

BY JAMES FISHER

Yard Sale

Cleaning out the company's clutter

WHETHER WE CALL IT A YARD SALE, BACKYARD sale, garage sale, estate sale or something else, just about every one of us has experienced at least one.

Recently, my wife and I spent five days in her Oklahoma hometown to prepare and conduct a two-day backyard sale for her mother. The event was meant to help eliminate, get rid of and pass-on part of the accumulated items of over sixty years of marriage and forty years of being in the same home. Needless to say, a great deal of accumulation had taken place over those decades.



Jim Fisher is CEO of RSI Corp. that specializes in site selection and takes forecasts, facility operations analysis, existing site evaluation and market analysis. Contact Jim at (303) 231-4578 or jfisher@rsicorp.com

Baby Boomers and their Depression Era parents seem to share the same characteristic of keeping much and eliminating very little. My mother-in-law made the decision several weeks ago to declutter. The decision led to an important action: the elimination or cleansing process that provides items others can now enjoy, use and find important in their own lives. Not only do individuals benefit from such actions, so do organizations.

Several charitable organizations in the community directly benefited from this one event.

Accumulation exists within all areas of our personal and business lives. Each of us can probably identify where in our personal lives it might exist. However, we must address asset accumulation within our companies — specifically, retail asset accumulation and its overall impact on our company. Just as we have a tendency to accumulate personal and family things, so do companies have a tendency to accumulate retail things (facilities).

Accumulation can most certainly be a very positive factor and can lead to growth and prosperity

of a corporation in the long-term. However, the act of extended accumulation can also lead to the downward movement of corporate success and expansion. This often occurs because of a company's tendency to hold on to facilities beyond their credible lifetime relative to this industry we serve. The lifecycle of a retail facility is one comprised of creation/development, growth, maturity, longevity and finally decline.

It is during the period of decline and ensuing trade area changes that our "senior facilities" move from positive influences to the role of being negative or marginal impactors upon both the targeted market and the company itself.

A primary action that will result is recognized and intense competitive activity leading to substantial volume loss for the company due to sustained new generation development by competitors. Because of our very own tendency to hold on to accumulated assets beyond their intended retail lifetime, we have provided the opportunity for competitors to alter our presence in the very markets in which we have been a major influence (if not totally controlled).

That's not to say we must conduct a yard sale of our retail facilities to ensure that we retain our position within each marketplace we serve. We must constantly be vigilant as to what forces are evolving in each of those marketplaces. Once we have identified such forces, we must then independently and aggressively evaluate the capabilities and abilities of our facilities to continue to successfully serve the needs of that area. If it is decided they cannot, it is time to surgically remove them from this industry, resulting in them becoming an asset to another member of a distinctly different retail sector. **NPN**