



Best Practice: Display and Pricing

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To help maximize GMROI, it is critical to get non-displayed merchandise to the showroom floor fast, and to price it properly. This is how:



- On Monday, print a Merchandise to Display report (MDR) (Print / Reports / Inventory / Merchandise to Display) for the previous week's receiving. This will show you all of the new items that have entered your stock and any reorders that you ran out of that are not on display. Make sure it all gets to the floor by Friday. Your merchandise will be ready for the higher traffic weekend days. You will provide maximum product selection for your customers and salespeople, and your sales will increase as a result. Ignoring this task will cause merchandise to sit longer in your warehouse and result in the loss of cash.
- Create a Merchandise Transfer Order (MTO) (Activities/Inventory/Location Transfers) from the MDR. Show your costs and retail prices. These MTO's allow for better inventory control, verification of margins, professional picking and preparation, and more immediate price tags. If you don't want your warehouse to see your costs, simply reprint the MTO without costs.
- Send your MTO to the warehouse manager. He will use it as a picking and preparation list. This will allow him to pick from the correct location faster. Ensure that all items are prepped prior to shipping.
- The warehouse transfer person should then move the product to the floor and communicate with the merchandiser for proper display. Both employees sign off on the MTO. This will provide accountability for the work that is done.
- The merchandiser should evaluate the merchandise and the system recommended pricing, costs, and margins to determine the actual pricing. Perceived value and appropriate price points will add a massive amount to your profit. Little things make big differences!
- Change prices in the system where necessary.
- Print custom, system generated price tags using your MTO number (Print/Labels and Tags/Price Tags/MTO). Your floor will appear professional and clean.
- Finalize your MTO (Activities/Inventory/Open Merchandise Transfers/Finalize).



Wow – eight steps! “How long will this take?” you might ask.

This entire process should take two days, at most. It only takes a few minutes to print MDR and a few more to create an MTO. The warehouse should be able to pick, prepare, and move the merchandise within two days. Printing price tags and finalizing the MTO are done in minutes. Not doing this leads to “seat-of-the-pants” displays that are done when you get around to it. You risk losing control of locations and getting less margin on your product.

Implement this best practice system and you will have an increase in sales, cash flow, and GMROI. You can contact me for professional guidance at info@profitconsulting.net.