

# BUYING AND MERCHANDISING OPERATIONS RESEARCH



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# I. EXECUTIVE SUMMARY

## COMPANY OVERVIEW

Trader Joe's is a national chain of grocery stores whose main objective is to offer a wide selection of naturally made and cruelty-free foods to their customers. They have become one of the leading natural grocers over the past few decades, making over \$13.3 billion dollars with over 560 locations in more than 40 states.



## ANALYSIS OF BUSINESS SITUATION

Despite recent success and growth, many Trader Joe's locations have encountered **labor shortages**, such as the Fremont location in the Bay Area. This location has suffered from **high turnover rates**, especially within general managers, resulting in a lack of systemic hiring and training processes. Additionally, a number of employees have stated their **discontent** with the limited number of employee benefits and recognition that they receive from superiors and the company itself.

*"Train people well enough so they can leave, treat them well enough so they don't want to." - Richard Branson*

## RESEARCH METHODOLOGIES

A variety of research methods were utilized to collect extensive qualitative and quantitative data on Trader Joe's to enhance the hiring, training, and retaining processes. We used primary and secondary research methodologies to gather relevant and valuable information on the current procedures used.



employee questionnaire



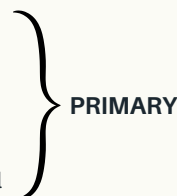
interviews



focus groups



observational research



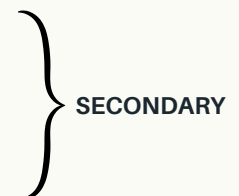
PRIMARY



literature review



data mining



SECONDARY

We sent out employee questionnaires to all Trader Joe's employees at the Fremont location in order to understand how they found out about the job openings, what they liked about the current onboarding process at Trader Joe's, and if they feel appreciated. We also set up interviews with HR representatives to understand what their jobs entails and if they have noticed any significant patterns that may affect the recruiting and retaining processes. We led focus groups with recently onboarded employees to get their feedback and input. Our last means of primary research was through firsthand observations we made of customer-employee interactions through multiple visits.

FINDINGS & CONCLUSIONS

FINDINGS

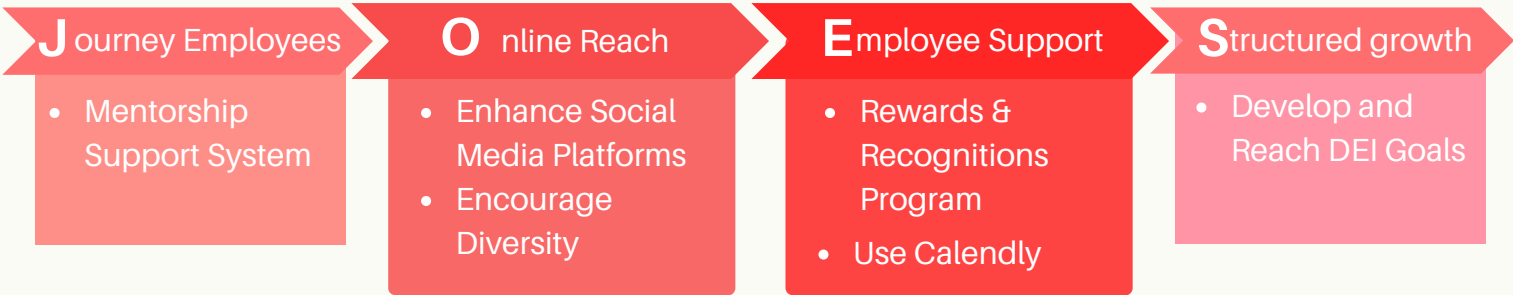
- 1. **HIGH TURNOVER RATES:** 17% of employees leave within the first year.
- 2. **LACK OF EFFECTIVE RECRUITMENT CHANNEL:** A majority of employees had heard about an available position through word-of-mouth.
- 3. **LIMITED MENTORSHIP OPPORTUNITIES:** New hires have very little exposure to shadowing a long-term employee.
- 4. **EMPLOYEE PREFERENCES:** Employees highly value flexible work schedules.
- 5. **DIVERSITY & INCLUSION:** Although employees feel safe and respected in their workplace, they acknowledge that there are areas where diversity and inclusion initiatives can be strengthened, such as within leadership positions.

CONCLUSIONS

- 1. **IMPLEMENT CAREER DEVELOPMENT PROGRAMS:** Motivate employees through promotions to demonstrate commitment to employee growth.
- 2. **UTILIZE ONLINE JOB BOARDS & SOCIAL MEDIA:** Online job boards and social media platforms are effective for reaching a younger demographic.
- 3. **IMPLEMENT A MENTORSHIP PROGRAM:** Pair new hires with experienced employees to facilitate a smoother integration process.
- 4. **PRIORITIZE FLEXIBILITY:** Meet employee preferences in work arrangements through forms.
- 5. **TAILORED OUTREACH AND FEEDBACK:** Develop specific diversity and inclusion goals for underrepresented departments, based on feedback received from employees.

PROPOSED STRATEGIC PLAN

For customer dependent businesses like Trader Joe’s it’s vital to have a well-refined recruiting, hiring, onboarding, and retaining system to develop the finest quality of employees in order for the company to thrive to its fullest potential. To ensure that Trader Joe’s remains a favorite grocery store, we aim for a perfect “Cup of J.O.E.S” in this four-step strategic plan:



OBJECTIVES & METRICS

Objectives	Benefits	Rationale	Key Metric
EMPLOYEE EXPERIENCE	Increased operational efficiency and effectiveness, resulting in a higher quality output	Enhancing employee experience directly impacts job satisfaction, engagement, and retention rates.	Reach average rating of 8/10 from employee surveys.
EMPLOYEE LOYALTY	Building employee loyalty drives advocacy, leading to increased brand value.	Enhancing employee experience directly impacts job satisfaction, engagement, and retention rates.	Decrease turnover rate by 15%.
COMPANY PERFORMANCE	Better customer experiences and satisfaction, resulting in an increase in revenue.	Enhancing employee experience directly impacts job satisfaction, engagement, and retention rates.	Witness a 20% increase in customer spending.

