

Store Operations Manual

Clearance Program

Primary Contact: Operations

Date of last update: February 4, 2011

- The focus of the Clearance Program is to better manage product flow, minimize lost & damage, and offer customers a great value on merchandise that will no longer be carried in our stores.
- All merchandise must be properly marked with a price.
- Store associates will be able purchase clearance items while the merchandise is on the shelf. Once the item is moved to the clearance rack via schematic update, store associates will not be able to purchase the items.

Standard Operating Procedures:

• **Everyday Items**

- Everyday items on clearance will have a clearance tag and are to remain displayed on the shelf until the next schematic update.
- Everyday Items placed on clearance will follow the pricing program below.
 1. Item will priced with a 50% clearance dropdown tag for 4 weeks.
 2. Item will be priced with a 75% clearance drop down tag for an additional 4 weeks.
 3. Item will be priced with a 90% clearance drop down tag for an additional week.
 4. If the item does not sell after 9 weeks of being on the clearance program, the retail will be changed to 2 cents in the system.
 5. Line thru the UPC and price mark the item to sell. **Do Not** scan out remaining merchandise at 2 cents.
- Do not remove the item from the shelf until you receive the schematic update. Display the removed item on the clearance rack.

• **Seasonal Items**

- Seasonal items will be placed on a shorter program in effort to move through the product quickly.
 1. Any slow moving items identified will be marked down 25% prior to the seasonal event.
 2. Item will be priced with a 50% clearance drop down tag for 1 week after the seasonal event.
 3. Item will be priced with a 75% clearance drop down tag the second week after the seasonal event.
 4. Item will be priced with a 90% clearance drop down tag the third week after the seasonal event.
 5. If the item does not sell after 3 weeks of the event, the retail will be changed to 2 cents. Line thru the UPC and price mark the item to sell. **Do not** scan out remaining merchandise at 2 cents.
- Remaining seasonal merchandise must be displayed up front on a display table or rack (**Do not** merchandise items on a cart.)
- Items must show the regular price as well as the reduced price.

Note: DO NOT SELL OR SCAN OUT REMAINING CLEARANCE MERCHANDISE AT 2 CENTS.