

Dollar general: heavy
on organization, light
on systems
assignment



**ASSIGN
BUSTER**

Week-1 Assignment CASE STUDY Dollar General: Heavy on Organization, Light on Systems Managing Technology for Organizations April 20, 2006

Dollar General, a family of small, neighborhood store delivers with convenience and value on the basics needs of their customer. The store vows to help their customers save time and money just as it competitors Wal-Mart and Dollar Tree. However Dollar General believe that combination helps our customers have a better life, and that is important to their success.

From the first Dollar General Store in 1955 to the more than 8, 000 stores are operating today, their strategy remains customer-driven; however the company has been in service since 1939. Dollar General Corporation's headquarters is currently located in Goodlettsville, Tennessee. Dollar General offer a product line of general merchandise including house wares, cleaning supplies, health food, stationery, seasonal offerings, and other household consumables. The recent annual sales figures mounted to \$6. billion, which positioned the organization at the top of their category of discount retailers. When comparing to the total revenue, the dollar store is unable to compete with superstores. However Dollar General did surpass Wal-Mart's bench mark by earning 4. 3 cents for every dollar of sales. The organization has held in reserve from the big box super center store model used by their competitors. The stores are mostly located on the outskirts of cities or outside of particular towns. The reasoning is that the chain of stores stands out from their competitors.

This marketing strategy was established to draw customers from a broad area within the location of the stores. It was reported in 2004 that Dollar General was operating 6, 930 stores with 57, 800 employees in 29 states.

<https://assignbuster.com/dollar-general-heavy-on-organization-light-on-systems-assignment/>

Since that time frame the chain store has doubled in size. Taking full advantage of the strategy of drawing customers, Dollar General has developed a system for opening new stores that scant down to eight days. The average retail store occupies 6, 800 square feet of space. The opening of stores falls under the direction of store merchandiser named setters.

Under the command of setters, the entire process is synchronized including everything from managing employees and installing the IBM terminals to building shelves. The setters are diligently working under the requirements of opening up the store eight days after the work has begun. However, once the store is open there is a minimal usage of information systems for employees. The reasoning behind this decision is to cut the cost that Dollar General spends on their employee. To coincide with the low usage of information systems Dollar General do not use networks to facilitate operations.

The IBM terminals have the ability to process emails, but the stores do not use them. Another key feature is that managers both during setup and operation, use paper clipboards for tracking cash deposit logs, employee contact information, and lastly of arrival of goods into the stores. These procedures are considered stone aged compared to many of Dollar Generals competitors, but for the store culture it allow for managers to have hands on work with customers as well as employees. Dollar General has had so much success because of many rationalized decisions.

The company saves a great deal of money without having to spend on information systems and updating software for their stores. When you walk

in a Dollar General store it has a feel of a Mom and Pop store. Dollar General's strategy of locating the stores outside of the city and more within an area is brilliant because it caters to wide-ranging customers and their needs. This also allows for the customers to have a feeling of importance when so much focus is placed on them and not the profit.