

Increasing profitability in a company using the 6 steps of decision making

[Business](#), [Management](#)



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Lecturer: Introduction For any business, competing with larger competitors with greater resources is always very daunting. And for smaller specialty chain stores like ours, the challenge is tenfold. The total sales of our clothing stores are beginning to dwindle due to increased competition from competitor clothing stores that are offering a wider variety of clothing lines, including our specialty, and for lower prices. It is thus paramount for us to find ways to distinguish ourselves if we want to remain in business and retain our dominance in this niche market according to (Teale, 2003), the author that am going to base my paper on.

Discussion

There are several strategies that can be implemented in order to compete with the lower prices and varied selection that these competitors provide. These include lowering our prices to match those of our competitors and if possible, even go lower than them. We can also consider the option of also stocking other clothes in addition to womens clothes, like our competitors. We can also use the fact that we are smaller as compared to our competitors to our advantage by offering our customers personalized service, making sure that our staff are proficient in their departments, and offering unique and latest trends of women's clothing. Another way we can become more competitive is by providing incentives to customers, and also creating value for our products.

We need to carefully analyze these alternatives in order to decide which ones are more practical in our case for implementation. Although adjusting our prices lower to match those of our competitors is the first action that

comes to mind, it would be detrimental to do so. Larger stores have the advantage of buying products in bulk and thus at a lesser price as compared to us. Because they have a wider selection of products, the cost of running their stores is also widely spread. They are thus able to sell their products at even lower prices. Being smaller chain stores, we would incur big losses if we were to reduce our prices to match those of our competitors. There is therefore no way we can compete on price. Another solution would be to add variety to our store by stocking other clothes other than just women's clothing. Like our competitors, we could also include men's and childrens clothing and also other items such as shoes and accessories. Due to our smaller size, we would have to invest in expanding our stores in order to venture into other products. This is currently not possible and as such, this alternative is not practical. However, we can find ways to use our very smallness to our advantage. Because of their size, our competitors' sales staff is often poorly trained and motivated by little beyond a paycheck. As smaller chain stores, we could offer our staff many motivations aside from their regular paycheck, which would in turn lead to them believing in what we are doing, the vision we have for the business and thus know and work well with our customers. High quality customer service is another avenue we can concentrate on in order to effectively compete with our competitors. One of our big advantages over the larger chain stores is the personal attention we can give our customers. We should thus remind our staff of that, and act accordingly. Because larger stores hardly take chances on very new products or newer developers, smaller specialty stores like ours have the first opportunity to offer their customers exclusive new products. We can focus

on being different by having unique and latest products in the market.

Providing incentive to customers when they visit our stores would also be strategic in our bid to compete with the larger stores. Unlike larger retailers, we can also aim to put experience ahead of keystone by creating value for our products.

The key for our stores to survive is to offer products and services our competition does not. Thus out of all of the above alternatives of increasing profitability, we have to consider those that would best be suited for us to adopt. Motivating our sales staff while paying attention to their specific needs will help them in becoming proficient in the respective departments they work in, thus making sure that they are readily able, willing and available to meet our customers needs. If our employees can provide this, our customers will in turn have an extra incentive to continually do business with us. Another way is to be even more personal in our customer service. We shall endeavor to treat each customer as our best customer. Being a smaller chain of stores, we are able to concentrate on minor details.

Excellent customer service is by far the most important, intangible asset to a business. Most people like shopping in places where they are able to feel comfortable and where they also feel the owner sincerely cares about their needs and wants. This is definitely the least expensive change we can make so as to take on larger stores. If that is our attitude, more than what we can sell them, we will ingratiate our store to them and we will likely sell more in the process. As customers are usually intrigued by the unusual, we will focus on offering them unique and different products in women's clothing. Of course our regular products are our bread and butter, but it also behooves us

to have some unique items that fit our niche, items the larger stores don't carry. Having an inventory that is distinctive would further serve to set our business and brand apart. And customers love finding that unique item. Occasionally offering gifts to our customers and holding events regularly, such as sidewalk sales, and fundraisers will also encourage people to visit. As a local ourselves, we can pay attention to what's coming up on the local events calendar and join up with civic-minded organizations that are targeting the same people who might like to buy our products or services. Supporting local causes would endear our brand among our target demographic. Lastly, we shall create value for our products by providing an experience when customers visit our stores. Smaller retail businesses have the luxury of being able to create a comfortable and cozy atmosphere for their customers within their stores. Doing this gives smaller stores like ours the personality that is often absent at the big stores. As well, we shall reward our regular patrons with specials frequently through e-newsletters and also social media. We shall also offer a fantastic women's clothes catalogue and a website so as to support in-store experience. There is no secret to the fact that online shopping is continually becoming the preferred way of shopping, and so offering our customers this convenience will be paramount to success. By becoming that cool little shop around the corner, we would set ourselves apart as different and better. And one advantage of that is that we need to compete less on price when we are quirky and cool.

Conclusion

By implementing these alternatives, we shall be able to level the marketing playing field. Unique products or excellent customer service will however not

always win out every time over lower prices. Therefore, as our clients shopping choices change continually, so should our thinking. In order to succeed, we must either lead or keep pace with change. With or without competition, this sort of planning is something smaller retailers like us should be doing anyway.

Reference

Teale, M. (2003). Management decision making: Towards an integrated approach. Harlow, Essex: Pearson.