

BMGT 299: Entrepreneurship Capstone

Unit 7 Course Materials



Business Policies

This is a unit that will “partially” apply to your business. Why? Because the business policies established are specific and custom to each specific business model. Whatever your specific type of business, the time to establish your business policies is now, before you open the doors. I will list and comment on several common business policies, each with a bit of wisdom for other, not listed business policies.

Operating on policies established “on the fly” is a recipe for disaster. Inconsistencies, customer expectations, employee empowerment all depend on the culture and policies you establish within your business.

Before I begin to list commonly established policies, let me mention the concept of consumerism. Consumerism is the concept that consumers will decide whom to buy from and whom to not buy from, all based upon how their needs and wants are met. Are they treated with respect and service? Or are they met with the feeling that they are *putting you out* just to have a question answered. Ultimately, they vote with their pocketbook, and you will succeed or fail on their decisions.

A saying comes to mind here:

“Experience is a wicked teacher, the test comes first and the lesson comes second!”

Remember that as you navigate the operation of your business. Making mistakes with your revenue source (see customer), will have permanent and definitive results.

Business Policies

Sales Policies

This may mean that you accept checks, or not, you take credit cards, and which ones. Do you offer layaway? What are the policies?

Return Policy

Customers expect to return merchandise they are dissatisfied with, and that you will do so cheerfully. Will you charge a restocking fee? Do your competitor’s charge a restocking fee? Will you refund cash? Credit? Who will pay for the return shipping? How long can they take? How is defective merchandise handled? Is a return authorization required? What if it is damaged? Or they don’t return it in the original packing? Or the manual is missing?

As you can see, this is a completed issue that needs to be competitive, fair and responsive to your customer. Anticipate various scenarios you could expect, (or not) and what your process will be to resolve it.



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Delivery Policy

If you sell furniture, you will have no choice but to deliver merchandise. It is expensive, entails a great deal of liability (what if they damage something in the home while installing a new china hutch?) Could you outsource the service and reduce your costs? What if you can't control the "friendliness" of the delivery folks from the service you subcontract to? Enter this carefully, and only if it provides a needed competitive advantage that pays the additional overhead required.

Food

I owned several stores in the mall and most didn't allow food in the store. The issue wasn't that the food would damage the merchandise (clothes) – but to prevent theft! Yep, a jewelry store learned the hard way that a shopper was dropping gold chains into his coke while they weren't looking. Would you have dumped out his coke after searching his person and finding nothing? They didn't either, until the third theft!

Pets

Let health code and common sense drive you here. If you are a food store or restaurant, unless it is a service animal, you have little choice. Otherwise, you will at least be responsible for liability of the animal. My wife has a small Yorkie, which goes everywhere with us. Businesses that don't allow this 4lb dog(?) in, don't get our business. (Consumerism right?)

Dress Code

Modesty is about the only law outside of a restaurant. What I am referring to here, is your employees. At the very least your customers should know WHO works in your business. If you have ever been slightly dressed up shopping, and someone asks if you work at the store you are at, you know what I am talking about. Name tags are a minimum. (Special note: Don't require your employees to post their last name on their name tags – there are stalkers who mistaken good customer service with interest)

Gift Wrapping

I know a bit about this since I have owned two professional gift wrapping booths in a major regional mall. They made a ton of money – but they cost a lot in supplies, contrary to what you may think. If you don't want to foot the bill for full on gift wrapping, (\$2-3.00 each minimum) – consider nice, boxes with your logo on them. This reduces the labor costs involved in the process, but offers a valuable service to last minute shoppers.

Hours

The hours you are open may be dictated by your lease, say in a major mall. There are usually large fines for stores who dishonor the mall hours. If you are a sandwich shop – you must be open when your customers seek you out. A coffee shop opening after 10am will probably suffer. There may be hours during the day when business is slow, but



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training your customers to know that you have dependable open hours assures repeat business.

Contributions

I can't stress this part enough – establish a giving policy early! Once you open to the public, you will be a target for fundraising everywhere. This philanthropy should be encouraged, but early on, you can not afford a regular flow of revenue outside of overhead. Using a blanket giving policy like United Way allows for a controlled, but charitable policy. You can also share with the people seeking donations early on that you give to the United Way. When you can give more, give skillfully. Supporting charities that are also your customers makes good business sense!

Employee Policies

This goes beyond the scope of basic operational business policies – but should not be overlooked. This could range from theft control, check in/out procedures, customer service expectations, etc....There are entire human resource classes you can take to expand on employee control processes. Again, think of what the industry expectations are, how to duplicate the best ones, improve on the ones that need improvement – and create your own distinct business model.

Please proceed to the Unit 7 Assignment

