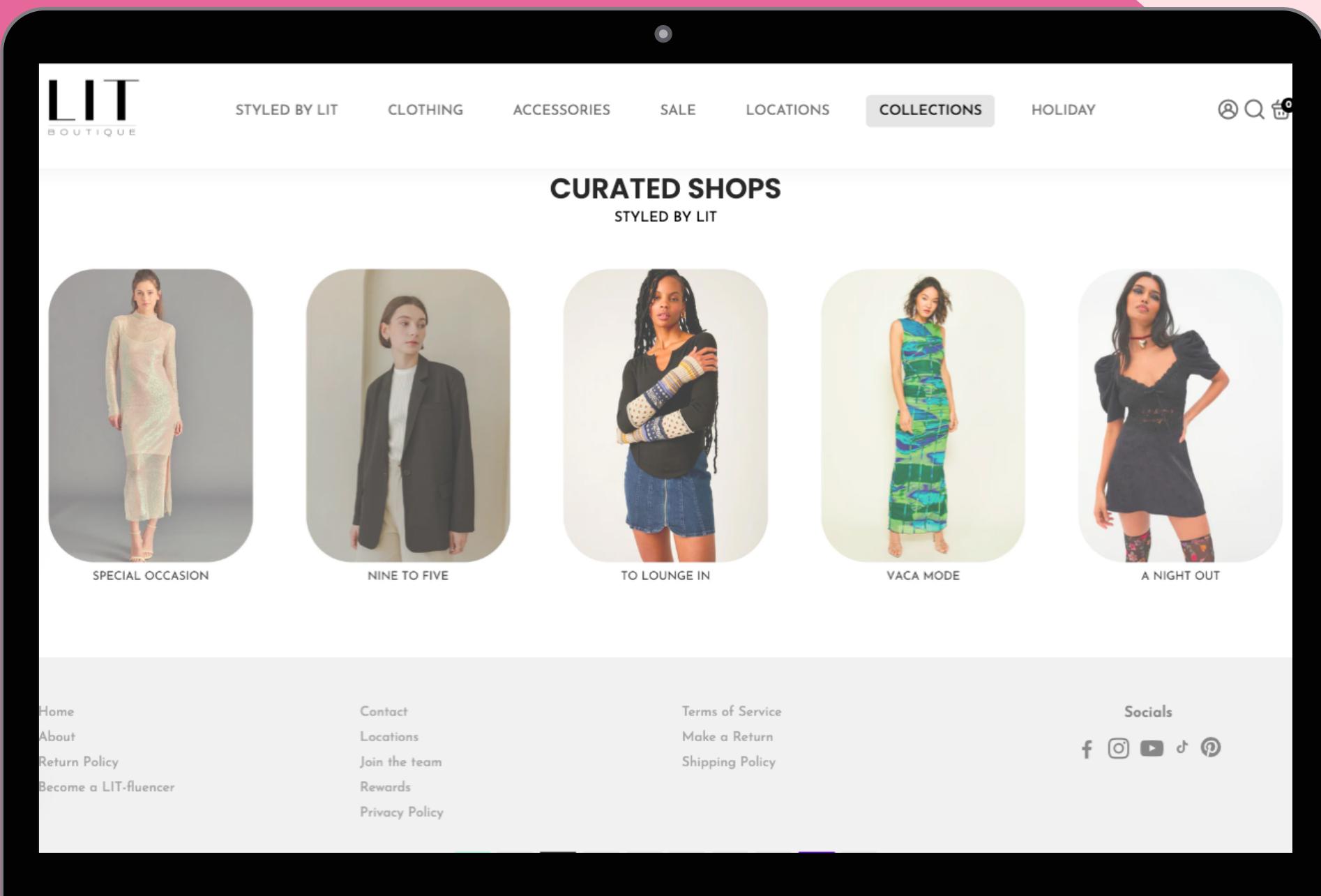


# Modeling LIT's Sales Process to Evaluate Efficiency

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# Company Background

- Boston-based fashion company
- Offers chic womens' clothing, shoes, & accessories
- Boutique retailer
- Does not manufacture, but re-sells
  
- Competitive Advantage - styling services

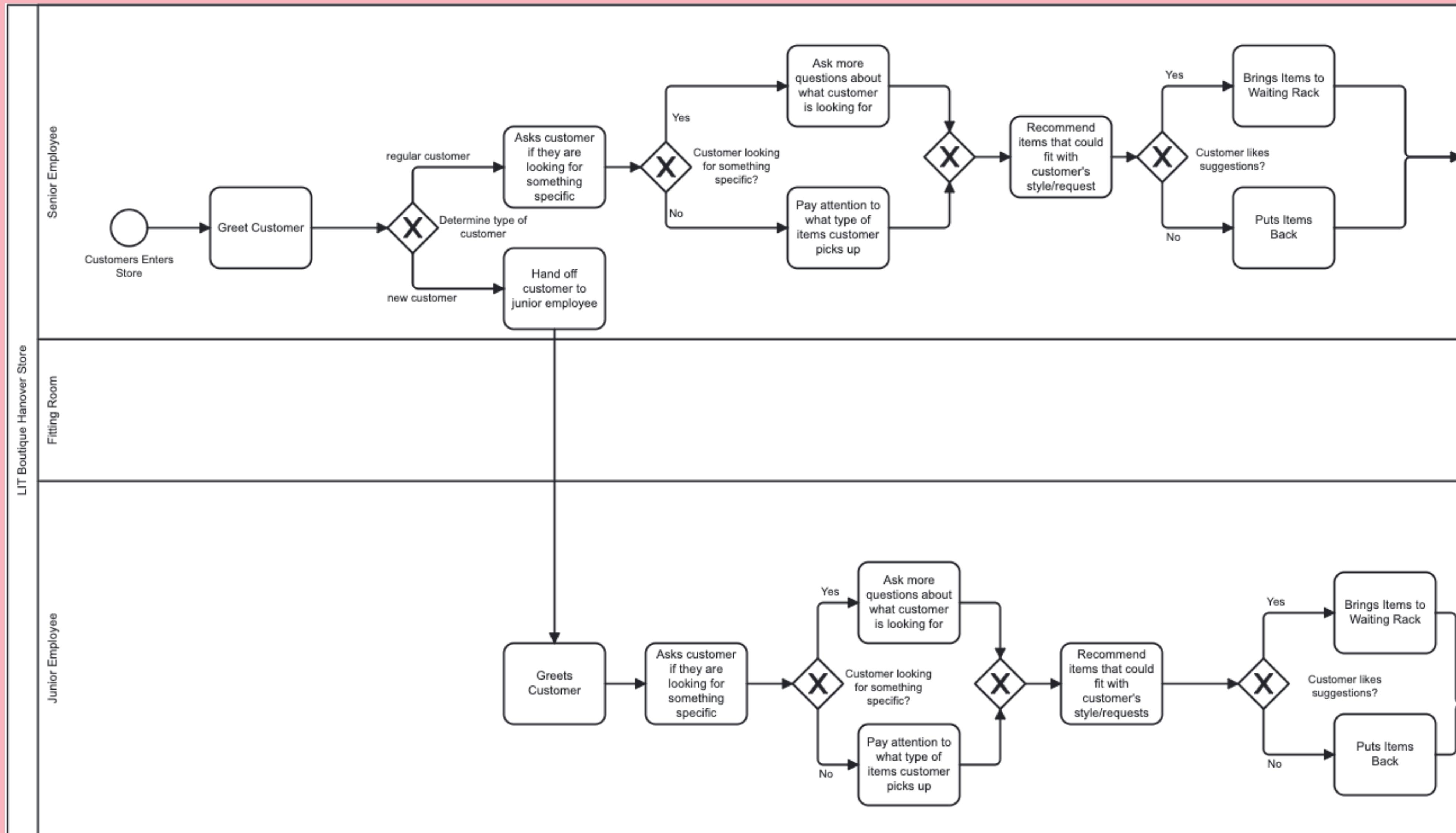


# Process Description

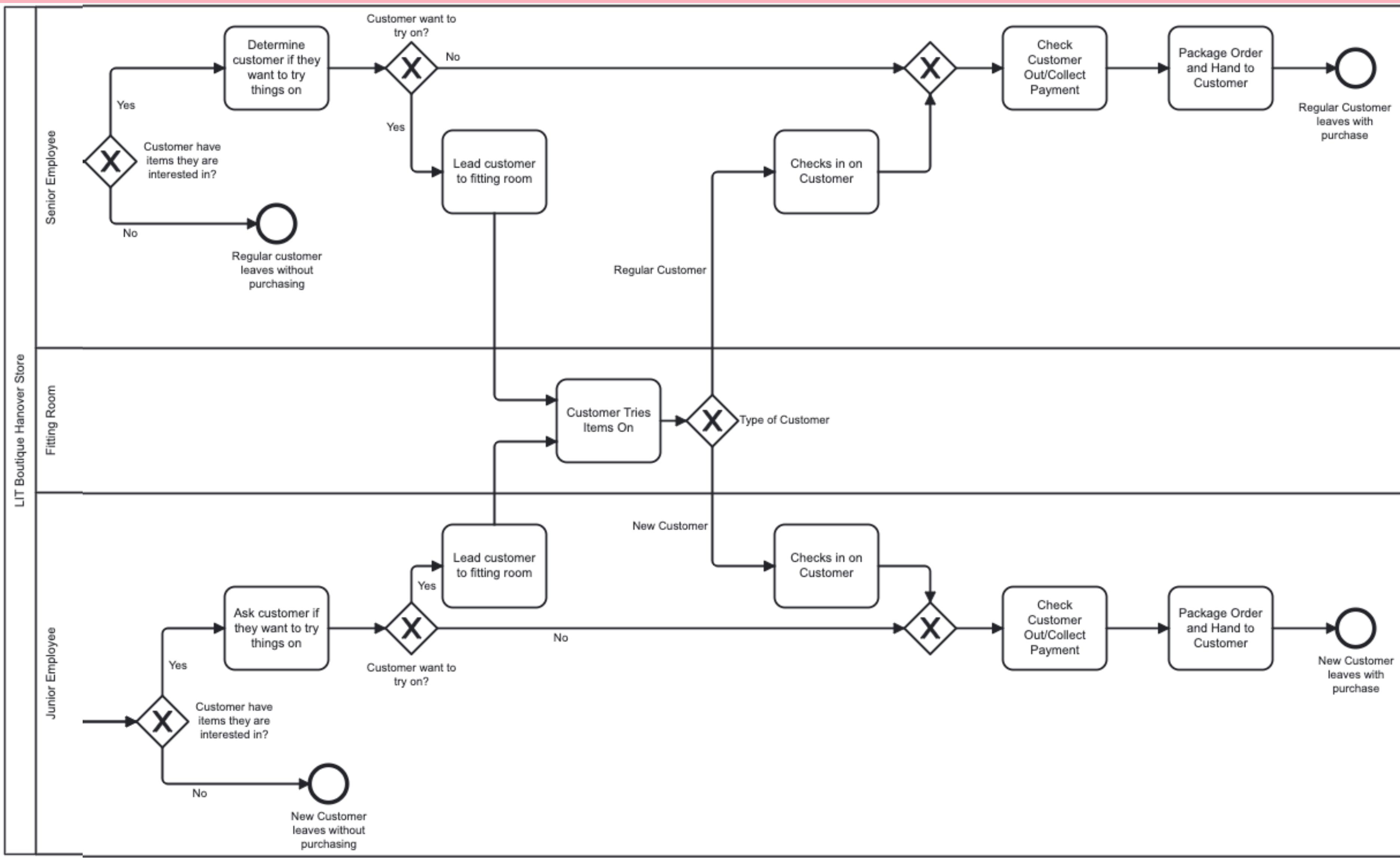
- ❑ In-store customer transactions
- ❑ How LIT's stores catered to its customers from their point of entry
- ❑ Evaluated how the styling service impacts a common retail process
- ❑ Process Objective: Maximize daily sales transactions



# AS-IS Model



# AS-IS Model





# Data Collection

- Nicole met with Ami (manager) at the North end branch
- Determined average percentages for the decision points
- Re-created the process in real time to obtain step durations
- LIT does not keep record of this data

# Problem Analysis



- Slow retail days (Mondays, Tuesdays, rainy days):  
a common retail problem
- Low customer traffic in a slow retail day
  - ◆ Small Throughput
  - ◆ Decreased Sales
  - ◆ Low Employee Utilization
- Focus the process on slow retail days

# Process Analysis (Simulation Features)

- ◆ Resource Consumption  
Employee utilization
- ◆ Cycle Time/Waiting Instances  
Customers stuck in between steps
- ◆ Different End Point Results  
Customers with purchases and sales estimates



# Good

→ No customers waiting in between each step

- ◆ Activities are well spaced out
- ◆ Step durations are well-allocated

→ Generating over \$2000 a day after wages

- ◆ Still making a steady profit

# Bad

→ 5 customers a day leaving without purchasing

- ◆ A metric to improve on

→ 56.5%, 40%, 10.7%

- ◆ Low resource utilization



# Recommendations

**Plan Events in the  
Store During the Slow  
Days**

**Assign Other Tasks  
Unrelated to the  
Process**

**Use the first fitting  
room as a display**

LIT  
—  
BOUTIQUE

# Assumptions, Limitations

- Large variability in timing and decision point percentages
- Analysis is based on estimates, not actual recorded data
- Real data might not be feasible for a small company to track



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Thank you.

Questions are welcome.