

INVESTMENT GUIDE

Retail

3 SMART INVESTMENTS / TO GROW YOUR RETAIL BUSINESS



A publication of



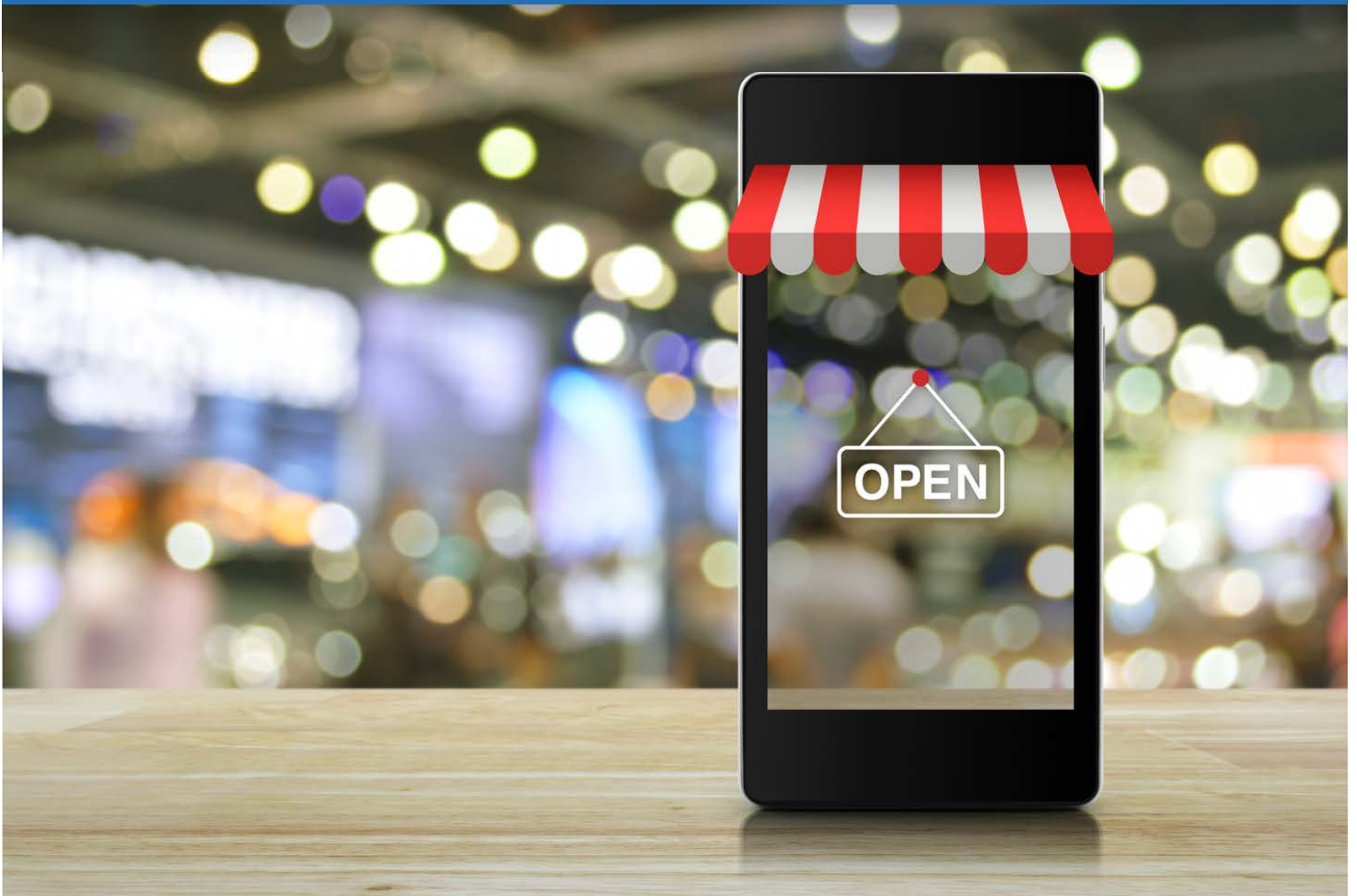


INTRODUCTION

Filling a need for niche markets in all different industries, specialty retail caters to a diverse contingent of consumers. While your business model and product lines may be unique, there are business principles and ways to improve that can be implemented throughout the industry, regardless of your focus. Even if you currently have a loyal following, it's important that you do not become complacent. Here are just a few ways you can invest in your retail future.



INVESTMENT ONE E-COMMERCE

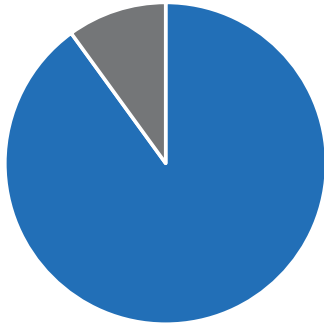




With over half of Americans preferring to do their shopping online, ecommerce has become essential to the survival of specialty retail stores. Competing with the likes of Amazon is a daunting task, but the same techniques they use can be implemented on a smaller scale. While the volume of sales may never reach the heights of your larger competitors, there is still the potential for significant profits. So the question is, what does your small business need to excel at ecommerce?

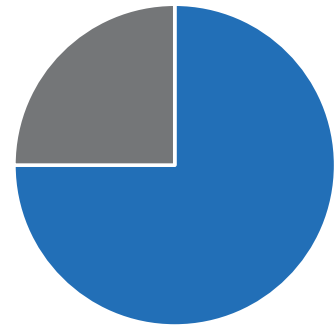
Website

Whether you plan to utilize ecommerce or not, your small business needs a website. Ecommerce continues to grow and storeowners looking to prosper have started to take notice. With ecommerce, your website is your store and it should be taken care of just like your brick and mortar establishment. Keep an updated look and pay close attention to page load speed and ease of use. Online shoppers are looking for convenience and your website should be geared towards just that. Hiring a reputable company to design and maintain your website will give you the sleek and professional feel you're looking for. It is also a good idea to hire someone experienced to manage your ecommerce page.



90% of marketers say social media marketing efforts have increased exposure for their business.

75% of marketers say they've increased traffic to their website.



[Blue Corona](#)

Marketing Campaign

Prior to launching your ecommerce store you'll want to build a buzz around your brand and expanded product line. It is best for small businesses to use a multi-channel marketing effort including tactics such as advertising and email marketing, but research shows us that a concentration on social media can pay off.

Since your ecommerce operation takes place solely online, marketing through social networks offers your best return on investment. Many of the principles can be self-taught and paid ads allow you to target more specific segments of your audience while you build a following.

Outsourcing marketing efforts to an individual or agency will allow you to take advantage of their expertise and concentrate on running your business.

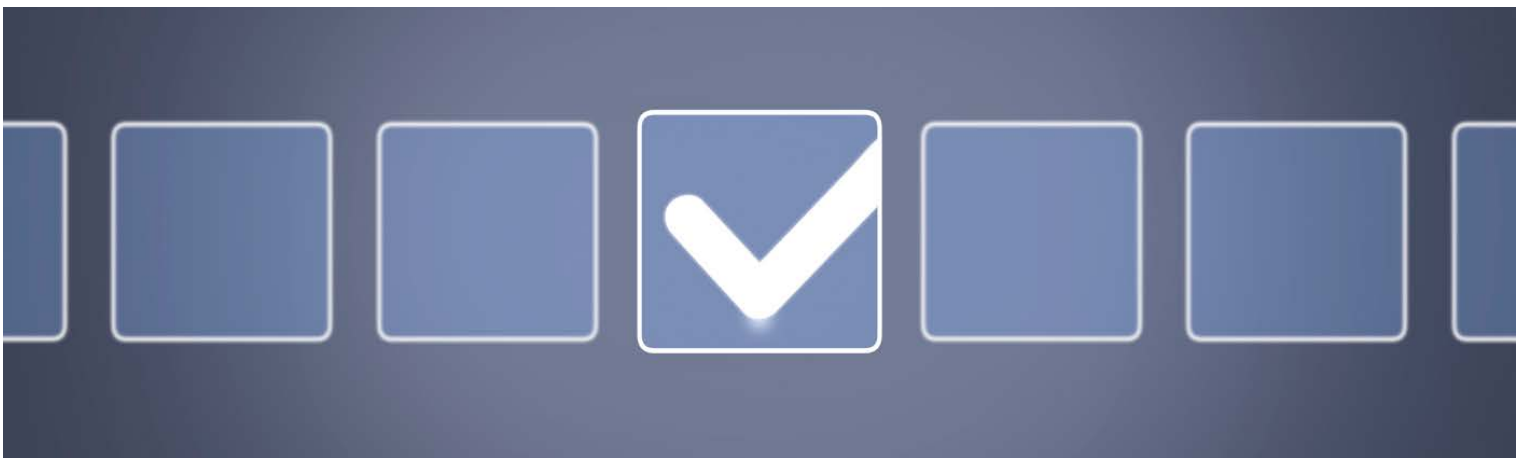


VIRTUAL INVENTORY

Companies like Amazon and Walmart are known for their enormous and diverse inventories. A major advantage large retailers have over small businesses is buying power. The ability to get inventory at lower prices enables big businesses to significantly lower prices and increase profit margins.


Combat this advantage by leveraging virtual inventory. This allows you to offer a much wider range of products without the cost of items sitting on your shelves. It lessens the impact of slow selling products that eat away at your bottom line, and cuts overhead allowing you to offer more competitive pricing.

"By increasing product lines and by offering a wider range of products, businesses are able to expand their business models," says Paul Trujillo, Product Marketing Manager at Informatics. Using a virtual inventory strategy creates a level playing field.

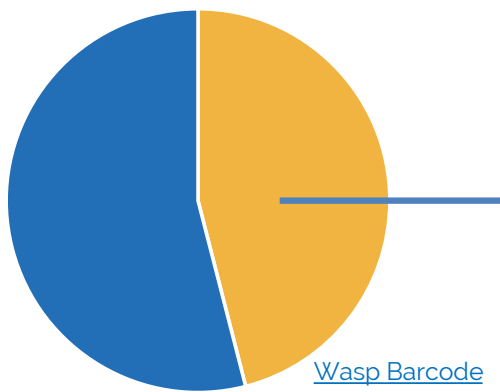


INVESTMENT TWO INVENTORY MANAGEMENT






If you are a small business owner with seasonal fluctuations in inventory demands, you might find that this variability increases pressure on your business and impairs your ability maximize profits.



46% of SMBs either don't track inventory or use a manual method.

You can plan for these variations by knowing the appropriate time to invest in additional inventory to satisfy your upcoming increase in demand. Accurately tracking your inventory with industry specific software and a point of sale system lessens waste, improves profit margins and can increase your working capital.

Holding onto inventory can spell disaster in the retail world and, according to accounting software provider [Xero](#), an accurate understanding of your inventory can make or break your business. Learning how to manage that inventory is vital.



Inventory is perhaps the most important asset your company has and proper management is essential to the profitability of your small business. Strategically purchasing and storing necessary items opens up additional funds for you to grow your business.

Many manufacturers will purge their surplus inventory during the slower winter months and it's important that small business owners take advantage of this opportunity. While you may be loyal to your current suppliers, it is to your advantage to shop around for seasonal deals. This also presents a chance for you to try a new product line or different materials as you won't be paying full price for them. This can open up new markets for your company and possibly reduce costs well into the future.



INVESTMENT THREE INCREASE STAFFING



Temporarily staffing up for busy seasons helps you welcome extra business while maintaining a consistent level of customer service. This could mean bringing in more staff earlier than you think, and requires an investment.

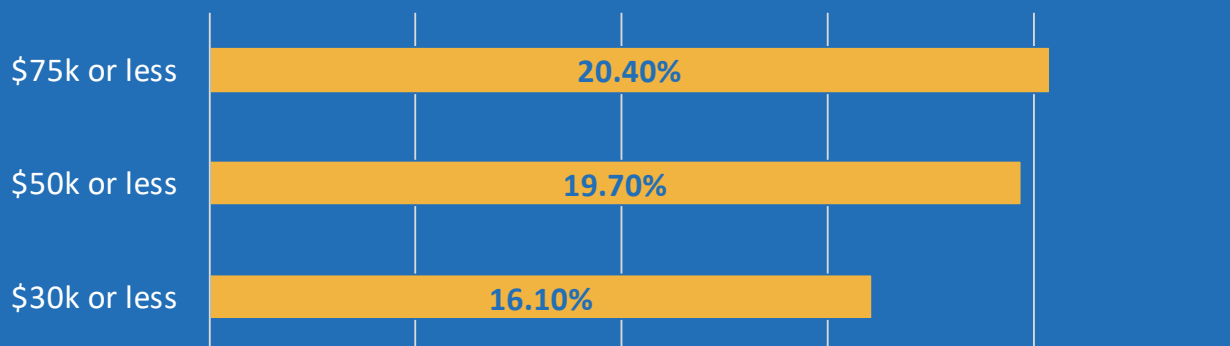
Developing knowledgeable and efficient employees, trained in customer service, takes months of effort and planning. Invest early so you can handle increased business while not compromising your business values.

In some cases temporary employees can transition to permanent staff. When you find a good one, data show it's more cost effective to keep the ones you trained rather than starting over next season.

Your employees are the face of your small business so the upfront investment to train – and the ongoing investment to retain – employees is key.

According to the [Center for American Progress](#), the typical cost of turnover for an employee earning less than \$30,000 is 16% of their annual salary.

Turnover costs - % of annual salary



3 areas in which to invest when staffing your business.

HIRING

Dealing with people is more of an art than a science so It's easy for business owners to overlook certain things when they hire staff – especially when you're a busy business owner.

Hiring mistakes can be costly; whether it's hiring someone who turns out to be unreliable or trusting an employee who turns out to be a thief.

Bring a staffing agency on board to to do the upfront qualifying and send you only the cream of the crop. In many cases, staffing agencies have already performed background checks, which saves you time and money getting your new employees started.





TRAINING

The time and money invested to train employees can impact a business's bottom line - it is a cost that can't be overlooked. The additional time spent on training an employee will not only provide value to your customers but will also help you retain employees - and you know now that it's much more expensive to hire than to retain employees.

PAY

Better wages can attract better, more reliable staff. However, balance what you're shelling out with what you're bringing in. Revenue should exceed the cost to run your business and the cost of staffing is no exception.

Make the investment to take advantage of increased revenue opportunities during busy seasons but know what those revenue opportunities are ahead of time and have a plan to ensure you're making a smart investment.

Quikstone Capital Solutions provides small business owners with merchant cash advances to stabilize and improve their businesses – and we've done it for more than a decade!

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