

To: nadia@centrum.sg
From: catherine@centrum..sg
Subject: <draft> [Important Announcement] Policy Revision on Staff Discount Programme

Dear Nadia,

As requested, I have prepared the message to inform fellow colleagues of the revision of staff discounts that are to be implemented. Do let me know if there are any changes to be made. Thank you.

Warmest regards,
Catherine Seah

Dear colleagues,

Over the past few years, Centrum Mall has seen some incredible growth. Last year alone, our net earnings grew from 3,428,291 to 3,726,939, with a 7.5 % increase in sales. From the bottom of my heart, I want to thank each one of you for your hard work. Centrum Mall will not be here without you.

We have seen many changes to Centrum Mall over the years; we've added new products, new departments and new staff. However, one item that has remained unchanged since my father's time was personnel policy, in particular our Staff Discount Programme. To help reflect new times, the Centrum Mall management has decided to overhaul the Staff Discount Programme. The reasons for the overhaul will be discussed below.

1. Profitability and Efficacy of the Business

Firstly and most importantly, as a company, profitability will always be our utmost consideration. Though Centrum Mall has been doing well as a company, however, our growth has been stagnating as sales comes mainly from our older clientele. We have been consistently failing to attract younger consumers though many new campaigns have been rolled out. This has been impacting our profitability negatively.

Besides, the staff discount scheme in the upper end of the scale has been eating into our profitability. With the current staff discounts, we have been making a loss for low-profit margin items like cameras and electronics. By saving on grade 1 and grade 2 staff discounts, we will be able to save as much as \$19,000 just from one department - the Home Electronics and Appliances Department. The complex scheme has definitely cost us much in terms of productivity. For every purchase, checks have to be conducted before deducting the appropriate discount from the full price. Thus, with the sustainability of the business in mind, a policy revamp to our current staff discount scheme will be necessary.

2. Fairer and Less Hierarchical Scheme

Secondly, the current staff discount programme has left out some of the most important contributing members of the Centrum mall team such as cleaners and maintenance workers. To reflect the progressiveness and inclusiveness of the company, we will like to abolish the hierarchical structure. Every employee will receive the same treatment; the discount would vary according to the goods purchased not the seniority status of the purchaser.

3. Bid to Attract Younger Staff

Lastly, we hope to attract younger employees into the business. In recent years, Centrum Mall sometimes has trouble recruiting younger sales staff. As the current staff discount practices might have portrayed a stuffy and dated image of Centrum mall. We need to bring in young fresh and dynamic sales and managerial staff to our storefronts if we hope to attract younger consumers. Thus, the management has made the unilateral decisions to revamp our discount schemes.

With the reasons in mind, a summary of the main changes is presented below:

1. Staff discounts will be extended to all staff members including cleaners.
2. All staff will be entitled to the same discount policies. The discount would vary according to the goods purchased not seniority level.
3. The new discount has 3 tiers compared to the 6 tiers previously. The new discount policy is as stated below:

Tiers	Type of Items	Discount Percentage (%)
-	Extremely Low to No margin items	0
1	Low Margin Items E.g. large electrical appliances, calculators, laptops, cameras and food	7
2	Mid Margin Item E.g.. Books, CDs, stationery, household goods, clocks, toys, china, linens, sporting goods, small electrical appliances, and furnishings	15
3	High Margin Items E.g. Clothing, fabrics, cosmetics, costume jewellery, handbags, belts, scarves	20

As a company, we will always be committed to providing the best welfare for our staff. However, it's still important that we continue to keep in line with the industry best practices and thrive as a business. We hope you will continue to place your trust in the management. Let's continue to work together to bring Centrum Mall to greater heights. If you require further assistance or have any additional questions or concerns, please feel free to reach me at nadia@centrum.sg.

Warmest regards,

Nadia Sim

Director of Centrum Mall Group