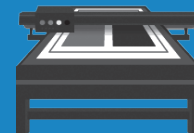
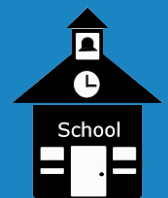




NEBRASKA GUIDE FOR
Starting and Managing
**School-Based
Enterprises**



Point-of-Sale



*This Guide does not provide legal interpretations and is not a substitute for legal advice.
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**Nebraska Guide for Starting and Managing
School-Based Enterprises (SBEs)**

ACKNOWLEDGEMENTS

*Special recognition is given to the following individuals who were instrumental in providing ideas, materials, and support for the development of the **original** SBE Operational Guide that was used as the basis for this modified version for Nebraska. The majority of the content remains unchanged. Modifications were made to clarify or update content. The original Guide can be downloaded at <http://homepages.wmich.edu/~kohlerp/pdf/SBEGuide.pdf>.*

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DECA Inc., with the sponsorship of Pepsico/Frito-Lay, Inc. undertook this project to create a national network for school-based enterprises (SBEs). The project is designed to encourage educators and administrators to share their experiences in establishing and managing such businesses and thus improve and expand the use of this excellent tool. The expectation as the project moved forward was to create national resource for the growth and development of school-based enterprises (SBEs).

In addition to those advisors who served on the writing committee, other DECA advisors who served on the focus group for this project were: Stan Rosen, North St. Paul High School; Kima Light, Hanks High School; Debbie Wilson, Walker High School; Ted Seiler, Eaglecrest High School; and Dennis Kelley, Southington High School. These advisors, along with those on the writing committee, utilize a variety of operating, merchandising and curriculum approaches for integrating the operation of a school store into the curriculum. Their school-based enterprises are diverse in nature – a bank, a 7-Eleven, a high school cafeteria, a supermarket, a gift shop, and several general merchandise operations. This wealth and variety of knowledge/expertise were essential to the success of this project.

DECA was grateful to the more than 2,000 advisors who responded to the surveys, providing details on their school-based enterprises. According to the results of the surveys accounting practices, curriculum resources, identification of vendors, and justifying operation to administration are the areas of greatest need for SBEs. In response to these needs, the original operational guide and an SBE merchandise mart were created to provide support in those critical areas for SBEs.

DECA is the Career and Technical Student Organization that prepares emerging leaders and entrepreneurs for careers in marketing, finance, hospitality and management in high schools and colleges around the globe. DECA chapters and their associated business/marketing programs have a long history with the establishment and operation of school-based enterprises.

The following links have excellent information and resources related to School-Based Enterprises.

DECA School-Based Enterprises: <https://www.deca.org/high-school-programs/school-based-enterprises/>

DECA Direct School-Based Enterprises Chapter Resources
<http://www.decadirect.org/chapter-resources/school-based-enterprises/>

DECA School-Based Enterprise Merchandise Mart: <http://www.schoolbasedenterprises.org/>

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I. **INTRODUCTION**

School-based enterprises (SBEs) are effective educational tools in helping to prepare students for the transition from school to employment or college. For many students, they provide the first work experience; for others, they provide an opportunity to build management, supervision and leadership skills. Marketing educators and DECA advisors have used school-based enterprises, especially the school store model, as a powerful teaching tool for more than four decades but the concept has now expanded to include products and services developed in other Career and Technical Education programs.

Many school-based enterprises take the form of a school store. They serve as an educational “laboratory” where the concepts of curriculum are put into practice.

A school store or other school-based enterprise provides the following benefits to the students:

1. An actual business atmosphere where they can apply skills and knowledge learned in the classroom. These may include:
 - Market research
 - Merchandising/display
 - Understanding of the forms of business operations
 - Principles of financing a business
 - Cashiering
 - Business layout and design
 - Purchasing (cost analysis)
 - Advertising
 - Inventory control
 - Security
 - Salesmanship
 - Housekeeping
 - Application of the marketing mix (Product, Price, Promotion, Place)
2. An opportunity to supplement, reinforce, and enhance the knowledge, skills and attitudes required for careers of interest to them.
3. The development of businesslike procedures and attitudes in students.
4. The development of career readiness skills (<https://www.education.ne.gov/nce/Standards.html>).
5. Goods and services available at reasonable prices for school faculty, students and community members.

Considering the recent national emphasis on competency-based, individualized instruction in education, the ideal learning situation is one which develops the student into an independent learner with the teacher acting as the “manager” of learning rather than as a lecturer. The school-based enterprise provides an ideal learning situation to apply these principles.

Some administrators are hesitant when the subject of a school store is mentioned. Instead, the store can and should be considered a “school-based enterprise” or “learning laboratory” that provides learning experiences in an entrepreneurial atmosphere—not just a profit motivated school store operation.

By conducting marketing research through questionnaires, departmental contact and public relations outreach with staff members, administrators, and community members, formal proposals to satisfy the requirements of the school boards and superintendents who normally approve or disapprove a school-based enterprise can be developed. A sample proposal for starting a school store school-based enterprise is included in Section III of this guide.

Basic Considerations for the School-Based Enterprise Coordinator

Because of the visibility on campus and the profit generation potential of the school-based enterprise, it is important to be aware of and to address concerns of the school food service/cafeteria staff, athletics, clubs, CTSO chapters and faculty members. The school-based enterprise coordinator needs to work collaboratively with all of these different constituencies to assure their understanding that this is a proven work-based learning strategy.

A successful school-based enterprise must be

- A profit making business
- A learning laboratory that should have the latest up-to-date, industry grade equipment to train the students.

High school SBEs vary according to school size and community. They range from elaborate walk-in stores with an extensive inventory to a mobile cabinet on wheels. This guide will walk you through the business start-up format involved in developing an operation for a secondary school's store lab school-based enterprise.

II. **SBE STARTUP**

A. **Conduct a Feasibility Study**

Prior to the development of a comprehensive business plan, conducting a feasibility study is now becoming the norm in the entrepreneurial world. In conducting the feasibility study, students assess the viability of a business idea to determine if the concept is feasible for business startup, expansion or long term growth. During the study the students identify and analyze through basic research the present climate to determine current trends for their business idea by completing an industry, target market and competitive analysis. Students will begin to assess the financial needs for the business idea in addition to their own skills, strengths and talents to launch a successful business idea.

In conducting a feasibility study, students:

- Assess personal skills, strengths, talents for business ideas
- Evaluate business opportunities for economic success.
- Conduct primary and secondary research for a business idea
- Identify significant consumer trends creating opportunities for business today and in the near future
- Analyze environmental factors that influence the business idea
- Assess competition for a business idea
- Identify target market(s) for a business idea
- Acquire industry related data for industry analysis
- Identify minimum financial startup needs (startup capital)

Assessing community needs is an important step in the feasibility study. Areas to focus on include:

- Characteristics of the community
- Related business opportunities
- Potential customers
- Possible products/services

Building the support of key stakeholders is a vital consideration. Stakeholders to consider are:

- Teachers
- Students
- Parents
- School Administrators
- Business Community

B. **Create a Business Plan**

An effective business plan, based on a positive feasibility study, will provide a scenario of the potential success of your venture just as it does for a “real-world” entrepreneurial venture.

A realistic business plan will provide you and your students with great insight as to the future success of your school-based enterprise.

The business plan is a written document that clearly defines the goals of a business and outlines the methods for achieving them. A business plan describes **what** a business does, **how** it will be done, **who** has to do it, **where** it will be done, **why** it is being done and **when** it has to be done. Most importantly, it will tell you if your ideas make sound fiscal sense (i.e., if it will be successful).

Results are what count in the business world. Therefore, it is important to establish realistic goals with a sound methodology for achieving them.

Listed below are some of the topics that should be included in the SBE business plan:

1. Business Description
 - name
 - goals and objectives
 - owned and operated by _____ program
 - identification of market niche
 - identification and analysis of the competition
 - identification of target customers
 - identification of trends in the SBE's market
 - projections for success
2. Products and Services
 - list of products and services to be offered
 - what is being sold by competitors
 - investigation and assessment of what other SBEs are successfully marketing to help guide the selection of a viable product mix
 - determination of suppliers (where products can be purchased)
 - market research study
3. Sales and Marketing
 - determination of pricing products/services
 - promotional mix
4. Operating Requirements
 - size and location of the SBE
 - description of equipment needed
 - layout of the SBE
 - management structure, organization chart and student employee job descriptions
5. Financial Management
 - projected startup costs
 - projected income statement
 - projected cash flow statement
 - projected balance sheet

Perhaps the most important question is the bottom line. Will your SBE make a profit? Your numbers should be realistic and credible. Obviously, the most difficult numbers to predict are projected sales.

The business plan should be complete, clear, neat, accurate and professional. Planning is paramount to the success of any business.

C. Learning Activities

Listed below are some activities and assignments that can be used to complement your assignment of creating a business plan:

1. Invite speakers to your classes. Some of these may include: entrepreneurs, bankers, small business owner/managers, venture capitalists, teachers/students from other career and technical education programs, sales representatives, leasing agents, accountants, and lawyers.
2. Analyze and evaluate other SBEs to determine the type of operation you and your students would like to operate.
3. Evaluate your competition to determine the product mix and pricing that they offer. How will you compete with these businesses?
4. Create a list of possible vendors.

5. Prepare a layout of your SBE.
6. "Shop" for equipment and supplies needed for your SBE. Have these sales representatives present to your classes.
7. Use the Internet to research other business plans.
8. Prepare projected income statements.
9. Prepare projected balance sheets.
10. Prepare cash flow projections.
11. Offer students related vocabulary terms.

D. Sample Proposal for Starting a Retail Store School-Based Enterprise

TO: _____,
Principal

FROM: _____, Career and Technical Education Teacher/Coordinator

RE: Proposal for a School-Based Enterprise Laboratory

Proposal:

The Career Technical Education Department at _____ High School proposes a work-based learning, student operated school-based enterprise for _____ High School.

Need:

There is a need to provide students with hands-on experience in operations of a customer-based enterprise such as a school store operation. The school store is a viable experience in preparing students with the career readiness skills and competencies needed to be successful in a variety of career fields, especially business, marketing, and management. A retail training laboratory can provide opportunities beyond the traditional classroom. Skills and knowledge through "hands-on" learning opportunities enhances learning beyond the traditional/conventional classroom, and even beyond many students' cooperative training stations. The retail laboratory will provide our students the opportunity to operate a real business, with real money, that also teaches how to deal with the day-to-day challenges of operating a successful business. We are also convinced of the benefits a school store can provide to students, teachers, administrators, counselors and staff by providing needed/wanted items here at the school.

In a school store setting, students could be better trained to deal with and become involved in all areas associated with marketing/retailing. Classroom instruction and workplace experiences such as cooperative training station opportunities, internships and job shadowing do not always allow the students to actually participate in the total operations of their businesses.

A school store laboratory school-based enterprise that is co-curricular could offer students an exceptional learning opportunity.

Purpose:

The purpose of the school store laboratory is to provide students with the opportunities to gain realistic, career readiness skills and business, marketing and management marketing competencies in a unique "hands-on" learning environment. Through these learning opportunities, students will be better prepared to enter the work force and to participate in meaningful job duties and tasks.

Major Goals:

The major goals of establishing a school store school-based enterprise are as follows:

1. Providing an actual business atmosphere in which to teach marketing principles.

Performance objectives: Students will apply performance indicators for financing, purchasing, selling, pricing, promotion, product and service planning, risk management, distribution, marketing-information management, and cashiering.

2. Providing an opportunity to supplement and reinforce knowledge, skills and attitudes required for careers in marketing-related and other occupations.

Performance objectives: Students will learn to better and more effectively use and employ effective employer/employee communication, and appropriate customer relation responses in a selling situation through their encounters with real customers.

3. Developing businesslike procedures and attitudes.

Performance objectives: Students will apply individual critical thinking and individual group decision-making skills to a realistic marketing situation as well as effectively communicate and treat others with respect and decency.

4. Encouraging and developing leadership and management skills.

Performance objectives: Students will receive hands-on management training through their terms as managers in the store, and leadership skills through their participation in the Career and Technical Student Organization (CTSO) activities.

5. Providing pre-employment training and providing quality merchandise at economical prices for the faculty and student body (as well as the community at-large if the public is allowed access to the operation).

Performance objectives: Students will experiment with real work experiences by providing other students, teachers, administrators, counselors, staff, and community members with a variety of needed/wanted items both school-related and for personal use, all of which are providing the student with career readiness skills. It can also be used as a venue to sell products created by students in the career and technical education programs.

E. Steps for Opening a School-Based Enterprise

1. **Write the proposal** – Modify the sample proposal to fit the type of school-based enterprise that you are seeking to establish.
2. **Obtain school approval and funding through sponsorships** - Benefits to the companies serving as sponsors of the school-based enterprise may include the following activities as identified within the promotional mix elements below. Many of these relate to a retail school store school-based enterprise but are shared here as examples which could apply to other types of SBEs.

Advertising Ideas: An awning with the sponsors' names; an electronic signboard in the store promoting sponsors' businesses; counters with the names on them; and signs placed at the entrances to the school-based enterprise.

Sales Promotion Ideas: Distribution by store personnel of sponsor companies' coupons and promotional items; window/store displays; product demonstrations; field trips to the business sites; flyers; and posters.

Publicity Ideas: Favorable news articles/press releases about sponsors' products and services in the school newspaper along with store promotions; district recognition pieces; videotaped announcements; local papers etc., serving as guest speakers and sharing with students how the sponsor achieved the position in which they are currently serving within the company; and mention your charitable activities conducted by CTSO members.

Personal Selling ideas: One-on-one selling by students promoting sponsoring companies' products and services; students trained in the school-based enterprise can be a productive source for employees within sponsoring businesses.

3. **Establish an Advisory Committee** – A School-Based Enterprise Advisory Committee should be formed once approval is obtained to create the SBE by the local school board. This advisory committee would assume responsibility of serving in an advisory capacity for the SBE. If there is an existing advisory committee for the work-based learning program it could be slightly expanded to accommodate the other programs and their needs. The advisory committee would be able to provide the school-based enterprise with realistic suggestions as to policies, procedures, equipment, and facility needs and usage. In addition, invaluable input as to how to provide the best possible learning experiences for students would be provided through their expertise and knowledge. Provide a current listing of existing advisory committee members if one is in place.

4. **Determine Site/Prepare Budget**

Determine Site - Ideally, a retail school store school-based enterprise should contain the following:

- The store setup should not be a “counter top” arrangement in which a few items, usually stored or displayed on unappealing stock shelving, are merely dispensed and paid for by customers.
- The store should be a real-life “walk-in” operation in which each item, by its presentation, competes with other merchandise for the customer’s attention.
- The store should have provisions to accommodate easy changes in how and where each item is merchandised, in order to test and evaluate the benefits or detriments of such changes.
- It is essential to use convertible store fixtures.
- A selling area of approximately 400 square feet minimum is recommended. Adequate reserve stock space is also required.
- A room or area must be chosen in the school that is accessible and convenient to the majority of students.

Budget Preparation - The retail school store school-based enterprise may need the following pieces of equipment to start operation. The equipment needed will vary based on the breadth and depth of merchandise offered. The items below are a basic list to consider when preparing the budget.

- Cash register
- Cash counter
- Glass lockable showcases
- Interior and exterior display equipment (i.e. mannequins, tiered shelving)
- Refrigerator unit
- Refrigerator
- Full length mirror
- File cabinet(s)
- Lockable storage cabinets

The retail school store school-based enterprise may need the following room refurbishing to start operation:

- Carpeting
- Lighting
- Paneling
- Pegboard

- Painting
 - Exterior signage
 - Door
 - Wall
 - Pull-down window
5. **Establishing a School-Based Enterprise Accounting System** (bookkeeping procedures, records, files, licenses, appropriate reports/forms, etc.) – Previously created and used documents could be tailored to the enterprise.
 6. **Establishing an Effective Security System.**
 7. **Selecting Merchandise** – School supplies, clothing, student-created products, and food items that will be sold in the school store.
 8. **Identifying Vendors.**
 9. **Determining Buying, Delivery and Receiving Policies.**
 10. **Developing Job Descriptions and Training Manuals** – The management team concept will be employed in the operations of the retail school store school-based enterprise. Each management team will be responsible for the total operation of the store as well as management team members being responsible for his or her own divisions.

The management team should consist of the following members: school-based enterprise manager, operations manager, merchandise manager, sales promotion manager and the controller.

School-Based Enterprise Manager

The SBE manager will be in charge of and responsible for the total operations of the school-based enterprise. This person shall oversee the divisional managers and all enterprise functions.

Operations Manager

This team shall be in charge of handling the following activities:

- Handling and controlling merchandise from receiving through the final sale
- Handling space utilization, including the layout of merchandise units, maximizing the flexibility necessary to accommodate changes in the school-based enterprise
- Finding improved ways to present, display, and promote the products carried using the available store fixtures
- Controlling pilferage by maintaining a strong security system
- Handling personnel schedules, training and performance evaluations
- Developing necessary systems/procedures for “paper” control of merchandise and record keeping
- Handling upkeep and maintenance of the store’s equipment and fixtures

Merchandise Manager

This team shall be in charge of handling the following activities:

- Determine what, how much and when to buy
- Locating and evaluating sources of supply
- Placing orders and handling pricing
- Maintaining stock control records of performance for analysis, evaluation and future planning
- Handling clearance of slow moving merchandise
- Reordering
- Planning space allocation, determining where certain items should be displayed, and how much space should be devoted to individual categories, new items, etc.

Sales Promotion Manager

This team shall be in charge of handling the following activities:

- Planning promotional events
- Arranging for the use of appropriate media (school announcements, school paper, local paper, Facebook, Twitter, etc.) for publicity
- Preparing promotional materials
- Handling window/store displays
- Increasing sales of various items via more effective presentations to customers
- Handling interior displays

Controller

This team shall be in charge of handling the following activities:

- Handling cash
- Managing financial record keeping and auditing
- Handling financial planning (both short and long term)
- Taking inventory, pricing, and evaluating age, turnover and profitability of items
- Evaluating cash flow and preserving credit and solvency
- Preparing financial reports

The above divisions will be supplied with appropriate student personnel to handle all of the above functions. The number of people within the division will depend upon class sizes and amount of workload within each division.

11. **Theme and Name Identification** – Identify a theme and name that is appropriate.
12. **Personnel Training** – Instructors would provide basic school-based enterprise operations training to students, and managers will train upcoming managers in their job duties, since it is intended that managers will rotate.
13. **Demonstration and Operation of the School-Based Enterprise**– It is proposed that the school-based enterprise be open during the months of _____ during the school year, with times of operation being _____.
14. **Opening Day**
As opening day approaches, students and teacher(s) will be both excited and nervous. Be sure that every detail of the operating plan is covered with everyone—one more time.

Also, make this a major **community** and **school** event. Capitalize on publicity by contacting the local media. Be sure to:

- Place articles in the school newspaper.
- Call radio stations, TV stations, and newspapers for coverage.
- Make announcements over the school PA system.
- Send information home to parents via students and school mailings.
- Put flyers in teachers/administrators mailboxes.

All students should have been well trained by opening day. The first day of business will make a lasting impression. To insure that your customer has a positive experience:

- Students should be informed of all aspects of the operation.
- Cashiers should be well trained with ample time devoted to the use of the cash register system/point of sale system.
- Only students scheduled for work should be on the floor.
- Over staff the positions of cashier helper-this will be needed.
- Check all equipment prior to opening-fix any bugs in the system.
- Have a dry run with “real customers” prior to opening day.
- Invite teachers for a sneak preview prior to opening day.

If you are able to answer positively to this checklist for your school-based enterprise, you will be ready for opening day.

III. **JOB INTERVIEW**

A. **Job Descriptions**

Efficient and effective employees are a major reason for the success of any business. This holds true for the operation of any SBE and is also a direct reflection on the SBE coordinator and the career and technical education program. The SBE coordinator must decide who will interview students for employment opportunities within the business entity along with a job description for each position.

Because each SBE is unique, the student employment positions will vary from school to school. However, there are probably many responsibilities and jobs that will be common to each SBE. Listed below are job descriptions that may be used, if appropriate, for your business operation:

Manager(s) – responsible for the overall management of the store; scheduling and training of employees; general supervision of the management team and all employees; must know how and when to delegate authority.

Assistant Manager(s) – works closely with the manager(s) to complement their job description (see manager(s) job description); completes specific tasks as assigned; works with the management team to resolve conflicts and problems; ensures that store policies are followed.

Buyer(s) – responsible for the purchase of products for resale and supplies needed for daily operation; educates staff and employees on product and service information that is needed to sell products; responsible for inventory records and reordering; creates policies and standards for the receiving of shipments; works with the management to address open-to-buy, payment of invoices, and establishing credit.

Merchandising Manager – responsible for proper merchandising of inventory; works with the advertising and display manager to coordinate promotions; helps to train and communicate to employees.

Advertising and Display Manager – responsible for all promotions, including advertisements and displays; works with the buyer to obtain Point of Sale (P.O.S.) and Point of Purchase (P.O.P.) materials from suppliers; proofs all advertisements and promotions; meets all deadlines for promotions.

Accountant/Bookkeeper – responsible for all financial records, including, but not limited to balance sheets, income statements, inventory control, and cash register records.

Employees – the basic ingredient that is the reason for the success of the business, responsible for customer service, selling, stocking, cleaning.

Your SBE may have fewer or additional positions depending on the scope and nature of your business.

B. **Application/Interview**

The application procedure for each of these positions will vary from school to school. You may elect to use the following guidelines:

- Posting of each position with respective deadlines
- Requiring a cover letter and résumé to be considered for employment
- Completing an application for employment
- Conducting a job interview
- Job training and expectations

A business organizational chart will help to define employee/management relationships within the SBE. This chart should also address the relationship with the school board, central administration, and school administration. As the work-based learning coordinator or supervising SBE teacher, you will be the individual that is responsible for the overall operation of this business entity.

C. Learning Activities

Listed below are some activities that may be used to complement your instructional units of study:

- Review the preparation of résumés and cover letters.
- Review the factors that help to make an outstanding employee.
- Review how to complete an application form.
- Review how to prepare for an interview.

Students should feel comfortable in responding to the following interview questions:

- Why do you feel qualified for (specific position)?
- What are your strengths and weaknesses?
- What activities are you involved in this year?
- Why would you be the best applicant for this position?
- What work experience have you had that would help you with this position?
- What are your long-range plans?
- Would you feel comfortable telling other students to complete specific tasks?
- Why do you want to be the school-based enterprise _____ (specific position)?
- What does success mean to you?
- How many days have you been absent this year?

It is important to maintain the goodwill of the applicants that were not selected for the position for which they applied. Make every attempt to keep them motivated and involved in other aspects of the SBE and their career and technical education courses/programs of study.

IV. MARKET RESEARCH

A. Determine What to Buy

A successful school-based enterprise needs to conduct research relating to the target market, competition, individual customers, and most importantly, what products and services will be sold and offered. Marketing research will take much of the guesswork away from both you and your students. Even though this research is not always 100% accurate, it will offer pertinent information for making sound business decisions. It will help you to minimize losses as you introduce new products and services.

Conducting market research provides you with numerous opportunities to relate your curriculum to an actual business – your SBE! In most cases, you do not have to *reinvent the wheel*. You have the luxury of networking with other SBEs in your immediate area as well as around the country.

As a general rule, your marketing research will not be all inclusive of every area of research. You will obviously conduct your study by researching the most vital and important areas of your business operation. Listed below are some of the typical and common areas where marketing research may be conducted:

- advertising research
- customer research
- competition research
- operations research
- business responsibility research
- product research
- sales and market research

Advertising Research – What media will best reach your customers? Is your target market properly receiving your message? Do your students read and respond to advertisements in your school newspaper?

Customer Research – Who are your customers? Will you attempt to attract your students, parents, staff, and community members?

Competition Research – Who are your competitors? What are they offering and at what price? Can you list some of the successes and failures they have experienced?

Operations Research – How can you make your business more efficient and effective? Are your policies, regulations, and procedures addressing your needs? Do your students and customers support them? Are you being consistent?

Business Responsibility Research – Are you being a good citizen in the community? Are there any environmental or social concerns that you need to address?

Product Research – What products will you offer and at what price? Does your product line and product mix satisfy the needs and wants of your customers? Is your space limited? Are you utilizing your square footage efficiently and productively? Do you need to eliminate some of your current inventory offerings?

Sales and Market Research – Are you doing a good job of merchandising your products? Is suggestive selling being used? Are you utilizing Point of Purchase and Point of Sale materials and concepts? Market research will generally fall into two major categories — primary and secondary.

Primary data are facts and research that is obtained for the first time and used specifically for your study.

Secondary data are facts that have already been collected and used by another business or research group (i.e., the results of research previously conducted).

There are numerous methods and techniques to conduct marketing research. Because of monetary and time restraints, you will have to decide what will work best for your SBE. Listed below are some of the methods you may choose to use:

- focus groups
- test marketing
- surveys
- observation
- trial and error

Focus Groups – utilizing a small group to obtain information relating to your specific study or research problem by informally discussing your topic or concern.

Test Marketing – introducing a new product after establishing a market for that product.

Surveys – using questionnaires to survey your target market directly.

Observation – observing and recording the actions of your customers.

Trial and Error – trusting your instincts to offer a new product without any formal research.

As alluded to earlier, market research is not 100% accurate. Experience and time will be the true judge of your efforts. However, conducting market research will probably save you much time, money, and aggravation.

B. Budget

Only buy (or produce) the minimum amounts to test out products in your school-based enterprise. If the product turns out successful you can better focus on your customers wants. Your school-based enterprise may be a clothing store, gift shop, food concession, or some other type of enterprise.

C. Target Market

By combining the above data, you will be able to chart your customer profile. Be sure to know the demographics and psychographics of your customers.

D. Learning Activities

Listed below are some activities, assignments, and research methods that can be used to complement your curriculum, program, and SBE:

1. Observe other successful SBEs in your area that are similar to your business operation.
2. Invite speakers to your classrooms to discuss the following topics:
 - a. Conducting market research.
 - b. Personal success (or failure) stories.
 - c. Sales representatives to sell products for your SBE.
3. Conduct market research for your SBE.
4. Utilize the Internet for research and to 'chat' with other school-based enterprise work-based learning coordinators and/or CTE teachers.
5. Experiment with different merchandising methods—what works and what doesn't.

V. BUYING AND PRICING

A. Research Vendors

After you have developed your business plan and established your target market, you are ready to locate your vendors.

This may be achieved by:

I. Using the Internet

- A. Individual vendor's web sites
- B. Local businesses

II. Attending

- A. Regional trade shows
- B. National trade shows
- C. General merchandise shows where all types of product lines are found

III. Visiting

- A. Gift-ware buildings in local major cities or in New York where national branded lines are found
- B. Exhibitors at National CTSO conferences
- C. Local vendors and sales representatives in your particular areas

When it comes time to attend a trade show, it will be necessary to provide a business card and a credit reference sheet to gain entry. It is suggested to try to pre-register your student buyers and you the day of the show; this will make it much easier.

B. Determine Cost Code/Mark-Ups

Prices are usually determined by what "the market will bear." Some school-based enterprises/school stores work on a full keystone. This is defined as a full 100% mark-up. For example, if a product wholesale cost is \$1.00, the retail is \$2.00. Most school stores do not have the same overhead as a regular retail operation. Therefore, you may mark-up your merchandise using a lower percentage. In some cases, you will do a higher volume of business because you have a "captive audience". You may retail that same item which costs you \$1.00 at \$1.50 and still make a profit. On the downside, one must keep in mind that all merchandise might not be sold. You must allow enough profit to cover unsold or perishable merchandise.

If you place a cost code on your ticketed items, this will allow you to know the wholesale price (in code) on your ticket without constantly leaving the floor to look up the wholesale price of that item on the invoice. The rule of thumb for a cost code is a ten-letter word with no duplicate letters. You may use the letter "X" if you must repeat a letter.

C. Services

Some companies will offer promotions or fixtures with merchandise to offset the cost of the fixture. Proper fixtures make a more salable appearance for the merchandise. As for promotions, some companies will offer better prices if you are able to buy larger quantities. Also, some vendors offer items on special or close-outs. If you are able to take advantage of these special deals, it provides another avenue of making additional profits. Try to purchase merchandise that will make a statement in your store. Merchandise sells best when it is creatively displayed and you show some depth with that particular line of merchandise. For example, imagine you are buying plush bears. The bears are offered in three different sizes, large, medium and small. You should order one large bear, two medium and three small bears in the same style. Your sales representative should offer this suggestion as well as many others concerning merchandise selection.

If you are buying merchandise that is easily broken, you should check with your supplier and make sure that they accept returns. If you receive merchandise that is broken, you should call, or e-mail the vendor and report the mishap. From there they will inform you of what you have to do. Usually, they will issue a "call tag" or a Return Authorization Number. Some vendors will just accept the report of the damaged item and will advise you to discard it, and then they will issue you a credit memo to that invoice.

Try to gather as much information as possible regarding the vendors' policy on damaged merchandise. Your goal is to ensure that the vendors will credit your account for any damages that occurred during shipping. You certainly do not want to pay for merchandise that you will not be able to sell.

After calculating your “open to buy” per season or buying period, ask the sales representative to bring the merchandise samples to your school so the student buyers may view the merchandise in person before you make the final decision and purchase.

D. Opening Accounts/Establishing Credit

A good way to initiate establishing your credit for the school store is to deal with local vendors. As mentioned earlier, when it comes time to attend a trade show, you will need to supply a business card, trade credit reference sheet, and possibly an account number to gain entry to the show. The trade credit reference sheet has the name and address of the school store, the name, address, and account number of the bank where you make your deposits.

Also included are a list of vendors (usually three) that you have been doing business with. The list should include their name, address, phone number, and contact person. The new vendors will call the three other vendors that you listed to gain information on your credit. However, some vendors will insist on COD terms for your first order. This will have to be your decision or how your school handles such purchases.

Once your credit has been established and your account has been set up, a sales representative will call and arrange an appointment to visit you and your student buyers. It is good to initiate a relationship with new vendors by purchasing their minimum opening order. Some vendors will have \$100.00 or \$250.00 opening terms. It is suggested to stay within those limits so you do not over extend yourself and jeopardize a good business relationship.

E. Terms

Most companies wish to be paid within thirty days (N30) of ordering. However, food purveyors may have different terms. Usually it is within ten days (N10). Seasonal gift merchandise usually is purchased as soon as six months in advance. When this occurs, some vendors offer dating. For example, Christmas merchandise is purchased in April, shipped in August, and payable in December. It is important to pay your bills on time to keep good credit.

The importance of a good working relationship with your business administrator cannot be stressed enough. Always inform your vendors of the school board’s policies regarding methods of payment and timetables.

F. Delivery

Delivery of merchandise is usually from a national freight carrier such as UPS or FedEx or local freight carrier. Freight charges should be included in your invoice. You do not want to be in a position of paying for the freight charges upon delivery. Discuss this with your sales representative. On seasonal merchandise, set up a cancellation date so you are not responsible for merchandise delivered after the season has ended.

Any and all persons who would be responsible for receiving merchandise should be apprised of the method of checking in and accounting new merchandise.

A log system complete with date, time, vendor, and signature of the person receiving packages is essential for accurate accounting.

VI. RECEIVING

A. Receiving Process

When students are assigned to check in new merchandise, they should not be permitted to check in the merchandise using packaging slips or invoices. A blind check procedure should be utilized which requires students to write down the quantities and descriptions of the items received. After the blind check, students bring the results to the store manager for the final comparison with a packaging slip and/or invoice. If the student does not have prior knowledge of the quantities and description, the opportunity to remove merchandise from the shipment has been eliminated. Another technique is to remove items before the students check in the merchandise and see if they notice the difference. A lot of merchandise has been damaged because students did not realize how deep a razor knife cuts. In the beginning of the year, new students should be shown the proper method to open boxes as well as other safety procedures. Other effective measures include establishing check-in procedures that are to be followed by all students and job rotation.

This information must be accurate as your billing amount depends on it. There are many methods that may be used to check merchandise, such as the blind check, direct check, dummy invoice check, or port check. Select the one that is most comfortable and easily understood by you and your students. Keeping it easy assures accuracy which later helps in prompt payment of invoices. Also, check that merchandise arrives in salable condition. If it is damaged or soiled, notify the company at once for adjustment or replacement.

B. Stocking and Ticketing

After you have checked in the new merchandise, the next phase is to ticket the merchandise and either bring the merchandise to the selling floor or put it into "back stock" until it is ready to be brought to the sales floor.

Many different methods may be used for various kinds of merchandise. Universal price codes (UPCs) are widely used in business today for tracking merchandise. The UPCs are parallel bars and a row of printed numbers that once scanned describes the merchandise and its price.

If your system is not as sophisticated, one may use an adhesive ticket, pin ticket, or plastic string ticket. Have your student fill out the ticket using its sku (stock) number, size and price. Your cost code may also be implemented on the ticket. Having all merchandise priced and ticketed is essential for smooth daily operations. Implementing a system of ticketing your merchandise aids in your daily tracking of merchandise and inventory. One needs to know what merchandise is selling and what items are slow movers.

C. Handling Discrepancies

When receiving merchandise into your school store, it is critical to check off merchandise against the packing slip located either outside or inside the package. A receiving form may also be used to cross-reference the incoming merchandise against the vendor's invoice.

D. Handling Returns/Damaged Products

Check that merchandise arrives in salable condition. If it is damaged or soiled, notify the company at once for adjustment or replacement. If you are buying merchandise that is easily broken, you should check with your supplier and make sure that they accept returns. If you receive merchandise that is broken, you should call, or email the vendor and report the mishap. From there they will inform you of what you have to do. Usually, they will issue a "call tag" or a Return Authorization Number. Some vendors will just accept the report of the damaged item and will advise you to discard of it, and then they will issue you a credit memo to that invoice.

Try to gather as much information as possible regarding the vendors' policy on damaged merchandise. Your goal is to ensure that the vendors will credit your account for any damages occurred during shipping. You certainly do not want to pay for merchandise that you will not be able to sell.

VII. INVENTORY CONTROL

A. Perpetual Inventory

Keeping a reliable inventory system is an important component to the success of your School-Based Enterprise. Inventory records are used to provide data for numerous business activities. Functions such as buying, accounting, pricing, selling, merchandising and promotion all rely on accurate and up-to-date inventory data to make the business run effectively. One of the keys of an effective inventory system is a goal of having just the right amount of merchandise on hand to satisfy consumer demand for that item. For most business operations, both a unit inventory control system, as well as a dollar inventory control system will be very helpful in obtaining that goal.

In a unit control system, the business is able to tell how many of a particular item has sold, what should be in stock, and what and how many are on order. A unit control system with stock-keeping units (SKUs) can be set up to keep track of individual units with as much detail as you require. Data such as styles, colors, and sizes in clothing, brands or flavoring in soft drinks, or topics and seasons in gift cards and gift items can be easily tracked for individual or department sales, stock turnover, returns, as well as, low or out-of-stock items.

In a dollar control system, the value of the inventory can be computed, the dollar value allotted for future purchases of merchandise (Open to Buy) can be determined, as well as the potential for profit from your sales. The dollar value is a requirement for preparing financial statements, such as the income statement and balance sheet. To get a true picture of the value of a business or its profitability, an accurate inventory evaluation is critical. Dollar control values can also be used to evaluate worker sales productivity, as well as, sales activity for given time periods.

B. Physical Inventory

A perpetual system using a Point-of-Sale (POS) system of inventory control would be most useful for the School-Based Enterprise, just as it is commonplace in the retail business world today. With a perpetual system, inventory records are updated whenever a change in inventory takes place. The key to an effective POS system is an individual computer, or multiple computer terminals networked to provide continuous feedback on the merchandise available for sale.

The options on software to run the system will vary depending on the breadth and depth of your merchandise assortment and the amount and detail of the inventory reports you wish to generate. Other key components of a POS system would include the following; a bar code scanner with a printer or device capable of producing bar codes, a printer to record detailed customer sales receipts along with printed reports, a dedicated cash drawer, and the option to network other sales terminals to the system.

The physical inventory is another essential component for an efficient and effective SBE. Depending on the type of merchandise sold in your business, the timing of a physical count of merchandise may vary from daily to weekly or monthly, to even once a semester or year. Items of high dollar value such as jewelry, or high demand items such as CDs might need to be counted daily or weekly. You may conduct a limited physical inventory on merchandise carried by a vendor who will be calling on the SBE in the near future. The physical count is the only accurate way to find out inventory quantity and value on a given day or time. There are a number of factors that might create discrepancies between the physical and perpetual inventory figures. Merchandise may be lost, stolen, damaged, or improperly recorded when received or sold. The physical count should get the inventory records accurately matched.

C. Security/Shrinkage

When differences between perpetual and physical inventory amounts occur, the concept of inventory shrinkage needs to be addressed. Inventory shrinkage occurs when the physical count of inventory is lower than what the SBE's inventory records show. When discrepancies occur, a number of problem areas need to be looked into, some procedural in nature, some dealing with security problems.

Shoplifting, or theft by customers can be a major shrinkage problem. If left unaddressed, losses can create a great financial burden to overcome. Shoplifting may occur as a dare under peer pressure or a practice at which an individual has become practiced and proficient. Also the physical layout of most SBEs along with crowded conditions creates a situation where opportunities for shoplifting may be great.

The National Association for Shoplifting Prevention cites the following data that helps drive home the negative impact that shoplifting has:

- There are approximately **23 million** shoplifters (or 1 in 11 people) in the U.S. today.
- Retailers lost more than **\$44 billion** in inventory shortage in 2015 and 38% (nearly \$17 billion) of it is attributed to shoplifting.
- More than 10 million people have been caught for shoplifting in the last five years.
- **43%** of youth admit to shoplifting (theft under \$50) according to the *OJJDP Juvenile Offenders and Victims 2006 Report*.
- **55%** of adult shoplifters say they started shoplifting in their teens.
- **74%** of adult and **67%** of juvenile shoplifters “did not know” if a store had good or bad security when they decided to steal. Their decision to steal was primarily based on their experience of not getting caught.
- **86%** of youth say they know other kids who shoplift. 66% say they hang out with those kids.
- ***A shoplifting incident on your record can prevent you from joining the military, getting certain licenses and certifications (such as medical or legal), getting many jobs and even cause you to lose scholarship awards.***

Source: Information and statistics provided by the **National Association for Shoplifting Prevention (NASP)** a nonprofit organization that shapes, promotes and supports comprehensive community action in shoplifting prevention efforts...because shoplifting steals from all of us. Contact NASP at 800-848-9595 or visit www.shopliftingprevention.org

An even bigger problem for many businesses, including SBEs is theft by employees (internal theft). Theft of money and time by workers are addressed in other sections of this *Guide*, theft of merchandise will be discussed here. An employee/worker has the opportunity to be dishonest in any number of activities that create shrinkage. Taking merchandise from the store or passing out items to friends may occur. Eating food or drink items without paying for them is always a problem in food service operations. Hiding items in the trash or allowing other workers or friends to access merchandise in unsupervised areas such as stockrooms, display areas, or receiving areas may create opportunity for theft. In addition, marking inventory with a lower price than planned upon receiving stock, giving unauthorized markdowns to others, or switching tags before they or others purchase items creates shrinkage.

Employee (internal) theft) statistics are perhaps even more startling:

- \$50 billion is stolen annually from U.S. businesses by employees.
- 7 percent is the percentage of annual revenues lost to theft or fraud.
- 33 percent of all business bankruptcies are caused by employee theft.

Source: <http://www.statisticbrain.com/employee-theft-statistics/> (April 1, 2017)

Once you recognize the opportunities for theft that exist, it is your responsibility to institute preventive measures to discourage theft and shrinkage. The following guidelines are offered as ways to reduce shoplifting.

- Train workers to be observant of customers and be aware of procedures to follow if they believe shoplifting has occurred. Every member of the SBE staff should have security on their minds at all times.
- Assign an employee to work as a security person at the entrance/exit to the business. Limit the number of customers in the school-based enterprise at a given time.
- Have customers check all bags and large coats at a security area near the entrance.
- Post signs to inform customers they may be under surveillance.
- Merchandise should be arranged and displayed to minimize opportunity for theft. Place valuable items such as jewelry, CDs, or gift items in locked display cases.
- Install a closed-circuit television system with multiple camera locations. Have the availability to record activities with a digital video camera system. A time-date generator is best to use for potential legal action.
- If fitting rooms are used, assign a worker to monitor their use.

To prevent employee theft some additional security measures should be addressed. They include the following:

- Have all workers (and parents) read and sign a contract that spells out their role and responsibilities in handling merchandise, money, and equipment. Stress honesty and ethics with the entire staff. Make sure your code of conduct is in agreement with the school's code.
- The instructor or manager should approve all employee purchases. Special forms may be used for employee purchases, including candy and food. Employees should **never** ring up their own sales.
- Limit access to certain merchandise areas and do not allow individuals in selling areas by themselves. Pay close attention to workers who arrive early and/or stay late.
- Employees should not be allowed to bring coats, purses, or book bags into the store.

Other areas of a procedural nature that workers should follow to reduce shrinkage might include the following:

- Report damage to goods immediately so inventory may be adjusted for the loss.
- Double check all items received to ensure the SKU and retail price figures are correct.
- Have employees record all sales, returns, and exchange transactions correctly.
- When taking inventory, use a team system or double check for count accuracy.

Depending on the structure of the class or classes related to the school-based enterprise, it may be possible to carry out both an ongoing physical inventory system and a perpetual inventory. If such a procedure is possible, you will notice the immediate ability to identify shortages in a short period of time. This will also help the instructor to identify the areas of the operations where attention is most needed.

This procedure can be accomplished by:

1. Assigning students to a specific section of the school store/school-based enterprise.
2. Generating a current inventory list for the store/school-based enterprise.
3. Assigning students to count the merchandise on inventory shelves.
4. Comparing lists to identify any shortages.

This will allow the management staff to identify those areas that do exist. If the shortage problem is an internal one, a different individual should physically inventory selected items and compare the two findings with the perpetual (paper) inventory.

D. Dealing with Shortages

1. Take physical inventory monthly. Match it up with your perpetual inventory system if you have a computerized cash register system. The auditors expect you to do a physical inventory at least once a month even if you have a perpetual system.
2. Shortages need to be dealt with immediately even if it means shutting down the stores/school-based enterprise to figure out why the shortages are occurring.
3. If shortages persist you might want to buy a surveillance camera.
4. Check out the possibility of students ringing in short. (This is another reason to do physical inventory.)
5. Program your cash registers to ring in for amount of sale.
6. Only assign one person as a cashier during a shift and they should balance out the drawer at the end of their shift.
7. If the school store is consistently losing money, someone is probably stealing.

E. Learning Activity

As a worker in a school-based enterprise, protecting the value of the assets in the business from shrinkage is a major responsibility. You are to identify areas of your business that might have potential for inventory shrinkage. You are also asked to provide suggestions to improve the inventory control procedures or security procedures to minimize shrinkage.

VIII. SERVICES

A. Credit

Credit should only be issued to students enrolled in the school-based enterprise program. This could be initiated by a low credit line of \$50 payable every two weeks. If a student pays within the terms outlined in a credit agreement, the credit line may be raised. This teaches students about credit responsibility. It is advisable to issue credit only to your students because you have control as far as financial obligations. Of course, it is important to say that this credit can only be established with the consent of a parent or guardian. The faculty can also establish credit by signing a credit agreement with similar credit terms.

B. Gift Wrap

Gift-wrap is an excellent service to provide for your customers. It is essential to make everyone aware of this unique service that is offered for purchases made in the school store. High quality paper and floral waterproof ribbon should be used. The ribbon is used to make large bows, which are to be attached to the purchased gifts. Presentation is everything. A beautiful package implies thought, good taste and a personal touch. The cost of wrapping is conditional on the size of the gift. This provides additional revenue for a school store. Other wrapping can include cellophane wrap for Easter baskets, fruit baskets, etc.

C. Parties/Catering

Selling Mylar and latex balloons can be a lucrative source of income. Decorating for in-school functions such as dances, recognition dinners, proms, fashion shows, student/class events, and individual parties is another profitable service that can be offered by the school store. Balloons, centerpieces, and spiral arches are in demand for these functions. The elementary and middle schools can also use these decorations for their dances and graduations. Students enjoy providing this service because it is a team effort. If you have a food service program, you can incorporate their services as well.

D. Special Orders

School teams and clubs are interested in purchasing shirts and jackets with their club and/or team name or logo printed on them. You can become a vendor for these special projects making it easier for the coach or bandleader or club advisor by providing this service. Your students can market the entire operation from sizing to ordering to distribution. Other special orders may include school jackets, tuxedos for proms and class rings. The possibilities are endless.

E. Gift Certificates

Professional staff like the idea of a school store gift certificate to give to the student who has done a good job in the classroom. When a faculty member has a birthday, baby, marriage, etc., they can give a school store gift certificate, if merchandise is sold applicable to these events.

F. Coupons

Use coupons for promotional events for everyone at school to generate business, and clear out dated merchandise. Put percentage discounts in a jar and let customers pick one out to receive additional money off their purchase (10%, 20%, 40%, etc.). Balloons can also be used in the same way. The percentage could be placed in the balloons on small pieces of paper and then the balloons are popped to see what percentage is given. Printed coupons may be used in the school newspaper or in staff and faculty mailboxes for incentives to shop at the school store.

G. Other Services

To bring faculty into the school store, you can compile a list of the birthdays of each faculty member. A note can be sent on their special day that offers a small gift, such as a cup of coffee, a pretzel or a balloon. Often, they will notice the merchandise you have for sale and be your next customer.

Start a frequent customer card program. For example, frequent customers in a coffee shop school-based enterprise could enjoy a free cup of coffee after purchasing 12 cups. This is just one more way to bring your faculty and other customers into the school-based enterprise on a regular basis.

To get community involvement, have flyers sent home with students prior to special school activities and have the school-based enterprise displayed with all of the merchandise attractively presented in the flyer. Most adults have no idea what wonderful merchandise is sold through school-based enterprises. This activity can be done for events such as sports events, Back to School Night, Freshman Orientation, and prior to holidays. Call on the talents of the other departments of your school, such as the band, choir, food services, and the drama department to assist in this marketing activity.

This service does not have to include only high school members. Elementary and middle school students can also benefit from this service. You may or may not choose to include pricing in your flyer. Try an Open House for an evening to acquaint the community with the merchandise of the school store/school-based enterprise. Your store and program deserve the exposure!

IX. CASH HANDLING

A. Cash Register

A cash register is essential for keeping sales records. It is strongly recommended that a DEPARTMENTAL register be used to keep records of sales in each department of a school store, such as imprinted sportswear, stationary items, food, balloons, gifts, cards, etc.

At the end of each shift or class period, students should X out (meaning what they sold in that period of time). At the end of the store day, they should Z out the register, which means totaling sales of the day per department. Your register should be capable of performing these functions to enable you to keep accurate records of your daily receipts. As a regular procedure, the store operator should check the number of times during a cashier's shift that the cash drawer was open for no sales. If the cash drawer has been opened more than twice, the cashier should be questioned.

There is no way to recommend one best cash register. The school-based enterprise coordinator/store operator should shop equipment suppliers and check with other schools who operate school-based enterprises. Before making the final decision, the operator should examine the computer software to determine what kind of reports it generates. For example, the following reports are necessary on a daily basis: total sales by department; register totals, voids and no sales; and daily sales by hour report.

B. Making Change

Today, students are so used to calculators in doing their math, that making change becomes a major task. You can program your cash register to specify the exact change or take extra time and teach each student how to make change manually. Cash drawer arrangement should read right to left.

Students should read each bill. Tens, Twenties and Fifties look very much alike. You don't want a student giving change of a twenty-dollar bill when in fact the customer gave them a ten. It is very important for students to announce the amount tendered, i.e., "Amount of sale is \$8.00 out of \$10.00, your change is \$2.00." before giving change, do not place money in cash drawer until the transaction is complete.

Whenever possible, temptation should be removed for student workers. The register drawer opening change fund should be kept small. Managers should remove excess cash and make a "drop" to the school-based enterprise coordinator/store advisor's office. These drops should be recorded on a form, or as a paid out on the detail tape.

C. Accepting Checks

Most stores ask for two (2) forms of ID when accepting checks. In your school store, you are more familiar with your customers so you may establish your own rules. Asking for telephone number is a good idea.

It is most important to have a prior agreement with the Administration on the subject of RETURNED CHECKS. The final decision is up to you and Administrator. If you decided to post a fine or service charge, it is necessary to inform your customers of the policy. You should have a stamp made for your check endorsements—For Deposit Only.

D. Credit Cards

Credit cards are not ATM cards unless specified (i.e., VISA, MasterCard). Most school stores do not have this luxury. If you are able to have a credit card machine, you must remember that there is a percentage given to the bank (between 2% and 4% per sale depending on volume). At the end of the month, you must deduct this percentage from your sales and checkbook.

You may decide to have in-school credit. Use a triplicate receipt book. This will enable the student to give a copy of the sales transaction to the customer, to your inventory clerk and one copy is forwarded to your accounts payable for posting to the ongoing charge account.

When the customer makes a payment, this transaction is known as an ROA (payment Received on Account). Again, you need a triplicate sales slip—(one copy to the customer, one copy to

inventory and one copy to your accounts payable). When you begin your House Accounts, set rules and regulations such as limits and payment schedule. Monthly statements should be sent as a reminder of amount due.

If you offer credit to students, a form should be sent to parents for their signed approval. Definitely, a limit should be set for students. Remember, a student should not be permitted to graduate unless all financial obligations are met. One recommended rule is that a payment is required from everyone twice a month.

E. General Guidelines

1. All cash is to be counted at the end of each shift by a minimum of two people, one of which should be the cashier. An adult should be supervising the activity.
2. After the cash has been counted, a reconciliation form needs to be completed and signed by the individuals who counted the cash.
3. The cash and deposit form from the day's operation needs to be submitted to the bookkeeper or cashier by a designated person at the end of the shift. If this procedure is not able to be implemented, then the cash needs to be given to a designated person in the administration office that has access to a wall or locked safe. **At no time should any money be kept in the school store or classroom facility. The money needs to be counted on a daily basis.**
4. The bookkeeper, upon receiving the money from the school-based enterprise, should immediately count the money and verify it with the student cashiers' report. A copy of this verification should be given to the student to be turned into the manager/instructor for proper record keeping.
5. **At no time should any cash from the school store be used for business or personal use. A procedure for purchasing has been established and should be used at all times by instructor and students.**
6. Both the cashier and supervisor on duty must immediately correct all transactions that are considered to be errors.
7. All returns must be documented at the time of the transaction by a supervisor.
8. All sales must be transacted through a register system, if available. No manual sales will be authorized without the instructor's permission.
9. All sales will take place during the posted hours of operation.
10. A sound bookkeeping process must support all credit sales.
11. All funds should be returned daily to the administrator in charge of cash funds for safekeeping. No change funds will be kept in the school store unless authorized by the proper administrator and instructor.
12. All instructors are encouraged to purchase and implement an electronic point of sale cash register system as soon as possible.
13. Leave all cash register drawers open when the school store is closed. An open cash drawer is a deterrent to potential break-ins. It also minimizes damage if a break-in should occur.
14. The change funds for the school-based enterprise should be obtained by your ASB (Associated Student Body) bookkeeper through an impress checking account.

15. A daily file folder for every day of the school year should be kept with the following receipts and forms enclosed: (on holidays and non-operating days, a note should be kept in the file identifying why the store was not operating for that specific day).
 - a. Cashiers reconciliation form with the Z tape or computerized report attached.
 - b. The daily sales deposit form.
 - c. Any report of sales generated from the computerized POS system.
 - d. Journal and Z tapes or computerized reports. A weekly cumulative report of sales at the end of the week.
 - e. A written report of any discrepancies that occurred during the day, week, month. The manager, supervisor, and cashier must all be a party to the report and each must sign the document.
 - f. A written report on how each of the discrepancies was handled. The auditor needs to see that there was action taken to rectify the problem.
 - g. The receipt received from the ASB (Associated Student Body) bookkeeper to verify that the deposit was properly handled on a timely basis.

School store accounting records are considered to be public documents and are to be retained for a minimum of five (5) to seven (7) years. Your school administration will be able to work with you in regards to the local policy regarding record keeping.

Proper accounting controls call for all duties in the school-based enterprise to be isolated from one another to provide a check and balance system.

- a. One person should work the cash register until the end of their shift and then be responsible for the counting and balancing of their cash drawer. A supervisor then needs to sign off on the cashier's form to make sure there were no shortages or overages. The cashier also needs to be the one that takes the order, receives the cash due for the purchases and provides the proper change to customer.
- b. A second person needs to retrieve the merchandise from the shelf, verify the price with the cashier, and deliver the product to the customer.
- c. When using the cash register, the cashier should count the money received by the customer, give them their change due before placing the money received into the cash drawer.
- d. There should be no free food given to employees.
- e. There should be no chewing gum, eating or drinking by employees while working in the store.
- f. If an employee wants to make a purchase from the school-based enterprise they must do it at the end of the shift and the transaction needs to be made by the manager or supervisor. Under no circumstances should an employee sell merchandise to themselves.

X. ACCOUNTING

A. The Basics

You need to learn about the basics of bookkeeping and accounting so you can put into practice a sound accounting system that will aid in passing school audits. School-based enterprises/school stores that generate a lot of money will catch the eye of the auditor and they will scrutinize your records. In cases where there are large losses or improper records kept, the adult supervisor will be held accountable. The best insurance against a bad situation is to protect yourself with a good accounting system. An accounting system will alert you to any losses immediately.

When setting up your accounting system you will need the following accounts.

- Cash Receipts
- Cash Disbursements
- Accounts Receivable, if you extend credit to your customers
- Accounts Payable, if you purchase products from your suppliers on credit

The first stage of your bookkeeping system is to enter daily transactions into journals.

Cash Receipts Journal

In this journal, you need to enter your daily cash deposits. You can get this total off the daily deposit form you give to the ASB (Associated Student Body) bookkeeper. Make sure you enter the day's date and total sales. Your last column will be for the running balance.

Cash Disbursement Journal

This is where you record your daily cash disbursements, or the money you pay out each day.

Ledgers

A general ledger usually has a separate page for each account. If you extend credit to your customers, you should also keep a separate ledger for accounts receivable. You need an accounts payable ledger for each of your vendors to record information about balances owed.

Financial Statements

Using the information you've recorded in your journal entries, you can prepare your financial statements, which are used for measuring the progress of your store in terms of its income, expenses, and assets.

Income and Expense Statement

The income and expense statement takes the total amounts of all the income and expense accounts from the trial balance in the ledger. If the income is more than the expenses then you have a net income or net profit and if the expenses are more than the income then you have a net loss. These statements should be prepared monthly and kept in a file so the auditor will have easy access to them.

Balance Sheet

The balance sheet is a financial statement that describes your company's assets, the amount it owes, and its equity, or the amount that is clear of debt. Current assets, or the amount that can easily convert to cash, are recorded first. Then come the liabilities, or debt. The equity is figured out by using the income statement as to whether there was a net profit or loss. If there was a loss it will be deducted from the equity and if there is a net profit that will be added to equity.

Sales and Use Tax Responsibilities

The Nebraska Department of Revenue provides an Information entitled ***Sales and Use Tax Responsibilities of Elementary and Secondary Schools, Parent-Booster Clubs, Parent-Teacher Associations, and Student Organizations***. This guide is not intended to answer all questions which may arise, but is intended to enable a person to become familiar with sales tax provisions related to schools and related organizations.

Nebraska public and private educational institutions, even though exempt from **payment** of sales tax, are still required to **collect** sales tax on sales of taxable property and services made to the general public or to members of the school, **except** for the following sales:

- **Admissions** charged by a public or private elementary or secondary school or school district;
- **Meals and food products**, including soft drinks and candy, served during the regular school day or at school functions **not open to the general public**;
- **Concession sales** of food by elementary and secondary schools at their events **including those open to the general public**; and
- **Sales by school-operated stores** approved by elementary or secondary schools (e.g., shop or art supplies, notebooks, pencils) if the proceeds are used to support school activities or the school itself.

For additional information and questions related to school-based enterprises and the collection and payment of sales tax please reference:

Sales and Use Tax Information Guide

[Responsibilities of Elementary and Secondary Schools, Parent-Booster Clubs, Parent-Teacher Associations, and Student Organizations \(09/2007\)](http://revenue.nebraska.gov/info/info_list.html)
http://revenue.nebraska.gov/info/info_list.html

Department of Revenue Contact:

Karen Barrett
Nebraska Department of Revenue
Revenue Tax Specialist
Karen.barrett@nebraska.gov
402.471.5980

B. Accounting Records

School store accounting records are considered public records and are to be retained for at least five to seven years depending on your state requirements.

C. Accounting Software

There are literally hundreds of different accounting and bookkeeping software programs you can choose from depending on your needs. Most bookkeeping software can handle double-entry accounting, inventory, payroll, receivables, payables, and cutting checks. Most packages come loaded with templates for invoices, sales orders, and other bookkeeping paperwork. When selecting your software keep in mind what your needs are and what type of business you are operating.

To find the right accounting software for your Small Business Enterprise (SBE), ask potential vendors the following questions:

- Is your software built for small businesses?
- Is your software a good fit for my SBE?
- How can your software help me comply with GAAP (generally accepted accounting principles), tax laws and financial regulations?
- How is my data backed up? Can access be restored immediately during an outage?
- What security measures do you have in place to keep both my business's and my customers' data secure?
- What is the total cost? Are there any setup or cloud storage fees?
- What types of tech support and customer service do you provide? (For instance, does the provider offer your preferred form of contact, such as phone or live chat?)
- See more at: <http://www.businessnewsdaily.com/7542-choosing-accounting-software.html#sthash.J5SL1K4E.dpuf>

There are many different accounting programs that are available to small businesses. Reviews of accounting software programs for small business can be found at:

- The Best Small Business Accounting Software of 2017, Kathy Yakal; PC, May 18, 2017; <http://www.pcmag.com/article2/0,2817,2458748,00.asp>
- Best Accounting Software for Small Business 2017, Sara Angeles, Business News Daily, March 24, 2017; <http://www.businessnewsdaily.com/7543-best-accounting-software.html>

Quick Books Pro is a commonly used program used to manage school stores. Some of the features of Quick Books include the following:

- Automatically calculates earnings and deductions
- Tracks checking accounts, reconciles
- Tracks inventory and purchase orders
- Complete financial management
- Tracks assets, liabilities, equity, loans and more
- Customizes itself to your business
- Prints mailing lists
- Tracks accounts receivable and payables
- Customized reporting with reports and graphs that show you exactly what's going on in your business
- Keeps track of inventory and purchase orders

For more information on bookkeeping and accounting, check web sites as well as books. Some suggested books are included in the references at the end of this section.

D. Computerized Accounting System

The changes in technology will impact your buying decisions regarding the purchase of a point of sale system for your school store. To operate a retail business today, you need to do more than replace merchandise on your shelves. You watch trends, you adjust margins, you project sales, and you vary inventory levels, and manage personnel. Working with an advisory committee on equipment selection will definitely minimize the hours of research required for the selection process.

The best advice received from industry professionals regarding the purchase of the point of sale system is to understand first, what information is required for the daily, monthly, and annual reports, then purchase the system that is able to provide those type of services. It is not necessary to have a system compatible with a local merchant since each business requires different types of services from their cash register system.

The computerized systems provide several data reports at the end of the day. Several of the important categories that allow you to track daily activities are 1) daily cash sales, and 2) daily cashier reports that identify your employee transactions. This helps with auditing no sales, voids, mistakes, canceled sales, etc. One of the key benefits that a POS system provides is the tracking of your perpetual inventory. This will help with managing your monthly physical inventory, as well as assist your purchasing manager/inventory manager manage the repurchasing of all goods for your store. This inventory capability will minimize any surprises that are associated with shrinkage.

Some recent articles that may provide insights on choosing a point of sale system include:

4 Tips for Choosing a Secure POS System, Sarita Harbour, June 22, 2015,
<http://www.businessnewsdaily.com/6195-tips-for-choosing-a-secure-pos.html>

Choosing a Right Point of Sale System: A Retail POS Checklist, Kali Hawlik, January 4, 2017,
<http://www.businessnewsdaily.com/6195-tips-for-choosing-a-secure-pos.html>

The advantage of a non-proprietary hardware is that you get to choose the hardware that best fits your needs and everything is modular. So if one component goes bad you can simply unplug it and plug in a new one, and since the computer hardware is standard, hardware can be repaired by any company of your choice that does computer repairs. Most components are standard and interchangeable and upgradable.

E. Daily Receipts/Cash Flow

Assign a reliable student for processing daily receipts. At the close of the school store business, do an X reading followed by a Z reading to provide 2 register receipts. One is used for your records and one for the Central Administrative Office. The student counts the original bank (you make that decision - \$30.00 or \$50.00) then counts the remainder of the money that should coincide with the tally sheet of the register.

The student then fills out the END OF THE DAY report and attaches the X out slip to one copy and the Z out slip to another.

X reports "read" your sales totals.
Z reports will "reset" your sales totals.

When you take an "X" report, you're "reading" the cash register's information. These reports can be taken while you're open for business. You can look at sales totals at any time of the day.

On the other hand, when you take a "Z" report, you're "Resetting" the cash registers information. All of your sales totals will be "Reset" back to zero. Typically, when your business closes for the day you'll run your "Z" reports to get your sales totals for the day.

F. Daily Deposits

After the student completes the END OF THE DAY Report, they then must accurately fill out a BANK DEPOSIT SLIP, endorsing any necessary checks. An authorized adult school employee who delivers within the district should pick up deposits in a locked bank deposit bag. He or she then makes the school-based enterprise/school store deposit and returns one slip to the Central Office with the END OF THE DAY report and the Z out register journal tape. A copy of the deposit should then be delivered to the school staff member in charge of the school-based enterprise which can then be attached to X out journal tape.

Recording daily deposit slips into a journal and tallying them each month should be a standard practice. Then monthly and yearly figures can be compared to determine profits or losses.

G. Departmental Sales Reports

You can use your X and Z journal tapes to determine the daily dollar amount that was sold within each department (or category). For a school store operation, a department or category number for each department is important. For example, Department 1- gym suits, Department 2- sweatshirts and pants, Department 3- everyday gifts.

Using this method will allow the tallying of the daily receipts by department followed by the monthly tally and finally, at the end of the school year, a tally per department.

At the end of the year, have a meeting with the executive board of the school store to discuss the figures. If the department did well, continue to purchase that type of merchandise, not necessarily the same. If the department did not do well, eliminate that merchandise.

It is also important to recognize that your merchandise needs to change according to changing trends and customer tastes/preferences.

H. Balance Sheet

In a balance sheet, you record your total revenue and your total expenses/purchases monthly. This could be called closing out the month. At the end of the year, you will have your profit/loss figures.

I. Income Statement/Profit & Loss

The income and expense statement takes the total amounts of all the income and expense accounts from the trial balance in the ledger. If the income is more than the expenses then you have a net income or net profit. If the expenses are more than the income, then you will have a net loss. These statements should be prepared monthly and kept in a file, so the auditor will have easy access to it.

J. Auditing Procedures Regarding Losses

1. *You need to notify the auditor of any significant losses; make a good effort to find out where the losses happened.*
2. It is better to have records than not to have them at all.
3. Deposit receipts need to be intact.
4. A gross profit analysis should be done monthly.
5. Spoilage and shrinkage are going to occur, so keep track of it and keep it in your records.
6. Students need to vote on purchases made with school store account monies and the administration should be made aware of planned purchases to assure that they align with school policies and legal practices. It is illegal to give away public funds.
7. You need to keep your records for at least five years, and when you destroy the records you need a witness and a signed document.
8. Take appropriate action if there are losses.

You need two separate ASB (Associated Study Body) accounts, one for the school store only showing revenue and expenses for the store and one account for fund-raisers and expenses (conference fees) such as those for a Career and Technical Student Organization, which may be operating and managing the school-based enterprise.

XI. PROMOTION

A. Sales Promotion

Promotion activities are used to inform, persuade, and remind customers about a business's goods and services. The school store, like other businesses, should utilize promotional activities that will communicate messages effectively within the limited financial resources and available media.

All promotional efforts should be coordinated with the merchandise and services available in the store and aimed at the appropriate target audiences, such as students, clubs, school staff, athletes, and parents. In addition, promotional campaigns should be timely. Throughout the school year, there are many occasions that provide opportunities for promotional themes.

The promotional mix may vary considerably, depending on the type of business. For most school-based enterprises (school stores), major promotional activities may include visual merchandising, advertising, publicity and special events/promotions. Assigning a promotional department manager to oversee the promotional activities provides valuable assistance to the store operator as well as providing an ideal learning opportunity. Department workers can be assigned to work with specific promotional activities as needed by your business.

B. Visual Merchandising/Display

Visual merchandising may consist of exterior window displays, interior displays, and counter displays. Students should have an active role in planning, building, maintaining, and dismantling displays. These jobs may be assigned to a group of students in a promotion department, or to individual students on a rotating basis.

Visual merchandising addresses a number of goals for a school-based enterprise (school store). They include:

- Attracting the attention of shoppers
- Stimulating interest in a product or service
- Showing ways in which a product can be used
- Helping consumers make selections
- Identifying and promoting newly arrived merchandise
- Suggesting additional merchandise to purchase

A school-based enterprise's (school store's) product mix and the amount of service you will provide will be a determining factor in the type of floor layout you will design, the fixtures you will incorporate, and how you arrange the merchandise for effective visual merchandising. Products that can be sold as impulse items are often displayed near a check-out area. These point-of-purchase displays, or POP's, are very effective in promoting many items sold in a school store. Products that are not normally considered impulse items would be more effectively promoted in a window display or on the sales floor. Any well-planned display can help to increase sales for just about every business.

The ultimate purpose of visual merchandising is to create a desire in the customer, either directly or indirectly, to buy the merchandise. The main focus of your visual merchandising efforts will be promotional, or directly geared toward selling specific merchandise that you display. Indirectly, some of the visual merchandising can be institutional in nature (designed to sell the business' name or service rather than specific merchandise or services for sale). Promoting the school-based enterprise's commitment to serving the customer, stressing the quality of the merchandise, or highlighting the brand names you carry can promote the institutional image of your business.

C. Advertising

Advertising is essential to almost every business. This form of promotion will be directed toward a mass audience. Advertising requires the use of media, or channels used to communicate your message. Advertising must be directed to a specific target market in order for the ad's message to be received.

Some specific promotional goals of advertising might include the following:

- increasing sales volume
- increasing the number of customers
- attracting new customers
- reinforcing user satisfaction
- establishing the image of the store
- reinforcing user satisfaction
- announcing locations where products will be sold
- introducing new products
- leveling out sales volume
- clearing out merchandise at the end of the season

Advertising activities which students can carry out as part of the school-based enterprise's/school store's promotional campaign may include:

- School newspaper ads
- Morning announcements - audio or video
- Banners - inside or outside of school
- Local cablevision - taped video or audio commercials
- Electronic signs in the store or cafeteria
- Direct mail targeted to specific groups
- Ads in yearbooks, programs, or other specialty publications
- Flyers
- Hallway posters
- Sandwich boards
- E-commerce Web sites
- Catalogs

Just as in visual merchandising, advertising may take one of two forms. The majority of advertising can be promotional, presenting specific products or services offered for sale. In addition, some forms of advertising may be institutional, presenting your school-based enterprise's/store's image, an event, or theme of public interest, rather than the merchandise.

D. Publicity

Publicity is used along with your promotional activities to build a positive image for your business. Since SBE advertising budgets are typically very limited, the SBE coordinator should encourage students assigned to this function to identify and capitalize on all publicity opportunities to supplement paid forms of promotion. Publicity attempts to place newsworthy items about a business or product in the media without cost. Sponsoring various activities, events, or clubs in school and having these events reported in the school or local media, is a great way to receive publicity. Some site-based publicity activities might include:

- Sponsoring a club activity
- Sponsoring a school-based scholarship
- Awarding employee excellence
- Donating products for school activities
- Carrying a unique product or service
- Sponsoring a team
- Conducting an open house
- Making donations to charities
- Sponsoring a fashion show
- Sponsoring an environmental or beautification program

For any publicity activity, you need to be prepared to call attention to your business. The media may be unaware of your activities, so you need to be prepared to write a news release, submit an article or photo, or even call a press conference to get the word out about your positive activities.

E. Personal Selling

All SBE personnel are important sellers to the customer. Poor selling techniques can diminish much of the effectiveness of the SBE's promotional efforts by sales personnel. The store's selling policies need to be coordinated with the promotional efforts in order to create continuity between the promotional and personal selling activities. Obviously for low-priced convenience goods, selling is not really necessary, but for any of an SBE's/school store's shopping and/or specialty goods, selling will be essential.

Students should be involved from beginning to end in the creation and development of visual merchandising, advertising, publicity, and special promotions. The promotion function provides an excellent opportunity for students to identify their talents and display their creativity. For those with special talents and abilities, it is an opportunity to further develop their potential.

F. Promotion Planning

Does promotion work? What are my options when promoting my school-based enterprise? Can I afford it? Can I afford not to promote it?

Just like businesses in the real world, we must develop a promotional mix that will effectively promote the SBE.

Initially, there are several questions that you may want to address relating to promotion. Some of these may include:

- Who are my customers?
- What are my promotional goals and objectives?
- What is my budget?
- What should I include in my promotional mix?
- What support can I obtain from the business community?
- How do I measure the effectiveness of the promotional activity?

Customers (target market) – School stores can be unique and appeal to different markets. Do you target students, faculty, staff, parents, and members of your local community? Your promotional activities will vary depending upon your target market.

Goals and Objectives – If you don't know where you are going, how will you know if you have arrived? Develop practical and obtainable goals and objectives for your SBE. Do you elect to develop a promotional or an institutional campaign? Are you introducing a new product or service? Are you in a new location? There should always be a purpose and objective when developing your promotional campaign.

Budget – How much should I spend on this campaign? How do I determine my budget? Are cooperative advertising dollars available? Did I get the "biggest bang for the buck?" These questions can often be difficult to answer but are necessary because they offer realistic situations that relate to our programs.

Promotional Mix – What are the promotional options that we may choose to include in the promotional campaign? How do we coordinate these efforts? Many (if not all) of the following elements of promotion may be included in your campaign:

- Advertising
- Visual Merchandising
- Publicity
- Sales Promotion
- Salesmanship

Each of the above elements of promotion will directly complement your curriculum. They will provide meaningful applications to these units of study.

Business/Community Support – There is little doubt that incorporating the business community into your promotional campaign will generate many positive results. Who are your resources to call upon for support? How will you utilize these resources?

Evaluating the Campaign – If you established goals for your campaign, measuring the effectiveness should be obtainable. Are you measuring any increases in sales or customer acceptance of new products? Did the new displays and point-of-sale materials help to meet our goals? Did the students have the opportunity to apply specific skills and knowledge to the campaign? Did we establish new and improved relations with the business community? Are the administration, faculty, and student body appreciative or receptive of your efforts to operate an effective SBE?

One activity that may be used for promotion for a school store is the publication of a catalog of items (i.e., Christmas). This catalog may be circulated throughout the district and sent home to parents.

Another activity may be to offer samples of specials or promotional items. An example would be a balloon(s) with candy attached for a quick gift for birthdays, anniversaries, get well, etc. Also, you may display pre-wrapped gifts to further show that you may accommodate gift needs.

Teacher/SBE Coordinators may want to offer short seminars to students to introduce new items or new product lines that are unfamiliar to the student. Such departmental examples would include clothing (understanding size ranges and fabrications), giftware (understanding the difference between china, resin and plastic and the usefulness of the gift). These seminars will enhance the student's product knowledge and enable the item to better sales people.

G. Special Events

A. Opening day of school

1. "Apple for the Teacher" — Students place an apple on each teacher's desk the day before school begins. This should be accompanied by a handout, the theme of which might be: "Welcome back to School! Please visit the school store for all of your class and personal needs." Faculty discount cards would be an item for consideration.
2. A school-wide contest to name the school-based enterprise/school store (if not done prior to opening day) with the prize being a gift certificate or merchandise from the store.
3. Using the customer receipt as an entry blank, a weekly drawing might be held for only store patrons.
4. Offer free merchandise donated by local merchants.
5. A grab bag idea — have a combination of gift items in a specially priced package for the first week of business.

B. Holidays and Special Events

1. Build activities and events around your local holidays
2. Gift certificates for all of the special holidays
3. A school spirit week
4. CTSO week
5. Career and Technical Education week

Also, Consider These Other Promotional and Merchandising Ideas:

- Silk screening presses or embroidery machines for T-shirts, sweatshirts, and other spirit items.
- To encourage the notion that a school store is available to everyone, you will need to open the door of opportunity for clubs, faculty and other groups to be able to sell their product(s) through the store. This can be a profitable venture for the school store by charging a service or handling fee for selling the different items. Some examples would be selling school uniform items, flowers and plants from the horticulture program, creative gifts such as jewelry/pottery from the Art department, and spirit items from ASB (Associated Student Body).
- Spirit items with the high school name and emblem can be sold at the middle and elementary schools.
- To help clear old inventory, you might offer items in grab bags at a discounted rate. Be sure to keep track of the items you discounted for accounting purposes by adding them to your spoilage form.
- Consider the possibility of E-commerce by having your students develop a Web site. When the students determine the distribution system, this will become a much-used service, both on campus and off campus.
- Special sales promotion, such as: games, sidewalk sales, fashion shows, rebates, raffles, grab bags, contests, frequent purchase programs, coupons, or free sample/giveaways.

H. Learning Activities

Numerous activities will complement your promotional campaign and offer pragmatic applications to your units of study. Some of these may include:

1. Guest speakers
2. Field trips (newspapers, advertising agencies, businesses, etc.)
3. Sales representatives/vendors to discuss specific programs
4. Sales contests
5. Developing sales promotion activities
6. Obtaining manufacturer support (POP, POS, cooperative advertising dollars, promotional products, etc.)
7. Creating displays
8. Preparing advertisements
9. Visit other SBEs

XII. PERSONAL SELLING/CUSTOMER SERVICE

A. Selling Function

All workers in a school-based enterprise should be required to perform activities in the selling function. When a student takes the role of the front line sales associate, a working knowledge of the selling process will be crucial in creating sales for the business. There is no exact way or method to conduct every selling situation, but having a basic understanding of the entire selling process will help sales associates to be effective in providing personalized customer service. Every school-based enterprise will rely on repeat sales from satisfied customers who will have been given personalized customer service by your sales staff.

The selling process generally consists of the following basic elements or steps.

B. Pre-approach

Sales associates must be able to exhibit knowledge of merchandise features and benefits. They must have a working knowledge of prices and sale items. Knowledge of product features alone will have little impact on a customer.

Features become meaningful only when the customer can relate to something that will benefit them personally. Customers buy because of what the product will mean to them. Product or service knowledge is the foundation for any successful sales associate. Included in this knowledge would be:

- Brands, colors, sizes, and styles the business carries.
- Retail prices and how they compare with the competition.
- Familiarity with merchandise tags and care instructions. Knowledge of product composition and the manufacturing process would be very helpful.
- Knowledge of the location of the merchandise in the business. Workers should know where merchandise is kept and the current stock condition.
- Knowledge of what is being promoted and what is on sale.
- Knowledge of the merchandise in other departments.
- Knowledge of how items in inventory are related to each other and preparation to sell related merchandise.
- Knowledge of SBE policies and services.

In addition to obtaining basic knowledge of the product, sales associates should also be familiar with the typical customer who will be shopping the business. Part of this customer knowledge will be an understanding of the buying motives of the target population(s). Being prepared to deal with the various motives of a teenager or adult will make the job of communicating with and satisfying their needs and wants a much easier task.

C. Approach/Greeting

The step in the selling process when the customer and the sales associate first communicate is the approach. Getting off to a good start with your customers can set the tone for the entire customer visit. Some ways to ensure that positive impressions are made are:

- Approach or address the customer first. Being the first to speak is a sign that the associate is interested in the customer
- Smile and use a friendly greeting.
- Use the customer's name, if possible. When the sales associate provides their name, personal communication can be established.
- Always try to be positive during the entire sales process.
- Be prepared to adjust the sales talk depending on the type of customer.

The sales associate approaches the customer to gain their attention, then directs the customer toward merchandise available for sale. In a school-based enterprise, the selling situation will typically be more informal than in a typical retail store situation. The greeting or service approach will probably be a more appropriate method to use, depending on the products or services you are selling. In any situation, providing good customer service and prompt attention to all customers will be vital in the success of your business. Part of your selling policies might include a statement or two regarding the timing of an approach, or typical lines that might be used depending on the merchandise or type of customer. In every case, the customer should be given immediate attention and approached promptly, with a friendly, courteous attitude. Sales associates should use one of the three basic approaches:

- The **Greeting Approach** should be used when a customer enters the business and has not yet shown an interest in specific merchandise. It is a great way to welcome customers to your business. If the customer's name is known, use it with your greeting if possible. A customer who shops at a store and feels welcome will return.
Examples: "Hi, How are you today?"
"How are you doing today Ms. Smith, may I take your order?"
"Hi Mr. Davis, did your family enjoy your trip to Florida?"
- The **Merchandise Approach** refers to greeting the customer by commenting on the merchandise they are looking at. Use this approach to focus attention directly on the merchandise and arouse the customer's attention. When used properly, the merchandise approach gives the sales associate the opportunity to begin the selling the product.
Examples: "We've just received those . . ."
"I see you're looking at the (brand name) backpacks. They're our best sellers."
"We are having a special sale on athletic shoes this week. Do you have a brand preference?"
- The **Service Approach** offers assistance to the customer. When the customer looks like they need help, or if they appear to be in a hurry, then the service approach would be appropriate. Sales associates need to be careful that they do not overuse this approach, because it may encourage a negative response by the customer. The service approach is best when used in combination with a greeting approach.
Examples: "Hi, how may I help you?"
"Can I help you find your size?"
"Hello Mr. Jones. Is there something in particular you were looking for?"

D. Determine Needs and Wants

Every customer that enters a business will come with special needs and wants. It is the role of the sales associate to find out what the customer has an interest in, and the reason they want the item.

By asking the right questions, a good sales associate can identify the buying motive and then provide a product or service that will satisfy the customer's identified needs. On occasion, some customers will tell the sales associate exactly what they want, but many will not provide their need or want without the sales associate's help. The use of open-ended questions is an excellent method to use to get customers to provide the sales associate with their needs and wants. By listening to the customers' answers, and observing their reactions, the sales associate can move right into presenting appropriate merchandise or services.

Example of open-ended questions might include:

“What features do you feel are important to you?” “For whom are you shopping?”

“What clothing style do you prefer?” “What brings you into the store today?”

One area that salespeople must keep in mind is that the immediate customer may not be the final consumer of the product being presented. The sales associate should always determine the final consumer, and match their efforts to the final user.

E. Make the Presentation

Once the needs or wants of a customer have been identified (determined), it will be the role of an effective sales associate to attempt to fill those needs with an appropriate product or service that will be acceptable to the customer. The sales associate should select products appropriate for the customer. When presented, the intent will be to satisfy the customer's needs and wants.

During the presentation, the sales associate must not only talk but also listen. They must involve the customer in the presentation. Effective sales associates get the product in the customer's hands and attempt to involve as many of the five senses as possible in their presentation. Show the merchandise in action. Handle the merchandise with care. Treat the stock like it is someone else's property. Get the customer involved in the presentation. Remember to stress the product's benefits to the consumer.

On a number of occasions, a sales associate may not be able to satisfy the customer's specific request for a brand, style, or color. The sales associate should be able to substitute sell merchandise that is similar in features and benefits that is currently have in stock.

F. Handle Complaints/Objections

Customer's objections may come at any time in the selling process. Objections are natural, arising primarily from a customer's lack of understanding of the product's features or its benefits. The best way to handle objections is to expect them and be prepared to provide the customer with information that will resolve their concern with the product or service. A sales associate should welcome objections. They are a signal the customer is interested in the product. They also highlight the reason for not buying. They are signposts that highlight where to direct the sales efforts. Most often, objections for not buying can be matched to the five basic buying decisions — decisions about the need, product, price, source, or time. You can prepare for most objections by anticipating them and planning possible responses to them. Using various techniques to overcome objections will allow the sales associate to reassure the customer that their needs will be met. Once you remove the customer's concern with the product, you should direct your efforts toward getting the customer to say, “Yes”.

General rules for handling objections include:

- Listen to the objection.
- Ask open-ended questions if you need more information or to clarify the objection.
- Agree that the customer has a valid concern. Restate the objection to let them know you understand their concern.
- Reassure the customer by stressing benefits.
- Be positive in your approach. Don't be discouraged.
- Turn objections into an opportunity to sell.
- After overcoming the objection, ask for the close.

Techniques used to answer objections may include the following methods:

- Yes, but method
- Direct denial method
- Superior point method
- Boomerang method
- Question method
- Demonstration (show-em) method
- Third party (testimonial) method
- Close-on-objection method

G. Close the Sale

The goal of every sales presentation is to get the customer to close the sale. From the very beginning of the sales presentation, the sales associate should look for an opportunity to ask the customer to buy. The sales associate needs to observe and listen for buying signals from the customer that they are ready to buy.

Some sample buying signals might include:

- Facial expressions along with the focus of the customer's eyes.
- Actions or body language that indicate the customer is ready to make a decision.
- Favorable responses to questions.
- Did the customer show interest in one item? Did they keep coming back to an item or repeatedly pick it up?
- Did they make favorable comments about the merchandise? Do they make comments that imply ownership?

Once you recognize a buying signal, you should attempt to close the sale. Numerous techniques for closing may be tried, generally depending on the individual selling situation.

H. Suggest Additional Items

A natural time to suggest additional merchandise is when the sales associate closes the sale. The sales associate should realize that suggestive selling is important in each and every selling situation. The associate should determine if there are any other needs that could be met by suggesting additional merchandise or service. Attempt to make sure the customer perceives the suggestion as a helpful reminder, rather than pressure to purchase additional merchandise.

Typical methods to increase the sale might include:

- Suggest related items.
- Suggest newly arrived items.
- Suggest a larger quantity.
- Suggest trading up to higher priced, better quality merchandise.
- Suggest new or additional uses for merchandise.
- Suggest specially advertised items.
- Suggest merchandise for special occasions.

I. Reassurance and Follow-up

After a successful closing, and before the customer leaves, the salesperson should reassure the person of the wise buying decision they have made. Always thank the customer for shopping at your business and invite them to shop again. The salesperson should then follow-up the sale at a later date to check if all conditions of the sale have been completed and if the item purchased met the customer's needs. Also the follow-up is a great opportunity to inquire about future product needs of the customer.

J. Sales Related Activities

In addition to providing great customer service in the personal selling process, the SBE student worker will also be required to complete a number of sales related activities. Included in these activities might be the recording of sales checks completely and accurately. Sales workers may also be assigned cashiering duties and activities, including accurately handling money, completing check and credit card transactions, and handling various other selling forms and procedures.

Using the telephone as part of the selling process will be another important selling related activity for the school-based enterprise worker. Most customers use the telephone as a way to save time by not having to visit the business to inquire about the merchandise, hours of operation, or specific prices. The sales associate's role in dealing with telephone customers is to provide prompt, knowledgeable, and accurate information as requested in the inquiry. A goal in telephone selling is to turn the phone caller into a loyal customer for both the sales associate and the business.

K. Selling Policies

In addition to a thorough knowledge of the product and the customer, the SBE sales associate should also be well versed in the enterprise's policies as they relate to selling. Policy guidelines might address one or more of the following.

Pricing Policies — The sales associate should be familiar with the enterprise's formal mark-up procedures. In addition, are discounts available for various groups of customers, such as the SBE staff, the professional school staff, or the school's sports team or various club members? Also, will sales associates have any flexibility in negotiating the retail price?

Return Policies — Will the customer be allowed to return merchandise to the business? What, if any, restrictions are placed on items sold by the business? Will the enterprise guarantee the product's freshness, performance, wearability, or construction?

Selling Process Policies — What components of the selling process should be stressed in the SBE's selling activities? Selling activities may depend on the type of business operation, merchandise sold, or the presence of specific written store policies. Areas such as when and how to approach a customer, prospecting duties of the sales associate, and how much merchandise to show a customer in the sales presentation should be addressed.

XIII. POLICIES

A. Areas to Address

A positive program of orientation for new employees should be established, preferably in writing. With a written manual format, you will be able to communicate to your workers the SBE's procedures, rules, expectations, goals, and philosophy. Every business must inform employees what they should and should not do. Some of the basic areas to address with specific written policies might include the following:

Hours of Operation—Time to report for work, scheduled break time, will a time clock be used, will additional hours beyond the school day be required, i.e., special events, open houses.

Absences and Tardiness—Stress the importance of being reliable and punctual for work. What role will absences play in a worker's evaluation and grading? Employees are expected to know their work schedules. If a worker will be absent or unavailable to work, how to find a substitute.

Telephone Procedures—Including taking messages, transferring calls, answering customer inquiries, selling, providing product knowledge, and use of the phone for personal use.

Dress Code—What is and is not appropriate to wear? Is a uniform or identification badge required to be worn? Identify basic grooming and personal cleanliness requirements.

Employee and Customer Safety—What to do in the case of a medical emergency. How to handle fire drills and weather-related drills. How to identify and correct unsafe acts or conditions.

Personal Behavior—How they should act, what will be expected of them. Workers must keep a business like attitude at all times, avoiding fooling around, horseplay, swearing, or wandering outside of their assigned areas. Included should be a statement of limitation on visiting with friends and how to keep busy by showing initiative in completing routine tasks.

Consumption of food or beverages, as well as the use of gum, toothpicks, or other oral objects during business hours should be addressed.

Another key procedure is employee purchases, for both food and general merchandise. Having a time scheduled, special forms to complete, and authorization to make purchases, and discounts available will smooth any problem areas related to this activity.

Maintenance—What needs to be cleaned? How often? (hourly, daily, weekly) Who is responsible for cleaning? A cleaning schedule is a helpful tool for these routine tasks.

Reprimands and Grounds for Dismissal from the program—Define what acts will create reprimands and the consequences of the reprimand. Define what acts would be serious enough to cause removal from the school-based enterprise.

Evaluations—The purpose of an evaluation is to give each employee feedback on how they are performing in the business operation. It will identify the employee's strong points and areas they need to improve. The evaluation will also be used to assist in determining the employee's grade for working in the school-based enterprise.

A business is organized according to the various tasks that need to be done to provide a smooth operation. An organization chart is an excellent way to show the hierarchy of positions available in the school-based enterprise. A **written statement of job descriptions** for each position would provide an informative way for employees not only to learn their role in the business, but also be a reminder to review when training others. Listed below are two examples of job task statements found in many school-based enterprises.

Merchandise Staff Worker Duties:

- Receive, count, verify, and record all incoming department merchandise.
- Determine price of merchandise according to department mark-ups.
- Mark merchandise with appropriate tag and label.
- Coordinates orders for department, reviews catalogs, works with vendors, reviews want slips.
- Maintain stock levels.
- Responsible for department in-store merchandise presentation and board displays.
- Take physical inventory at appropriate times.
- Determine sale items and end of season markdowns.
- Report directly to merchandise manager and store advisor.

Display Worker Duties:

- Design window displays using proper display techniques.
- Create window and interior displays.
- Planning display changes.
- Prepare and coordinate seasonal promotional campaigns.
- Clean, maintain and store display props and fixtures.
- Take inventory of supplies and materials used in displays.
- Promotion of the image of the business.
- Report directly to the promotion manager and store advisor.

Identifying special customer services is included in the policy section of this Guide. Providing a definition of what the business will offer to consumers creates an incentive to shop and will establish customer loyalty.

Returns and Adjustments—A defined policy for returned merchandise, especially for refunds must be in writing. The business can be as restrictive ("All sales final") to as liberal ("Total satisfaction guaranteed") as you decide. Some guidelines for returns should be considered. They might include:

- All merchandise returns must have an accompanying sales receipt.
- Set a time limit for returns.
- Restrict certain merchandise for refunds (opened CDs or worn athletic wear).
- Manager or advisor approval is required for all returns.
- Attempt to have the customer make an exchange (even or uneven) instead of a cash refund.
- Provide due bills instead of cash refunds.
- Purchases of sale or clearance merchandise are final.

Gift Wrapping—The availability of boxes, bags and gift wrapping may be a valuable service for many school-based enterprises. As with delivery policies, limitations need to be defined.

Credit—Depending on the merchandise offered for sale, a business should consider offering some form of credit policy. For enterprises selling low-priced or consumable goods, credit usually is not an option. For others, the availability of credit is essential. Accepting bank credit cards is one option. Along with the reduced risk of this type of credit comes the fees and percentage of the sales that banks charge. Your business may opt to offer its own credit. By taking this option, along with the increase in sales (full purchase price), comes the potential problems and costs associated with collecting on late and nonpayment accounts.

Discounts for Special Groups—The availability for special pricing for specific groups will encourage additional sales and repeat business from those targeted populations. In addition to discounts offered to your enterprise's workers as described above, your school staff would be one group to focus on. Having staff members using, wearing, and consuming your products is an excellent way to promote your operation throughout the school.

Specific merchandise designed for staff, such as shirts or coffee mugs are great opportunities for additional sales. Teams and clubs in the school are other potential target groups to focus on. Special clothing, spirit novelties, or offering baked cookies for club meetings are merchandise options special groups would value.

Special Orders—Your product offering may present the opportunity to provide for special orders on specific merchandise from your vendors. Items such as gifts, team clothing, embroidered names on apparel, CDs, or stuffed animals, are some of the merchandise lines where special requests would be of added service. Check with your vendors to see if this would be a viable option.

B. Store Policy Manual

This section is designed to guide you through the process of writing an employee or store/school-based enterprise handbook. Such a handbook, or manual, is important for every company. This format is an easy, inexpensive way to communicate to your students the procedures, rules, expectation, goals and philosophy. It is the best way to make sure that a school store/school-based enterprise is run smoothly and consistently. If a manual is not available, a lot of time is spent orienting each new student, and a lot more time explaining procedures over and over to your current students. Also, much time is spent reviewing or explaining every time an issue is misunderstood, a privilege abused, or a policy changed.

It is recommended that the school principal read the entire handbook and approve its contents before it is printed and shared with the school-based enterprise's employees. This process will aid in gaining administrative approval and assist in handling behavior problems when they arise. It is also recommended that the manual be placed in a loose-leaf binder (so that changes can be inserted easily) and made available electronically in a PDF format accessible to all school-based enterprise staff.

This manual should be divided into the following sections:

- Function and Role of School Store/School-Based Enterprise
- SBE Organization Chart
- Employee Job Descriptions
- Policies and Procedures of Operation
- Evaluation
- Security Measures
- Inventory Control
- Questionnaire and Proposals
- Space Planning Questionnaire
- Opening Day and Promotional Ideas

As must be the case in every well-organized business, there are ground rules that must be observed to keep everyone involved working in the same direction. Rules are necessary to assist in providing the best possible service to customers in the most efficient, orderly and profitable way.

C. Sample Policies

Policy #1—Cashiering

To verify the amount of cash in the drawer, the steps to follow are:

- Count each denomination of coin.
- Record each amount on a verification slip.
- Place coins in proper cash drawer compartments.
- Count each denomination of currency.
- Record each amount on a verification slip.
- Straighten currency so that it is not crumpled.
- Place currency in proper compartments.
- Total change fund accurately.
- Indicate whether change fund balanced.

Making change without a change indicator, the steps to follow are:

- Announce the amount of sale clearly to customers.
- Announce the amount of cash tendered by the customer.
- Place cash tendered on the register plate.
- Count change from the cash drawer: smallest to largest; coins first then bills.
- Repeat transaction to the customer.
- Count change back to customer correctly:
 - Coins first, then bills
 - Combine pennies
 - Bills face up, and in line
 - Use least number of coins/bills
- Thank the customer.

- Wait for the customer acknowledgment, and then place tendered money in cash drawer.
- Do this with confidence and poise.

Making change with a change indicator, the steps to follow are:

- Announce the amount of sale to customer.
- Announce the amount of cash tendered by customer.
- Place cash tendered on register plate.
- Index amount tendered into the register.
- Count back “change due to the customer” while removing the money from the register:
 - Largest to smallest
 - Bills first, then coins
 - Use the least number of coin/bills
- Announce the amount of change due to the customer.
- Count back change to the customer—bills first, then coins.
- Thank the customer.
- Wait for the customer acknowledgment, then place the tendered money in the cash drawer.
- Conduct yourself with confidence and poise.

Cash Register Safeguards

- Maintain organized cash drawer:
 - \$20.00 bills on left to \$1.00 bills on right
 - Portrait side up and facing same direction
 - Large bills under the cash drawer
 - Coins in descending order
- Remove excess cash.
- Do not allow interruptions, avoid distractions.
- Keep drawer closed when not in use.
- Stay at register position, do not leave unattended.
- Follow proper change making techniques.
- Always place amount tendered on register plate.
- Refuse to be rushed.

Policy #2— Accepting Checks

Accepting checks for payment:

- Checks must be signed, or addressed in front of cashier.
- Examine the check closely. There should be no additions, corrections, and especially no erasures. Also, be sure that all lines are filled in.
- Check the date. Do not accept a postdated check.
- Check must be written in ink.
- Written amount of check must match numeric amount of check.
- If signature is unreadable, the customer should print name below the signature.
- If check and customer ID are acceptable, place your initials in the front upper left-hand corner of the check.
- Record type of ID used, and identifying number, on the back of the check. Address and phone number of customer should be on the check.
- No check over \$____ will be accepted.

*NOTE: This procedure must be followed for **every** customer. No exceptions! It is imperative to safeguard against bad checks. A properly followed procedure will deter bad checks.*

Identification for cashing checks

- Request picture identification, either a driver’s license or state ID card. Do not accept a check without a picture ID.
- Compare ID description with the appearance of the customer. Check height and eye color first.
- If there are two picture ID cards, compare information from the two.

Bad Check Procedure

- When a bad check is returned from the bank, retain the check in the assigned place.
- Place the check in plastic. The check is evidence, do not soil, fold, staple or alter the check.

- Call the customer. If it is an oversight, the customer will want to make the check good immediately.
- If it is a case of possible forgery, inform the proper school administrator, and then call the police. This is a felony and should be handled promptly.
- If a check is returned due to insufficient funds, or there is “no account,” send out a bad check notice if your initial phone contact is unsuccessful.

Policy #3—Charge Accounts

- Charge accounts may be made available to school-based enterprise students and employees of the building.
- Charge accounts are made available (after application process is complete) for all students and staff for nonfood merchandise. Establish a credit limit for each customer.
- All merchandise accounts are on a 30-day receivable plan. All delinquent accounts will be immediately terminated.

Collection of delinquent accounts may be handled accordingly

- A list of merchandise purchased, date and the amount outstanding is given to customers.
- Parents of student customers will be called and informed of the situation. Possible outcomes until account is remedied are withholding of grades/diploma. If all else fails put the student on the fine list.
- All adult employee accounts will be assigned to the designated school administrator.

Policy #4 – Credit Card Policy

- _____ may be accepted at the school store. This procedure should be followed:
 - The charge card must be that of the intended user.
 - All charge slips must be signed in ink.
 - All charge slips must only be for the amount of the sale.
 - All charge slips must have the signature that is registered on the back of the charge card.
 - All charges over \$, must be called in for authorization.
 - The expiration date of the credit card must always be checked carefully.

Charge accounts are at the discretion of each school-based enterprise coordinator. Acceptance of debit cards is also discretionary. Each coordinator must weigh the benefits of the charge plans to their specific operation.

Policy #5 – Pricing

The school store may be able to price merchandise at a lower profit margin than stores in the community due to a lower cost structure for operations. School-based enterprise coordinators should be sensitive about the pricing strategy—maintaining a price structure that is both competitive to common retail prices as well as beneficial to customers. The goal is to have a fair pricing structure that also allows the SBE to make a reasonable profit. Example: The gross profit margin goal will be forty percent (40%) in the food department; thirty percent (30%) in gifts; and ten percent (10%) in music-related items. The manager must approve markdowns. Markdowns must be recorded on a price change slip and recorded in the daily sales report. The accountant will make the necessary adjustments on the daily revenue report and advise the SBE coordinator and SBE/store manager of these activities.

Policy #6 – Layaway Sales

Offering layaway is an option. If layaways are made available, the following procedure is recommended:

- On a regular sales slip, record the amount of the layaway deposit and the amount due.
- Use a “layaway stamp” and stamp the sales slip.
- Complete the layaway tag completely. The bottom portion is the customer’s receipt. The middle portion is attached to the original sales check. The top portion is placed with the merchandise.
- Inform the customer of your layaway policies:
 - Example: At least 10% of sale price for the deposit.
 - Place the merchandise in a bag with the top portion of the layaway tag attached.
 - Place merchandise in the stockroom on a layaway shelf.

- Must be paid for and picked up in 30 days.
- Items not paid for in 30 days, will be forfeited and returned to the store for resale.
- Every attempt will be made to contact the layaway customer prior to forfeiture of items.

Policy #7 – Approvals

To secure approval on all check cashing, voids, refunds, over rings, employee discounts, etc., contact the SBE/store manager or supervisor.

Policy #8 – Refund Policy

Our policy at the _____ (SBE name) is one of satisfaction guaranteed on all of our sales. If merchandise is damaged or defective, the customer can request an even exchange, refund or refund with additional purchase. The store manager must be involved with the cashier/salesperson in these transactions. All returned or exchanged merchandise must have the original sales receipt/check to verify that the merchandise was purchased at the SBE/store. (No refund will be given without the SBE/store manager or supervisor approval.) All merchandise that is sold as a clearance item will not be eligible for a refund.

Policy #9 – Short Change Complaints

When a customer suggests that a cashier/salesperson or employee of the SBE/store has shortchanged them, the SBE/store manager or supervisor will manage the request. The SBE/store manager or supervisor will take the name, address, phone number, and other pertinent information pertaining to the situation. The customer will be informed that the regular procedure is to investigate the matter by checking the sales receipts and register tapes prior to issuing the refund. If the request is for a small denomination on the spot sale as .05 cents to .95 cents, the SBE store manager or supervisor has the authority to issue the refund at the time of the request.

Policy #10 – Over rings and Voids

If a cashier has an over ring/void, the SBE/store manager or supervisor must be contacted immediately. The over ring or void slip/paperwork must be placed in the register under the cash drawer.

Policy #11 – Store Hours and Employee Work Schedule

The store will be open following the time schedule posted. Actual work assignments are at the discretion of the SBE/store supervisor (coordinator) and are posted by the manager. Every employee is expected to know his or her next day's work schedule. Work assignments will rotate to give every employee the broadest opportunity for training experiences. The SBE/store operation hours will be established according to the school's schedule.

Under no circumstances, unless approved by the SBE/store supervisor (coordinator) will anyone be allowed in the SBE/store facility.

Policy #12 – Accidents

Here are a few basic safety suggestions which, if followed, will help to minimize and/or eliminate accidents:

- Lift heavy objects by bending at the knees, keeping your back straight and lifting. Ask for help if the object appears to be too large and heavy.
- Horseplay has been recognized as the greatest single cause of employee injury.
- Cleanliness—make sure objects as glass dividers, razor blades, sharp objects, etc. are not left on merchandise counters or floors. Keep stock in secured areas.

Please contact the SBE/store manager or supervisor immediately if an accident should occur.

Policy #13 – SBE/Store Maintenance

An element of operations that is often overlooked, even by major retailers, is that of regularly scheduled maintenance. All merchandise should be cleaned and dusted on a regular basis. The floors should be vacuumed and mopped on a scheduled basis. The cash register should be covered when not in use. This schedule should be rotated so the same students are not assigned the same jobs all the time.

Policy #14 – Telephone Procedure

The store number is _____.

Many times the phone will ring while the store supervisor is not in the immediate area. As an employee, you must regard every caller as important.

Some tips to follow if you answer the phone:

- Answer the phone as soon as possible-no more than three rings should be the norm.
- Answer the call, using the SBE/store name and being courteous. An example would be "Good Morning, The Hornet's Nest, Angela speaking, may I help you?"
- If in a school store facility, if you need to find the person the call is for, do not shout their name across the store, in front of customers. Either find some help to assist you or excuse yourself momentarily from your area of responsibility. If either is not possible, take a message and inform the person that the note will be delivered.

During working hours, only calls related to business will be accepted. Personal calls are not authorized.

When placing a call please follow these procedures:

- If it is an important call, place the call yourself.
- Plan your calls. Have all of your information ready prior to using the phone.
- Know your school number, address, fax number, etc.
- Have paper, pen, and pencil ready. Always identify yourself, talk distinctly, and speak into the receiver.

Remember that:

- You are creating an image for your school/program.
- Say "thank you" at all times when completing a conversation.
- When taking a message, have all pertinent information so it is easy to call the person back.

Policy #15 – Complaints

If a customer complains or is greatly dissatisfied, do not argue with him/her. Remember that the customer is always right, until proven otherwise. Be a good listener, be considerate, and refer to the SBE/store manager or supervisor. A recommendation would be to respond to the customer: "One moment, please. I am sure Mr. /Ms. _ will be able to assist you with your concern."

Complaints are normal to any business, but an employee's attitude and good manners will keep them to a minimum. A repeat customer is our most valued customer.

Policy #16 – Public Relations Policies

Lost and Found—any items found in the SBE/store operations that do not belong to one of our staff and/or employees will be kept in a lost and found storage area. Items that may be of significant importance such as jewelry, wallets, credit cards, etc. will be given to the SBE/store supervisor, manager or instructor for immediate investigation and return to the rightful owner.

When customers leave their change behind, address the situation accordingly:

- Identify customer's name, if known.
- Record the date and time change was found.
- Give the change to the store manager/supervisor prior to leaving your shift.

Policy #17 – Checking Employee Belongings

While you are working in the SBE/store, as an employee, you should leave your books, purse, and packages of merchandise in a secure location. Do not wear jackets or coats while on the sales floor.

Policy # 18 – Name Badges, Buttons and Aprons

- Name badges or buttons help create a friendly atmosphere. Customers feel more at ease if they are able to identify employees by their specific name.
- Every employee will be issued a name badge/button that will be worn at all times while you are on your work shift.

- Any lost ID badge or button will cost \$_dollars to replace.
- If aprons are provided as part of the staff uniform, color coordinate your attire as much as possible. This will add to the professional look.

Policy #19 – Personal Behavior Code

Here are a few general conduct rules actually practiced in business and expected of you while you are working in the SBE/school store:

- Food and beverages are not to be consumed by employees while on a work shift.
- Gum chewing is not allowed during work shifts.
- Personal business is to be conducted prior to or after your work shift. Schoolwork is not appropriate while you are working.
- Information regarding any sales and costs of operation is to be kept confidential.
- Maintain a businesslike behavior and attitude during your work shift. Any activity identified as horseplay or behavior that is considered unprofessional will not be tolerated.
- Do not enter the working area until your work shift hour.
- Any notices or messages posted to the bulletin board must be coordinated with the SBE/store manager and/or supervisor.
- Keep yourself busy and productive during slow times. Ask your manager if there are other duties or chores that can be performed. Look for routine tasks that can be done and do them without being asked. This is considered one of the most important traits of a valued employee. The most successful student-based enterprise students are those that look for opportunities to contribute rather than wait to be told.
- Loyalty to the SBE/school store operations and employer/employee relations is of critical importance to success. Each staff member and supervisor/manager must subscribe to a code of ethics and be accountable to each other for his/her actions. 100% cooperation is needed for the SBE to achieve the established goals.

Policy # 20 —Missing Class or Leaving the Building for Store-Related Business

Occasionally, as with other club or class activities, it is necessary for students to be sent on errands related to the school store operations. Sometimes it is necessary to keep students in the store, thereby causing them to miss class.

It is the administration and store policy that students will not miss their class or be off-campus without prior written approval of the coordinator. The coordinator will follow all rules and regulations of the school that pertains to managing students accordingly.

Policy #21 —Absence and Tardiness

All business organizations succeed or fail depending upon the quality of the organization personnel and the degree of “teamwork” they display. When one member of the team is away from the job, everyone else must adjust and adapt accordingly. If operations are planned and organized well, the adjustment will be easy and the impact on operations will be minimal. However, if students establish patterns of absenteeism and tardiness on a consistent basis, it puts an unfair amount of workload on everyone else.

Inform your manager or supervisor as early as possible about your absences. If you have an emergency that prevents you from being in class or making your work shift, use the phone tree established for such occasions. Staying informed will help us to make better decisions for our program. All absences and tardiness will be recorded and managed according to the policies established by the school, as well as policies established for the SBE/school store operations.

Policy #22 — Attire and Appearance

Since the store is a place of business, employees (students) are reminded to dress according to the dress code for work. An employee’s appearance will have a positive impact on customers if attire worn meets established guidelines.

Cleanliness is each person’s personal responsibility. Take pride in being well-groomed. Since business demands a lot of face-to-face contact, good personal hygiene and habits will go far in establishing positive relations with customers and staff. Students that are not properly dressed and groomed for work may be relieved of their duties for that specific shift.

Policy #23 —Grounds for Dismissal from the Program

- Conduct that is not consistent with the established code of conduct policies.
- Evidence and conviction of dishonesty.
- Committing or attempting to commit deliberate damage to the store/class property.
- Excessive absences or tardiness. Guidelines established by school and program.
- Insubordination.
- Negligence in performing duties assigned.
- Granting privileges without proper authorization.

Policy #24 —Student/Employee Performance and Proficiency

- The SBE/store supervisor, manager, or personnel manager, may, at any time, write a written documentation addressing employee behavior. Reports must be written and filed any time a policy has been broken.
- Employee evaluations are to be completed every two weeks by the store manager and supervisor.
- Your SBE/store grade will be added to your class grade to determine your final grade for the semester and year.

XIV. STORE SECURITY

A. General Guidelines

- SBE/school store operations should only take place in a secure surrounding, i.e., secured room, or an office. Make sure customers cannot reach merchandise or money easily or have access behind the counter.
- Have a security camera installed or require an adult to be present at all times.
- All school stores need to be using a cash register or a computerized cash register system. No money should be left exposed at any time, except when receiving payment or giving change to the customer.
- The SBE facility/school store must be locked when not open for business. All opportunities for theft must be considered and preventative measures need to be taken. It is also recommended that only the adult supervisor have a key to the SBE facility/school store. If anyone else has a key then you cannot be held responsible for any theft that may occur. If the administration insists on having a key then you should write a letter to the principal stating that you will not be responsible for theft that may occur because of an unlocked door.
- The SBE/school store should never be unattended during business hours.

The SBE teacher/coordinator is responsible for opening and closing the SBE/store operations. Working with your administration, there must be clear guidelines for the following situations:

- Personnel that are authorized to have access to the SBE facility/store during off-hours. The administration is also included in this area since they have master keys to all buildings. The issue of liability must be addressed prior to incidents of vandalism, theft, damage, etc., which may occur.
- Using the SBE/store facility for other activities associated with club or athletic functions. The SBE coordinator must be involved in all these decisions.

B. Security Equipment

Work with your school administration on the need for and selection and purchasing of a SBE/school store security equipment. Your advisory committee should be able to make excellent recommendations regarding their own business security systems. Ultimately, your budget will determine your initial investment. Establishing a short-term and long-term plan might be your best effort at getting your store operational. The use of video cameras and monitors appear to be the most common approach to serving security needs for businesses.

Scanners on registers are used in most retail operations. One recommendation for scanners is

to purchase one strictly for the receiving of merchandise. This greatly decreases the time used for managing shipments from vendors.

When possible, installation of one way mirrors and/or windows from the SBE/store coordinator's office and/or storage room to the SBE facility/school store sales area should be utilized.

C. Supervision of Workers

An adult (teacher or an aide) needs to supervise students in the school store at all times. It is important that the adult helps select and schedule the workers.

D. Loss Prevention

The following is a quick loss prevention needs assessment. Can you answer yes to these questions?

1. Are your price tags secure and legible?
2. Do you check merchandise received against original orders and invoices?
3. Is your check-in area secure? Can the employees hide items?
4. Do you check register detail tapes for unauthorized voids and unauthorized no-sales?
5. Do you keep check out areas moving? Failure to keep customers moving can be a security problem. Long lines at checkout counters provide customers an excellent opportunity to pocket open display merchandise.
6. Are registers locked and keys removed when registers are unattended?
7. Is merchandise handled carefully by employees to prevent damage and breakage?
8. Do you have a policy on interior displays and their arrangement? Well set-up displays and stock arrangement discourage theft.
9. How do you handle salvage goods? Do you have a system set up which will prevent good merchandise from being stolen under the pretense that it is damaged? (Candy, broken bars is a prime area)
10. Do you have a policy on wearing large coats, purses, and bags into the store? It might be necessary to provide a coat and bag check-in area.
11. Do you maintain tight controls over access to the stockroom?
12. Do you have a policy on employee purchases?
13. Do your employees give your customers plenty of attention?
14. Have you established a policy for employee discounts?
15. Do you hold your cashiers accountable for all register transactions? (Shortages, overages, voids, refunds)
16. Do you require management approval for refunds?
17. Have you established a store policy on the handling of checks?

18. Do you have a layaway policy? Do you have a secure layaway storage area?
19. Do you offer rewards for identifying shoplifters?
20. Have you removed all possible opportunity for losses? Loss prevention can also be addressed through policies.

Employee Discounts

Discounts given as awards for promotions can discourage internal theft. The SBE/store manager is in the best position to determine when a discount will benefit the program. Discount incentives should be attainable goals, not so far out of reach that students become frustrated when they are unable to achieve them.

Employee Purchases

Serious consideration should be given to when employees of the SBE/store can make purchases. This simple transaction can open up a number of problems. Some possible solutions or preventions to consider are:

- Do not allow students to write up or ring up their own purchases.
- Do not allow any employee to purchase goods during their work shift.
- The store manager must approve all employee purchases.

Shoplifting Prevention

- Small items should be in a display case.
- Valuable items in a locked display case.
- Remove hangers from apparel after each sale.
- Do not use tall and/or long displays.
- Customers must not be allowed into secured or sales areas.
- Keep merchandise in neat and orderly arrangements.
- Avoid visiting and socializing with friends that will cause distractions during your work shift.
- Breakdown all boxes not in use—they can be used to hide merchandise and taken out to the trash area for distribution.
- Greet and meet every customer with eye contact. They know when you are aware of their presence in the store.

Shoplifting Apprehension

- Pay close attention to a customer's body language. Looking around, fidgeting, hanging around with no purpose in mind are some of the signs of concern.
- Inform other employees/manager of the possible shoplifter. Watch closely.
- Remember that theft does not occur until the customer leaves the store. Only then, are you able to approach the customer regarding theft.
- Approach suspect, address them, and inform them of who you are.
- Do not accuse suspect of stealing; inform them that payment for the merchandise is needed prior to them leaving with the item. Give them a chance to pay for it—it might be an honest mistake.
- If suspect refuses to return with the merchandise, collect as much information about them as possible and report it to the store manager/supervisor.
- Do not use any physical force. Do not put yourself in harm's way.

SBE/Store Access

Access to the SBE facility/store should be as limited as possible. A recommendation would be to provide access to the custodians (unless your students provide daily cleaning), administration, and the instructor. A letter of agreement should be drafted between you and the principal, authorizing the distribution of keys and access to the SBE facility/school store. This will limit your liability as an instructor when and if damages occur during off-hours. The SBE/store coordinator should be accountable only during normal operating hours.

Original References (by Section)

Permission was given by DECA, Inc. to modify the original Guide for Starting and Managing School-Based Enterprise that was developed by DECA, Inc. with the sponsorship of Pepsico/Frito-Lay, Inc. Because many of the references in the original Guide are from textbooks and LAPS that have since been updated and published in new editions, the references below are provided for context only.

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Curriculum Resources Nebraska Enhanced Membership

Nebraska Career Education, through payment for an enhanced Membership in the MBA Research and Curriculum Center, has provided every Nebraska teacher/work-based learning coordinator the opportunity to access free curriculum resources. The materials are high quality and many have direct application to school-based enterprises.

Those two resources are:

- State's Connection
- MBA Learning Center.

1. To establish a login and password for State's Connection:

http://statesconnection.mbaresearch.org/index.php?option=com_user&task=register

**Registration takes TWO minutes but allow two business days for confirmation of your status

2. To establish a login and password for the MBA Learning Center:

One teacher from each high school will need to send an email to HelpMe@mbaresearch.org. The email should state:

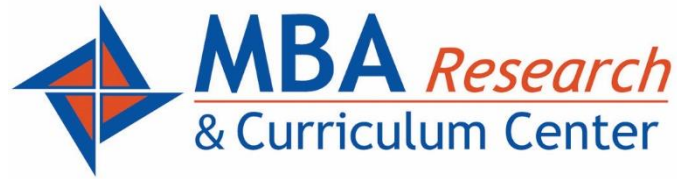
I'm a Nebraska High School teacher and I'd like to request access to the MBA Learning Center for this school year.

*Full Name
Name of School
Address of School
City, State Zip
Email Address*

Other teachers that would also like access to the MBA Learning Center from my school are:

*Full Name
Email Address
Full Name
Email Address*

Please direct questions to HelpMe@MBAResearch.org



Nebraska's membership in the MBA Research Consortium and our state's support of the projects identified below makes it possible for you to access these high-quality resources.

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MBA Curriculum Builder

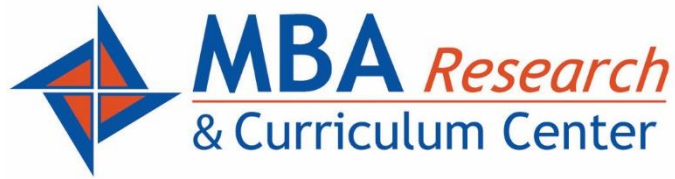
This brand new web-based database allows you quick and flexible access to MBA Research's standards research. Soon, you'll have a direct link from State's Connection to the new software. If you're working on a new course or program-of-study, this new tool is incredibly powerful, allowing you to make informed research-based decisions to guide your course learning outcomes.

MBA Research Bookmarks

The Research Bookmarks make searching the Internet for educational tools and materials easy for you. Regardless of what aspect of business administration you teach, you are bound to find something useful here. They have bookmarked websites containing tutorials, lectures, games, quizzes, and a whole lot more. Use them in your classes, for CTSO competitive event preparation, or even for your own professional development. Updated often.

The Gray Zone

How do your students view the business world? Do they see it strictly in terms of black and white? Or, do they understand that it also includes many shades of gray? Use *The Gray Zone* to introduce your students to problems and situations that don't have one specific right or wrong answer. Each *Gray Zone* is based on a unique performance indicator from MBA Research's national standards and presents students with an ethical dilemma in business to resolve. This area is updated often.



Expanded Consortium Membership Benefits

Course guides are now available free to all Nebraska schools through our state membership in the MBA Research and Curriculum Center.

Course Guides

Course Guides that may have specific application to school-based enterprises and related course content include:

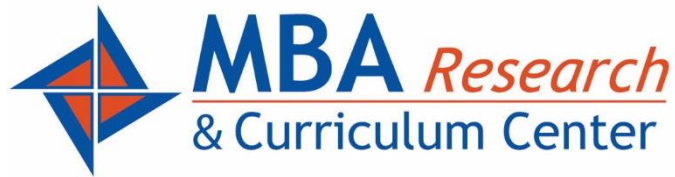
- Business and Marketing Essentials
- Entrepreneurship, Advanced
- Entrepreneurship, Principles
- Ethical Leadership
- Finance, Introduction
- Financial Analysis for Managers
- Financial Management
- Management, Introduction
- Marketing Applications (Advanced)
- Marketing Principles
- Personal Finance

MBA Research and Nebraska are indebted to **the Daniels Fund** for providing the financial support to make course guides available at no cost to local schools. These guides will be updated over the next several years to better integrate ethics and ethical decision-making and to ensure that they continue to reflect the most recent thinking of the business community.

Learning Modules (LAPS)

The Daniels Fund is also supporting the release of more than 70 new and revised learning modules (LAPs), also free to all schools, beginning in the 16-17 school year. Many are now available.

There is a comprehensive, new leadership course targeted at ninth graders. The course is designed to encourage students to learn more about business and, ultimately, to enroll in upper division courses as outlined in our program-of-study kits. The free Ethical Leadership course is now available!



Enhanced Membership Benefits

As a teacher/work-based learning coordinator in Nebraska, you automatically receive the benefits of our enhanced membership with MBA Research. This includes:

1. Free access to the new Learning Center and all the LAPs and other curriculum materials it contains
2. Free access to the highest level of Curriculum Builder, which includes assessment tools, test items, rubrics, and **all** course guides
3. Continued free access to State's Connection website

Please see the linked quick instruction guides to access these free resources. For questions or concerns, email service@mbaresearch.org or call 614-486-6708 ext.0.

MBA Dictionary

This glossary of terms, dubbed the *MBA Dictionary*, contains every vocabulary term and definition referenced in MBA Research LAPs—including current LAPs as well as LAPs that are out-of-print. Updated quarterly.

Action Briefs

Business community members were asked to identify business trends impacting the workplace.

- Trend #1: Expanding workplace and societal diversity (August 2013)
- Trend #2: Mobile technology (September 2013)
- Trend #3: The global economy (October 2013)
- Trend #4: Increased government regulation (November 2013)
- Trend #5: Sustainability (December 2013)
- Trend #6: Social media (January 2014)
- Trend #7: Professional development challenges (February 2014)
- Trend #8: Instant information (March 2014)
- Trend #9: Unrealistic and non-sustainable expectations (April 2014)
- Trend #10: Decline in relationship building skills (May 2014)
- Trend #11: Volatile and invasive political environment (June 2014)
- Trend #12: Redefinition of workplace and work hours (July 2014)
- Trend #13: Over-dependence on technology (August 2014)
- Trend #14: Self-service orientation (September 2014)
- Trend #15: Adapting to change (October 2014)

Trend #16: An increase in required compliance resources (November 2014)
Trend #17: Increase in shareholder and consumer lawsuits and employee-initiated audits (December 2014)
Trend #18: Increase in the importance of risk management (January 2015)
Trend #19: Increasing importance of soft-skills leadership (February 2015)
Trend #20: Information use, protection, and retention (March 2015)
Trend #21: The impact of societal values on business decisions (April 2015)
Trend #22: The need for collaborative skills (May 2015)
Trend #23: Analytics/Big data (June 2015)
Trend #24: The ongoing change in organizational models prompted by adoption of cloud computing, software integration, and alternative staffing models (July 2015)
Trend #25: Ethics, ethical issues, and ethical leadership (August 2015)
Trend #26: National security (September 2015)
Trend #27: How the global economy affects domestic businesses (October 2015)
Trend #28: The use of psychology in business (November 2015)
Trend #29: The risk of loss (December 2015)
Trend #30: Increased environmental government regulations (January 2016)
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Trend #32: Intellectual property (March 2016)
Trend #33: Emerging markets (April 2016)
Trend #34: Polarization (May 2016)
Trend #35: Salary/Benefits issues (June 2016)
Trend #36: Shifting factors in energy (July 2016)
Trend #37: Sustainable development (August 2016)
Trend #38: Changing legal system (September 2016)
Trend #39: Wealth patterns, changing needs, and marketplace interaction (October 2016)
Trend #40: Increased scrutiny of employee actions (November 2016)
Trend #41: Increased societal desire for instant gratification (December 2016)
Trend #42: Inaccurate information (January 2017)
Trend #43: Mistrust of leaders (February 2017)
Trend #44: Immigration reform (March 2017)
Trend #45: Environmental impact of geographic expansion and growth (April 2017)
Trend #46: Customer Experience Management (May 2017)
Trend #47: Operations technology (June 2017)

Hands-On Projects

Ten hands-on projects offer students contextual learning at its best. These new, carefully researched and documented projects, provide meaningful, project-based, learning experiences within the framework of the national business administration standards. And, they do it by immersing students in projects that put them in touch with the real world of business. Ten different projects add experiential learning to augment traditional classroom lecture-discussion methods.

Titles include: The Big Squeeze; China Dynasty; Don't Be Such an Oxymoron; The Good Ole Days; Make the Most of It; Mascot Mystery; Photo Hounds; She Sells Cell Phones at the Cell Store; Snapshot; Tick Tock, Tech Talk.

Instead of using traditional classroom instructional methods (i.e., lectures), teachers can incorporate hands-on projects that become the instructional method through which students acquire understanding of the content. To that end, learning outcomes from various instructional areas are grouped together as the curricular backbone of several hands-on classroom projects. Students may address these learning outcomes simultaneously, rather than in the sequential manner occurring in traditional courses.

Course Profiles

Available here free of charge. Each provides a recommended list of performance indicators, recommended sequencing, and resources. Course profiles that would relate to work-based learning instruction include:

- Advanced Entrepreneurship (2012-2015)
- Business and Marketing Essentials (2010-2015)
- Financial Analysis for Managers (2012-2015)
- Financial Management (2014-2015)
- Introduction to Finance (2010-2015)
- Introduction to Management (2011-2015)
- Leadership (rev 2011-2015)
- Marketing Applications (2011-2015)
- Marketing Principles (2010-2015)
- Principles of Entrepreneurship (2012-2015)

Performance-Based Rubrics

In-depth, research-based rubrics include three sample scenarios each. Rubrics include detailed behavioral anchors, making them useful for both assessment and instructional purposes. Use to assess capstone activities, for competitive event preparation, in student career portfolios. Highly recommended for performance-oriented programs. Recommended: HS/PS/AD

- Closing the Sale, ©06
- Conducting an Environmental Scan, ©06
- Converting Objections Into Selling Points, ©06
- Creating a Presentation Software Package for Sales Presentation, ©02
- Database Development, ©00
- Demonstrating Ethical Work Habits, ©17
- Demonstrating Negotiation Skills, ©17
- Designing a Website, ©17
- Desktop Publishing, ©00
- Determining Client/Customer Needs (Sales), ©06
- Developing a Marketing Plan, ©17
- Developing a Project Plan, ©17
- Employment Seeking, ©00
- Executing Targeted E-Mails, ©02

- Handling Difficult Customers, ©02
- Identifying Buying Motives for Use in Selling, ©06
- Maintaining/Updating a Web Site, ©02
- Networking With Others, ©06
- Making Oral Presentations, ©16
- Participating as a Team Member, ©16
- Planning Meetings, ©17
- Professional Selling, ©17
- Promotional Plan, ©00
- Searching the Internet for Marketing Information, ©06
- Using Time-Management Skills, ©16
- Writing Promotional Messages, ©02