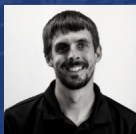




Mastering the 4 P's of Thrift Store Management



Why Do We Exist?

We leverage social enterprise, specifically thrift, to support local ministry

Funding

Telling the story

How Did We Get Here?

- 1987 - 13 Location Family Bookstore Chain in East Tennessee
- 2000 - Started National Book Wholesale Company
- 2005 - Began work with Knox Area Rescue Ministries & KARM Stores
- 2010 - Supported other nonprofits through PickUpMyDonation.com
- 2015 - Started coaching/managing nonprofits outside of Knoxville by leveraging ThriftTrac
- Built a team to serve nonprofit thrift stores throughout the country

Who Has Been Helped?

- 40 stores managed with \$3.4M in monthly sales
- 17 stores coached with \$1.6M in monthly sales
- 70+ software users
- 200+ conference attendees annually
- Conferences > Software > Services

Today, we want to help you

A Few Disclosures

- We are not perfect
- It's easy to say it. It's difficult to do it.
- Permission to disagree
- Questions are encouraged

How Do You Grow a Thrift Operation?

Start With Your “Why?”

- Funding your rescue mission
 - \$2 provides a meal
 - Profits = Potential
- Telling the story

Then, Manage the 4 P's

- Product
- Property
- Process
- People

The 4 P's: Product

Why do we start with product?

It is our raw material.

Without product, we have nothing to sell.

**More is better.
More provides options.**



**Waste
Recyclable Sales
Credential Sales
Retail Sales**



**Donations are the lifeblood
of a thrift operation.**

What is the Value of a Donation?

Average recorded value = \$80.46

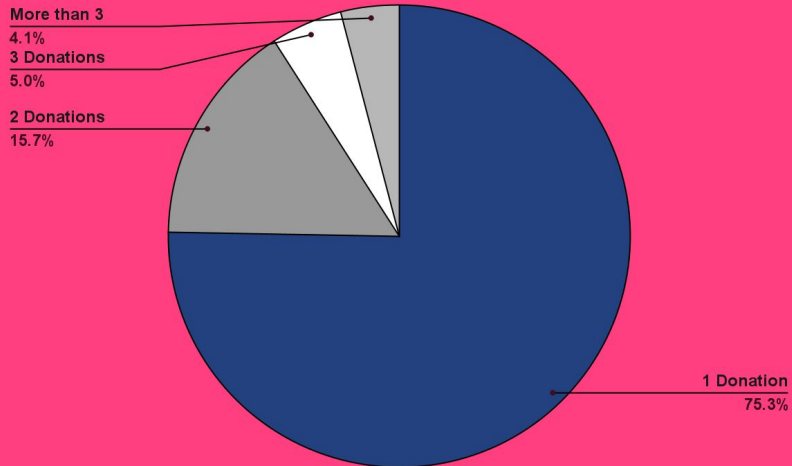
- 35 different organizations
- 100+ unique locations
- Since January 1, 2023

A Donor Is Your MVP

How Often Do You Interact with a Donor?



Donation Frequency During 2022



S^MCo Thrift
Thrift Store Consultants

Convenience + Conscience

The 4 P's: Property

Location to receive, process, store, and sell

Consider the donor first when selecting a location

Optimize for size versus price & risk

Make It Easy for the Donor

Proximity to home, work

Ease of entry, exit

Protection from the elements

Property Determines Potential

Get the best property you can afford

20% of projected sales for cost

10,000 square feet or more





The 4 P's: Process

Manufacturing → Speed and Quality

Three functions

- Receiving
- Sorting
- Pricing

Manufacturing Measurements

Speed

- How much time is required to produce a widget?
- How many widgets are produced in a day?

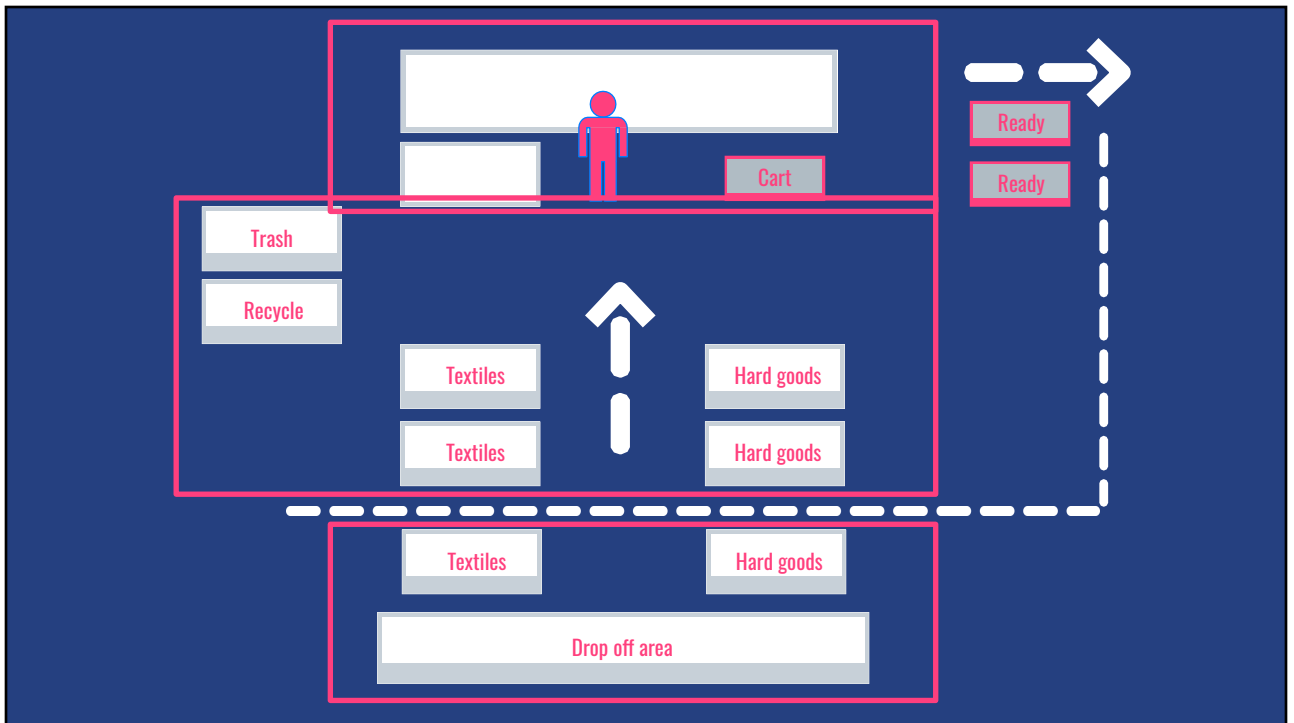
Quality

- Are there any defects?
- How many items are rejected?

**Every time an item is touched,
it costs money**

From Raw Material to Finished Product in **Three Touches**

- Receiving
- Sorting
- Pricing



Touch #1

Receiving the Donation

The Wrong Way

- Ignore the donor
- Put the donation on the ground



The Right Way

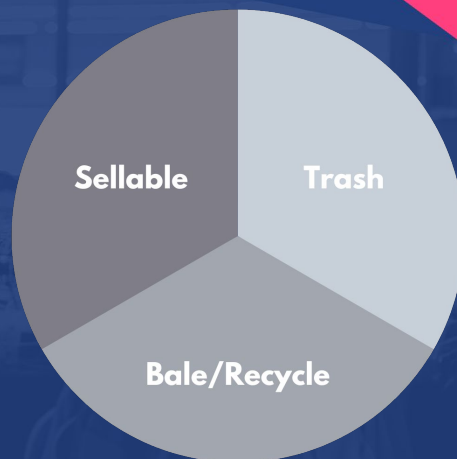
- Engage the donor
- Use material handling equipment, carts
- Consider the next step



Touch #2 Sorting the Items



The Rule of Thirds



Touch #3 Pricing

Trail Mix



The 4 P's: People

Single biggest obstacle facing your business today

Recruit, Train, and Retain

Key positions

- Donation receiver
- Pricer
- Cashier

Recruit

Shift in the workforce

Target specific people groups

Key positions

- Donation receiver
- Pricer
- Cashier

Join us for

**Thrift Store Labor
Planning**

on Friday @ 4 PM

Train

Day 1 → On-boarding

Skills-based

Working on a team

Managers versus team members

Retain

Care for your team members

Compensate fairly

- Salary, Hourly
- Bonus

Advancement opportunities

Stay in Sync

Product	Property
Process	People

Questions?