

Fifty Lessons Learned from 25 Years in Thrift Retailing

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1. Know your business – it's all about donations
2. Critical measure 1 – (annual) donors per retail square foot (5)
3. Critical measure 2 – annual sales per retail square foot (100)
4. Critical measure 3 – expense to revenue (profit) percentage (70)
5. Three biggest factors in store success – location, manager, donations
6. Donations are always about donor convenience, not your mission
7. Best advertising is your store signage
8. Media ads should be for donations, then mission and not sales
9. Lease or buy stores – no difference
10. Consider multiple stores at once, big picture costing
11. Best retail items are clothing on a sales/sf basis
12. No US market is oversaturated in thrift retail
13. Some US markets are saturated in donations competition
14. Most stores reach mature sales level in 12 months
15. Don't store it, sell it!
16. Nothing adds value between donor and sales floor
17. Run giveaway programs through store sales to measure impact
18. Shopping is more dignified than receiving handouts
19. Stores programs add value through job creation
20. Theft happens in ALL retail – be vigilant
21. More than 90% of retail theft is from inside
22. Add endcaps and tops to racks to add sales in same square footage
23. Weekend hours are now essential to sales success
24. Are you paying a living wage?
25. If you can smell a store, it means goods are sitting too long
26. Wages plus sales bonus programs work well – incentivize!
27. Every store should be a donation center
28. Supplement store donation sites with other collection sites
29. Donations are not free, but should cost as little as possible
30. If it doesn't sell in one store, it won't see in another...
31. Clearance store sales equal revenue/pound between salvage and retail
32. Consider non-clothing online sales – books, art, antiques etc.
33. It's great to have shoppers buy right off the z-racks!
34. Proper distance between stores depends on donor penetration
35. Stores succeed better in donor neighborhoods, not shoppers'
36. The first people to complain about prices are the dealers!
37. Rotate goods! Nothing in store more than 30 days

38. You will only sell 50% of what you collect
39. 50% of what you will sell is sold in first 3 days on sale
40. 75% of all sales are in the first two weeks
41. Therefore last two weeks on sale are best discount periods
42. Unit price vs. good-better-best : Unit pricing is more efficient
43. Decentralized is less expensive than centralized
44. Don't build displays, sell stuff!
45. New goods sales – paper goods, candy, tools, underwear, socks help
46. New goods should be less than 15% of inventory
47. Salvage is a commodity – you can't influence the price
48. Retail yield is \$3/pound. Salvage is \$.20. Do the math.
49. The more money you make, the more good you can do!
50. Use the store to tell your mission story!