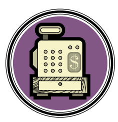
ASK INSTORE (ask@instoremag.com)

legal

I heard something really scary that doesn't seem like it should be true. That is, if we have goods out on consignment to another retailer and that person goes bankrupt, my goods can be grabbed and sold to satisfy claims by the bankrupt retailer's creditors. Is this true? If so, why? And how can I protect myself against this possibility?
This does happen, says Elly Rosen, director of the online AINetWork, an information and discussion center for appraisals and related issues. But it's primarily because the creditors believe the goods are assets and inventory *belonging to the merchant.* The way to avoid this problem is to make it clear that any goods sent to another retailer on consignment are actually *your* goods. And the way to do that is by filing a form called a "UCC-1" — a financial document which establishes your ownership.



Sound complicated? The good news is that filing is getting easier and easier, says Rosen. "It used to be that that we filed with the County Clerk in the County where the consignee and our goods were located. But that is rapidly changing and we can now file and search related information online. We just go to the web page of the Secretary of State in the state where our goods are and download the right form for filing. In some states, the entire filing process can be done fairly easily online. To cut down on variables in each state, during the past few years almost every jurisdiction has come in sync with a new Uniform National version of the UCC-1 form."

As for the cost of filing, fees vary greatly. For example, in Idaho, there is a base charge of $3 for filling out a UCC-1 while Louisiana charges $30. Forms are fairly simple and straightforward to complete, says Rosen. "All we do is fill out our information and that of the person holding our goods on consignment and we describe the goods." For online form options go to www.sos.mo.gov/ucc/forms.asp.

More information is available to members of the trade inside Elly Rosen's online AINetWork. **Instore** readers can contact Elly Rosen at aisnetwork@aol.com.

store management

I want to implement a new commission program, or possibly try another system later this year to see which works best for my store. How can I implement or test these systems without disrupting store operations or employee salaries?
It sounds like you are anticipating problems, says David Geller, jewelry retail consultant and author of *The* ➤

ON SALES

cowardly lions

If your salespeople aren't showing your best stuff to every customer, they're letting you down, says **Shane Decker.**

DO YOU BUY NAME BRAND SHOES? Clothing? How about generic groceries — do you buy the cheap stuff in every category, or are there certain products that just have to be *your brand*?

Although we may want to believe that our purchases are intellectually motivated, the truth is that all of us are emotionally attached to a favorite brand of product in one or more categories. Why? Because, for whatever reason, those brands make us feel good about ourselves. They make us feel comfortable and confident, and so, at least to some degree, they give us a "wow" experience. *I splurge, therefore I am!*

Now, let me ask you a seemingly unrelated question: how often do your salespeople show your most spectacular pieces to customers who are only there to turn in a repair? How often do they show a $10,000 diamond to a customer who only wants to buy a $200 pair of earrings? If your answer wasn't "every single time," then you're letting money slip through your fingers like sand through a sieve.

But how do you create sales? You can only do so when you "wow" the customer. You have to make them feel comfortable, confident, and special ... just like their favorite branded products do. All it takes is to show the customer an unbelievable piece of jewelry, thereby inferring that they *do* deserve it and they *can* afford it. Does it make any logical sense for them to spend the extra money? No. Did they intend to spend more money when they walked in? Of course not. So why do they do it? Because you made them feel good about themselves. You believed in their ability to buy the product more than they themselves did. And because you believed, they began to believe as well.

Occasionally, you'll make the sale that day. After all, 60 percent of customers who purchase say "yes" after they've already said "no" four times! Most often, however, the customer will thank you for your help, and leave. But they won't forget. You have now planted a seed, and that seed will take root — and often bear fruit when you least expect it. It may be a birthday, an anniversary, an engagement proposal ... whenever it is, you can rest assured that the sale would not have been made if you hadn't had the courage to show the piece in the first place.

Four out of five salespeople give up after the first "no." These cowardly lions are allowing 60 percent of their total sales potential to walk right out your door. Is that good enough for your firm? If each salesperson created one additional sale each month, how much more money would you drop to your bottom line?

Challenge your staff to show every single customer an amazing piece of jewelry (after all, why else do you carry those pieces, if not to show them?). Make sure no prospect leaves unless the word "wow" escapes their lips. Plant the seeds that will grow over time, and learn the fine art of creating sales out of thin air — the kind of sales that turn an average operation into a legendary one!

Shane Decker has provided much sought-after sales training for more than 3,000 stores worldwide. He can be reached at 866-424-2472.

TRY IT!

Need business advice, but can't afford a private consultant? For free help, visit your local Small Business Development Council. For one near you, visit www.asbdc-us.com.

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