
- Cartridges: Will dry. Need to check on the packing for expiry date
- **List articles** by their expiry dates to Supervisor for taking appropriate action. The list should give details in the ascending order so that the first expiry products can be actioned immediately.
- If there are possibilities to return stock to vendor, exercise the option. If this is done, the organisation and the store will save lot of money.
 - Make a list of articles with article number and description
 - Segregate them and keep out of reach of customers, preferably in the back room
 - Give the list to the supervisor for taking it up with vendors and returning them
 - Once the approval comes, give the list to GR.
 - Count the articles per list and hand it over to GR for their perusal.
- Supervisor to consult managers and have a promotion at store level for product. Each store will have a budget for markdown (reducing marked prices), where the original prices are reduced and sold at a price where customers will liquidate the stock. Example, Greens are drying up despite best efforts. The store would put up a sale where buy one bunch of greens and get another bunch free.

During markdown, the assistant has to do the following:

1. Make a list by the sub-category number of pieces/ weight
2. Once this is done, segregate the articles away from reach of customers, preferably in the back office
3. Handover the list to supervisor for new barcode and new price stickers
4. Once this is done, pack the articles in a new cover and paste the new sticker with barcode and description
5. A separate end cap (end of a gondola) or a bay will be allocated in the food and non-food floor for displaying the marked down articles
6. Make an attractive display of the marked down articles and place signage “Reduced for clearing”
 - Identify a bulk purchasing customer who can buy in bulk at a good price. This will help clear the bulk of your stock immediately. For this, the store should be ready with appropriate approvals. This will help avoid dumping and writing off of stock. There are people who buy articles which are short of shelf life; this happens most of the time with CBD (Carbonated Soft Drinks) like Coke, Pepsi and their range of products. The vendor itself will bring in customers who would buy this.

Flour has a short shelf life of 90 days. Identifying bakeries and giving them a good price will help in clearing the stock

In garments, when there is little or no movement of apparel, there are lot of stock buyers whom the buyers itself will identify and strike a deal.

If papers (for photocopying) stays for beyond 5 months, it would start becoming yellow and no one would buy it. Paper marts who deal in bulk paper sale will be ideal customers to strike a deal.

- Do an IST (Inter Store Transfer) if within reach and short distance. If neighbouring branches require any of these articles, then an IST is the best option.
- Dump: Article which is not worth selling has to be removed from the store because its shelf life is over or if damaged because of which no customer will buy it has to be withdrawn. Products pulled out of the shelf cannot be sent back to the vendor because it was the store's fault that it wasn't able to sell the goods. So the product gets 'dumped' (declared as 'Waste').

Role of SOA in handling un-saleable stocks

The role of the SOA in handling un-saleable stocks is very critical right from identification to destroying of the piece.

- **Identification:** The assistant should take up the responsibility of identifying non-saleable articles which has expired and ensure that action is initiated immediately. It is the assistant's duty to go through each of the article in their aisle/bay and find out articles which are non-saleable and weed them out.
- **Segregation:** Having identified the articles, the associate should segregate them by their date of expiry and/or follow FIFO as the case may be. This will reduce the loss to the organisation. Example, prise of tomato received three days back and two days back cannot be reduced and sold at the same discounted rate. This will hit profitability.

Hence segregation is to be done and this is the responsibility of the assistant.

- **Listing:** Correct listing of products should be done and the person who has identified the non-saleable articles will be best suited for this, since the assistant would be aware of the product in their department. Any wrong entry will have a ripple effect starting from wrong stock; wrong ordering and loss of sales.
- **Destroying:** When products are getting destroyed, the assistant should take the responsibility of ensuring that those products which has been pulled out are the only ones which are getting destroyed. This once again will ensure that the stock is maintained properly because of the assistant's work.
- **Markdown:** Even after markdown, there would be pieces which wouldn't have sold. These can be further reduced for clearance, if saleable. If not saleable, they have to be listed in the format given earlier, for dumping.

UNIT 5.5: Ordering Stock

Unit Objectives

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

1. Identify the quantity of stocks that needs to be ordered
2. Prepare and send order documents to procure stocks
3. List the factors that can affect the demand of stocks

5.5.1 Need to Order Stocks

We need stocks for various reasons, some of the basic ones are listed hereunder.

- **Do business (to sell):** As discussed earlier, three things are vital for retail—customer, people and product. The chain will be incomplete if any one of them is missing. We require products to sell; to sell we need people; people will take care of the customer requirement and to do business we need products.
- **Customers require it:** Manufacturers create awareness amongst customers about their products through media and door to door canvassing. The customers come looking for the product and if we do not have it to serve the customer, we would lose the customer to the competitors.
- **Benchmark with market:** The store requires to stock a wide range (many varieties) of products to satisfy the customer. Apart from customer service which would differentiate between stores, the product range will also make a difference. Based on what the competition is selling, one has to diligently decide what the customer would want and then stock it.
- **Out of stock:** Stocks are ordered to fill up gaps or out of stock SKUs. Stocks are also ordered to avoid going out of stock. Meaning, before the stock comes to 'zero' one has to raise the order to get the products in.
- **New product introduction:** When a new product is introduced, the store should order for the same, so that when customers come in, the store is able to serve them. New product orders are generally managed from the head office.
- **Seasonal requirement:** Based on the season, the store would order for goods, for example Christmas articles and decorations will sell in the early part of December. Keeping the stock till next year will be blocking the capital and also losing on space which otherwise could be used productively.

Process to determine the quantity to order

Planned stock - (Stock on hand + Stock on order + Stock on way) = Quantity to be ordered

Planned stock would be derived based on the following:

Planned stock = (Average sales of the SKU x Forward cover) + Shelf Life + Lead Time + Shelf space per POG

Planned stock

When the business plan is drawn for each of the category at the SKU level, the business projection will be done. This planned stock is based on the projected sales. But there are factors which control this.

Stock on hand = (goods received from distribution centre (DC) + goods received from Suppliers) – (sold goods + adjustments like damages, returns, etc.)

Stock on order is the amount of stock for which the procurement order is placed.

Stock on the way is the amount of stock that is on the way to the store but yet to be delivered, that is the stock in transit.

Process to determine quantity is multifaceted and depends upon the type of retailing which is being done. The basic way would be as follows:

Space: Details of how much of the shelf space that has been provided for the particular SKU has been allocated. The entire store will be allotted to hold various SKUs depending upon their planned stock. If the order is too much, there would be a constraint of space. Hence the ordering should be in line with space allocation.

Forward cover is the quantity of stock that should be held at any given point of time which will avoid stock out situation.

Lead time: The period from the time the PO is released till the time the stocks arrive at the store.

Shelf life: Details, like longevity of the product, its expiry date and how long it can be sold from the shelf without being marked down and cleared (mark down is to reduce the price).

Average sales: The trend for an article and how much of it is being sold on an average in the past 8 weeks.

Let us consider the following example:

Planned stock	30,000 pcs
Storage space/planned stock	700 pcs
Average sales/day	84 pcs
Forward cover	84 x 6 days = 508 pcs
Lead time	4 days
Stock on hand	300 pcs
MBQ per POG	192
Quantity to order	508 – 300 pcs = 208 pcs
Packing is 24 pcs/carton	9 cartons or 216 pcs to order

Process of preparing and sending orders accurately and at the right time

There are two process of preparing and sending the orders.

1. System generated order, also known as order proposal list
2. Manually generated order

System generated order or order proposal list

- Based on inputs into the system, the system will generate orders for SKU's for individual stores. (Inputs would include, the lead time, what is the planned stock, what is the average sale per day this month; what has been the sale corresponding month, prior and after last year; what was the stock position then.)
- This order will be proposed quantity of stock to be ordered for each of the SKU. This follows the formula seen in the previous slide:

Planned Stock – (Stock on Hand + Stock on Order + Stock on way) = Quantity to be ordered.

- The printout of this order is given to the respective Department Manager/Supervisor.
- Since this order is quantitative, to elicit any spike, the respective Department Manager/Supervisor should add/edit the order where required.
- Depending on the organisations policy, the store can increase or decrease proposed quantity.
- Post this finalised order is uploaded into the system.
- The orders from various stores would reach the Distribution centre in case of B2C or directly to the vendor in case of B2B with a copy to the Category manager.,
- In the Distribution Centre, the orders will be consolidated and sent to various vendors.
- The purpose of doing this is to place orders in huge quantity and more margins.
- After receiving the orders, the vendors will start supplying to the Distribution Centre where the products will be received.
- Post the receiving, the DC team will start picking up stock based on the orders that have come in.
- Once they are picked, they are checked for correctness by security
- They are then lined up at despatch gates, where a second check happens and then sealed.
- They are then loaded in the vehicle for despatch in order to reach the store well in time before there is a stock out.
- This completes the cycle of ordering and receipt at store on time.

Orders reaching on time:

- The system will be programmed to generate orders based on the sales trend, the stock holding and the previous history. The vendor strengths (viz., efficiency to deliver in short notice; consistency of quality; capability of introducing more capital to produce more; punctuality in delivery) are also factored in this. Hence the stock getting delayed to the store is out of question; unless some natural calamity or political situation disrupts normalcy. E.g FMCG on Tuesdays, Non-food on Wednesday; Staples – every second day;etc.,

Ordering and receipt of fresh fruits and vegetables will differ from that of other products:

- Ordering for F & V products are done on a daily basis and its neither system generated or manual. It's a combination of both. The ordering for Fresh and F & V would be done by the respective department managers. They would take the lead from the system on knowing the average sales and projected sales; system stock before placing order manually. The Manager places the order manually but still dependent on the system; that's why its mentioned as both.
- Based on the sales projection; the stock on hand; stock to be received, reducing the dump, the orders are created for the stores and also based on the past sales too.
- In a B2C store, this order would go to a city processsing centre as it would in B2B also.
- The stocks would be picked and then sent to the stores.
- Because it has got short shelf life the orders have to go on a regular basis everyday.

Manual ordering

The second way of ordering is manual ordering.

Manual ordering will not impact the system generated orders. It is unique. A manual order would be required to be raised for:

- A special order.

- Increased quantity which was overlooked in system generated order.
- A new line being introduced.
- To fill up gaps.
- These orders are keyed in into the system by the admin manager or anyone who is authorised to create the manual order.
- The order copy will go to the buyer for approval, post which the order will be sent to the DC.
- The order lines will not be the same in other stores, hence the DC will not wait for consolidation of stock as done in a system generated order.
- DC will send the order to the vendor
- When the order is delivered by the vendor, the same will be cross docked and sent to the store with the store's delivery.
- This completes the manual order cycle.

Filling gaps

To fill gaps

- A well organised store that adheres to their SOP will also do a gap check.
- The gaps are defined, in the organisations processes.

Manual orders are created to fill up the gaps. A manual order to fill up a gap will reflect badly on the stock control of the stores. This is like admitting the faults and covering it up. The opportunity to fill the gap was there when the OPL was generated. If the order has not been sent then, it reflects that no one takes their job seriously or does it with focus. That's why its said that manual orders to cover gaps, will reflect bad on the store.

Factors that can affect the demand of stocks

The demand for any product or services depends on many factors called as determinants of demand. They are:

- **Income of the consumer:** A consumers' income has a huge bearing on his demand for goods and services. In fact, they are directly proportional to each other. Normally, the more disposable income a person has, the more he consumes. This is human nature. The income effect is positive for most of the products but it is negative for inferior goods. When a person has more money to spend, he/she may prefer better products and as a result of there is a fall in the demand for inferior goods.
- **Price of the commodity:** Price is a vital aspect; price influences the demand for product and services. Generally, demand increases when the prices fall. Similarly if the prices increase, the demand for the product or the service also decreases. It should be observed and noted that this variance may not happen, if other things are not constant.
- **Changes in the prices of related goods:** The changes in prices of other goods might also influence the change in demand of a commodity. There are two types of related goods—compliments and substitutes. Coffee and tea are good substitutes to each other. When there is increase in the price of tea, consumers tend to buy coffee which instead leads to an increase in the demand for coffee and vice versa. Bread and butter on the other hand are complements.
- **Tastes and preferences of the consumers:** Demand is dependent on peoples' choices, tastes, buying habits, culture and customs. Any change in these will result in a change of demand. For example if people develop a taste for cola instead of lemonade, the demand for cola will increase and demand for lemonade will decrease.

- **Change in the distribution of income:** If there is uneven distribution of income there will be few rich people and many poor people in society. In such a situation the level of demand in society will be low. Contrastingly, if there is an equal distribution of income, the demand for consumables consumed by the middle class and poor will increase and the demand for luxuries consumed by the richer class of people will decrease. Therefore the total effect of equal distribution of income results in increase of level of demand.
- **Price expectations:** Demand is also influenced by expectations of people of what could be the prices in the future. If people expect prices to increase in the future, this will lead to a rise in demand at least for a short term as they will tend to purchase and stock more. However the rise in price will ultimately result in less consumption. (For example announcement of price increase in petrol).
- **State of economic activity:** The state of economic activity is major determinant influencing the demand for a commodity. When the economy grows, people have more disposable income that increases their spending. The demand for both capital goods and consumer goods increase. But during an economic downturn, demand shrinks due to low investment and low income.

Other factors also have a bearing on demand such as population, composition of population, taxation policy of the government, natural calamities, pattern of savings, advertisement, inventions and discoveries, outbreak of war, emergencies, weather, technical processes, etc. All these factors influence the level of demand for a products and or services

Activity

1. **Objective of the activity:** To calculate the quantity of stock to be ordered
2. **Learning outcome:** Learners will be able to calculate the quantity of stock to be ordered
3. **Nature of the activity:** Individual
4. **Procedure to conduct the activity:**
 - Read the case study given below.
 - Case study
 - Individuals to calculate quantity to order as per incidents mentioned.
 - Planned stock :50,000 pcs
 - Storage space : 1000 pcs
 - Average sales : 100 per day
 - Forwards cover: ___X___10 Days
 - Stock on hand : 500 pcs
 - MBQ/POG :
 - Ask learners to calculate the stock to be ordered.
 - Ask them to fill the report accurately.

Calculate quantity to order as per table

Planned stock		
Storage space/planned stock		
Average sales/day		
Forward cover		

Lead time		
Stock on hand		
MBQ per POG		
Quantity to order		

- Once the task is completed, collect feedback from learners and discuss what they did, why and how.

Debrief: Explain the importance of accuracy to be maintained while ordering for the quantity of stocks required.

Summary

- The need for stock checking
- Reasons for deviation in stock levels.
- How stock verification system is planned.
- Components involved in stock verification system.
- Stock verification process.
- Typical stock verification process in a store.
- Documentation and stock updating process.
- Reports that need to be produced after carrying out stock checks and system updation.
- Need for a store to always maintain the required level of stocks.
- Need to maintain the adequate stock levels for sale.
- Process of determining the:
 - Current stock levels.
 - The stock levels required to be maintained.
 - Any short falls in the stocks by using the stock control system.
- Role of store operations assistant in maintaining the required level of stocks.
- Process of filling the shelves.
- Process of identifying expired stocks.
- Action to be taken when stocks with expired dates are identified.
- Action to be taken when there is excess of perishable goods with short life cycle in the stock.
- Role of SOA in handling un-saleable stocks.
- Process of determining what quantity of stocks need to be ordered.
- Process of preparing and sending the orders to procure stock accurately and at the right times.
- Factors that can affect the demand of the stocks.

Exercise

Answer the following questions by choosing the correct option:

1. What is the full form of PI in the retail sector?

a) Perpetual Inventory	b) Preparing Illustration
c) Proper Inventory	d) Perceptual Instalment

2. After checking of _____ stores open for the customers.

a) Operation manager	b) CEO
c) SEO	d) HR

3. Stocks not available on shelf, but available in the store meaning,

a) Gap	b) Stockout
c) SKU	d) DMS

4. Date on which the product has been manufactured
 - a) Expiry date
 - b) Date of packing
 - c) Manufacturing date
 - d) None of the above

5. Seasonal requirements are based on the
 - a) Season
 - b) Needs of consumers
 - c) Need of company
 - d) All of the above

Answer the following questions using descriptive answers:

1. What are the importance of stock taking in the retail sector?
2. What is the stock checking process in a retail sector?
3. What are the reasons for documentation at a store?
4. What are the terminologies for maintaining stocks at a store?
5. What are the roles of store operations assistant?

Notes

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



<https://www.youtube.com/watch?v=jxCG9MxIoK0&t=44s>

Stock management(FIFO/LIFO)



<https://www.youtube.com/watch?v=r7FoV4XoAaw>

Maintain stock in the retail store
RFID



<https://www.youtube.com/watch?v=7Ls47gOpNOA>

Rotation of stock



6. Health and Safety in Retail Sector



Unit 6.1 - Hazards and Accidents in the Store and Safe Practices

Unit 6.2 - Safety Practices

Unit 6.3 - Procedures for Dealing with Emergencies



Key Learning Outcomes

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

1. Identify the importance of health and safety in the store
2. Identify the safety risks, hazards and the accidents that occur in the store
3. Describe the safety practices followed in the store
4. Describe the importance of housekeeping
5. State the procedures for dealing with emergencies

UNIT 6.1: Hazards and Accidents in the Store and Safe Practices

Unit Objectives

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

1. Identify the importance of health and safety in the store
2. Identify the hazards that may occur in a store
3. Identify the commonly occurring accidents due to the hazards
4. Identify how effective store maintenance helps in preventing accidents and maintaining a safe environment

6.1.1 Importance of Health and Safety

- To provide environment that is safe to the customers and employees
- To retain the image of the store which is an important part of the store brand and reputation
- To ensure that the store and the organization is profitable

Electrical hazards

Some main cause for 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 of 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, it is your duty 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 a serious matter and precaution is of utmost importance. Ensure that learners have understood 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

- **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 chemical to clear the spilled area immediately. Use appropriate signs before and during 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:** Prevent slips, regular floor walk for checks, clean up spills, repair leaks, pick up objects that are lying down, sweep up debris and wear slip-resistant shoes
- **Disposal:** Segregate and dispose 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. to create an unhealthy environment for the store

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

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, unwanted materials like carton boxes, garbage, etc. is called as 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 area 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 staff is responsible to keep 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 are 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 maintenance department, manufacturer and others responsible for the doors or electronic access

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 (refer images in next slide)

Plan the route and use barriers while arranging stock

- Ensure the route is free of customers
- Clear the route from all kinds of 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 planned
- 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 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 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 manuals and procedures for minimum and maximum load lifting capacity of equipment. 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 to the floor and your other knee in front of you, i.e. half kneeling

- Look straight ahead, and keep your back straight, your chest out, and your 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 the purpose of cleaning or stacking products. Follow the instructions based on image in 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 the sides and climb one step at a time
- Complete your task at chest level
- Do not hold with one hand
- Leave the first the two steps of the ladder always free
- Get trained in usage of tools to open boxes or packing

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 unwanted material after unpacking
- Follow packing procedures as per company policies and procedures when certain stock has to be returned to vendor, DC or other stores

Hazardous materials

The major types of hazardous materials in store are:

- CLASS 1—EXPLOSIVES
Explosives are materials or items which have the ability to rapidly detonate due to ignition by fire. For example fire crackers produce 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, diesel fuel.
- CLASS 4—FLAMMABLE SOLIDS
For example matches, camphor, batteries, cells.
- CLASS 5—OXIDIZING SUBSTANCES
For example bleach, chlorine, hair dyes, toilet cleaners.
- CLASS 6—TOXIC SUBSTANCES; INFECTIOUS SUBSTANCES
For example medical/biomedical waste, clinical waste, chloroform, 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, 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 (refer to images and signs in the next slide)

- Identify the type of hazard using the symbol
- Any material to be considered as 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 material should be regularly checked and serviced
- Spillage or leakage of any hazardous substance do please follow instructions as per policies, procedures and inform relevant authorities immediately
- Disposal of waste also contains hazardous wastes. So be extremely cautious in disposing 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 synonym to DANGER. Always take precautions to prevent any mishaps
- Hazardous waste is another major danger if not disposed 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 leading to physical accidents thus injuries
- Stocks or packages falling on 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

Activity

1. **Objective of the activity:** To identify the hazards and accidents that may be caused in the store
2. **Learning outcome:** The learners will be able to list the various hazards and accidents that may occur in the store
3. **Procedure:**
 - List the hazards and accidents that may be caused due to malfunctioning of the equipment.
4. **Debrief:** Highlight the correct way of handling electrical equipment and explain the hazards that can occur because of bad maintenance of electrical equipment

6.1.2 Effects of Poor Maintenance

Poor maintenance can be the cause of accidents such as:

- Tripping over loose objects on floors, stairs and ramps that cause slippages.
- Being hit by fallen objects.
- Slipping on greasy, wet or dirty surfaces. Slips from slick or wet floors, platforms and other walking and working surfaces.
- Working on equipment which cannot take more than the prescribed load leads to accidents.
- Striking against poorly stacked items or misplaced material (for example entrance and exit to the store).
- Cutting, puncturing or tearing the skin of hands or other parts of the body on projecting nails, wires or steel strapping causing electrical and fire hazards.
- If equipment in the store is not fixed well, over loading of items in the shelf, floor, etc. can harm customers/store staff.
- Trips from objects or materials that are left in walkways and work areas.
- Falls from holes in walking and working surfaces, uneven flooring, uncovered pits or drains, boxes and pallets that are used instead of adequate platforms.
- Collisions caused by poorly stored materials, overhanging or protruding objects, haphazard spotting of pallets, and use of aisles for storing materials and equipment.
- Not following manufacturer's instruction, inadequate training, without updates for new equipment or upgraded ones.

Impact of effective maintenance

- Fewer tripping and slipping accidents.
- Less hindrance for customer movement.
- Decreased fire and electrical hazards.
- Better control of tools and materials.
- More customer and employee safety.
- More efficient equipment maintenance.
- Better hygienic conditions.
- Reduced property damage.

Make it 'SAFER'

The term 'SAFER' can be expanded as:

- See it—immediate observation
- Assess it—the severity and consequences
- Fix it—fix/escalate the problem
- Evaluate it—reassess the hazard
- Review it—periodical review of the hazard management system

UNIT 6.2: Safety Practices

Unit Objectives

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

1. Identify the importance of securing customer records
2. Identify the importance of safe guarding store equipment
3. Identify the importance of protecting staff and customer belongings and store products
4. Identify the personal protective or safety equipment used in the store
5. Describe the key safety procedures followed in the store
6. Describe the importance of housekeeping and cleanliness in the store

6.2.1 Securing Customer Records

- Take frequent back-up of critical information on your computer hard drive(s) through CDs, DVDs, Zip disks, or similar media. Make sure to safeguard these copies
- Password - protect your office computers to keep unauthorised users (including PC repair persons) from gaining access
- Think twice before storing confidential information on PCs linked to the internet. Motivated hackers could easily (and transparently) gain access to these records and compromise confidentiality
- Ensure that unauthorised persons cannot read the information displayed on office computer screens
- Inform your seniors in case you observe or see any unusual things happening in the back room

Safeguarding store equipment and infrastructure

Guarding the store equipment, the importance of the same;

- Properly enclose and secure power generators to make them more likely to function after a disaster. Powerful back-up generators, with sufficient supplies of diesel fuel stocked in different locations, and with access to more, are very important in settings that are prone to emergencies which could disrupt the regular mains supply
- Store medicines and supplies to be stored in secure cabinets or in cupboards that are fastened to walls to make them more likely to withstand earthquakes
- Protect pipes and ducts, and ensure a safe supply of gases, including oxygen
- Secure medical and life-saving equipment such as respirators or suctioning devices, to prevent them from getting disconnected during emergencies
- Ensure that there are systems to manage hazardous substances, including chemical, biological and radiological waste
- Handle expensive equipment and expensive spare parts with utmost care, to avoid high repair expenses
- Undergo training in health & safety practices and operating procedures for all the material handling equipment used in the store
- Use appropriate methods and procedures while stacking the products especially staking at higher levels
- Use ladders and other suitable stacking equipment while stacking products at higher levels

- Conduct store walks to review for any risks and hazards, report incidents / risks / hazards to the authority in-charge

Protecting staff and customer belongings and the store products

Against theft and burglary

- Firstly, inform the manager or the security personnel to take necessary action and keep calm. It is the most important point when you are facing lawbreakers
- Secondly, delay: You should delay to deal with lawbreakers courteously but without insincerity. If the lawbreakers have a knife or a gun, you must try to let them put it down to lower the danger to you and customers. Do not provoke the lawbreakers

Against material damage

- Handle the materials carefully, follow instructions if any and then handle the products accordingly. Provide proper instructions to the customers regarding handling expensive materials

Against fire

- Do not dispose of burning material such as cigarettes and ashes into garbage containers
- Do not use unsafe electrical appliances, frayed extension cords, overloaded outlets or lamp wire for permanent writing
- Smoking is not permitted in the stores, back corridors or anywhere in the shopping centre

Against accounts fraud

- Secure the system with the password and keep it confidential
- Do not allow all and sundry to check and access the system
- Do not share the hard copies with everyone
- Keep the hard copies and the soft copies in a safe place

The first duty is to alert the store staff and customers and inform the seniors in case of any unusual event in the store. It is very important to protect the belongings of the staff and customers and the store products.

Importance of protecting customer belongings and store equipment

Minimise losses at the store due to:

- Mishandling of the store equipment: reduce damages and ensure that the materials are safe and secure
- Fire accident: take proper precautions to prevent fire accidents
- Health and hygiene
- Non-compliance with safety procedures
- Handling equipment/systems without the support and training of manufacturer, vendor etc

The precautions taken to prevent loss in the store would lead to the following.

Maintain the:

- Impression and credibility of the store
- Confidence and loyalty of the customers for a lasting and smooth business

Personal protective equipment used in the store

- Hand gloves to handle chemicals
- Protective eye goggles and shoes
- Apron to protect from spillages and maintain hygiene
- Face masks with filters to protect against poisonous gasses
- Safety helmets while working on heights
- Insulated rubber mats and tools while working on any electrical equipment
- Safety signage for indications of cautions and precautions
- Correct disposal bags for disposing off the waste material
- Cordoning tapes for cordoning the area that may be slippery area, wet or any forbidden area

Key safety procedures

Manual handling techniques: To prevent self from sustaining injuries one should undergo the training on techniques used for lifting, lowering, holding, carrying, pushing and pulling.

Basic fire-fighting techniques: In the event of fire one should know the procedure to handle the situation, such as

- Identifying and shutting off the source of fire (only trained personnel)
- Cautioning people to keep themselves away from the fire
- Evacuation of the people
- Participating in fire and emergency drills
- Intimation to store authority and fire brigade

Personal hygiene:

- Bathing regularly is very important, especially in the city, where humidity and pollution can make your body a bacteria-magnet!
- Hair should be tied back, neatly cut and combed. It would be advisable that the ladies tie their hair back and wear a hair net
- Nails should be trimmed and nail polish must not be worn
- Prevent bad breath
- Wash your hands as often as possible. A lot of the places we touch may be very unclean
- Wear a fresh set of uniform. Wearing clothes over and over without washing them can cause very serious skin disorders
- Wounds and cuts should be immediately treated and covered well with water proof dressings

Food product handling:

- Follow the food handling procedures as per store health and safety guidelines
- Clean your hands often using proper hand washing techniques to avoid food contamination

Caution against trips and falls:

- Control spillages, caution against wet floors, smooth floors
- Caution against surfaces that are uneven, trailing wires etc
- Products, packages on the aisles need to be cleared for clear pathways

Caution against hazardous material:

- Undergo a proper training on handling of hazardous material, knowledge on
- Corrosive, flammable, toxic and explosive materials
- Material safety data sheet
- Usage of personal protective clothing is essential

Preventive and safety measures:

- Knowledge of usage of different signage
- Ensuring pathways are clear while moving the goods in and out of the store
- Reporting to the authorities on any incidents or unusual notices

Housekeeping in the store**Cleanliness in the store**

- **First impression counts:** Is the parking area clean of litter and brightly lit? Is the entrance clean and inviting with a trash receptacle available? The first impression that a customer receives about the store creates a lasting impression in his mind
- **Front door assumption:** Is the glass on the door clean and free of fingerprints? Customers will have an initial assumption that if the front door is dirty then the rest of the store may be the same
- **Make it glitter!** If it is glass or metal, it must be clean. Make it a priority to dust and use glass cleaner every morning after vacuuming
- **Shoulders to knees:** Customers notice the majority of 'merchandising' between their shoulders and knees. Make those areas a priority of cleanliness
- **Behind the scenes:** If the customer uses a fitting room, keep it spotless. 80% of customers' buying decision happens in a fitting room. If you have a back stock area, keep it closed to the customer's eyes!
- **Necessary rooms:** Customers should be able to use the store's restrooms. Not only should it say 'squeaky clean' to your customers but it should also say something about how you value your employees and their comfort level
- **Clutter free:** Shipping boxes, pallets, rolling racks, shipping materials - anything needed for the operation of the store should be out of sight or neatly stored away from the traffic flow in the store
- **Ease of shopping:** Overstocking of merchandise can be overwhelming to the customer, and they can 'assume' your store is messy merely because of the volume of merchandise. How easy is it to get around your store? Can you get a stroller or wheelchair easily around the store?
- **Aroma:** Does your store 'smell clean'? Customers can make an assumption of whether a store is clean based on what they smell. If you have become immune to any smell your store may have, ask friends or new employees to give their opinion
- **Register area:** The most important area of the store, no matter what type of store, is the place you exchange your hard earned money for something you purchase. Make it spotless!

Activity

- 1. Objective of the activity:** To list the housekeeping duties
- 2. Learning outcome:** Learners will be able to list housekeeping duties
- 3. Nature of activity:** Group
- 4. Procedure to conduct the activity:**
 - Form a group of two to three members in the class
 - List the Key housekeeping activities that you need to do
 - Each group to share the list with the class

Debrief:

- Summarise by highlighting the key activities of the housekeeping that an associate is involved in:
- No dust, cobwebs, improper lighting, loose plastering, broken equipment's etc lie in the store's environment.
- Ensure that cleaning of shelves are carried out.
- The products are cleaned and then stacked on the shelves.
- Any unplanned cleaning requirements are reported to housekeeping.
- Shopping trolleys and baskets are clean and accessible to the customers.
- Ambience of the store is clean and tidy.
- Maintain personal hygiene and grooming standards as per company policies.
- Dispose of waste material properly: If waste material is not disposed properly then it can cause an outbreak of deadly diseases. Use different coloured plastic bags to dispose of different waste material (food, non-food, etc.)
- Use plastic gloves, caps and aprons while serving and salvaging food items (For example in Bakery). Salvaging is the separating of usable and non-usable food items.
- Make sure toilets are cleaned regularly: If toilets are not maintained well then they will be a breeding ground for germs and also cause the entire store to smell.
- Ensure that the pest control activity planned for the store is carried out periodically.
- Ensure that ventilation is well designed and maintained ventilation systems remove flammable vapors from the workplace and reduce the risk of fire and health problems.
- Ensure that the store is clean and tidy.

UNIT 6.3: Procedures for Dealing with Emergencies

Unit Objectives

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

1. Identify when to raise the alarm
2. Identify the importance of contacting emergency services
3. Understand the procedure of evacuation
4. Identify the purpose of drills
5. Understand how to handle accidents
6. Know the first aid procedure (in line with store policy)

6.3.1 Raising the Alarm

- Ensure immediate safety of anyone within the vicinity of the fire if it is safe to do so
- Raise the alarm if not already sounding (use the break glass alarm panel or shout 'fire, fire, fire' if a panel is not available). The alarm system automatically notifies the Fire and Rescue Services and Security (who then notifies the other emergency personnel)
- Fight the fire if possible with the fire fighting equipment, but not at personal risk
- Call the fire security (call 101). Give your name, building, level, room number, type and extent of the fire/smoke and inform your supervisor or building warden if it is safe to do so
- Alert everyone to exit through fire exits. Lead the customers of the store through the nearest fire exit. Evacuate the area immediately

If the fire alarm rings, please stand by for directions from the security and prepare to evacuate your store of all persons. If you are directed by the security to evacuate the building immediately, use the nearest exit, close all doors behind you and remain calm.

What should I do upon hearing the fire alarm?

- The alarm may be sounded by a bell, hooter or siren, depending on the building
- The first alarm is the notification to prepare, standby for any announcements and be ready in case there is an evacuation. This is a good time to turn off any equipment you may be using
- The second alarm is the signal to evacuate the building you are in via the closest marked EMERGENCY EXIT to the designated assembly area for your building
- When you hear the evacuation tone, evacuate the building calmly and promptly leave the building through the shortest possible route
- Do not use lifts
- Follow the directions of the floor wardens and security officers. Obey instructions from Security Officers and Emergency Service Personnel
- Proceed to the assembly area designated for the building (These areas are specified on the 'Evacuation Procedure' signs located prominently inside buildings)
- Do not cluster around doorways
- Do not hinder floor wardens, security officers and fire brigade officers in carrying out their duties
- Wait for further directions from the chief warden, security officer or fire brigade

- Do not re-enter the building until authorised to do so by the fire brigade or building emergency officers
- Never enter a building when the alarm is sounding

Contacting emergency services

- Highlight the duty and commitment of a SOA while raising an alarm
- Emergency services numbers allow a caller to contact local emergency services for assistance
- Inform the manager. Be alert but do not panic

Call 101 in case of fire emergency.

Call 102, 104 and 108 in case of medical emergency.

- Dial the appropriate number. Remain calm
- Tell the operator what assistance you need. Be prepared to provide your location, the number of the phone you are calling from, the nature of your problem and other information they may need to help you
- Stay calm and follow their advice. It is usually a good idea to stay on the phone until help arrives

Evacuation

Whenever there is a fire alarm in your building or you are instructed by appropriate authority in the store to evacuate. Evacuate the building to your designated Assembly points

Ensure that there are no obstacles in front of the emergency exits. Help people in case of immediate danger.

- If you have to move through a closed door that you cannot see through:
 - Feel the door to see if it is hot
 - Look for smoke coming under the door
 - Open the door slowly and look around it to see if there is a fire behind it
- If there is no fire, proceed and close the door behind you
- Move out of the building as quickly as possible

Also explain the evacuation process in the event of an earthquake:

- Take shelter under tables, desks or in doorways
- Stay away from windows, shelving and large free-standing furniture
- After the earthquake, look for injured persons in your area and assist, provided it is safe to do so
- Leave the building as soon as practicable

Emergency drill

An emergency drill is a focused activity that allows staff and administrators to practice specific functions to be exactly done in an emergency.

- The store staff will recognise the evacuation alarm
- On receiving the evacuation signal, the store staff will take appropriate actions, including shutting down of machinery or processes

- The store staff will immediately begin the evacuation process using routes prescribed by the facility emergency plan
- The store staff will provide assistance to visitors or individuals who are experiencing difficulty
- The store staff will take evasive action if the means of the way out is determined to be unsafe
- The staff will report to the assembly area monitor at the assigned assembly point

Shelter and place drill: Practice emergency preparedness by sheltering in place in an orderly and safe manner.

Lock down drill: Stay inside the building, if you are in a room, make sure that the windows and doors are locked. Remain where you are, until further directions from the emergency personnel are received.

Evacuation drill as explained in previous slide.

Reverse evacuation drill: Reverse evacuation procedures are implemented when conditions inside the building are safer than outside. It is implemented in combination with other emergency procedures (for example lock down, shelter in place), in order to ensure safety of staff and customers.

Also explain the evacuation process in the event of an earthquake:

- Take shelter under tables, desks or in doorways
- Stay away from windows, shelving and large free-standing furniture
- After the earthquake, look for injured persons in your area and assist, provided it is safe to do so
- Leave the building as soon as practicable

Handling accidents

- Few kinds of accidents that can occur are:
- Severe bleeding
- Injuries to the limb
- Fire
- Electric shock
- Poisoning
- Burns

Try to stay calm. If you are hurt, call the emergency services or ask someone else do so. If anybody else is hurt, get them to the first aid room or provide first aid at the same place if you cannot get the injured person to the other place. Call 104 and keep talking to the injured person and reassure him/her the professionals are on their way.

If there is no serious emergency, the biggest mistake is to declare that the accident was your fault, even if it is obvious that it was. Similarly, do not get into a debate or argument over who did what at the scene of the accident. This can be sorted out calmly by the insurance companies later.

If you have a camera or phone with camera, take photographs of everything. This will make defence and accusation fair for both parties, and helps the insurance companies get the claims sorted much faster down to evidence.

First aid

The treatment which is given at the spot immediately after the accident is called first aid. Accidents may happen at any time. The extent of damage due to an accident may be severe, light or less. For more serious injuries the victim may be required to be shifted to a hospital.

Some immediate medical aid is inevitable to be provided at the spot.

- Locate the stocked first aid container
- Identify the person in-charge of first aid arrangements
- Learn about first aid services to be undertaken in different situations
- Know about the materials and medicines in a first aid kit and their usage

First-aid kit



Fig. 7.3.1: First-aid kit

First-aid kit consists of the following materials:

- Adhesive dressing tape
- Non-adherent dressing
- Sterile eye pads
- Gauze bandages
- Disposable gloves
- Scissors
- Forceps
- Band aid
- Cotton rolls
- Solution for cleaning wound

Summary

- Hazards that may occur in a store.
- Commonly occurring accidents due to the hazards
- How effective store maintenance helps in preventing accidents and maintaining a safe environment
- Importance of securing customer records.
- Importance of safe guarding store equipment.
- Importance of protecting staff and customer belongings and store products.
- Personal protective or safety equipment used in the store.
- Key safety procedures followed in the store.
- Importance of housekeeping and cleanliness in the store.
- Raising the alarm.
- Importance of contacting emergency services.
- Procedure of evacuation.
- Purpose of drills.
- Handling accidents.
- First aid procedure (in line with store policy).

Exercise

Answer the following questions by choosing the correct option:

1. Faulty electrical equipment is a

a) Electrical hazard	b) Sudden hazard
c) Both of the above	d) None of the above

2. Use electrical extension cords wisely as a safety precaution.

a) True	b) False
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3. Slippery surface due to greasiness & wetness is a _____ hazard

a) Electric	b) House keeping
c) Warning sings	d) None of the above

4. Stocks kept at entry, exit and fire exit points is a _____ hazard

a) Entry and exit	b) Storage
c) Material handling	d) All of the above

5. Immediate observation defines the alphabet _____ in retail sector.

a) S	b) F
c) E	d) None of the above

7. Employability Skills









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8. Annexure



Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
Chapter 1 - Introduction to Retail	Unit 1.1 - Introduction to Retail	1.1.1 Retail	18	www.youtube.com/watch?v=FXHD4VPWkrk	 Be a successful sales person
	Unit 1.1 - Introduction to Retail	1.1.1 Retail	18	www.youtube.com/watch?v=Gm-agMs-fu0s&t=40s	 English phrases for sales person
	Unit 1.3: Retail Formats	1.3.1 retail Format	18	https://www.youtube.com/watch?v=xOkRogadXqk	 Types of Retail Formats
Chapter 2 - Overview of Store Operations	Unit 2.2 - Introduction to Product Categories	2.2.1 Product category	35	www.bakercommunications.com/sales-training-videos.Htm	 Sales training video
Chapter 4 - Prepare products for delivery	Unit 4.1 - Picking products aligned with orders	12 Essential Retail Operations Management Best Practices	104	www.youtube.com/watch?v=IX4Jfme9gDg	 12 Essential Retail Operations Management Best Practices
	Unit 4.2 - Packing of products	.wms - How to do a Simple Pick and Pack	104	www.youtube.com/watch?v=SvM7fm55bK8	 wms - How to do a Simple Pick and Pack

Module No.	Unit No.	Topic Name	Page No	Link for QR Code (s)	QR code (s)
5. Manage Stocks	Unit 5.1: Stock Checking	5.1.1 Need for Stock Check	141	https://www.youtube.com/watch?v=jxCG9MxloK0&t=44s	 <p>Stock management (FIFO/LIFO)</p>
	Unit 5.1: Stock Checking	5.1.1 Need for Stock Check	141	https://www.youtube.com/watch?v=r7FoV4XoAaw	 <p>Maintain stock in the retail store RFID</p>
	Unit 5.4: Stock Rotation	5.4.1 Process of Identifying Expired Stocks	141	https://www.youtube.com/watch?v=7Ls47gOpNOA	 <p>Rotation of stock</p>
6. Health and Safety in Retail Sector	Unit 6.2: Safety Practices	6.2.1 Securing Customer Records	163	https://www.youtube.com/watch?v=1umJD13FexA	 <p>Prevent accidents in the store</p>







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