RASCI
Retailers Association's
Skill Council of India

Participant Handbook

Sector
Retail

Sub-Sector
Retail Operations

Occupation
Store Operations

Reference ID: **RAS/Q0102, Version 2.0**
NSQF level 2

Retail Cashier

> **Skilling is building a better India. If we have to move India towards development then Skill Development should be our mission.**

Shri Narendra Modi
Prime Minister of India

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RETAILERS ASSOCIATION'S SKILL COUNCIL OF INDIA

for

SKILLING CONTENT: PARTICIPANT HANDBOOK

Complying to National Occupational Standards of
Job Role/ Qualification Pack: **'Retail Cashier '** QP No. **'RAS/Q0102, NSQF Level 2'**

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Authorised Signatory
(Retailers Association's Skill Council of India)

Acknowledgements

About this book

This participant handbook has been designed to enable training for the specific Qualification Pack (QP). Each National Occupational Standard (NOS) has been covered across units. The key learning objectives for the specific NOS mark the beginning of the units for that NOS. The symbols used in this book have been described below.

A Retail Cashier is responsible for optimizing inventory to ensure maximum availability of stocks and minimizing losses; adhering to standard operating procedures, processes, and policies at the store while providing timely and accurate reporting; managing sales and service delivery to increase store profitability; executing visual merchandising displays as per standards and guidelines; ensuring overall safety, security and hygiene of the store; implementing promotions and special events at the store; leading and managing the team for developing store capability, and conducting price benchmarking and market study of competition. The individual should be meticulous, motivated to learn new things, logical, and result-oriented. He or she must have manual dexterity, right eye for visual quality, and excellent attention to detail. Among others, the individual must have decent communication skills and be able to prioritise tasks. The trainee will enhance his/her knowledge under the trainer's guidance in the following skills:

- **Knowledge and Understanding:** Adequate operational knowledge and understanding to perform the required task
- **Performance Criteria:** Achieve the required skills via hands-on training and complete the necessary operations within the specified standards
- **Professional Skills:** Ability to make operational decisions related to the area of work

The handbook incorporates the well-defined responsibilities of a Retail Cashier.

Symbols Used

Key Learning Outcomes	Unit Objectives	Exercise	Tips	Notes	Activity	Summary

Practical

Table of Contents

1. Introduction to Retail

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. State the meaning of retail.
2. Identify the difference between the traditional and modern retail sector.
3. Identify the traditional forms of retailing in India.
4. Identify the features of retail formats.
5. Identify the departments and functions in a modern retailing operation.
6. Identify the components involved in the retail supply chain.

UNIT 1.1: Introduction to Retail

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. State the meaning of retail.
2. List the features and components of retail.
3. Identify the stages in the growth of the retail sector.
4. Discuss the reasons for the growth of retail in India.
5. Differentiate between the traditional and modern retail sector.

1.1.1 Retail

Retail: Originates from the French word 'Retaillier' which means 'to cut, divide into pieces and sell in small quantities to customers'. In other words, retail is the sale of goods or commodities in small quantities to customers.

Retailing: Retailing is the activity that enables products, merchandise or services to reach the customers or end consumer.

Retailer: A retailer is a person or an outlet through which products or services are sold to customers or end consumers.

Features of retailing

The factors of retailing are:

• Selling directly to customers or consumers.
• Selling in smaller units/quantities.
• Location advantages: closer/convenient to consumers.
• A range of products or services in one place: convenient to customers.
• Differences in service levels: customer experiences.
• Regular promotions: to attract customers (for example 20% off on MRP).
• Large number of outlets: more stores.

Key components of a retail store

The key components of a typical retail store are:

• Products and services
• Retail store and store staff
• Customers or consumers

The retail store and staff are the last stage in the 'market' where consumers or customers buy the products or services that they need.

Activity

1. **Objective of the activity:** To help learners understand how barter system works.
2. **Learning outcome:** Learners will be able to understand barter system.
3. **Procedure to conduct the activity:** Divide the class into three or four groups depending on the size of the class. Give each group a card with one of the following items written on it:
    *   Group 1: Rice: 50 kg.
    *   Group 2: Vegetables: 20 kg.
    *   Group 3: Salt and masala: 1 kg.
    *   Group 4: Vessels: 10
4. **Suggested time for the activity:** 10 minutes

    Once the task is completed, share the feedback and discuss what you did, why and how.
5. **Suggested time for discussion:** 5 minutes
6. **Debrief:** Explain the importance of barter system as the very first way of the 'buying' system. Explain that money evolved to make buying more flexible and the subsequent growth of retail.
7. **Suggested time for debrief:** 5 minutes

1.1.2 Growth of Retail Sector

Barter system: Barter system is a system in which goods or services are directly exchanged for other goods and/or services without a common unit of exchange (without the use of money).

Traditional: Selling goods and services in smaller stores.

Modern retail stores: Supermarkets, hypermarkets, malls, etc.

Bring out the reasons for the growth of retail in India (explain points on slide 8).

*   Rising income levels: More money to spend.
*   Rising expectations of the young segment of the population: More demand for new and different products.
*   Nuclear family structure: Not a joint family structure.
*   Growing literacy: Understand the market better.
*   The rapidly expanding middle class: Spending power will be more.
*   Growing urbanisation: The social process whereby cities grow and societies become more urban (more stores to satisfy the needs of the customers).
*   Increasing media penetration: Get more information about products and services.
*   Exposure to international brands and products: Increased demands and explain the traditional retail scene in India. Highlight the highest and lowest organised retail percentages.

It is a 518 billion US dollar market today (2012) from 1998 which was 201 bn USD.

Organised v/s Unorganised

*   Unorganised retail 92% per cent market share during 2012.
*   12 million unorganized (mom-and-pop) stores.
*   Organised retail is expected to account for 20 % of the overall retail market by 2020.

Traditional and modern retail sector

- **Technology:** Technology plays a vital role in modern retail in the following areas: billing software, customer relationship management and indent software - which is used to place orders for products through mails and equipment (used to prevent losses). But the traditional retail sector does not implement any technology for its growth or improvement.

- **Systems:** Modern retail follows proper procedures for handling customer complaints, product return policy and ordering procedure. Modern retail companies have their own Standard Operating Procedures (SOPs) to ensure that the day-to-day operations are taken care of, but the traditional retailers do not have any specific procedures/systems to handle their stores on a day-to-day basis. It is a totally biased, or one sided decision. This may cause dissatisfaction among their customers.

- **Size and reach:** Modern retail stores are in different formats, depending on the size of the store, size of the department and shopping convenience of the customers. They reach customers in different areas and cater to different segments. Since traditional retail forms do not have the above features, their size and reach are very limited.

- **Service levels:** Modern retail stores are in different formats and each format service levels are different and higher than the traditional retailers. For example in a lifestyle stores, the service levels are really high, the SOAs will understand the needs of the customers and will help them to select the right products and also do a consultative selling. The services are offered from entry till exit of the store. But, in traditional retail forms the service levels are not par with the modern retail forms; this is due to different reasons like, size, untrained staff, etc.

- **Scope of products:** Since modern retail has different formats, it offers products in various range/ collection, price, size and quantity. It also caters to customers of different levels. On the other hand, traditional forms of retail offer a very limited range of products. The customers do not have much selection of products.

- **Markets:** Unlike the traditional retail sector, modern retail exists in all segments of market like urban, rural, semi-urban areas, catering to a wide range of customers.

Summary

- Meaning of retail.
- Features and components of retail.
- Stages in the growth of the retail sector.
- Reasons for the growth of retail in india.
- Difference between the traditional and modern retail sector.

UNIT 1.2: Traditional and Modern Retail in India

Unit Objectives ⊙

By the end of this unit, the participants will be able to:

1. Describe the traditional retail scene in India.
2. Describe the emerging modern forms of retailing in India.

1.2.1 Traditional forms of retailing in India

- **Kirana/mom and pop stores:** Small shops, selling to consumers in the immediate neighbourhood. They have low cost of operations, flexible selling prices, and limited product range and offer high service levels to their customers.
- **Weekly bazaars/markets:** Small temporary stalls selling to customers (small traders) as well as consumers from large areas around the bazaar with low cost of operations and usually lower prices. Specialist traders have a variety of products but in small quantities and low levels of service.
- **Whole sale markets/mandis:** Permanent but small stalls. They undertake wholesale and retail activity, essentially food and grain centres, mainly selling to small traders, have low cost of operations and offer lower selling prices (prices fluctuate with demand and supply of vegetables, etc.) with low levels of service.
- **Hawkers:** Movable shops with small push carts or vehicles, mainly selling to consumers in a specific locality. They offer low cost of operations, focus on convenience to consumers and usually charge higher selling prices. Store-needs hawkers carry products for regular consumption and offer high levels of service.

The emerging retail scene in India

Malls, hypermarkets and supermarkets are getting more importance in the Indian retail scenario.

Malls

- A huge retail building that houses many stores.
- A one-stop shop for all customer needs.
- Many products and services: groceries, apparel, jewelry, books, restaurant, cinemas
- For example Alsa Mall (Delhi), The Forum (Bangalore).
- High quality of shopping environment and shared services.
- Parking, walk-ways.
- A dream shopping destination.

Non-store retailing

- There are other ways of selling which may not need a store.
- E-Retail: Marketing and selling directly to customer over the internet.
- Tele-marketing: Showing products on TV and taking orders over the phone, mobile or internet.
- Catalogue marketing: Sending catalogues (books with details of products) to customers and taking orders over the phone or posted orders.

- Direct selling: Visiting customers at home and demonstrating products or services followed by direct order taking.

However, this qualification will focus on store based retailing, which is the largest and most popular way of retailing.

Summary

- The traditional retail scene in India.
- The emerging modern retail sector in India.

UNIT 1.3: Retail Formats

Unit Objectives ⦿

By the end of this unit, the participants will be able to:

1. List the different retail formats.
2. Summaries the key features of retail formats.

1.3.1 Retail format

Retail format is the overall appearance and feel that it presents to customers, primarily its look and layout, the sort of range it stocks and the approach taken to pricing.

Parameter	Format	
Size	Mini (500-1500 sq ft)	Super/Hyper market (2000 - 200,000+ sq ft)
Location	Standalone	Malls
Range	Specialty (narrow range)	Departmental (wide range)
Brands	Exclusive (one company/brand)	Multi brands (different brands/ companies)
Product type	Staples (everyday products)	Life style/Luxury (special occasion/specific)
Price	Value/Discount	Premium

Table 1.3.1: Retail format

Types of retail formats

Standalone stores

- Small to mid size stores: 500 to 2000 sq ft.
- Generally, merchandise one company's (branded) items.
- Consist of different sections within the store for related products.
- Located within the planned shopping mall or on a high street.
- For example Pantaloons, Nike, Puma, Reebok, Levis, Zodiac, etc.

Department stores

- Large stores: 20,000 to 50,000 sq ft.
- Cater to a variety of customer needs.
- Further classified into departments such as clothing, toys, home needs, etc.
- Multi-brand range.
- Premium priced.
- May be located in shopping malls or on a high street.
- For example Shoppers Stop, West Side.

Discount stores

- Mid to large size : 2,000 to 10,000 sq ft.
- Sell in bulk, reaching economies of scale or excess stock left over at the season to offer discounts.
- The product category can range across a variety of goods : food, grocery, apparel.
- Always on discount.
- For example Mega Mart, Brand Factory, Factory outlets.

Speciality stores

- Can range from small to very large: 500 to 100,000+ sq ft.
- Specialise in a very specific range of merchandise and related items.
- Build expertise and customer base within this range.
- For example Croma, Crossword, Apple Store, Health & Glow.

Convenience stores

- Relatively small stores (400-2,000 sq ft).
- Located near residential areas – proximity to consumer.
- Stocks a limited range of high-turnover convenience products.
- Prices are slightly higher due to the convenience factor.
- Generally sells Fast Moving Consumer Goods (FMCG) and perishable products.
- For example Reliance Fresh.
- This is traditionally the strong hold of local Kiranas

Supermarkets

- Large size: 2000 to 20,000 + sq ft.
- Self-service stores that offer a wide variety of grocery, processed food, perishables, dairy products, meat and bakery products, non food products and household merchandise.
- Organised into departments.
- For example Food world, More.

Premium store/Lifestyle stores

- Mid to large size : 1000 to 20,000+ sq ft
- Span a wide range of products, entertainment and luxury/ leisure categories.
- Merchandises are offered at premium prices.
- Operation cost is higher than other formats.
- Level of customer service is high.
- For example Lifestyle, Central.

Hypermarkets

- Superstores which may combine a supermarket and a department store (covers 150,000 sq ft to 2,50,000 sq ft).
- Very large retail facility having an enormous range of products under one roof, including full lines of groceries, apparel and general merchandise.

- One stop weekly/monthly shopping destination for customers.
- Focus on high-volume and low-margin sales because of their large footfalls.
- For example Big Bazaar, Wal-Mart, Reliance Mart.

Malls

- Largest form of organised retailing today (6,00,000 sq ft to 10,00,000 sq ft).
- Located mainly in metro cities in proximity to urban outskirts.
- Lend an ideal shopping experience with a combination of product, service and entertainment.
- Stores, restaurants, cinemas, kids play areas.
- Essentially provide a platform for many retailers/stores to tap into a common consumer base.
- For example Prestige Mall, Forum Mall, Garuda Mall.

Summary

- Retail formats.
- Features of important retail formats.

UNIT 1.4: Modern Retailing and You

Unit Objectives

By the end of this unit, the participants will be able to:

1. List the departments and functions in a modern retailing operation.
2. Outline the structure of and roles in a front end store operation.

1.4.1 Departments in modern retailing

Handling the day to day working of a store effectively and efficiently is called 'Store operations'. A store's main responsibility is to sell the products and provide good service to its customers. This has to be done in a manner to satisfy customers' needs.

A store is managed by a Store Manager with the support of his/her team members: Assistant Managers, Department Managers, Supervisors, Head Cahiers, store HR personnel, store V.M. personnel, store logistic personnel, store operations assistants(SOAs), security personnel and housekeeping personnel.

To run a store successfully, co-operation and support of the following departments is also required: merchandising, warehouse, finance, projects, human resources and marketing. The cricket team activity from the previous slide can be referred to explain this. Each member of a cricket team is dependent on each other; in the same manner, the store staff members are dependent on other departments to run the business successfully.

Each department has its own roles and responsibilities and importance, at the same time being dependent on one another.

1. **Merchandising:** The roles and responsibilities of the merchandising department are
   • Planning and deciding the products to buy and sell.
   • Sourcing products and supplying to the store.
   • Deciding on store displays.
   • Negotiating with vendors for the best price.
   • Placing new products in the store.
   • Fulfilling the store's requirements in terms of products.
2. **Warehousing:** The roles and responsibilities of the warehousing department are
   • Receiving the stocks from vendors.
   • Storing the received stocks and dispatching the stocks to stores.
   • Receiving damaged expired, old stocks from the stores.
   • Fulfilling the store's requirements in terms of supplying products.
3. **Finance:** The roles and responsibilities of the finance department are
   • Planning budgets.
   • Processing the invoices and taking care of payments of the vendors.
   • Assisting the store staff in terms of handling day to day commercial operations.
   • Managing commercial operations.

4. **Projects:** The roles and responsibilities of the project department are
    • Identifying store locations.
    • Designing store layouts.
    • Setting up the store.
5. **Marketing:** The roles and responsibilities of the marketing department are
    • Building the brand.
    • Advertising and promoting merchandise and services.
    • Planning and designing different types of promotions.
6. **Human resources:** The roles and responsibilities of the human resource department are
    • Hiring eligible and suitable candidates for different departments.
    • Conducting different types of training and development programmes for the present employees and conducting inductions for newly joined employees.
    • Processing pay-roll.
    • Managing the manpower of the company.

In a retail business it is very important that all the above mentioned departments work closely, and achieving the required goal is not possible without proper coordination and cooperation. As in a cricket team, the different departments of retail are important for the working of the team together.

Note: An example for the above explanation could be: the coordination between merchandising department and the warehouse. Stores cannot sell without the right products. The merchandising department plays a vital role in this by selecting the right product at the right time. Similarly, warehouse plays an important role in dispatching the required/ordered products to the store at the right time.

Structure and roles in a store

• **The Store Manager** is the head of the store and is overall responsible for the day to day operations of the store. The Store Manager reports to the Area Manager/Regional Manager.
• **The Store Operations Manager** is the next in charge like an Assistant Manager, who takes care of the store operations. The Store Operations Manager reports to the Store Manager.
• **The Department Manager** takes care of a particular department and is responsible for all the activities in that department. The Department Manager reports to the Store Operations Manager.
• **The Supervisor** supervises a particular department/section and is responsible for the day to day activities of that department/section. The Supervisor reports to the Department Manager.
• **The Store Operations Assistant (SOA)** works for a particular section and is responsible for the day to day maintenance of the same. The SOA takes care of stacking the products, executing the planogram, housekeeping of the section, attending to customers' needs, selling, etc. The SOA reports to the Supervisor.
• **The Store Logistic Manager** takes care of receiving products from warehouse and dispatching products from store to warehouse. Other responsibilities are product code updating at the store level, disposal of damages, back room management, etc. The store Logistic Manager reports to the Store Manager.
• **The Store Logistic Assistant or Store Operations Assistant** helps in receiving products from the warehouse, takes care of back room arrangement, damage disposal and handles the day to day operations of the store logistics department. The Store operations Assistant reports to the Store Logistic Manager / supervisor. The store operations assistant is also responsible for filling the shelves, maintaining required and adequate stocks at the store.

- **The Head Cashier** takes care of the store's commercial activities and prepares and checks all commercial reports and is responsible for the overall commercial activities of the store. The Head Cashier reports to the Store Manager.
- **The Cashier** is responsible for billing and managing the cash counter effectively. The Cashier reports to the Head Cashier.
- **The Store HR/Administration Manager** takes care of store hiring, pay roll processing and the day to day HR and administration activities. The store HR/Administration Manager reports to the Store Manager.
- **The Store HR/Administration Executive** takes care of the day to day HR/administrative functions of the store viz., maintaining attendance, leave, salary, etc. The store HR/Administration Executive reports to the Store HR/Administration Manager.
- **The Store Visual Merchandising Manager** takes care of the overall Visual Merchandising activities of the store - planogram implementation, festive and other seasonal displays, etc. The Store Visual Merchandising Manager reports to the Store Manager.
- **The Store Visual Merchandising Associate** takes care of the day to day display activities of the store's Visual Merchandising - arrangement of displays, printing promotional talkers, maintenance of signage, banners, etc. The Store Visual Merchandising Associate reports to the Store Visual Merchandising Manager.
- **The Store Security Officer** is responsible for the overall security of the store and takes care of issues related to pilferage, etc. The Store Security Officer reports to the Store Manager.
- **The Store Security Personnel** takes care of receiving products from the warehouse, opening and closing the store and checking product movement and staff movement, etc. The Store Security Personnel reports to the Store Security Officer.

The SOA's primary role is to support the day to day store operations in the area of receiving, moving and storage of goods.

Summary

- Departments and functions in a modern retailing operation.
- Structure of and roles in a front end store operation.

UNIT 1.5: Retail Supply Chain

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. State the meaning of supply and retail supply chain.
2. Identify the elements of a typical supply chain.
3. List the features of a supply chain.
4. Identify the factors that influence supply chain management.

1.5.1 Meaning and importance

Supply—The quantity of something (products and services) that is available in the market.

A retail supply chain is:

• The method by which the goods reach the customers.
• The entire set of organisations/people that produces and delivers products and services to the final customer.

A typical retail supply chain

A typical retail supply chain has four important components. Each component makes the chain complete, and without it, the chain will not function properly. Let us get an idea of the components of a supply chain.

The customer creates a demand for products and services, which prompts the manufacturers to produce them.

The four important components of a supply chain are:

• **Manufacturers:** The role of manufacturers in a retail supply chain is to produce goods. They could also be contract manufacturers who supply products to the core brand manufacturer, like the franchise bottlers for Coca-Cola, etc. They need to ensure timely production, availability of products and efficient distribution.

• **Distributors:** These people store the products in large quantities to serve the needs of retailers in their region. From the warehouse or distribution centre, the products go to the relevant market destinations, which could be any one of the several locations or channels that the company sells through. In India, distributors are the back bone of the retail industry.

• **Retailers:** The caretakers of the shopping environment. The retailer receives the products, stores them and displays the same for sale. They receive the customers into their stores and serve their needs. Retailers are the bridge between the manufacturers/brands and the customers. They build a strong relationship with the manufacturers and suppliers of products. Retailers are the voice of the manufacturers in the market and also the voice of the customers.

• **Customers:** The products stored and displayed in the retail stores are bought and used by the customers.

Features of a supply chain

Features of a supply chain are:

- **Many components, all very important:** As discussed earlier, each component plays a very important role in the supply chain, and the process of manufacturing and supplying goods to the customers will not be complete in the absence of any of these components.

- **Many products, one supply chain:** There can be several categories that a company may be producing and many variants of the product in each of those categories. So, the supply chain has to find a way to manage all the products according to each of its variants. For example Nike shoes in a store have many different styles, sizes and colours to choose from. Each of the shoes on display is a unique product. In addition, there are other apparel products that Nike makes.

  In retail, each variant of a product is a Stock Keeping Unit or an SKU, based on which the supply chain works, when it has to cater to multiple categories (food, non food, apparels, etc.), products and variants.

- **Cross-functional co-ordination:** The components of a supply chain are inter-dependent or mutually supportive-to be successful, a supply chain requires a lot of support and co-ordination from different departments. There should be very close co-ordination between functions.

Example: A manufacturer of dairy products will need a wholesaler who has the infrastructure to store the products at the right temperature. If the wholesaler does not have the right infrastructure or does not store the products as per instructions, the customers may not be happy with the quality of the products.

Similarly, the operations team is responsible for the performance at the store level and they are the custodians/caretakers of the customer's requests and demands. If they do not indent for and stock the right products required by the customers, the customers will not be satisfied.

Supply chain management

Supply chain management can be defined as:

- Making products and services available to customers in response to their needs—conveniently and efficiently.
- Management of the entire set of organisations/people that produces and delivers products and services to the final customer.

Activity

1. **Objective of the activity:** To enable learners to identify the various the factors that influence the retail supply chain.
2. **Learning outcome:** Learners will be able to identify the various the factors that influence the retail supply chain.
3. **Procedure to conduct the activity:** Divide the class into two groups and ask them to list the various factors that influence the retail supply chain.
4. **Debrief:** Explain the influencing factors of the retail supply chain.

Collect feedback.

1.5.2 Factors that influence retail supply chain

Technology based systems have raised the level of effectiveness.

The retail supply chain is not a standalone function and requires the help of different functions. Since a lot of functions are involved, it is difficult to manage without the help of technology in multi-product, multi-location and multi-situation stores. So, technology plays a vital role in the retail supply chain. The three most important functions that are involved in the retail supply chain are:

1. **Transportation:** Transportation of goods is a physical activity. It is one of the links of supply chain that executes the whole supply process. Transportation means packing products, loading and sending them off on their journey towards the customer. The enormous development in the field of automobile technology has helped to reach goods and services from one department to the other effectively and efficiently.

   Points to be reiterated:
   • Physical activity
   • Executes the whole supply process
   • Packing products, loading them and sending them off on their journey towards the customer.

2. **Logistics:** The process of planning, implementing, and controlling an efficient cost effective flow and storage of raw materials, in-process inventory, finished goods and related information from the point of origin to the point of consumption for the purpose of meeting the requirements of the customer.
   • Logistics planning involves the operations related to co-ordination of all the components of a supply chain, for example figuring out how many trucks need to be added to the unit for effective distribution in the city.
   • Today, thanks to the development of technology, there are very well developed M.I.S (Management Information Systems), and with large networks like S.A.P (Systems Applications Products) and E.R.P (Enterprise Resource Planning), it has now become possible to plan and co-ordinate the activities involved in the retail supply chain effectively.

3. **Modes of communication**: As in any other business operation, communication plays a vital role in the execution of a retail supply chain.

   Modern modes of communication like the telephone, the cell phone, the fax machines and the internet/email have brought about a tremendous change in the functioning of a supply chain. They have helped the supply chain to function smoothly and effectively by making it possible to pass on the information to the concerned department/person quickly and accurately.

The last vital link—you

The store staff members are the last link in the retail supply chain—they interact with the customers and help them find the right product and get value for their money. After all, the very purpose of executing the retail supply chain is to achieve customer satisfaction.

The store staff is the last vital link in the retail supply chain. Their functions include:

- Arranging the products.
- Replenishing and replacing the products according to the planogram for easy access to customers.
- Guiding customers through the store.

Summary

- Meaning of supply and retail supply chain.
- Elements of a typical supply chain.
- Features of a supply chain.
- Factors that influence supply chain management.

Summary

- Meaning of retail.
- Difference between the traditional and modern retail sector.
- Traditional forms of retailing in India.
- Features of retail formats.
- Departments and functions in a modern retailing operation.
- Components involved in the retail supply chain.

Notes

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2. Providing Service at Point of sale

Unit 2.1 - Service Cash Point/POS

Unit 2.2 - Service Cash Point/POS (contd.)

Unit 2.3 - POS Procedures for Age Restricted Products

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Provide Service at Cash Point / Point of Sale
2. Demonstrate the methods of processing different modes of payments at Cash points/ Point of Sale
3. Identify and resolve problems that may occur at Cash Point/ Point of Sale
4. Identify and follow the process for dealing with counterfeit currencies
5. Follow security procedures at the cash point/ Point of Sale
6. Follow the procedures for selling age restricted product

UNIT 2.1: Service Cash Point/POS

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. State the need for Point of Sale (POS) at the retail store
2. Demonstrate the process to ensure that the cash points are correctly set up and operated.
3. List the modes of payment that are accepted in the store.
4. List the cash equivalents that are handled by the cashier in the store.
5. Explain the process and procedures for handling cash.
6. Demonstrate the process of detecting fake notes and counterfeit payments.
7. List the impact of accepting counterfeit currency.

2.1.1 Cash points/POS

Point of sale/cash tills/cash points (often referred to as POS) is the place where billing happens.

- It refers to that area of a store where customers can pay for their purchases.
- The term is normally used to describe systems that record financial transactions.
- This could be an electronic cash register or an integrated computer system which records the data that comprises business transaction for the sale of goods or services.

Purpose of POS

- Manual operation of billing consumes a lot of time and money as against a POS terminal.
- It prevents fraud.
- The barcoding technology that evolved was put to use to read the details of the product using laser beams, helping in speeding up the billing process on the POS machine.
- POS terminals help in carrying out multiple tasks in one machine such as weighing of random weights, accepting different modes of payments other than credit cards, cancelation of bills, recalling of products and so on.
- Sales and marketing teams can source intelligent data, such as basket size, customer preferences, average billing, etc. to strategize business improvements.
- POS helps the supply chain to optimise accurate replenishment. As the bills are generated, the stock data is automatically updated in the systems. This makes it easier to refill the stocks required for sales the next day.
- POS helps suppliers to plan materials and production forecasting. Products sold help to plan the procurement in advance, also helping in future purchases.

A POS provides the following:

- Date and time of sale.
- Total sales for the day/week/month.
- Quantity and description of goods sold.
- Price of goods sold.
- Stock name or code of each item sold.

- Cashier identification number.
- Stock statistics.
- Mode of payment.
- Exchanges, returns, cancellations, voids, etc.
- Amount of cash tendered and change required to be given.

Cash points POS set up

- POS computer

  The main component of a POS system is the CPU or computer that runs the software. It has a standard operating system running the machine or it may come loaded with proprietary software from the POS software vendor. It is used to use the POS computer for only sales transactions, reports and inventory control. This means that the POS system should not be used for internet or other activities.

- Cash drawer

  Money as per denominations, credit card receipts, gift vouchers and other paperwork is stored here. This piece of hardware receives a signal from the computer or receipt printer and opens when a bill is generated or when necessary.

- Customer display or pole display

  One optional part of a POS system is the customer display or pole display. A lighted display for the customer to view transaction totals and amount tendered. Some customer displays feature customised messages or show advertising.

- POS touch screen

  A display that allows users to interact with the computer or touch screens. It is easier and faster than traditional keyboards and monitors. Not only does the touch functionality replace the keyboard and mouse, it also saves space at the counter. Some of the displays have the facility to swipe at the side for swiping membership cards and credit cards instead of having a separate machine.

- Scanners

  The most common is the small hand-held scanner. Larger stores with heavy check-out activity would have installed an embedded scanner like the ones seen in supermarkets. The way a barcode scanner reads a series of numbers and lines (the barcode), deciphers the information and sends that information to the computer. Not only are barcode scanners accurate, time-saving devices when ringing up multiple products for a customer, they also serve as a handy tool to add inventory to the database of the POS software. The product is added to the billing invoice along with the price and quantity.

- Receipt printer

  The ability to print a record of the transaction for the customer and for the store is critical. Keep sufficient printer paper rolls ready, to avoid an out of stock situation. Know to load the paper roll onto the printer.

Setting up the POS machine

- Check that all equipment is connected properly.
- Switch on the POS machine.
- Start the Control Processing Unit (CPU).
- POS machine will directly go to POS application.

- Enter "user name and password".
- If the POS machine shows "Offline", do not bill.

Fig. 2.1.1: POS machine

Opening the POS:

- Collect the key and float for the register/terminal from the supervisor.
- Count the float and place it in the cash drawer, separating denominations.
- Close the cash drawer.
- Insert the key and turn the register/terminal on.
- Log on using a staff identification number.
- Make sure that you are well prepared before commencing the billing, that is sufficient billing stationary, etc.
- Be courteous to customers, but do not engage or be engaged in lengthy conversations.
- Always be alert of the security issues.
- Be aware that you are always being watched through the CCTV cameras fitted near the POS.

Modes of payment

The following are the various modes of payment which are received at the store. The payment can be made either as stand-alone or as a mix of one or more, for example a purchase could be billed partly with a credit card, gift voucher and cash.

- Cash.
- Credit cards/debit cards—Visa, Master, Maestro and American Express, depending on the store/ organisation procedures.
- Reward points—membership points that are redeemed.
- Gift cards as approved by the store.
- Food coupons—for example Sodexho.
- Cheques—most stores do not encourage cheques.

Cash equivalents

The cash equivalents generally received in a store are the following:

- Credit cards/debit cards—Visa, Master, Maestro and American Express, depending on the store/ organisation procedures.
- Reward points—membership points that are redeemed.
- Gift cards as approved by the store.
- Food coupons—for example Sodexho.
- Cheques—most stores do not encourage cheques.

Handling cash

- Count the cash twice. If a cash counting machine is available use it, but always recheck by recounting.
- Use the fake note detection machine to identify fake notes. In case of non-availability of a machine, follow the procedure explained in the next slide.
- Always place currency and coins as per denomination in the cash drawer.
- Count and double check to ensure the balance with the touch screen monitor, before providing the change to the customers.
- Close/lock the cash drawer.
- Be aware of security issues, such as theft of cash, etc.

Fig. 2.1.2: Cash counting Machine, Fake note Detector, & Cash Drawer

Cashiers should

- Adhere to policies and processes.
- Allow supervisors and store management to conduct audits and checks at the POS.

Key cash handling procedures:

- Cash collection from the POS happens after the transaction time.
- Access to cash is restricted and checked regularly:
  - Only authorised personnel of the store have access to the cash in the POS.
  - Cash office and safe keys are never taken on to the sales floor.
  - Appropriate security arrangements have to be made while transferring cash within the store as per store security policies.

Fake note detection

Fig. 2.1.3: Fake note detection

1. See through register

   The floral design printed both on the front and reverse, in the middle of the vertical band, next to the watermark window has the denomination numeral '500'. Half the numeral is printed on observe and half on reverse. Both the printed portions have an accurate back to back registration so that the numeral appears as one when viewed against light.

2. Identification mark

   A circle with the intaglio print, which can be felt by touch, helps the visually impaired to identify the denomination.

3. Watermark

   The portrait of Mahatma Gandhi, the multi-directional lines and an electrolyte mark showing the denominational numeral '500' appear in this section and can be viewed better when the note is held against light.

4. Optically Variable Ink (OVI)

   The colour of the numeral 500 appears green when the note is held flat but changes to blue when the note is held at a particular angle. The font size is reduced.

5. Intaglio Printing

   The portrait of Mahatma Gandhi, the Reserve Bank seal, Guarantee and promise clause, Ashoka Pillar emblem on the left, RBI Governor's signature on the banknote and the identification mark for the visually impaired are printed in intaglio, which can be felt by touch.

6. Micro lettering

   The letters 'RBI' and the numeral '500' can be viewed with the help of a magnifying glass in the zone between the Mahatma Gandhi portrait and the vertical band.

7. Latent Image

   The vertical band contains latent image showing the numeral '500' when the banknote is held horizontally, at eye level.

8. Security thread

   A 3mm wide security thread with inscriptions '^maV' and 'RBI' and colour shifts from green to blue when viewed from different angles. It will fluoresce as yellow on the reverse and the text will fluoresce on the obverse under ultraviolet light. The thread is visible as a continuous line from behind when held up against light.

Note: These are the extracts from the guidelines issued by RBI and ICICI bank to educate the general public on identification of fake/counterfeit currency notes.

Counterfeit payments

Fake notes: As discussed in the two previous slides, follow the process without any deviation.

How to authorise non cash transactions?

There might be instances when a non-cash transaction for purchase of certain products might not be accepted. For instance redeemed points cannot be used to purchase a mobile phone, however it can be used for buying vegetables. Same is the case with gift vouchers. A food coupon is used only for buying groceries, fruits, vegetables, food and food related items.

- Invalid vouchers—check for serial numbers and company hologram and logos and validity period.
- Duplicate credit notes—validate with the system and look for signature of authorised person.
- Expired vouchers/food coupons—look for serial numbers, cross-verify with vendor/service provider and check for date validation.
- Expired credit/debit cards—the swipe machine should be able to detect and message.
- Stolen credit/debit cards—verify the identity of the cardholder.

After identifying a counterfeit payment:

- Segregate the payment separately.
- Inform supervisor immediately.
- Inform customer politely to make the payment through different mode.
- Take action as per company policy and process on handling counterfeit payment.

Impact of counterfeit currency

- The store makes losses.
- Reduction in the value of real money.
- Artificial increase in money supply.
- Cashiers may get penalised for acceptance of counterfeit currency.
- Increase in prices (inflation) due to more money getting circulated in the economy—an unauthorised artificial increase in the money supply.
- Companies are not reimbursed for counterfeits. This forces them to increase prices of commodities.

Summary

- Purpose of POS.
- Process to ensure that the cash points are correctly set up and operated.
- Modes of payment that are accepted in the store.
- Cash equivalents that are handled by the cashier in the store.
- Process and procedures for handling cash.
- Process of detecting fake notes and counterfeit payments.
- Impact of accepting counterfeit currency.

UNIT 2.2: Service Cash Point/POS (contd.)

Unit Objectives

By the end of this unit, the participants will be able to:

1. Identify the different types of credit and debit cards that are accepted in the stores.
2. Demonstrate the process of handling credit and debit card transactions.
3. Demonstrate the process of handling other cash equivalents, discounts, refunds, fractions and currency conversions.
4. Explain the procedure of authorising payments.
5. List the cash point security procedures.
6. Demonstrate the process of resolving the problems that can occur in routine cash point operations and transactions.
7. Describe the procedures of handling customers and complaints at the POS.

2.2.1 Types of credit/debit cards

The following are the different types of most popular and widely accepted credit/debit cards. Banks issue cards based on the below mentioned card types.

Security based

- Normal swipe cards: credit and debit that do not have a micro-chip embedded.
- Secured with micro-chip and requires PIN—this requires a PIN (a secret password) to be entered by the customer after swiping.

Most popular card types:

- MasterCard.
- Maestro.
- Visa.
- American Express.
- Cirrus (not a familiar one).

For example, few banks could provide a customer with a Visa card with micro-chip embedded.

Handling credit/debit cards

An EDC machine (also known as a card swipe machine) is a payment terminal provided by the bank on which the merchant can swipe or dip cards to receive payments. Since the card can be a debit card or a credit card, the machine is also known as a credit card swipe machine or a debit card swipe machine. Cards with embedded chips need to be dipped in the machine while cards without chips can be swiped.

Fig. 2.2.1: Advantages of installing an EDC machine

Once a card is swiped/inserted, the EDC machine captures the essential information linked to the card. This includes the card name, card number, transaction amount, etc. It also records the name of the outlet where the transaction is made and the date and time of the transaction. The information so captured is transferred to the card issuer for authorisation purpose via telephone line or wireless internet. Post authorisation, the amount is transferred to the seller's account.

Chip technology has become the new standard in credit card security worldwide. It is widely used for transactions because of its proven ability to reduce the losses suffered by credit card users as a result of card falsification, because all personal data is protected and stored securely in the chip, making the replication of card very difficult.

Steps involved:

• Customer enters security PIN.

• Approval code is generated.

• Enter approval code and card details in POS. Some POS machines have the facility to swipe the card to capture card number and details.

• Merchant/customer copy is generated.

• Get signature on merchant copy.

• Store the merchant copy in cash drawer.

• Return the customer copy to customer.

Fig. 2.2.2: EDC machine or Card swipe Machine & Sample Receipt Or Sample Merchant copy

Handling other cash equivalents and calculating discounts, refunds and fractions

- Reward points: Using the membership/loyalty card, convert the point's equivalent to the purchase made. Also check for the eligibility as per process. The points converted might be partly redeemed and remaining amount will be collected as cash or through credit/debit cards. For example if the reward points are 100, equivalent to Rs.100/- and the bill amount is Rs.1000, after entering the redeemed 100 points into the system the total value would be Rs.900.

- Gift cards: Equivalent amount of the gift is deducted from the amount purchased. Considering the same bill amount, if a gift voucher is worth Rs.250 then the total bill amount would become Rs.650.

- Food coupons: Equivalent amount to be deducted on the amount purchased. Considering now the value is Rs.650 and the customer has food coupons for Rs. 250 then the remaining through cash/card to be collected would be Rs.400.

- The above three are called as "Fraction" billing or collecting by all mode payments.

- Cheques: Most stores do not encourage cheque payments. However based on the approval from the customer and the store manager, process the bill through cheque by entering the Cheque number, date, bank name and branch details.

All of the above are stored inside the cash drawer in their respective slots in the drawer.

- Amounts: The total amount to be collected before generating the bill.

- Discounts: The amount reflected in the bill for discounted products. For example if the product value is Rs.100, the bill would show with a 10% discount, that is Rs.90/.

- Refunds: A credit note generated to reduce the amount in the bill. The cashier enters the credit note details with the mentioned value which gets reduced from the total bill.

- Currency conversion: Convert all cash/cash equivalents appropriately as per reward points, food vouchers, gift vouchers, etc. Refer the example provided above.

- Generally no store or establishment encourages foreign currency. However in case of a foreign card or currency, refer to store policies and contact supervisor/store manager.

Authorising payments

Processing a cash sale typically involves the following steps:

- Greet the customer and smile.
- Key or scan the required product and or service information into the terminal, ensuring accuracy.
- Sub-total the sale and advise the customer of the amount verbally.
- Enter the amount of cash tendered and tell the amount to the customer.
- If change is required, count it out of the cash drawer and count it back as you give it to the customer.
- Give the customer the register receipt, bag the product and hand the goods to the customer.
- Thank them for the purchase and farewell them.

The cashier can authorise only if:

- Full cash is paid.
- Credit/debit card is approved.
- Vouchers/reward points balance is sufficient.
- Cheques realised, subject to balance amount in the account.

A cashier can authorise only the following:

- Approved credit/debit cards after swiping.
- Generate the bill on receiving complete payment.

With the approval of supervisor and store manager the following are authorised:

- Generate refunds—credit note with supervisors' approval only.
- Cheque payments on consulting supervisor and store manager.

Cash point security procedures

In the POS, the key security features are the following:

- Do not share the user ID and password with anyone.
- Never leave the POS without locking the terminal.
- Open the drawers only for transaction.
- In case of emergency, the supervisor is required to log in and open.
- Count the float cash has and put in the drawer.
- Send the excess of cash to the cash office immediately, in between a shift.
- Unauthorised staffs are not allowed to use the POS terminal for any purpose.
- Follow process during opening and closing of a shift.
- Follow physical security of cash collections.

Physical security of cash collections

Cash office that regularly collects cash/cash equivalents must establish the following procedures to ensure physical security of such collections at all times, including when transfers of cash are made from to POS/bank/cash collection agent:

• Cash must be locked in a fire-resistant safe all the time except when used for working cash.

• Excess cash must be removed from the cash register drawer during the business day and should be transferred to the safe. At the close of business, all cash must be transferred to the safe.

• Cash department must use a fire resistant depository safe to store cash in accordance with the following cash limits:

  o Up to Rs. XXX: in a safe with a good door thickness.

  o More than Rs. XXX: transfer.

Safes should be floor or wall-mounted to prevent their removal from the department's premises.

• The safe's combination must be given only to authorised personnel and their supervisors who must then commit the combination to memory. A record of the combination must be maintained in a sealed envelope away from the safe area. It should be sealed and opened only under dual custody to prevent unauthorised access.

• A safe that requires a combination and a key to gain access must have two different custodians. At least two employees shall be assigned the combination and two different employees shall be assigned a key. An extra key shall be sealed in an envelope, recorded and maintained in the same manner as described above for a combination. Similar procedures must be maintained for a safe that requires two combinations to gain access.

• A safe must be opened in such a way that the combination is not viewed by others or security cameras.

• The safe must be locked between uses during business hours.

• A safe's combination must be changed whenever a person who knows the combination leaves the employment of a cash-handling unit. In addition, the combination must be changed at least once a year. Documentation must be maintained showing the date and the reason for all combination changes.

• Duplicate keys must be safely stored away from the safe and be retrieved only under dual custody.

• Funds or property not related to the operation of the stores must not be stored in the safe.

• If the cash deposit is in excess of XXX Rs., employees should be escorted by Public Safety.

Any deviation from these procedures may adversely impact the store's insurance coverage.

Routine transaction errors and unexpected problems

From time to time, even the most proficient cashiers will make a mistake at the POS. Sometimes errors arise as a result of variables outside the control of the cashier, for example if the customer has insufficient funds to pay for their purchase or item prices are scanned incorrectly.

Common transaction errors include:

• Incorrect data keyed in and incorrect price keyed in or scanned: Know the POS operations thoroughly to rectify this by using the right keys and commands.

- Wrong change given or no change: Apologize and provide the correct change. Check with the supervisor and provide the balance amount.
- Customer deciding not to proceed with the purchase: Know the reasons, save the bill or cancel the bill as per process and procedures.
- Equipment failure: Apologize to the customers and shift them to the other lanes as per queue management policies.

It is important that team members acknowledge errors and try to rectify them as soon as possible, with as little inconvenience to the customer as possible.

Stores will have policies and procedures governing transaction errors. It is crucial these are followed and the necessary adjustments made to the journal roll at the POS terminal.

Typically, cashiers are not authorised to carry out corrections in relation to transaction errors. Usually a supervisor or manager will need to be called to authorise such issues.

Supermarkets subscribe to the Code of Practice for Computerised Checkout Systems.

Documentation of some form is usually required when correcting transaction errors. Therefore team members must ensure they have adequate supplies of documentation at the POS to effect a quick correction and inconvenience the customer as little as possible.

Following is a sample of such error code documentation:

A00 - Approved	D08 - Ineligible Transaction
D01 - Expired Card	D09 - Ineligible Account
D02 - Unauthorized Usage	010 - No Further Withdrawals
D03 - PIN Error	D11 - Cannot Process
D04 - Incorrect PIN	D12 - Try Lessor Amount
D05 - Bank Unavailable	D13 - Closed Account
D06 - Card Unsupported	D29 - Reversal Declined
D07 - Insufficient Funds	D99 - Declined, unspecified

Fig. 2.2.3: List of sample error codes

Treating the customers politely

Customer might get irritated when the queues are longer especially during weekends. Ensure proper queue management. Some customers tend to get angry at the POS and might not bill the items they have collected and might choose to walk away. So it is important for the cashier to be polite and stay calm, keeping a balance throughout the billing process of all customers during his shift. If one customer is not treated well it would be a chain reaction as there is always a queue and adjacent till customers are near to all the cashiers.

- Greet the customer with a smile.
- Ask/provide membership details.
- Politely tell the bill amount.
- Avoid conversations not pertaining to billing.
- In case of any transaction errors, apologise and rectify.
- Ensure proper queue management.

Handling complaints at the POS

In case of a complaint at the POS:

- Apologize: The first step is to apologize for what happened. You must not belittle the complaint since this humiliates the customer and may send a message that they are lying.
- Listen when they are speaking—attention needs to be directed towards the customer. Stop doing what you are doing (sends a message that nothing will distract you from solving the problem). Let the customer finish with presenting the problem. Avoid making premature conclusions.
- Take notes while the customer is presenting the problem. Do not interrupt but take notes of what they are saying since this will later help in responding and offering a solution (sends a message that the problem will be dealt with seriously and systematically).
- Summarise the problem when the customer has finished, briefly repeat the problem to make sure you have understood it correctly.
- Offer a solution—if possible, offer a solution immediately, giving two realistic options, without giving false promises or exaggerating. If not, give a firm promise that everything will be done to solve the problem in a satisfactory manner.
- Apologise and thank the customer. The conversation must end with a repeat apology and a thank you to the customer for warning you about the problem. This sends a message that the customer's opinion is appreciated.
- Report to your superior. This is the next step in agreeing about the solution, making a decision and following its progress.
- Report to the customer. As the final step, you must inform the customer about what was done to solve the problem, instead of giving that task to a colleague. This sends a message that the problem has been taken seriously and personally made sure it was solved. This is personalised service.

If it becomes evident that the complaint is a result of a systematic inappropriate procedure or of a permanent deficiency, actions must be taken to introduce new and improved procedures in order to keep the problem from repeating in the future.

There are customers who get even more upset when they receive an apology. In that case, stop apologizing and talk as little as possible.

Summary

- Different types of credit and debit cards that are accepted in the stores.
- Process of handling credit and debit card transactions.
- Process of handling other cash equivalents, discounts, refunds, fractions and currency conversions.
- Procedure of authorising payments.
- Cash point security procedures.
- Process of resolving the problems that can occur in routine cash point operations and transactions.
- Procedures of handling customers and complaints at the POS.

UNIT 2.3: POS Procedures for Age Restricted Products

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. State the meaning of age restricted products.
2. Identify the policies and procedures to be followed while selling age restricted products.
3. Follow the policies and procedures for refusing sale of age-restricted products
4. Identify the documents that can be accepted as proof of age.
5. State the impact of not collecting prescribed proof of age.
6. State the impact of selling age restricted products to under-aged customers.

2.3.1 Age restricted products

The products that cannot be sold to the people who have not reached a certain age are termed as age restricted products. Some of the products that fall under this categories are:

• Alcohol and alcoholic beverages.
• Spray paints.
• Fireworks.
• Solvents.
• Video recordings and movies.
• Video/computer games.
• Cigarettes.
• Condoms.

The law of the country prevents retailers from selling certain products including the ones listed above to the customers below a certain age to protect health and safety of young people.

Procedures to be followed while selling age restricted products

You have a responsibility to make sure you do not sell age restricted products face to face or even remotely (online, by mail order or any other means where the sale does not take place face to face) to persons under a certain age. Specific and positive age verification checks for preventing underage sales face to face and remotely include:

• Demanding and verifying an acceptable proof of age as prescribed by the store policies and storing a copy of it as record during face to face sales.
• Accepting payment by credit card only. As credit cards are generally only available to those over the age of 18, requiring payment by credit card can serve to verify that the principal cardholder is over 18. If you choose to use this method you should check with your payment processing provider to ensure their system does not accept cards that are available to those under 18.
• On delivery. If deliveries are made by your staff, you can train them to check proof of age at the time of delivery, or you can use a courier that is able to do this on your behalf.

- Online checks. Age verification systems are available which draw on several sources of information including the electoral register and/or credit reference agencies to check the age of purchasers. You can also arrange access to the electoral register which can be used to verify the purchaser's age.
- Collection. If you have shops or other premises you may allow customers to view and reserve items online, but may require them to collect any age restricted products, where checks on proof of age can be carried out by your staff in the same way as for a face-to-face transaction.

These are only examples and every retail store will have a standard operating procedure for selling age restricted products.

While selling the age restricted products one should not:

- Rely on the purchaser to confirm that they are over the minimum age by ticking a box, or accepting terms, conditions or disclaimers which include a requirement to be over the minimum age.
- Just ask the purchaser to provide date of birth.
- Accept payment through e-payment services such as PayPal, as these services may not verify ages.

Identify and prevent proxy sales

- A proxy sale is when an adult buys alcohol or any other age restricted product on behalf of someone who is under age. In the case of alcohol, this is an offence. While it is the adult who buys the alcohol on behalf of the child who commits the offence, the retailer has a duty to refrain from such sales.
- Knowingly allowing proxy sales or failing to take appropriate steps to prevent such sales from taking place, may constitute a failure to uphold the licensing objectives and could be used as evidence to support a review of the store licence.

Prevention of proxy sales

In order to prevent proxy sales, staff and cashiers should be well trained to recognise proxy sales and to refuse the sale where it is suspected that an adult is buying an age restricted product on behalf of a child.

Some signs of proxy sales to be aware of:

- Groups of young people selecting products but only one approaching the check-out to pay.
- Young people loitering outside the shop and approaching customers asking them to buy on their behalf.
- People buying a variety of brands of a product and/or paying with change may indicate they are buying for more than one person.
- Where more than one person approaches a check-out and one is purchasing an age restricted product, you should seek proof of age for all of them unless you are satisfied that the age restricted product is for the adult only (for example a bottle of wine bought amongst the weekly shop by a parent accompanied by their child).

How to refuse the sale of age restricted products to an under-aged customer:

- Ask for proof of age. This helps the situation as it is not a direct refusal. It says that you will make the sale if they can produce valid proof of age. Only accept proof of age that is acceptable.
- If someone cannot produce proof of age then refuse politely but firmly. If necessary repeat your refusal clearly.

- Keep calm. Do not get into an argument.
- Explain briefly why you cannot sell. Try saying:
  - o 'I'm sorry; if I serve you I might be breaking the law.'
  - o 'We have a policy of 'no proof of age, no sale.'
  - o 'Our company policy is not to sell these products to young people if they do not have ID.'
- Show customers notices, posters and stickers displayed around the premises that indicate you will not sell age restricted products to people who appear under 25 without proof of age.
- Offer an application form for an approved proof of age card scheme and tell the customer that if they come back with identification showing they are old enough you will be happy to serve them.
- Be positive in your refusal. Have a firm tone of voice, be confident and use direct eye contact. Do not waver from your decision not to sell. If you look unsure a customer may think you are likely to change your mind and continue to argue.
- Remember that the law is on your side and you are doing the right thing.
- Call your supervisor or manager for support if necessary.
- Dial 100 for police assistance if the situation becomes an emergency, for example in the case of an assault or threats.
- Record details of the attempted purchase in your 'Refusals Log'.
- Attend a proper training to understand the sale of age restricted products.

Proof of age

If a person who appears to be under 25 years of age, attempts to purchase an age restricted product, you should ask them to provide identification to prove they are old enough to buy the product. You should NOT simply assume that if someone has shown you identification that they are old enough but should check the identification carefully

There are a number of things to look at and consider when checking the identification that is produced, including:

1. Is the identification provided acceptable proof of age?

   To be acceptable proof of age the identification must include a photograph, date of birth and a holographic mark as in the driving license.

2. Is the identification genuine?

   You should check that the identification provided is genuine and not a counterfeit or fake version of a legitimate form of identification. When looking at the identification you should consider whether it is of the quality you would expect, including the material it is made of and the quality of any printing on it. Many forms of legitimate identification have security features built in to them, including holographic marks, tactile features (raised areas that you can feel when you run your finger over them) and images that change when you tilt the card, which can help you to check that a card is genuine. If you are in any doubt about the genuineness of the identification provided, seek further identification or refuse the sale.

3. Does the photo match the person who presented the identification?

   You should look closely at the photo and check that it matches the person who has presented it to you. Ask to remove hats, scarves or glasses if necessary. If you are unsure that the person presenting the identification is the person in the photo you can and should refuse the sale.

4. Does the date of birth on the card make the person over the legal age for the product they are attempting to purchase?

    Check that the date on the card would make the person over the required age. Remember that 17-year old person may have a driving licence, so check the date of birth if someone presents a driving licence to you. Many premises use electronic till prompts or signage near the tills displaying the date someone must be born on or before in order to make them over 18.

5. Has the identification been tampered with in any way?

    You should hold the identification so that you can look at it closely and check for any sign of tampering such as the photo having been replaced or the date of birth being altered. This is sometimes done by placing a clear laminate with a new photo or date of birth over top of the correct one. If you run your fingers over the surface of the card and feel the edges, you should be able to detect any tampering. If a person is reluctant to let you hold the identification, this may be a sign that it has been tampered with and they do not want you to look closely at it. If identification has been tampered with or you have not been able to look at it closely enough to detect any tampering, then you can and should refuse the sale.

Documents for proof of age

The following are the list of some photo identification documents for age proof:

•   Driving license.
•   Aadhar card.
•   Passport.
•   School certificates (with photos).
•   Voter ID.
•   PAN card.

Impact of not collecting prescribed proof of age and selling age restricted products to under aged

•   Fine imposed on the store.
•   Legal case faced by the store management.
•   Punishment by law enforcement authorities.
•   Cancellation of store license.
•   Bad reputation.
•   Bad publicity in media.
•   Reprimand by employer.
•   Loss of jobs.

Summary

•   Meaning of age restricted products.
•   Policies and procedures to be followed while selling age restricted products.
•   Policies and procedures for refusing sale of age-restricted products
•   Documents that can be accepted as proof of age.
•   Impact of not collecting prescribed proof of age.
•   Impact of selling age restricted products to under-aged customers.

Notes

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3. Processing Customer Orders and Exchanges

Unit 3.1 - Processing Customer Orders for Goods

Unit 3.2 - Processing Part Exchange Sale Transactions

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Follow procedures of processing customer orders
2. Identify and resolve problems while processing customer orders
3. Explain the importance of protecting confidentiality of the customer information
4. Follow procedures for validating customer credit limits
5. Process part exchange of goods/ products for the customers

UNIT 3.1: Processing Customer Orders for Goods

Unit Objectives ⊚

By the end of this unit, the participants will be able to:

1. Identify the process to check the availibility of goods ordered by the customer
2. Demonstrate the steps to process customer orders

3.1.1 Customer orders

A Customer Order is the "fulfilment control document" that is the foundation for generating sales order, shipment and invoicing documentation.

Types of customer orders

- Standard order—is used when shipping products by availability. Users can generate the invoice immediately or after the shipment.
- POS order—is used in 'over the counter' sales situations with anonymous customers. The order generates the shipment and invoice. The payment is received via cash, cheque, credit card, etc.
- Credit order—is used for known (on account) customers, with or without a credit line. The order generates the shipment, invoice, and optionally receives the payment.
- Prepay order—is used in Web Store Transactions. Users can send the shipment and generate the final invoice after receipt of money.

Need to process customer orders

- Online order.
- Telephone/mobile order.
- E-mail order.
- Request by customer.
- Senior citizens.
- Differently abled.
- Heavy goods.
- Not available at stores.
- Need to be tailor made for customer and delivered.

Order received Online or through telephone/mobile/E-mail

- Customers have placed order over the phone or through the web, hence home delivery is necessitated. Order received over the phone is once again an extension of service that is provided to the customer, for example books, flight tickets, etc.

Request by customers—senior citizens and differently abled

- A customer could have walked into the store but would require the shopped articles to be delivered at their residences, for example grocery, medicines, etc.
- Senior citizens and differently abled people cannot stress themselves by visiting or standing in the queue at the store. Home deliveries help them tremendously in creating customer satisfaction.

Heavy goods

- The article being heavy, it is required to be delivered at home, for example grinding machine, washing machine or refrigerator.

Not available at stores

- The product the customer has bought is only for display at the store. A similar product with the same specification will be delivered from the Distribution Centre, for example refrigerator.

Need to be tailor-made and delivered

- The product has to be assembled on site of delivery. Hence the assembly will be done at the residence on delivery, for example furniture.

Probing to identify the precise needs of the customer

Get the customer's attention: To be able to make a good sale, it is important to understand what exactly the customer wants or needs. In order to do so, you need to be able to engage the customer and test their needs by probing them with the right questions.

- Probe: Question to uncover needs. When you are engaging yourself with the customer, why not incorporate 'the advantages of the Q feature'? The Q feature means 'Questioning', which means 'Probing'. Probing helps in uncovering the needs and problems of the customer. It is used to get more information from the customer. There are two types of probing:
  - Open probes: These questions ask for more than a 'Yes' or 'No' or one/two-word answer. Encourage customers to respond freely, so that you can fulfil their requirements. Allow the customers to set the direction of the conversation.

    For example:

    How may/can I help you?

    What products are you looking for?

    May I know the quantity?

    Is the chicken to be packed with ice?

    What is the time of delivery required?

  - Closed probes: These questions are asked to get a specific or one word answer. It is generally used to understand the specific need of the customers. It limits a customer's response to 'Yes' or 'No' or other one word answers.

    For example:

    Which colours you would like to choose?

    Have you tried it before?

Have you used this product before?

Are you looking for accessories?

Which address and landmark you are in?

Provide clear, accurate and complete information to the customers

The information should be clear, accurate and complete with all details for the customer. Even one single point missed would lead to misunderstanding and the customer may choose to make the purchase elsewhere.

Prepare well in advance with the outline mentioned below to have the information for the customer. While informing the customer it is better to consult with the supervisor, stock control system, vendors and people from other relevant department to collect all the information.

Based on availability of goods mention the:

• Order number.
• Price and quantity.
• Type of delivery.
• Date and time.
• Warranty/guarantee.
• After-sales service.

Based on non-availability of goods mention the:

• List of non-available products.
• Quantity.
• Order number change (if any).
• Alternate products.
• Alternate date/time (if any).
• Warranty/guarantee.
• After-sales service.

Checking the stock of goods

The following is an outline to check the goods:

1. Take the list of items ordered by the customer, which would help you to verify the following with the stock control systems:
   • Stock available at the back-store, back-area/reserve stock
   • Expected stock in transit—on the way to your store—check date and time of arrival
   • Stock available at shelves—what is currently in hand, whether this can be used to process order.
   • Stock available at DC/warehouse—stock can be moved from here to your store.
2. Check with other branches (if any). This can also be done if the facility is available in your stock control system. Else you have to call or email them to verify the availability and follow-up.

3. Verify with manufacturer/ vendor in case of non-availability. This is most critical as you would be discussing with these people to build a strong relationship. Sometimes the vendor/manufacturer would refer you to the right people even in case of non-availability of the product with them.

   • Check for availability.
   • Transit if any.
   • Sources if any.
   • Date of availability.

Progress of customer orders

Product availability: Cross check with order details of the customer. Inform the date and time of delivery along with the order number/invoice details and mode of delivery to the customer. Take information on delivery timings and co-ordinate with the delivery team. Thank and acknowledge the customer post the delivery.

In case of non-availability of a product:

• Suggest an alternate product with its price, quantity, warranty details, etc. Inform the new invoice details along with the delivery schedule.
• Unexpected delays—inform the delay by providing a genuine and fair reason. Be transparent. Apologize to the customer. Take consent on the re-schedule of the new product.
• Confirm new delivery date and time

Impact of delay in delivery

The following are the impact to a store, ultimately leading to financial loss:

• Loss of customers—Number of customers lost = loss in sales.
• Loss of time for customer— Customers' time is our money. If a customer loses time, we in turn lose money.
• Competition might take advantage—nowadays competition is very tough. Ensure that there is no room for mistakes. Customer will shop at a different store due to various options available today.
• Loss of reputation and bad word-of-mouth. One good thing about the store, a customer may choose to refer only to one or two, but one bad experience can be spread to the entire world through internet—Twitter, YouTube, Facebook, etc.

Invoicing the customer orders

Generate invoices according to general business rules or based on specific arrangements with the customer, using the computerised billing/POS system.

Generate invoices:

• Immediately after each consignment is despatched.
• When the order is completely despatched.
• Based on a predefined invoice schedule specific to the customer.
• For example, an invoice schedule could be established to arrange for the creation of a summary invoice including all shipments to the customer over the previous day, week or month.

Fig. 3.1.1: Sample invoices

Escalation matrix

Depending on the relevance to the department you are working in, it could be one or more of the following team members.

- Immediate supervisor.
- Department manager/Team leader.
- Store manager.
- Buyer/procurement team in your organization.
- Manufacturer/vendor.

Action to be taken:

- Inform and provide the timeline to the customer.
- Update customer on progress.
- Follow-up for closure.
- Update system information after closure.

Confidentiality of customer information

Importance of confidentiality

• Confidentiality is important for several reasons. One of the most important elements of confidentiality is that it helps to build and develop trust. It potentially allows for free flow of information between the client and associate and acknowledges that a client's personal life and all the issues and problems belong to them only.

• One of the major purposes for obtaining a client's consent before speaking to a third party (such as another agency or a family member/carer) is to protect the confidentiality and privacy of the client. Informed consent (obtaining personal information with the formal permission of the client or a person who has the legal authority to provide permission on behalf of the client) is considered essential in maintaining the privacy of the client.

• It is important to keep your clients' business as just that—their business. You should only discuss matters relating to your clients' business with co-associates and only what needs to be discussed. Discussions should take place in the workplace and should not be audible to other members of staff or the general public. You should never discuss clients' business with family or friends.

• Respect for client confidentiality and staff personal information should be a high priority for all community services to comply with legislation that governs disclosure of information. In this regard follow the organisations policies and procedures that provide guidelines for associates. Appropriate associate behaviour can also be incorporated in a code of conduct.

• To ensure confidentiality, associates should only access confidential information for work that is covered by their job description and the policies and procedures of the organisation. They should only disclose information to other parties where a client (or co-associate in relation to their personal information) has consented to the release of the information or where disclosure is required or mandated by legislation due to indications of risk of harm. Further associates need to ensure that any information that is collected is securely stored and disposed of.

Rules to maintain confidentiality

• Talk about clients in a private and soundproof place.

• Do not use client's names.

• Only talk about clients to relevant people.

• Keep communication books in a drawer or on a desk away from visitors to the agency.

• Keep staff files in a locked cabinet in the manager's or coordinator's office.

• Use case numbers when recording information about clients on a database.

• Remove identifying information when discussing cases for teaching purposes.

Impact of not maintaining customer confidentiality:

• Loss of customers.

• Loss of reputation and bad word of mouth.

• Legal implications—fine and cancellation of license.

Access to customer information

• Access to all data centres and server rooms used to host hardware and software on which personal data is stored should be restricted and should be given to only those staff members who have clearance to work there.

- Access to systems which are no longer in active use and which contain personal data should be removed where such access is no longer necessary or cannot be justified.
- Passwords used to access PCs, applications, databases, etc. should be of sufficient strength to deter password cracking or guessing attacks.
- Departments should have procedures in place to properly evaluate requests from other organisations for access to personal data in its possession.
- Personnel, who retire, transfer from the department, resign, etc. should be removed immediately from the mailing lists and access control lists. Relevant changes should also occur when staff are transferred to other assignments internally.
- Contractors, consultants and external service providers employed by departments should be subject to strict procedures with regard to accessing personal data by way of formal contract in line with the provisions of the Data Protection Acts.
- Departments should have in place an up-to-date Acceptable Usage Policy in relation to the use of information and communications technology (e.g. telephone, mobile phone, fax, email, internet, intranet and remote access, etc.) by its staff. This policy should be understood and signed by each user of such technology in the department.

Customer's identity and credit status

The following is the outline to check identity and credit status of a customer.

- Verify his name.
- Verify with ID/membership details.
- Other details like name of mother/Date of Birth.
- Once verified with all details as per company policy, follow the steps given below:
    - Check requirement of the customer.
    - Provide the credit limit.
    - Provide the excess usage.
    - Politely request to pay as per procedure (if exceeded).
    - Request if he would like to increase credit limit.
    - If within process, extend credit limit.
    - If not within process, apologise and explain how to increase.

For example if a customer has called to check his credit limit on his post-paid mobile account. The first verification would be his mobile number, date of birth, etc. Once verified, the credit limit is shared. For example it could be say Rs.1000; if his usage has exceeded Rs.1000 within 15 days before the billing date, he would be requested to pay the amount to continue using the services. As per policy based on the usage of the customer the credit limit increases.

Activity

1. **Objective of the activity:** To inform the customer about the progress of their orders.
2. **Learning outcome:** Learners will apply the concepts that have been learnt to communicate appropriately with the customers and provide information on the status of their orders.
3. **Nature of the activity:** Group.
4. **Procedure to conduct the activity:**
    *   Split the class into groups of two.
    *   Explain any one of the scenarios stated above (provide different scenarios to each group).
    *   One learner to play the role of a cashier and the other the role of customer.
    *   Let the learner playing the role of cashier communicate with the learner playing the role of customer on the status of the order
    *   Interchange the roles after the first set of role plays get completed.
    *   Lerner will be observed on following aspects:
        o   Is the cashier able to identify the precise needs of the customer by probing?
        o   Is the cashier able to offer goods/solutions to the customer and check with them if the goods/solutions meet their needs?
        o   In case the goods are not available at the store—is the cashier able to suggest an alternative or check with the manufacturer or supplier?
        o   Is the cashier politely communicating in case there is a delay in delivery of the order?
        o   Is the cashier able to provide accurate information on the progress of the order to the customers?
    *   After the role play, collect feedback from the learners who played the role of customers as well as the cashiers.
    *   Provide appropriate feedback and demonstrate the right process.

Summary

*   Meaning of customer orders.
*   Need to process customer goods.
*   Process of probing to identify the precise needs of the customer.
*   Providing clear, accurate and complete information to the customers.
*   Process of checking the stock of goods that meet the needs of the customer.
*   Process of checking whether external suppliers and manufacturers can provide items that are not in stock.
*   Keeping the customers informed about the progress of their orders.
*   Informing the customers about the delay in processing their orders.
*   Impact of delay in delivery of the order.
*   Process of invoicing customer orders.
*   Escalation matrix in case the order cannot be processed.
*   Importance of maintaining confidentiality of customer information.
*   Impact of not maintaining confidentiality of customer information.
*   People who have the right to access customer information within the organisation.
*   Process of checking the customer's identity and credit status.

UNIT 3.2: Processing Part Exchange Sale Transactions

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify the need for a customer to part exchange the products.
2. Identify the terms and conditions of sale for items that the store exchanges.
3. Follow the process of checking ownership of the items produced for part exchange.
4. List the consequences of not checking the ownership of the items.
5. Assess/Examine the paper work involved while buying part exchange items.
6. Describe the process of determining value of items offered in part exchange by customers.
7. Follow the process of negotiating part exchange sales transactions with customers.
8. State the impact of erroneous valuation.
9. Describe the method of dealing with suspected payment.
10. Describe the method of dealing with suspected fraud.
11. Describe the steps that aid in providing customer service at the POS.

3.2.1 Need for a customer to part exchange the products

The following are the reasons for a customer to return/part exchange products:

- Not satisfied with the product—expectations not met and probably a false promise by a sales associate.
- Faulty—defective product.
- Damaged/expired or partly damaged/expired.
- Company policy to return (within XX days). For example the offer from the store was a free return within 10 days if they do not like the product.

Terms and conditions

The following are some broad classifications of terms of conditions in retail sales and service. A sample for return of goods has been provided for reference purpose only.

However each store will have its own terms and conditions, returns/exchange and refund policies. Associates are supposed to be familiar with their respective store's terms and conditions, policies and procedures.

- Basis of contract.
- Cancellation.
- The goods.
- Price and payment.
- Delivery.
- Installation.
- Risk and title.
- Limitations of liability.
- Waiver and variations.

- Unexpected event.
- Return of goods (excluding special order items).

Return of goods (excluding special order items)

- The following items returned in good condition to a store within XX days of purchase will be refunded in full with proof of purchase.
- Should you wish to return an order following delivery you may do so by informing us within 10 working days of receipt of delivery. Goods must be returned to us and we ask that you take reasonable care when handling the goods and return the goods to us unopened, unused and in their original packaging, where possible.
  - Please confirm your intent to return the order by calling Customer Services on +91-XXXX XXXX within 10 working days of receipt; we will confirm to you a returns address and reference for your package.
  - The cost of returning the goods once delivered is at your own cost and risk;
  - We are not responsible for any loss or damage to any returned goods in transit and as such, we recommend that you return the goods through a recorded delivery service.
  - When returning goods please carefully package the goods together with your returns reference.
  - If returned goods are lost or damaged in transit, we reserve the right to charge you for any loss or damage.
  - Where we have agreed to the return of goods, these goods must be returned within 30 days of the notice of intent.
  - In the unlikely event that the goods do not conform to these Terms, please let us know as soon as possible by contacting Customer Services on +91-XXXX XXXX.
- We will, at our option:
  - inspect the goods at your premises;
  - collect the goods on a date agreed between you and us; or
  - ask you to return the goods to us.
- If the goods are found by us to be defective, and we have asked you to return the goods to us at your cost we will reimburse you for third party delivery costs involved in the return.
- If you exercise your right to return your order, any refunds due will be refunded within 30 days.

Checking ownership of the items

There could be cases of stolen/theft items which could come into the store for exchange. So it is essential for the associate to completely verify the ownership of the part exchanged product.

Given below is a list of few of the items that can be requested from the customer as documentation to verify the ownership. In some cases they can verify card numbers used for purchase, date of birth, mother's maiden name—either one or all of them as per company policies and processes.

- Verify invoice copy/delivery challan (if any).
- Request for service agreements, warranty/guarantee (details if any).
- Exchange products only with bill. That is the only proof of purchase with which the store can validate.
- Ask for ID proof.

Consequences of not checking the ownership:

- Chances of accepting a stolen item for exchange.
- Chances of accepting the product from an unauthorised person, which may lead to conflicts between the actual customer and the store.

Paper work—buying part exchange items

Confirm ownership details as per previous slide on bill and invoice before product is accepted for return/refund/exchange.

- Verification of bill/invoice.
- Warranty document to ensure validity period.
- Receipt of receiving the goods—condition of the product.
- Provide credit note if applicable as per policy.
- Provide new product against receipt of old product.
- Additional bill amount if exceeding the old bill amount or credit note.

Consequence of not checking:

- Store indirecly supporting and encouraging stolen/theft items to be exchanged.
- Original owner would turn up and complaint, which would lead to legal consequences.
- When the audit happens, questions may be raised on the basis of part exchanging the product.
- Loss of reputation leads to loss of the store and spread bad word of mouth

Fig. 3.2.1: Invoice copy /Bill

Determination of value of items, negotiation and impact of erroneous evaluation

Case study: A customer had purchased 2 bottles of juice at R100. He wants to exchange one bottle after consuming some juice from it and finding it to be stale.

Scenario 1

• Policy A allows exchange if the customer is not happy with the product. The bottle of juice can be exchanged with a new bottle by taking the bill as proof..

• In this case there is no issue and as per policy the product is returned and exchanged, and no questions are asked.

Scenario 2

• Policy B does not allow for exchange as the return date has exceeded

• Policy B does not allow refund/exchange as the juice is consumed.

• Even in this case, the policy clearly says that there is no refund/exchange. The associate is expected to negotiate with the customer explaining the policy and would not be able to go against the policy. This is an indication of store loss if we violate certain processes.

• The value of the juice bottle has been billed and consumed as per the scenario and the date for return/exchange has also exceeded.

Scenario 3

• Policy C asks to return both the bottles and take a full refund through credit note, as it is a 'buy one get one free' offer.

• Credit note for Rs.100 can be issued.

• If the consumer has consumed the first bottle of juice and wants the exchange for second bottle only.

• This situation is similar to the previous one. The associate has to follow the same rules.

Scenario 4

• As per Policy C, the associate has provided a credit note of Rs.100/- to the customer by taking 1 consumed juice bottle back.

• This is a clear indication of associate not knowing the policy, terms and conditions. The impact of his erroneous violation has brought loss to the store.

Scenario 5

• As per Policy D, the customer does not need to return both the bottles.

• Credit note is given to him for Rs.100. But the same juice is not available. A different juice is available at an extra price of Rs.25.

• The role of the associate is to negotiate with the consumer to accept the credit note of Rs.100 and to take the juice which is Rs.125 by asking him to pay extra. The second option is to ask the customer to take any other product worth Rs.100 if he is not interested in taking the juice which makes it costlier by Rs.25 than the juice which he has bought.

Impact of erroneous evaluation

Error in evaluation will lead to:

• Monetary losses to the store

• Customer dissatisfaction leading to loss of customers

• Penalty for the employees

Dealing with suspected payment

When payment on cards is declined, politely:

• Option 1. Request for alternate card.
• Option 2. Request for alternate mode of payment.

When fake currencies are detected, politely:

• Option 1. Request for alternate cash.
• Option 2. Request for alternate mode of payment.

When fake cash equivalents are received, politely:

• Option 1. Request for alternate cash equivalent.
• Option 2. Request for alternate mode of payment.

Do not be harsh with the customer at any cost. In case of any harsh actions taken by the customer, do call your supervisor or store manager. Some cash tills have an emergency light (red) so when you are in danger you can press the switch to call for help.

In case of customer not having the alternate payments, request them if they would like to save the transaction and then inform your supervisor. Keep the billed cart safely with the security and request the customer to get cash from the nearby ATM. Till then, secure the cart and save the bill as per supervisor's instructions/permission. Do not save or secure cart till you get permission from the team leader or supervisor.

Dealing with suspected fraud

Some common frauds which happen at the cash tills/POS while the cashier is billing:

• Inserting products by hiding it into another product packing. Example a Gillette Razor worth 350 is inserted into a blanket packet. Look inside all boxes, packet and check thoroughly before you scan and bill the item.
• Concealing products inside clothes, handbags etc.—inform security/loss prevention team/ supervisor to take action, as the cashier would not be able to leave the billing counter.
• Changing price tags of stickers—know your products well along with prices, offers, discounts. While scanning, look at the billing machine for cross-checking the price and verifying if it is the right product at the right price.
• Concealing products at the bottom of the cart—before you finish billing, check the shopping cart thoroughly as something would be stuck or hidden underneath a huge bag of 25kg of rice.
• Stocking products to the bags without billing—be alert and check that all items in the cart are billed.
• Diverting attention of cashier by talking—focus only on the billing keeping in mind the above. Revert to customers comments just with a smile as a cashier cannot afford to have a conversation with the customer.

Activity

1. **Objective of the activity:** To provide service to the customers at POS.
2. **Learning outcome:** Learners will apply the concepts that have been learnt in the second session and service the customers at the POS.
3. **Nature of the activity:** Group
4. **Procedure to conduct the activity:**
   - Explain the scenario given below:
   - Scenario: You are a cashier receiving a customer at the POS. The customer has been waiting for 10 minutes for his turn to bill his products. He is carrying approximately 30 products with him to bill.
   - Select two volunteers from the class.
   - One learner to play the role of a cashier and the other the role of customer.
   - Ask the learner playing the role of cashier to receive the customer and accept the payments and provide service at the POS.
   - Learners will be observed on following aspects: whether the cashier is able to
     o Greet the customer with a smile and thank him for his patience for waiting for long.
     o Tell customers the correct amount to pay.
     o Check accurately the amount and means of payment offered by the customer.
     o Check if the payment is acceptable, process the payment in line with company procedures.
     o Tell the customer tactfully when payment cannot be approved.
     o Record payments accurately.
     o Store payments securely and protect them from theft.
     o Offer additional services to the customer where these are available.
     o Treat customers politely throughout the payment process.
   - To acknowledge the customers' waiting behind while handling the present customer.
   - After the role play, collect feedback.
   - Provide appropriate feedback and demonstrate the right process.
   - Repeat the role play with another set of volunteers

Summary

- Need for a customer to part exchange the products.
- Terms and conditions of sale for items that the store exchanges.
- Process of checking ownership of the items produced for part exchange.
- Consequences of not checking the ownership of the items.
- Paper work involved while buying part exchange items.
- Process of determining value of items offered in part exchange by customers.
- Process of negotiating part exchange sales transactions with customers.
- Impact of erroneous valuation.
- Method of dealing with suspected payment.
- Method of dealing with suspected fraud.
- Steps that aid in providing customer service at the POS.

Notes

4. Processing Customer Payments and Goods Return

Unit 4.1 - Processing Payments

Unit 4.2 - Processing Cash and Credit Transactions

Unit 4.3 - Processing Returned Goods

RAS/N0115, RAS/N0116 & RAS/N0117

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Follow procedures for processing cash and credit transactions
2. Outline the impact of statutory guidelines and obligations of a retailer in relation to credits
3. Resolve customer concerns related to pricing of products
4. Follow the procedures to accept and record the product/ goods returned by the customers

UNIT 4.1: Processing Payments

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Explain the process of identifying and checking the price of products in the store.
2. Describe the process of identifying discounts and special offers.
3. Outline the nature of pricing problems that arise in the store.
4. Outline the escalation matrix for resolution of pricing problems.
5. State the process of sorting the pricing problems.
6. Demonstrate the procedures for working out payments.
7. List the methods and tools used to work out payments.
8. State the cashier's rights, duties and responsibilities relating to the goods sold.

4.1.1 Identifying and checking the price of products

The cashier is expected to understand and identify the following type of coding which is very common in stores and is used to identify the prices of the products. It is essential sometimes to identify products manually with the help of the codes too.

- In the field of inventory management, a stock keeping unit or SKU is a distinct item, such as a product or service, as it is offered for sale that embodies all attributes associated with the item and that distinguishes it from all other items.
- SKU can also be identified through a unique code allocated to it. Each SKU carries a unique code and a Barcode.
- SKUs are not always physical objects. Anything that can be sold separately from any other product is a stock keeping unit, such as extended warranties, delivery fees, installation fees and licenses.
- Other product tracking methods with varying regulations are:
  - o Universal Product Code (UPC).
  - o International Article Number (EAN).
  - o Global Trade Item Number (GTIN).
  - o Australian Product Number (APN).
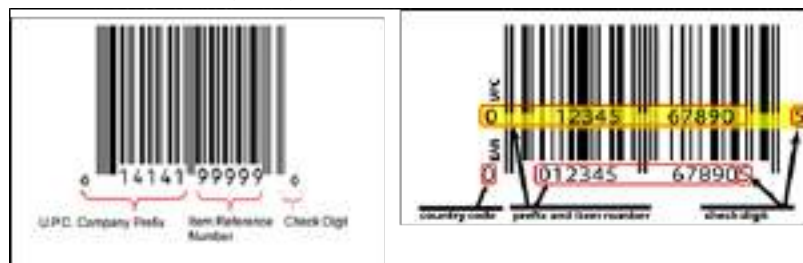
Fig. 4.1.1: Types of Barcode / UPC Barcode & EAN Barcode

All SKUs carry a Barcode or any of the above mentioned codes. By scanning the barcodes or inputting other codes of the product into POS system, the prices can be tracked.

Example:

- If a particular product has an MRP (Maximum Retail Price) of x and there is a revision in price, say the price now becomes y, then x and y will have to be stocked separately and billed separately so they become two different SKUs.
- SKUs can then be printed into a barcode and placed on the product.
- When scanning SKUs, the system recognises the price and prepares the sale for that price.

The following are the ways to identify and check prices in the store:

- Use HHTs (Hand held terminals) to scan and check whether the prices are correct and match with those in the shelves along with their discounts offers and freebies, if any.
- The cashier can always use POS cash tills scanner to get the prices. In case the label is non-readable by the scanner, the cashier should be able to enter the product code to get the correct price for the customer either for information or for billing.
- Every day the Head office updates the prices of certain products based on the market conditions. Check the system for price updates from HO. If a price update has been done it would reflect. In case of a non-update, the associate along with the supervisor/audit team might have to manually change the prices in the store.
- If the associate is empowered to rectify any errors he/she can do it with the help of supervisor or team leader.
- In case the associate is not empowered to rectify errors and action cannot be taken, he/she has to inform the following and make changes according to their instructions:
  - Supervisor.
  - Audit team.
  - Pricing team.
  - Department or category manager or store manager.

After all the changes are made tickets/shelf edge labels need to be printed.

Discounts and offers

The items given below need to be price-checked for reflection in the systems, POS tills, Shelf edged labels, etc.:

- Discounts.
- Special offers.
- Sale.
- Schemes.
- Membership offers.
- Freebies.

These can be identified on the POS system. If there is a mismatch, the customer would suffer and complaint about the price issues. This might result in loss of sales and reputation. Ensure all the items said above are correctly reflecting as per methods described previously. Take help as per escalation mentioned previously.

Cashiers must always be alert and vigilant of the facts about discounts and offers that may be associated with products being billed. The price query function provided in the POS systems help in identifying discounts and offers.

Pricing problems

The following are the common problems which happen in pricing at the store.

- Difference in Shelf Edge Label (SEL) price and billing price: Cashier should ensure that the price of a commodity has been checked in the morning with the audit team to avoid this error and does not lead to customer complaints.
- Discounts not reflecting: Follow the procedure mentioned under the section Identifying and checking the price of products to ensure this issue does not occur.
- Freebies not reflecting.
- Non-readable bar code in price label: Ensure the tickets are printed and stuck properly on the product if it is internal. Else escalate the issue to the vendor through supervisor and store manager.
- SKU mismatch: Follow same procedure as SEL.
- System errors: Head office might have keyed in SKU details wrongly. Immediately escalate as mentioned below:
    - Supervisor.
    - Audit team.
    - Pricing team.
    - Department or category manager or store manager.

Working out payments

The following are the steps to work out payments:

- Mention the total amount which shows on POS screen/terminal.
- Identify the discounts and inform customer on the total amount of discount reflected.
- Subtract the cash equivalents—vouchers, food coupons, credit notes provided by the customer.
- Inform the remaining cash/credit card payment to be made by the customer.
- If the customer, for example, has a payment of R560 and provides you with R700 then the system prompts you give a balance of R140 to the customer.

The tools are very minimal as the POS terminal calculates everything. In case of system failure, work out the payments manually using a calculator and write the bill manually. Cross check the calculation by totalling twice and applying the percentage of discounts appropriately.

Sample:

Product X – R100

Disc 10% – R10

Voucher – R50

Total – R40

Customer Pays R50 balance to be given is R10

Duties and responsibilities of a cashier

The cashier is the last line of defence when it comes to the store as he/she is the one who handles the financial aspect of the store, that is profits.

A cashier is a part of the accounts department and is responsible of handling only those tasks that involve cash transactions. A cashier receives cash from the customers/clients and debits it to the organisation's account. Most cashiers work on a daily basis where they have to submit daily accounts and handover the final sum of cash to superiors.

The cashier is an important position and requires great mathematical skills. Even though there are computers and calculators to manage all the daily figures, one should have sound math skills despite the digital help. The cashier should also have strong ethical values. Since he/she handles lots of money, he/she must learn to stay away from the temptation of using it for own benefit. The role of a cashier is a lot more than just handling cash; they are the face of the organisation and have to be friendly to all customers, thus creating good will.

The following are the duties and responsibilities of a cashier:

• Managing all the cash transactions at workplace.
• Maintaining daily account of daily transactions.
• Balancing daily account at the end of each day.
• Checking daily cash balance.
• Interacting with customers that come to the counter.
• Solving all cash related queries.
• Checking for the price of products and any discounts or offers.
• Receiving coupons and deducting the said amount from customers.
• Organising work they do and maintaining accounting records.
• Reporting discrepancies they find within the accounts to their superiors.
• Making daily, weekly and monthly transaction reports.

At the till, a cashier should:

• Greet the customers entering into organisation.
• Handle all the cash transaction of an organisation.
• Receive payment by cash, cheques, credit card etc.
• Check daily cash accounts.
• Guide and solving queries of customer.
• Provide training and assistance to new joined cashier.

Activity

1. **Objective of the activity:** To calculate the bill as per the steps in the assigned activity.
2. **Learning outcome:** Learners will be able to calculate the bills and process payments.
3. **Nature of the activity:** Individual.
4. **Procedure to conduct the activity:**

    Learner to play the role of cashier

Scenario

Product X costs R100, Product Y costs R500, Product Z costs R1000. Discount on Product Z is 25%, Food coupon for R250, Gift Voucher R150. Product X, Y and Z are not food products. Customer is providing a payment of R1000 (Single note).

The faculty should ask learners to:

- Check for fake notes.
- Calculate the total bill, apply discounts and include vouchers, amount to be collected from customer and balance to be given back.

Debriefing points:

- Analyse the report by cross-checking with the corresponding process.
- Validate the report for correctness.
- In case of any deviations, provide appropriate feedback/suggestions and ask learners to incorporate the changes.

Summary

- Process of identifying and checking the price of the products in the store.
- Process of identifying discounts and special offers.
- Nature of pricing problems that arise in the store.
- Escalation matrix for resolution of pricing problems.
- Process of sorting the pricing problems.
- Procedures for working out payments.
- Cashier's rights, duties and responsibilities relating to the goods sold.

UNIT 4.2: Processing Cash and Credit Transactions

Unit Objectives ⊚

By the end of this unit, the participants will be able to:

1. Describe the need to process cash and credit transactions.
2. Outline the risks to the company of offering credit to customers.
3. State company guidelines for setting customer credit limits.
4. Demonstrate the process of checking customer accounts effectively.
5. Follow the process to identify overdue payments and customers who have gone over their credit limits.
6. Describe the procedure to be adapted with customers who have exceeded their credit limits.
7. List the legal rights and obligations of customers and retailers in relation to credit.
8. Outline the policies for crediting the cost of returned goods to customer accounts.
9. Identify the escalation matrix for problems that you cannot sort.

4.2.1 Need to process cash and credit transactions

A cash transaction is a transaction that is cleared or settled on the same day as the trade whereas a credit transaction is a type of transaction that includes all transactions involving the buying of goods and services with a promise to pay in the future.

Need to process cash or credit transactions is to:

- Get payment from the customer for the goods sold immediately—Cash.
- Get card details for the amount which is to be credited at a later stage—Credit.
- Depict income of the store to arrive at profits or loss.

Risks of offering credit

Consumer Credit Risk (a.k.a. Retail Credit Risk) is the risk of loss due to a customer's non re-payment (default) on a consumer credit product, such as a mortgage, unsecured personal loan, credit card, overdraft, etc. (the latter two options being forms of unsecured banking credit).

- **Reduced cash flow**—waiting for customer payments, which reduces the ability to purchase replacement products from suppliers. Many businesses consider debtor finance to reduce this risk.
- **Reduced profit margin**—funding credit sales reduces profit margin. Usually, the cost of this only shows up in the profit and loss statement of your store, so this should be kept in mind when the store is pricing the products and services.
- **Large debts**—unpaid debts can pose a risk to your business. This is particularly true if the store is exposed to large single transactions.

Guidelines for setting customer credit limits

Payment performance

This section lists the paying habits of the applicant. The information is collected from different suppliers to the applicant. It will give the high credits and the customer's (applicant) payment habit in different rupee ranges. It is quite possible that the customer might be a good paymaster in the rupee range that is being sought from you as a credit limit, thus increasing your confidence level.

For example, for a post paid mobile user the credit limit of Rs.3000 is assigned. Say he has crossed the usage limit well before the bill has been generated. He has to pay this amount immediately to continue using the services without interruption. The organisation might also allow him to continue using the services even if he does not want by either looking at the past payments or by increasing his credit limits. These are based on organization policies and procedures.

The rating

Based on certain credit and financial information obtained about the customer (your applicant), the agencies assign ratings. These ratings can assist you in setting your own credit limits. You can map your own limit amounts against individual ratings that a credit agency assigns.

Financial statements

Financial statements are also used in assigning credit limits to customers. Mainly ratios or factors like net worth and working capital are taken and trended or compared to industry norms or standards. If a customer shows liquidity and efficiency as per industry norms then a more confident approach can be taken in setting the credit limits. One has to also consider if short-term liquidity is important or meaningful to the nature of credit or is long-term liquidity more consequential.

Past performance

Credit limit in this case is based on the past history of the customer as per the information contained in your books. The two elements that would be considered and weighed would be the past:

- Payment performance.
- Purchase pattern.

Need based

In this case credit limits are set based on the needs of the customer. It could be set to accommodate the first requested credit limit or the size of the first order: It should not be done in isolation but by a combination of other methods that have been discussed here.

In a survey that was conducted by the Conference Board one of the most popular techniques used for setting credit limits was by using the information and ratings given by credit agencies.

Checking customer accounts effectively

In India, there are four credit information companies licensed by the Reserve Bank of India (RBI) that operate as Credit Information Companies in India who provide the credit score of an individual. They are:

• Credit Information Bureau Limited (CIBIL) is India's first Credit Information Company founded in August 2000. CIBIL collects and maintains records of an individual's payments pertaining to loans and credit cards.

• Experian.

• Equifax.

• Highmark.

The CIBIL credit score is the most popular. Credit score is a three-digit number that represents a summary of individuals' credit history and credit rating. This score ranges from 300 to 900, with 900 being the best score. Individuals with no credit history will have a score of -1. If the credit history is for less than six months, the score will be 0. CIBIL credit score takes time to build up and usually it takes between 18 and 36 months of credit usage to obtain a satisfactory credit score.

• **Payment history**—making late payments or defaulting your EMIs or dues (recently or consistently) shows you are having trouble to pay your existing credit obligations and this will negatively affect your score.

• **High utilisation of credit limit**—while increased spending on your credit card will not necessarily affect your score in a negative manner, an increase in the current balance of your credit card indicates an increased repayment burden and may negatively affect your score.

• **Higher percentage of credit cards or personal loans (also known as unsecured loan)**—having a balanced mix between the secured loans (such as auto, home loan) and unsecured loan (such as personal loan, credit card) is likely to have a more positive effect on your score.

• **Many new accounts opened recently**—if you have recently been sanctioned multiple loans and credit cards, lenders will view your application with caution because this behaviour indicates your debt burden has increased, which will negatively impact your score.
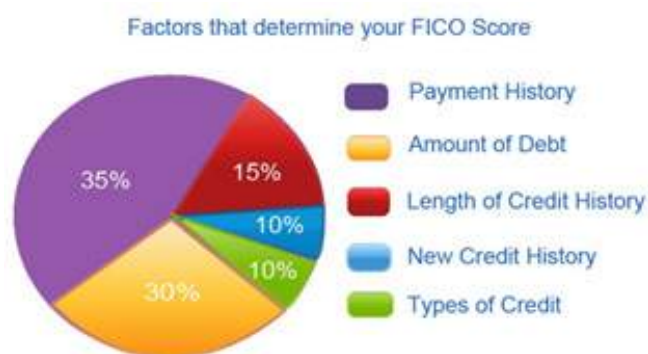
Fig. 4.2.1: FICO Score - Fair Issac Co

FICO

A few years ago FICO became the official name for Fair Isaac Co., FICO being the shortened form.

To create credit scores, they use information provided by one of the three major credit reporting agencies—Equifax, Experian or TransUnion. But FICO itself is not a credit reporting agency. Though FICO scores are the most widely used among lenders, there are other scores that the lenders can choose from, such as the VantageScore which is becoming more widely used.

Checking at store level:

- Refer payment history—the amount he has paid against due.
- Category of customer—Gold, Silver or Normal for example. This would show his status, depending on the frequency of purchase.
- Outstanding (if any)—how frequent and how long he has kept dues.
- Defaulters—list of people who have failed to repay the credit within the stipulated time.
- Frequency of default payments—how frequently the default has happened.

Identify overdue payments and credit limits

Giving customers an invoice or bill after supplying a product or service is a way of offering credit, since you have to wait for the payment. By giving customers time to pay for goods or services already delivered, you are making it easier for them to make purchases. This will increase sales, but will reduce the cash flow that is critical to your business if credits don not arrive to your store account in time.

Managing debtors is often referred to as credit management, and this includes:

- Collecting debts on time as per specified time limits and amount.
- Setting credit limits and payment terms as per company policies.
- Making credit applications and credit checks as per company policies and credit verification guidelines.
- Enforcing a clear credit policy.
- Considering debtor finance.

Debt management also involves keeping debtor records. This is a legal tax requirement. There are also laws governing how you are allowed to follow up debts with your customers.

Procedures—customers exceeded their credit limits

- Check out statements in your system and ask for payment.
- Display necessary information about payment terms.
- Make telephone calls to debtors to remind them of the debt.
- Ask debtors to pay by a certain date.
- Circumstances when you need to negotiate payment plans. For example a customer would require time and you might charge an interest for the same. Another scenario could be he would like to close the account with you and the store management might give a discount to collect the payment.
- Ensure that customers abide by the agreement.
- When to engage a debt collection agency to collect the debt—most of the credit providing organizations have a debt collection agency to collect defaulter's payments.

Legal rights and obligations of customers and retailers

The following are the outline of certain legal rights and obligation of customers and retailers in relation to credit.

• Civil law which is designed to help consumers who make contracts for services.

• Legal Act covers both the service element and the goods that are supplied as part of a service.

• Trader who did the job for you is always responsible for both the goods supplied and the service element of the contract.

• The Act sets out to protect consumers from traders who either deliberately or accidentally mislead customers.

• A consumer can take the dispute to the court and can demand compensation for losses.

The following is a sample.

Consumer credit is now regulated by the Government. The National Consumer Credit Code gives consumers certain protections when they enter into regulated credit contracts, such as loans or credit for personal, household and domestic purposes. For more information, visit the government website.

For example: There is a 48 per cent interest rate cap on loans to protect consumers getting new loans. The interest rate cap is regulated by the office of Fair Trading.

However, the cap may not apply to alternative loan products or loan-like products, including pawnbroker transactions.

Consumers considering a loan should investigate the arrangement carefully. Compare products that other lenders offer to ensure you will not be paying excessive fees and charges.

However, the consumer may apply to a court to make orders about these loans if he thinks the transaction was unjust or the interest or fees charged are unconscionable.

Policies for crediting the cost of returned goods to customer accounts

A sample policy has been provided below only for reference. However the cashier is requested to go throough the store policy guidelines as per product returned and should abide by company policies and procedures.

We are not required to provide a refund or replacement if you change your mind. But you can choose a refund or exchange if an item has a major problem.

This is when the item:

• Has a problem that would have stopped someone from   buying it if they had known about it.

• Is unsafe.

• Is significantly different from the sample   or description.

• Does not do what we said it would, or what you asked.

• Cannot be easily fixed.

Alternatively, you can choose to keep the item and we will compensate you for any drop in value. If the problem is not major, we will repair the item within a reasonable time. If it is not repaired in a reasonable time you can choose a refund or replacement. Do please keep your proof of purchase, for example your receipt.

Escalation matrix

Escalate as per matrix/levels, depending on the relevance to the department you are working on. It could be one or more of the following team members:

- Immediate supervisor.
- Department manager/team leader.
- Store manager/finance team or accounts team.
- Buyer/procurement team in your organisation.
- Manufacturer/vendor.

In such cases:

- Inform and provide the timeline to the customer.
- Update customer on progress.
- Follow-up for closure.
- Update system information after closure.

Summary

- Need to process cash and credit transactions.
- Risks to the company of offering credit to customers.
- Company guidelines for setting customer credit limits.
- Process of checking customer accounts effectively.
- Process to identify overdue payments and customers who have gone over their credit limits.
- Procedure to be adapted with customers who have exceeded their credit limits.
- Legal rights and obligations of customers and retailers in relation to credit.
- Policies for crediting the cost of returned goods to customer accounts.
- Escalation matrix for problems that you cannot sort.

UNIT 4.3: Processing Returned Goods

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. List the reasons customers might have for returning goods.
2. Identify the need to process returned goods.
3. State the the policies and procedures for replacements and refunds, including proof of purchase.
4. Describe the authority of the cashier to agree to replacements and refunds.
5. Discuss the charges that apply to the customers if company is not at fault.
6. Follow the steps involved in processing returns of goods
7. Determine the process to find the replacement goods.
8. State the impact of not following returns process by:
    a. Accepting all returned goods without correct reasons.
    b. Not updating stock control system with returned goods.
    c. Mixing returned goods that are saleable with those to be returned to the manufacturer.

4.3.1 Reasons for customers returning goods

Given below are the reasons customers might have for returning goods:

- Not satisfied with the product—his expectations are not met and probably a false promise by a sales associate.
- Faulty or defective product.
- Damaged/expired or partly damaged/expired.
- Company policy to return (within XX days), for example the offer from the store is free return within 10 days if they do not like the product.
- Manufacturer recalling the product

Need to process returned goods

The need to process returns arises predominantly to provide impeccable service to the customers. Customers feel more comfortable purchasing items when they know that they can return them if they are not satisfied or if they change their mind.

The process of return mainly involves:

- Exchanging one item in lieu of another and adjusting the payments.
- The product is refunded when it is returned and payments are credited back to the customer account or refunded to the customer.

Following are the few key reasons to process the returned goods:

- Retain customers—the cost of acquiring a new customer is 10 times higher than that of retaining an existing customer.

- Customer loyalty—good word of mouth publicity is enough to promote the store; bad word of mouth multiplies faster.
- Image of the store—maintaining the positive image of the store is very critical.
- Profits—return policies ensure that the profits of the store are balanced.

Policies and procedures for replacements and refunds, including proof of purchase

Most of the stores encourage refunds/exchanges at the customer service desks only.

The following are some sample broad classifications of terms and conditions in retail sales and service.

1. Condition of the product:
   - If the return is due to a problem in the product, confirm the problem.
   - If return is because of change in preferences of customer then one should confirm that the item can be resold before accepting for return.
2. Few categories of products have specific policies of returns, for example undergarments once bought cannot be exchanged or returned after they are taken out of the store premises or have been tried.

A sample policy for return of goods has been provided for reference. However each store will have its own terms and conditions, returns/exchange and refund policies. Associates are supposed to be familiar with their respective store's terms and conditions, policies and procedures.

Outline of Returns policies:

- Refunds:
   o Cash refund.
   o Credit card refund.
   o ATM/debit card refund.
   o Store credit for future purchase by issuance of credit notes.
- Exchanges:
   o Same item.
   o Better item: exchange merchandise + collect additional payment.
   o Lesser item: exchange merchandise + issue refund of payment.
- Proof of purchase: bill, invoice, order copy, delivery receipt.
- Allowances:
   o Issue a partial refund (discount the sales price) and customer keeps the damaged or defective item.

Sample replacements and refunds policy:

- The following items returned in good condition to an X store within XX days of purchase will be refunded in full with proof of purchase.
- Should you wish to return an order following delivery you may do so by informing us within 10 working days of receipt of delivery. Goods must be returned to us and we ask that you take reasonable care when handling the goods and return the goods to us unopened, unused and in their original packaging, where possible.

- Please confirm your intent to return the order by calling Customer Services on +91-XXXX XXXX within 10 working days of receipt; we will confirm to you a returns address and reference for your package.
- The cost of returning the goods once delivered is at your own cost and risk.
- We are not responsible for any loss or damage to any returned goods in transit and as such, we recommend that you return the goods through a recorded delivery service.
- When returning goods, please carefully package the goods together with your returns reference.
- If returned goods are lost or damaged in transit, we reserve the right to charge you for any loss or damage.
- Where we have agreed to the return of goods, these goods must be returned within 30 days of the notice of intent.

- In the unlikely event that the goods do not conform to these terms, please let us know as soon as possible by contacting Customer Services on +91-XXXX XXXX.
- We will, at our option:
  - Inspect the goods at your premises;
  - Collect the goods on a date agreed between you and us, or;
  - Ask you to return the goods to us.
- If the goods are found by us to be defective, and we have asked you to return the goods to us at your cost we will reimburse you for third party delivery costs involved in the return.
- If you exercise your right to return your order, any refunds due will be refunded within 30 days.

Cashier authority on replacements and refunds

The following are the situations when a cashier is provided with authority and where he requires approvals:

- Mostly requires approval of supervisors or team leaders for any return or refund. Post approval he needs to take a signature and seal from the authorising person and retain a copy with him while reconciling the accounts for the day.
- Critical refunds require approval of the store manager, following the same process as above.
- Store policy might provide authority for:
  - Limited amount—may be a minimum amount of say Rs 2500. Again this depends on the store size and policy.
  - Specific products—certain defective items on a large scale of 30 or 50 units are returned. For example a mobile has been called back by the manufacturer for being defective.
  - Company stated money back return. As per policy, say there is a 15-day money back guarantee if you do not like the product.
- Proof of purchase is a must along with the products:
  - Verify invoice copy/Delivery challan (if any).
  - Request for service agreements, warranty/guarantee (details if any).
  - Exchange products only with bill. That is the only proof of purchase with which the store can validate.
  - Ask for ID proof.

A sample policy:

- Returns
  - o No return will be accepted unless a return merchandise authorization ("RMA") number has been issued by the Company.
  - o Returns are subject to a ten percent (10%) restocking fee.

Charges that apply to the customers if company is not at fault

The following are the situations where charges apply to customers:

- Product has exceeded the refund/replacement period.
- Service warranty becomes void.
- Customer has damaged the product.
- Not within refund/replacement policy.
- Products purchased from unauthorised vendors.

In the above cases, charges vary depending upon the product and the type of service. Customers do not have any legal right to refund, repair or replacement from the store if they:

- Accidentally damaged the item.
- Misused it and caused a fault.
- Tried to repair it themselves or had someone else try to repair it, which damaged the item*.
- If they knew it was faulty before they bought it.
- If they decide they no longer want the item (for example it is the wrong size or colour, or does not suit them).

Some sample situations

When goods or services do not meet consumer guarantee

When a consumer has a problem with goods or a service, the type of 'remedy' they can ask you for depends on whether the problem is classed as either a minor or major failure.

For goods, if the problem is major, the consumer can:

- Reject the goods and get a refund or
- Reject the goods and get an identical replacement, or one of similar value if reasonably available or
- Keep the goods and claim compensation for the drop in value caused by the problem.

For services, if the problem is minor, the consumer can:

- Cancel the service contract with the business and claim a refund or
- Keep the contract and claim compensation for the difference in the service delivered and what was paid for.

For a major failure, the consumer gets to choose which option to take, not you.

For goods, if the problem is minor, you can:

• Provide a refund.
• Replace the goods.
• Fix the title to the goods, if this is the problem.
• Repair the goods.

For services, if the problem is minor, you can fix the problem:

• Free-of-charge or at a reasonable cost.
• Within a reasonable time.

What qualifies as a major failure?

A major problem with goods is when:

• You would not have bought the goods if you had known about the problem. For example, you would not buy a washing machine if you knew the motor was going to burn out after three months.
• The goods are significantly different from the description, sample or demonstration model shown to you. For example, you order a red bicycle from a catalogue, but the bicycle delivered is green
• The goods are substantially unfit for their normal purpose and cannot easily be made fit, within a reasonable time. For example, a ski jacket is not waterproof because it is made of the wrong material.
• The goods are substantially unfit for a specified purpose that you had told the supplier and cannot easily be made fit within a reasonable time. For example, a car is not powerful enough to tow your boat because its engine is too small, despite you telling the dealer that you needed a car to tow a boat.
• The goods are unsafe. For example, an electric blanket has faulty wiring.

A minor problem with services is when:

• You would not have acquired the services if you had known the nature and extent of the problem. For example, you would not have a jacket dry-cleaned if you knew the dye would bleed.
• The services are substantially unfit for their normal purpose and cannot easily be made fit, within a reasonable time. For example, a carpet-cleaning service changes the colour of your carpet in some places.
• You told the business that you wanted a specific result but the services, and any resulting product, do not achieve that result. For example, you tell a pay TV company that you are signing up specifically to watch the football finals and they sign you up to a contract, but the finals are over before the company installs the service.
• The supply of the services has created an unsafe situation. For example, an electrician incorrectly wires wall sockets in your new kitchen, which makes the electrical outlets unsafe.

A minor problem with goods or services is anything that is not classed as major.

Processing returns of goods

- Greet the customer. Politely acknowledge and understand the reasons for return/replacement or refund. Explain the company policies of return/refund to the customer.
- Ask for proof of purchase.
  - Verify invoice copy/Delivery challan (if any).
  - Request for service agreements, warranty/guarantee (details if any).
  - Exchange products only with bill, that is the only proof of purchase with which the store can validate.
  - Ask for ID proof.
- Validate with return policy
  - Policy might accept the return or might not.
  - Follow the return policy mentioned in previous slides.
- Provide solution to the customer as per return policy.
- Negotiate if required as per pricing and guidelines. Refer to your supervisor/store manager for any clarifications on return/refund steps.
- Update records and the stock control systems as per company systems.
- Thank the customer.

Process to find the replacement goods

The following process is followed to find and replace goods when customers come for exchange:

- Check stock:
  - If available, replace.
  - If not available, check with vendor for dates.
  - Inform customer.
- If product is deleted:
  - Request customer for equivalent product replacement.
  - If customer is ok, replace.
  - If not interested, issue credit note.
- Issue credit note:
  - If product is not available.
  - If customer is not interested in replacement.

Impact of return policy deviation

Some return policy/process deviations:

- Accepting all returned goods without appropriate reasons. Customer has claimed that it has been damaged during delivery against being damaged by the customer itself.
- Not updating stock control system with returned goods. Exchanged goods not entered into the system will show as stock available, whereas physically the stock has been given to the customer.
- Mixing returned goods that are saleable with those to be returned to the manufacturer. This will lead to confusion and again the same damaged/expired goods might go to the customer. They have to be placed in a different location.

Impact:

- Loss of customers: Number of customers lost = loss in sales
- Loss of time for customers: Customers' time is our money—if customers lose time we lose money.
- Competition might take advantage: Today the competition is very stiff. Ensure that there is no room for mistakes.
- Customer will shop at a different store due to various options available today.
- Loss of reputation and negative word-of-mouth. If the customer is happy with the store, he/she may refer it to one or two people only; whereas a bad experience can be spread to the entire world through various internet media, like Twitter, YouTube, Facebook, etc.

Activity

1. **Objective of the activity:** To process the returned goods.
2. **Learning outcome:** Learners will be able to apply the concepts that have been learnt in various procedures in an imaginary situation. This would enable them to think through the role of a cashier in these activities.
3. **Nature of the activity:** Individual.
4. **Procedure to conduct the activity:**
   - Learner to play the role of cashier
   - Read the given scenario:
   - Product X Rs.100, Product Y Rs. 500, Product Z Rs.1000. Discount on Product Z is 25%, Food coupon for Rs. 250, Gift Voucher Rs. 150, Product X, Y and Z are not food products. The customer is providing a payment of Rs.1000/- (Single Note).
   - Learners to check for fake notes.

Debriefing Points:

- Analyse the report by cross-checking with the corresponding process.
- Validate the report for correctness.
- In case of any deviations, provide appropriate feedback/suggestions and ask learners to incorporate the changes.

Summary

- Reasons customers might have for returning goods.
- Need to process returned goods.
- Policies and procedures for replacements and refunds, including proof of purchase.
- Authority of the cashier to agree to replacements and refunds.
- Charges that apply to the customers if company is not at fault.
- Steps involved in processing returns of goods
- Process to find the replacement goods.
- Impact of not following returns process by:
  - Accepting all returned goods without correct reasons.
  - Not updating stock control system with returned goods.
  - Mixing returned goods that are saleable with those to be returned to the manufacturer.

Notes

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5. Health and Safety in Retail Sector

Unit 5.1 - Hazards and Accidents in the Store and Safe Practices

Unit 5.2 - Safety Practices

Unit 5.3 - Procedures for Dealing with Emergencies

RAS/N0121

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Identify the importance of health and safety in the store
2. Identify the safety risks, hazards and the accidents that occur in the store.
3. Describe the safety practices followed in the store.
4. Describe the importance of housekeeping.
5. State the procedures for dealing with emergencies.

UNIT 5.1: Hazards and Accidents in the Store and Safe Practices

Unit Objectives ⊚

By the end of this unit, the participants will be able to:

1. Identify the importance of health and safety in the store
2. Identify the hazards that may occur in a store.
3. Identify the commonly occurring accidents due to the hazards
4. Identify how effective store maintenance helps in preventing accidents and maintaining a safe environment.

5.1.1 Importance of health and safety

*   To provide environment that is safe to the customers and employees.
*   To retain the image of the store which is an important part of the store brand and reputation
*   To ensure that the store and the organization is profitable

Electrical hazards

Some main cause for electrical hazards and accidents:

*   Faulty electrical equipment.
*   Loose, trailing, cut, non-insulated cables or wires.
*   Improper or untrained usage of equipment.
*   Manufacturer warranty and maintenance slippage.

Accidents

*   Fire
*   Injuries to people due to improper electrical equipment
*   Electrical shocks that can lead to death

Some safety precautions

*   Check for any malfunctioning of electrical wirings and equipment.
*   Report to the authority on the malfunctions if any.
*   Use electrical extension cords wisely.
*   Keep clothes, curtains and other potentially combustible items away from all heaters.
*   Never overload extension cords or wall sockets.
*   Regular maintenance of equipment as per guarantee/warranty or AMC (Annual maintenance contract) of servicing and maintaining equipment)
*   Trained usage of equipment.

The most important fire precaution is to have a functioning smoke alarm in your store and to practice a store escape plan frequently with your store staff.

Fuses and circuit breakers

When a fuse blows or a circuit breaker is tripped, alert your staff members immediately, inform your seniors and call the concerned department staff.

Inform your seniors

To minimise fire and shock hazards, whenever you see any wire hanging in the store/department or damages in the electrical equipment or unwanted materials piled up in a corner, carton boxes or papers kept near electrical equipment, it is your duty to inform your seniors or concerned department staff immediately.

Warning signs

Many electrical problems can be detected before they cause a fire or harm. To ensure electrical fire safety, learn to be alert and pay attention to any irregular electrical function in the store. Some warning signs include:

• A recurring problem with blowing fuses or tripping circuit breakers.
• A tingle when you touch an electrical appliance.
• Discolouration of wall outlets.
• A burning smell or unusual smell coming from an appliance or wiring.
• Flickering lights and some weird sound from the equipment.

If you notice any of the above warning signs, or if an appliance functions oddly, take appropriate measures to prevent an accident - inform your seniors, alert the store staff and inform the concerned department staff. Unplug the malfunctioning appliance immediately. Electrical fire safety is a serious matter and precaution is of utmost importance. Ensure that learners have understood the importance of avoiding electrical hazards.

Housekeeping and storage hazards

Some major causes of housekeeping hazards

• Slippery surface due to greasiness & wetness
• Spillage of liquids & chemicals
• Improper cleaning, removal of garbage & disposal of waste

Accidents that may occur due to housekeeping hazards

• **Injuries from slips, trips, and falls:** Injuries from slips, trips, and falls can cause torn ligaments, strains and sprains, and broken bones. They can also cause back or spine injuries, resulting in handicapped or death.

Benefits and costs

• **Benefits of good housekeeping:** Good housekeeping eliminates accidents and fire hazards, maintains safe and healthy work conditions, saves time, money, materials, space and effort, improves productivity and quality and boosts the morale of the staff members and reflects a well-run store.

- **Costs of poor housekeeping:** Poor housekeeping results in slips, trips, and injuries from electrical problems, collisions and falling objects, health problems, insects and rat problems.

Housekeeping habits

- **Good housekeeping habits:** Good housekeeping habits include evaluating your workspace regularly i.e. your department and store on housekeeping aspects; removing hazards before starting work; turning off the equipment after using it; making sure to keep your store neat and tidy always and never ignoring a safety hazard.

Prevention

- **Daily housekeeping checklist:** Floors, aisles, workstations, equipment, storage areas and storage waste disposal, toilets, trial rooms and every other corner of the store need to be checked.
- **Trained staff:** You need to train and mentor a good housekeeping team. Ensure they are also part of the store team and own responsibility. Educate them on the safety and cleanliness of the store to both the staff and customers.
- **Clean immediately and use signage:** Use appropriate tools and chemical to clear the spilled area immediately. Use appropriate signs before and during cleaning process. Barricade the area which is unsafe for customers. Once the cleaning is done and you are sure it is safe for customers, clear the barrier and allow customers to the cleaned area.
- **Prevent slips:** Prevent slips, regular floor walk for checks, clean up spills, repair leaks, pick up objects that are lying down, sweep up debris and wear slip-resistant shoes.
- **Disposal:** Segregate and dispose waste, spoiled products, etc. as per company policies and procedures aligning with local government health inspection authorities. Infected food products have the bacterial process to spoil the good products also. Ineffective disposal also attracts rodents, insects, etc. to create an unhealthy environment for the store.

Housekeeping hazards can lead to an unhealthy environment, reducing the profits of the store.

Entry and exit hazards

The major causes of entry and exit hazards are:

- Stocks kept at entry, exit and fire exit points.
- Unwanted material piled up near exit/entry and fire exit points.
- Improper maintenance of exit/entry doors and fire exit doors.

Prevention

- Blocking the entrance/exit and fire exits of the store by dumping the stock, unwanted materials like carton boxes, garbage, etc. is called as entry/exit and fire exits hazards.
- The store entrance and exit should always be free, i.e., it should not be filled or scattered with a disorderly accumulation of objects, carton boxes or other unwanted things.
- It is very much important to keep the entry and exit area clean and tidy always.
- In case of an emergency evacuation, the customers and staff can leave the store without any commotion and confusion.
- The store staff is responsible to keep the entrance/exit and fire exit areas free, clean and tidy always.

- Prevent trips by cleaning up straps and bands. Put away electrical cords and air hoses. Do not stack items in walkways. Keep drawers closed and be careful when you carry objects and put away tools once you finish using them.
- Ensure that the surface near exit/entry and fire exit points are clear of debris, dust, lint, paint, granular materials, tools, parts, loose carpeting, and other slip/trip hazards.
- Ensure regular maintenance checks on all doors including fire exits along with the help of maintenance department, manufacturer and others responsible for the doors or electronic access.

Material handling hazards

The major causes of material handling hazards are:

- Improper carrying of heavy boxes or materials.
- Reaching higher points using chairs or tables or using improper equipment.
- Untrained usage of packing and cutting tools; knives, blades etc.
- Stocking materials without barrier signage.

Prevention (refer images in next slide)

Plan the route and use barriers while arranging stock

- Ensure the route is free of customers.
- Clear the route from all kinds of obstacles; stock, debris, spillage, customers, staff, equipment, etc.
- Take the support of housekeeping and staff to clear stock and other debris in the planned route.
- Ensure it is spillage free and safe to move the goods in the route planned.
- In case there are customers in the vicinity, use necessary barricades and safety cones to move the stock material.
- Use reflector vests and two staff: one in front and one in back while moving the stock to clear the route while you move.
- Plan in advance the movement and stacking of material during working hours of the store for customers.

Lifting heavy objects

- Bend on knees while lifting material and use appropriate equipment (refer to the image in the next slide). Proper care should be taken while lifting and moving one point to another. Also ensure the minimum and maximum load the trolley/equipment can accommodate if you are using additional support to transport.
- Refer manuals and procedures for minimum and maximum load lifting capacity of equipment. Deviating from such limits can cause damage to everyone in the store and also result in malfunctioning of the equipment used.
- Ensure you do not lift more load than you can.

Steps to be followed while lifting heavy objects:

- Keep your feet wide enough equal to shoulder-width apart, with one foot slightly ahead of the other.
- Squat down, bending at the hips and knees only. If necessary, put one knee to the floor and your other knee in front of you, i.e. half kneeling.

- Look straight ahead, and keep your back straight, your chest out, and your shoulders back. This helps keep your upper back straight while maintaining a slight arch in your lower back avoiding any kind of a back strain.
- Slowly lift by straightening your hips and knees (not your back). Keep your back straight, and don't twist or turn as you lift.
- Hold the load as close to your body as possible, at the level of mid stomach.
- Decide your route plan in advance and use your feet to move in the direction where you have to take the load by taking small steps.
- Lead with your hips as you change direction. Keep your shoulders in line with your hips as you move.
- Set down your load carefully, squatting with the knees and hips only.

Keep in mind:

- Do not attempt to lift by bending forward. Bend your hips and knees to squat down to your load, keep it close to your body, and straighten your legs to lift.
- Never lift a heavy object above shoulder level.
- Avoid turning or twisting your body while lifting or holding a heavy object.
- Use ladders for higher levels to climb for the purpose of cleaning or stacking products. Follow the instructions based on image in the next slide.

Steps to be followed while using a ladder

- Ensure the ladder is free of rust and not broken
- Rest the ladder against a surface which has proper grip. Make sure it does not slip
- Hold both the sides and climb one step at a time
- Complete your task at chest level
- Do not hold with one hand
- Leave the first the two steps of the ladder always free.
- Get trained in usage of tools to open boxes or packing

Steps to be followed for cutting/opening packed boxes

- When opening boxes, always use a box cutter with a proper handle.
- Check the thickness of the cardboard.
- Thin cartons require less pressure to cut and caution should be taken not to damage the contents with the box cutter.
- Place one hand on the box and use the other hand to firmly hold the box cutter.
- Begin cutting with the box cutter blade angled slightly upward and away from the merchandise.
- Keep the cutter away from your body while cutting and as close to the top of the box as possible.
- With each cut, be sure any body part and clothing is not in the path of the box cutter.
- Safely dispose unwanted material after unpacking.
- Follow packing procedures as per company policies and procedures when certain stock has to be returned to vendor, DC or other stores.

Hazardous materials

The major types of hazardous materials in store are:

- CLASS 1—EXPLOSIVES

  Explosives are materials or items which have the ability to rapidly detonate due to ignition by fire.

  For example fire crackers produce hazardous amount of heat, light, sound, gas or smoke.

- CLASS 2—GASES

  For example lighters, fire extinguishers, spray cans(body deodorant), refrigerant gases in ACs and refrigerators.

- CLASS 3—FLAMMABLE LIQUIDS

  For example adhesives, paints/lacquers/varnishes/turpentine, alcohol, perfumery products, gasoline/petrol, diesel fuel.

- CLASS 4—FLAMMABLE SOLIDS

  For example matches, camphor, batteries, cells.

- CLASS 5—OXIDIZING SUBSTANCES

  For example bleach, chlorine, hair dyes, toilet cleaners.

- CLASS 6—TOXIC SUBSTANCES; INFECTIOUS SUBSTANCES

  For example medical/biomedical waste, clinical waste, chloroform, cyanides.

- CLASS 7—RADIOACTIVE MATERIAL

  For example x-ray materials, smoke detectors, watches and clocks, ceramics, glass and fertilizers.

- CLASS 8—CORROSIVES

  For example batteries, battery fluid, fuel cell cartridges, dyes, fire extinguisher charges.

- CLASS 9—MISCELLANEOUS DANGEROUS GOODS

  For example lithium ion batteries, lithium metal batteries, battery powered equipment, battery-powered vehicles, fuel cell engines, first aid kits, car airbags and seatbelts.

Prevention (refer to images and signs in the next slide)

- Identify the type of hazard using the symbol.
- Any material to be considered as hazardous should be kept away from customers.
- Products containing low levels or high levels of hazardous materials should be cautiously handled.
- Equipment or maintenance materials containing hazardous material should be regularly checked and serviced.
- Spillage or leakage of any hazardous substance do please follow instructions as per policies, procedures and inform relevant authorities immediately.
- Disposal of waste also contains hazardous wastes. So be extremely cautious in disposing them as per government regulation and store operating policies and procedures.
- Create a plan and schedule to monitor hazard maintenance and service.

Remember

- Hazard is synonym to DANGER. Always take precautions to prevent any mishaps.
- Hazardous waste is another major danger if not disposed appropriately.

Types of accidents and emergencies

- Equipment malfunctioning accidents
- Vehicles accidents (fork-lifts, trolleys)
- Fall from heights while stacking products : Injury during such incidents
- Improper material handling techniques leading to physical accidents thus injuries
- Stocks or packages falling on human body from heights.
- Tripping and falling due to protruding materials and furniture in walking or working area.
- Explosion / Fire / Burns due to gas, faulty wires malfunctioning equipment, combustible chemicals
- Physical violence at work , riots and natural disasters

Activity

1. **Objective of the activity:** To identify the hazards and accidents that may be caused in the store.
2. **Learning outcome:** The learners will be able to list the various hazards and accidents that may occur in the store.
3. **Procedure:**
   - List the hazards and accidents that may be caused due to malfunctioning of the equipment.
4. **Debrief:** Highlight the correct way of handling electrical equipment and explain the hazards that can occur because of bad maintenance of electrical equipment.

5.1.2 Effects of poor maintenance

Poor maintenance can be the cause of accidents such as:

- Tripping over loose objects on floors, stairs and ramps that cause slippages.
- Being hit by fallen objects.
- Slipping on greasy, wet or dirty surfaces. Slips from slick or wet floors, platforms and other walking and working surfaces.
- Working on equipment which cannot take more than the prescribed load leads to accidents.
- Striking against poorly stacked items or misplaced material (for example entrance and exit to the store).
- Cutting, puncturing or tearing the skin of hands or other parts of the body on projecting nails, wires or steel strapping causing electrical and fire hazards.
- If equipment in the store is not fixed well, over loading of items in the shelf, floor, etc. can harm customers/store staff.
- Trips from objects or materials that are left in walkways and work areas.
- Falls from holes in walking and working surfaces, uneven flooring, uncovered pits or drains, boxes and pallets that are used instead of adequate platforms.
- Collisions caused by poorly stored materials, overhanging or protruding objects, haphazard spotting of pallets, and use of aisles for storing materials and equipment.
- Not following manufacturer's instruction, inadequate training, without updates for new equipment or upgraded ones.

Impact of effective maintenance

- Fewer tripping and slipping accidents.
- Less hindrance for customer movement.
- Decreased fire and electrical hazards.
- Better control of tools and materials.
- More customer and employee safety.
- More efficient equipment maintenance.
- Better hygienic conditions.
- Reduced property damage.

Make it 'SAFER'

The term 'SAFER' can be expanded as:

- See it—immediate observation
- Assess it—the severity and consequences
- Fix it—fix/escalate the problem
- Evaluate it—reassess the hazard
- Review it—periodical review of the hazard management system

Summary

- Hazards that may occur in a store.
- Commonly occurring accidents due to the hazards
- How effective store maintenance helps in preventing accidents and maintaining a safe environment

UNIT 5.2: Safety Practices

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify the importance of securing customer records.
2. Identify the importance of safe guarding store equipment.
3. Identify the importance of protecting staff and customer belongings and store products.
4. Identify the personal protective or safety equipment used in the store.
5. Describe the key safety procedures followed in the store.
6. Describe the importance of housekeeping and cleanliness in the store.

5.2.1 Securing customer records

- Take frequent back-up of critical information on your computer hard drive(s) through CDs, DVDs, Zip disks, or similar media. Make sure to safeguard these copies.
- Password - protect your office computers to keep unauthorised users (including PC repair persons) from gaining access.
- Think twice before storing confidential information on PCs linked to the internet. Motivated hackers could easily (and transparently) gain access to these records and compromise confidentiality.
- Ensure that unauthorised persons cannot read the information displayed on office computer screens.
- Inform your seniors in case you observe or see any unusual things happening in the back room.

Safeguarding store equipment and infrastructure

Guarding the store equipment, the importance of the same;

- Properly enclose and secure power generators to make them more likely to function after a disaster. Powerful back-up generators, with sufficient supplies of diesel fuel stocked in different locations, and with access to more, are very important in settings that are prone to emergencies which could disrupt the regular mains supply.
- Store medicines and supplies to be stored in secure cabinets or in cupboards that are fastened to walls to make them more likely to withstand earthquakes.
- Protect pipes and ducts, and ensure a safe supply of gases, including oxygen.
- Secure medical and life-saving equipment such as respirators or suctioning devices, to prevent them from getting disconnected during emergencies.
- Ensure that there are systems to manage hazardous substances, including chemical, biological and radiological waste.
- Handle expensive equipment and expensive spare parts with utmost care, to avoid high repair expenses.
- Undergo training in health & safety practices and operating procedures for all the material handling equipment used in the store
- Use appropriate methods and procedures while stacking the products especially staking at higher levels.
- Use ladders and other suitable stacking equipment while stacking products at higher levels.

- Conduct store walks to review for any risks and hazards, report incidents / risks / hazards to the authority in-charge.

Protecting staff and customer belongings and the store products

Against theft and burglary

- Firstly, inform the manager or the security personnel to take necessary action and keep calm. It is the most important point when you are facing lawbreakers.
- Secondly, delay: You should delay to deal with lawbreakers courteously but without insincerity. If the lawbreakers have a knife or a gun, you must try to let them put it down to lower the danger to you and customers. Do not provoke the lawbreakers.

Against material damage

- Handle the materials carefully, follow instructions if any and then handle the products accordingly. Provide proper instructions to the customers regarding handling expensive materials.

Against fire

- Do not dispose of burning material such as cigarettes and ashes into garbage containers.
- Do not use unsafe electrical appliances, frayed extension cords, overloaded outlets or lamp wire for permanent writing.
- Smoking is not permitted in the stores, back corridors or anywhere in the shopping centre.

Against accounts fraud

- Secure the system with the password and keep it confidential.
- Do not allow all and sundry to check and access the system.
- Do not share the hard copies with everyone.
- Keep the hard copies and the soft copies in a safe place.

The first duty is to alert the store staff and customers and inform the seniors in case of any unusual event in the store. It is very important to protect the belongings of the staff and customers and the store products.

Importance of protecting customer belongings and store equipment

Minimise losses at the store due to:

- Mishandling of the store equipment: reduce damages and ensure that the materials are safe and secure.
- Fire accident: take proper precautions to prevent fire accidents.
- Health and hygiene.
- Non-compliance with safety procedures.
- Handling equipment/systems without the support and training of manufacturer, vendor etc.

The precautions taken to prevent loss in the store would lead to the following.

Maintain the:

- Impression and credibility of the store.
- Confidence and loyalty of the customers for a lasting and smooth business.

Personal protective equipment used in the store

- Hand gloves to handle chemicals.
- Protective eye goggles and shoes.
- Apron to protect from spillages and maintain hygiene.
- Face masks with filters to protect against poisonous gasses.
- Safety helmets while working on heights.
- Insulated rubber mats and tools while working on any electrical equipment.
- Safety signage for indications of cautions and precautions.
- Correct disposal bags for disposing off the waste material.
- Cordoning tapes for cordoning the area that may be slippery area, wet or any forbidden area.

Key safety procedures

Manual handling techniques: To prevent self from sustaining injuries one should undergo the training on techniques used for lifting, lowering, holding, carrying, pushing and pulling.

Basic fire-fighting techniques: In the event of fire one should know the procedure to handle the situation, such as

- Identifying and shutting off the source of fire (only trained personnel).
- Cautioning people to keep themselves away from the fire.
- Evacuation of the people.
- Participating in fire and emergency drills.
- Intimation to store authority and fire brigade.

Personal hygiene:

- Bathing regularly is very important, especially in the city, where humidity and pollution can make your body a bacteria-magnet!
- Hair should be tied back, neatly cut and combed. It would be advisable that the ladies tie their hair back and wear a hair net.
- Nails should be trimmed and nail polish must not be worn
- Prevent bad breath.
- Wash your hands as often as possible. A lot of the places we touch may be very unclean
- Wear a fresh set of uniform. Wearing clothes over and over without washing them can cause very serious skin disorders.
- Wounds and cuts should be immediately treated and covered well with water proof dressings.

Food product handling:

- Follow the food handling procedures as per store health and safety guidelines.
- Clean your hands often using proper hand washing techniques to avoid food contamination.

Caution against trips and falls:

• Control spillages, caution against wet floors, smooth floors
• Caution against surfaces that are uneven, trailing wires etc.
• Products, packages on the aisles need to be cleared for clear pathways

Caution against hazardous material:

• Undergo a proper training on handling of hazardous material, knowledge on
• Corrosive, flammable, toxic and explosive materials
• Material safety data sheet
• Usage of personal protective clothing is essential.

Preventive and safety measures:

• Knowledge of usage of different signage
• Ensuring pathways are clear while moving the goods in and out of the store.
• Reporting to the authorities on any incidents or unusual notices.

Housekeeping in the store

Cleanliness in the store

• **First impression counts:** Is the parking area clean of litter and brightly lit? Is the entrance clean and inviting with a trash receptacle available? The first impression that a customer receives about the store creates a lasting impression in his mind.
• **Front door assumption:** Is the glass on the door clean and free of fingerprints? Customers will have an initial assumption that if the front door is dirty then the rest of the store may be the same.
• **Make it glitter!** If it is glass or metal, it must be clean. Make it a priority to dust and use glass cleaner every morning after vacuuming.
• **Shoulders to knees:** Customers notice the majority of 'merchandising' between their shoulders and knees. Make those areas a priority of cleanliness.
• **Behind the scenes:** If the customer uses a fitting room, keep it spotless. 80% of customers' buying decision happens in a fitting room. If you have a back stock area, keep it closed to the customer's eyes!
• **Necessary rooms:** Customers should be able to use the store's restrooms. Not only should it say 'squeaky clean' to your customers but it should also say something about how you value your employees and their comfort level.
• **Clutter free:** Shipping boxes, pallets, rolling racks, shipping materials - anything needed for the operation of the store should be out of sight or neatly stored away from the traffic flow in the store.
• **Ease of shopping:** Overstocking of merchandise can be overwhelming to the customer, and they can 'assume' your store is messy merely because of the volume of merchandise. How easy is it to get around your store? Can you get a stroller or wheelchair easily around the store?
• **Aroma:** Does your store 'smell clean'? Customers can make an assumption of whether a store is clean based on what they smell. If you have become immune to any smell your store may have, ask friends or new employees to give their opinion.
• **Register area:** The most important area of the store, no matter what type of store, is the place you exchange your hard earned money for something you purchase. Make it spotless!

Activity

1. **Objective of the activity:** To list the housekeeping duties.
2. **Learning outcome:** Learners will be able to list housekeeping duties.
3. **Nature of activity:** Group.
4. **Procedure:**
   - Form a group of two to three members in the class
   - List the Key housekeeping activities that you need to do
   - Each group to share the list with the class

Debrief:

- Summarise by highlighting the key activities of the housekeeping that an associate is involved in:
- No dust, cobwebs, improper lighting, loose plastering, broken equipment's etc lie in the store's environment.
- Ensure that cleaning of shelves are carried out.
- The products are cleaned and then stacked on the shelves.
- Any unplanned cleaning requirements are reported to housekeeping.
- Shopping trolleys and baskets are clean and accessible to the customers.
- Ambience of the store is clean and tidy.
- Maintain personal hygiene and grooming standards as per company policies.
- Dispose of waste material properly: If waste material is not disposed properly then it can cause an outbreak of deadly diseases. Use different coloured plastic bags to dispose of different waste material (food, non-food, etc.)
- Use plastic gloves, caps and aprons while serving and salvaging food items (For example in Bakery). Salvaging is the separating of usable and non-usable food items.
- Make sure toilets are cleaned regularly: If toilets are not maintained well then they will be a breeding ground for germs and also cause the entire store to smell.
- Ensure that the pest control activity planned for the store is carried out periodically.
- Ensure that ventilation is well designed and maintained ventilation systems remove flammable vapors from the workplace and reduce the risk of fire and health problems.
- Ensure that the store is clean and tidy.

Summary

- Importance of securing customer records.
- Importance of safe guarding store equipment.
- Importance of protecting staff and customer belongings and store products.
- Personal protective or safety equipment used in the store.
- Key safety procedures followed in the store.
- Importance of housekeeping and cleanliness in the store.

UNIT 5.3: Procedures for Dealing with Emergencies

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify when to raise the alarm.
2. Identify the importance of contacting emergency services.
3. Understand the procedure of evacuation.
4. Identify the purpose of drills.
5. Understand how to handle accidents.
6. Know the first aid procedure (in line with store policy).

5.3.1 Raising the alarm

- Ensure immediate safety of anyone within the vicinity of the fire if it is safe to do so.
- Raise the alarm if not already sounding (use the break glass alarm panel or shout 'fire, fire, fire' if a panel is not available). The alarm system automatically notifies the Fire and Rescue Services and Security (who then notifies the other emergency personnel).
- Fight the fire if possible with the fire fighting equipment, but not at personal risk.
- Call the fire security (call 101). Give your name, building, level, room number, type and extent of the fire/smoke and inform your supervisor or building warden if it is safe to do so.
- Alert everyone to exit through fire exits. Lead the customers of the store through the nearest fire exit. Evacuate the area immediately.

If the fire alarm rings, please stand by for directions from the security and prepare to evacuate your store of all persons. If you are directed by the security to evacuate the building immediately, use the nearest exit, close all doors behind you and remain calm.

What should I do upon hearing the fire alarm?

- The alarm may be sounded by a bell, hooter or siren, depending on the building.
- The first alarm is the notification to prepare, standby for any announcements and be ready in case there is an evacuation. This is a good time to turn off any equipment you may be using.
- The second alarm is the signal to evacuate the building you are in via the closest marked EMERGENCY EXIT to the designated assembly area for your building.
- When you hear the evacuation tone, evacuate the building calmly and promptly leave the building through the shortest possible route.
- Do not use lifts
- Follow the directions of the floor wardens and security officers. Obey instructions from Security Officers and Emergency Service Personnel.
- Proceed to the assembly area designated for the building (These areas are specified on the 'Evacuation Procedure' signs located prominently inside buildings).
- Do not cluster around doorways.
- Do not hinder floor wardens, security officers and fire brigade officers in carrying out their duties.
- Wait for further directions from the chief warden, security officer or fire brigade.

- Do not re-enter the building until authorised to do so by the fire brigade or building emergency officers.
- Never enter a building when the alarm is sounding.

Contacting emergency services

- Highlight the duty and commitment of a SOA while raising an alarm.
- Emergency services numbers allow a caller to contact local emergency services for assistance.
- Inform the manager. Be alert but do not panic.

Call 101 in case of fire emergency.

Call 102, 104 and 108 in case of medical emergency.

- Dial the appropriate number. Remain calm.
- Tell the operator what assistance you need. Be prepared to provide your location, the number of the phone you are calling from, the nature of your problem and other information they may need to help you.
- Stay calm and follow their advice. It is usually a good idea to stay on the phone until help arrives.

Evacuation

Whenever there is a fire alarm in your building or you are instructed by appropriate authority in the store to evacuate. Evacuate the building to your designated Assembly points

Ensure that there are no obstacles in front of the emergency exits. Help people in case of immediate danger.

- If you have to move through a closed door that you cannot see through:
    o Feel the door to see if it is hot.
    o Look for smoke coming under the door.
    o Open the door slowly and look around it to see if there is a fire behind it.
- If there is no fire, proceed and close the door behind you.
- Move out of the building as quickly as possible.

Also explain the evacuation process in the event of an earthquake:

- Take shelter under tables, desks or in doorways.
- Stay away from windows, shelving and large free-standing furniture.
- After the earthquake, look for injured persons in your area and assist, provided it is safe to do so.
- Leave the building as soon as practicable.

Emergency drill

An emergency drill is a focused activity that allows staff and administrators to practice specific functions to be exactly done in an emergency.

- The store staff will recognise the evacuation alarm.
- On receiving the evacuation signal, the store staff will take appropriate actions, including shutting down of machinery or processes.

- The store staff will immediately begin the evacuation process using routes prescribed by the facility emergency plan.
- The store staff will provide assistance to visitors or individuals who are experiencing difficulty.
- The store staff will take evasive action if the means of the way out is determined to be unsafe.
- The staff will report to the assembly area monitor at the assigned assembly point.

Shelter and place drill: Practice emergency preparedness by sheltering in place in an orderly and safe manner.

Lock down drill: Stay inside the building, if you are in a room, make sure that the windows and doors are locked. Remain where you are, until further directions from the emergency personnel are received.

Evacuation drill as explained in previous slide.

Reverse evacuation drill: Reverse evacuation procedures are implemented when conditions inside the building are safer than outside. It is implemented in combination with other emergency procedures (for example lock down, shelter in place), in order to ensure safety of staff and customers.

Also explain the evacuation process in the event of an earthquake:

- Take shelter under tables, desks or in doorways.
- Stay away from windows, shelving and large free-standing furniture.
- After the earthquake, look for injured persons in your area and assist, provided it is safe to do so.
- Leave the building as soon as practicable.

Handling accidents

- Few kinds of accidents that can occur are:
- Severe bleeding.
- Injuries to the limb.
- Fire.
- Electric shock.
- Poisoning.
- Burns.

Try to stay calm. If you are hurt, call the emergency services or ask someone else do so. If anybody else is hurt, get them to the first aid room or provide first aid at the same place if you cannot get the injured person to the other place. Call 104 and keep talking to the injured person and reassure him/her the professionals are on their way.

If there is no serious emergency, the biggest mistake is to declare that the accident was your fault, even if it is obvious that it was. Similarly, do not get into a debate or argument over who did what at the scene of the accident. This can be sorted out calmly by the insurance companies later.

If you have a camera or phone with camera, take photographs of everything. This will make defence and accusation fair for both parties, and helps the insurance companies get the claims sorted much faster down to evidence.

First aid

The treatment which is given at the spot immediately after the accident is called first aid. Accidents may happen at any time. The extent of damage due to an accident may be severe, light or less. For more serious injuries the victim may be required to be shifted to a hospital.

Some immediate medical aid is inevitable to be provided at the spot.

• Locate the stocked first aid container.
• Identify the person in-charge of first aid arrangements.
• Learn about first aid services to be undertaken in different situations.
• Know about the materials and medicines in a first aid kit and their usage.

First-aid kit

Fig. 5.3.1: First-aid kit

First-aid kit consists of the following materials:

• Adhesive dressing tape.
• Non-adherent dressing.
• Sterile eye pads.
• Gauze bandages.
• Disposable gloves.
• Scissors.
• Forceps.
• Band aid.
• Cotton rolls.
• Solution for cleaning wound.

Summary

• Raising the alarm.
• Importance of contacting emergency services.
• Procedure of evacuation.
• Purpose of drills.
• Handling accidents.
• First aid procedure (in line with store policy).

Summary

- Importance of health and safety in the store
- Safety risks, hazards and the accidents that occur in the store.
- Safety practices followed in the store.
- Importance of housekeeping.
- Procedures for dealing with emergencies.
- Procedures followed in fighting fire.

Notes

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6. Creating Positive Image of Self and Organisation in the Minds of Customers

Unit 6.1 - Building Effective Rapport with Customers

Unit 6.2 - Responding to Customers

Unit 6.3 - Responding to Different Types of Customers

RAS/N0130

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Identify the importance of creating a positive image in the minds of the customers.
2. Explain the importance of establishing
3. Discuss the need to communicate accurate information to the customers
4. Show how to respond appropriately to the customers.

UNIT 6.1: Building Effective Rapport with Customers

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify the importance of creating a positive image of self and the organisation in the minds of the customers.
2. List the key factors that help in creating a positive image of self and the organisation.
3. Explain how the standards for appearance and behaviour help in creating a positive image of self.
4. Dramatise the approaching and greeting the customers.
5. Show how to confirm the expectations of the customers.
6. Identify how to communicate information to the customers.

6.1.1 Importance of creating a positive image

Customers come to the store to buy products that meet their needs. One of the responsibilities of the SOA (you!) is to understand their needs better and help them in making the best purchase. The range of products includes merchandise, membership services, loyalty programmes and services along with additional warranty. The SOA should seek to understand the customer's needs precisely and assist them in the stores.

A happy customer would like to revisit the store every time he feels satisfied and his/her expectations are met, he recommends his friends and relatives too to shop in your store. This leads to increase in walk-ins to your store as well as in the profits of the store.

Thus you are the vital link between the store and the customer who helps the store in booking profits by creating a positive image of self and the organisation in the minds of the customer.

Key factors that help in creating a positive image in the minds of the customer

Following are the key factors that help in creating a positive image of self and organisation in the minds of the customers:

1. Establishing an effective rapport with the customers.
2. Communicating information to the customers effectively.
3. Responding appropriately to the customers.

Some of the other factors that help in creating a positive image in the minds of the customers are:

- **Store and product arrangements:** A well-arranged and clean store area attracts customers and encourages them to spend the time required to buy what they need. It also makes it easier and pleasant for them to shop.
  - All products should be arranged according to their category in the planogram.
  - Products should be neatly arranged in the racks/shelves and display areas with face-ups.
  - All racks and display counters should be dust free.
  - Each area should be appropriately illuminated (proper lighting arrangements).
  - Floor should be neatly mopped.

o The shelf talkers and promotional signs should be properly in place.

o Know your products—availability (colours, size, price range, etc.)

The other important aspect of being ready to sell involves learning enough about the products you will sell and the alternative choices that the customers may have - in order to give them correct advice on making their decisions.

- **Know your company and its people:** The complete knowledge about the company's history, values, vision and people is a must. This helps in seeking guidance whenever required. The conviction levels for the store operations assistant are higher when one has the knowledge of their organisation and the people they work with.

- **Know the company policies, processes:** Every organisation has its own policies and processes. The SOA should have a thorough knowledge on these as it is essential to run the operations smoothly as per organisational standards. Policies can range from human resources to store operations. Store operations have their own SOPs (Standard Operating Procedures).

- **Know the government regulations, statutory compliance, legal aspects and local authorities pertaining to the business of the organisation:** Compliance with the law is mandatory as per any organisation standards. Deviation from legal aspects would be a disaster by tarnishing the image of the organisation. It is essential to know whom to contact or where to refer.

- **Know your vendors, their rights and their business:** It is highly important to have details about the suppliers and vendors who deliver products to the stores. It helps in planning the delivery schedules, managing stock availability, excesses and shortages. It is essential to have their contact details for all operations follow-up. Details of their business would help in managing your categories. Building a relationship can help in getting details about the market conditions as they are the source of your products.

- **Know your and your customer's rights:** The store business entirely depends on your customers. Know them well by knowing their needs and concerns. The consumer rights are well defined by the government. Issues can lead to the store being charged in a consumer court. Build strong relationships with customers. Remember they also provide information on market conditions and competitor offers.

- **Know your products and services:** Know all aspects of the products like their features, prices, availability and benefits. This is the information you may need to help customers with, in their shopping. In case you do not have a complete information, one must know whom the customer has to be referred to.

- **Strongly believe in yourself, your company and the products/services you offer:** You must believe in your product or service and your company; believe in yourself. Other people sense whether you believe in yourself and whether you believe in what you are doing. This belief is what persuades the customer to buy the product or service. Therefore, increasing your self-confidence will improve your image as well as the store's. Remember that the store you work does not sell sub-standard products or services. The conviction with which you believe in the store leads to a confident way of you managing your store.

A good preparation on all the above aspects will also automatically increase your conviction levels leading to higher confidence in managing your customer and services. It will also enhance the image of self and the organisation in the minds of customers. Hence, having information on all these aspects is important and critical.

Positive image of the organisation

Store image:

• Right product.
• Right place.
• Right time.
• Right price.
• Right quantity.
• Right quality.
• Right service.

The store image completely depends on the seven points mentioned above. The store cannot stock umbrellas in huge numbers when there is no rain. The store can expect to sell cold drinks in large quantity in summers. During festival seasons, procure key products of the quantity/price that is expected to sell and display with a theme by planning well in advance. Make sure appropriate service aspects are covered.

Company image and brand image would make your store a flagship store.

• Maintain a clean and safe environment always.
• Always abide by legal, policies and local guidelines—never deviate.
• Always maintain customer loyalty. One bad word from a customer can spread everywhere.
• Always maintain cordial relations with vendors. They are the ones who are responsible for the quality/quantity of products you sell.
• Create a benchmark for competitors.

Remember: You are the major link between the company, its products and the customers.

The functional aspects of the above points will be elaborated in other sessions.

Establishing good rapport with the customers

Be confident by having all information on your side to establish a good rapport with the customers:

• Store: layout, design, exits, keys, aisles, vicinity, landmarks, surroundings, etc.
• Colleagues: information on who is who in stores, branches, head office, departments.
• Customers: types, buying behaviour, frequency of visits, needs and concerns.
• Vendors: supplier details, delivery schedules, product/category range and business.
• Products/services: category details, availability, shortage, movements, issues.
• Processes, policies and procedures: as per organisation standards.
• Legal aspects: law abiding and respecting everyone's rights.

Standards for appearance and behaviour

• Groom yourself as per company uniform (if any) and standards: Remember there is nothing called as second best impression. You can create only one: first impression is the best impression you can create with your colleagues, customers, vendors and with others whom you interact in the store.

- Keep yourself prepared for any ambiguous situation which may arise: Stores always have some situation or incident due to the nature of business we are in. They have to be attended and solved quickly. Do not panic, enjoy the work every moment.

Remember: Being positive always helps in your career growth. It is the only way you can create a positive image for you!

Few tips for grooming and appearance:

- Hair neatly cut and combed.
- Hair clean and dandruff free.
- Clean shave.
- Clothes/uniform ironed.
- Shirt in tuck.
- Shoes cleaned and polish.
- Socks: clean, elastic not loose.
- Socks: matching with shoes/trouser.
- No body odour.
- Nails:
  o Clean.
  o Cut and filed.
  o No polish (for men).
- Overall appearance—pleasant.
- Additional checkpoints for girls:
- Makeup—light and complementing your face.
- Jewellery—simple and minimum.

6.1.2 Establishing rapport—approaching the customer

Proper interaction with the customer creates a positive impression about the store.

The 'approach or greeting' is the first and the most important step in the selling process. It is estimated that 85% of the lost sales occur during the first fifteen seconds. Therefore, understanding and practicing effective greetings can improve sales dramatically.

Every professional SOA understands that they have approximately 15 seconds to dispel as much fear, uncertainty and doubt as possible. Within these first few precious moments, the SOA must say or do something to gain and hold the customer's attention and trust.

When a customer enters the store:

- Smile and greet the customer.
- Introduce yourself with name (shake hands if the customer volunteers).

Keys to an effective greeting:

• Smile.
• Introduce and ask for customer's name.
• Look at your customer attentively (eye to eye contact).
• Ask a few simple questions to get customers talking about themselves and their needs.
• Make the customer more comfortable.
• Speak and act sincerely.
• Enhance your customer's self-esteem/confidence.
• Build trust and rapport and establish a cordial relationship with your customer.

Display proper body language:

• Stand straight.
• Do not stand with folded hands (it might give a negative impression to the customer).
• Have a friendly and helpful disposition.

Establishing rapport—confirm the expectations of the customer

Creating curiosity in customers leads to right purchase decisions.

• **Offer assistance:** Ask the customer how you can assist and guide to find the desired product/ department (in case you do not know the product that the customer is asking for, take your colleagues' help). In case if the customer does not need any help, you could let him/her know that you are around and he/she can call him in case they need any assistance.

• **Get the customer's attention:** To be able to make a positive image, it is important that you understand what exactly the customer really wants or needs. In order to do so, you need to be able to engage the customer and test their needs by probing them with the right questions.

• **Probe:** Question to uncover needs. When you are engaging yourself with the customer, why not incorporate 'the advantages of the Q feature'? The Q feature means 'Questioning', which means Probing. Probing helps in uncovering the needs and problems of the customer. It is used to get more information from the customer. There are two types of probing:

   o **Open probes:** These questions ask for more than a 'Yes' or 'No' or one/two- word answer. Encourage customers to respond freely, so that you can fulfil their requirements. Allow the customers to set the direction of the conversation.

   For example:

   How may/can I help you?

   What kind of product are you looking for?

   May I know what you are looking for?

   What kind of information are you looking for?

   Would you tell me more about the product/requirement?

   What have you used in the past?

   What other products are you interested in?

   o **Closed probes:** These questions are asked to get a specific or one word answer. It is generally used to understand the specific need of the customers. It limits a customer's response to 'Yes' or 'No' or other one word answers.

For example:

Which colour do you prefer the most?

Would you like to try it?

Which car do you drive?

Have you used this product before?

May I help you?

Are you looking for a tie?

Is there any other information that you need?

Is that what you are looking for?

- **Encourage discussions:** To show your interest in the conversation, so that the customer feels comfortable and continues the conversation with you.
- **Show undivided attention:** Completely focus at the customer—do not deviate. The moment you show disinterest you run the risk of losing relationship with them.
- **Make notes on their needs and requirements:** This should become a 'habit'. Carrying a small note pad and pen is part of your job. This gives confidence and less chances of missing any details/ information.
- **Clarify if in doubt:** Use correct probes to clarify your doubts. There is no harm in clarifying things which you do not understand. Do not hesitate to ask. The customers will not feel bad, rather they would encourage you.
- **Keep customers informed:** If the service expected by the customer is taking more time, keep the customer informed about the same and let them know the process of the store in a very polite and obliging manner.
- **Treat your customers courteously and helpfully at all times:** Be polite, empathetic and offer assistance to the customers proactively when you observe them looking for help.

Remember: Confirming the customers' exact needs leads to profitable sales.

6.1.3 Communicating information to the customers

Remember you would be at the centre by integrating customers, company, products and vendors by communicating with them almost every time in the store. The choice of words, appropriate usage, and sign language/non-verbal, being crisp and concise are the major elements while conveying something.

1. One should be able to quickly identify the information sought by the customers:
   - Identify the source of the information.
   - Identify the person whom to approach for the information.
   - Identify the procedures to be followed for resolution of customer concerns if any.

   For example; if a customer is seeking information on the section of product, servicing of a product, one should be able to identify where and to whom the customer should to directed and the same needs to be communicated to the customer in a gentle and polite manner. The best solution would be to lead the customer to the right place yourself.

2. Ensure whatever you have communicated has been understood correctly by summarising and checking the understanding of the other person.

    For example: You are stacking products in the apparel section and suddenly a customer approaches you and asks you "What is the special offer on these products", if you are well aware of the promotions, you could provide the information, summarise and check if the customer has understood the same and needs any further clarifications. If you are not aware you should be leading the customer to the right person and seek their help in resolving the customer query.

3. Make sure you have correctly understood and interpreted what others have said by paraphrasing.

Methods of communication

-   Communication with customers
    -   Direct interaction at entry, exit, sales floor.
    -   POS/cashiering tills through bills.
    -   Customer service desks.
    -   Phone.
    -   E-mail.
-   Communication with vendors
    -   While receiving delivery.
    -   While sending back stock.
    -   Phone.
    -   E-mail.
-   Communication with colleagues
    -   Direct interactions, meetings, huddles.
    -   Phone.
    -   E-mail.

Remember that most of the relationships turn sour because of miscommunication and misunderstandings.

Summary

-   Importance of creating a positive image of self and the organisation in the minds of the customer.
-   Key factors that help in creating a positive image of self and the organisation.
-   How the standards for appearance and behavior help in creating a positive image of self.
-   Methods of approaching and greeting the customers.
-   Method of confirming the expectations of the customers
-   How to communicate information to the customers.

UNIT 6.2: Responding to Customers

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. State the meaning of customer service.
2. Identify the levels in customer service.
3. Describe the various factors that can make customer service memorable
4. Identify how to respond appropriately to customers.
5. Show how to meet customer expectations
6. Identify how to maintain customer loyalty.

6.2.1 Customer v/s Consumer

The term 'customer' refers to individuals or households who purchase goods and services generated within the economy. On the other hand, a 'consumer' is someone who uses the products or services.

Customer: is the person who purchases the product from the marketer or from the retailer or from the wholesaler. Here we do not bother about who uses the product.

Consumer: is the person who uses the product purchased by the customer. Here we consider the person who is going to use the product finally and we call them as the consumer.

Customer service

According to Jamier L. Scott, 'Customer service is a series of activities designed to enhance the level of customer satisfaction - that is, the feeling that a product or service has met the customer expectation.'

Customer service is the ability of an organisation to satisfy their customers' wants and needs.

'Customer service means creating a positive and memorable shopping experience for every customer'.

Customer service consists of all those activities performed by the retailer that influence:

• The ease with which a potential customer can shop or learn about the store's offering.
• The ease with which a transaction can be completed once the customer attempts to make a purchase.
• The customer's satisfaction with the transaction.

Excellent customer service

Excellent customer service is the service that exceeds your customers' expectations and will make your business stand out among your competitors. To be effective, customer service must be consistently good in every part of your business. From the moment the customer thinks of purchasing, right through to the final sale, there are opportunities for the business to add customer service to the process.

Excellent customer service:

• **Enhances the credibility of a store:** By offering excellent customer service, you will be building customer loyalty - the customer will come back to the store again and again for all his requirements.

- **Attracts new customers and retains the existing ones:** Satisfied customers not only tend to return to buy again from you, but are also likely to talk positively about your business to others. Word of mouth referral is the most effective form of promotion. It costs nothing and carries a lot of credibility as it is based on personal experience.

Similarly, a bad customer service experience is shared with around 10 other people who are likely to tell another 10.

Customer retention leads to:

- Repurchases.
- Loyalty.
- Profits.

Expectations of the customer

It is your duty to make the customer happy always. What does the customer really expect?

- Help—your ability to identify the customers who are seeking help.
- Your approachability and understanding.
- Respect and recognition.
- Satisfaction.
- Listened to with empathy.
- Comfort, compassion and support.
- A friendly smiling face.
- To be made to feel important.

Apart from the above points, customers will also expect:

- Good promotions.
- Value-added services (door delivery, wallet parking, etc.).
- Quick billing.
- Good display and good quality products.

Moment of truth

In customer service, the instance of contact or interaction between a customer and a brand/company through a product, sales force, or visit that gives the customer an opportunity to form (or change) an impression about the company is called 'the moment of truth'.

It is what the customer experiences at the time of a direct interaction with the company through its people, services and product.

When the moment of truth for a customer has been a negative experience, it becomes a moment of misery. On the other hand, when the moment of truth has been extremely positive, it becomes a moment of magic.

Customer delight

When you exceed customers' expectations, then you have delighted the customers. So, you need to go that extra mile to make the customer happy. By putting customer service at the forefront of your business, make every customer feel like they are unique and special to your success. The customer really is the reason for your company's success, so why not show them some appreciation? How to delight customers or make their shopping experience memorable is explained in the subsequent slides.

Responding appropriately to customers

Kay factors that make customer expectations memorable by responding appropriately are:

- **Smile and greet the customer:** The very first thing a customer should see is a smile. This creates a warm and welcome first impression.
- **Have eye contact and proper body language:** Body language is a form of non-verbal communication involving the use of stylised gestures, postures, and physiologic signs which act as cues to other people. Humans, sometimes unconsciously, send and receive non-verbal signals all the time. Make sure your image and appearance reinforces the customers' confidence in your services.
- **Listen carefully and understand the customer's needs:** Lend your ears and listen to what the customers have to say and then provide appropriate positive responses. Remember, the customer does not want to listen to a 'NO'.
- **Be responsive and committed:** Be receptive and react immediately to the customer's needs. Be quick in responding to customers' queries. Make sure that all the customer needs are met from the time they enter till they exit the store. Be committed - devote your time and effort in handling customers' queries, helping them and making them feel important. Take full responsibility for providing high-quality products and services. Make sure you honour guarantees/warranties on your products. Deliver your products and services on time and as requested.
- **Help the customer in taking the right decisions:** Provide alternatives according to the needs of the customer and help them to make decisions tactfully. Deliver your product/service with minimum hassle for your customers. Lend your expertise, if asked, for item choices. Make honest suggestions, not suggestions just to make a sale. Being genuine will help you receive the customer's trust in your taste and opinions. Allow the customer to evaluate your response or offers, do not rush, wait for the customer's response and then further explain if required.
- **Be friendly:** Communicate properly, develop a friendly attitude, smile unconditionally and respond positively to all the objections raised by the customers. Show willingness in helping customers. Be available - it is not necessary nor is it advised to hound a customer or follow them around. However, make yourself available for their needs, periodically checking on them but careful not to interrupt their shopping experience.
- **Have a positive attitude:** Always be optimistic, constructive and encouraging. Be confident and extend your full co-operation in helping customers.
- **Offer the required services:** Ensure that, from the entrance till the exit all the necessary services are provided to the customers (from offering a basket till carrying customers' baggage till the parking lot). Ensure that customers leave the store happily.

Remember: If you feel you are not competent enough at that moment to address the customer expectations, ensure that you escalate or seek the help of seniors to resolve the issue and do not shy away from the situation and the responsibility.

Meeting customer expectations effectively and efficiently

- Avoid laziness, take the initiative.
- Communicate effectively.
- Be energetic and flexible.
- Have a good time sense.
- Be empathetic and provide solutions.
- Have good knowledge of products.
- Treat the customer as king.

Some useful tips

Take up any amount of trouble for all your customers. Do not treat 'big' or 'small' customers any differently. Customer referrals are powerful and a customer who feels complimented that you've gone out of your way to help them with a small matter is very likely to know someone who'd fit into your 'big and best' customer category.

If the customers are happy with the services provided by the store, then they will frequently visit the store. This will increase the sale, the reputation/credibility of the store and create loyal customers.

Maintaining customer loyalty

To build customer loyalty:

- Communicate openly with clear and concise information. Clarify always.
- Build trust and confidence: All stores might sell the same product. The only difference to be ade is in the level of service and assistance.
- Be consistent in providing prompt and friendly service.
- Stretch yourself to travel that extra mile. Only when you exceed customer expectations you gain their loyalty.
- Be empathetic. Ensure you are always in their shoes and think.
- Be responsible and take accountability for the service you provide. You might have to take certain decisions by consulting seniors.

Remember: Customers refer to others and come repeatedly only when you serve them with delight.

Summary

- Meaning of customer service.
- Levels in customer service.
- Various aspects that can make customer service memorable.
- Customer expectations.
- How to respond to the customer appropriately.
- Maintain customer loyalty

UNIT 6.3: Responding to Different Types of Customers

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1.   Identify the different customer types.
2.   Identify how to respond effectively to different customer types.
3.   Identify how to manage customers when they are angry or confused.

6.3.1

Show learners the images in slide 4 and ask them to try and identify the characteristics and responses for managing different types of customers. Discuss the answers of learners and then explain the characteristics and responses as given in slide 5.

- **First time:** They look out for opportunities to explore and then make a purchase. They are doubtful whether to buy from that particular store, whether to trust the SOA and the quality of products offered, etc. They need to be taken into confidence and converted into a customer. Remember to give them the correct information.

- **Repeat:** A customer who buys frequently from a particular shop is a repeat customer. Studies show that it is less expensive to bring existing customers back than to attract new ones. It would be more practical and lucrative to keep your existing customers happy and satisfied so that they would like to come back again. Learn to recognise and greet them. Highlight loyalty/special offers for them.

- **Age of the customer:** This has an impact on the buying pattern and the decision making of the buyer.

  Aged customer: Be patient and polite. Be conscious of any physical assistance needs they may have and help - removing obstacles, helping with shopping bag, etc.

- **Kids:** Be more patient and friendly. Ensure they do not damage goods, displays. Assist with choice. Call parents for assistance if required.

- **Different moods and attitudes:** This influences the buying decisions. The SOA has to convince the buyer taking into consideration the different moods and attitudes of the customer. For example if a customer is in a bad mood, be more polite and cheerful. If the customer is in a good mood, try and encourage more shopping.

- **Gender:** This matters for a particular category of products/goods. The focus should be on drawing attention to categories dependent on the gender of the customer:

  Male: Grooming, fashion items, gadgets.

  Female: Cosmetics, household items, kids' items. Be more polite and conscious of gender sensitivities. Help with the kids they may be handling.

- **Culture:** Analyse the needs of the customer and help them. Be aware of the different festive seasons and the products sold for that particular festivals and season. Be more conscious of the products meant for specific cultures or regional tastes. Individual attention has to be given to each customer.

- **Difficult customer:** These customers may be hard to satisfy, raise many objections and also be aggressive. They are very difficult to be dealt with. They have to be handled very carefully and sale should not be tried to close too fast. You should not irritate the customer —be calm and accommodative. Call the supervisor/escalate any problems that you cannot handle.

6.3.2 Types of customers

The different types of customer behaviours are:

• Well-informed.

• Uninformed.

• Sociable.

• Egocentric.

• Shy.

• Professional.

Remember that a customer can be elderly, young or from varied class, colour or race; however the behaviours explained do not change. It does not mean that a young customer always has to be friendly and an elderly customer always needs to be angry.

Well-informed customers

Behavioural indicators	Your response
• Knows a lot about the service and the industry. • Asks logical and technical questions. • Feels disgruntled with half or unsure answers. • Asks questions to test knowledge. • Is tough to convince. • Is unfriendly. • Tries to show off his/her knowledge.	• Attempt to answer their queries to the best of your knowledge. • If you do not know something, admit it and get back to them with the right answer. • Do not show impatience. • Do not talk out of context. • Do not try to forcefully convince them.

A well-informed customer has to be treated very patiently. Take assistance if you are not able to answer the queries. Refer manuals and brochures when available. Provide demonstration and consult a Subject Matter Expert (SME) when required.

Uninformed customers

Behavioural indicators	Your response
• Does not know too much about the service and the industry. • Asks basic questions. • Hesitates to speak up. • May not show dissatisfaction. • Too much information leads them to confusion. • Comparatively gets convinced easily.	• Provide complete answers. • Encourage them to speak by asking questions. • Paraphrase and confirm their understanding. • Do not use jargons and industry language. • Display friendly and approachable body language.

Remember to use very simple language. Do not complicate with too much information. Be friendly and approachable. Approach with very simple queries.

Sociable customers

Behavioural indicators	Your response
• Is outspoken and easy to approach. • Displays friendly body language. • Talks and chats a lot, leading to the domain out of context. • Converses endlessly. • Asks unconnected details. • Is undecided to commit. • Builds rapport and depends a lot on the relationship.	• Display friendly verbal and non verbal communication. • Do not give to the point answers. • Bring the conversation back to the track. • Provide positive responses to unconnected queries. • Close the sale from your end. • Ensure them that you can be approached any time to address their queries.

Remember to stay focussed on the subject only. Do not get deviated from business. Do not sound negative when questions are out of topic.

Egocentric customer

Behavioural indicators	Your response
• Boasts about his/her status and position. • Attempts to display superiority through body language. • Speaks in a manner that may make you feel let down. • Has good knowledge on service and industry. • Is aggressive. • Does not get easily satisfied.	• Acknowledge position and status. • Portray a confident and positive body language. • Listen attentively. • Do not try to pose that you know more (even if you do so). • Appreciate them and ask questions which will make them speak. • Handle aggression with warmth.

Remember to stay positive and calm. Fan his pride with warmth. Appreciate them for their time and acknowledge their strengths.

Shy customer

Behavioural indicators	Your response
• Communicates inaccurately. • Is not sure of his/her precise needs. • Talks very less. • Does not express objections or doubts. • Seeks assurance and encouragement. • Believes mostly on written documents. • Needs support from someone else to decide.	• Provide assurance on quality, durability of products, etc. • Ask more questions to understand their dissatisfaction or doubts. • Motivate them to ask questions • Do not attempt to close the sale quickly. • Show them written documents that provide assurances. • Ask if anybody else also from his/her side needs to be approached to help them decide.

Remember to make references of your satisfied customers. Try to locate references based on customer needs and locality. Refer with seniors and SMEs. Arrange for a demonstration.

Professional customer

Behavioural indicators	Your response
• Communicates in a focussed manner. • Asks precise questions. • May not have knowledge about the service or the industry. • Believes in facts and statistics. • Quickly decides if convinced.	• Support your answers with facts and figures. • Provide exact responses. • Do not digress. • Do not commit if you are unsure. • Wait for questions and then answers. • Do not try to close the sale by force.

Remember to stick on to specifics. Avoid elaborate discussion and do not take too much time.

Angry or irate customer

Behavioural indicators	Your response
• Uses high volume and strong tone. • Is impatient. • Uses more of non-verbal language. • Might be too verbose. • Tends to react for everything.	• Be calm. • Listen completely. • Do not interrupt or react. • Apologise. • Empathise. • Explain the situation and resolve.

Remember to maintain calm throughout the conversation. Listen patiently. Apologise promptly and reassure for closure of the incident within Service Level Agreement (SLA) and Turn-Around-Time (TAT). Follow-up appropriately to avoid embarrassment for both customer and you.

Summary

- Identifying different customer types.
- Responding to different customer behaviours.
- Identifying and managing customers when they are angry or confused.

Summary

- The importance of creating a positive image in the minds of the customers.
- How to establish effective rapport with the customers.
- How to communicate information to the customers.
- Identify how to respond appropriately to the customers

Notes

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7. Working Effectively in a Team

Unit 7.1 - Work Effectively in a Retail Team

Unit 7.2 - Information, Instructions and Documentation in a Retail Workplace

Unit 7.3 - Develop Effective Work Habits

Unit 7.4 - Team Work

RAS/N0137 & RAS/N0138

Key Learning Outcomes

By the end of this module, the participants will be able to:

1. Identify the importance of working effectively in the team
2. Know the importance of information, instructions and documentation in retail workplace.
3. Discuss the importance of effective work habits.
4. Follow the required etiquette of the workplace.
5. Identify the significance of a positive attitude at the workplace.

UNIT 7.1: Work Effectively in a Retail Team

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Describe the reporting hierarchy and escalation matrix of a typical retail store.
2. List the functions of the key departments in a store.
3. Identify the policies and procedures applicable to the job role.

7.1.1 Reporting hierarchy and functions of a sample store

-   A store has the Operations teams (as shown on the right side of the slide), supported by many functions (as shown on left side of the slide).
-   Departments or functions are like HR, IT, admin, etc.
-   Top most in the hierarchy would ideally be the store manager supported by duty manager and the bottom most is ideally the store associate.
-   For example store associates usually report to a team leader.
-   These are only examples and can vary from store to store.

Hierarchy

It is important to know the hierarchy of the organisation and store where one is working:

-   Knowing the reporting structures.
-   Escalation.
-   Seeking information which you are not aware.
-   Guiding others to the relevant people and department.
-   Work as one team.

It ensures 'who' has to do 'what' by providing access levels, responsibility and accountability

-   Responsibility.
-   Accountability.
-   Support.
-   Consultation.
-   Information.
-   It provides information on designation and decision-making authorities.
-   It simplifies the way of working structure in an organisation.

It is essential and critical for one to know the members of an organisation and what they do. If an associate is not aware of the reporting structures, department activities and escalation levels, it would become impossible to communicate any matters pertaining to the store. This will make the job tough resulting in poor performance.

Escalation matrix is the hierarchy in the store operation processes which provides information on how the escalations can be carried out. The associate can make use of this information to escalate or bring to notice various matters and issues pertaining to day-to-day operations of the store to the seniors/ authorities for resolutions.

Some departments/functions

A store associate may have to interact with some or all the functions mentioned below:

- Cash office or store accounting department.
- Audit.
- IT.
- HR.
- Housekeeping and maintenance.
- Security, safety, loss prevention or asset protection.

So it is important to know their day-to-day tasks and people involved in the functions. There could be more functions depending on the store. It is critical to know the departments as they are important in internal day-to-day task execution, escalations, reporting aspects, providing and taking information, complaints, requests, etc.

Cash office or store accounting department

Store accounting or cash office department's responsibility is to manage all cash by reconciling it accurately in the system and ensuring that there is no excess or shortage. Associates at the cash counters are responsible to inform and provide information of any deviation to cash office/supervisors as per store guidelines.

- They receive cash from head office/bank/collection/distribution agencies and store cash safe and secure.
- They also receive cash from cashiers at respective POS (Point of sale)/Tills at the end of their shift/ duty time.
- They pick-up from tills, when cash overflow happens at the tills leaving behind the float cash.
- They provide cash to the cashiers at respective POS /Tills at the start of shift/duty-time in the form of float cash.
- They provide interim float cash in case of emergency.
- They also provide for store expenses with petty cash and deliver to collection agents of the banks.
- Their responsibility is to count/re-count currency with the help of counting machines.
- They re-check for fake notes which may have been collected from the tills.
- They receive credit/debit card transactions, food coupons, gift coupons, discount coupons, reconcile them and account the same.
- They produce receipts and invoices for any purchases or payments.
- Check/re-check and ensure accuracy of all transactions.

Audit department

An audit for a store is similar to the regular check-ups done by a doctor. Issues in the floor or the category one is responsible for can be escalated. The store audit team can support the staff as per the store guidelines. Audits are done as per routine cycles mentioned in the store process guidelines. Some stores do it everyday morning before the store opens. These audits are performed by the audit manager along with some of the chosen store associates.

- The functions of the audit team include:
- Checking conformity or lack of it in all the departments of a store.
- Store inventory audit is done for checking accuracy, identifying concerns (for example inventory mismatch, price mismatch, etc.) and providing solutions.
- Audit teams perform audit on waste disposal to re-check.
- Preparing the store for the inventory process.
- Verifying store reports and tracking logs.
- Preparing category listing which includes all items, so that none of the items are missed.
- Keeping the manager informed of shrinkage, refund, claims and goods returned issues.
- Keeping a quality check on the store performance.
- Working closely with the store manager, loss prevention and assets protection teams.
- Informing HR about the skill gaps and recommending appropriate training/coaching for the associates.

Information technology (IT) department

Information technology today is the backbone of all retail functions.

The functions of the IT department in a store include:

- Responsibility for hardware, like computer systems, laptops, printers, scanners and projectors, POS machines, HHTs (hand held terminals), CCTV recordings and attendance swipe machines.
- Responsibility of software, like e-mail, HHTs software, billing/inventory software, CCTV recording software.
- Recording and maintaining the service and maintenance of all IT equipment.
- Responsibility of attendance of employees by swipe card and providing it to payroll.
- Complaining/escalating/informing any hardware/software malfunctions.

Human resources (HR) department

HR is another crucial shared services department which is responsible for all staff. All staff related problems are jointly sorted with the HR along with respective supervisor and department heads and store manager. They are also responsible for the required training and coaching needs of the staff. They also play a critical role in taking disciplinary actions against any disciplinary issues in the store by the staff. The HR should be approachable and should motivate the staff during store walks.

The HR department's functions are:

- Planning and recruiting manpower of both temporary/permanent staff along with operations team.
- Instilling culture and value systems of the company in the existing and new staff.
- Introducing company standards, policies and procedures, staff rights and obligations through induction.

- Ensuring that all staff is trained as per company standards before starting operations.
- Ensuring attendance, payroll maintenance and salary distribution on-time.
- Ensuring that office etiquettes, duty-time and grooming standards are followed by self, team and staff as per company standards.
- Taking care of timely performance management, rewards and recognition for staff.
- Showing a career path for the store staff and keeping them together as one team.
- Supporting the operations in disciplinary actions as per company standards.
- Resolving issues based on integrity, harassment, sexual harassment, discrimination, racial discrimination, cultural conflicts, etc. within staff.

Housekeeping department

This department takes care of the cleanliness of the store and maintains proper standards as per the organisation guidelines/policies. It is a key department in maintaining the image and reputation of the store by keeping it clean and safe for customers, staff and vendors.

The functions of the housekeeping staff include:

- Sweeping, mopping, dusting, vacuuming by placing relevant signage.
- Using the right equipment for cleaning along with the appropriate chemicals and materials.
- Cleaning the outer premises, shop floor, POS/tills, back-store floor, back-office floor, staircase, trolley holding bay and toilets.
- Cleaning windows/doors/ceiling and sometimes maintaining a garden if available.
- Refilling toilet paper rolls and hand soap in the bathrooms, ensuring cleanliness always.
- Maintaining the cleaning materials inventory and replenishing them.
- Clearing materials, debris or trash, post arrangement or re-arrangement of displays.
- Maintaining a routine checklist cross-checked by the housekeeping supervisor and admin-in-charge.
- Ensuring that all light bulbs are in working condition and replacing if necessary.
- Picking up any lost items and giving it to the store management.
- Supporting the disposal of waste along with the staff/loss prevention/audit team as per the waste management policy.

Security and safety/loss prevention or asset protection department

The security and safety or Loss prevention (LP) or Asset protection (AP) department takes care of the safety and security of the store for the customers, staff and vendors. Some organisations have a separate LP or AP team which is different from the store security. The associate should understand and distinguish between the security and LP/AP team.

The security staff who manage exits/entries/frisking/car park, etc. are outsourced by the store management to a third party. Organisations have uniformed security guards in the security department. There are security guards in both genders for frisking women and men separately. They are well liaised with the local police, legal authorities etc.

In retail parlance, loss prevention/asset protection (LP/AP) team is responsible for the protection of store, products, equipment, accessories, cash, etc. They also take care of the safety and protection of the staff/customer/vendor.

The functions of the security and safety/LP/AP team include:

• Ensuring protection and integrity in the store.

• Making the store environment safe and secure.

• Protecting all the assets and people to be protected against theft/damage and accidents in the store premises.

• Ensuring that all surveillance equipment like CCTVs, alarms, etc. are in working condition always.

• Managing securely all the key entry, exit, fire-exit points, etc. in the store.

• Ensuring that one or more of their team members are trained fire-fighters.

• Preventing and managing theft, shrink along with LP team.

• Frisking all employees, support staff and vendors when necessary.

Other departments (as per electives)

The associates can be placed in any of the departments in a store depending on their choice/elective or opportunity. So it ii very important that they know and understand the other departments in the store too.

A few of the other departments are mentioned below:

• Food safety department.

• Poultry, meat and fish.

• Frozen and Ready to Eat (RTE) food.

• Apparels, automobiles and accessories.

• Baby care.

• Books, music, toys and office stationery.

• Consumer durables: TV, refrigerator, washing machine, air-conditioners, etc.

• Computer and accessories.

• Mobile, telecom products and services.

• Furniture, luggage, bags, etc.

Remember: Whichever department you are working in a store, there is only 'ONE TEAM'.

Communicate with them properly and know them well!

Policies and procedures—Sample

The sample provided here is only for reference on how a policy and procedure looks. The real policies and procedures may vary from company to company. It is necessary for the associate to read, understand and interpret the policies and procedures of the store.

• **Policy name**
  ○ Leave policy (comes under HR policies)
  ○ Employees accrue annual leave days based on the schedule below.
  ○ Employees accrue annual leave based on the hours paid during the pay-period each month.
  ○ Annual leave accrues each pay-period and is credited to the employee's leave balance each pay-period or on the last day of active employment in the case of termination.

- **Procedure—Leaves**

  To use the annual leaves, employees must submit a leave request on a 'Leave of absence' request form or do it online in some cases with start and end time/date.

  Request should be submitted well in advance of the leave time and must be approved by the supervisor.

  VACATION ACCRUAL DAYS SAMPLE

Years of Service	Days Accumulated Per Pay Period	Days Accumulated Per Month
0-2	4.32	15

- The store operations manual has the standard operating procedures, which the associate needs to keep himself/herself informed.

Summary

- Reporting hierarchy and escalation matrix of a typical retail store.
- Functions of the key departments in a store.
- Policies and procedures applicable to the job role.

UNIT 7.2: Information, Instructions and Documentation in a Retail Workplace

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Identify the scope of information or materials required within the parameters of the job role.
2. Identify how to read and interpret organisational policies and procedures.
3. Identify how to read and interpret workplace documentation.
4. State the steps to follow routine instructions through clear and direct communication.
5. State the procedure to follow instructions accurately.
6. Identify how to ask questions to find and confirm requirements.
7. Complete workplace documentation by writing simple reports.

7.2.1 Scope of information

The scope of information and materials required within the role of an associate would cover:

The company and store details:

- Company details, history, values, store layout, head office, branch office, distribution centres, etc.
- People details: hierarchy, department and functions—store managers, department managers, team leaders, zonal managers, buyers, functional heads, functional managers, buyers, category heads and managers, SMEs, etc.
- All the people mentioned with their contact matrix having name, designation, contact details, mobile number, e-mail id, etc. in an excel sheet or printout.
- Hardcopy and soft copy manuals of company values, policies, procedures and guidelines.
- Hardcopy and soft copy manuals of store operating processes (SOPs).

In-depth knowledge and information on products:

- Categories and SKUs: Availability, delivery schedules, stock-in-excess/shortage, removed/deleted products, new-line products, damaged, dump, mark-down, return-to-vendor, etc.
- Displaying, removing, re-arranging, re-aligning, etc.
- Pricing details: change of price (increase or decrease), change of labels, wrong label identification.
- Offers and discounts: based on seasons, festivals, brand-based, etc. updating them with labels, etc.

Types of services and maintenance contracts offered: based on the service provided, contract, warranty/guarantee, renewals, service schedules, etc.

- Details of membership and loyalty programmes.
- Customer details, their behaviour types, buying habits, name and contact details.
- Contact details and delivery schedules of vendors and in some cases the type of business.
- Competitor's information: products, services and pricing.

- Equipment provided by the manufacturer, like computers, labelling equipment, HHTs, ACs, freezer and other units that require to be maintained and serviced regularly. Contact numbers, e-mail ids, contract details, expiry / renewal dates, service dates etc. of the service department.

Modes of information

Scope of information explained above in the previous slide reaches the associate through the following modes. The pictures depict the mode in which the information comes. The associate has to be ready to receive the information anytime and act accordingly.

- Verbal instructions: direct, mobile, SMS, instructions/information from colleagues. For example the supervisor requests an associate to attend to a customer who is looking for a specific product.
- Store operation processes, policies, etc.: Manuals in hard copy or soft copy available in the store for the associates' information and reference while implementing a task.
- E-mails, reports and messages: Reports prepared by the associates. Instructions or information coming through mail.
- Planograms—display setting instructions: Technical details provided for the associate to set up a display.
- HHTs—price: Hand held terminals display price information and help to print labels also.
- POS/Tills: Billing information of products.

Reading, interpreting and understanding information

Once the scope and mode of information/instruction is received, the associate should be in a position to read, understand and interpret them. An associate is expected to complete a task based on any information coming in any mode.

The associate should:

- Read them completely and in case of doubts, clarify with colleagues. Any ambiguities in the document should be escalated to the supervisor immediately. Manuals, policies or processes should be referred to, if needed.
- Have a clear understanding of the expectations from him/her and the team from the information or instruction provided.
- Make notes of key facts, like deadlines, timelines, dates, locations, people, products, services, etc. Some of the information could be daily, weekly, fortnightly, monthly, yearly, etc.
- Relook the document for any missing information relevant to the task to be implemented. Identify those gaps and fill them quickly by referring manuals or asking concerned people.
- Refer or verify with supervisor, colleagues or anyone involved with the task.
- Listen patiently and make notes, if a verbal instruction is received. Ask relevant clarification or ask the person to repeat or rephrase if the instruction is not understood.
- Summarise what is expected from you and take confirmation before proceeding to do the task.

Identify and confirm requirements

After reading, understanding and interpreting the information/instruction, the requirements should be identified and confirmed by asking questions.

The associate should be able to:

- Understand the requirement clearly and what is expected.
- Identify any further/missing information required. Identify any missing information /details.

- Identify who is to be contacted if further information is required.

For example, the requirement is a list of items required to fill Aisle 1 Bay 2, the probable questions are:

- What are the current items in the location specified?
- Is there a gap to fill with the list specified?
- If so, what are the items to be filled against gaps?
- Is the stock available to be filled?
- What is the quantity, SKU details, price, offers and discounts for the items?

If stock is not available ask the 'supervisor' for alternate options.

- Make a checklist of all items, material, information, people involved in meeting the requirement.
- Re-check requirement details against the checklist.
- Confirm if the requirement has been met.

Following routine instructions

In the daily life of a store associate there are several regular tasks to be accomplished without supervision.

For example, for checking the aisle/bays for the right products placed in the right place with the right price and quantity, the associate might have to:

- Take the HHT and reconfirm the price with the labels.
- Check for filled shelves.
- Fill the gaps by bringing the stock from back room and displaying it.
- Speak to the supervisor or arranging from vendor or Distribution Centre (DC) in case of inadequate stocks.
- Report situation as per SOPs.
- Make sure the stocks are displayed accurately as per processes.
- Complete routine instructions as per requirements, timelines and within cost by adhering to company values, policies and procedures.
- Review the routine with immediate supervisor; if supervisor is not available take help from others.
- Report the routine to concerned supervisor in case of uncertainties.
- Look at alternate solutions in case of uncertainties within SOPs.
- Write reports about the routines as per format and send to concerned colleagues/officials as per the informed deadlines; update reports as per scheduled routine.
- Ensure that routine tasks are accurate; re-check to make it error free.

Workplace documentation

Documentation is a crucial record that supports and verifies an associate's performance and accomplishments against the tasks assigned. Other supporting documents in the store help for a smoother operation. The associate is expected to maintain accurate data and documents as per company standards and guidelines.

- Routine tasks are documented against requirements and verified by supervisor.
- Special incident documentation includes accidents, missing stock, etc.

- Documents help in following-up incidents.
- Refer and update periodically based on scheduled routine.
- Remember to nurture the company values in providing accurate and precise data.
- Inaccurate information damages the associate's reputation and results in non-growth.

Reading and understanding a sample process

The associate is expected to read and understand company processes and policies for the purpose of implementing them. In case a deviation of processes is identified, the superiors should be informed; failing which poor quality of service to the customers will be reflected resulting in financial loss and loss of reputation, which will result in loss for the store. Given here is a sample process to manage waste. Depending on the company and store, there might be a number of processes the associate has to be familiar with.

Sample process—Managing waste

- Process name—Stocks to be disposed at stores.
- Process name —Waste management.
- Guidelines for disposing stocks at the store:
  - Products that cannot be returned to vendors have to be disposed of at the store and should be recorded in the Daily Dump Register.
  - Stocks that are being dumped have to be checked by security/LP/Audit teams.
  - Employees are not allowed to take any of the dump material.
  - The Daily Dump Register should be updated and signed daily by the authorities.
  - Copies of Daily Dump Register system information must go to the accounts, based on routine.
- The stock from the previous day should be selected, grouped and segregated as follows:
- Un-saleable product—dump.
- Saleable today—return to store for sale.
- Waste record must be maintained in the Daily Dump Register Form.
- The Daily Dump Register must be a hard copy, signed off by the authority.

Sample report (Workplace documentation)

As part of workplace documentation, associates are expected to write reports based on their regular routine tasks.

Given below is a sample report for products that are to be documented as dump and products that are to be sent for resale.

Sl. no.	SKU code or name	Quantity units	Type of waste	Code	Date/Time	Staff name/signature	Signatory name/signature
1	Lux soap 2000	10	Dump	1	01–Jan12 11:00 a.m.	XXX	YYY
2	Rin 250g powder 3000	5	Resale	2	01–Jan12 11:00 a.m.	AAA	BBB

Fig. 7.2.1: Sample report

Activity

1. **Objective of the activity:** To write simple reports.
2. **Learning outcome:** Learners will be able to write simple reports.
3. **Nature of the activity:** Individual.
4. **Procedure to conduct the activity:** IBased on process of managing waste discussed earlier and case study provided below to make a simple report.

Case study:

- 30 units of 50g mirchi powder, of which 10 are for dump, 5 are for resale and 15 to be returned to vendor. SKU code 005.
- 50 units of mango juice, of which 3 are for resale, 17 to be returned to vendor and remaining to be dumped. SKU code 037.
- 23 units of SunSilk shampoo, of which 2 have to be returned to vendor, 7 are in a non-saleable condition and remaining to be sent for resale. SKU code 143.
- 2 units of pencil, of which one is for resale and one to be given to the associate to take it home. SKU code 765.
- 8 units of pens, of which 3 are in re-saleable condition, one is not saleable, 1 to be sent to vendor and 3 to be distributed among associates.
- Codes: Dump–1, Resale–2, Return to vendor–3.

Debrief: Summarise the waste management process that has to be followed irrespective of any intervention. Record and document as per process.

Summary

- Scope of information or materials required within the parameters of the job role.
- Reading and interpreting organisational policies and procedures.
- Reading and interpreting workplace documentation.
- Steps to follow routine instructions through clear and direct communication.
- Procedure to follow instructions accurately.
- Asking questions to identify and confirm requirements.
- Workplace documentation and simple reports.

UNIT 7.3: Develop Effective Work Habits

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Identify how to display courteous and helpful behaviour at all times.
2. Identify the value system of the organisation.
3. Summarise the employee rights and obligations.
4. Identify the language and concepts that are appropriate to cultural differences.
5. Identify how to use gestures or simple words to communicate where language barriers exist.
6. List the consequences of poor team participation on job outcomes.

7.3.1 Courteous and helpful behaviour elements

Being courteous and helpful always is the expectation the store has from an associate. The store has different kinds of people working. The customer service aspects expect the associate to display the following behaviours:

- Use polite words in a simple and decent language with team, customers and vendors.
- For example Sorry Sir, Thanks a lot Madam, I apologise Sir, etc.
- Never use abusive or foul language with anyone within or outside the store. This is considered as an offence as it tarnishes the image of the associate and the store.
- Notify supervisor and HR in case any staff uses foul/abusive language.
- Ensure to arrive for duty on time. Being punctual should become a habit!
- In case of emergencies, do not fail to notify supervisor and HR.
- Take breaks as per designated timelines/shifts.

At times body language may be used to convey certain information—use appropriate sign language. For example while helping a customer reverse his car in the store car parking area, try using non-verbal communication or take help from others, if you are facing a language problem.

- Do not use incorrect words/phrases without clarifying—read, listen and improvise.
- Adapt (if new) to the culture and values of the company. Remember that like every family in India has its own culture and values, companies too have it! So if you are new, adapt to their values and nurture them.

Time management

- Manage your time well between family and work—maintain balance.
- Finish tasks within the deadlines provided by supervisor.
- In case of inability to finish task, inform supervisor with fair reasons.
- Keep a strict vigil on safety and security of assets at the store—prevent damages/theft, misuse, improper use of equipment, thus enhancing profits for the store.

Values of an organisation

Values are qualities that define people, organisations and products/services. Value systems vary from person to person, company to company, culture to culture. Most of them are imbibed from childhood or in case of a company, from its beginning. Every individual's value should be respected as long as it does not infringe on others. However an organisation has a set of values that the employees are expected to follow. Deviating or going against those might be considered an integrity issue. In such cases, the HR might have to take disciplinary actions, which could lead to termination also. These values should be understood and followed as one would follow the company processes.

Some value words commonly used by companies:

• Dependable, reliable.
• Loyal, committed.
• Open-minded, honest.
• Consistent, innovative.
• Efficient, creative.

Some sample value statements used by companies today:

• Commitment to innovation and excellence.
• Commitment to sustainability and acting in an environmentally friendly way.

Managing cultural difference

What happens if an individual goes to a new place—a state or country where he/she has never been before? He/she would be facing problems in language, type of food, climate and other cultural aspects. A retail store is filled with staff from different cultures from across the country. To bring all the cultures together, there should be a common platform—this is called the etiquette.

What is etiquette?

• Rules that allows people to interact in a civilised manner among diverse cultures.

Code of conduct that are in common for all cultures to:

• Avoid embarrassment and misunderstanding with others.
• Easy to understand others in social circle and office situations.

Working with a set of people with 'diversified culture' could have the following effects:

• Words could be misinterpreted or misunderstood.
• Non-verbal language and body language could be misinterpreted and misunderstood.
• Behaviours could offend each other.

Cultures in the corporate

Etiquettes or rules can be classified as following to avoid embarrassment in a diverse cultural situation:

• Dress code.
• Handshake.
• Non-verbal communication.
• Dining etiquettes.
• Telephone etiquettes.
• E-mail etiquettes.
• Don'ts—smoking, chewing paan, consumption of alcohol at work.

Employee rights

The company policies and labour laws in the country give rights and powers to every employee/staff. All employees must be aware of their rights. This would help them feel safe and secure at the workplace without their physical and self-esteem being affected in any way.

• Indian labour laws have specific policies on employee rights at workplace (aligned with company policies and procedures). Some of them are:
    o Salary.
    o Travel and other allowance involved.
    o Working hours, extra working hours, leaves and absenteeism policies.
    o Settlement process after resignation/termination.
    o Gender equality and discrimination.
    o Termination policies.
    o Health and safety as per 'Occupations Standards'.
    o Disrespect, sexual harassment policies.
• Know your rights and legalities involved. Take advice from supervisor, HR or any other colleague who knows the process well.
• In case issues remain unresolved by the internal team, know the external official/authority who can help you.
• Ensure you are treated well at the workplace; self-esteem is to be held at workplace.

Team participation

Working as a team is highly important in a retail environment as many people and processes are involved.

• Whom to participate with?
    o Colleagues: peers, supervisors, subordinate.
    o Departments: IT, HK (housekeeping), security, VM, marketing.
    o Functions: HR, audit, store accounting.
    o Vendors.
    o Equipment maintenance team/Original Equipment Manufacturer (OEM).
• For What purpose?
    o Aligns to values and standards of the company.
    o Smooth operations of the store.

- o Mutual benefits—helping each other.
- o Accuracy and speed in the tasks performed.
- o Associate's growth.
- o Work smart, not hard.
- o Enhance store profits.
- How to participate?
  - o Open communication—follow instructions accurately and give clear instructions.
  - o Actively collaborate—work together cohesively, share information, distribute work.
  - o Keep commitments—honour your promises, apologise in case of non-availability.
  - o Mutual concern—care for each other, they are like family.
  - o Long term perspectives; think about the future and growth.
- Consequences of poor team participation
  - o Relationships becoming bad which results in bad reputation for all.
  - o Customers stop coming to the store.
  - o Sales reduce resulting in financial loss.
  - o Bad services leading to bad word-of-mouth, which will spread fast.
  - o Negative image of the store.
  - o Career growth stops for the associate, resulting in less salary and benefits.

Remember: A poor performing team is like a weak link inside a store which can destroy the growth of all involved.

Activity

1. **Objective of the activity:** To be able to identify how an associate can contribute value towards his/her team.
2. **Learning outcome:** Learners will be able to value his participation as a team player.
3. **Nature of the activity:** Group.
4. **Procedure to conduct the activity:** Form a group of 2- 3 members
   - Read the case study given below. After a discussion for 10 minutes within the team members, explain how they would contribute as a team member in such a situation and ask them to explain how they would contribute as a team member in such a situation.

Case study:

- An oil packet has been damaged and spilled in Aisle 5, Bay 6, which is part of food department handled by the associate Rajiv.
- Associate Shailesh is in Aisle 6, which is a non-food department. He is also aware of the spill.
- Associate Akash is in Aisle 4, also handling food department. He is not aware of the spill.
- Aisles 4 and 6 are free at 1:30PM without any customers and associates Shailesh and Akash are free too.
- Aisle 5 has two customers looking for products.

Ideal response of the task list:

• Leave Shailesh near the spill as barrier, so no one slips and falls. Rajiv has to go and fetch the housekeeping team with all necessary materials for cleaning the spill including signage.

• Explain to Akash about the spill and request him to attend to the 2 customers in Aisle 5.

• After cleaning, Shailesh thanks housekeeping team, thanks Akash and Rajiv and go to their respective aisles.

Debrief: The efficiency of participating as a team understanding each one's problems and supporting each other results in effective team performance.

Summary

• Displaying courteous and helpful behaviour at all times.
• Value system of the organisation.
• Employee rights and obligations.
• Language and concepts appropriate to cultural differences.
• Using gestures or simple words to communicate where language barriers exist.
• Consequences of poor team participation on job outcomes.

UNIT 7.4: Team Work

Unit Objectives ⊙

By the end of this unit, the participants will be able to:

1. Define team work.
2. State the importance of team work.
3. State the meaning of a team player.
4. Understand the value of trust in a team.

7.4.1 Questionnaire—self-assessment

• Answer either yes or no to the questions.

_____, I seek/do not seek information and help from co-workers to achieve work task.

_____, I take/do not take direction from team leader and/or supervisor.

_____, I am/I am not sensitive to the needs of others.

_____, I am/I am not courteous to co-workers.

_____, I/I do not help others when asked.

_____, I am/I am not willing to share leadership tasks.

Debrief: As we saw in this activity, there were six questions to be answered in yes or no. Those of us who have got the maximum 'yes' are good team players. But that does not mean that the rest cannot form a team. It means that we have to learn the skills required to be a good team player. These skills are vital not only for your personal growth but also for the growth of the company. No company can aspire to grow if its employees do not co-ordinate and work together as a team.

7.4.2 Purpose of team

Teams are formed so that a unit of cohesive individuals works together in harmony to achieve common goals.

Responsibility for contributing to success: From the above example of cricket team, where the team is divided into batsmen, bowlers and so on, we understand that each one has a role to play in the team and every role comes with a certain responsibilities. The team can win the game only when each member can contribute to the fullest of his/her potential.

Being a reliable team member: We know very well from the performances of legendary Sachin Tendulkar, that he was indispensable for Indian cricket team.

Few key reasons being:

• Conviction.
• Team work.
• Discipline.
• Knowledge

- Skills
- Passion

Teamwork has become an important part of the work culture and many businesses now look at teamwork skills when evaluating a person for employment. Most companies realise that teamwork is important because either the product is sufficiently complex that it requires a team with multiple skills to produce, and/or a better product will result when a team approach is taken. Therefore, it is important to learn to function in a team environment so that teamwork skills are fostered when an employee enters the workforce.

Summary

- Team work.
- Importance of team work.
- Meaning of a team player.
- Value of trust in a team.

Summary

- Working effectively in a retail team.
- Importance of information, instructions and documentation in retail workplace.
- Effective work habits.
- Required etiquette of the workplace.
- Positive attitude at the workplace.
- Communicating effectively at the workplace.
- Active listening skills.
- Positive body language while communicating with others.
- Interpersonal skills at personal and professional front.

Notes

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8. Employability & Entrepreneurship Skills

Key Learning Outcomes 💡

By the end of this module, the participants will be able to:

1. Explain the meaning of health
2. List common health issues
3. Discuss tips to prevent common health issues
4. Explain the meaning of hygiene
5. Discuss the purpose of Swacch Bharat Abhiyan
6. Explain the meaning of habit
7. Discuss ways to set up a safe work environment
8. Discuss critical safety habits to be followed by employees
9. Explain the importance of self-analysis
10. Discuss motivation with the help of Maslow's Hierarchy of Needs
11. Discuss the meaning of achievement motivation
12. List the characteristics of entrepreneurs with achievement motivation
13. List the different factors that motivate you
14. Discuss the role of attitude in self-analysis
15. Discuss how to maintain a positive attitude
16. List your strengths and weaknesses
17. Discuss the qualities of honest people
18. Describe the importance of honesty in entrepreneurs
19. Discuss the elements of a strong work ethic
20. Discuss how to foster a good work ethic
21. List the characteristics of highly creative people
22. List the characteristics of highly innovative people
23. Discuss the benefits of time management
24. List the traits of effective time managers
25. Describe effective time management technique
26. Discuss the importance of anger management
27. Describe anger management strategies
28. Discuss tips for anger management
29. Discuss the causes of stress
30. Discuss the symptoms of stress
31. Discuss tips for stress management
32. Identify the basic parts of a computer
33. Identify the basic parts of a keyboard
34. Recall basic computer terminology
35. Recall the functions of basic computer keys
36. Discuss the main applications of MS Office
37. Discuss the benefits of Microsoft Outlook
38. Discuss the different types of e-commerce
39. List the benefits of e-commerce for retailers and customers
40. Discuss how the Digital India campaign will help boost e-commerce in India
41. Describe how you will sell a product or service on an e-commerce platform

42. Discuss the importance of saving money
43. Discuss the benefits of saving money
44. Discuss the main types of bank accounts
45. Describe the process of opening a bank account
46. Differentiate between fixed and variable costs
47. Describe the main types of investment options
48. Describe the different types of insurance products
49. Describe the different types of taxes
50. Discuss the uses of online banking
51. Discuss the main types of electronic funds transfers
52. Discuss the steps to prepare for an interview
53. Discuss the steps to create an effective Resume
54. Discuss the most frequently asked interview questions
55. Discuss how to answer the most frequently asked interview questions
56. Discuss basic workplace terminology
57. Discuss the concept of entrepreneurship
58. Discuss the importance of entrepreneurship
59. Describe the characteristics of an entrepreneur
60. Describe the different types of enterprises
61. List the qualities of an effective leader
62. Discuss the benefits of effective leadership
63. List the traits of an effective team
64. Discuss the importance of listening effectively
65. Discuss how to listen effectively
66. Discuss the importance of speaking effectively
67. Discuss how to speak effectively
68. Discuss how to solve problems
69. List important problem solving traits
70. Discuss ways to assess problem solving skills
71. Discuss the importance of negotiation
72. Discuss how to negotiate
73. Discuss how to identify new business opportunities
74. Discuss how to identify business opportunities within your business
75. Explain the meaning of entrepreneur
76. Describe the different types of entrepreneurs
77. List the characteristics of entrepreneurs
78. Recall entrepreneur success stories
79. Discuss the entrepreneurial process
80. Describe the entrepreneurship ecosystem
81. Discuss the purpose of the Make in India campaign
82. Discuss key schemes to promote entrepreneurs
83. Discuss the relationship between entrepreneurship and risk appetite
84. Discuss the relationship between entrepreneurship and resilience

85. Describe the characteristics of a resilient entrepreneur
86. Discuss how to deal with failure
87. Discuss how market research is carried out
88. Describe the 4 Ps of marketing
89. Discuss the importance of idea generation
90. Recall basic business terminology
91. Discuss the need for CRM
92. Discuss the benefits of CRM
93. Discuss the need for networking
94. Discuss the benefits of networking
95. Discuss the importance of setting goals
96. Differentiate between short-term, medium-term and long-term goals
97. Discuss how to write a business plan
98. Explain the financial planning process
99. Discuss ways to manage your risk
100. Describe the procedure and formalities for applying for bank finance
101. Discuss how to manage your own enterprise
102. List important questions that every entrepreneur should ask before starting an enterprise

UNIT 8.1: Personal Strengths & Value Systems

Unit Objectives 🎯

By the end of this unit, the participants will be able to:

1. Explain the meaning of health
2. List common health issues
3. Discuss tips to prevent common health issues
4. Explain the meaning of hygiene
5. Understand the purpose of Swacch Bharat Abhiyan
6. Explain the meaning of habit
7. Discuss ways to set up a safe work environment
8. Discuss critical safety habits to be followed by employees
9. Explain the importance of self-analysis
10. Understand motivation with the help of Maslow's Hierarchy of Needs
11. Discuss the meaning of achievement motivation
12. List the characteristics of entrepreneurs with achievement motivation
13. List the different factors that motivate you
14. Discuss how to maintain a positive attitude
15. Discuss the role of attitude in self-analysis
16. List your strengths and weaknesses
17. Discuss the qualities of honest people
18. Describe the importance of honesty in entrepreneurs
19. Discuss the elements of a strong work ethic
20. Discuss how to foster a good work ethic
21. List the characteristics of highly creative people
22. List the characteristics of highly innovative people
23. Discuss the benefits of time management
24. List the traits of effective time managers
25. Describe effective time management technique
26. Discuss the importance of anger management
27. Describe anger management strategies
28. Discuss tips for anger management
29. Discuss the causes of stress
30. Discuss the symptoms of stress
31. Discuss tips for stress management

8.1.1 Health, Habits, Hygiene: What is Health

As per the World Health Organization (WHO), health is a "State of complete physical, mental, and social well-being, and not merely the absence of disease or infirmity." This means being healthy does not simply mean not being unhealthy – it also means you need to be at peace emotionally, and feel fit physically. For example, you cannot say you are healthy simply because you do not have any physical ailments like a cold or cough. You also need to think about whether you are feeling calm, relaxed and happy.

Common Health Issues

Some common health issues are:

- Allergies
- Asthma
- Skin Disorders
- Depression and Anxiety
- Diabetes
- Cough, Cold, Sore Throat
- Difficulty Sleeping
- Obesity

8.1.1.1 Tips to Prevent Health Issues

Taking measures to prevent ill health is always better than curing a disease or sickness. You can stay healthy by:

- Eating healthy foods like fruits, vegetables and nuts
- Cutting back on unhealthy and sugary foods
- Drinking enough water everyday
- Not smoking or drinking alcohol
- Exercising for at least 30 minutes a day, 4-5 times a week
- Taking vaccinations when required
- Practicing yoga exercises and meditation

How many of these health standards do you follow? Tick the ones that apply to you.

1. Get minimum 7-8 hours of sleep every night. ☐
2. Avoid checking email first thing in the morning and right before you go to bed at night. ☐
3. Don't skip meals – eat regular meals at correct meal times. ☐
4. Read a little bit every single day. ☐
5. Eat more home cooked food than junk food ☐
6. Stand more than you sit. ☐
7. Drink a glass of water first thing in the morning and have at least 8 glasses of water through the day. ☐
8. Go to the doctor and dentist for regular checkups. ☐
9. Exercise for 30 minutes at least 5 days a week. ☐
10. Avoid consuming lots of aerated beverages. ☐

8.1.1.2 What is Hygiene?

As per the World Health Organization (WHO), "Hygiene refers to conditions and practices that help to maintain health and prevent the spread of diseases." In other words, hygiene means ensuring that you do whatever is required to keep your surroundings clean, so that you reduce the chances of spreading germs and diseases.

For instance, think about the kitchen in your home. Good hygiene means ensuring that the kitchen is always spick and span, the food is put away, dishes are washed and dustbins are not overflowing with garbage. Doing all this will reduce the chances of attracting pests like rats or cockroaches, and prevent the growth of fungus and other bacteria, which could spread disease.

How many of these health standards do you follow? Tick the ones that apply to you.

1. Have a bath or shower every day with soap – and wash your hair with shampoo 2-3 times a week.
2. Wear a fresh pair of clean undergarments every day.
3. Brush your teeth in the morning and before going to bed.
4. Cut your fingernails and toenails regularly.
5. Wash your hands with soap after going to the toilet.
6. Use an anti-perspirant deodorant on your underarms if you sweat a lot.
7. Wash your hands with soap before cooking or eating.
8. Stay home when you are sick, so other people don't catch what you have.
9. Wash dirty clothes with laundry soap before wearing them again.
10. Cover your nose with a tissue/your hand when coughing or sneezing.

See how healthy and hygienic you are, by giving yourself 1 point for every ticked statement! Then take a look at what your score means.

Your Score

- **0-7/20:** You need to work a lot harder to stay fit and fine! Make it a point to practice good habits daily and see how much better you feel!
- **7-14/20:** Not bad, but there is scope for improvement! Try and add a few more good habits to your daily routine.
- **14-20/20:** Great job! Keep up the good work! Your body and mind thank you!

8.1.1.3 Swachh Bharat Abhiyan

We have already discussed the importance of following good hygiene and health practices for ourselves. But, it is not enough for us to be healthy and hygienic. We must also extend this standard to our homes, our immediate surroundings and to our country as a whole.

The 'Swachh Bharat Abhiyan' (Clean India Mission) launched by Prime Minister Shri Narendra Modi on 2nd October 2014, believes in doing exactly this. The aim of this mission is to clean the streets and roads of India and raise the overall level of cleanliness. Currently this mission covers 4,041 cities and towns across the country. Millions of our people have taken the pledge for a clean India. You should take the pledge too, and do everything possible to keep our country clean!

8.1.1.4 What are Habits?

A habit is a behaviour that is repeated frequently. All of us have good habits and bad habits. Keep in mind the phrase by John Dryden: "We first make our habits, and then our habits make us." This is why it is so important that you make good habits a way of life, and consciously avoid practicing bad habits.

Some good habits that you should make part of your daily routine are:

• Always having a positive attitude

• Making exercise a part of your daily routine

• Reading motivational and inspirational stories

• Smiling! Make it a habit to smile as often as possible

• Making time for family and friends

• Going to bed early and waking up early

Some bad habits that you should quit immediately are:

• Skipping breakfast

• Snacking frequently even when you are not hungry

• Eating too much fattening and sugary food

• Smoking, drinking alcohol and doing drugs

• Spending more money than you can afford

• Worrying about unimportant issues

• Staying up late and waking up late

8.1.1.5 Tips

1. Following healthy and hygienic practices every day will make you feel good mentally and physically.
2. Hygiene is two-thirds of health – so good hygiene will help you stay strong and healthy!

8.1.1.4 What are Habits?

Every employer is obligated to ensure that his workplace follows the highest possible safety protocol. When setting up a business, owners must make it a point to:

• Use ergonomically designed furniture and equipment to avoid stooping and twisting

• Provide mechanical aids to avoid lifting or carrying heavy objects

• Have protective equipment on hand for hazardous jobs

• Designate emergency exits and ensure they are easily accessible

• Set down health codes and ensure they are implemented

• Follow the practice of regular safety inspections in and around the workplace

• Ensure regular building inspections are conducted

• Get expert advice on workplace safety and follow it

8.1.2.1 Negotiable Employee Safety Habits

Every employer is obligated to ensure that his workplace follows the highest possible safety protocol. When setting up a business, owners must make it a point to:

- Immediately report unsafe conditions to a supervisor
- Recognize and report safety hazards that could lead to slips, trips and falls
- Report all injuries and accidents to a supervisor
- Wear the correct protective equipment when required
- Learn how to correctly use equipment provided for safety purposes
- Be aware of and avoid actions that could endanger other people
- Take rest breaks during the day and some time off from work during the week

8.1.2.2 Tips

1. Be aware of what emergency number to call at the time of a workplace emergency
2. Practice evacuation drills regularly to avoid chaotic evacuations

8.1.3 Self Analysis – Attitude, Achievement Motivation

To truly achieve your full potential, you need to take a deep look inside yourself and find out what kind of person you really are. This attempt to understand your personality is known as self-analysis. Assessing yourself in this manner will help you grow, and will also help you to identify areas within yourself that need to be further developed, changed or eliminated. You can better understand yourself by taking a deep look at what motivates you, what your attitude is like, and what your strengths and weaknesses are.

8.1.3 Self Analysis – Attitude, Achievement Motivation

Very simply put, motivation is your reason for acting or behaving in a certain manner. It is important to understand that not everyone is motivated by the same desires – people are motivated by many, many different things. We can understand this better by looking at Maslow's Hierarchy of Needs.

8.1.3.2 Maslow's Hierarchy of Needs

Famous American psychologist Abraham Maslow wanted to understand what motivates people. He believed that people have five types of needs, ranging from very basic needs (called physiological needs) to more important needs that are required for self-growth (called self- actualization needs). Between the physiological and self-actualization needs are three other needs – safety needs, belongingness and love needs, and esteem needs. These needs are usually shown as a pyramid with five levels and are known as Maslow's Hierarchy of Needs.
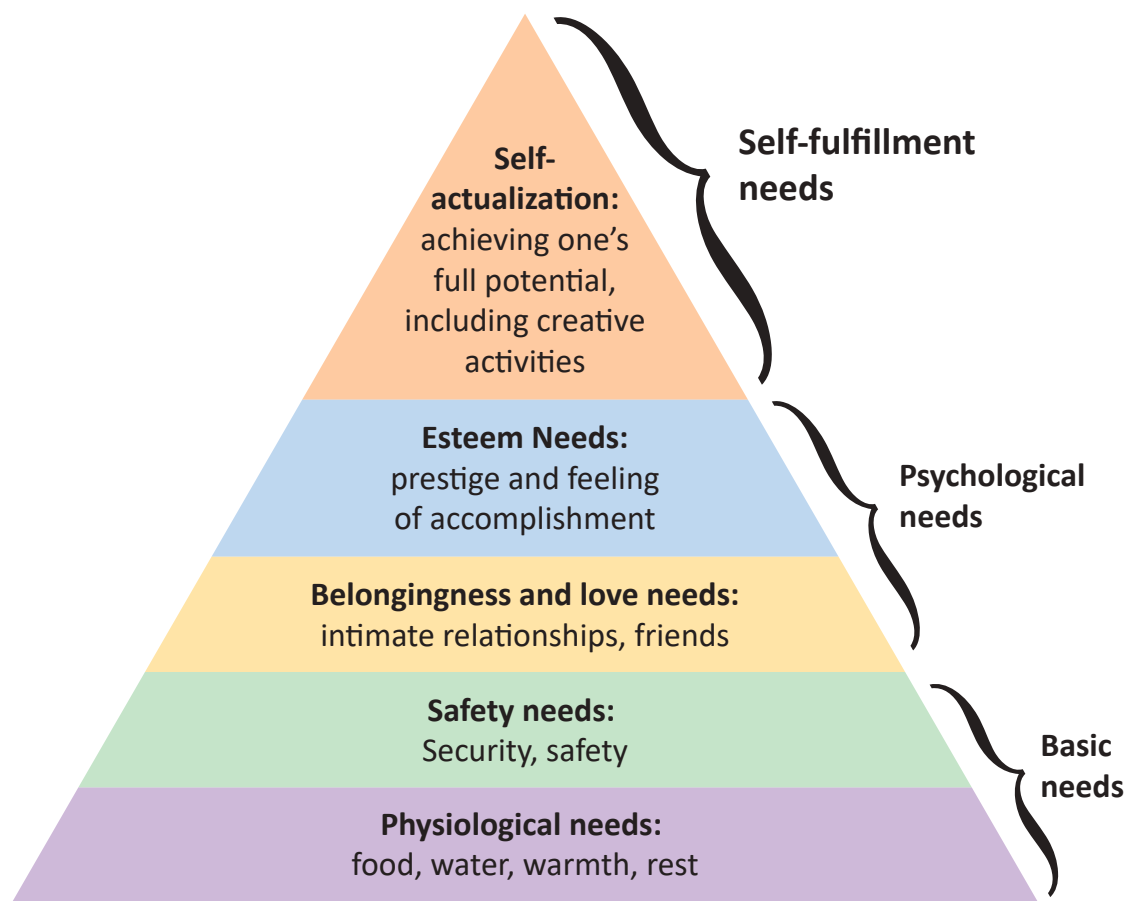
Self-fulfillment needs

Self-actualization: achieving one's full potential, including creative activities

Psychological needs

Esteem Needs: prestige and feeling of accomplishment

Belongingness and love needs: intimate relationships, friends

Basic needs

Safety needs: Security, safety

Physiological needs: food, water, warmth, rest

Fig. 8.1.3.2.1: Mashlow's Hierarchy of Needs

As you can see from the pyramid, the lowest level depicts the most basic needs. Maslow believed that our behaviour is motivated by our basic needs, until those needs are met. Once they are fulfilled, we move to the next level and are motived by the next level of needs. Let's understand this better with an example.

Rupa comes from a very poor family. She never has enough food, water, warmth or rest. According to Maslow, until Rupa is sure that she will get these basic needs, she will not even think about the next level of needs – her safety needs. But, once Rupa is confident that her basic needs will be met, she will move to the next level, and her behaviour will then be motivated by her need for security and safety. Once these new needs are met, Rupa will once again move to the next level, and be motivated by her need for relationships and friends. Once this need is satisfied, Rupa will then focus on the fourth level of needs – her esteem needs, after which she will move up to the fifth and last level of needs – the desire to achieve her full potential.

8.1.3.3 Understanding Achievement Motivation

We now know that people are motivated by basic, psychological and self-fulfillment needs. However, certain people are also motivated by the achievement of highly challenging accomplishments. This is known as Achievement Motivation, or 'need for achievement'.

The level of motivation achievement in a person differs from individual to individual. It is important that entrepreneurs have a high level of achievement motivation – a deep desire to accomplish something important and unique. It is equally important that they hire people who are also highly motivated by challenges and success.

What Motivates You?

What are the things that really motivate you? List down five things that really motivate you. Remember to answer honestly!

I am motivated by:

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Characteristics of Entrepreneurs with Achievement Motivation

- Entrepreneurs with achievement motivation can be described as follows:
- Unafraid to take risks for personal accomplishment
- Love being challenged Future-oriented Flexible and adaptive
- Value negative feedback more than positive feedback
- Very persistent when it comes to achieving goals
- Extremely courageous
- Highly creative and innovative
- Restless - constantly looking to achieve more
- Feel personally responsible for solving problems

Think about it:

- How many of these traits do you have?
- Can you think of entrepreneurs who display these traits?

8.1.3.4 How to Cultivate a Positive Attitude

The good news is attitude is a choice. So it is possible to improve, control and change our attitude, if we decide we want to! The following tips help foster a positive mindset:

- Remember that you control your attitude, not the other way around
- Devote at least 15 minutes a day towards reading, watching or listening to something positive
- Avoid negative people who only complain and stop complaining yourself
- Expand your vocabulary with positive words and delete negative phrases from your mind
- Be appreciative and focus on what's good in yourself, in your life, and in others
- Stop thinking of yourself as a victim and start being proactive
- Imagine yourself succeeding and achieving your goals

8.1.3.5 What is Attitude?

Now that we understand why motivation is so important for self-analysis, let's look at the role our attitude plays in better understanding ourselves. Attitude can be described as your tendency (positive or negative), to think and feel about someone or something. Attitude is the foundation for success in every aspect of life. Our attitude can be our best friend or our worst enemy. In other words:

"The only disability in life is a bad attitude."

When you start a business, you are sure to encounter a wide variety of emotions, from difficult times and failures to good times and successes. Your attitude is what will see you through the tough times and guide you towards success. Attitude is also infectious. It affects everyone around you, from your customers to your employees to your investors. A positive attitude helps build confidence in the workplace while a negative attitude is likely to result in the demotivation of your people.

8.1.3.6 What Are Your Strengths and Weaknesses

Another way to analyze yourself is by honestly identifying your strengths and weaknesses. This will help you use your strengths to your best advantage and reduce your weaknesses.

Note down all your strengths and weaknesses in the two columns below. Remember to be honest with yourself!

Strengths	Weaknesses

8.1.3.7 Tips

1. Achievement motivation can be learned.
2. Don't be afraid to make mistakes.
3. Train yourself to finish what you start.
4. Dream big.

8.1.4 Honesty & Work Ethics: What is Honesty?

Honesty is the quality of being fair and truthful. It means speaking and acting in a manner that inspires trust. A person who is described as honest is seen as truthful and sincere, and as someone who isn't deceitful or devious and doesn't steal or cheat. There are two dimensions of honesty – one is honesty in communication and the other is honesty in conduct.

Honesty is an extremely important trait because it results in peace of mind and builds relationships that are based on trust. Being dishonest, on the other hand, results in anxiety and leads to relationships full of distrust and conflict.

8.1.4 Honesty & Work Ethics: What is Honesty?

Honest individuals have certain distinct characteristics. Some common qualities among honest people are:

• They don't worry about what others think of them. They believe in being themselves – they don't bother about whether they are liked or disliked for their personalities.

• They stand up for their beliefs. They won't think twice about giving their honest opinion, even if they are aware that their point of view lies with the minority.

• They are think skinned. This means they are not affected by others judging them harshly for their honest opinions.

• They forge trusting, meaningful and healthy friendships. Honest people usually surround themselves with honest friends. They have faith that their friends will be truthful and upfront with them at all times.

They are trusted by their peers. They are seen as people who can be counted on for truthful and objective feedback and advice.

- **Honesty and employees:** When entrepreneurs build honest relationships with their employees, it leads to more transparency in the workplace, which results in higher work performance and better results.

- **Honesty and investors:** For entrepreneurs, being honest with investors means not only sharing strengths but also candidly disclosing current and potential weaknesses, problem areas and solution strategies. Keep in mind that investors have a lot of experience with startups and are aware that all new companies have problems. Claiming that everything is perfectly fine and running smoothly is a red flag for most investors.

- **Honesty with oneself:** The consequences of being dishonest with oneself can lead to dire results, especially in the case of entrepreneurs. For entrepreneurs to succeed, it is critical that they remain realistic about their situation at all times, and accurately judge every aspect of their enterprise for what it truly is.

8.1.4.2 Importance of Honesty in Entrepreneurs

One of the most important characteristics of entrepreneurs is honesty. When entrepreneurs are honest with their customers, employees and investors, it shows that they respect those that they work with. It is also important that entrepreneurs remain honest with themselves. Let's look at how being honest would lead to great benefits for entrepreneurs.

- **Honesty and customers:** When entrepreneurs are honest with their customers it leads to stronger relationships, which in turn results in business growth and a stronger customer network.

8.1.4.3 What are Work Ethics?

Being ethical in the workplace means displaying values like honesty, integrity and respect in all your decisions and communications. It means not displaying negative qualities like lying, cheating and stealing.

Workplace ethics play a big role in the profitability of a company. It is as crucial to an enterprise as high morale and teamwork. This is why most companies lay down specific workplace ethic guidelines that must compulsorily be followed by their employees. These guidelines are typically outlined in a company's employee handbook.

8.1.4.4 Elements of a Strong Work Ethic

An entrepreneur must display strong work ethics, as well as hire only those individuals who believe in and display the same level of ethical behavior in the workplace. Some elements of a strong work ethic are:

- **Professionalism:** This involves everything from how you present yourself in a corporate setting to the manner in which you treat others in the workplace.

- **Respectfulness:** This means remaining poised and diplomatic regardless of how stressful or volatile a situation is.

- **Dependability:** This means always keeping your word, whether it's arriving on time for a meeting or delivering work on time.

- **Dedication:** This means refusing to quit until the designated work is done, and completing the work at the highest possible level of excellence.
- **Determination:** This means embracing obstacles as challenges rather than letting them stop you, and pushing ahead with purpose and resilience to get the desired results.
- **Accountability:** This means taking responsibility for your actions and the consequences of your actions, and not making excuses for your mistakes.
- **Humility:** This means acknowledging everyone's efforts and had work, and sharing the credit for accomplishments.

8.1.4.5 How to Foster a Good Work Ethic

As an entrepreneur, it is important that you clearly define the kind of behaviour that you expect from each and every team member in the workplace. You should make it clear that you expect employees to display positive work ethics like:

- **Honesty:** All work assigned to a person should be done with complete honesty, without any deceit or lies.
- Good attitude: All team members should be optimistic, energetic, and positive.
- **Reliability:** Employees should show up where they are supposed to be, when they are supposed to be there.
- **Good work habits:** Employees should always be well groomed, never use inappropriate language, conduct themselves professionally at all times, etc.
- **Initiative:** Doing the bare minimum is not enough. Every team member needs to be proactive and show initiative.
- **Trustworthiness:** Trust is non-negotiable. If an employee cannot be trusted, it's time to let that employee go.
- **Respect:** Employees need to respect the company, the law, their work, their colleagues and themselves.
- **Integrity:** Each and every team member should be completely ethical and must display above board behaviour at all times.
- **Efficiency:** Efficient employees help a company grow while inefficient employees result in a waste of time and resources.

8.1.4.6 Tips

1. Don't get angry when someone tells you the truth and you don't like what you hear.
2. Always be willing to accept responsibility for your mistakes.

8.1.5 Creativity & Innovation

What is Creativity

Creativity means thinking outside the box. It means viewing things in new ways or from different perspectives, and then converting these ideas into reality. Creativity involves two parts: thinking and producing. Simply having an idea makes you imaginative, not creative. However, having an idea and acting on it makes you creative.

Characteristics of Highly Creative People

Some characteristics of creative people are:

- They are imaginative and playful
- They see issues from different angles
- They notice small details
- They have very little tolerance for boredom
- They detest rules and routine
- They love to daydream
- They are very curious

What is Innovation?

There are many different definitions of innovation. In simple terms, innovation means turning an idea into a solution that adds value. It can also mean adding value by implementing a new product, service or process, or significantly improving on an existing product, service or process.

Characteristics of Highly Innovative People

- Some characteristics of highly innovative people are:
- They embrace doing things differently
- They don't believe in taking shortcuts
- They are not afraid to be unconventional
- They are highly proactive and persistent
- They are organized, cautious and risk-averse

8.1.5.1 Tips

1. Take regular breaks from your creative work to recharge yourself and gain fresh perspective.
2. Build prototypes frequently, test them out, get feedback, and make the required changes.

8.1.6 Time Management

Management is the process organizing your time, and deciding how to allocate your time between different activities. Good time management is the difference between working smart (getting more done in less time) and working hard (working for more time to get more done).

Effective time management leads to an efficient work output, even when you are faced with tight deadlines and high pressure situations. On the other hand, not managing your time effectively results in inefficient output and increases stress and anxiety.

Benefits of Time Management

Time management can lead to huge benefits like:

- Greater productivity
- Higher efficiency
- Better professional reputation
- Reduced stress

- Higher chances for career advancement
- Greater opportunities to achieve goals

Not managing time effectively can result in undesirable consequences like:

- Missing deadlines
- Inefficient work output
- Substandard work quality
- Poor professional reputation
- Stalled career
- Increase in stress and anxiety

8.1.6.1 Traits of Effective Time Managers

Some traits of effective time managers are:

- They begin projects early They set daily objectives
- They modify plans if required, to achieve better results
- They are flexible and open-minded
- They inform people in advance if their help will be required
- They know how to say no
- They break tasks into steps with specific deadlines
- They continually review long term goals
- They think of alternate solutions if and when required
- They ask for help when required They create backup plans

8.1.6.2 Effective Time Management Techniques

You can manage your time better by putting into practice certain time management techniques. Some helpful tips are:

- **Plan out your day as well as plan for interruptions.** Give yourself at least 30 minutes to figure out your time plan. In your plan, schedule some time for interruptions.
- **Put up a "Do Not Disturb" sign** when you absolutely have to complete a certain amount of work.
- **Close your mind to all distractions.** Train yourself to ignore ringing phones, don't reply to chat messages and disconnect from social media sites.
- **Delegate your work.** This will not only help your work get done faster, but will also show you the unique skills and abilities of those around you.
- **Stop procrastinating.** Remind yourself that procrastination typically arises due to the fear of failure or the belief that you cannot do things as perfectly as you wish to do them.
- **Prioritize.** List each task to be completed in order of its urgency or importance level. Then focus on completing each task, one by one.
- **Maintain a log of your work activities.** Analyze the log to help you understand how efficient you are, and how much time is wasted every day.
- **Create time management goals** to reduce time wastage.

8.1.6.3 Tips

1. Always complete the most important tasks first.
2. Get at least 7 – 8 hours of sleep every day.
3. Start your day early.
4. Don't waste too much time on small, unimportant details.
5. Set a time limit for every task that you will undertake.
6. Give yourself some time to unwind between tasks.

8.1.7 Anger Management

Anger management is the process of:

1. Learning to recognize the signs that you, or someone else, is becoming angry.
2. Taking the best course of action to calm down the situation in a positive way Anger management does not mean suppressing anger.

Importance of Anger Management

Anger is a perfectly normal human emotion. In fact, when managed the right way, anger can be considered a healthy emotion. However, if it is not kept in check, anger can make us act inappropriately and can lead to us saying or doing things that we will likely later regret.

Extreme anger can:

• **Hurt you physically:** It leads to heart disease, diabetes, a weakened immune system, insomnia, and high blood pressure.
• **Hurt you mentally:** It can cloud your thinking and lead to stress, depression and mental health issues.
• **Hurt your career:** It can result in alienating your colleagues, bosses, clients and lead to the loss of respect.
• **Hurt your relationships:** It makes it hard for your family and friends to trust you, be honest with you and feel comfortable around you.

This is why anger management, or managing anger appropriately, is so important.

8.1.7.1 Anger Management Strategies

Here are some strategies that can help you control your anger:

Strategy 1: Relaxation: Something as simple as breathing deeply and looking at relaxing images works wonders in calming down angry feelings. Try this simple breathing exercise:

• Take a deep breath from your diaphragm (don't breathe from your chest)
• Visualize your breath coming up from your stomach
• Keep repeating a calming word like 'relax' or 'take it easy' (remember to keep breathing deeply while repeating the word)
• Picture a relaxing moment (this can be from your memory or your imagination)

Follow this relaxation technique daily, especially when you realize that you're starting to feel angry.

Strategy 2: Cognitive Restructuring: Cognitive restructuring means changing the manner in which you think. Anger can make you curse, swear, exaggerate and act very dramatically. When this happens, force yourself to replace your angry thoughts with more logical ones. For instance, instead of thinking 'Everything is ruined' change your mindset and tell yourself 'It's not the end of the world and getting angry won't solve this'.

Strategy 3: Problem Solving: Getting angry about a problem that you cannot control is a perfectly natural response. Sometimes, try as you may, there may not be a solution to the difficulty you are faced with. In such cases, stop focusing on solving the problem, and instead focus on handling and facing the problem. Remind yourself that you will do your best to deal with the situation, but that you will not blame yourself if you don't get the solution you desire.

Strategy 4: Better Communication: When you're angry, it is very easy to jump to inaccurate conclusions. In this case, you need to force yourself to stop reacting, and think carefully about what you want to say, before saying it. Avoid saying the first thing that enters your head. Force yourself to listen carefully to what the other person is saying. Then think about the conversation before responding.

Strategy 5: Changing Your Environment: If you find that your environment is the cause of your anger, try and give yourself a break from your surroundings. Make an active decision to schedule some personal time for yourself, especially on days that are very hectic and stressful. Having even a brief amount of quiet or alone time is sure to help calm you down.

8.1.7.2 Tips for Anger Management

- The following tips will help you keep your anger in check:
- Take some time to collect your thoughts before you speak out in anger.
- Express the reason for your anger in an assertive, but non-confrontational manner once you have calmed down.
- Do some form of physical exercise like running or walking briskly when you feel yourself getting angry.
- Make short breaks part of your daily routine, especially during days that are stressful. Focus on how to solve a problem that's making you angry, rather than focusing on the fact that the problem is making you angry.

8.1.8 Stress Management

We say we are 'stressed' when we feel overloaded and unsure of our ability to deal with the pressures placed on us. Anything that challenges or threatens our well-being can be defined as a stress. It is important to note that stress can be good and bad. While good stress keeps us going, negative stress undermines our mental and physical health. This is why it is so important to manage negative stress effectively.

Causes of Stress

Stress can be caused by internal and external factors.

Internal causes of stress:

- Constant worry
- Rigid thinking
- Unrealistic expectations
- Pessimism
- Negative self-talk
- All in or all out attitude

External causes of stress:

- Major life changes
- Difficulties with relationships
- Having too much to do
- Difficulties at work or in school
- Financial difficulties
- Worrying about one's children and/or family

8.1.8.1 Symptoms of Stress

Stress can manifest itself in numerous ways. Take a look at the cognitive, emotional, physical and behavioral symptoms of stress.

Cognitive Symptoms	Emotional Symptoms
• Memory problems • Concentration issues • Lack of judgement • Pessimism • Anxiety • Constant worrying	• Depression • Agitation • Irritability • Loneliness • Anxiety • Anger

Physical Symptoms	Behavioral Symptoms
• Aches and pain • Diarrhea or constipation • Nausea • Dizziness • Chest pain and/or rapid heartbeat • Frequent cold or flu like feelings	• Increase or decrease in appetite • Over sleeping or not sleeping enough • Withdrawing socially • Ignoring responsibilities • Consumption of alcohol or cigarettes • Nervous habits like nail biting, pacing etc.

8.1.8.2 Tips for Stress Management

The following tips can help you manage your stress better:

- Note down the different ways in which you can handle the various sources of your stress.
- Remember that you cannot control everything, but you can control how you respond.
- Discuss your feelings, opinions and beliefs rather than reacting angrily, defensively or passively.
- Practice relaxation techniques like meditation, yoga or tai chi when you start feeling stressed.
- Devote a part of your day towards exercise.
- Eat healthy foods like fruits and vegetables. Avoid unhealthy foods especially those containing large amounts of sugar.
- Plan your day so that you can manage your time better, with less stress.
- Say no to people and things when required.
- Schedule time to pursue your hobbies and interests.
- Ensure you get at least 7-8 hours of sleep.
- Reduce your caffeine intake.
- Increase the time spent with family and friends.

UNIT 8.2: Digital Literacy: A Recap

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Identify the basic parts of a computer
2. Identify the basic parts of a keyboard
3. Recall basic computer terminology
4. Recall basic computer terminology
5. Recall the functions of basic computer keys
6. Discuss the main applications of MS Office
7. Discuss the benefits of Microsoft Outlook
8. Discuss the different types of e-commerce
9. List the benefits of e-commerce for retailers and customers
10. Discuss how the Digital India campaign will help boost e-commerce in India
11. Describe how you will sell a product or service on an e-commerce platform
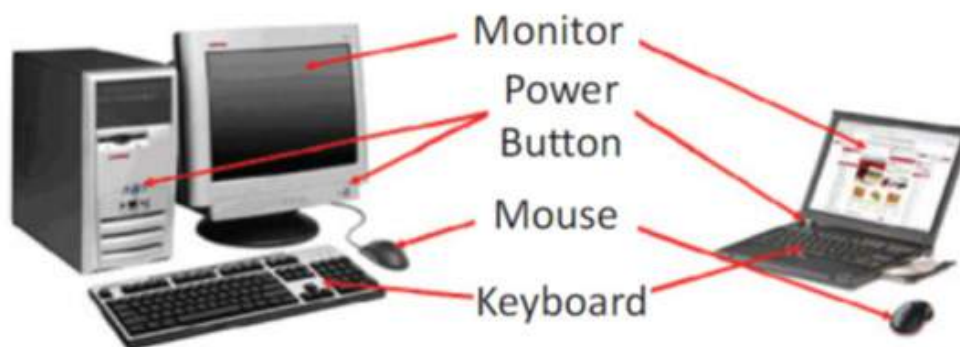
8.1.7 Anger Management

Fig. 8.2.1.1: Computer and Internet Basics

8.2.1.1 Basic Parts of a Computer

1. **Central Processing Unit (CPU):** The brain of the computer. It interprets and carries out program instructions.
2. **Hard Drive:** A device that stores large amounts of data.
3. **Monitor:** The device that contains the computer screen where the information is visually displayed.
4. **Desktop:** The first screen displayed after the operating system loads.
5. **Background:** The image that fills the background of the desktop.
6. **Mouse:** A hand-held device used to point to items on the monitor.
7. **Speakers:** Devices that enable you to hear sound from the computer.
8. **Printer:** A device that converts output from a computer into printed paper documents.
9. **Icon:** A small picture or image that visually represents something on your computer.
10. **Cursor:** An arrow which indicates where you are positioned on the screen.
11. **Program Menu:** A list of programs on your computer that can be accessed from the Start menu.
12. **Taskbar:** The horizontal bar at the bottom of the computer screen that lists applications that are currently in use.
13. **Recycle Bin:** A temporary storage for deleted files.

8.2.1.2 Basic Internet Terms

*   **The Internet:** Avast, international collection of computer networks that transfers information.
*   **The World Wide Web:** A system that lets you access information on the Internet.
*   **Website:** A location on the World Wide Web (and Internet) that contains information about a specific topic.
*   **Homepage:** Provides information about a website and directs you to other pages on that website.
*   **Link/Hyperlink:** A highlighted or underlined icon, graphic, or text that takes you to another file or object.
*   **Web Address/URL:** The address for a website.
*   **Address Box:** A box in the browser window where you can type in a web address.

8.2.1.3 Basic Computer Keys

*   **Arrow Keys:** Press these keys to move your cursor.
*   **Space bar:** Adds a space.
*   **Enter/Return:** Moves your cursor to a new line.
*   **Shift:** Press this key if you want to type a capital letter or the upper symbol of a key.
*   **Caps Lock:** Press this key if you want all the letters you type to be capital letters. Press it again to revert back to typing lowercase letters.
*   **Backspace:** Deletes everything to the left of your cursor.

8.2.1.4 Tips

1. When visiting a .com address, there no need to type http:// or even www. Just type the name of the website and then press Ctrl + Enter. (Example: Type 'apple' and press Ctrl + Enter to go to www.apple.com)
2. Press the Ctrl key and press the + or - to increase and decrease the size of text.
3. Press F5 or Ctrl + R to refresh or reload a web page.

8.2.2 MS Office and Email

About MS Office

MS Office or Microsoft Office is a suite of computer programs developed by Microsoft. Although meant for all users, it offers different versions that cater specifically to students, home users and business users. All the programs are compatible with both, Windows and Macintosh.

Most Popular Office Products

Some of the most popular and universally used MS Office applications are:

1. **Microsoft Word:** Allows users to type text and add images to a document.
2. **Microsoft Excel:** Allows users to enter data into a spreadsheet and create calculations and graphs.
3. **Microsoft PowerPoint:** Allows users to add text, pictures and media and create slideshows and presentations.
4. **Microsoft Outlook:** Allows users to send and receive email.
5. **Microsoft OneNote:** Allows users to make drawings and notes with the feel of a pen on paper.
6. **Microsoft Access:** Allows users to store data over many tables.

Why Choose Microsoft Outlook

A popular email management choice especially in the workplace, Microsoft Outlook also includes an address book, notebook, web browser and calendar. Some major benefits of this program are:

- **Integrated search function:** You can use keywords to search for data across all Outlook programs.
- **Enhanced security:** Your email is safe from hackers, junk mail and phishing website email.
- **Email syncing:** Sync your mail with your calendar, contact list, notes in One Note and…your phone!
- **Offline access to email:** No Internet? No problem! Write emails offline and send them when you're connected again.

8.2.1.4 Tips

1. Press Ctrl+R as a shortcut method to reply to email.
2. Set your desktop notifications only for very important emails.
3. Flag messages quickly by selecting messages and hitting the Insert key.
4. Save frequently sent emails as a template to reuse again and again.
5. Conveniently save important emails as files.

8.2.3 E-Commerce

What is E-Commerce

E-commerce is the buying or selling of goods and services, or the transmitting of money or data, electronically on the internet. E-Commerce is the short form for "electronic commerce."

Examples of E-Commerce:

- Online shopping Online auctions
- Online ticketing
- Electronic payments
- Internet banking

Types of E-Commerce

E-commerce can be classified based on the types of participants in the transaction. The main types of e-commerce are:

- **Business to Business (B2B):** Both the transacting parties are businesses.
- **Business to Consumer (B2C):** Businesses sell electronically to end-consumers.
- **Consumer to Consumer (C2C):** Consumers come together to buy, sell or trade items to other consumers.
- **Consumer-to-Business (C2B):** Consumers make products or services available for purchase to companies looking for exactly those services or products.
- **Business-to-Administration (B2A):** Online transactions conducted between companies and public administration.
- **Consumer-to-Administration (C2A):** Online transactions conducted between individuals and public administration.

8.2.3 E-Commerce

The e-commerce business provides some benefits for retailers and customers.

Benefits for retailers:

- Establishes an online presence
- Reduces operational costs by removing overhead costs
- Increases brand awareness through the use of good keywords
- Increases sales by removing geographical and time constraints

Benefits for customers:

- Offers a wider range of choice than any physical store
- Enables goods and services to be purchased from remote locations
- Enables consumers to perform price comparisons

8.2.3.2 Digital India Campaign

Prime Minister Narendra Modi launched the Digital India campaign in 2015, with the objective of offering every citizen of India access to digital services, knowledge and information. The campaign aims to improve the country's online infrastructure and increase internet connectivity, thus boosting the e-commerce industry.

Currently, the majority of online transactions come from tier 2 and tier 3 cities. Once the Digital India campaign is in place, the government will deliver services through mobile connectivity, which will help deliver internet to remote corners of the country. This will help the e-commerce market to enter India's tier 4 towns and rural areas.

E-Commerce Activity

Choose a product or service that you want to sell online. Write a brief note explaining how you will use existing e-commerce platforms, or create a new e-commerce platform, to sell your product or service.

8.2.3.3 Tips

1. Before launching your e-commerce platform, test everything.
2. Pay close and personal attention to your social media.

UNIT 8.3: Money Matters

Unit Objectives ⊙

By the end of this unit, the participants will be able to:

1. Discuss the importance of saving money
2. Discuss the benefits of saving money
3. Discuss the main types of bank accounts
4. Describe the process of opening a bank account
5. Differentiate between fixed and variable costs
6. Describe the main types of investment options
7. Describe the different types of insurance products
8. Describe the different types of taxes
9. Discuss the uses of online banking
10. Discuss the main types of electronic funds transfers

8.3.1 Personal Finance – Why to Save

Importance of Saving

We all know that the future is unpredictable. You never know what will happen tomorrow, next week or next year. That's why saving money steadily through the years is so important. Saving money will help improve your financial situation over time. But more importantly, knowing that you have money stashed away for an emergency will give you peace of mind. Saving money also opens the door to many more options and possibilities.

Benefits of Saving

Inculcating the habit of saving leads to a vast number of benefits. Saving helps you:

- **Become financially independent:** When you have enough money saved up to feel secure you can start making your choices, from taking a vacation whenever you want, to switching careers or starting your own business.
- **Invest in yourself through education:** Through saving, you can earn enough to pay up for courses that will add to your professional experience and ultimately result in higher paying jobs.
- **Get out of debt:** Once you have saved enough as a reserve fund, you can use your savings to pay off debts like loans or bills that have accumulated over time.
- **Be prepared for surprise expenses:** Having money saved enables you to pay for unforeseen expenses like sudden car or house repairs, without feeling financially stressed.
- **Pay for emergencies:** Saving helps you deal with emergencies like sudden health issues or emergency trips without feeling financially burdened.
- **Afford large purchases and achieve major goals:** Saving diligently makes it possible to place down payments towards major purchases and goals, like buying a home or a car.
- **Retire:** The money you have saved over the years will keep you comfortable when you no longer have the income you would get from your job.

8.3.1.1 Tips

1. Break your spending habit. Try not spending on one expensive item per week, and put the money that you would have spent into your savings.
2. Decide that you will not buy anything on certain days or weeks and stick to your word.

8.3.2 Types of Bank Accounts

In India, banks offer four main types of bank accounts. These are:

1. Current Accounts
2. Savings Accounts
3. Recurring Deposit Accounts
4. Fixed Deposit Accounts

Current Accounts

Current accounts offer the most liquid deposits and thus, are best suited for businessmen and companies. As these accounts are not meant for investments and savings, there is no imposed limit on the number or amount of transactions that can be made on any given day. Current account holders are not paid any interest on the amounts held in their accounts. They are charged for certain services offered on such accounts.

Savings Accounts

Savings accounts are meant to promote savings, and are therefore the number one choice for salaried individuals, pensioners and students. While there is no restriction on the number and amount of deposits made, there are usually restrictions on the number and amount of withdrawals. Savings account holders are paid interest on their savings.

Recurring Deposit Accounts

Recurring Deposit accounts, also called RD accounts, are the accounts of choice for those who want to save an amount every month, but are unable to invest a large sum at one time. Such account holders deposit a small, fixed amount every month for a pre-determined period (minimum 6 months). Defaulting on a monthly payment results in the account holder being charged a penalty amount. The total amount is repaid with interest at the end of the specified period.

Fixed Deposit Accounts

Fixed Deposit accounts, also called FD accounts, are ideal for those who wish to deposit their savings for a long term in return for a high rate of interest. The rate of interest offered depends on the amount deposited and the time period, and also differs from bank to bank. In the case of an FD, a certain amount of money is deposited by the account holder for a fixed period of time. The money can be withdrawn when the period expires. If necessary, the depositor can break the fixed deposit prematurely. However, this usually attracts a penalty amount which also differs from bank to bank.

8.3.2 Types of Bank Accounts

Opening a bank account is quite a simple process. Take a look at the steps to open an account of your own:

Step 1: Fill in the Account Opening Form

This form requires you to provide the following information:

• Personal details (name, address, phone number, date of birth, gender, occupation, address)
• Method of receiving your account statement (hard copy/email)
• Details of your initial deposit (cash/cheque)
• Manner of operating your account (online/mobile banking/traditional via cheque, slip books) Ensure that you sign wherever required on the form.

Step 2: Affix your Photograph

Stick a recent photograph of yourself in the allotted space on the form.

Step 3: Provide your Know Your Customer (KYC) Details

KYC is a process that helps banks verify the identity and address of their customers. To open an account, every individual needs to submit certain approved documents with respect to photo identity (ID) and address proof. Some Officially Valid Documents (OVDs) are:

• Passport
• Driving License
• Voters' Identity Card
• PAN Card
• UIDAI (Aadhaar) Card

Step 4: Submit All your Documents

Submit the completed Account Opening Form and KYC documents. Then wait until the forms are processed and your account has been opened!

8.3.2.2 Tips

1. Select the right type of account.
2. Fill in complete nomination details.
3. Ask about fees.
4. Understand the rules.
5. Check for online banking – it's convenient!
6. Keep an eye on your bank balance.

8.3.3 Costs: Fixed vs Variable

What are Fixed and Variable Costs

• Fixed costs and variable costs together make up a company's total cost. These are the two types of costs that companies have to bear when producing goods and services.
• A fixed cost does not change with the volume of goods or services a company produces. It always remains the same.

- A variable cost, on the other hand, increases and decreases depending on the volume of goods and services produced. In other words, it varies with the amount produced.

Differences Between Fixed and Variable Costs

Let's take a look at some of the main differences between fixed and variable costs:

Criteria	Fixed Costs	Variable Costs
Meaning	A cost that stays the same, regardless of the output produced.	A cost that changes when the
Nature	Time related.	Incurred
Incurred	Incurred irrespective of units being produced.	Incurred only when units are produced.
Unit cost	Inversely proportional to the number of units produced.	Remains the same, per unit.
Examples	Depreciation, rent, salary, insurance, tax etc.	Material consumed, wages, commission on sales, packing expenses, etc.

8.3.2.2 Tips

1. When trying to determine whether a cost is fixed or variable, simply ask the following question: Will the particular cost change if the company stopped its production activities? If the answer is no, then it is a fixed cost. If the answer is yes, then it is probably a variable cost.

8.3.4 Investment, Insurance and Taxes

Investment

Investment means that money is spent today with the aim of reaping financial gains at a future time. The main types of investment options are as follows:

- **Bonds:** Bonds are instruments used by public and private companies to raise large sums of money – too large to be borrowed from a bank. These bonds are then issued in the public market and are bought by lenders.

- **Stocks:** Stocks or equity are shares that are issued by companies and are bought by the general public.

- **Small Savings Schemes:** Small Savings Schemes are tools meant to save money in small amounts. Some popular schemes are the Employees Provident Fund, Sukanya Samriddhi Scheme and National Pension Scheme.

- **Mutual Funds:** Mutual Funds are professionally managed financial instruments that invest money in different securities on behalf of investors.

- **Fixed Deposits:** A fixed amount of money is kept aside with a financial institution for a fixed amount of time in return for interest on the money.

- **Real Estate:** Loans are taken from banks to purchase real estate, which is then leased or sold with the aim of making a profit on the appreciated property price.

- **Hedge Funds:** Hedge funds invest in both financial derivatives and/or publicly traded securities.
- **Private Equity:** Private Equity is trading in the shares of an operating company that is not publicly listed and whose shares are not available on the stock market.
- **Venture Capital:** Venture Capital involves investing substantial capital in a budding company in return for stocks in that company.

Insurance

There are two types of insurance:

1. Life Insurance
2. Non-Life or General Insurance.

Life Insurance Products

The main life insurance products are:

- **Term Insurance:** This is the simplest and cheapest form of insurance. It offers financial protection for a specified tenure, say 15 to 20 years. In the case of your death, your family is paid the sum assured. In the case of your surviving the term, the insurer pays nothing.
- **Endowment Policy:** This offers the dual benefit of insurance and investment. Part of the premium is allocated towards the sum assured, while the remaining premium gets invested in equity and debt. It pays a lump sum amount after the specified duration or on the death of the policyholder, whichever is earlier.
- **Unit-Linked Insurance Plan (ULIP):** Here part of the premium is spent on the life cover, while the remaining amount is invested in equity and debt. It helps develop a regular saving habit.
- **Money Back Life Insurance:** While the policyholder is alive, periodic payments of the partial survival benefits are made during the policy tenure. On the death of the insured, the insurance company pays the full sum assured along with survival benefits.
- **Whole Life Insurance:** It offers the dual benefit of insurance and investment. It offers insurance cover for the whole life of the person or up to 100 years whichever is earlier.

General Insurance

General Insurance deals with all insurance covering assets like animals, agricultural crops, goods, factories, cars and so on.

General Insurance Products:

- **Motor Insurance:** This can be divided into Four Wheeler Insurance and Two Wheeler Insurance.
- **Health Insurance:** The main types of health insurance are individual health insurance, family floater health insurance, comprehensive health insurance and critical illness insurance.
- **Travel Insurance:** This can be categorised into Individual Travel Policy, Family Travel Policy, Student Travel Insurance and Senior Citizen Health Insurance.
- **Home Insurance:** This protects the house and its contents from risk.
- **Marine Insurance:** This insurance covers goods, freight, cargo etc. against loss or damage during transit by rail, road, sea and/or air.

Taxes

There are two types of taxes:

1. Direct Taxes
2. Indirect Taxes.

Direct Tax

Direct taxes are levied directly on an entity or a person and are non-transferrable. Some examples of Direct Taxes are:

- **Income Tax:** This tax is levied on your earning in a financial year. It is applicable to both, individuals and companies.
- **Capital Gains Tax:** This tax is payable whenever you receive a sizable amount of money. It is usually of two types – short term capital gains from investments held for less than 36 months and long term capital gains from investments held for longer than 36 months.
- **Securities Transaction Tax:** This tax is added to the price of a share. It is levied every time you buy or sell shares.
- **Perquisite Tax:** This tax is levied is on perks that have been acquired by a company or used by an employee.
- **Corporate Tax:** Corporate tax is paid by companies from the revenue they earn.

Indirect Tax

Indirect taxes are levied on goods or services. Some examples of Indirect Taxes are:

- **Sales Tax:** Sales Tax is levied on the sale of a product.
- **Service Tax:** Service Tax is added to services provided in India.
- **Value Added Tax:** Value Added Tax is levied at the discretion of the state government. The tax is levied on goods sold in the state. The tax amount is decided by the state.
- **Customs Duty & Octroi:** Customs Duty is a charge that is applied on purchases that are imported from another country. Octroi is levied on goods that cross state borders within India.
- **Excise Duty:** Excise Duty is levied on all goods manufactured or produced in India.

8.3.4.1 Tips

1. Think about how quickly you need your money back and pick an investment option accordingly.
2. Ensure that you are buying the right type of insurance policy for yourself.
3. Remember, not paying taxes can result in penalties ranging from fines to imprisonment.

8.3.5 Online Banking, NEFT, RTGS, etc.

What is Online Banking

Internet or online banking allows account holders to access their account from a laptop at any location. In this way, instructions can be issued. To access an account, account holders simply need to use their unique customer ID number and password.

Internet banking can be used to:

- Find out an account balance
- Transfer amounts from one account to another
- Arrange for the issuance of cheques
- Instruct payments to be made
- Request for a cheque book
- Request for a statement of accounts
- Make a fixed deposit

Electronic Funds Transfers

Electronic funds transfer is a convenient way of transferring money from the comfort of one's own home, using integrated banking tools like internet and mobile banking.

Transferring funds via an electronic gateway is extremely convenient. With the help of online banking, you can choose to:

- Transfer funds into your own accounts of the same bank.
- Transfer funds into different accounts of the same bank.
- Transfer funds into accounts in different banks, using NEFT.
- Transfer funds into other bank accounts using RTGS.
- Transfer funds into various accounts using IMPS.

NEFT

NEFT stands for National Electronic Funds Transfer. This money transfer system allows you to electronically transfer funds from your respective bank accounts to any other account, either in the same bank or belonging to any other bank. NEFT can be used by individuals, firms and corporate organizations to transfer funds between accounts.

In order to transfer funds via NEFT, two things are required:

- A transferring bank
- A destination bank

Before you can transfer funds through NEFT, you will need to register the beneficiary who will be receiving the funds. In order to complete this registration, you will require the following

- Recipient's name
- Recipient's account number
- Recipient's bank's name
- Recipient's bank's IFSC code

RTGS

RTGS stands for Real Time Gross Settlement. This is a real time funds transfer system which enables you to transfer funds from one bank to another, in real time or on a gross basis. The transferred amount is immediately deducted from the account of one bank, and instantly credited to the other bank's account. The RTGS payment gateway is maintained by the Reserve Bank of India. The transactions between banks are made electronically.

RTGS can be used by individuals, companies and firms to transfer large sums of money. Before remitting funds through RTGS, you will need to add the beneficiary and his bank account details via your online banking account. In order to complete this registration, you will require the following information:

- Name of the beneficiary
- Beneficiary's account number
- Beneficiary's bank address
- Bank's IFSC code

IMPS

IMPS stands for Immediate Payment Service. This is a real-time, inter-bank, electronic funds transfer system used to transfer money instantly within banks across India. IMPS enables users to make instant

electronic transfer payments using mobile phones through both, Mobile Banking and SMS. It can also be used through ATMs and online banking. IMPS is available 24 hours a day and 7 days a week. The system features a secure transfer gateway and immediately confirms orders that have been fulfilled.

To transfer money through IMPS, the you need to:

- Register for IMPS with your bank
- Receive a Mobile Money Identifier (MMID) from the bank
- Receive a MPIN from the bank

Once you have both these, you can login or make a request through SMS to transfer a particular amount to a beneficiary.

For the beneficiary to receive the transferred money, he must:

- Link his mobile number with his respective account
- Receive the MMID from the bank

In order to initiate a money transfer through IMPS, you will need to enter the following information:

- The beneficiary's mobile number
- The beneficiary's MMID
- The transfer amount
- Your MPIN

As soon as money has been deducted from your account and credited into the beneficiary's account, you will be sent a confirmation SMS with a transaction reference number, for future reference.

8.3.5.1 Differences Between NEFT, RTGS & IMPS

Criteria	NEFT	RTGS	IMPS
Settlement	Done in Batches	Real-Time	Real-Time
Full Form	national Electronic Fund Transfer	Real Time Gross Settlement	Immediate Payment Service
Timing on Monday to Friday	8.00 am - 6.30 pm	9.00 am - 4.30 pm	24x7
Timing on Saturday	8.00 am - 7.00 p.m.	9.00 am - 1.30 pm	24x7
Minimum amount of money transfer limit	₹1	₹2 lacs	₹1
Maximum amount of money transfer limit	₹10 lacs	₹10 lacs per day	₹2 lacs
Maximum charges as per RBI	Upto 10,000 - ₹2.5 above 10,000 - ₹1 lac - ₹5 above 1-2 lacs - ₹15 above 2-5 lacs - ₹25 above 5-10 lacs - ₹25	above 2-5 lacs - ₹25 above 5-10 lacs - ₹50	Upto 10,000 - ₹5 above 10,000 - ₹1 lac - ₹5 above 1-2 lacs - ₹15

8.3.4.1 Tips

1. Never click on any links in any e-mail message to access your online banking website.
2. You will never be asked for your credit or debit card details while using online banking.
3. Change your online banking password regularly.

UNIT 8.4: Preparing for Employment & Self Employment

Unit Objectives ◎

By the end of this unit, the participants will be able to:

1. Discuss the steps to prepare for an interview
2. Discuss the steps to create an effective Resume
3. Discuss the most frequently asked interview questions
4. Discuss how to answer the most frequently asked interview questions
5. Discuss basic workplace terminology

8.4.1 Interview Preparation: How to Prepare for an Interview

The success of your getting the job that you want depends largely on how well your interview for that job goes. Therefore, before you go in for your interview, it is important that you prepare for it with a fair amount of research and planning. Take a look at the steps to follow in order to be well prepared for an interview:

1. **Research the organization that you are having the interview with.**
   - Studying the company beforehand will help you be more prepared at the time of the interview. Your knowledge of the organization will help you answer questions at the time of the interview, and will leave you looking and feeling more confident. This is sure to make you stand out from other, not as well informed, candidates.
   - Look for background information on the company. Ty and find an overview of the company and its industry profile.
   - Visit the company website to get a good idea of what the company does. A company website offers a wealth of important information. Read and understand the company's mission statement. Pay attention to the company's products/services and client list. Read through any press releases to get an idea of the company's projected growth and stability.
   - Note down any questions that you have after your research has been completed.
2. **Think about whether your skills and qualifications match the job requirements.**
   - Carefully read through and analyze the job description.
   - Make a note of the knowledge, skills and abilities required to fulfill the job requirements.
   - Take a look at the organization hierarchy. Figure out where the position you are applying for fits into this hierarchy.
3. **Go through the most typical interview questions asked, and prepare your responses.**
   - Remember, in most interviews a mix of resume-based, behavioral and case study questions are asked.
   - Think about the kind of answers you would like to provide to typical questions asked in these three areas.
   - Practice these answers until you can express them confidently and clearly.
4. **Plan your attire for the interview.**
   - It is always safest to opt for formal business attire, unless expressly informed to dress in business casual (in which case you should use your best judgement).

- Ensure that your clothes are clean and well-ironed. Pick neutral colours – nothing too bright or flashy.
- The shoes you wear should match your clothes, and should be clean and suitable for an interview.
- Remember, your aim is to leave everyone you meet with the impression that you are a professional and highly efficient person.

5. **Ensure that you have packed everything that you may require during the interview.**
   - Carry a few copies of your resume. Use a good quality paper for your resume print outs.
   - Always take along a notepad and a pen.
   - Take along any information you may need to refer to, in order to fill out an application form.
   - Carry a few samples of your work, if relevant.

6. **Remember the importance of non-verbal communication.**
   - Practice projecting confidence. Remind yourself to smile and make eye contact. Practice giving a firm handshake.
   - Keep in mind the importance of posture. Practice sitting up straight. Train yourself to stop nervous gestures like fidgeting and foot-tapping.
   - Practice keeping your reactions in check. Remember, your facial expressions provide a good insight into your true feelings. Practice projecting a positive image.

7. **Make a list of questions to end the interview with.**
   - Most interviews will end with the interviewer(s) asking if you have any questions. This is your chance to show that you have done your research and are interested in learning more about the company.
   - If the interviewer does not ask you this question, you can inform him/her that you have some queries that you would like to discuss. This is the time for you to refer to the notes you made while studying the company.
   - Some good questions to ask at this point are:What do you consider the most important criteria for success in this job?
     o How will my performance be evaluated?
     o What are the opportunities for advancement?
     o What are the next steps in the hiring process?
   - Remember, never ask for information that is easily available on the company website.

8.4.1.1 Tips

1. Ask insightful and probing questions.
2. When communicating, use effective forms of body language like smiling, making eye contact, and actively listening and nodding. Don't slouch, play with nearby items, fidget, chew gum, or mumble.

8.4.2 Preparing an Effective Resume

A resume is a formal document that lists a candidate's work experience, education and skills. A good resume gives a potential employer enough information to believe the applicant is worth interviewing. That's why it is so important to create a résumé that is effective. Take a look at the steps to create an effective resume:

Step 1: Write the Address Section: The Address section occupies the top of your resume. It includes information like your name, address, phone number and e-mail address. Insert a bold line under the

section to separate it from rest of your resume.

Example:

Jasmine Watts
Breach Candy, mumbai - India
Contact No. +91 2223678270
Email: jasmine.watts@gmail.com
_____

Step 2: Add the Profile Summary Section: This part of your resume should list your overall experiences, achievements, awards, certifications and strengths. You can make your summary as short as 2-3 bullet points or as long as 8-10 bullet points.

Example:

Profile Summary
• A Content Writer gratuated from University of Strathclyde having 6 years of experience in writing website copy.
• Core expertise lies in content creation for e-learning courses, specifically for the k-12 segment.

Step 3: Include Your Educational Qualifications: When listing your academic records, first list your highest degree. Then add the second highest qualification under the highest one and so on. To provide a clear and accurate picture of your educational background, it is critical that include information on your position, rank, percentage or CPI for every degree or certification that you have listed.

If you have done any certifications and trainings, you can add a Trainings & Certifications section under your Educational Qualifications section.

Example:

Educetional Qualification
• Masters in International Management (2007) from Columbia University with 7.8 CPI.
• Bachelor of Management Studios (2004) from Mumbai University with 87% marks.
• 10+2 with Math, Stats (2001) from Maharastra Board with 91% marks.
• High School (1999) from Maharastra Board with 93% marks.

Step 4: List Your Technical Skills: When listing your technical skills, start with the skills that you are most confident about. Then add the skills that you do not have as good a command over. It is perfectly acceptable to include just one skill, if you feel that particular skill adds tremendous value to your résumé. If you do not have any technical skills, you can omit this step.

Example:

Technical Skills
• Flash
• Photoshop

Step 5: Insert Your Academic Project Experience

List down all the important projects that you have worked on. Include the following information in this section:

Example:

Project title	Organization	Platform used
Contribution	Description	

Academic Projects
Project Title: Different Communication Skills
Organization: True Blue Solutions
Platform used: Articilate
Contribution: Content writing and graphic zisualization
Description: Development of storyboards for corporate induction & training programs.

Step 6: List Your Strengths: This is where you list all your major strengths. This section should be in the form of a bulleted list.

Example:

Strengths
- Excellent oral, written and presentation skills
- Action-oriented and result-focused
- Great time management skills

Step 7: List Your Extracurricular Activities: It is very important to show that you have diverse interests and that your life consists of more than academics. Including your extracurricular activities can give you an added edge over other candidates who have similar academic scores and project experiences. This section should be in the form of a bulleted list.

Example:

Extracurricular Activities
- Mamber of the Debate Club
- Played tennis at at national level
- Won first prizes in the All India Camel Contest, 2010

Step 8: Write Your Personal Details: The last section of your résumé must include the following personal information:

- Date of birth
- Gender & marital status
- Nationality
- Languages known

Example:

Personal Details
- Date of Birth: 25th May, 1981
- Gender & marital status: Female, Single
- Nationality: Indian
- Languages known: English, Hindi, Tamil, French

8.4.1.1 Tips

1. Keep your resume file name short, simple and informational.
2. Make sure the resume is neat and free from typing errors.
3. Always create your resume on plain white paper.

8.4.3 Interview FAQs

Take a look at some of the most frequently asked interview questions, and some helpful tips on how to answer them.

1. **Can you tell me a little about yourself?**

   Tips to answer:
   - Don't provide your full employment or personal history.
   - Offer 2-3 specific experiences that you feel are most valuable and relevant.
   - Conclude with how those experiences have made you perfect for this specific role.

2. **How did you hear about the position?**

   Tips to answer:
   - Tell the interviewer how you heard about the job – whether it was through a friend (name the friend), event or article (name them) or a job portal (say which one).
   - Explain what excites you about the position and what in particular caught your eye about this role.

3. **What do you know about the company?**

   Tips to answer:
   - Don't recite the company's About Us page.
   - Show that you understand and care about the company's goals.
   - Explain why you believe in the company's mission and values.

4. **Why do you want this job?**

   Tips to answer:
   - Show that you are passionate about the job.
   - Identify why the role is a great fit for you.
   - Explain why you love the company.

5. **Why should we hire you?**

   Tips to answer:
   - Prove through your words that you can not only do the work, but can definitely deliver excellent results.
   - Explain why you would be a great fit with the team and work culture.
   - Explain why you should be chosen over any other candidate.

6. **What are your greatest professional strengths?**

   Tips to answer:
   - Be honest – share some of your real strengths, rather than give answers that you think sound good.
   - Offer examples of specific strengths that are relevant to the position you are applying for.
   - Provide examples of how you've demonstrated these strengths.

7. **What do you consider to be your weaknesses?**

   Tips to answer:
   - The purpose of this question is to gauge your self-awareness and honesty.
   - Give an example of a trait that you struggle with, but that you're working on to improve.

8. **What are your salary requirements?**

   Tips to answer:
   - Do your research beforehand and find out the typical salary range for the job you are applying for.

- Figure out where you lie on the pay scale based on your experience, education, and skills.
- Be flexible. Tell the interviewer that you know your skills are valuable, but that you want the job and are willing to negotiate.

9. **What do you like to do outside of work?**

   Tips to answer:
   - The purpose of this question is to see if you will fit in with the company culture.
   - Be honest – open up and share activities and hobbies that interest and excite you.

10. **If you were an animal, which one would you want to be?**

    Tips to answer:
    - The purpose of this question is to see if you are able to think on your feet.
    - There's no wrong answer – but to make a great impression try to bring out your strengths or personality traits through your answer.

11. **What do you think we could do better or differently?**

    Tips to answer:
    - The purpose of this question is to see if you have done your research on the company, and to test whether you can think critically and come up with new ideas.
    - Suggest new ideas. Show how your interests and expertise would help you execute these ideas.

12. **Do you have any questions for us?**

    Tips to answer:
    - Do not ask questions to which the answers can be easily found on the company website or through a quick online search.
    - Ask intelligent questions that show your ability to think critically.

8.4.1.1 Tips

1. Be honest and confident while answering.
2. Use examples of your past experiences wherever possible to make your answers more impactful.

8.4.4 Work Readiness – Terms & Terminologies

Every employee should be well versed in the following terms:

- **Annual leave:** Paid vacation leave given by employers to employees.
- **Background Check:** A method used by employers to verify the accuracy of the information provided by potential candidates.
- **Benefits:** A part of an employee's compensation package.
- **Breaks:** Short periods of rest taken by employees during working hours.
- **Compensation Package:** The combination of salary and benefits that an employer provides to his/her employees.
- **Compensatory Time (Comp Time):** Time off in lieu of pay.
- **Contract Employee:** An employee who works for one organization that sells said employee's services to another company, either on a project or time basis.
- **Contract of Employment:** When an employee is offered work in exchange for wages or salary, and accepts the offer made by the employer, a contract of employment exists.

- **Corporate Culture:** The beliefs and values shared by all the members of a company, and imparted from one generation of employees to another.
- **Counter Offer/Counter Proposal:** A negotiation technique used by potential candidates to increase the amount of salary offered by a company.
- **Cover Letter:** A letter that accompanies a candidate's resume. It emphasizes the important points in the candidate's resume and provides real examples that prove the candidate's ability to perform the expected job role.
- **Curriculum Vitae (CV)/Resume:** A summary of a candidate's achievements, educational background, work experience, skills and strengths.
- **Declining Letter:** A letter sent by an employee to an employer, turning down the job offer made by the employer to the employee.
- **Deductions:** Amounts subtracted from an employee's pay and listed on the employee's pay slip.
- **Discrimination:** The act of treating one person not as favourably as another person.
- **Employee:** A person who works for another person in exchange for payment.
- **Employee Training:** A workshop or in-house training that an employee is asked to attend by his or her superior, for the benefit of the employer.
- **Employment Gaps:** Periods of unemployed time between jobs.
- **Fixed-Term Contract:** A contract of employment which gets terminated on an agreed-upon date.
- **Follow-Up:** The act of contacting a potential employer after a candidate has submitted his or her resume.
- **Freelancer/Consultant/Independent Contractor:** A person who works for him or herself and pitches for temporary jobs and projects with different employers.
- **Holiday:** Paid time-off from work.
- **Hourly Rate:** The amount of salary or wages paid for 60 minutes of work.
- **Internship:** A job opportunity offered by an employer to a potential employee, called an intern, to work at the employer's company for a fixed, limited time period.
- **Interview:** A conversation between a potential employee and a representative of an employer, in order to determine if the potential employee should be hired.
- **Job Application:** A form which asks for a candidate's information like the candidate's name, address, contact details and work experience. The purpose of a candidate submitting a job application, is to show that candidate's interest in working for a particular company.
- **Job Offer:** An offer of employment made by an employer to a potential employee.
- **Job Search Agent:** A program that enables candidates to search for employment opportunities by selecting criteria listed in the program, for job vacancies.
- **Lay Off:** A lay off occurs when an employee is temporarily let go from his or her job, due to the employer not having any work for that employee.
- **Leave:** Formal permission given to an employee, by his or her employer, to take a leave of absence from work.
- **Letter of Acceptance:** A letter given by an employer to an employee, confirming the offer of employment made by the employer, as well as the conditions of the offer.
- **Letter of Agreement:** A letter that outlines the terms of employment.
- **Letter of Recommendation:** A letter written for the purpose of validating the work skills of a person.
- **Maternity Leave:** Leave taken from work by women who are pregnant, or who have just given birth.
- **Mentor:** A person who is employed at a higher level than you, who offers you advice and guides you in your career.
- **Minimum wage:** The minimum wage amount paid on an hourly basis.

- **Notice:** An announcement made by an employee or an employer, stating that the employment contract will end on a particular date.
- **Offer of Employment:** An offer made by an employer to a prospective employee that contains important information pertaining to the job being offered, like the starting date, salary, working conditions etc.
- **Open-Ended Contract:** A contract of employment that continues till the employer or employee terminates it.
- **Overqualified:** A person who is not suited for a particular job because he or she has too many years of work experience, or a level of education that is much higher than required for the job, or is currently or was previously too highly paid.
- **Part-Time Worker:** An employee who works for fewer hours than the standard number of hours normally worked.
- **Paternity Leave:** Leave granted to a man who has recently become a father.
- **Recruiters/Headhunters/Executive Search Firms:** Professionals who are paid by employers to search for people to fill particular positions.
- **Resigning/Resignations:** When an employee formally informs his or her employer that he or she is quitting his or her job.
- **Self-Employed:** A person who has his or her own business and does not work in the capacity of an employee.
- **Time Sheet:** A form that is submitted to an employer, by an employee, that contains the number of hours worked every day by the employee.

UNIT 8.5: Understanding Entrepreneurship

Unit Objectives ⦾

By the end of this unit, the participants will be able to:

1. Discuss the concept of entrepreneurship
2. Discuss the importance of entrepreneurship
3. Describe the characteristics of an entrepreneur
4. Describe the different types of enterprises
5. List the qualities of an effective leader
6. Discuss the benefits of effective leadership
7. List the traits of an effective team
8. Discuss the importance of listening effectively
9. Discuss how to listen effectively
10. Discuss the importance of speaking effectively
11. Discuss how to speak effectively
12. Discuss how to solve problems
13. List important problem solving traits
14. Discuss ways to assess problem solving skills
15. Discuss the importance of negotiation
16. Discuss how to negotiate
17. Discuss how to identify new business opportunities
18. Discuss how to identify business opportunities within your business
19. Understand the meaning of entrepreneur
20. Describe the different types of entrepreneurs
21. List the characteristics of entrepreneurs
22. Recall entrepreneur success stories
23. Discuss the entrepreneurial process
24. Describe the entrepreneurship ecosystem
25. Discuss the government's role in the entrepreneurship ecosystem
26. Discuss the current entrepreneurship ecosystem in India
27. Understand the purpose of the Make in India campaign
28. Discuss the relationship between entrepreneurship and risk appetite
29. Discuss the relationship between entrepreneurship and resilience
30. Describe the characteristics of a resilient entrepreneur
31. Discuss how to deal with failure

8.5.1 Concept Introduction

Anyone who is determined to start a business, no matter what the risk, is an entrepreneur. Entrepreneurs run their own start-up, take responsibility for the financial risks and use creativity, innovation and vast reserves of self-motivation to achieve success. They dream big and are determined to do whatever it takes to turn their idea into a viable offering. The aim of an entrepreneur is to create an enterprise. The process of creating this enterprise is known as entrepreneurship.

8.5.1 Concept Introduction

Entrepreneurship is very important for the following reasons:

1. It results in the creation of new organizations
2. It brings creativity into the marketplace
3. It leads to improved standards of living
4. It helps develop the economy of a country

8.5.1.2 Characteristics of Entrepreneurs

All successful entrepreneurs have certain characteristics in common.

They are all:

1. Extremely passionate about their work
2. Confident in themselves
3. Disciplined and dedicated
4. Motivated and driven
5. Highly creative
6. Visionaries
7. Open-minded
8. Decisive

Entrepreneurs also have a tendency to:

1. Have a high risk tolerance
2. Thoroughly plan everything
3. Manage their money wisely
4. Make their customers their priority
5. Understand their offering and their market in detail
6. Ask for advice from experts when required
7. Know when to cut their losses

8.5.1.3 Examples of Famous Entrepreneurs

Some famous entrepreneurs are:

- Bill Gates (Founder of Microsoft)
- Steve Jobs (Co-founder of Apple)
- Mark Zuckerberg (Founder of Facebook)
- Pierre Omidyar (Founder of eBay)

8.5.1.4 Types of Enterprises

As an entrepreneur in India, you can own and run any of the following types of enterprises:

Sole Proprietorship: In a sole proprietorship, a single individual owns, manages and controls the enterprise. This type of business is the easiest to form with respect to legal formalities. The business and the owner have no separate legal existence. All profit belongs to the proprietor, as do all the losses- the liability of the entrepreneur is unlimited.

Partnership: A partnership firm is formed by two or more people. The owners of the enterprise are called partners. A partnership deed must be signed by all the partners. The firm and its partners have no separate legal existence. The profits are shared by the partners. With respect to losses, the liability of the partners is unlimited. A firm has a limited life span and must be dissolved when any one of the partners dies, retires, claims bankruptcy or goes insane.

Limited Liability Partnership (LLP): In a Limited Liability Partnership or LLP, the partners of the firm enjoy perpetual existence as well as the advantage of limited liability. Each partner's liability is limited to their agreed contribution to the LLP. The partnership and its partners have a separate legal existence.

8.5.1.5 Tips

1. Learn from others' failures.
2. Be certain that this is what you want.
3. Search for a problem to solve, rather than look for a problem to attach to your idea.

8.5.2 Leadership & Teamwork: Leadership and Leaders

Leadership means setting an example for others to follow. Setting a good example means t asking someone to do something that you wouldn't willingly want to do yourself. Leadership is about figuring out what to do in order to win as a team, and as a company.

Leaders believe in doing the right things. They also believe in helping others to do the right things. An effective leader is someone who:

• Creates an inspiring vision of the future.
• Motivates and inspires his team to pursue that vision.

8.5.2 Leadership & Teamwork: Leadership and Leaders

Building a successful enterprise is only possible if the entrepreneur in charge possesses excellent leadership qualities. Some critical leadership skills that every entrepreneur must have are:

1. **Pragmatism:** This means having the ability to highlight all obstacles and challenges, in order to resolve issues and reduce risks.
2. **Humility:** This means admitting to mistakes often and early, and being quick to take responsibility for your actions. Mistakes should be viewed as challenges to overcome, not opportunities to point blame.
3. **Flexibility:** It is critical for a good leader to be very flexible and quickly adapt to change. It is equally critical to know when to adapt and when not to.
4. **Authenticity:** This means showing both, your strengths and your weaknesses. It means being human and showing others that you are human.

5. **Reinvention:** This means refreshing or changing your leadership style when necessary. To do this, it's important to learn where your leadership gaps lie and find out what resources are required to close them.

6. **Awareness:** This means taking the time to recognize how others view you. It means understanding how your presence affects those around you.

8.5.2.2 Benefits of Effective Leadership

Effective leadership results in numerous benefits. Great leadership leads to the leader successfully:

• Gaining the loyalty and commitment of the team members

• Motivating the team to work towards achieving the company's goals and objectives

• Building morale and instilling confidence in the team members

• Fostering mutual understanding and team-spirit among team members

• Convincing team members about the need to change when a situation requires adaptability

8.5.2.3 Teamwork and Teams

Teamwork occurs when the people in a workplace combine their individual skills to pursue a common goal. Effective teams are made up of individuals who work together to achieve this common goal. A great team is one who holds themselves accountable for the end result.

8.5.2.4 Importance of Teamwork in Entrepreneurial Success

For an entrepreneurial leader, building an effective team is critical to the success of a venture. An entrepreneur must ensure that the team he builds possesses certain crucial qualities, traits and characteristics. An effective team is one which has:

1. **Unity of purpose:** All the team members should clearly understand and be equally committed to the purpose, vision and goals of the team.

2. **Great communication skills:** Team members should have the ability to express their concerns, ask questions and use diagrams, and charts to convey complex information.

3. **The ability to collaborate:** Every member should feel entitled to provide regular feedback on new ideas.

4. **Initiative:** The team should consist of proactive individuals. The members should have the enthusiasm to come up with new ideas, improve existing ideas, and conduct their own research.

5. **Visionary members:** The team should have the ability to anticipate problems and act on these potential problem before they turn into real problems.

6. **Great adaptability skills:** The team must believe that change is a positive force. Change should be seen as the chance to improve and try new things.

7. **Excellent organizational skills:** The team should have the ability to develop standard work processes, balance responsibilities, properly plan projects, and set in place methods to measure progress and ROI.

8.5.1.5 Tips

1. Don't get too attached to your original idea. Allow it to evolve and change.
2. Be aware of your weaknesses and build a team that will complement your shortfalls.
3. Hiring the right people is not enough. You need to promote or incentivize your most talented people to keep them motivated.
4. Earn your team's respect

8.5.3 Communication Skills

Listening is the ability to correctly receive and understand messages during the process of communication. Listening is critical for effective communication. Without effective listening skills, messages can easily be misunderstood. This results in a communication breakdown and can lead to the sender and the receiver of the message becoming frustrated or irritated.

It's very important to note that listening is not the same as hearing. Hearing just refers to sounds that you hear. Listening is a whole lot more than that. To listen, one requires focus. It means not only paying attention to the story, but also focusing on how the story is relayed, the way language and voice is used, and even how the speaker uses their body language. The ability to listen depends on how effectively one can perceive and understand both, verbal and non-verbal cues.

8.5.3.1 How to Listen Effectively

To listen effectively you should:

- Stop talking
- Stop interrupting
- Focus completely on what is being said
- Nod and use encouraging words and gestures
- Be open-minded
- Think about the speaker's perspective
- Be very, very patient
- Pay attention to the tone that is being used
- Pay attention to the speaker's gestures, facial expressions and eye movements
- Not try and rush the person
- Not let the speaker's mannerisms or habits irritate or distract you
- Be very, very patient
- Pay attention to the tone that is being used
- Pay attention to the speaker's gestures, facial expressions and eye movements
- Not try and rush the person
- Not let the speaker's mannerisms or habits irritate or distract you

8.5.3.2 How to Listen Effectively

How successfully a message gets conveyed depends entirely on how effectively you are able to get it through. An effective speaker is one who enunciates properly, pronounces words correctly, chooses the right words and speaks at a pace that is easily understandable. Besides this, the words spoken out loud need to match the gestures, tone and body language used.

What you say, and the tone in which you say it, results in numerous perceptions being formed. A person who speaks hesitantly may be perceived as having low self-esteem or lacking in knowledge of the discussed topic. Those with a quiet voice may very well be labelled as shy. And those who speak in commanding tones with high levels of clarity, are usually considered to be extremely confident. This makes speaking a very critical communication skill.

8.5.3.3 How to Speak Effectively

To speak effectively you should:

- Incorporate body language in your speech like eye contact, smiling, nodding, gesturing etc.
- Build a draft of your speech before actually making your speech.
- Ensure that all your emotions and feelings are under control.
- Pronounce your words distinctly with the correct pitch and intensity. Your speech should be crystal clear at all times.
- Use a pleasant and natural tone when speaking. Your audience should not feel like you are putting on an accent or being unnatural in any way.
- Use precise and specific words to drive your message home. Ambiguity should be avoided at all costs.
- Ensure that your speech has a logical flow.
- Be brief. Don't add any unnecessary information.
- Make a conscious effort to avoid irritating mannerisms like fidgeting, twitching etc.
- Choose your words carefully and use simple words that the majority of the audience will have no difficulty understanding.
- Use visual aids like slides or a whiteboard.
- Speak slowly so that your audience can easily understand what you're saying. However, be careful not to speak too slowly because this can come across as stiff, unprepared or even condescending.
- Remember to pause at the right moments.

8.5.3.4 Tips

1. If you're finding it difficult to focus on what someone is saying, try repeating their words in your head.
2. Always maintain eye contact with the person that you are communicating with, when speaking as well as listening. This conveys and also encourages interest in the conversation.

8.5.4 Problem Solving & Negotiation skills

As per The Concise Oxford Dictionary (1995), a problem is, "A doubtful or difficult matter requiring a solution"

All problems contain two elements:

1. Goals
2. Obstacles

The aim of problem solving is to recognize the obstacles and remove them in order to achieve the goals.

8.5.4.1 How to Solve Problems

Solving a problem requires a level of rational thinking. Here are some logical steps to follow when faced with an issue:

- **Step 1:** Identify the problem
- **Step 2:** Study the problem in detail
- **Step 3:** List all possible solutions
- **Step 4:** Select the best solution
- **Step 5:** Implement the chosen solution
- **Step 6:** Check that the problem has really been solved

8.5.4.2 Important Traits for Problem Solving

Highly developed problem solving skills are critical for both, business owners and their employees. The following personality traits play a big role in how effectively problems are solved:

- Being open minded
- Asking the right questions
- Being proactive
- Not panicking
- Having a positive attitude
- Focusing on the right problem

8.5.4.3 Important Traits for Problem Solving

As an entrepreneur, it would be a good idea to assess the level of problem solving skills of potential candidates before hiring them. Some ways to assess this skill are through:

- **Application forms:** Ask for proof of the candidate's problem solving skills in the application form.
- **Psychometric tests:** Give potential candidates logical reasoning and critical thinking tests and see how they fare.
- **Interviews:** Create hypothetical problematic situations or raise ethical questions and see how the candidates respond.
- **Technical questions:** Give candidates examples of real life problems and evaluate their thought process.

8.5.4.4 What is Negotiation?

Negotiation is a method used to settle differences. The aim of negotiation is to resolve differences through a compromise or agreement while avoiding disputes. Without negotiation, conflicts are likely to lead to resentment between people. Good negotiation skills help satisfy both parties and go a long way towards developing strong relationships.

Why Negotiate

Starting a business requires many, many negotiations. Some negotiations are small while others are critical enough to make or break a startup. Negotiation also plays a big role inside the workplace. As an entrepreneur, you need to know not only know how to negotiate yourself, but also how to train employees in the art of negotiation.

How to Negotiate

Take a look at some steps to help you negotiate:

Step 1: Pre-Negotiation Preparation: Agree on where to meet to discuss the problem, decide who all will be present and set a time limit for the discussion.

Step 2: Discuss the Problem: This involves asking questions, listening to the other side, putting your views forward and clarifying doubts.

Step 3: Clarify the Objective: Ensure that both parties want to solve the same problem and reach the same goal.

Step 4: Aim for a Win-Win Outcome: Try your best to be open minded when negotiating. Compromise and offer alternate solutions to reach an outcome where both parties win.

Step 5: Clearly Define the Agreement: When an agreement has been reached, the details of the agreement should be crystal clear to both sides, with no scope for misunderstandings.

Step 6: Implement the Agreed Upon Solution: Agree on a course of action to set the solution in motion.

8.5.4.5 Tips

1. Know exactly what you want before you work towards getting it
2. Give more importance to listening and thinking, than speaking
3. Focus on building a relationship rather than winning
4. Remember that your people skills will affect the outcome
5. Know when to walk away – sometimes reaching an agreement may not be possible

8.5.4.4 What is Negotiation?

"The entrepreneur always searches for change, responds to it and exploits it as an opportunity."

Peter Drucker

The ability to identify business opportunities is an essential characteristic of an entrepreneur.

What is an Opportunity?

The word opportunity suggests a good chance or a favourable situation to do something offered by circumstances.

A business opportunity means a good or favourable change available to run a specific business in a given environment, at a given point of time.

Common Questions Faced by Entrepreneurs

A critical question that all entrepreneurs face is how to go about finding the business opportunity that is right for them.

Some common questions that entrepreneurs constantly think about are:

• Should the new enterprise introduce a new product or service based on an unmet need?
• Should the new enterprise select an existing product or service from one market and offer it in another where it may not be available?
• Should the enterprise be based on a tried and tested formula that has worked elsewhere?

It is therefore extremely important that entrepreneurs must learn how to identify new and existing business opportunities and evaluate their chances of success.

When is an Idea an Opportunity?

An idea is an opportunity when:

• It creates or adds value to a customer
• It solves a significant problem, removes a pain point or meets a demand
• Has a robust market and profit margin
• Is a good fit with the founder and management team at the right time and place

Factors to Consider When Looking for Opportunities

• Consider the following when looking for business opportunities:
• Economic trends Changes in funding
• Changing relationships between vendors, partners and suppliers
• Market trends
• Changes in political support
• Shift in target audience

Ways to Identify New Business Opportunities

• **Identify Market Inefficiencies:** When looking at a market, consider what inefficiencies are present in the market. Think about ways to correct these inefficiencies.
• **Remove Key Hassles:** Rather than create a new product or service, you can innovatively improve a product, service or process.
• **Create Something New:** Think about how you can create a new experience for customers, based on existing business models.
• **Pick a Growing Sector/Industry:** Research and find out which sectors or industries are growing and think about what opportunities you can tap in the same.
• **Think About Product Differentiation:** If you already have a product in mind, think about ways to set it apart from the existing ones.

Ways to Identify Business Opportunities Within Your Business

SWOT Analysis: An excellent way to identify opportunities inside your business is by creating a SWOT analysis. The acronym SWOT stands for strengths, weaknesses, opportunities, and threats. SWOT analysis framework:
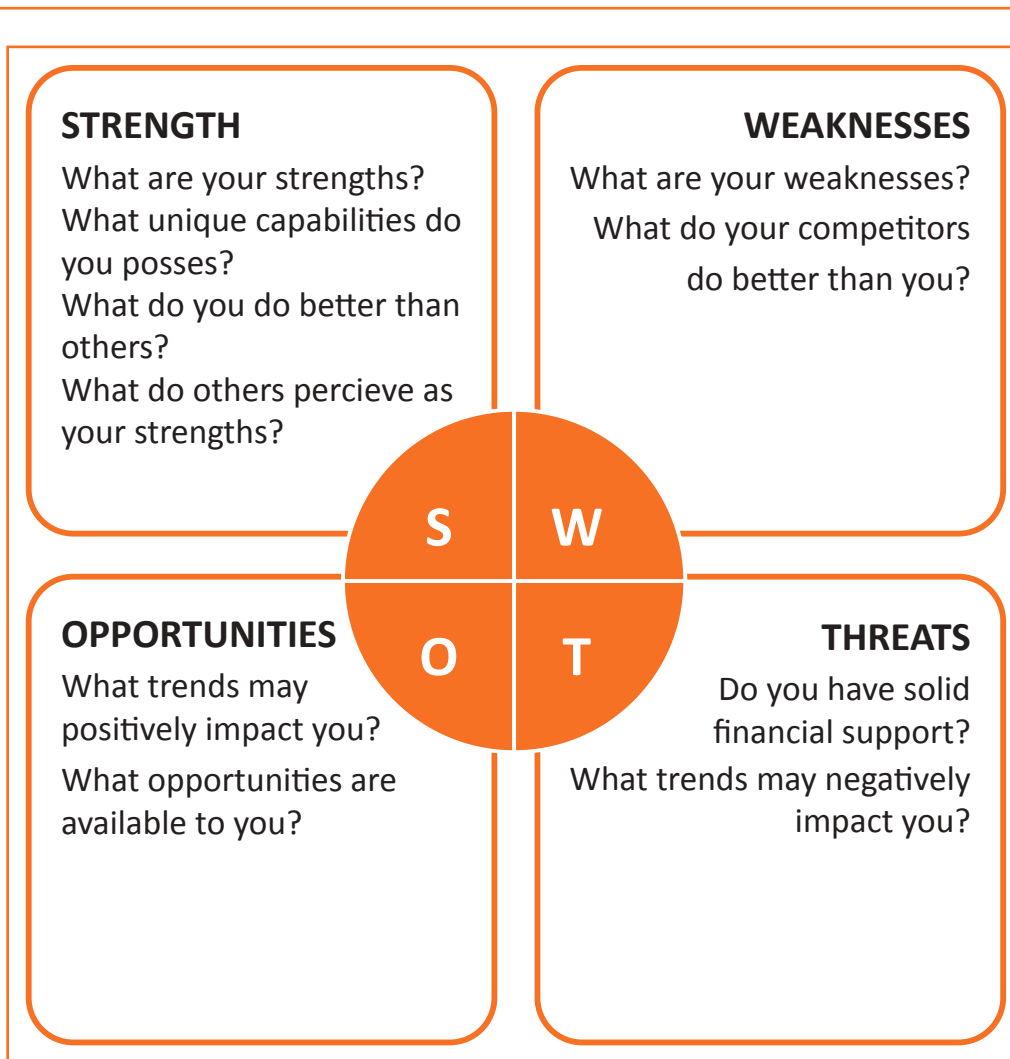
STRENGTH

What are your strengths?
What unique capabilities do you posses?
What do you do better than others?
What do others percieve as your strengths?

WEAKNESSES

What are your weaknesses?
What do your competitors do better than you?

S | W

O | T

OPPORTUNITIES

What trends may positively impact you?
What opportunities are available to you?

THREATS

Do you have solid financial support?
What trends may negatively impact you?

Fig. 8.5.5.1: SWOT

Consider the following when looking for business opportunities:

By looking at yourself and your competitors using the SWOT framework, you can uncover opportunities that you can exploit, as well as manage and eliminate threats that could derail your success.

Establishing Your USP

Establish your USP and position yourself as different from your competitors. Identify why customers should buy from you and promote that reason.

Opportunity Analysis

Once you have identified an opportunity, you need to analyze it. To analyze an opportunity, you must:

- Focus on the idea
- Focus on the market of the idea
- Talk to industry leaders in the same space as the idea
- Talk to players in the same space as the idea

8.5.5.1 Tips

1. Remember, opportunities are situational.
2. Look for a proven track record.
3. Avoid the latest craze.
4. Love your idea.

8.5.6 Entrepreneurship Support Eco-System

An entrepreneur is a person who:

• Does not work for an employee

• Runs a small enterprise

• Assumes all the risks and rewards of the enterprise, idea, good or service

Types of Entrepreneurs

There are four main types of entrepreneurs:

1. **The Traditional Entrepreneur:** This type of entrepreneur usually has some kind of skill – they can be a carpenter, mechanic, cook etc. They have businesses that have been around for numerous years like restaurants, shops and carpenters. Typically, they gain plenty of experience in a particular industry before they begin their own business in a similar field.

2. **The Growth Potential Entrepreneur:** The desire of this type of entrepreneur is to start an enterprise that will grow, win many customers and make lots of money. Their ultimate aim is to eventually sell their enterprise for a nice profit. Such entrepreneurs usually have a science or technical background.

3. **The Project-Oriented Entrepreneur:** This type of entrepreneur generally has a background in the Arts or psychology. Their enterprises tend to be focus on something that they are very passionate about.

4. **The Lifestyle Entrepreneur:** This type of entrepreneur has usually worked as a teacher or a office assistant. They are more interested in selling something that people will enjoy, rather than making lots of money.

Characteristics of an Entrepreneur

Successful entrepreneurs have the following characteristics:

• They are highly motivated

• They are creative and persuasive

• They are mentally prepared to handle each and every task

• They have excellent business skills – they know how to evaluate their cash flow, sales and revenue

• They are willing to take great risks

• They are very proactive – this means they are willing to do the work themselves, rather than wait for someone else to do it

• They have a vision – they are able to see the big picture

• They are flexible and open-minded

• They are good at making decisions

8.5.6.1 Entrepreneur Success Stories

Dhiru Bhai Ambani

Dhirubhai Ambani began his entrepreneurial career by selling "bhajias" to pilgrims in Mount Girnar on weekends. At 16, he moved to Yemen where he worked as a gas-station attendant, and as a clerk in an oil company. He returned to India with Rs. 50,000 and started a textile trading company. Reliance went on to become the first Indian company to raise money in global markets and the first Indian company to feature in Forbes 500 list.

Dr. Karsanbhai Patel

Karsanbhai Patel made detergent powder in the backyard of his house. He sold his product door-to-door and offered a money back guarantee with every pack that was sold. He charged Rs. 3 per kg when the cheapest detergent at that time was Rs.13 per kg. Dr. Patel eventually started Nirma which became a whole new segment in the Indian domestic detergent market.

8.5.6.2 The Entrepreneurial Process

Let's take a look at the stages of the entrepreneurial process.

- **Stage 1:** Idea Generation. The entrepreneurial process begins with an idea that has been thought of by the entrepreneur. The idea is a problem that has the potential to be solved.
- **Stage 2:** Germination or Recognition. In this stage a possible solution to the identified problem is thought of.
- **Stage 3:** Preparation or Rationalization. The problem is studied further and research is done to find out how others have tried to solve the same problem.
- **Stage 4:** Incubation or Fantasizing. This stage involves creative thinking for the purpose of coming up with more ideas. Less thought is given to the problem areas.
- **Stage 5:** Feasibility Study: The next step is the creation of a feasibility study to determine if the idea will make a profit and if it should be seen through.
- **Stage 6:** Illumination or Realization. This is when all uncertain areas suddenly become clear. The entrepreneur feels confident that his idea has merit.
- **Stage 7:** Verification or Validation. In this final stage, the idea is verified to see if it works and if it is useful.

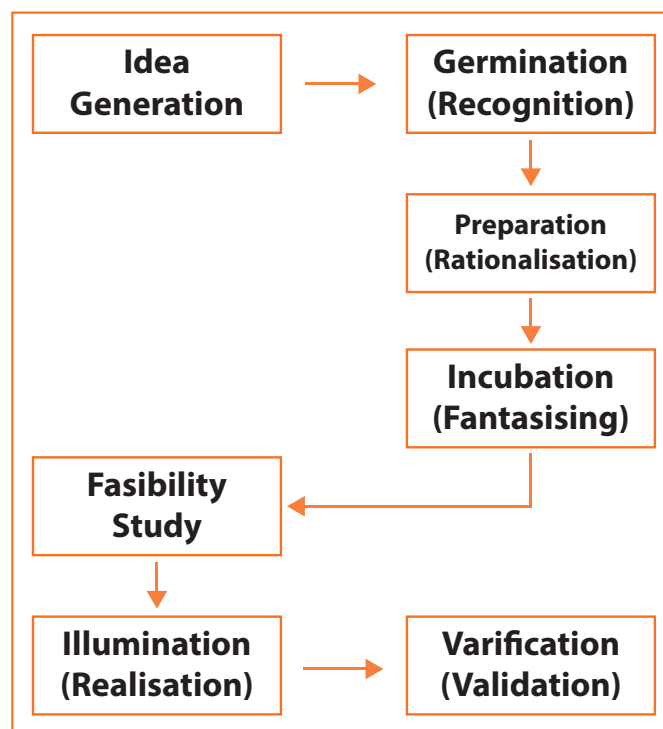Take a look at the diagram below to get a better idea of this process.

Fig. 8.5.6.2.1: Stages of the entrepreneurial process

8.5.6.3 What is an Entrepreneur?

The entrepreneurship support ecosystem signifies the collective and complete nature of entrepreneurship. New companies emerge and flourish not only because of the courageous, visionary entrepreneurs who launch them, but they thrive as they are set in an environment or 'ecosystem' made of private and public participants. These players nurture and sustain the new ventures, facilitating the entrepreneurs' efforts.

An entrepreneurship ecosystem comprises of the following six domains:

1. **Favourable Culture:** This includes elements such as tolerance of risk and errors, valuable networking and positive social standing of the entrepreneur.

2. **Facilitating Policies & Leadership:** This includes regulatory framework incentives and existence of public research institutes.

3. **Financing Options:** Angel financing, venture capitalists and micro loans would be good examples of this.

4. **Human Capital:** This refers to trained and untrained labour, entrepreneurs and entrepreneurship training programmes, etc.

5. **Conducive Markets for Products & Services:** This refers to an existence or scope of existence of a market for the product/service.

6. **Institutional & Infrastructural Support:** This includes legal and financing advisers, telecommunications, digital and transportation infrastructure, and entrepreneurship networking programmes.

These domains indicate whether there is a strong entrepreneurship support ecosystem and what actions should the government put in place to further encourage this ecosystem. The six domains and their various elements have been graphically depicted.
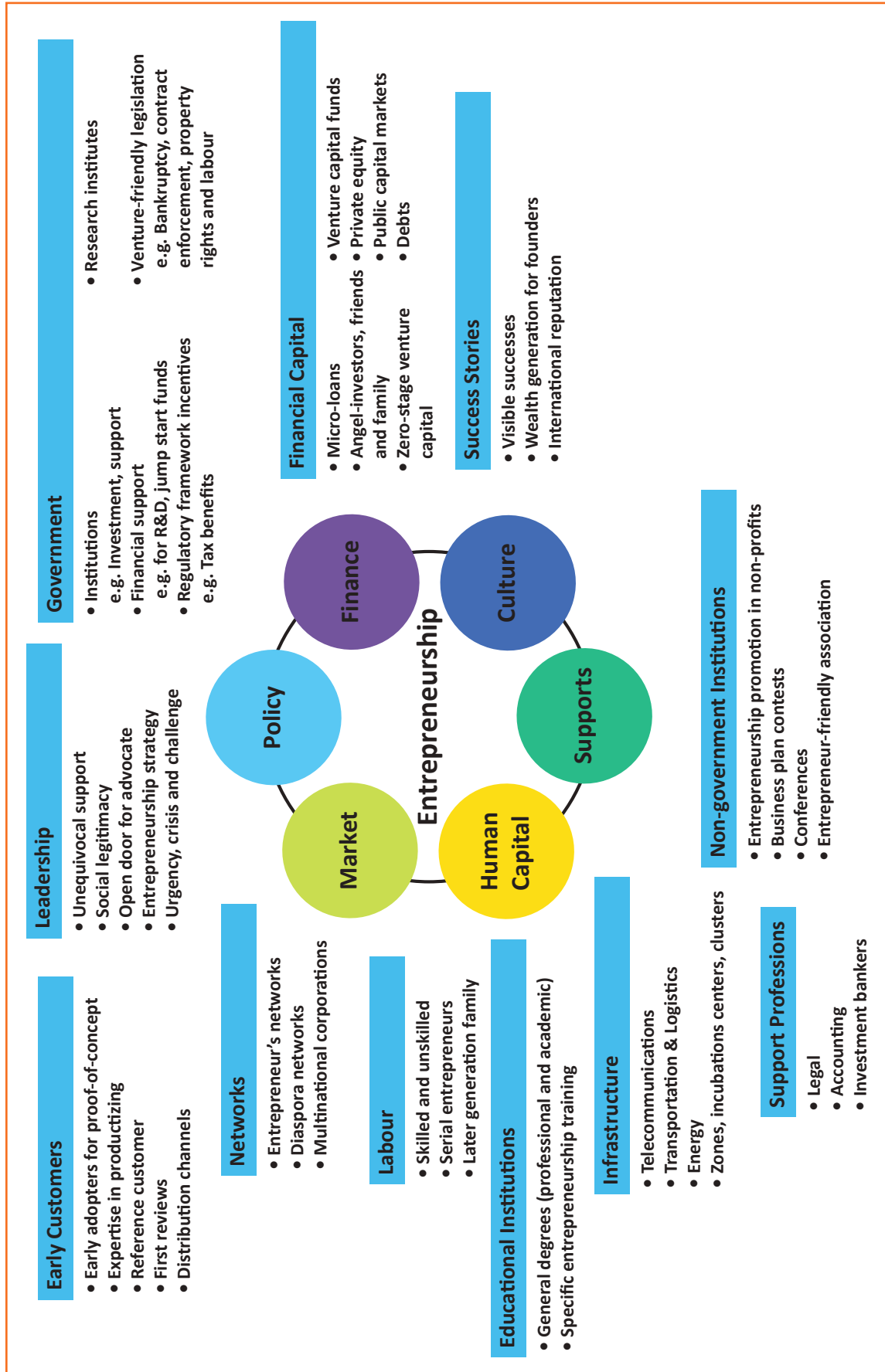
Fig. 8.5.6.3.1: Entrepreneurship support ecosystem

Every entrepreneurship support ecosystem is unique and all the elements of the ecosystem are interdependent. Although every region's entrepreneurship ecosystem can be broadly described by the above features, each ecosystem is the result of the hundred elements interacting in highly complex and particular ways.

Entrepreneurship ecosystems eventually become (largely) self-sustaining. When the six domains are resilient enough, they are mutually beneficial. At this point, government involvement can and should be significantly minimized. Public leaders do not need to invest a lot to sustain the ecosystem. It is imperative that the entrepreneurship ecosystem incentives are formulated to be self-liquidating, hence focusing on sustainability of the environment.

8.5.6.4 Make in India Campaign

Every entrepreneur has certain needs. Some of their important needs are:

- To easily get loans
- To easily find investors
- To get tax exemptions
- To easily access resources and good infrastructure
- To enjoy a procedure that is free of hassles and is quick
- To be able to easily partner with other firms

The Make in India campaign, launched by Prime Minister Modi aims to satisfy all these needs of young, aspiring entrepreneurs. Its objective is to:

- Make investment easy
- Support new ideas
- Enhance skill development
- Safeguard the ideas of entrepreneurs
- Create state-of-the-art facilities for manufacturing goods

8.5.6.5 Key Schemes to Promote Entrepreneurs

The government offers many schemes to support entrepreneurs. These schemes are run by various Ministries/ Departments of Government of India to support First Generation Entrepreneurs.Take a look at a few key schemes to promote entrepreneurship:

Name of the Scheme

1. Pradhan Mantri MUDRA Yojana - Micro Units Development and Refinance Agency (MUDRA),
2. STAND UP INDIA
3. Prime Minister Employment Generation Programme (PMEGP)
4. International Cooperation
5. Performance and Credit Rating
6. Marketing Assistance Scheme
7. Reimbursement of Registration Fee for Bar Coding
8. Enable Participation of MSMEs in State/District level Trade Fairs and Provide Funding Support
9. Capital Subsidy Support on Credit for Technology up gradation
10. Credit Guarantee Fund for Micro and Small Enterprise (CGFMSE)
11. Reimbursement of Certification Fees for Acquiring ISO Standards

12. Agricultural Marketing
13. Small Agricultural Marketing
14. Mega Food Park
15. Adivasi Mahila Sashaktikaran Yojana

Pradhan Mantri MUDRA Yojana, - Micro Units Development and Refinance Agency (MUDRA)

Under the aegis support of Pradhan Mantri MUDRA Yojana, MUDRA has already created its initial products/ schemes. The interventions have been named 'Shishu', 'Kishor' and 'Tarun' to signify the stage of growth/ development and funding needs of the beneficiary micro unit/entrepreneur and also provide a reference point for the next phase of graduation/growth to look forward to:

• **Shishu:** Covering loans upto Rs.50,000/-

• **Kishor:** Covering loans above Rs. 50,000/- and upto Rs.5 lakh

• **Tarun:** Covering loans above Rs. 5 lakh to Rs.10 lakh

Who can apply?: Any Indian citizen who has a business plan for a non-farm sector income generating activity such as manufacturing, processing, trading or service sector and whose credit need is less than Rs.10 lakh can approach either a Bank, MFI, or NBFC for availing of MUDRA loans under Pradhan Mantri Mudra Yojana (PMMY).

Stand Up India

The objective of the Standup India scheme is to facilitate bank loans between Rs.10 lakh and Rs.1 crore to at least one Schedule Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a Greenfield enterprise. This enterprise may be in manufacturing, services or the trading sector. In case of non-Individual enterprises at least 51% of the shareholding and controlling stake should be held be either an SC/ST or Woman Entrepreneur.

Who can apply?: ST, SC &Women

Prime Minister Employment Generation Programme (PMEGP)

The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The Government subsidy under the Scheme is routed. by KVIC through identified banks for eventual distribution to the beneficiaries/ entrepreneurs in their bank accounts.

Nature of assistance: The maximum cost of the project/unit admissible under manufacturing sector is Rs.25 lakh and under business/service sector is Rs.10 lakh. Levels of funding under PMEGP

Categories of beneficiaries under PMEGP	Beneficiary's contribution (of project cost)	Rate of Subsidy (of project cost)
Area (location of project/unit)		Urban Rural
General Category	10%	15% 25%
Special (including SC / ST / OBC / Minorities / Women, Ex- servicemen, Physically handicapped, NER, Hill and Border areas, etc.	05%	25% 35%

The balance amount of the total project cost will be provided by Banks as term loan as well as working capital.

Who can apply?: Any individual, above 18 years of age. At least VIII standard pass for projects costing above Rs.10 lakh in the manufacturing sector and above Rs.5 lakh in the business/service sector. Only new projects are considered for sanction under PMEGP. Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other Scheme), Institutions registered under Societies Registration Act,1860; Production Co-operative Societies, and Charitable Trusts are also eligible. Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are NOT eligible.

International Cooperation Description

The Scheme would cover the following activities:

• Deputation of MSME business delegations to other countries for exploring new areas of technology infusion/ upgradation, facilitating joint ventures, improving market of MSMEs products, foreign collaborations, etc.

• Participation by Indian MSMEs in international exhibitions, trade fairs and buyer-seller meets in foreign countries as well as in India, in which there is international participation.

• Holding international conferences and seminars on topics and themes of interest to the MSME.

Nature of assistance: IC Scheme provides financial assistance towards the airfare and space rent of entrepreneurs. Assistance is provided on the basis of size and the type of the enterprise.

Who can apply?:

• State/Central Government Organisations;

• Industry/Enterprise Associations; and

• Registered Societies/Trusts and Organisations associated with the promotion and development of MSMEs

Performance and Credit Rating for Micro and Small Enterprises Description

The objective of the Scheme is to create awareness amongst micro & small enterprises about the strengths and weaknesses of their operations and also their credit worthiness.

Nature of assistance:

Turn Over	Fee to be reimbursed by Ministry of MSME
Up to Rs.50 lacs	75% of the fee charged by the rating agency subject to a ceiling Rs.15,000/-
Above Rs.50 lacs to Rs.200 lacs	75% of the fee charged by the rating agency subject to a ceiling of Rs.30,0001-
Above Rs.200 lacs	75% of the fee charged by the rating agency subject

Who can apply?: Any enterprise registered in India as a micro or small enterprise is eligible to apply.

Marketing Assistance Scheme Description

The assistance is provided for the following activities:

• Organizing exhibitions abroad and participation in international exhibitions/trade fairs

• Co-sponsoring of exhibitions organized by other organisations/industry associations/agencies

• Organizing buyer-seller meets, intensive campaigns and marketing promotion events

Nature of assistance: Financial assistance of up to 95% of the airfare and space rent of entrepreneurs. Assistance is provided on the basis of size and the type of the enterprise. Financial assistance for co-sponsoring would be limited to 40% of the net expenditure, subject to maximum amount of Rs.5 lakh.

Who can apply?: MSMEs, Industry Associations and other organizations related to MSME sector.

Reimbursement of Registration Fee for Bar Coding Description

The financial assistance is provided towards 75% reimbursement of only one-time registration fee and 75% of annual recurring fee for first three years paid by MSEs to GS1 India for using bar coding.

Nature of assistance: Funding support for reimbursement of 75% of one time and recurring bar code registration fees.

Who can apply?: All MSMEs with EM registration.

Enabling Participation of MSMEs in State/District Level Trade Fairs and Provide Funding Support

Provide marketing platform to manufacturing MSMEs by enabling their participation in state/district level exhibitions being organized by state/district authorities/associations.

Nature of assistance:

• Free registration for participating in trade fairs. The selection of participants would be done by the MSME-DIs post the submission of application.

• Reimbursement of 50% of to and fro actual fare by shortest distance/direct train (limited to AC II tier class) from the nearest railway station/bus fare to the place of exhibition and 50% space rental charges for MSMEs (General category entrepreneurs).

• For Women/SC/ST entrepreneurs & entrepreneurs from North Eastern Region Govt. of India will reimburse 80% of items listed above in Point (2).

Note: The total reimbursement will be max. Rs.30,000/- per unit for the SC/ST/Women/Physically

Handicapped entrepreneurs, while for the other units the max. limit will be Rs.20,000/- per person per MSME unit.

Note: The participant is required to submit follow-up proofs post attending the event to claim reimbursement. The proofs can be submitted after logging in online under the section "My Applications" or directly contacting a DI office.

Who can apply?: All MSMEs with EM registration.

Capital Subsidy Support on Credit for Technology Upgradation Description

MSMEs can get a capital subsidy (~15%) on credit availed for technology upgradation.

Nature of assistance: Financial assistance for availing credit and loan.

Who can apply?:

• Banks and financial institutions can apply to DC-MSME for availing support.

• MSMEs need to directly contact the respective banks for getting credit and capital subsidy.

How to apply?: If you are a financial institution, click on the "Apply Now" button or else you can also directly contact the Office of DC-MSME. You can view the contact details of Office of DC-MSME. If you are an MSME, directly contact the respective banks/financial institutions as listed in the scheme guidelines.

Provision of Collateral Free Credit for MSMEs Description

Banks and financial institutions are provided funding assistance under this scheme so that they can in turn lend collateral free credit to MSMEs.

Nature of assistance: Funding support to banks and financial institutions for lending collateral-free credit to MSMEs.

Who can apply?: Banks and financial institutions can apply to office of DC-MSME/MSME-DIs for availing support. MSMEs need to directly contact the respective banks for getting credit.

Reimbursement of certification fees for acquiring ISO standards - ISO 9000/ISO 14001 Certification Reimbursement

The GoaI assistance will be provided for one-time reimbursement of expenditure to such MSME manufacturing units which acquire ISO 18000/ISO 22000/ISO 27000 certification.

Nature of assistance: Reimbursement of expenditure incurred on acquiring ISO standards.

Who can apply?: MSMEs with EM registration.

Agricultural Marketing Description

A capital investment subsidy for construction/renovation of rural godowns. Creation of scientific storage capacity and prevention of distress sale.

Nature of assistance: Subsidy @ 25% to farmers, 15% of project cost to companies.

Who can apply?: NGOs, SHGs, companies, co-operatives.

Small Agricultural Marketing Description

Business development description provides venture capital assistance in the form of equity, and arranges training and visits of agri-preneurs

Farmers' Agriculture Business Consortium: Business development description provides venture capital assistance in the form of equity, and arranges training and visits of agri-preneurs.

Nature of assistance: Financial assistance with a ceiling of Rs.5 lakh.

Who can apply?: Individuals, farmers, producer groups, partnership/propriety firms, SGHs, agri-preneurs, etc.

Mega Food Park Description

Mechanism to link agricultural production and market to maximize value addition, enhance farmers income, create rural employment.

Nature of assistance: One-time capital grant of 50% of project cost with a limit of Rs.50 crore.

Who can apply?: Farmers, farmer groups, SHGs.

Adivasi Mahila Sashaktikaran Yojana Description

Concessional scheme for the economic development of ST women.

Nature of assistance: Term loan at concessional rates upto 90% of cost of scheme.

Who can apply?: Scheduled Tribes Women.

8.5.6.6 Tips

1. Remember, opportunities are situational.
2. Look for a proven track record.
3. Avoid the latest craze.
4. Love your idea.

8.5.7 Risk Appetite & Resilience

Entrepreneurship and Risk

Entrepreneurs are inherently risk takers. They are path-makers not path-takers. Unlike a normal, cautious person, an entrepreneur would not think twice about quitting his job (his sole income) and taking a risk on himself and his idea.

An entrepreneur is aware that while pursuing his dreams, assumptions can be proven wrong and unforeseen events may arise. He knows that after dealing with numerous problems, success is still not guaranteed. Entrepreneurship is synonymous with the ability to take risks. This ability, called risk-appetite, is an entrepreneurial trait that is partly genetic and partly acquired.

What is Risk Appetite?

Risk appetite is defined as the extent to which a company is equipped to take risk, in order to achieve its objectives. Essentially, it refers to the balance, struck by the company, between possible profits and the hazards caused by changes in the environment (economic ecosystem, policies, etc.). Taking on more risk may lead to higher rewards but have a high probability of losses as well. However, being too conservative may go against the company as it can miss out on good opportunities to grow and reach their objectives.

The levels of risk appetite can be broadly categorized as "low", "medium" and "high." The company's entrepreneur(s) have to evaluate all potential alternatives and select the option most likely to succeed. Companies have varying levels of risk appetites for different objectives. The levels depend on:

- The type of industry
- Market pressures
- Company objectives

For example, a startup with a revolutionary concept will have a very high risk appetite. The startup can afford short term failures before it achieves longer term success. This type of appetite will not remain constant and will be adjusted to account for the present circumstances of the company.

Risk Appetite Statement

Companies have to define and articulate their risk appetite in sync with decisions made about their objectives and opportunities. The point of having a risk appetite statement is to have a framework that clearly states the acceptance and management of risk in business. It sets risk taking limits within the company. The risk appetite statement should convey the following:

- The nature of risks the business faces.
- Which risks the company is comfortable taking on and which risks are unacceptable.
- How much risk to accept in all the risk categories.
- The desired tradeoff between risk and reward.
- Measures of risk and methods of examining and regulating risk exposures.

Entrepreneurship and Resilience

Entrepreneurs are characterized by a set of qualities known as resilience. These qualities play an especially large role in the early stages of developing an enterprise. Risk resilience is an extremely valuable characteristic as it is believed to protect entrepreneurs against the threat of challenges and changes in the business environment.

What is Entrepreneurial Resilience?

Resilience is used to describe individuals who have the ability to overcome setbacks related to their life and career aspirations. A resilient person is someone who is capable of easily and quickly recovering from setbacks. For the entrepreneur, resilience is a critical trait. Entrepreneurial resilience can be enhanced in the following ways:

- By developing a professional network of coaches and mentors
- By accepting that change is a part of life
- By viewing obstacles as something that can be overcome

Characteristics of a Resilient Entrepreneur

The characteristics required to make an entrepreneur resilient enough to go the whole way in their business enterprise are:

- A strong internal sense of control
- Strong social connections
- Skill to learn from setbacks
- Ability to look at the bigger picture
- Ability to diversify and expand
- Survivor attitude
- Cash-flow conscious habits
- Attention to detail

8.5.7.1 Tips

1. Cultivate a great network of clients, suppliers, peers, friends and family. This will not only help you promote your business, but will also help you learn, identify new opportunities and stay tuned to changes in the market.
2. Don't dwell on setbacks. Focus on what the you need to do next to get moving again.
3. While you should try and curtail expenses, ensure that it is not at the cost of your growth.

8.5.8 Success & Failures

Understanding Successes and Failures in Entrepreneurship

Shyam is a famous entrepreneur, known for his success story. But what most people don't know, is that Shyam failed numerous times before his enterprise became a success. Read his interview to get an idea of what entrepreneurship is really about, straight from an entrepreneur who has both, failed and succeeded.

Interviewer: Shyam, I have heard that entrepreneurs are great risk-takers who are never afraid of failing. Is this true?

Shyam: Ha ha, no of course it's not true! Most people believe that entrepreneurs need to be fearlessly enthusiastic. But the truth is, fear is a very normal and valid human reaction, especially when you are planning to start your own business! In fact, my biggest fear was the fear of failing. The reality is, entrepreneurs fail as much as they succeed. The trick is to not allow the fear of failing to stop you from going ahead with your plans. Remember, failures are lessons for future success!

Interviewer: What, according to you, is the reason that entrepreneurs fail?

Shyam: Well, there is no one single reason why entrepreneurs fail. An entrepreneur can fail due to numerous reasons. You could fail because you have allowed your fear of failure to defeat you. You could fail because you are unwilling to delegate (distribute) work. As the saying goes, "You can do anything, but not everything!" You could fail because you gave up too easily – maybe you were not persistent enough. You could fail because you were focusing your energy on small, insignificant tasks and ignoring the tasks that were most important. Other reasons for failing are partnering with the wrong people,

not being able to sell your product to the right customers at the right time at the right price… and many more reasons!

Interviewer: As an entrepreneur, how do you feel failure should be looked at?

Shyam: I believe we should all look at failure as an asset, rather than as something negative. The way I see it, if you have an idea, you should try to make it work, even if there is a chance that you will fail. That's because not trying is failure right there, anyway! And failure is not the worst thing that can happen. I think having regrets because of not trying, and wondering 'what if' is far worse than trying and actually failing.

Interviewer: How did you feel when you failed for the first time?

Shyam: I was completely heartbroken! It was a very painful experience. But the good news is, you do recover from the failure. And with every subsequent failure, the recovery process gets a lot easier. That's because you start to see each failure more as a lesson that will eventually help you succeed, rather than as an obstacle that you cannot overcome. You will start to realize that failure has many benefits.

Interviewer: Can you tell us about some of the benefits of failing?

Shyam: One of the benefits that I have experienced personally from failing is that the failure made me see things in a new light. It gave me answers that I didn't have before. Failure can make you a lot stronger. It also helps keep your ego in control.

Interviewer: What advice would you give entrepreneurs who are about to start their own enterprises?

Shyam: I would tell them to do their research and ensure that their product is something that is actually wanted by customers. I'd tell them to pick their partners and employees very wisely and cautiously. I'd tell them that it's very important to be aggressive – push and market your product as aggressively as possible. I would warn them that starting an enterprise is very expensive and that they should be prepared for a situation where they run out of money.

I would tell them to create long term goals and put a plan in action to achieve that goal. I would tell them to build a product that is truly unique. Be very careful and ensure that you are not copying another startup. Lastly, I'd tell them that it's very important that they find the right investors.

Interviewer: That's some really helpful advice, Shyam! I'm sure this will help all entrepreneurs to be more prepared before they begin their journey! Thank you for all your insight!

8.5.8.1 Tips

1. Remember that nothing is impossible.
2. Identify your mission and your purpose before you start.
3. Plan your next steps – don't make decisions hastily.

UNIT 8.6: Preparing to be an Entrepreneur

Unit Objectives ⊙

By the end of this unit, the participants will be able to:

1. Discuss how market research is carried out
2. Describe the 4 Ps of marketing
3. Discuss the importance of idea generation
4. Recall basic business terminology
5. Discuss the need for CRM
6. Discuss the benefits of CRM
7. Discuss the need for networking
8. Discuss the benefits of networking
9. Understand the importance of setting goals
10. Differentiate between short-term, medium-term and long-term goals
11. Discuss how to write a business plan
12. Explain the financial planning process
13. Discuss ways to manage your risk
14. Describe the procedure and formalities for applying for bank finance
15. Discuss how to manage your own enterprise
16. List important questions that every entrepreneur should ask before starting an enterprise

8.6.1 Success & Failures

Understanding Market Research

Market research is the process of gathering, analyzing and interpreting market information on a product or service that is being sold in that market. It also includes information on:

• Past, present and prospective customers
• Customer characteristics and spending habits
• The location and needs of the target market
• The overall industry
• Relevant competitors

Market research involves two types of data:

• Primary information. This is research collected by yourself or by someone hired by you.
• Secondary information. This is research that already exists and is out there for you to find and use.

Primary research

Primary research can be of two types:

• **Exploratory:** This is open-ended and usually involves detailed, unstructured interviews.
• **Specific:** This is precise and involves structured, formal interviews. Conducting specific research is the more expensive than conducting exploratory research.

Secondary research

Secondary research uses outside information. Some common secondary sources are:

• **Public sources:** These are usually free and have a lot of good information. Examples are government departments, business departments of public libraries etc.

• **Commercial sources:** These offer valuable information but usually require a fee to be paid. Examples are research and trade associations, banks and other financial institutions etc.

• **Educational institutions:** These offer a wealth of information. Examples are colleges, universities, technical institutes etc.

8.6.1 Market Study / The 4 Ps of Marketing / Importance of an IDEA

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8.6.1.1 The 4 Ps of Marketing

The 4 Ps of marketing are:

1. Product,
2. Price,
3. Promotion and
4. Place.

Let's look at each of these 4 Ps in detail.

Product

A product can be:

- A tangible good
- An intangible service

Whatever your product is, it is critical that you have a clear understanding of what you are offering, and what its unique characteristics are, before you begin with the marketing process.

Some questions to ask yourself are:

- What does the customer want from the product/service?
- What needs does it satisfy?
- Are there any more features that can be added?
- Does it have any expensive and unnecessary features?
- How will customers use it?
- What should it be called?
- How is it different from similar products?
- How much will it cost to produce?
- Can it be sold at a profit?

Price

Once all the elements of Product have been established, the Price factor needs to be considered. The Price of a Product will depend on several factors such as profit margins, supply, demand and the marketing strategy.

Some questions to ask yourself are:

- What is the value of the product/service to customers?
- Do local products/services have established price points?
- Is the customer price sensitive?
- Should discounts be offered?
- How is your price compared to that of your competitors?

Promotion

Once you are certain about your Product and your Price, the next step is to look at ways to promote it. Some key elements of promotion are advertising, public relations, social media marketing, email marketing, search engine marketing, video marketing and more.

Some questions to ask yourself are:

- Where should you promote your product or service?
- What is the best medium to use to reach your target audience?
- When would be the best time to promote your product?
- How are your competitors promoting their products?

Place

According to most marketers, the basis of marketing is about offering the right product, at the right price, at the right place, at the right time. For this reason, selecting the best possible location is critical for converting prospective clients into actual clients.

Some questions to ask yourself are:

- Will your product or service be looked for in a physical store, online or both?
- What should you do to access the most appropriate distribution channels?
- Will you require a sales force?
- Where are your competitors offering their products or services?
- Should you follow in your competitors' footsteps?
- Should you do something different from your competitors?

Importance of an IDEA

Ideas are the foundation of progress. An idea can be small or ground-breaking, easy to accomplish or extremely complicated to implement. Whatever the case, the fact that it is an idea gives it merit. Without ideas, nothing is possible. Most people are afraid to speak out their ideas, out for fear of being ridiculed. However, if are an entrepreneur and want to remain competitive and innovative, you need to bring your ideas out into the light.

Some ways to do this are by:

- Establishing a culture of brainstorming where you invite all interested parties to contribute
- Discussing ideas out loud so that people can add their ideas, views, opinions to them
- Being open minded and not limiting your ideas, even if the idea who have seems ridiculous
- Not discarding ideas that you don't work on immediately, but instead making a note of them and shelving them so they can be revisited at a later date.

8.6.1.2 Tips

1. Keep in mind that good ideas do not always have to be unique.
2. Remember that timing plays a huge role in determining the success of your idea.
3. Situations and circumstances will always change, so be flexible and adapt your idea accordingly.

8.6.2 Business Entity Concepts: Basic Business Terminology

If your aim is to start and run a business, it is crucial that you have a good understanding of basic business terms. Every entrepreneur should be well versed in the following terms:

- **Accounting:** A systematic method of recording and reporting financial transactions.
- **Accounts payable:** Money owed by a company to its creditors.
- **Accounts Receivable:** The amount a company is owed by its clients.
- **Assets:** The value of everything a company owns and uses to conduct its business.
- **Balance Sheet:** A snapshot of a company's assets, liabilities and owner's equity at a given moment.
- **Bottom Line:** The total amount a business has earned or lost at the end of a month.
- **Business:** An organization that operates with the aim of making a profit.
- **Business to Business (B2B):** A business that sells goods or services to another business.

- **Business to Consumer (B2C):** A business that sells goods or services directly to the end user.
- **Capital:** The money a business has in its accounts, assets and investments. The two main types of capital are debt and equity.
- **Cash Flow:** The overall movement of funds through a business each month, including income and expenses.
- **Cash Flow Statement:** A statement showing the money that entered and exited a business during a specific period of time.
- **Contract:** A formal agreement to do work for pay.
- **Depreciation:** The degrading value of an asset over time.
- **Expense:** The costs that a business incurs through its operations.
- **Finance:** The management and allocation of money and other assets.
- **Financial Report:** A comprehensive account of a business' transactions and expenses.
- **Fixed Cost:** A one-time expense.
- **Income Statement (Profit and Loss Statement):** Shows the profitability of a business during a period of time.
- **Liabilities:** The value of what a business owes to someone else.
- **Marketing:** The process of promoting, selling and distributing a product or service.
- **Net Income/Profit:** Revenues minus expenses.
- **Net Worth:** The total value of a business.
- **Payback Period:** The amount of time it takes to recover the initial investment of a business.
- **Profit Margin:** The ratio of profit, divided by revenue, displayed as a percentage.
- **Return on Investment (ROI):** The amount of money a business gets as return from an investment.
- **Revenue:** The total amount of income before expenses are subtracted.
- **Sales Prospect:** A potential customer.
- **Supplier:** A provider of supplies to a business.
- **Target Market:** A specific group of customers at which a company's products and services are aimed.
- **Valuation:** An estimate of the overall worth of the business.
- **Variable Cost:** Expenses that change in proportion to the activity of a business.
- **Working Capital:** Calculated as current assets minus current liabilities.
- **Business Transactions:** There are three types of business transactions. These are:
  - **Simple Transactions –** Usually a single transaction between a vendor and a customer. For example: Buying a cup of coffee.
  - **Complex Transactions –** These transactions go through a number of events before they can be completed. For example: Buying a house.
  - **Ongoing transactions –** These transactions usually require a contract. For example: Contract with a vendor.

8.6.3 Basic Accounting Formulas

Take a look some important accounting formulas that every entrepreneur needs to know.

1. The Accounting Equation: This is value of everything a company owns and uses to conduct its business.

   Formula: Assets = Liability + Owner's Equity

2. Net Income: This is the profit of the company. Formula: Net Income = Revenues – Expenses

3. Break-Even Point: This is the point at which the company will not make a profit or a loss. The total cost and total revenues are equal.

   Formula: Break-Even = Fixed Costs/Sales Price – Variable Cost per Unit

4. Cash Ratio: This tells us about the liquidity of a company. Formula: Cash Ratio = Cash/Current Liabilities

5. Profit Margin: This is shown as a percentage. It shows what percentage of sales are left over after all the expenses are paid by the business.

   Formula: Profit Margin = Net Income/Sales

6. Debt-to-Equity Ratio: This ratio shows how much equity and debt a company is using to finance its assets, and whether the shareholder equity can fulfill obligations to creditors if the business starts making a loss.

   Formula: Debt-to-Equity Ratio = Total Liabilities/Total Equity

7. Cost of Goods Sold: This is the total of all costs used to create a product or service, which has been sold.

   Formula: Cost of Goods Sold = Cost of Materials/Inventory – Cost of Outputs

8. Return on Investment (ROI): This is usually shown as a percentage. It calculates the profits of an investment as a percentage of the original cost.

   Formula: ROI = Net Profit/Total Investment * 100

9. Simple Interest: This is money you can earn by initially investing some money (the principal).

   Formula: A = P(1 + rt); R = r * 100

   Where:

   A = Total Accrued Amount (principal + interest) P = Principal Amount

   I = Interest Amount

   r = Rate of Interest per year in decimal; r = R/100 t = Time Period involved in months or years

10. Annual Compound Interest: The calculates the addition of interest to the principal sum of a loan or deposit.

    Formula:

    A = P (1 + r/n) ^ nt

    Where, A = the future value of the investment/loan, including interest

    P = the principal investment amount (the initial deposit or loan amount) r = the annual interest rate (decimal)

    n=thenumberoftimesthatinterestiscompoundedperyeart=thenumberofyearsthemoneyisinvested or borrowed for.

8.6.4 CRM & Networking

What is CRM?

CRM stands for Customer Relationship Management. Originally the expression Customer Relationship Management meant managing one's relationship with customers. However, today it refers to IT systems and software designed to help companies manage their relationships.

The Need for CRM

The better a company can manage its relationships with its customers, the higher the chances of the company's success. For any entrepreneur, the ability to successfully retain existing customers and expand the enterprise is paramount. This is why IT systems that focus on addressing the problems of dealing with customers on a daily basis are becoming more and more in demand.

Customer needs change over time, and technology can make it easier to understand what customers really want. This insight helps companies to be more responsive to the needs of their customers. It enables them to modify their business operations when required, so that their customers are always served in the best manner possible. Simply put, CRM helps companies recognize the value of their clients and enables them to capitalize on improved customer relations.

Benifits of CRM

CRM has a number of important benefits:

- It helps improve relations with existing customers which can lead to: Increased sales
    - Identification of customer needs
    - Cross-selling of products
    - It results in better marketing of one's products or services
- It enhances customer satisfaction and retention
- It improves profitability by identifying and focusing on the most profitable customers

8.6.4.1 What is Networking?

In business, networking means leveraging your business and personal connections in order to bring in a regular supply of new business. This marketing method is effective as well as low cost. It is a great way to develop sales opportunities and contacts. Networking can be based on referrals and introductions, or can take place via phone, email, and social and business networking websites.

The Need for Networking

Networking is an essential personal skill for business people, but it is even more important for entrepreneurs. The process of networking has its roots in relationship building. Networking results in greater communication and a stronger presence in the entrepreneurial ecosystem. This helps build strong relationships with other entrepreneurs.

Business networking events held across the globe play a huge role in connecting like-minded entrepreneurs who share the same fundamental beliefs in communication, exchanging ideas and converting ideas into realities. Such networking events also play a crucial role in connecting entrepreneurs with potential investors. Entrepreneurs may have vastly different experiences and backgrounds but they all have a common goal in mind – they all seek connection, inspiration, advice, opportunities and mentors. Networking offers them a platform to do just that. Benefits of Networking

Networking offers numerous benefits for entrepreneurs. Some of the major benefits are:

- Getting high quality leads
- Increased business opportunities

- Good source of relevant connections
- Advice from like-minded entrepreneurs
- Gaining visibility and raising your profile
- Meeting positive and enthusiastic people
- Increased self-confidence
- Satisfaction from helping others
- Building strong and lasting friendships

8.6.4.2 Tips

1. Use social media interactions to identify needs and gather feedback.
2. When networking, ask open-ended questions rather than yes/no type questions.

8.6.5 Business Plan: Why Set Goals

Setting goals is important because it gives you long-term vision and short-term motivation. Goals can be short term, medium term and long term.

Short-Term Goals

- These are specific goals for the immediate future. Example: Repairing a machine that has failed. Medium- Term Goals
- These goals are built on your short term goals.
- They do not need to be as specific as your short term goals.

Example: Arranging for a service contract to ensure that your machines don't fail again.

Long-Term Goals

These goals require time and planning. They usually take a year or more to achieve.

Example: Planning your expenses so you can buy new machinery

Why Create a Business Plan

A business plan is a tool for understanding how your business is put together. It can be used to monitor progress, foster accountable and control the fate of the business. It usually offers a 3-5 year projection and outlines the plan that the company intends to follow to grow its revenues. A business plan is also a very important tool for getting the interest of key employees or future investors.

A business plan typically comprises of eight elements.

8.6.5.1 Elements of a Business Plan

Executive Summary

The executive summary follows the title page. The summary should clearly state your desires as the business owner in a short and businesslike way. It is an overview of your business and your plans. Ideally this should not be more than 1-2 pages.

Your Executive Summary should include:

- **The Mission Statement:** Explain what your business is all about.

  Example: Nike's Mission Statement

  Nike's mission statement is "To bring inspiration and innovation to every athlete in the world."

- **Company Information:** Provide information like when your business was formed, the names and roles of the founders, the number of employees, your business location(s) etc.

- **Growth Highlights:** Mention examples of company growth. Use graphs and charts where possible.

- **Your Products/Services:** Describe the products or services provided.

- **Financial Information:** Provide details on current bank and investors.

- **Summarize future plans:** Describe where you see your business in the future.

Business Description

The second section of your business plan needs to provide a detailed review of the different elements of your business. This will help potential investors to correctly understand your business goal and the uniqueness of your offering.

Your Business Description should include:

- A description of the nature of your business
- The market needs that you are aiming to satisfy
- The ways in which your products and services meet these needs
- The specific consumers and organizations that you intend to serve
- Your specific competitive advantages

Market Analysis

The market analysis section usually follows the business description. The aim of this section is to showcase your industry and market knowledge. This is also the section where you should lay down your research findings and conclusions.

Your Market Analysis should include:

- Your industry description and outlook
- Information on your target market
- The needs and demographics of your target audience
- The size of your target market
- The amount of market share you want to capture
- Your pricing structure
- Your competitive analysis
- Any regulatory requirements

Organization & Management

This section should come immediately after the Market Analysis. Your Organization & Management section should include:

- Your company's organizational structure
- Details of your company's ownership
- Details of your management team

- Qualifications of your board of directors
- Detailed descriptions of each division/department and its function
- The salary and benefits package that you offer your people
- The incentives that you offer

Service or Product Line

The next section is the service or product line section. This is where you describe your service or product, and stress on their benefits to potential and current customers. Explain in detail why your product of choice will fulfill the needs of your target audience.

Your Service or Product Line section should include:

- A description of your product/service
- A description of your product or service's life cycle
- A list of any copyright or patent filings
- A description of any R&D activities that you are involved in or planning

Marketing & Sales

Once the Service or Product Line section of your plan has been completed, you should start on the description of the marketing and sales management strategy for your business.

Your Marketing section should include the following strategies:

- **Market penetration strategy:** This strategy focuses on selling your existing products or services in existing markets, in order to increase your market share.
- **Growth strategy:** This strategy focuses on increasing the amount of market share, even if it reduces earnings in the short-term.
- **Channels of distribution strategy:** These can be wholesalers, retailers, distributers and even the internet.
- **Communication strategy:** These can be written strategies (e-mail, text, chat), oral strategies (phone calls, video chats, face-to-face conversations), non-verbal strategies (body language, facial expressions, tone of voice) and visual strategies (signs, webpages, illustrations).

Your Sales section should include the following information:

- **A salesforce strategy:** This strategy focuses on increasing the revenue of the enterprise.
- **A breakdown of your sales activities:** This means detailing out how you intend to sell your products or services – will you sell it offline or online, how many units do you intend to sell, what price do you plan to sell each unit at, etc.

Funding Request

This section is specifically for those who require funding for their venture. The Funding Request section should include the following information:

- How much funding you currently require.
- How much funding you will require over the next five years. This will depend on your long-term goals.
- The type of funding you want and how you plan to use it. Do you want funding that can be used only for a specific purpose, or funding that can be used for any kind of requirement?
- Strategic plans for the future. This will involve detailing out your long-term plans – what these plans are and how much money you will require to put these plans in motions.

- Historical and prospective financial information. This can be done by creating and maintaining all your financial records, right from the moment your enterprise started, to the present day. Documents required for this are your balance sheet which contains details of your company's assets and liabilities, your income statement which lists your company's revenues, expenses and net income for the year, your tax returns (usually for the last three years) and your cash flow budget which lists the cash that came in, the cash that went out and states whether you had a cash deficit (negative balance) or surplus (positive balance) at the end of each month.

Financial Planning

Before you begin building your enterprise, you need to plan your finances. Take a look at the steps for financial planning:

- **Step 1:** Create a financial plan. This should include your goals, strategies and timelines for accomplishing these goals.
- **Step 2:** Organize all your important financial documents. Maintain a file to hold your investment details, bank statements, tax papers, credit card bills, insurance papers and any other financial records.
- **Step 3:** Calculate your net worth. This means figure out what you own (assets like your house, bank accounts, investments etc.), and then subtract what you owe (liabilities like loans, pending credit card amounts etc.) the amount you are left with is your net worth.
- **Step 4:** Make a spending plan. This means write down in detail where your money will come from, and where it will go.
- **Step 5:** Build an emergency fund. A good emergency fund contains enough money to cover at least 6 months' worth of expenses.
- **Step 6:** Set up your insurance. Insurance provides long term financial security and protects you against risk.

Risk Management

As an entrepreneur, it is critical that you evaluate the risks involved with the type of enterprise that you want to start, before you begin setting up your company. Once you have identified potential risks, you can take steps to reduce them. Some ways to manage risks are:

- Research similar business and find out about their risks and how they were minimized.
- Evaluate current market trends and find out if similar products or services that launched a while ago are still being well received by the public.
- Think about whether you really have the required expertise to launch your product or service.
- Examine your finances and see if you have enough income to start your enterprise.
- Be aware of the current state of the economy, consider how the economy may change over time, and think about how your enterprise will be affected by any of those changes.
- Create a detailed business plan.

8.6.5.2 Tips

1. Ensure all the important elements are covered in your plan.
2. Scrutinize the numbers thoroughly.
3. Be concise and realistic.
4. Be conservative in your approach and your projections.
5. Use visuals like charts, graphs and images wherever possible.

8.6.6 Procedure and Formalities for Bank Finance

The Need for Bank Finance

For entrepreneurs, one of the most difficult challenges faced involves securing funds for start-ups. With numerous funding options available, entrepreneurs need to take a close look at which funding methodology works best for them. In India, banks are one of the largest funders of start-ups, offering funding to thousands of start-ups every year.

8.6.6.1 What Information Should Entrepreneurs Offer Banks for Funding

When approaching a bank, entrepreneurs must have a clear idea of the different criteria that banks use to screen, rate and process loan applications. Entrepreneurs must also be aware of the importance of providing banks with accurate and correct information. It is now easier than ever for financial institutions to track any default behaviour of loan applicants. Entrepreneurs looking for funding from banks must provide banks with information relating to their general credentials, financial situation and guarantees or collaterals that can be offered.

General Credentials

This is where you, as an entrepreneur, provide the bank with background information on yourself. Such information includes:

- **Letter(s) of Introduction:** This letter should be written by a respected business person who knows you well enough to introduce you. The aim of this letter is set across your achievements and vouch for your character and integrity.
- **Your Profile:** This is basically your resume. You need to give the bank a good idea of your educational achievements, professional training, qualifications, employment record and achievements.
- **Business Brochure:** A business brochure typically provides information on company products, clients, how long the business has been running for etc.
- **Bank and Other References:** If you have an account with another bank, providing those bank references is a good idea.
- **Proof of Company Ownership or Registration:** In some cases, you may need to provide the bank with proof of company ownership and registration. A list of assets and liabilities may also be required.

Financial Situation

Banks will expect current financial information on your enterprise. The standard financial reports you should be prepared with are:

- Balance Sheet
- Profit-and-Loss Account
- Cash-Flow Statement
- Projected Sales and Revenues
- Business Plan
- Feasibility Study

Guarantees or Collaterals

Usually banks will refuse to grant you a loan without security. You can offer assets which the bank can seize and sell off if you do not repay the loan. Fixed assets like machinery, equipment, vehicles etc. are also considered to be security for loans.

8.6.6.2 The Lending Criteria of Banks

Your request for funding will have a higher chance of success if you can satisfy the following lending criteria:

- Good cash flow
- Adequate shareholders' funds
- Adequate security
- Experience in business
- Good reputation

The Procedure

To apply for funding the following procedure will need to be followed.

- Submit your application form and all other required documents to the bank.
- The bank will carefully assess your credit worthiness and assign ratings by analyzing your business information with respect to parameters like management, financial, operational and industry information as well as past loan performance.
- The bank will make a decision as to whether or not you should be given funding.

8.6.6.3 Tips

1. Get advice on funding options from experienced bankers.
2. Be cautious and avoid borrowing more than you need, for longer than you need, at an interest rate that is higher than you are comfortable with.

8.6.7 Enterprise Management - An Overview

To manage your enterprise effectively you need to look at many different aspects, right from managing the day-to-day activities to figuring out how to handle a large scale event. Let's take a look at some simple steps to manage your company effectively.

Step 1: Use your leadership skills and ask for advice when required: Let's take the example of Ramu, an entrepreneur who has recently started his own enterprise. Ramu has good leadership skills – he is honest, communicates well, knows how to delegate work etc. These leadership skills definitely help Ramu in the management of his enterprise. However, sometimes Ramu comes across situations that he is unsure how to handle. What should Ramu do in this case? One solution is for him to find a more experienced manager who is willing to mentor him. Another solution is for Ramu to use his networking skills so that he can connect with managers from other organizations, who can give him advice on how to handle such situations.

Step 2: Divide your work amongst others – realize that you cannot handle everything yourself: Even the most skilled manager in the world will not be able to manage every single task that an enterprise will demand of him. A smart manager needs to realize that the key to managing his enterprise lies in his dividing all his work between those around him. This is known as delegation. However, delegating is not enough. A manager must delegate effectively if he wants to see results. This is important because delegating, when done incorrectly, can result in you creating even more work for yourself. To delegate effectively, you can start by making two lists. One list should contain the things that you know you need to handle yourself. The second list should contain the things that you are confident can be given to others to manage and handle. Besides incorrect delegation, another issue that may arise is over-delegation. This means giving away too many of your tasks to others. The problem with this is, the more tasks you delegate, the more time you will spend tracking and monitoring the work progress of those you have handed the tasks to. This

will leave you with very little time to finish your own work.

Step 3: Hire the right people for the job: Hiring the right people goes a long way towards effectively managing your enterprise. To hire the best people suited for the job, you need to be very careful with your interview process. You should ask potential candidates the right questions and evaluate their answers carefully. Carrying out background checks is always a good practice. Running a credit check is also a good idea, especially if the people you are planning to hire will be handling your money. Create a detailed job description for each role that you want filled and ensure that all candidates have a clear and correct understanding of the job description. You should also have an employee manual in place, where you put down every expectation that you have from your employees. All these actions will help ensure that the right people are approached for running your enterprise.

Step 4: Motivate your employees and train them well: Your enterprise can only be managed effectively if your employees are motivated to work hard for your enterprise. Part of being motivated involves your employees believing in the vision and mission of your enterprise and genuinely wanting to make efforts towards pursuing the same. You can motivate your employees with recognition, bonuses and rewards for achievements. You can also motivate them by telling them about how their efforts have led to the company's success. This will help them feel pride and give them a sense of responsibility that will increase their motivation.

Besides motivating your people, your employees should be constantly trained in new practices and technologies. Remember, training is not a one-time effort. It is a consistent effort that needs to be carried out regularly.

Step 5: Train your people to handle your customers well: Your employees need to be well-versed in the art of customer management. This means they should be able to understand what their customers want, and also know how to satisfy their needs. For them to truly understand this, they need to see how you deal effectively with customers. This is called leading by example. Show them how you sincerely listen to your clients and the efforts that you put into understand their requirements. Let them listen to the type of questions that you ask your clients so they understand which questions are appropriate.

Step 6: Market your enterprise effectively: Use all your skills and the skills of your employees to market your enterprise in an effective manner. You can also hire a marketing agency if you feel you need help in this area.

Now that you know what is required to run your enterprise effectively, put these steps into play, and see how much easier managing your enterprise becomes!

8.6.7.1 Tips

1. Get advice on funding options from experienced bankers.
2. Be cautious and avoid borrowing more than you need, for longer than you need, at an interest rate that is higher than you are comfortable with.

8.6.7.2 Considering Entrepreneurship

Questions to Ask Yourself Before Considering Entrepreneurship

- Why am I starting a business?
- What problem am I solving?
- Have others attempted to solve this problem before? Did they succeed or fail?
- Do I have a mentor or industry expert that I can call on?

- Who is my ideal customer?
- Who are my competitors?
- What makes my business idea different from other business ideas?
- What are the key features of my product or service?
- Have I done a SWOT analysis?
- What is the size of the market that will buy my product or service?
- What would it take to build a minimum viable product to test the market?
- How much money do I need to get started?
- Will I need to get a loan?
- How soon will my products or services be available?
- When will I break even6 or make a profit?
- How will those who invest in my idea make a profit?
- How should I set up the legal structure of my business?
- What taxes will I need to pay?
- What kind of insurance will I need?
- Have I reached out to potential customers for feedback?

8.6.7.3 Tips

1. It is very important to validate your business ideas before you invest significant time, money and resources into it.
2. The more questions you ask yourself, the more prepared you will be to handle to highs and lows of starting an enterprise.

Footnotes:

1. A mentor is a trusted and experienced person who is willing to coach and guide you.
2. A customer is someone who buys goods and/or services.
3. A competitor is a person or company that sells products and/or services similar to your products and/or services.
4. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. To conduct a SWOT analysis of your company, you need to list down all the strengths and weaknesses of your company, the opportunities that are present for your company and the threats faced by your company.
5. A minimum viable product is a product that has the fewest possible features, that can be sold to customers, for the purpose of getting feedback from customers on the product.
6. A company is said to break even when the profits of the company are equal to the costs.
7. The legal structure could be a sole proprietorship, partnership or limited liability partnership.
8. There are two types of taxes – direct taxes payable by a person or a company, or indirect taxes charged on goods and/or services.
9. There are two types of insurance – life insurance and general insurance. Life insurance covers human life while general insurance covers assets like animals, goods, cars etc.

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