

madix
INNOVATION ON DISPLAY

DON'T BE

S. T. U. P. I. D. !

"SMART" FIXTURE DECISIONS THAT WASTE MONEY

RETAIL
INC

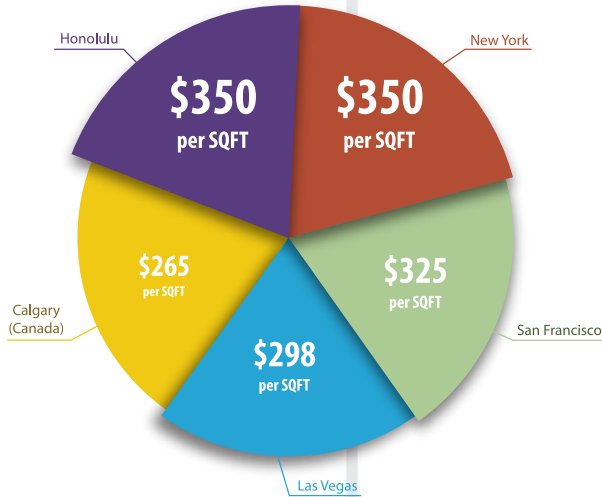
Average Commercial Construction Costs (Q1 2019)

Retail Center

vs

Retail Strip

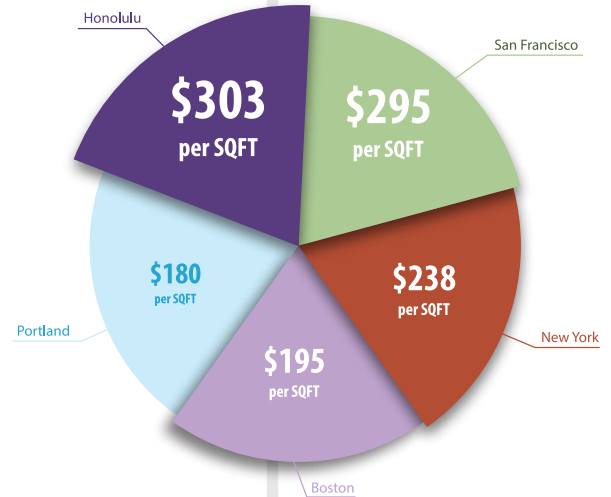
Retail Center



Honolulu	New York	San Francisco	Las Vegas	Calgary
High: 490	High: 425	High: 400	High: 480	High: 310
Low: 210	Low: 275	Low: 250	Low: 115	Low: 220

Top 5 Cities

Retail Strip



Honolulu	New York	San Francisco	Las Vegas	Calgary
High: 490	High: 425	High: 400	High: 480	High: 310
Low: 210	Low: 275	Low: 250	Low: 115	Low: 220

TABLE OF CONTENTS

S	ECONDHAND FIXTURES	2
T	RAPPINGS	6
U	INSTAGED DELIVERY	8
P	ERFECT PURCHASE ORDERS	10
I	NSTALLING FIXTURES ASAP	12
D	ETAILED PACKAGING REQUIREMENTS	14



S ECONDHAND FIXTURES

Used fixtures seem more economical than new ones, but in actuality, the price difference is rarely substantial. The cost of maintenance required to keep old fixtures functioning often supersedes any savings.

Other refurbishment concerns include the following:

- Shorter lifespan - new fixtures last about ten years before needing major repairs or replacements; on average, used fixtures already have seven to ten years' worth of mileage when sold
- No manufacturer's warranty - refurbishment negates warranty coverage
- Safety concerns - secondhand fixtures do not go through the same quality inspection as new ones; the refurbishment process can even compromise the integrity of the parts, resulting in equipment failure
- Non-compliance - fixtures removed from their intended environment and purpose may not meet the standards of local, state, or federal codes

SMART SOURCING

Choose high-quality fixtures that will last for years, rather than cheaper ones that will need to be replaced more frequently.



ARE REFURBISHED FIXTURES ECO-FRIENDLY?



Not really. Shipping used fixtures to and from the refurbishment site has a greater environmental impact than simply shipping new fixtures one way from the manufacturer.



Plus, the refurbishment process itself results in about the same amount of greenhouse-gas emissions as new manufacturing, since it involves paint-stripping (i.e. burning), repairs, re-painting, and packaging.

FOOD FOR THOUGHT

TO SAVE TIME AND MONEY, WE'RE GONNA REFURBISH OUR FIXTURES. SO WE MUST HAVE THEM DISMANTLED, SHIPPED, RECEIVED, CLEANED, CHECKED, REPAIRED, REPAINTED, REPACKAGED, SHIPPED BACK TO US, AND FINALLY, REASSEMBLED.

...SEEMS EXCESSIVE



T RAPPINGS

Merchandise-specific display accessories are useful, but beware superfluous “bells and whistles.” For example, laminate backs on gondola units look attractive, but more often than not, the effect is not visible behind merchandise. A more cost-efficient, painted alternative would function just as well for this purpose.

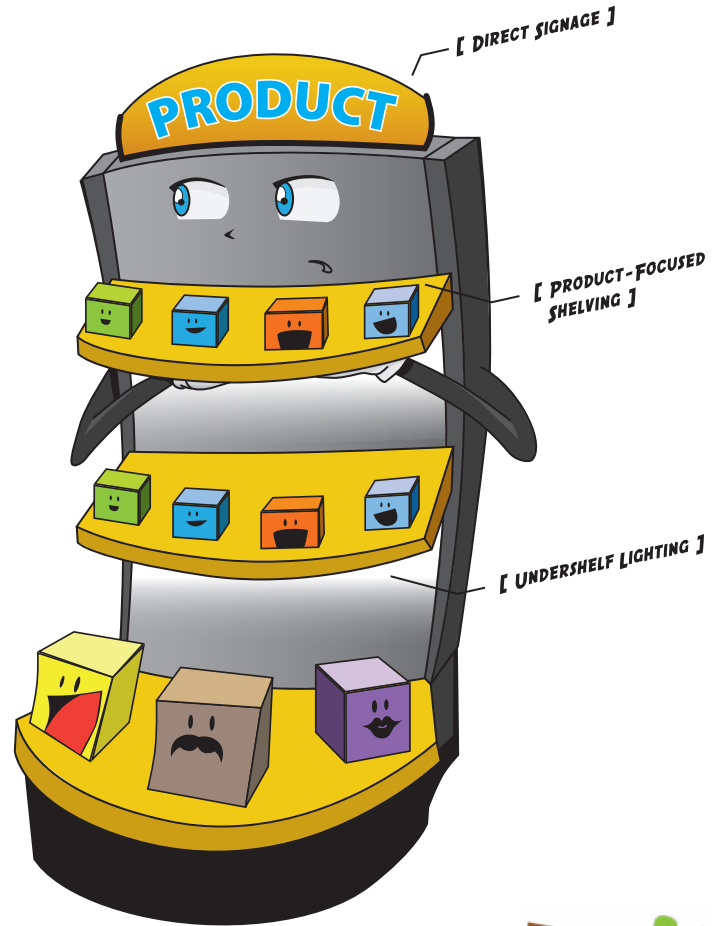
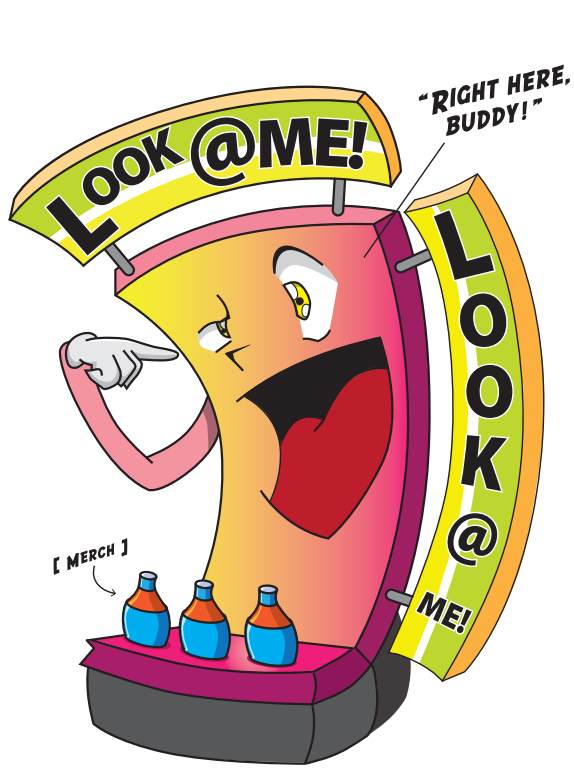


Another red flag is a design too specific to one function or one location in the store. Flexible, multipurpose fixtures will receive the best return on investment.



SMART SOURCING

“Cool” fixtures help build unique in-store experiences for shoppers, but before paying extra for custom-manufacturing, determine whether the same result can be achieved using standard options. A fixture supplier with an extensive selection of cataloged products can facsimile a custom design at a much more cost-effective price.



UNSTAGED DELIVERY

Retailers commonly have fixtures shipped directly from the manufacturer to their stores, a decision that circumvents high drayage bills and ensures all materials are readily on hand for the installation phase. However, there are certain risks involved with expensive consequences:

- A large amount of freight arriving simultaneously creates more opportunities for confusion and disorganization, leading to lost and/or damaged parts that must be replaced (usually under crunch time)
- Time and labor wastes occur while sorting through crates and pallets
- Some store sites are not outfitted for freight delivery (e.g. stores in strip malls, which tend to lack bay doors and docks)

Instead, consider renting a warehouse space in close proximity to the store—whether it be the temporary lease of an industrial building or an onsite “flex” warehouse unit—and have fixture orders shipped in advance to the staging location. This way, you can consolidate fixtures with other equipment and move everything over to the store as needed.

SMART SOURCING

Select a fixture supplier who is willing and able to synchronize order fulfillment with your stores’ installation schedules.

RETAIL
INC.

GRAND NO OPENINGS: JUST HOW MUCH DO DELAYS COST?

AMONG THE TOP 100 RETAILERS IN THE UNITED STATES,

number one on the
LIST EARNS AN
approximate average of

\$202,000

IN SALES PER STORE, PER DAY.

THE RETAILER

\$64,000

at the **bottom** of the list
still earns about
FOR THE SAME.

EACH DAY

A STORE'S GRAND OPENING (OR RE-OPENING)
is delayed causes **SIGNIFICANT damage to either retailer.**

PERFECT PURCHASE ORDERS

You have heard that “less is more,” but sometimes the reverse is also true: more is less. Ordering the exact number of quoted parts for a fixture means no useless leftovers, but what if you make a mistake? (Be honest, it happens.) Or what if parts are damaged during transit?

In this instance, a few extra components added to the original order will cost far less than if you order them separately—especially under a tight deadline. Rush orders are expensive, not to mention the expedited-shipping charges. Even a single shelf can end up costing 10,000% more on its own than as an add-on to the original order.

Being proactive by ordering extra components may help prevent unnecessary stress and expense in the long run.

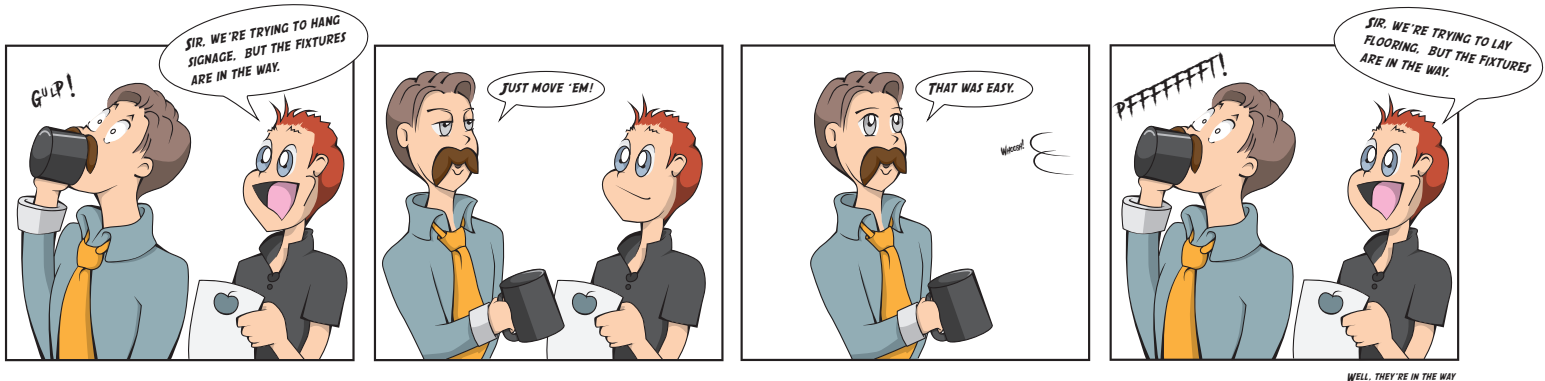
SMART SOURCING

Ask your fixture supplier how they handle rush-order situations. A good supplier will be able to address any emergency parts shortages in a swift and cost-effective manner.



INSTALLING FIXTURES ASAP

To minimize downtime, retailers may greenlight store-fixture and equipment installation before the store site is ready. However, store fixtures installed too soon become obstacles for the construction crews, often resulting in redundant dismantling and reassembly to move them out of the way. Debris, tools, heavy-duty machinery, and any number of other hazards may also damage fixtures. The safest, most efficient approach is to save installation for last.

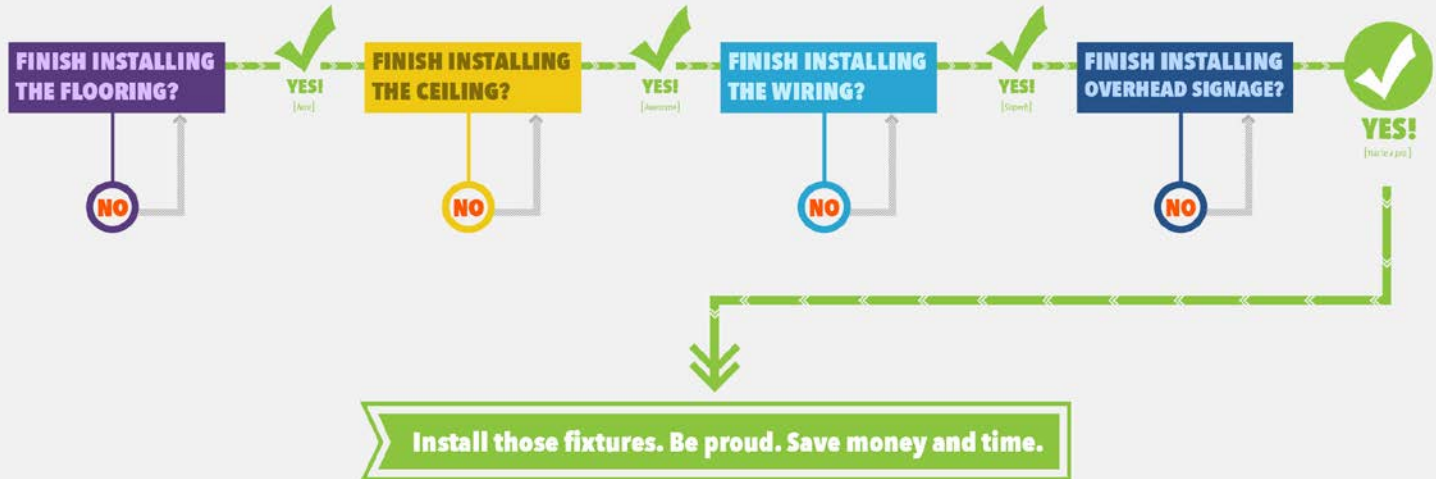


SMART SOURCING

Make sure building construction is complete (including electrical wiring, painting, ceiling work, and hanging overhead lighting/signage) before scheduling fixtures to arrive for installation.

INSTALL CHECKLIST

Before installing fixtures, check the list



By installing the fixtures last, you ensure there will be no unnecessary tear-downs and reinstalls.



DETAILED PACKAGING REQUIREMENTS

Hoping to prevent costly delays due to freight damage, many retailers specify that fixtures must be packaged in a specific manner for shipment. Yet this stipulation is usually excessive, since reliable suppliers will have already tested their packaging methods under various conditions and circumstances, so standard practices should suffice.

Here are the drawbacks rarely considered in custom-packaging requests:

- Surcharge fee - non-standard packaging costs extra
- Higher freight bill - the more packaging on an order, the more physical volume it consumes, which sometimes necessitates additional trailers or shipping containers
- Greater environmental impact - more trailers on the road lead to more greenhouse-gas emissions; plus, a lot of the packaging ends up in landfills
- More time and labor - not only will it take longer to unpack orders shipped in extra packaging, but also the cleanup process afterward will be more extensive

SMART SOURCING

Avoid being duped! Some fixture suppliers offer seemingly low unit prices for their products but overcharge for packaging.

THE CURIOUS CASE OF **PACKAGING WASTE**

S. T. U. P. I. **D.**

One retailer from the Houston area



determined that they were spending an additional

\$1,600 PER STORE
on fixture orders



simply because their supplier used too much packaging.

THE STORES HAD TO RENT EXTRA DUMPSTERS TO DISPOSE OF IT ALL!



THE GOOD NEWS

The good news is that many of the fixture mistakes commonly made in store construction and remodeling are fundamental, meaning they are also easily resolved. The experts at Madix are available and ready to help! For more information, please contact John Clontz, Director of Marketing and e-Business: jclontz@madixinc.com or (214) 515-5400.



madix[™]
INNOVATION ON DISPLAY