



**Wollongong
Office**

Australian Hardware

Operational Plan

Wollongong Store

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Strategic directions (from business plan)

1. Increase sales revenue and gross profit.
2. Maintain or increase market share.
3. Control direct and indirect operational costs.
4. Maintain superior product and service quality standards.
5. Establish Australian Hardware's reputation as a socially and environmentally responsible company.

Goals and action plans to support these strategic directions are outlined in the following pages of this document.

Supporting increased sales revenue and maintained/increased market share (strategic directions 1 and 2)

Goals

Increase sales revenue and gross profit; and maintain or increase market share	
Operational objectives	Performance measures
<p>Marketing objectives (national and Wollongong store):</p> <ul style="list-style-type: none"> to position Australian Hardware as a provider of top quality, brand name hardware products and expert service at attractive price points increase foot traffic to 1,000 people per day, per store (from 800) increase website traffic to 20,000 visits per day drive sales and revenue growth in line with financial goals. 	<p>Marketing key performance indicators (KPIs) for the Wollongong store:</p> <ul style="list-style-type: none"> numbers of customers per day (as recorded by automated systems) customer feedback rating on product quality, customer service and overall customer experience (as recorded on quarterly customer questionnaire) customer awareness of website (as recorded on quarterly customer questionnaire).
<p>Sales training objectives (national and Wollongong store):</p> <ul style="list-style-type: none"> staff are trained to competently perform all customer service related tasks staff are happy and motivated in their work staff are given pathways to learning and promotion. 	<p>Sales training KPIs for the Wollongong store:</p> <ul style="list-style-type: none"> various input (managerial) and output (sales performance) performance measures staff absenteeism ratio to total staff staff turnover ratio.

Action plan

Increase sales revenue and gross profit; and maintain or increase market share			
Activity/strategy	Approved resources	Responsibility	Timelines
<p>Marketing plan integration and coordination with store operations</p> <ul style="list-style-type: none"> • Provide direction to local marketing activities and coordinate with business plan. • Induction and training of staff to include knowledge of campaigns and value propositions for segments. 	N/A	<p>National Chief Operating Officer (COO)</p> <p>Store General Manager (GM)</p> <p>Marketing manager</p> <p>Sales team leads</p> <p>Action Marketing external consultants</p>	30 June
<p>Paper flyers and catalogues</p> <ul style="list-style-type: none"> • Provide consumers with information on local store and products, drive sales in immediate geographic area. 	\$75,000 per quarter	Marketing manager	Weekly
Direct mail (email and paper)	\$50,000 per quarter	Marketing manager	Weekly
Goodwill and Sponsorships	\$75,000 per quarter	<p>Store GM</p> <p>Marketing manager</p>	Ad hoc
Research local conditions	\$50,000 per year	Marketing manager	Quarterly
Conduct customer questionnaire	\$25,000 per quarter	Marketing manager	Quarterly

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Increase sales revenue and gross profit; and maintain or increase market share			
Activity/strategy	Approved resources	Responsibility	Timelines
		Action Marketing external consultants	
Staff sales training	\$100,000 per year	Marketing manager Sales team leads	Weekly and quarterly and ad hoc

Supporting the control of direct and indirect operational costs

Goals

Control direct and indirect operational costs	
Operational objectives	Performance measures
Financial objectives (national and Wollongong store): <ul style="list-style-type: none"> • reduce the overhead per store through disciplined growth • decrease the cost of sales. 	Financial KPIs for the Wollongong store: <ul style="list-style-type: none"> • quarterly budget variation reports (\$ variance and % variance) • quarterly Financial Management Reports.
Training objectives (national and Wollongong store): <ul style="list-style-type: none"> • staff are informed of performance targets with respect to budgetary control. 	Training KPIs (Wollongong store): <ul style="list-style-type: none"> • various input (managerial) and output (sales performance) performance measures.

Action plan

Control direct and indirect operational costs			
Activity/Strategy	Approved Resources	Responsibility	Timelines
Review of Wollongong budget and monthly/quarterly financial management reports (remitted to Sydney head office FARM committee)	N/A	Store GM Store Financial Manager	Monthly/ Quarterly
Renegotiation with suppliers <ul style="list-style-type: none"> Negotiate on basis of sales volume. Negotiate on basis of ability to purchase stock on cash basis. 	N/A	Store GM	Monthly or as required
Staff are informed of performance targets with respect to budgetary control <ul style="list-style-type: none"> Occurs during biannual performance reviews as per company policy 	N/A	All managerial staff/line managers	Biannually for each staff member

Supporting superior product and service quality standards

Goals

Maintain superior product and service quality standards	
Operational objectives	Performance measures
<p>Quality objectives (national and Wollongong store):</p> <ul style="list-style-type: none"> • maintain superior product quality • maintain superior service standards. 	<p>Quality KPIs for the Wollongong store:</p> <ul style="list-style-type: none"> • supplier audit rating • score on customer satisfaction survey on parameters of product and service excellence • score on mystery shopper checklist • customer feedback rating on product quality, customer service and overall customer experience (as recorded on quarterly customer questionnaire) • customer awareness of website (as recorded on quarterly customer questionnaire).
<p>Sales training objectives (national and Wollongong store):</p> <ul style="list-style-type: none"> • staff are informed of performance targets with respect to service standards. 	<p>Sales training KPIs for the Wollongong Store:</p> <ul style="list-style-type: none"> • individual employee balance scorecard ratings (linked to company strategic directions).

Action plan

Maintain superior product and service quality standards (action plan)			
Activity/strategy	Approved resources	Responsibility	Timelines
Conduct spot checks on quality of service. <ul style="list-style-type: none"> • Mystery shopper. • Team leader observations. 	\$50,000 per year (part of training budget)	Mystery shopper (organised by Action Marketing external consultants) Team leaders/line managers	Biweekly
Supplier audit	N/A National budget	Store GM	Quarterly
Conduct customer questionnaire	\$25,000 per quarter (part of marketing budget)	Marketing manager Action Marketing external consultants	Quarterly
Staff are informed of performance targets with respect to service quality <ul style="list-style-type: none"> • Occurs during biannual performance reviews as per company policy. 	N/A	All managerial staff/line managers	Biannually for each staff member

Supporting Australian Hardware’s reputation as a socially and environmentally responsible company

Goals

Establish reputation of Australian Hardware as socially and environmentally responsible company	
Operational objectives	Performance measures
Environmental/social objectives (national and Wollongong store): <ul style="list-style-type: none"> • source and use ethically produced and environmentally sustainable products • operate environmentally sustainable business • reduce water consumption • reduce energy consumption. 	Environmental/social KPIs for Wollongong store: <ul style="list-style-type: none"> • score on rating table of supplier reliability • score on spot-check checklist • reduce water usage by 10% per year • reduce power usage by 7% per year.
Sales training objectives (national and Wollongong store): <ul style="list-style-type: none"> • staff are trained to competently perform all tasks • staff are happy and motivated in their work. 	Sales training KPIs for Wollongong store: <ul style="list-style-type: none"> • individual employee balanced scorecard ratings (linked to company strategic directions) • 100% staff trained • two performance management sessions per year per staff including environmental KPIs.

Action plan

Establish reputation of Australian Hardware as socially and environmentally responsible

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Activity/strategy	Approved resources	Responsibility	Timelines
Conduct spot checks on environmental practices at stores.	N/A – national budget	All managerial staff/line managers with responsibility for training and performance management	Biweekly
Sustainability practices: <ul style="list-style-type: none"> ● use of rainwater tanks to collect water from large roofs and grey water usage ● use of skylights ● use of solar arrays on roof. 	N/A – national budget	Store GM	Fourth quarter
Conduct quarterly environmental audit: <ul style="list-style-type: none"> ● audits conducted quarterly to ensure targets met and to take appropriate action to remedy poor performance. 	N/A – national budget	External consultants	Quarterly
Complete environmental training: <ul style="list-style-type: none"> ● environmental training part of induction ● environmental targets count towards performance targets for each employee. 	N/A – national budget	All managerial staff/line managers with responsibility for training and performance management	On each induction; performance management sessions for each employee held biannually
Conduct environmental review of suppliers:	N/A – national budget	Store GM	First monthly/quarterly

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Establish reputation of Australian Hardware as socially and environmentally responsible			
Activity/strategy	Approved resources	Responsibility	Timelines
<ul style="list-style-type: none"> • audit conducted as part of monthly and quarterly supplier quality audits • review of supplier credentials and preparation of report with supplier ratings tables. 			audit starting August 1 Review of suppliers; fourth quarter
Conduct survey of local market environmental concerns via internet and social media: <ul style="list-style-type: none"> • survey conducted as part of market and marketing research undertaken by Action Marketing in course of normal market research • local customer complaints data analysed for environmental concerns. 	N/A – national budget	Action Marketing	Quarterly
Yearly environmental audit	N/A – national budget	Line managers for each product area and general operations and administration	30 June