

# BIG TIMES

Buyers International Group

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## *MONSTER Turns! by Bill Sustachek*

I just spoke with Abe today and he informed me that Rasmussen Diamonds sold more channel bands from the BIG channel band program than any other BIG member, by a long shot. Approximately \$37,000.00 were sold *at cost* last year out of one tray. He asked me to mention a few words about how we do it!

1) We never mess with the prices that were suggested. The prices that are displayed on the tray take complete pressure off the customer because they know, when asking for a piece, that it is within their prices range. Quite often the customer sells themselves up.

3) The tray is NEVER empty. We back up stock for every band two to three deep and heavier in the fourth quarter

4) Our sales associates are required by their position agreement to offer an "Add-on" to every sale they make. When selling a solitaire, the natural add-on is a channel band or *two* (one for each side).

5) We reorder on a daily basis.

I wish more products in our store were this much of a "No brainer".

Bill Sustachek, Rasmussen Diamonds, Racine, WI.

Rasmussen's is an AGS store who sells Rolex and other high end merchandise and I remember well the conversations we had when we first spoke—they just didn't *like* the display and the price points. It was *wrong* for *their* store. And besides, he already *had* channel bands....That was about 15 months ago.

In order to get Bill to try the channel band unit, we offered to *guarantee* the sale. I promised him that if it didn't work, we would buy back the goods—even though *we* don't sell anything. After the first two months, Rasmussen's sold more channel bands than they had over the previous 18 months! As you can see in his note above, in his first full year, our channel band program (18 rings with a cost of about \$4,500), generated \$37,000 of reorders at COST! That means that this one little display generated an 8.2 TIME TURN! (I started calculating GMROI but I was getting dizzy.) \$80,000 in retail with a gross profit of approximately \$44,000 off of a \$4,500 investment! Or, another way to look at it... about 9 years worth of dues in BIG!

Is there the potential for all jewelers to generate this kind of sell-through? I'm not sure, but we are seeing some of the reasons why some jewelers are *not* successful. 1— The rings are not reordered as they sell. 2) The display is not being used. 3) The display is being used but the jeweler fills it up with his existing inventory, *none* of which reflects the program. 4) Jewelers are messing with the price points.... thinking incorrectly that since they sell well, they can get *more* margin and mark the stuff up, thereby *killing* the sell through.

Keep the right merchandise in stock; price it right; reorder it as it sells; back up the best sellers so you're never out of stock; use suggestive selling and add-on sales. A pretty simple formula for such *potential* profits. I'd like to imagine all of our member's stores running this way.

We are delighted that Rasmussen's did so well with our channel band program in 2005 and that BIG can play a small role in helping them improve their sales, margins, GMROI and *profits*. Congratulations!