

# Q2 2024 Store Maintenance Performance Review

## Introduction

As we continue to expand our operations across the U.S. and Canada, it is essential to monitor and optimize our store maintenance costs to ensure the long-term sustainability of our business model. This report aims to provide an overview of our store maintenance performance in Q2 2024, highlighting key trends and areas for improvement. The insights presented in this report will inform our strategic decisions regarding store maintenance and capital expenditures. By analyzing our store maintenance costs, we can identify opportunities to reduce waste and allocate resources more efficiently.

## Store Maintenance Budget Allocation and Variance Analysis

Our fiscal 2023 store maintenance budget was allocated across various departments, with 40% dedicated to the facilities team and 30% to the janitorial staff. This allocation allowed us to effectively manage our maintenance operations and ensure timely resolution of issues. Notably, our variance analysis revealed a 10% discrepancy between projected and actual spending in Q1 2023, prompting adjustments to our budgeting process. These changes have since been implemented, resulting in improved cost management.

## Key Drivers of Store Maintenance Cost Fluctuations

Industry research suggests that weather patterns and seasonal shopping trends significantly impact store maintenance costs. For instance, a study by the National Retail Federation found that 60% of retailers experience increased maintenance costs during winter months due to snow removal and HVAC system maintenance. Additionally, our own data indicates that stores in regions with high foot traffic tend to incur higher maintenance costs due to increased wear and tear on facilities. These factors are essential to consider when developing maintenance budgets and strategies.

## Average Store Maintenance Cost by Region and Store Type

Our market research team analyzed the average store size and layout of our competitors in the western United States. The study revealed that stores with larger footprints tend to have lower maintenance costs per square foot, likely due to economies of scale in maintenance operations. Furthermore, our analysis indicated that stores with high ceilings and open layouts require more frequent lighting replacements, which can increase maintenance costs. These findings have informed our store design and layout strategies.

## Store Maintenance Vendor Performance Evaluation and Recommendations

As part of our ongoing effort to optimize maintenance operations, we conducted a thorough evaluation of our vendor partnerships in Q4 2023. Our analysis revealed that vendors with longer contract terms tend to provide better service quality and more competitive pricing. Based on these findings, we have revised our vendor selection criteria to prioritize vendors with a proven track record of long-term partnerships. This change is expected to improve our overall maintenance efficiency and reduce costs.

## Capital Expenditure Planning for Future Store Maintenance Initiatives

Our capital expenditure plan for fiscal 2025 includes a significant allocation for technology upgrades, including the implementation of a new computerized maintenance management system (CMMS). This system will enable our facilities team to track maintenance requests and work orders more efficiently, reducing response times and improving overall maintenance effectiveness. Additionally, we are exploring opportunities to integrate our CMMS with other business systems, such as our enterprise resource planning (ERP) software.

## Conclusion

In conclusion, our analysis of store maintenance costs in Q2 2024 highlights the need for more effective budget allocation and vendor management. By implementing the recommendations outlined in this report, we can reduce our average store maintenance costs and improve the overall efficiency of our operations. Moving forward, we will continue to monitor our store maintenance performance and make data-driven decisions to drive cost savings and business growth. The insights presented in this report will inform our strategic planning and capital expenditure decisions in the coming quarters.