A Successful Store Sells Red Stars

To Raise Its Gross

Letter Number 17

BY way of introduction, we should like to offer a little equation which tells the whole story:

INCREASED SALES + HIGHER GROSS – EXPENSES
(By Suggestion) (Sell Red Stars) (Controlled)
– SHRINKAGE = A BETTER NET
(Fight it!)

This equation answers all questions as to why we should push Gross by selling more Red Stars. A high gross is an insurance policy which will guarantee a good showing even if expenses slip. In the successful store where expenses and shrinkage are rigidly controlled, every dollar added to the gross comes back directly in the net. Raising your gross 1% is equivalent of a 7% increase in sales where a store nets 13%.

A successful manager boosts his sales, of course. Our first section of letters dealt with that. A successful manager boosts his gross *at the same time* as he is increasing his volume and at the end of the year the effect upon his net is doubled.

We must get away from the idea that a campaign to increase sales cannot work hand in hand with a campaign to raise gross. Either is good. Together they make a team that pulls the scoop down deep into the pay dirt and piles up the net at the end of the year.

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