

THE DEVELOPMENT AND EVALUATION OF DOLLAR
MERCHANDISE MANAGEMENT LEARNING GUIDES
FOR THE SMALL APPAREL RETAILERS

By

DEBORAH PARKER STRICKLAND

Bachelor of Science

Oklahoma State University

Stillwater, Oklahoma

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Thesis Approved:

Kathryn M. Greenwood

Thesis Adviser

Dorothy L. Sides

Jean Baird

Norman D. Kuster

Dean of the Graduate College

1043071

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CHAPTER I

INTRODUCTION

Dollar merchandise management is necessary for the small apparel retailer (Robinson, 1974). A great risk is involved in owning an apparel store because fashion changes so rapidly and the retailer is dependent upon the customer for the success of the store. The retailer must know the market, be aware of current fashion trends and make plans which will provide the merchandise to meet the needs and demands of the customer.

Record keeping is a problem for the small apparel retailer (LeGrand, 1977). Interpreting the records and making plans is an even greater difficulty. If this facet of the business is not properly handled, failure is inevitable. Lack of capital, experience and managerial ability are reasons cited most frequently for failure (Klatt, 1973). Thus, it is imperative for the small apparel retailer to establish efficient merchandise management policies.

Merchandising has been described as planning, buying and selling merchandise for a profit. In order to successfully achieve these goals, a sound understanding of basic merchandising procedures is necessary (Packard, Winters, and Axelrod, 1976). Strengths and weaknesses in merchandising procedures can be identified when realistic plans for a specific period of time are developed by retailers and buying and selling transactions are recorded accurately. Retailers

can make necessary corrections in merchandise plans if they are aware of problems which may arise as a season develops.

Approximately 90 percent of the retail establishments in the United States are small operations with annual sales figures of less than \$300,000 and two-thirds have fewer than four employees, according to the latest Census of Business (U. S. Department of Commerce, 1976). Cohn and Lindberg (1974) pointed out that small businesses are not infantile versions of large ones and that major differences exist between small and large organizations. Kierulff (1975) reported a need for separate educational programs to be designed for small business entrepreneurs. Meyer and Logan (1966) expressed major concerns for research and development of instructional materials in the area of retail business.

Efforts have been made to provide assistance for the small apparel retailers. The Small Business Administration (SBA) publishes many aids with information about the operation of a sound business, merchandise management, cash flow and many other topics focused on pitfalls and solutions to retail problems.

Universities offer extension courses and short-term classes aimed at improving entrepreneurial skills. "Entrepreneurship, the function, can be learned" (Kierulff, 1975, p. 14). Aiding the retailer is sometimes difficult, however, because it requires time and effort to be scheduled into an already busy day. Adult education opportunities are rapidly increasing and the needs of the adult learners who have specific problems are being met to some degree.

There is a great need to expand adult education. The 1974 National University Extension Association meeting focused on the theme

"Marketing Continuing Education." The educators stressed the need for adult and continuing education professionals to seek the help of professionals. University faculties and administrators are experiencing pressure internally to provide more realistic education for on-campus students. Efforts are being made to disseminate the results of research and to provide educational assistance in the workplace which is an appropriate setting for learning.

Research in the problems of the small apparel shop has revealed a strong need for learning materials and workshop experiences to be designed to increase the merchandise management skills of the merchant (LeGrand, 1977). The Apparel Shop Entrepreneurship learning packages developed at Oklahoma State University (1975-1977) have been used to aid the entrepreneurs in developing their management skills. Over 100 retailers attending a merchandise management seminar in the Dallas Apparel Market, August, 1978, expressed a need for additional training materials and educational assistance in certain areas of merchandise management such as seasonal merchandise plans and open-to-buy.

Purpose of the Study

The purpose of the study was to develop and evaluate learning guides for use by the small apparel retailer in the development of selected merchandise plans to meet the individual store needs. The three objectives of the study were:

1. To develop learning guides related to selected merchandise plans including the dollar merchandise plans, open-to-buy plans and market open-to-buy plans for the small apparel retailer.
2. To evaluate the use of the learning guides during a pilot-study

workshop for apparel retailers in the Dallas Apparel Mart, May 24, 1979.

3. To develop recommendations for improving the learning guides and to make selected revisions.

Limitations

The following limitations underlie the study:

1. The content of the learning guides was limited to the following major concepts: Dollar Merchandise Plans, Open-To-Buy Plans and Market Open-To-Buy Plans.

2. Participants for the pilot-study workshop were limited to those enrolled in the Pre-Market Retailers' Workshop, May 24, 1979.

3. The learning guides were developed in a step-by-step procedure, involving small apparel retailers as consultants.

Background of Study

On August 24, 1978, a Pre-Market Seminar was held at the Dallas Apparel Mart. The topic presented was Merchandise Management and Control. The information presented at the seminar was designed to meet the requests and needs of the small apparel retailers which were determined prior to the presentation. The retailers were interested in learning more about merchandise management and improving the methods of operation in their individual stores. One-hundred-two apparel retailers representing seventy-four stores attended the seminar. Two faculty members and one graduate research assistant in the Clothing, Textiles and Merchandising Department at Oklahoma State University conducted the seminar in conjunction with the American Fashion Association

(AFA). The AFA is an organization of manufacturers' representatives in the Dallas Apparel Mart. Activities sponsored by this group provide aid for both retailers and salesmen (Dallas Fashion Retailer, 1978).

A pre-market survey of the participants indicated that 95 percent had had little or no formal education beyond high school. Several of the participants had attended luncheon seminars at the Dallar Market. The majority of the participants represented individually owned small specialty stores that had been in business less than five years. Two-thirds of the stores had an annual sales volume of \$300,000 or less.

The evaluations from the seminar indicated that the retailers were anxious to obtain more detailed information about how to develop seasonal merchandise plans, open-to-buy plans, and how to develop market open-to-buy plans which could be used in the market. The writer used the reactions of the participants attending the Pre-Market Retailers' Seminar as a guide in the development of the study.

Assumptions

The following assumptions are basic to the study:

1. Small apparel retailers have common needs in terms of merchandise management and control.
2. Small apparel retailers can prepare adequate merchandise plans based on records of purchases, sales, and markdowns.

Definition of Terms

American Fashion Association (AFA) Representatives - Three members of the AFA organization who were consulted in the design and format of the learning guides and who aided the research team in the presentation

of the Retailers' Workshop, May 24, 1979.

Apparel Retailers' Advisory Committee (ARAC) - Seven experienced apparel retailers selected by representatives of the American Fashion Association to aid the research team in the evaluation of the learning guides in the Retailers' Workshop, May 24, 1979.

Apparel Retail Consultants (ARC) - Six apparel retail consultants selected by the research team to assist in the development of the learning guides.

Concept - "An abstract or generic idea generalized from particular instances" (Webster's New Collegiate Dictionary, 1975, p. 233).

Dollar Merchandise Plan - An integration of a sales program and the stock needed to achieve planned sales during a specific time (Troxell, 1976, p. 219).

Entrepreneur - One who organizes, manages, and assumes the risk of owning a business.

Learning Guide - For the purpose of this study, each learning guide will include definitive information, examples, mini-problems and worksheets designed to assist the learners in understanding two or more concepts related to specific merchandise and assortment planning.

Market Open-To-Buy Plans - Plans developed to aid the retailer in procuring merchandise based on needs within major classifications and resource performance.

Merchandise Management Plans - Detailed plans which help to manage the procurement of merchandise. In this study, the plans included dollar merchandise plans, open-to-buy budgets and market open-to-buy plans.

Open-To-Buy - The open-to-buy is the amount of merchandise that may be bought for delivery during the balance of a control period if a planned closing stock is to be achieved. It may be calculated in dollars or in units (Wingate, Schaller and Miller, 1972, p. 308).

Performance Objective - Explicit statements of what the learner will be able to do related to the concepts presented in each learning guide.

Research Team - Laura Kendrick and Debby Strickland, graduate students, and Dr. Kathryn M. Greenwood, research project director for the Dallas Apparel Mart Retailers' Workshop, May 24, 1979.

Role Model Apparel Retailers - Owners of five small apparel shops selected by the research team to serve as consultants in the pretesting of the learning guides.

Small Apparel Retailer - Apparel retailer whose annual sales volume does not exceed \$500,000.

Terminal Objective - An explicit statement of what the learner will be able to do upon completion of each learning guide.

CHAPTER II

REVIEW OF LITERATURE

Small, independently owned businesses are the lifeline of the American economy. Every year, many businesses are established; however, a great number of new ventures fail. Research indicates that the high failure rate of the small businesses is due to a lack of management experience on the part of the entrepreneur (U. S. Department of Commerce, 1976). Efforts are continually being made to aid entrepreneurs in achieving success. The literature related to this study was organized into the following sections: small business entrepreneurship; apparel retailing; adult learning; individualized instruction and related research.

Small Business Entrepreneurship

The definition for a small business is very broad; some defined a business as small based on the number of employees, the gross income of the firm or the method of ownership and management. Persons (1978, p. 3) defined small business in terms of management and control and classified as small "a business with one or more persons who have direct control over the management decisions of the firm." A small business was defined by Tate, Megginson, Scott and Trueblood (1975, p. 4) as "an organization with a name, a place of operations, an owner and one or more workers other than the owner." Hollander (1967, pp. 4-5)

described a small business as "self-initiated, self-managed and largely self-financed."

An entrepreneur is "one who organizes, manages and assumes the risk of a business or enterprise" (Webster's New Collegiate Dictionary, 1975). Kierulff (1975, p. 40) stated: "Most people have entrepreneurial qualities to some extent and in some combination. Nearly everyone is willing to take some risk." Entrepreneurial activity can produce great personal satisfaction and monetary benefits if the entrepreneur uses sound business procedures in conjunction with the purposes of the individual firm.

Robinson (1974) described the entrepreneur as a person who was willing and able to forego leisure, work nights or weekends in the business, manage major and menial tasks and live with uncertainty. The entrepreneur must be flexible in decision making and be able to change direction for the sake of the business.

Some women have been successful entrepreneurs. Copulsky and McNulty (1974) cited discrimination in the work force as a difficulty in establishing the credibility of women in the business world. Progress has been made in recent years, however, and more women are achieving success in higher levels of management. Attitudes toward women at the management level of employment are changing and improving.

McClelland (1961) indicated that entrepreneurs set high personal standards for themselves. Independency, competitiveness and a strong desire to seek inner achievement through planning and initiating strategies rate high on the list of personal goals. Individuals are directly associated with two institutions, home and school. The experiences gained from these association stimulate an inner need for achievement

which provides some insight into the relationship between work and career goals.

Robinson recognized the interrelationship of a combination of variables as necessary factors for business success. The following summarizes this point of view:

Success as an entrepreneur comes from an indefinable blend of skill, hard work, timing, persistence, dedication and daring. Also luck. The prospective business founder cannot eliminate the impact of luck, but he can diminish its effect. The completion of sound, thoughtful preparation is an important means of doing this (Robinson, 1974, p. 10).

According to Kierulff (1975) there is a need for separate educational opportunities for the small business entrepreneurs. Cohn and Lindberg (1974) pointed out that small businesses are different from large ones and that major differences exist. Four major differences were listed in MSU Business Topics (Kierulff, 1975, p. 43):

1. Administration often must be handled differently in small companies as opposed to large firms;
2. Long-term planning is not as important to small businesses but good short-term planning is absolutely essential;
3. The small business manager must be more a generalist than his large business counterpart;
4. Whereas large firms must concentrate more on managing people than creating sales, small firms tend to have the opposite approach.

The Small Business Administration (SBA) is committed to aiding the small business person. A principal activity of this federal agency is the provision of management and technical assistance to the manager of small manufacturing, retailing and service firms. Extensive materials and learning opportunities are available through the SBA offices.

"Professional advisors, providing objectivity, experience and specialized knowledge beyond the capabilities of the firm's own staff, can act

as 'outside directors'" (Bank of America, 1975, p. 8).

Steinhoff (1974, pp. 12-13) listed both advantages and disadvantages for the entrepreneur to consider in developing plans for a new business. Efforts to start new businesses are justified when personal attention of the owner is essential and when close rapport with personnel is vital. Disadvantages for the entrepreneur to consider included an inability to secure competent employees, to finance operations and to cope with monopolistic practices. Making a new firm known in the target market can be difficult for entrepreneurs.

Many potential entrepreneurs lack experience and training. Despite this apparent handicap, many small business ventures are launched by entrepreneurs who optimistically hope to learn on the job. Some succeed, many more fail. Nevertheless, the difficulties in starting a business are less when an economy is booming. According to Klatt (1973, p. 45) "when business entry is easy, overcrowding in industry is inevitable." The entrepreneurs that do survive will need to have necessary management skills.

Small businesses that fail tend to do so within the first five years (Klatt, 1973; Broom and Longenecker, 1975). According to Klatt (1973, p. 9) "the lack of managerial skills is the single most important reason for business failure." Incompetence as well as inexperience continue to make major contributions to the annual failures of small businesses.

Apparel Retailing

According to Steinhoff (1974), the small firm remains a dominant factor in the United States. Small specialty shops for women with

annual sales of less than \$500,000 represent 95 percent of the total volume of sales and 58 percent of the number of women's apparel stores (U. S. Conference Board, 1972, p. 73). The failure rate for apparel stores is estimated by Dun and Bradstreet to be approximately 18 percent (Dun and Bradstreet, 1972). The large number of small apparel stores, coupled with the high rate of failure suggests the need for management training peculiar to the needs of the apparel shop owners.

LeGrand (1978) reported that some of the most frequently mentioned problems of the small apparel retailer pertained to merchandise planning. Five specific problems identified in the LeGrand study were:

- 1. Spending too much time with record keeping;
- 2. Planning merchandise delivery and completion dates;
- 3. Knowing what to buy for each season;
- 4. Keeping a balanced merchandise assortment in the store;
- 5. Planning an open-to-buy budget for each season.

Packard, Winters and Axelrod (1976) reported that the small apparel retailer must be well-versed in all aspects of the store operation and management. It is difficult for the small retailer to be an expert in all fields because of the wide variety of demands on the entrepreneur. Strong management is required for success to be attained by the small apparel retailer.

In an effort to aid the small apparel retailer, Crocker United Factors conducted a seminar at the Dallas Apparel Mart in October, 1978. Successful retailers participated along with the conference leaders. Ideas and concepts which have created profitable businesses were shared. Crocker United Factors (Factoring Firm Plan Buyers' Seminar, 1978, p. A-4) stated: "It is to our advantage that the

independent merchant succeeds and becomes more profitable."

In August 1978, Dr. Kathryn Greenwood representing the Clothing, Textiles and Merchandising Department at Oklahoma State University presented a Pre-Market Retailers' Seminar at the Dallas Apparel Mart. The topic, Merchandise Management and Control, was requested by the participants, and pertinent information was gathered by two faculty members and a research assistant. The participants for the one-day seminar wanted to learn more about the benefits of efficient merchandise management for the small apparel retailer. Evaluations from this seminar indicated that the retailers wanted detailed instructions with practical application for the merchandising problems encountered in small apparel stores. The results of the seminar were presented in the Proceedings of the Pre-Market Retailers' Seminar, August 24, 1978.

Adult Learning

Adults who seek advanced entrepreneurial training are a diverse group. Their interests, backgrounds and needs vary. Each learner is an individual. As a student, each individual differs in terms of interest and learning style. Individualized instruction materials can aid in meeting the varied needs of the adult learner.

"Individualized instruction," according to Gronlund (1974, pp. 1-2), "involves adapting instructional procedures to fit each student's individual needs so as to maximize learning and development." Three ways to approach the procedure were delineated by Gronlund (1974, p. 2):

1. Individualized instruction may range from minor modifications in group instruction to completely independent learning;

2. Individualized instruction may permit variation in rate of learning the objectives pursued, the methods and materials of study and the required level of achievement;
3. Individualized instruction may be used in all subjects, in some subjects, in some parts of some subjects or only particular students.

Knowles (1976) described adult program planning for the future as an important responsibility of educators. Programs must be designed to meet the unique characteristics of adults as learners. He reported that:

. . . adult educators are becoming increasingly concerned with improving the educative quality of total environments and increasingly skillful in planning programs that will accomplish this end (Knowles, 1976, p. 279).

In designing instructional materials for the adult learner, it is necessary to maintain a level of readability which will enable the learner to understand the purpose of the materials. Siegel (1974) suggested some definite guidelines for the development of learning materials in order to insure the quality of the end-product. He concluded that learning materials must be well written and easy to understand in order to have maximum benefit for the adult learner.

Fleck (1970) reported that the adult learner differs from the child learner because of life styles, experiences and age. The experiences of adults allow them to draw from practical knowledge in addition to the theoretical constructs found in textbooks. Adults need to understand that their capacity to learn is not lessened because of age. Knowles (1967, p. 298) described four characteristics of the adult learner:

1. Self-Concept. Adults tend to see themselves as responsible, self-directing, independent personalities. Adults tend to resist learning under conditions that are incongruent with their self-concept as autonomous individuals;

2. Accumulated Experiences. A given adult enters into any educational activity with a different background of experience from his youth. Because of this, adults are themselves a richer resource for one another's learning than youth usually are. New learning can usually be grasped more easily when they can be related to past experiences;
3. Readiness to Learn. Adult years are divided into three phases: adulthood, middle ages and later maturity. Changes in developmental tasks occur and consequently the readiness to learn changes to meet the requirements of each of the phases of life;
4. Time Perspective. Adults engage in learning largely in response to pressures they feel from current life problems. Their time perspective is on the immediate application. They regard learning as a process of improving their ability to deal with the problems they face now. They tend to enter any educational activity in a problem centered frame of mind.

Kotaska (1975) stated that individual methods of teaching are being designed to meet the needs of the adult learner. Many adults want to continue their education but some are unable or unwilling to engage in group methods of learning.

Open-entry/open-exit approaches to learning have been developed so that educational opportunities can be increased to meet the particular needs of adults. The open-entry/open-exit concept is defined by Paulsen and Berg (1976, p. 13) to be a concept "that refers to procedures in educational programs and sources that allow the learner to enter and exit a formal educational setting at times other than the beginning and ending of the traditional school term."

Barriers to the implementation of the open-entry/exit concept were studied by Greenwood and Pestle (1977). Students enrolled in Distributive Education, Home Economics and Adult Education classes were offered an opportunity to use competency-based learning packages pertaining to salesmanship in retail clothing stores. Two major difficulties encountered in implementing the open entry-exit concept at the

secondary level were the restrictions of rigid enrollment policies and the lack of acceptable ways to assign credit for achievement by the students. However, Greenwood and Pestle did not find similar deterrents to open-entry/exit programs at the adult education level.

Individualized Instruction

Individualized instruction methods are becoming increasingly important in adult educational programs as attempts are made to tailor the instructional process to the learning needs of adults who are unable or unwilling to engage in group methods of instruction,

reported Kotaska and Dickinson (1975, p. 161). Coppedge (1974) emphasized the need for the learning packages to be written in a learning sequence which would provide major concepts, behavioral learning objectives, learning activities and evaluation devices.

The development of instructional materials must couple the effectiveness of instruction with the needs of adults. Cason (1975) indicated that the presentation of materials and instruction in terms of job goals and restricting the number of topics to pertinent information was very important.

Luchsinger and Luchsinger (1977) predicted a trend toward innovative learning materials in the form of learning packages and programs with particular interest to people in business. They pointed out that these materials must be developed in a systematic way in order to present topics in a concise form and to provide a method to evaluate the results.

In many areas of education, the systems approach is used in the development and evaluation of program procedures and instructional processes. Hilton and Gyuro (1970) reported that the systems approach

is based on a rational and logical procedure which allows for problem-solving techniques to be used with a given context.

Immegart and Pillecke (1973, p. 177) indicated that the systems approach suggests evaluation processes. Evaluation is a process by which procedures processes and materials may be judged in terms of effectiveness. Cross (1973, pp. 5-6) defined evaluation in two ways:

1. Evaluation is a process which determines the extent to which objectives have been achieved;
2. Evaluation is a process of making an assessment of a student's growth.

The first definition links evaluation to the completion of a goal or objective. The second definition links evaluation to the performance of the student.

Learning is a three-dimensional process: attitudes, skills and knowledge. Reece (1978) reported that a practical way to encourage the development of knowledge, appropriate attitudes and skills was to emphasize on-the-job applications of the instructional content. Adults are quick to adopt or reject concepts and ideas which appear to have little application on the job.

Sequencing of instructional materials is very important to the success of the plan, according to Reece (1978). He suggested that educators introduce materials in a specific manner and explain why it is important to master the material. Additional suggestions made by Reece included developing an understanding of the subject, pacing the presentation and providing plenty of examples to aid the understanding of a topic. He also pointed out that providing application opportunities would give the student experience in achieving an understanding of the topic.

There are many methods and techniques for teaching adults. However, it generally was noted in the literature that the presentation of the materials was as vital to the success of the learning experience as the development of the materials. A well-organized, informed teacher can aid any student of any age to a successful new learning experience.

Related Research

The research project directed by Greenwood, Callsen and Mott (1978) and funded by the U. S. Office of Education (USOE), focused on the development and evaluation of individualized instructional materials. Learning packages were designed to enable potential apparel shop entrepreneurs to establish competencies in four functional areas of retailing: accounting and control; operations and management; buying and merchandising and advertising and promotions. The objectives of the study included identifying entrepreneurial competencies, preparing self-instructional, self-paced and self-evaluative learning packages, evaluating the use of the materials by adults in an open-entry/exit pilot-study and finally revising the materials. Recommendations were made by the researchers for continued use of the instructional materials in traditional and non-traditional educational settings to provide adult entrepreneurial competencies which facilitate self-employment in women's or men's apparel stores.

At Oklahoma State University, Tate (1976) developed learning packages for use in the fashion work experience courses. These materials have been revised and are being utilized to guide the student work experiences required in the Fashion Merchandising Program at Oklahoma State University.

Peavler (1977) evaluated the achievement of terminal objectives for two learning packages based on the student's ability to make application of knowledge in a simulated selling experience. The writer concluded that the simulated activity was an effective evaluation instrument for the application levels of the cognitive domain.

As a part of the USOE project (Greenwood, et al., 1978), Cremer (1977) developed a buying and merchandising learning package for potential apparel shop entrepreneurs. The objective of the learning package was to facilitate the development of realistic store plans pertaining to opening inventory needs and the procurement of merchandise. LeMay (1977) developed an advertising and promotional learning package for training potential apparel shop entrepreneurs. Evaluation of the learning packages in terms of content and utilization was an integral part of both the Cremer and LeMay research.

Diggs (1978) reported the evaluation of the individualized instructional program related to the USOE project (Greenwood, et al., 1978). The systems approach to program planning and evaluation was used. The logical procedure of the systems approach allowed for problem-solving techniques to be applied to both individual and interrelated materials. The systems approach provided for a continuous evaluation in order to determine the effectiveness of the materials and the accomplishments of the student.

For the purposes of this study the literature search was extended to identify concepts needed in the development of the learning guides. Reference was made to the additional sources in the procedures described in Chapter III.

Summary

The literature reviewed for this chapter reported the major causes of small business failure as the lack of capital, lack of management skills and the lack of expertise in store management. Entrepreneurs must be well-versed in all aspects of store operation and management. Major differences exist between large and small businesses. Small business entrepreneurs need specialized educational opportunities.

The large number of small apparel stores, coupled with the high failure rate suggests the need for management training peculiar to the needs of the apparel shop owners. Merchandise management for apparel stores entails great risks and large capital investments due to changing consumer demands. Merchandise management involves estimating consumer demand and determining the merchandise budget.

According to the literature, adults regard learning as a process of improving their ability to deal with the immediate problems. A flexible approach to learning allows the educator to consider the unique characteristics of adults. Individualized instruction in various forms has been developed as a new strategy for organizing learning experiences. These learning experiences have been designed to meet the individual needs of the adult learners. The experiences of adults allow them to draw from practical knowledge in addition to the theoretical constructs found in textbooks. Related research reported in this chapter supports the need for educational material designed to meet the specialized needs of apparel shop entrepreneurs.

CHAPTER III

METHODS AND PROCEDURES

The purpose of the study was to develop and evaluate learning guides for the small apparel retailer to use in the improvement of the merchandise management in individual stores. The three objectives of the study were:

1. To develop learning guides related to selected merchandise management plans including the dollar merchandise plan, open-to-buy plans and market open-to-buy plans for the small apparel retailer;
2. To evaluate the use of the learning guides during a pilot-study workshop for apparel retailers in the Dallas Apparel Mart, May, 24, 1979;
3. To develop recommendations for improving the learning guides and to make selected revisions.

Procedures which were used in the study are discussed under the following two headings: Development of the Learning Guides and Evaluation and Revision of the Learning Guides.

Development of the Learning Guides

Procedures used to develop the learning guides for use in the Retailers' Workshop were formulated by the research team. A schematic drawing is shown in Figure 1 depicting the process used to determine the format and the content and to prepare the learning guides. The

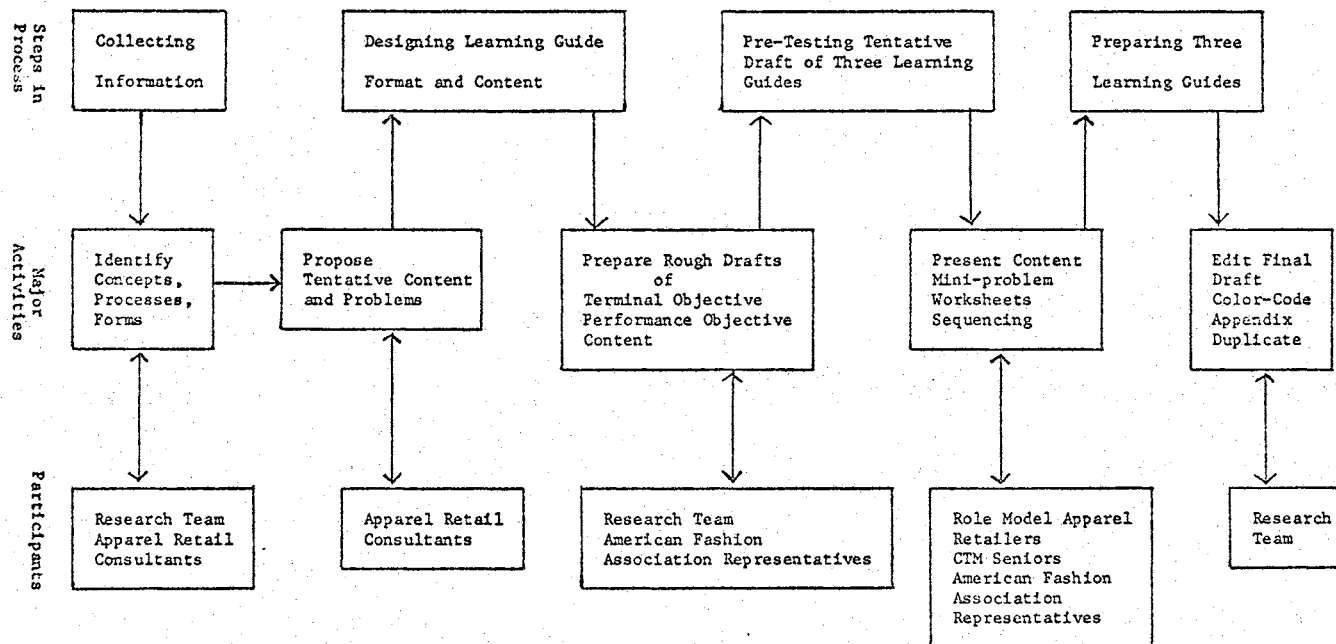


Figure 1. Schematic Presentation of the Process Developed to Determine the Format and the Content and to Prepare the Learning Guides

process established aided the writer in a methodical approach to the decision-making activities used in the development of the learning guides.

Collecting Information

Definitive information about selected concepts of merchandise management was researched by the writer. Topics on which information was obtained included merchandise management and control, dollar merchandise plans, open-to-buy plans, seasonal merchandise needs and market resources.

Sources included in the search of literature and materials were retail management books and periodicals, Small Business Administration publications, current management and trade journals and materials pertaining to adult educational needs and educational approaches. References used in selecting the factual information for the learning guides are listed in Appendix A.

As a preliminary effort, five Apparel Retailer Consultants (ARC) in Stillwater and Tulsa were interviewed as to merchandising problems peculiar to their businesses and ideas which might be used to improve their merchandising techniques. These retailers pointed out the need for more training in terms of maintaining better merchandise control in their stores. The writer continued to obtain the reactions of this group of retailers as a source of information and evaluation in the development of the learning guides. A description of the retailers and some examples of the questions which were asked are in Appendix C.

Additional suggestions were gained from a previous Retailers' Seminar held in Dallas at the Apparel Mart, August 24, 1979. The

majority of the 102 participants in the session expressed a need for educational assistance in developing merchandise plans and estimating seasonal market plans. Comments expressed by these participants are summarized in Appendix B.

Designing the Learning Guides

Definitive information collected by the writer was compiled in relation to tentative topics: dollar merchandise plans, open-to-buy plans, and market buying plans. The following procedures were used to systematically organize the information to be used in designing the learning guides:

1. Compile factual information and key words concerning selected concepts such as planned sales, beginning-of-the-month stock, mark-ups and mark-downs, end-of-the-month inventory, cost purchases, retail purchases, open-to-buy, major resources, merchandise classifications, etc.
2. Formulate tentative terminal objectives and performance objectives for each learning guide.
3. Select information and develop examples to illustrate each performance objective.
4. Develop mini-problems to aid the learner in achieving each performance objective.
5. Design worksheets for each terminal objective to incorporate various aspects of the mini-problems.

Ideas for the content of the learning guides to be used in the workshop were discussed with the representatives of the American Fashion Association (AFA) in the Dallas Apparel Mart, January 22, 1979.

Appendix C contains a description of AFA, the purpose of the interview, and the types of questions asked. Reactions and other information from various sources were used in the development of preliminary learning guides. The tentative format is presented in Appendix D.

Pre-Testing Activities

The rough draft of the learning guide was presented to the ARC group who were selected to review and provide constructive criticism. Suggestions concerning the information needed in order to know how much to buy and how to prepare dollar merchandise plans was considered. Revisions were made in the rough draft of the learning guide. A copy of the revised learning guide was reviewed by two representatives of the Apparel Retailers' Advisory Committee (ARAC) and the AFA representatives in a meeting at the Dallas Apparel Mart, March 31, 1979. A description of the ARAC group, the purposes and types of questions asked are shown in Appendix C. Reactions to the materials were obtained and additional improvements which were made included dividing the dollar merchandise plan into a seasonal plan, simplifying terms and words, and clarifying instructions and procedures.

A pre-test procedure was used with a select group of Role Model Apparel Retailers (RMAR) in Oklahoma City, April 9, 1979. Criteria for the selection of the retailers included:

1. Owners of women's apparel shops.
2. Merchants in business less than three years.
3. Less than \$300,000 annual retail sales volume.

The characteristics listed in the criteria were similar to those of the participants in the workshop. The RMAR examined the learning

guides and reacted positively to the content and the format. The comments of the group of retailers reinforced the idea that apparel shop owners need a better understanding of merchandise management and control. This group unanimously agreed that the topics included in the learning guides were presented in an easily understood manner and that the sequencing of the learning guides was logical. The development of a form to be used during market trips was recommended. Minor changes were made in the learning guides based on the reactions of the RMAR. A description of the RMAR group and some examples of the questions which were asked are shown in Appendix C.

Finally, the learning guides were reviewed by 21 seniors in the Clothing, Textiles and Merchandising Department. Irregularities in procedures, instructions and presentation techniques were considered, and editorial type corrections were noted based on the suggestions of the students.

Preparing the Learning Guides

The research team reviewed the learning guides and made final decisions about the format and content based on the results of the various pre-test activities. The format was condensed to two pages for each of the 10 performance objectives including examples and mini-problems. The three worksheets were simplified to one page each.

An appendix was added to provide sample record forms and references. A system of color codes was designed to indicate the worksheets related to each terminal objective and for evaluation purposes. The final draft of the learning guides was prepared, and 75 copies were duplicated for use in the workshop.

Evaluation and Revision of the Learning Guides

The procedures for objectives two and three of this study involved the evaluation of the learning guides and the recommendations for revisions. Sixty-five small apparel retailers participated in the pilot-study workshop at the Dallas Apparel Mart, May 24, 1979. An evaluation packet was prepared to obtain both positive and negative reactions of the participants to each of the learning guides. This information was used to evaluate the effectiveness of the learning guides. A careful analysis of the data pointed to major and minor implications for change. Recommendations for revisions were based on the results of the pilot study. The schematic drawing in Figure 2 illustrates the process developed by the research team to evaluate and revise the learning guides.

Developing the Evaluation Instrument

The evaluation packet provided for each participant was developed to obtain reactions to the Dollar Merchandise Plans, Learning Guides, and to assess the overall reactions to the total workshop. The research team consulted with members of the Home Economics faculty with expertise in evaluation techniques. Suggestions on the kinds of questions and the method of analysis which would be appropriate for the materials being evaluated were considered in determining the final form of the evaluation instrument. A copy of the tentative ideas for Analysis of the Evaluation Data is in Appendix E. One section of the evaluation instrument pertained to the performance objectives for each learning guide. Two questions were asked about each performance

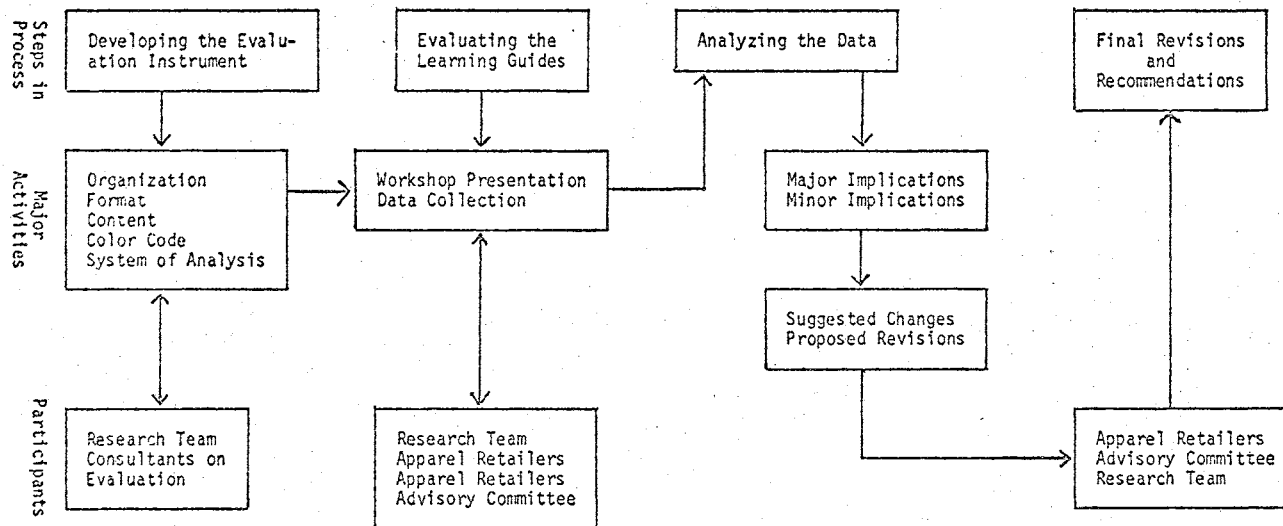


Figure 2. Schematic Presentation of the Process Developed to Evaluate and Revise the Learning Guide

objective: one concerning the participant's understanding of the information and example and one concerning the participant's ability to complete the mini-problem without errors.

The second section of the evaluation form pertained to the participant's reactions to the terminal objectives. The writer was concerned with the participant's ability to complete the worksheet related to each terminal objective based on an understanding of the performance objectives.

The overall evaluation instrument was developed to obtain reactions to the total workshop presentation. Several questions were included regarding the evaluation of the Dollar Merchandise Plans learning guides. Copies of the evaluation instruments for the three learning guides and for the total workshop appears in Appendix F.

Evaluating the Learning Guides

Prior to the workshop, a Pre-Market Survey was conducted. A questionnaire was sent to each pre-enrolled participant in the workshop. Each retailer who attended the workshop but did not pre-enroll was asked to complete a similar survey form. A descriptive profile was compiled to include the following kinds of information: store location, approximate size of town, merchandise classifications, size ranges, price lines, length of time in business, approximate size of store, approximate annual sales volume and number of sales employees. An example of the Pre-Workshop Survey is included in Appendix G.

Workshop Presentation. The writer presented the three learning guides on Dollar Merchandise Plan and Open-to-Buy during the workshop.

The overhead projector was used to aid in the presentation of the examples for each performance objective. The participants were asked to complete the mini-problem according to the instructions provided. Each participant used the calculator which was provided to expedite the accurate completion of the mini-problems. The answers to each mini-problem were presented on the overhead projector and the participants were then given an opportunity to correct the errors which had been made. Responses concerning the number of red circles were recorded in the evaluation data collected from each participant. The worksheets corresponding to each terminal objective were completed by the participants and the answers were checked in a manner similar to the one explained for the mini-problems.

Collecting Data. The participants were asked to complete the designated evaluation form after the completion of each worksheet. At the close of the Dollar Merchandise Management Session, the participants were asked to evaluate the total workshop using the designated instrument. The evaluation packets were collected from the participants at the conclusion of the workshop.

Analyzing the Data. The responses to the three evaluation instruments were coded and computerized and additional comments and reactions written on the evaluation instruments were compiled. The comments and reactions were considered in developing the proposed revisions and in making the final recommendations regarding the three learning guides.

Recommending the Revisions

The procedures used in the analysis of the data and the revision

of the learning guides are summarized as follows:

1. The data for each learning guide were reviewed. The mean scores were compared with the percentage scores and were not considered to contribute negatively to the evaluation. Therefore, only the percentages for the yes, no and uncertain responses were included in the tables for the purpose of reporting the findings and drawing implications for change.

2. The tables were studied in relation to the responses for each performance objective and each terminal objective. The following criteria were established by the research team and used by the writer as a basis for drawing implications for changes. The data were reviewed and the percentages were arbitrarily used to indicate the need for major and minor changes:

Major implications for changes were drawn if the percentage of yes responses to a question was below 70 percent.

Minor implications for changes were drawn if the percentage of yes responses to a question was 71-84 percent.

No implications for changes were drawn if the percentage of yes responses to a question was 85 percent or above.

3. Each evaluation statement was reviewed in relation to the implications for changes for each performance objective and the terminal objective. In accordance with the procedures established by the research team a tentative list of suggested changes was compiled to correspond with the major implications drawn and with minor implications drawn. A summary of criteria and procedures used to formulate suggested changes is in Appendix H.

4. Proposed revisions were formulated for major and minor changes based on suggested changes for each of the learning guides. Examples were prepared for four of the major revisions proposed.

5. The five members of the Apparel Retailers' Advisory Committee (ARAC) who attended the Retailers' Workshop, May 24, 1979, were asked to react to the proposed revisions in the learning guides. A copy of the letter, proposed changes sent to the ARAC members appears in Appendix I. The writer had a telephone conference with each of the five ARAC members and tabulated their responses to the proposed revisions.

Major revisions in the learning guides for Dollar Merchandise Plans and Open-to-Buy were finalized by the research team based on the reactions of the ARAC and additional recommendations for revisions were made. Selected revisions were implemented by the writer. The process used in formulating the final recommendations and revisions in the learning guides is summarized in Figure 3.

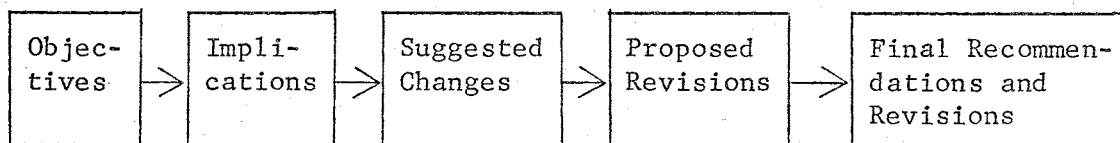


Figure 3. Process Developed to Use in Formulating Final Recommendations for Revisions in the Learning Guides

CHAPTER IV

FINDINGS AND RESULTS

The purpose of the study was to develop and evaluate three learning guides which were designed to enable the small apparel retailer to develop merchandise plans which would be used in meeting certain merchandise needs of the small apparel stores. The three objectives of the study were:

1. To develop learning guides related to selected merchandise management plans including the dollar merchandise, open-to-buy plans and market open-to-buy plans for the small apparel retailer;
2. To evaluate the learning guides used during a pilot-study workshop for apparel retailers in the Dallas Apparel Mart, May 24, 1979;
3. To develop recommendations for improving the learning guides and make revisions.

The findings and results are discussed under the following headings: Content and Use of the Learning Guides; Pilot-Study Workshop; Findings and Implications and Revisions and Recommendations.

Content and Use of the Learning Guides

The topics, terminal objectives and performance objectives for the three learning guides are presented in Table I. Each learning guide was comprised of one terminal objective and two or more performance

TABLE I
 TOPICS AND OBJECTIVES FOR LEARNING GUIDES FOR SEASONAL
 MERCHANDISE PLANS AND OPEN-TO-BUY

Topics	Terminal Objectives	Performance Objectives
Dollar Merchandise Plans	To complete the dollar merchandise plans.	<ol style="list-style-type: none"> 1. Plan sales for a specific period. 2. Plan stock in dollars. 3. Plan end-of-month stock. 4. Plan markdowns for a specific period. 5. Plan retail purchases for a period.
Open-To-Buy Plans	To calculate an open-to-buy (OTB) budget for a seasonal period.	<ol style="list-style-type: none"> 1. Calculate planned purchases at cost. 2. Determine cost dollar value of total commitments. 3. Calculate open-to-buy at cost.
Market OTB Plans	To plan the percent and dollar amounts of planned OTB purchases by classifications and resources.	<ol style="list-style-type: none"> 1. Calculate the dollars OTB by major classifications. 2. Allocate the percent and dollars OTB according to major resource performance.

objectives. Factual information was presented relative to each performance objective along with an example to illustrate the information. A mini-problem required the participant to relate the information and example to each performance objective. Each learning guide concluded with a worksheet which related to the terminal objective. The following is a discussion of the content of the three learning guides.

Dollar Merchandise Plans

The learning guide for the dollar merchandise plan included five performance objectives. An explanation of the topical content related to each performance objective is presented in the ensuing paragraphs.

Performance Objective One. The purpose of the first objective was to aid the participant in planning monthly sales for a specific period. Points to consider in the plan included last year's sales, promotional events, sales and economic factors which influence the merchandising activities of the store. An example illustrated how sales records from the previous sales period were charted by the season and by each month. The chart indicated how the increases would be distributed for the new season.

The mini-problem provided the participant with an opportunity to compute the planned sales for the six-month plan and to indicate the monthly distribution. The participant calculated the planned sales for the six-month period and the answers for the last three months of the plan were transferred to the worksheet. The content of performance objective one is provided in Appendix J as an example of the format for each topical section of the learning guides.

Performance Objective Two. Planning stock in dollars was the topic for the second performance objective. Using the stock/sales ratio method, stock levels were determined so the inventory on hand at the beginning of the month (BOM) would be satisfactory to support planned sales for the month. The example illustrated how the planned sales were multiplied times the stock/sales ratio to estimate the retail value of the inventory needed to meet the demands of the customers.

The mini-problem provided the participant with an opportunity to determine BOM stock using the stock/sales ratio. The participant completed the calculations of BOM stock for the six-month period and the answers for the last three months of the plan were transferred to the worksheet.

Performance Objective Three. Planning the end-of-the-month (EOM) stock was the topic for this performance objective. The information pointed out that the EOM stock was the same as the BOM stock for the next month. Formulas for determining average stock and stockturn were discussed. The example showed a chart which illustrated the EOM stock figures entered as BOM stock for the next month. Using the formula to determine average stock, the EOM for January was calculated and entered for January.

The mini-problem required the participant to calculate the EOM for January using the formula for average stock and an annual stockturn of 3. The January EOM answer was transferred to the worksheet.

Performance Objective Four. The fourth performance objective pertained to planning the markdowns for a six-month period. The

information included the percentage of markdowns typical for apparel stores, the method used in planning the amount of markdowns for a given period and the distribution of the total amount of planned markdowns on a monthly basis. The example showed the total markdowns in relation to planned sales and a suggested distribution of markdown percentages by months.

The mini-problem provided the participant with an opportunity to determine the total planned markdowns for the season. After the total plan figures were determined, the monthly planned markdowns were calculated. The answers for the last three months of the six-month plan were transferred to the worksheet.

Performance Objective Five. Planning retail purchases for a specific period was the fifth performance objective. The information included the formula for calculating planned retail purchases, subtracting the BOM stock from the planned retail sales, add the EOM stock and the monthly markdown figures. The example illustrated how the formula was used and the mini-problem provided the participant with an opportunity to work through the actual problem. The answers for the six-month plan were calculated and the answers for the last three months were transferred to the worksheet.

Terminal Objective. The worksheet related to the terminal objective which stated that the participant would be able to complete a dollar merchandise plan. The final step of the instructions directed the participant to add together the answers for the first three months of the six-month plan to determine the total retail purchase dollars planned for one season. The answers for the last three months in the

six-month plan were added to determine the planned retail purchase dollars for the second season. A copy of the worksheet for the Dollar Merchandise Plan Learning Guide is shown in Appendix K.

Open-To-Buy Plans

The second learning guide was concerned with calculating the open-to-buy (OTB) budget for a seasonal period. Following is a description of the topics and content for each performance objective.

Performance Objective One. The first performance objective involved calculating planned purchases at cost. The retail dollars for planned purchases were determined in the six-month dollar merchandise plan. Retailers can maintain better control of their buying plans when cost figures are used. The information included, therefore, used the method of converting retail purchase dollars to cost figures. The example illustrated the simple calculation used in determining cost figures for planned purchases.

The mini-problem provided the participant an opportunity to calculate the seasonal cost purchases. The answer was transferred to the open-to-buy worksheet.

Performance Objective Two. The cost dollars value of total previous commitments was considered in relation to the next performance objective. Buying activities take place in advance of the selling. Previous purchase orders are commitments and must be subtracted from the planned purchases for the season during which the order will be paid. The example showed a chart illustrating previous commitments and the estimated costs of each order.

The mini-problem involved the calculation of previous commitments. The answers were entered on the worksheet.

Performance Objective Three. Calculating an open-to-buy at cost was the purpose of the third performance objective. The information and example pertained to the calculation of the previous commitments and the subtraction of the cost of the previous orders from the seasonal planned purchases OTB.

The mini-problem enabled the participant to calculate the OTB at cost for one season in the six-month period. The answer was transferred to the worksheet.

Terminal Objective. The worksheet for the second learning guide related to the terminal objective: the participant would be able to calculate an open-to-buy at cost. The final step in completing the worksheet was to calculate the total OTB for the six-month period and for the OTB for each three-month season. The worksheet is shown in Appendix K.

Market Open-To-Buy Plans

The concluding learning guide involved the development of a market buying plan including the percent and dollar amounts of planned OTB purchases by classifications and major resources.

Performance Objective One. The calculation of OTB by major classifications was the topic of the first performance objective. The example included several classifications and the percentages of inventory and cost dollars open-to-buy for each classification.

The mini-problem provided an opportunity to determine the cost dollars open-to-buy by classification for an apparel store. No transfer of answers to the worksheet was necessary for this objective.

Performance Objective Two. The allocation of the percentage and dollars OTB according to major resource performance was the purpose of the second performance objective. Records on each resource provided the retailer with a sales history to aid in the future buying practices with resources. The example illustrated major resources within one classification and how the percentages of inventory and dollars OTB were distributed.

The mini-problem provided an opportunity for the participant to calculate the dollars OTB for several resources within a particular classification. Participants were not required to transfer answers to the worksheet.

Terminal Objective. The worksheet for this learning guide was designed for individual use by participants during a seasonal market period. Purchases could be recorded by the buyer and thus a cumulative record of purchases from each resource within a particular classification could be maintained. The worksheet is shown in Appendix K.

Pilot-Study Workshop

The three learning guides were pilot-tested in a workshop given at the Apparel Mart in Dallas, May 24, 1979. The materials were presented to 65 small apparel retailers who attended the Dallas Mart. The results of the evaluations obtained from the participants upon completion of the workshop were analyzed and the findings are reported in

the following discussion.

Description of Participants

Sixty-five participants representing 59 stores took part in the workshop. There were 56 stores with one person attending, two stores with two people and one store with six people attending. Retailers attending the workshop represented ten states including Arkansas, Kansas, Louisiana, Minnesota, Mississippi, New Mexico, New York, Oklahoma, Texas and Missouri. Characteristics of the participants are presented in Table II.

The largest group of participants (47%) indicated that their store was located in a downtown area, however, a sizable group (39%) were in a mall or shopping center location. The largest single group of stores (25%) was located in a population area of over 100,000.

Over half of the participants (51%) represented stores which maintained annual sales volume of \$100,001-\$300,000. Of the total group of stores, only 13 percent had an annual sales volume of over \$300,000. The majority (59%) had two or fewer full-time employees and 63 percent had two or fewer part-time employees.

Seventy-two percent of the stores had merchandise for the junior size ranges and 66 percent had misses sizes. Some retailers indicated that both categories of size ranges were carried in the store. The majority of the stores had moderate (92%) to better (60%) price lines; some of the stores carried more than one price line.

Almost one-half of the stores (48%) had been in business less than two years and 75 percent had been in business less than four years. The square footage of selling space in a majority (58%) of the stores

TABLE II

RESPONSES OF PARTICIPANTS TO THE PRE-MARKET
SURVEY AT THE WORKSHOP, DALLAS APPAREL
MART MAY 24, 1979
(N=50)

Information	Responses	
	N ^a	%
1. Store Location of Seminar Participants		
Location		
Downtown	23	47.00
Mall or Shopping Center	19	39.00
Other ^b	4	14.00
2. Approximate Size of Town or City Where Stores Are Located		
Size Range		
Below 5,000	2	4.00
5,000 - 10,000	12	21.00
10,000 - 25,000	8	14.00
25,001 - 50,000	8	14.00
50,001 - 75,000	8	14.00
75,001 - 100,000	4	7.00
Over 100,000	14	25.00
3. Size of Store in Terms of Annual Sales Volume		
Dollar Sales Volume		
\$100,000 or less	16	36.00
\$100,001 - \$300,000	23	51.00
\$300,001 - \$500,000	1	2.00
\$500,001 or more	5	11.00
4. Size of Store in Terms of Full-Time Employees		
Number of Employees		
1	15	38.00
2	8	21.00
3	7	18.00
4	4	10.00
5-10	3	8.00
11 or more	2	5.00
5. Size of Store in Terms of Part-Time Employees		
Number of Employees		
1	14	33.00
2	13	30.00
3	6	14.00
4	5	12.00
5-10	4	9.00
11 or more	1	2.00

TABLE II (Continued)

Information	Responses	
	N ^a	%
6. Merchandise Classification ^c		
Coats	25	50.00
Dresses	48	96.00
Sportswear	50	100.00
Lingerie	37	74.00
7. Size Ranges		
Junior	36	72.00
Misses	33	66.00
Women's	15	00.03
Other ^d	7	00.14
8. Price Lines		
Budget	3	00.06
Moderate	46	92.00
Better	30	60.00
9. Length of Time Stores Have Been in Operation Years		
Less than 1 year	12	22.00
1 - 2 years	14	26.00
3 - 4 years	9	17.00
5 - 10 years	11	20.00
10 - 20 years	5	15.00
10. Approximate Size of Store in Terms of Square Footage of Selling Space		
Square Footage		
400 - 999	11	21.00
1000 - 1599	19	37.00
1600 - 2099	7	13.00
2100 - 3999	7	13.00
Over 4000	8	15.00

^aAll of the participants did not complete the Pre-Market Survey, however information was obtained from 50 of the 58 stores.

^bIncludes renovated house, neighborhood shopping area, free standing structure, office building, strip center and university area.

^cParticipants checked more than one response.

^dIncludes men's wear, children's wear and extra large sizes.

was under 1600 square feet.

Evaluation of the Learning Guides

The analysis of the evaluation data was related to the performance objectives and the terminal objectives for each of the three learning guides: Dollar Merchandise Plans, Open-To-Buy Plans and Market Buying Plans. Evaluations were received from 56 of the 65 participants. The responses to the questions regarding the achievement of the performance objectives were tabulated in terms of yes, uncertain and no. Frequencies, mean scores and percentages were calculated for each response and are reported in Appendix L.

A study was made of the mean scores and the writer determined that only the percentages would need to be used to interpret the responses for revision purposes. The percentage of responses was considered in the decision making process used in formulating ideas for revisions of the learning guides. According to the procedures, the yes answers were designated as positive responses and the uncertain and no responses were considered to be negative responses. The multiple choice responses and the additional comments were included in the discussion of the results of the workshop and were considered in making final recommendations.

Implications for changes in the learning guide were developed for each performance objective and terminal objective. The following criteria were discussed in the procedures and were used as a guide in drawing implications for changes:

Percentage of Positive Responses	Guide for Implications
85 - 100%	No implication drawn for change
70 - 84%	Implication drawn for minor change
Below 70%	Implication drawn for major change

Findings and Implications

The findings related to each of the three learning guides are presented in the following discussion. Implications were drawn for each performance objective and terminal objective based on the analysis of the positive responses.

Dollar Merchandise Plans

The reactions of the participants to the five performance objectives and the terminal objective in the Dollar Merchandise Plan learning guide are presented in Table III. Following is a discussion of the findings and implications.

Findings. Based on the percentages for change previously discussed in the criteria, a limited number of major changes were necessary although minor changes were needed throughout the learning guide.

In regard to performance objective one, 85 percent of the responding participants indicated the participants understood the information and example for planning sales for a specific period. However, only 79 percent calculated the problems without error on the first try. The majority of the participants (77%) were able to understand the information and the example in performance objective two which pertained to beginning of month stock and 74 percent of the respondents calculated the problem correctly.

TABLE III
 RESPONSES OF PARTICIPANTS TO THE QUESTIONS CONCERNING
 THE PERFORMANCE AND TERMINAL OBJECTIVES FOR THE
 DOLLAR MERCHANDISE PLANS
 (N=56)

Objectives	Questions	N	Responses		
			Yes %	No %	Uncertain %
<u>Performance Objectives:</u>					
1.	1. I understand the information and examples about planning sales for a specific period.	54	85	7	7
	2. I calculated the planned monthly sales correctly the first try.	54	79	20	0
2.	3. I understood the information and examples about planning stock in dollars.	53	77	6	17
	4. I calculated the planned BOM stock correctly the first try.	54	74	22	4
3.	5. I understood the information and examples about planning EOM stock.	53	70	13	17
	6. I calculated the average stock correctly the first try.	51	65	25	10
4.	7. I understood the information and examples about planning markdowns.	53	77	11	11
	8. I calculated the planned markdowns correctly the first try.	52	77	21	2
5.	9. I understood the information and examples about planning retail purchases for a period.	52	67	13	19
	10. I calculated the planned retail purchase correctly the first time.	51	69	25	6
<u>Terminal Objective:</u>					
	13. I liked completing the worksheet one step at a time.	46	93	2	4
	14. I liked transferring the information from the mini-problems to the worksheet.	46	89	4	6
	15. I liked calculating the dollar merchandise plan in a month to month procedure.	46	89	6	4
	16. I liked having the planned retail purchases for each season at the completion of the dollar merchandise plan.	46	82	6	11
	17. I think the information will help me develop a dollar merchandise plan for my store.	48	87	2	10

Performance objective three was concerned with end of month stock. Only 70 percent of the participants indicated they understood the information and example and 65 percent of the participants indicated they calculated the answer correctly on the first try.

Seventy-seven percent of the participants understood performance objective four which pertained to planning markdowns for a specific period. The same number of participants (77%) were able to calculate the problem correctly.

Planning retail purchases for each month and season was the purpose of performance objective five. Sixty-seven percent of the participants said they understood the information and example. Sixty-nine percent of the participants indicated they calculated the correct answer on the first try.

In regard to the terminal objective which involved the completion of the worksheet, only 48 participants responded. Of that group 93 percent indicated they liked completing the worksheet one step at a time while 89 percent of the participants said they liked transferring the answers from the mini-problem to the worksheet and calculating the dollar merchandising plan in a month to month and seasonal procedure. Eighty-seven percent of the participants felt that the information gained in this learning experience would enable them to develop a dollar merchandise plan for their individual stores.

In terms of errors, 34 percent of the participants indicated difficulty in understanding the use of the calculators. Nine percent (9%) of the participants indicated errors were due to misunderstanding of instructions. Forty-seven percent of the participants had no difficulty with instructors or calculators. A list of detailed comments and

reactions are shown in Appendix M.

Implications for Change. According to criteria used to draw implications, major changes were needed in terms of mini-problem for performance objective. Major changes in relation to information, example and mini-problem were needed in performance objective five and in the mini-problem for performance objective three because the responses for the information, example and mini-problems were below 70 percent. Minor changes were needed to be considered in terms of the mini-problems in performance objectives one, two and four because the responses were between 71 and 85 percent. Based on the criteria for change, minor changes were needed for information and examples in performance objectives two, three and four.

Open-To-Buy Plans

Reported in Table IV are the responses of the workshop participants to the Open-To-Buy Plan learning guide which pertained to developing a seasonal OTB plan. The findings and implications are presented in the following discussion.

Findings. Based on the responses from 56 participants, 94-98 percent indicated they understood the information and example and the calculations for the mini-problems. The results of the responses pertaining to the terminal objective which involved the completion of the worksheet indicated that 88 percent of the participants liked the procedure of completing the worksheet one step at a time. Ninety-one percent of the participants liked the experience of transferring the information from the mini-problem to the worksheet. Ninety-four

TABLE IV
 RESPONSES OF PARTICIPANTS TO THE QUESTIONS CONCERNING
 THE PERFORMANCE AND TERMINAL OBJECTIVES FOR THE
 OPEN-TO-BUY PLANS
 (N=56)

Objectives	Questions	N	Responses		
			Yes %	No %	Uncertain %
<u>Performance Objectives:</u>					
1.	1. I understood the information and example about calculating planned purchases.	52	96	4	0
	2. I calculated the planned purchases at cost correctly the first try.	52	98	2	0
2.	3. I understood the information and example about determining the dollar value of the total commitments.	52	98	2	0
	4. I calculated the dollar value of total commitments correctly the first try.	52	98	2	0
3.	5. I understood the information and example about calculating an OTB at cost.	52	98	2	0
	6. I calculated an OTB at cost correctly the first try.	51	94	4	2
<u>Terminal Objective:</u>					
	9. I liked completing the worksheet one step at a time.	53	88	6	6
	10. I liked transferring the information from the mini-problem to the worksheet.	53	91	7	2
	11. I liked calculating the open-to-buy plan in a season to season procedure.	53	94	4	2
	12. I liked having the planned OTB for each season at the completion of the OTB plan.	53	94	6	0
	13. I think the information will help me develop an OTB plan for my store.	53	92	4	4

percent liked planning the open-to-buy plan in a season-to-season basis and having a complete plan upon completion of the learning guide. Ninety-two percent of the participants responded that the information obtained in the open-to-buy session would aid them in developing an OTB plan for their individual stores.

In terms of errors, the evaluation responses indicated 87 percent of the participants had no errors. Seventy-four percent of the participants indicated that the worksheet was easy to understand and would be helpful in future plans for merchandise needs for their individual stores. A detailed list of additional comments for learning guide two is shown in Appendix M.

Implications for Change. Based on the criteria for change, the percentages indicated that no major or minor changes were needed. However, editorial changes were considered in order to make the Open-To-Buy learning guide consistent with other revisions which were needed in the Dollar Merchandise Plan learning guide.

Market Open-To-Buy Plans

The third major learning guide included information pertaining to developing an Open-To-Buy for classifications within the store and for each major resource. Following is a discussion of the findings and implications.

Findings. The results of the evaluation responses are shown in Table V. Responses to questions pertaining to performance objective one indicated that 96 percent of the participants understood the information and example and 94 percent calculated the mini-problem without

TABLE V
 RESPONSES OF PARTICIPANTS TO THE QUESTIONS CONCERNING
 THE PERFORMANCE AND TERMINAL OBJECTIVES FOR THE
 MARKET OPEN-TO-BUY PLANS
 (N=56)

Objectives	Questions	N	Responses		
			Yes %	No %	Uncertain %
<u>Performance Objectives:</u>					
1.	1. I understand the information and example about calculating the dollars OTB by major classification.	51	96	4	0
	2. I calculated the cost dollars OTB for each major classification correctly the first try.	51	94	6	0
2.	3. I understand the information and example about allocating the percent and dollars OTB according to major resource performance.	50	98	0	2
	4. I calculated the OTB correctly the first try.	49	92	6	2
<u>Terminal Objective:</u>					
	6. The completion of the market buying plan was easy to understand.	50	94	2	4
	7. I think this information will help me to be able to plan the percent and dollar amounts of planned OTB purchase by classifications and resources.	50	94	2	4
	8. I think the information will help me use the worksheet in the market.	50	96	4	0

error.

The terminal objective pertained to understanding how to use the worksheet in recording purchases by resources within classifications. Ninety-four percent of the participants understood how to complete the plan and felt the information obtained from the learning guide would help them during the buying season at the market.

In terms of errors, the responses showed that 97 percent of the participants made no mistakes in completion of the learning guide. A detailed list of additional comments is shown in Appendix M.

Implications for Change. Based on the criteria for change, the percentages indicated that no major or minor changes were needed. However, editorial changes were considered in order to make the Market Buying Plan learning guide consistent with other revisions which were needed in the Dollar Merchandise Plan.

Evaluation of the Total Workshop

At the conclusion of the workshop presentation, the participants were asked to complete an evaluation for the total workshop. One section of the evaluation form pertained to the Dollar Merchandise Plan session. Percentage scores tabulated for each category of the evaluation instrument are reported in Appendix N. The percentages of strongly agree and agree were combined and designated as positive in Table VI. The percentages for tend to disagree, disagree and strongly disagree were combined and designated as negative. The Dollar Merchandise Plan received 91 percent positive reactions and the Open-To-Buy Plan and Market Open-To-Buy Plan learning guides received 96 percent positive reactions.

TABLE VI

OVERALL EVALUATION OF THE RESPONSES TO THREE
LEARNING GUIDES FOR SEASONAL MERCHANDISE
MANAGEMENT AND OPEN-TO-BUY PLANS
(N=56)

	N	Positive	Negative
Dollar Merchandise Plan	53	91%	9%
Open-To-Buy Plan	53	96%	4%
Market Buying Plan	53	96%	4%

The participants were given an opportunity to evaluate the overall reactions to the workshop presentation. As shown in Table VII, 90 percent of the participants indicated positive reactions to the total program.

TABLE VII

OVERALL EVALUATION OF THE TOTAL WORKSHOP
(N=56)

Topic	N	Positive	Negative
Reactions to Workshop Presentation	51	90%	10%

Additional comments were compiled into two categories: What the participants liked most and liked least about the presentation of the Seasonal Merchandise Plans and Open-To-Buy learning guides. Following is a summary of the comments of the workshop participants as to their reactions to the presentation and materials used:

Most	Least
Presentation	Not enough time to absorb information
Application	Need more detail
Seasonal Merchandise Plans	Need more mini-problems and worksheets
OTB Calculations	More explanation in detail
Useful Information	Dollar Merchandise Plan was hard to understand

These comments were considered in developing specific suggestions for revision and in making recommendations to improve the learning guides.

Revisions and Recommendations

Suggested changes in learning guides resulted from an analysis of the data. Based on the criteria used for the purpose of this study, no implications were drawn for major or minor changes relative to learning guide two which pertained to Open-To-Buy Plans and learning guide three which related to Market Open-To-Buy Plans. Three major changes and five minor changes were indicated based on the findings and implications for learning guide one. Presented in Table VIII is a summary of the implications for learning guide one, Dollar Merchandise Plan, and a list of suggested changes formulated for each of the performance objectives and the terminal objective.

Suggested changes for performance objectives one, two and four

TABLE VIII

SUGGESTED CHANGES FOR THE DOLLAR MERCHANDISE PLAN LEARNING GUIDE
 BASED ON IMPLICATIONS FOR MAJOR AND MINOR CHANGE DRAWN FROM
 ANALYSIS OF EVALUATION FOR EACH PERFORMANCE OBJECTIVE
 AND TERMINAL OBJECTIVE

Objectives	Implication	Suggested Changes
<u>Performance Objectives:</u>		
1. Plan sales for a specific period.	Minor change in mini-problem.	1. Improve format for mini-problem in order to achieve the performance objective.
2. Plan stock in dollars.	Minor change in information and example. Minor change in the mini-problem.	1. Revise information to clarify the term BOM. Refer to BOM in example. 2. Revise format of mini-problem in order to achieve performance objective.
3. Plan end-of-month stock.	Major change in the information and example. Major change in the mini-problem.	1. Redesign and simplify information by deletion of formulas and revision of procedures in example. 2. Revise mini-problem based on changes in information and example in order to achieve the performance objective.
4. Plan markdowns for a specific period.	Minor change in the information and example. Minor change in the mini-problem.	1. Revise information and example to improve discussion for distribution of markdowns by month. 2. Revise format of mini-problem in order to achieve performance objective.
5. Plan retail purchases for a period.	Major change in the information and the example. Major change in the mini-problem.	1. Redesign information to increase awareness of the accumulative process used in achieving the terminal objective. 2. Reorganize the format and restate the mini-problem to achieve the performance objective.
<u>Terminal Objective:</u> You will be able to complete a dollar merchandise plan.	Only minor change was indicated.	Revise worksheet to conform with revisions for each performance objective.

were minor. These changes were related to clarification of the information and examples, as well as improvements in the format for the mini-problems in order to achieve the performance objectives.

Major changes were suggested for performance objectives three and five. These were concerned with the redesigning and simplification of information and examples in order to emphasize the accumulative process used in achieving the terminal objective. Major changes were suggested in the mini-problems to correspond with the information and examples.

Proposed revisions formulated by the writer were based on the suggested changes and included examples of the four major changes and a list of minor changes which would improve the learning guides. Examples of four proposed major revisions and a list of the proposed minor revisions are in Appendix O. The Apparel Retailers' Advisory Committee members' (ARAC) reactions to the proposed revisions are reported in Appendix P along with a list of comments and suggestions concerning future materials and workshops.

Based on the responses of the ARAC members and the strategy developed by the research team, the recommendations for proposed revisions of the learning guides were finalized. Following is a summary of the final recommendations made by the writer for revision of the learning guides:

1. Incorporate the four examples prepared for the proposed major revisions into learning guide one, Dollar Merchandise Plans;
2. Consider the proposed minor revisions in making additional improvements in learning guide one, Dollar Merchandise Plans;
3. Make editorial, content, and format revisions in learning guide two and three, Open-To-Buy and Market Open-To-Buy, for the

purpose of continuity in all three learning guides.

In conclusion, the writer recommended the revision of the topical titles of the learning guides in order to clarify the content. The overall title proposed was Dollar Merchandise Management. The suggested titles for the three learning guides were Six-Month Merchandise Plans, Open-To-Buy Plans and Market Buying Plans.

CHAPTER V

SUMMARY AND RECOMMENDATIONS

The purpose of the study was to develop learning guides which would assist the small apparel retailer in understanding selected facets of merchandise management in relation to apparel stores. The research team approach was used in the preparation of the learning guides for the Retailers' Workshop presented in the Dallas Apparel Mart, May 24, 1979. A group of Apparel Retail Consultants and members of the American Fashion Association (AFA), representing apparel manufacturers, were involved in the development and evaluation of the learning guides. The pre-testing of the materials incorporated the reactions from five role model apparel retailers and 21 senior fashion merchandising students at Oklahoma State University. The three learning guides were pilot-tested by 65 apparel retailers during the Retailers' Workshop. Following is a summary of findings, the conclusions drawn, and recommendations for future study.

Summary of Findings

The sixty-five retailers who participated in the Pre-Market Retailers' Workshop represented 59 stores. Eighty-seven percent of the participants had an annual sales volume of \$300,000 or less, and 65 percent of the participants had been in business less than four years.

For the purpose of this study, three learning guides were developed to aid the retailer in merchandise management and control. The topical titles of the three learning guides were Dollar Merchandise Plans, Open-To-Buy (OTB) Plans and Market Open-To-Buy (OTB) Plans. The first learning guide consisted of five performance objectives and one terminal objective. The Dollar Merchandise Plans included calculating planned retail sales for a specific period, determining the stock levels at the beginning and ending of the month, figuring mark-downs for a given period of time and computing the planned retail purchases on a monthly, season and six-month basis. The five individual steps were combined in the worksheet related to the terminal objective.

The learning guides for Open-To-Buy Plans consisted of three performance objective. These included changing planned retail purchases into cost dollars and calculating previous commitments. The terminal objective involved the participants in determining the cost dollars OTB for a specific season.

The third learning guide pertained to Market Open-To-Buy (OTB) Plans. The purpose of the two performance objectives was to aid the participant in determining percent of inventory and cost dollars OTB for each classification within the store by major resource performance. The terminal objective for the market buying plan was to provide the participant with an OTB record sheet to use during buying session.

The evaluation data were collected using an instrument developed to assess the ability of the participant to complete the performance objectives and terminal objective for each learning guide. Additional comments and reactions were considered in the formulation of suggested changes and revisions. The data were analyzed in percentages and

implications were drawn in accordance with the criteria for major and minor changes discussed in the procedures. For two learning guides, 85 percent or more of the responses were positive. One of the learning guides had two performance objectives with below 70 percent positive reactions indicating major revisions. The overall evaluation indicated 90 percent of the participants responded positively to the workshop presentation.

Major revisions proposed by the writer in the first learning guide included the changes in the information, examples and mini-problem for performance objectives three and five. Proposed minor revisions and suggestions for clarity in materials included the information, examples and mini-problems in performance objectives one, two and four. Recommendations for revision of the learning guides included additions to the factual information, clarification or expansion of examples, improvement of the instructions or format of the mini-problems or worksheets.

Conclusions

The following conclusions were drawn at the completion of this study:

1. The workshop approach using individualized learning guides was a highly effective method of providing educational assistance to apparel shop owners and managers.
2. The utilization of examples, mini-problems and worksheets in the format and organization of the learning guides were helpful in clarifying specific procedures small apparel retailers can use in developing dollar merchandise budgets and planning open-to-buy dollars.

3. The actual involvement of the participants in (a) completing the mini-problems and worksheets, and (b) discussing individual problems in small groups, were effective methods of providing educational assistance for adults.

4. Other individualized materials are needed pertaining to specialized problems involved in the operation of small apparel shops.

Recommendations for Future Study

The writer formulated the following recommendations for further study:

1. Revise the learning guides based on findings of this study and validate the materials in successive workshops in apparel markets.

2. Prepare additional learning guides using the developmental process and models designed for purpose of the study. Topics suggested by participants of previous workshop such as: Improving Resource Relations, Advertising Plans for the Small Store, Computers and the Small Store, Selling Techniques, and Training Procedures for Employees.

3. Conduct a follow-up study to determine whether or not the participants have been able to implement the Merchandise Management concepts presented in the learning guides and to investigate the kinds of problems which have been encountered.

4. Investigate the problems of apparel retailers to further determine the kinds of educational assistance needed to improve store management.

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APPENDICES

APPENDIX A

REFERENCES USED IN FACTUAL INFORMATION
FOR THE LEARNING GUIDES

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APPENDIX B

COMMENTS FROM PARTICIPANTS OF PRE-MARKET
RETAILERS' SEMINAR DALLAS/APPAREL MART,
AUGUST, 1978

Comments from Participants of Pre-Market Retailers' Seminar

Dallas/Apparel Mart, August, 1978

1. Need more information merchandise control and management.
2. Business advice.
3. Group discussion on individual topics pertaining to small apparel shops.
4. Need specific information on open-to-buy, merchandising, inventory control.
5. Would like more group leaders in small group discussion.
6. Need work experience with detailed worksheets.
7. Need to zero in on specific subject matter.
8. Need more application of problem working.
9. Need in-depth presentation of materials on buying, management of budget, record keeping.
10. Buying planning, how to increase sales.
11. Ways to communicate with manufacturers in terms of ordering, shipping, dating, terms of payment.

APPENDIX C

DESCRIPTION OF CONSULTANTS AND ADVISORY GROUPS

Description of the Apparel Retailer Consultants (ARC):

Four Stillwater and two Tulsa retailers who owned and operated one or more small apparel shops which had similar characteristics to the stores represented by the participants in the Pre-Market Workshop.

Purpose of the ARC:

- A. Determine merchandising difficulties peculiar to apparel shops.
- B. Suggest areas for improvements in store management and planning.
- C. Recommend topics for discussion in materials.

Types of questions asked of the ARC:

- A. Was the content necessary to merchandise management?
 - 1. What additional topics or ideas should be added?
 - 2. What topics of ideas should be deleted?
- B. What problems are pertinent to merchandise management?
 - 1. What kinds of records and figures are needed?
 - 2. What kinds of plans did they make for seasonal buying?
- C. Would the materials provided in these learning guides be helpful to new retailers?

Description of American Fashion Association (AFA)

This organization was established 14 years ago with the goal of stimulating and improving activities between retailers and salesmen. AFA is the official women's and children's apparel salesmen's organization, recognized by the Apparel Mart.

Purpose of the AFA:

AFA emphasizes the need for retailers to know how to obtain merchandise. The AFA publishes a Buyer's Guide five times a year, aids first-time exhibitors in becoming established in the Mart and co-sponsors many all-day seminars for the retailers.

Types of questions asked of the AFA:

- A. Was the content of the learning guides pertinent to the needs of the small apparel retailer?
 1. Was the organization of the learning guides understandable?
 2. Are the topics and information included in the learning guides needed by the small apparel retailer?
- B. Will the workshop presentation technique be acceptable to the small apparel retailers?
- C. Do you have other suggested approaches to meeting the needs of merchandise management of the small apparel retailer?
- D. Are there topics of information you would recommend to be presented for the small apparel retailer?

Description of the Apparel Retailers' Advisory Committee (ARAC):

Six retailers were selected as members of this committee representing the American Fashion Association. Five states are represented including Texas, Oklahoma, Arkansas, Louisiana and Mississippi.

Purpose of the ARAC:

- A. Advise with the workshop leaders and the AFA board concerning the content of the materials to be presented in the May workshop.
- B. Serve as a resource retailer during the workshop's small group sessions.
- C. React to the workshop and make suggestions concerning future programs sponsored by AFA.

Types of questions asked of the ARAC:

- A. Is the content and format appealing and informative to a small retailer?
- B. Suggestions to aid the new retailer in establishing a new business.
- C. React to the small group discussion questions and problems:
 1. Give actual experiences in similar problems.
 2. Make suggestions on how to make plans and stick with them no matter what salesmen may say to change the plan for the good of the new season.

Members of the ARAC:

Percy DeLoach
Greenwood, Missouri

Mary Holt
Little Rock, Arkansas

Kay Thorne
Vernon, Texas

Morris Gershon
Stillwater, Oklahoma

W. B. Little
Oklahoma City, Oklahoma

Harold Wormser
New Iberia, Louisiana

Carl Freel
Nashville, Arkansas

Description of the Role Model Apparel Retailers (RMAR):

Five Oklahoma City retailers who own and operate four stores with similar characteristics to the stores represented by the participants in the Pre-Market Workshop.

Purpose of the RMAR:

- A. Pre-test the learning guides:
 - 1. React to the information in the learning guides.
 - 2. React to the method of presentation of the materials.
- B. Discuss problems which are most difficult for them as a small retailer:
 - 1. Developing plans and following through with them.
 - 2. Making the most of the time and dollars when it is market time.
 - 3. Understanding merchandising techniques and how they relate to their store.
 - 4. Knowing what records to keep for future reference and then knowing how to use them in developing seasonal plans.

Types of questions asked of the RMAR:

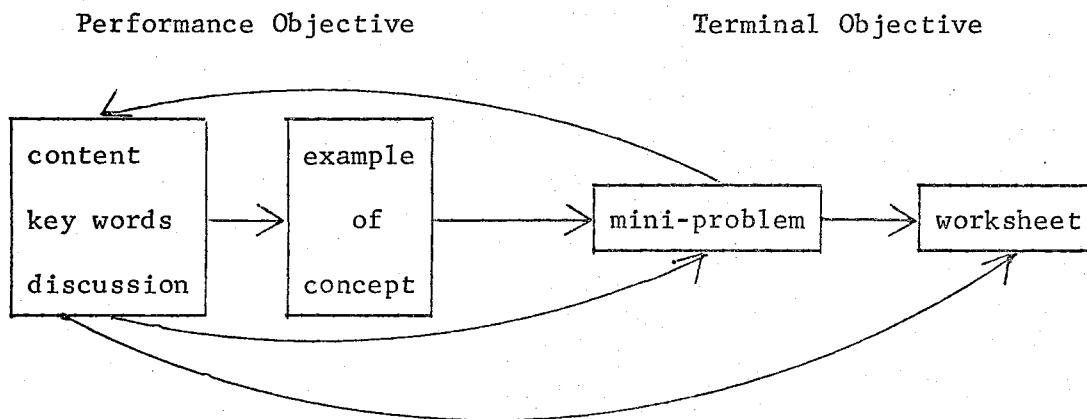
- A. Is the format presented understandable?
 - 1. Do you think you can use the materials included in the learning guides in your store planning?
- B. Are the topics pertinent to store management?
 - 1. Do you have further suggestions for topics to be included?
 - 2. Do you have some suggested solutions to present that might help others with similar type stores?

APPENDIX D

TENTATIVE FORMAT FOR LEARNING GUIDES

The following outline is a preliminary outline which was followed in the development of the learning guides.

- A. Title - topic of each learning guide.
- B. Terminal objective - clarify a cluster of concepts in each learning guide.
- C. Performance objective - clarify each concept related to the terminal objective.
- D. Content - definitive information, key words and terms related to each concept.
- E. Examples - illustrate how to use the concept to achieve the performance objective.
- F. Mini-problems - stimulate a case to give the participant an opportunity to apply the concepts in each performance objective.
- G. Worksheet - design an exercise to enable the participant to achieve the terminal objectives.



APPENDIX E

TENTATIVE IDEAS FOR ANALYSIS
OF EVALUATION DATA

TENTATIVE IDEAS FOR ANALYSIS OF EVALUATION DATA*

1. Tabulate data as appropriate for responses.
2. Cutting score for considering revisions: 25-50% or more. (Subject to revision after reviewing frequency distribution of responses)
3. Indicate negative responses; consider revisions using following process:
 - a. Review the evaluation statement
 - b. Review the related sections of each learning guide (LG)
 - c. Draw implications for each LG
 - d. Formulate specific suggestions for revision
 - e. Consult with 2 or more ARAC members and/or representative small merchants about suggested revisions for each LG
 - f. Propose 2 or more options for revision to research team for each LG
 - g. Finalize recommendations for specific revisions of each LG

*Presented to Evaluation Experts.

APPENDIX F

EVALUATION INSTRUMENTS USED AT THE WORKSHOP

PART II

EVALUATION OF DOLLAR MERCHANDISE PLAN

Complete the evaluation form after finishing Worksheet I.

Please indicate your reaction to the following statements (circle the appropriate numbers).

	<u>Yes</u>	<u>No</u>	<u>Uncertain</u>
1. I understand the information and example about planning sales for a specific period (page 2)	3	2	1
2. I calculated the planned monthly sales correctly the first try (no red circles, p. 3)	3	2	1
3. I understood the information and example about planning stock in dollars (page 4)	3	2	1
4. I calculated the planned EOM stock correctly the first try (no red circles)	3	2	1
5. I understood the information and example about planning EOM stock (page 6)	3	2	1
6. I calculated the average stock correctly the first time (no red circles)	3	2	1
7. I understood the information and examples about planning markdowns (page 8)	3	2	1
8. I calculated the planned markdowns correctly the first time (no red circles)	3	2	1
9. I understood the information and example about planning retail purchases for a period (p. 10)	3	2	1
10. I calculated the planned retail purchase correctly the first time (no red circles, p. 11)	3	2	1
11. The majority of the red circles were caused by: (check one)			
___ a. instructions were not clearly written			
___ b. mathematical errors with calculators			
___ c. both of the above			
___ d. no red circles			

WORKSHEET 1 - DOLLAR MERCHANDISE PLAN (page 12)

12. The completion of the dollar merchandise plan was (check one)			
___ a. easy to understand			
___ b. too complicated			
___ c. waste of time			
___ d. helpful			
13. I liked completing the worksheet one step at a time	3	2	1
14. I liked transferring the information from the mini-problems to the worksheet	3	2	1

	<u>Yes</u>	<u>No</u>	<u>Uncertain</u>
15. I liked calculating the \$ merchandise plan in a month to month procedure	3	2	1
16. I liked having the planned retail purchases for each season at the completion of the \$ merchandise plan	3	2	1
17. I think the information will help me develop a \$ merchandise plan for my store	3	2	1
18. List additional comments and questions concerning the \$ Merchandise Plan			

Next: Small Discussion Groups: See questions on the last page of your evaluation packet.

PART II

EVALUATION OF OPEN-TO-BUY PLAN

Complete the evaluation form after finishing Worksheet II.

Please indicate your reactions to the following statements (circle the appropriate number).

	<u>Yes</u>	<u>No</u>	<u>Uncertain</u>
1. I understood the information and example about calculating planned purchases at cost (p. 14)	3	2	1
2. I calculated the planned purchases at cost correctly the first try (no red circles, p. 15)	3	2	1
3. I understood the information and example about determining the dollar value of total commitments (p. 16)	3	2	1
4. I calculated the dollar value of total commitments correctly the first try (no red circles, p. 17)	3	2	1
5. I understood the information and example about calculating an OTB at cost (p. 18)	3	2	1
6. I calculated an OTB at cost correctly on the first try (no red circles, p. 19)	3	2	1
7. The majority of the red circles were caused by (check one):			
<input type="checkbox"/> a. instructions were not clearly written			
<input type="checkbox"/> b. mathematical errors with calculators			
<input type="checkbox"/> c. both of above			
<input type="checkbox"/> d. no red circles			

WORKSHEET II - OTB PLAN (page 20)

8. The completion of the open-to-buy was (check one):			
<input type="checkbox"/> a. easy to understand			
<input type="checkbox"/> b. too complicated			
<input type="checkbox"/> c. waste of time			
<input type="checkbox"/> d. helpful			
9. I liked completing the worksheet one step at a time	3	2	1
10. I liked transferring the information from the mini-problems to the worksheet	3	2	1
11. I liked calculating the open-to-buy plan in a season to season procedure	3	2	1
12. I liked having the planned OTB for each season at the completion of the OTB plan	3	2	1

- | | <u>Yes</u> | <u>No</u> | <u>Uncertain</u> |
|---|------------|-----------|------------------|
| 13. I think the information will help me develop an OTB plan for my store | 3 | 2 | 1 |
| 14. List additional comments or questions concerning the OTB Plan | | | |
-
-
-

PART II

EVALUATION OF MARKET OPEN-TO-BUY PLANS

Complete the evaluation form after reviewing Worksheet III.

Please indicate your reactions to the following statements (circle the appropriate number).

	<u>Yes</u>	<u>No</u>	<u>Uncertain</u>
1. I understand the information and example about calculating the dollars OTB by major classifications (p. 22)	3	2	1
2. I calculated the cost dollars OTB for each major classification correctly the first try (no red circles, p. 23)	3	2	1
3. I understand the information and example about allocating the percent and dollars OTB according to major resource performance (p. 24)	3	2	1
4. I calculated the OTB correctly the first try (no red circles, p. 25)	3	2	1
5. The majority of the red circles were caused by (check one):			
___ a. instructions were not clearly written			
___ b. mathematical errors with calculators			
___ c. both of the above			
___ d. no red circles			

WORKSHEET III - Market Buying Plan (page 26)

6. The completion of the market buying plan was easy to understand	3	2	1
7. I think this information will help me be able to plan the percent and dollar amounts of planned OTB purchase by classifications and resources.	3	2	1
8. I think the information will help me use the worksheet in the market.	3	2	1
9. List additional comments and questions concerning the Market OTB Plans			
<hr/>			
<hr/>			
<hr/>			

Next: Small Discussion Groups. See questions on the last page of your evaluation packet.
--

EVALUATION OF TOTAL WORKSHOP

Complete Evaluation Form at the End of the Workshop.

Please indicate your reactions to the following statements (circle the appropriate number)	Strong-		Tend to		Strong-
	ly		Dis-	Dis-	ly Dis-
	Agree	Agree	agree	agree	agree
1. My time was well spent	5	4	3	2	1
2. I will be able to use the concepts I learned	5	4	3	2	1
3. I was satisfied with the quality of the material presented	5	4	3	2	1
4. We spent enough time relating theory to practice	5	4	3	2	1
5. I had adequate opportunities to participate	5	4	3	2	1
6. The Workshop was stimulating	5	4	3	2	1
7. The Workshop objectives were met	5	4	3	2	1
8. The physical environment of the Workshop including arrangement of room, ability to hear, etc. was satisfactory	5	4	3	2	1

Please indicate your reactions to the format of the Workshop materials (circle appropriate number)

The following features were helpful:

9. The organization of materials by terminal objectives and performance objectives	5	4	3	2	1
10. The use of examples and mini problems to achieve each performance objective	5	4	3	2	1
11. The use of worksheets to complete each terminal objective	5	4	3	2	1
12. The opportunity to work mini-problems and complete worksheets individually	5	4	3	2	1
13. The availability of calculators for math problems	5	4	3	2	1
14. The opportunity to have discussion in small groups	5	4	3	2	1
15. The opportunity to evaluate the workshop materials	5	4	3	2	1

	<u>Strong-ly Agree</u>	<u>Agree</u>	<u>Tend to Dis-agree</u>	<u>Dis-ly Dis-agree</u>	<u>Strong-ly Dis-agree</u>
16. The availability of the forms in the appendix	5	4	3	2	1

Please indicate your reactions to the content of the Workshop materials (circle the appropriate number)

The following topics were helpful:

Part I - Morning Session

17. Perpetual inventory methods	5	4	3	2	1
18. Physical inventory methods	5	4	3	2	1
19. Merchandise classification percentages	5	4	3	2	1
20. Resource evaluation	5	4	3	2	1

Part II - Afternoon Session

21. Dollar Merchandise Plan	5	4	3	2	1
22. Open-to-buy plan	5	4	3	2	1
23. Market plan	5	4	3	2	1

24. What was your overall evaluation of the Workshop?

 Excellent Good Satisfactory Unsatisfactory

25. What did you like most and least about the Workshop?

Most - Morning Session

Least - Morning Session

_____	_____
_____	_____

Most - Afternoon Session

Least - Afternoon Session

_____	_____
_____	_____

26. What would you most like to see changed for future workshops?

	<u>More</u>	<u>Satisfactory</u>	<u>Less</u>
a. Time for large group sessions	3	2	1
b. Time for small discussion groups	3	2	1
c. Examples	3	2	1

	<u>More</u>	<u>Satisfactory</u>	<u>Less</u>
d. Mini problems	3	2	1
e. Worksheets	3	2	1
f. Other things I would change are: (list below)			

27. What topics would you like for future Workshops?

Other Comments:

APPENDIX G

PRE-WORKSHOP SURVEY

PRE-WORKSHOP SURVEY

Name of Store: _____

Address: _____ Phone: _____

Name of Owner/Manager: _____

Name(s) of person(s) attending the seminar:

Name _____ Title: _____

Name _____ Title: _____

1. Store Location: Downtown _____
 Mall or Shopping Center _____
 Other (Please explain) _____

2. Approximate size of town or city in which the store is located:
 Below 5,000 _____ 50,001-75,000 _____
 5,000-10,000 _____ 75,001-100,000 _____
 10,001-25,000 _____ Over 100,000 _____
 25,001-50,000 _____

4. Merchandise carried (check one or more):

Major classifications

coats _____
 dresses _____
 sportswear _____
 lingerie _____
 Other (please list) _____

Accessories (please list)

Size ranges

Junior _____
 Misses _____
 Women's _____
 Other (please list) _____

Price lines

Budget _____
 Moderate _____
 Better _____
 Other (please list) _____

5. Approximate time store has been in operation:

Less than 1 year _____ 5-10 years _____
 1-2 years _____ 11 or more _____
 3-4 years _____

6. Approximate size of the store in terms of annual sales volume:

\$100,000 or less _____
 \$100,001-\$300,000 _____
 \$300,001-\$500,000 _____
 \$500,001-or more _____

7. Approximate square footage of selling space (please list): _____

8. Number of employees (please list): full time _____ part time _____
(excluding owner)

9. Have you attended any retail seminars or received any formal training in merchandising since high school? Yes _____ No _____
If yes, please briefly explain: _____

10. Following is a list of topics to be discussed at the May 24th workshop. Please list one or more questions that you have about each of the following:

<u>Topics</u>	<u>Your Questions</u>
a. Maintaining inventory records	
b. Analyzing unit sales and stock	
c. Evaluating vendor performance	
d. Preparing seasonal merchandise plans	
e. Establishing markup and markdown policies	
f. Developing buying plans	

Other questions or comments:

Return to: Dr. Kathryn M. Greenwood, Coordinator
Fashion Merchandising Program, CTM Department
Oklahoma State University
Stillwater, Oklahoma 74074

APPENDIX H

SUMMARY OF CRITERIA, AND PROCEDURES USED
TO FORMULATE SUGGESTED CHANGES

Summary of Criteria and Procedures used to Formulate Suggested Changes

Criteria used to determine the suggestions for the major changes

included:

- A. Redesign format.
- B. Reorganize and/or expand content.
- C. Clarify or expand example or mini-problem in relation to performance objectives.
- D. Improve instructions and format worksheet in relation to terminal objective.

Criteria used to determine the suggestions for minor changes included:

- A. Deletion of words.
- B. Add words to clarify the statements.
- C. Explain the formulas.
- D. Simplify the computations.
- E. Revise to conform for continuity purposes.

Procedures for formulating suggested changes:

- A. Review the evaluation statement.
- B. Review the related sections of each learning guide (LG).
- C. Draw implications for each LG.
- D. Formulate specific suggestions for major and minor revisions.

APPENDIX I

LETTER AND PROPOSED REVISIONS SENT TO APPAREL
RETAILERS' ADVISORY COMMITTEE

Oklahoma State University
Division of Home Economics

137 Home Economics West
Stillwater, OK 74074
(405) 624-6571

American Fashion
Association, Incorporated

59352 Apparel Mart
2300 Stemmons
Dallas, TX 75027
(214) 631-0821

October 19, 1979

Mr. David Wormser
Wormser's Store
112 East Main
New Iberia, La. 70560

Dear Mr. Wormser:

We have analyzed the reactions of the participants to the Dollar Merchandise Management materials presented in the afternoon session of the Retailers' Workshop, May 24, 1979. Based on the analysis of the data received from the evaluation of the workshop, a list of proposed revisions in the materials has been developed and is included with this letter for your review. We have indicated the specific change and the page number so that it will be relatively easy for you to decide whether or not you agree with the proposed revisions.

Debby plans to call you October 24-26 to discuss the proposed revisions and obtain your reactions. Please feel free to make suggestions and to raise questions about the specific changes when she calls.

Your help in improving the workshop materials is greatly appreciated.

Sincerely,

Kathryn M. Greenwood

Debby Strickland

Encs.

DOLLAR MERCHANDISE MANAGEMENT ANALYSIS
LIST OF PROPOSED REVISIONS IN MATERIALS FOR AFTERNOON SESSION (GREEN)

The following changes have been developed based on the reactions of the participants in the Retailers' Workshop, May 24, 1979, Dallas Apparel Mart.

Check your reactions in the appropriate columns.
Note additional comments and ideas for discussion during the phone conference scheduled October 24 to 26. (The page number given by each topic refers to the location of materials in the learning guides you received at the Workshop.)

	AGREE	UNCERTAIN	DISAGREE	COMMENTS
<p>1. <u>PLAN SALES FOR A SPECIFIC PERIOD</u> Mini-Problem (p. 3)</p> <p>a. Change the percent of increase (5%) to a more realistic increase such as 20% to 30. Rework the problem so that the new calculations would carry throughout the learning guide.</p> <p>b. Add the formula for calculating planned monthly sales.</p> <p>c. Pre-work the problems for the first 3 months of the plan.</p> <p>d. Student will work the problems for the last 3 months of the plan and transfer the answers.</p>				
<p>2. <u>PLAN STOCK IN DOLLARS</u> Information and Example (p. 4)</p> <p>a. Revise information to clarify the term BOM stock.</p> <p>b. Refer to BOM stock in the example.</p> <p>Mini-Problem (p. 5)</p> <p>a. Pre-work the problems for the first 3 months of the plan. Student will work the problems for the last 3 months of the plan and transfer the answers.</p>				
<p>3. <u>PLAN END OF MONTH STOCK</u> Information and Example (p. 6)</p> <p>a. Revise information and example to further clarify EOM stock.</p> <p>b. Example of proposed change is shown in <u>Attachment 1</u>.</p>				

	AGREE	UNCERTAIN	DISAGREE	COMMENTS
<p>Mini-Problem (p. 7)</p> <ol style="list-style-type: none"> Rewrite mini-problem based on changes made in information and example. Example of proposed change is shown in <u>Attachment 2</u>. <p>4. <u>PLAN MARKDOWNS</u> Information and Example (p. 8)</p> <ol style="list-style-type: none"> Revise information to explain further the distribution of markdowns according to months. <p>Mini-Problem (p. 9)</p> <ol style="list-style-type: none"> Pre-work the problems for the first 3 months of the plan. Student will work remaining 3 months and transfer the answers to the worksheet. <p>5. <u>PLAN STOCK IN DOLLARS</u> Information and Example (p. 10)</p> <ol style="list-style-type: none"> Revise information to further explain the planned retail purchases for a period. Example of proposed change is shown in <u>Attachment 3</u>. <p>Mini-Problem (p. 11)</p> <ol style="list-style-type: none"> Revise the problem to simplify calculations. Pre-work the problems for the first 3 months of the plan. Student will complete the problems for the remaining 3 months of the plan and transfer the answers. Example of the proposed change is shown in <u>Attachment 4</u>. <p><u>USE OF THE CALCULATORS</u></p> <p>The participants expressed some difficulties in understanding the use of the calculators. The calculators were intended to aid the participants in computing the problems in a time-saving procedure.</p> <p>Recommendation: Develop a brief instruction unit to be presented prior to the beginning of the workshop. This would be for workshop purposes.</p>				

ATTACHMENT 1

PLAN END OF MONTH STOCK

Proposed Change

Information (p. 6)

The end-of-month (EOM) stock is exactly the same as the beginning-of-the-month (BOM) stock for the next month. This means the BOM figures for the month of September would be the EOM figures for August. It is important to include the EOM figures in the dollar merchandise plan in order to determine the bottom line which is planned dollars available for merchandise purchases for a given period. The formula to be used is:

$$\text{EOM for the month} = \text{BOM for the next month}$$

Example

The owner of the Village Inn Shop wanted to project EOM stock for August through January. The owner used the BOM stocks for the previous months and entered the figures for EOM. The planned sales for February were projected as approximately \$17,266 and based on a stock/sales ratio of 2, the BOM would be \$34,523. Thus, the figure of \$34,523 was entered for January EOM.

$$\text{EOM for January} = \text{BOM for February} = \$34,523$$

	August	September	October	November	December	January
BOM	\$28,653	\$33,832	\$30,725	\$31,760	\$48,331	\$33,832
EOM	\$33,832	\$30,725	\$31,760	\$48,331	\$33,832	\$34,532

ATTACHMENT 2

PLAN END OF MONTH STOCK

Proposed Change

Mini-Problem (p. 7)

In the following problem, you will notice how the BOM stock was entered as the figure for the EOM for the previous month. Based on the planned sales for February, the estimated BOM stock will be \$52,500. Complete the problem by determining the EOM stock for November, December and January. Remember, the EOM stock is exactly the same as the stock for the beginning of the next month.

EOM for January = BOM for February = \$ _____

	August	September	October	November	December	January
BOM	\$40,950	\$44,100	\$70,875	\$78,750	\$63,000	\$61,425
EOM	\$44,100	\$70,875	\$78,750	\$ _____	\$ _____	\$ _____

ATTACHMENT 3

PLAN STOCK IN DOLLARS

Proposed Change

Information (p. 10)

Planned purchases is the term used to indicate the retail dollar amount of merchandise that can be added to the dollar inventory during a given period of time. The retail dollar amount of merchandise should not exceed the planned inventory for the period. Having calculated the monthly sales, BOM and EOM stocks and markdown goals, the retailer is now ready to calculate the value of the purchases that can be made so the stocks and sales can be kept in balance. The formula for calculating the monthly purchases is as follows:

$$\begin{aligned}
 & \text{Planned sales for each month (calculated on p. 3)} \\
 & - \text{BOM stocks (calculated on p. 5)} \\
 & + \text{EOM stocks (calculated on p. 7)} \\
 & + \text{Markdowns (calculated on p. 9)} \\
 & \hline
 & = \text{Planned monthly purchases for the 6 month period}
 \end{aligned}$$

Example

The owner of the Village Inn Shop projected sales for August to be \$11,392, the BOM stocks to be \$28,653, the EOM stocks to be \$33,832 and the markdown goal to be \$1449. Using the following formula, the owner planned the retail purchases needed so that the inventory level would be sufficient to meet the projected sales for August.

$$\begin{aligned}
 \text{Planned August Sales} &= \$11,392.00 \\
 - \text{BOM} &= 28,653.00 \\
 + \text{EOM} &= 33,832.00 \\
 + \text{Markdowns} &= 1,449.00 \\
 \hline
 \end{aligned}$$

Retail Planned Purchases \$18,020.00

ATTACHMENT 4

PLAN STOCK IN DOLLARS

Proposed Change

Mini-Problem (p. 11)

Using the following formula and previously obtained figures, calculate the retail dollars available for planned purchases for the month of November.

$$\$ \text{ sales for month} = \$39,375.00 \text{ (p. 3)}$$

$$- \text{ BOM} = 78,750.00 \text{ (p. 5)}$$

$$+ \text{ EOM} = 63,000.00 \text{ (p. 7)}$$

$$\underline{+ \text{ Markdowns} = 3,307.50 \text{ (p. 9)}}$$

Retail Planned Purchases \$ _____

Place the November figure in the table below and using the same formula, calculate the retail planned purchases for December and January. Turn to page 12 and transfer the answers to Section V, Line 2. Compute the total for each season on the plan.

Month	Sales	BOM	EOM	Markdowns	Planned Retail Purchases
August	\$20,475	- \$40,950	+ \$44,100	+ \$2,250	= <u>\$25,830</u>
September	\$22,050	- \$44,100	+ \$70,875	+ \$2,250	= <u>\$51,030</u>
October	\$23,625	- \$70,875	+ \$78,750	+ \$3,307.50	= <u>\$34,807.50</u>
November	\$39,375	- \$78,750	+ \$63,000	+ \$3,307.50	= <u>\$</u>
December	\$31,500	- \$63,000	+ \$61,425	+ \$3,307.50	= <u>\$</u>
January	\$20,475	- \$61,425	+ \$52,500	+ \$7,717.50	= <u>\$</u>

APPENDIX J

EXAMPLE OF THE CONTENT AND FORMAT
OF THE LEARNING GUIDE

PLAN SALES FOR A SPECIFIC PERIOD

Performance Objective 1: You will be able to plan sales for a specific period.

Plan Sales for a Specific Period

The planned sales figure is the sales forecast which is determined by estimating customer demands. Estimates are divided into the planning periods which are effective for the retailer. A six month planning period is commonly used for retail stores although small stores usually plan on a season by season basis. As a starting point for developing the dollar merchandise plan, the retailer uses past sales records for the corresponding period of time. Promotional events planned during the given time are considered in estimating customer demand. There are many other influences on planned sales, such as current economic conditions, manufacturers' price changes and store expansion.

In order to estimate planned sales: (1) identify the sales volume for the same months last year; (2) consider promotional periods such as Back-to-School, fall sports activities, Thanksgiving and Christmas and other influencing factors; (3) estimate the percentage of increase or decrease expected for the next season; (4) distribute the rate of increase or decrease by the month. The total will be the planned sales for a specific period. The formula used for determining planned sales for a specific period is as follows:

$$\text{Total planned sales} = \text{Last year's sales} + \text{\% increase over last year's sales}$$

Example

Last year, the Village Inn Shop had \$100,000 total sales for the Fall/Holiday season, August through January. Promotions planned for this year's season include a Back-to-School special, a spotlight on fall sporting events, an early fall fashion show and an emphasis on Christmas gift buying. Economic conditions are comparatively stable. A sales increase of 5% is estimated for the next fall/holiday season.

Following are the seasonal and monthly sales distributions and percentages for the previous fall/holiday period and the 5% increase for the next season projected for each month.

	Last Year		Last Year	Last Year	This Year	This Year	This Year
Season	Seasonal % and Sales	Month	% of Sales	Sales	Planned % of Sales	Planned Sales	Season % & Sales
Fall	40%	August	10%	\$10,000	13%	\$13,650	42%
	\$40,000	September	15%	\$15,000	14%	\$14,700	\$44,100
		October	15%	\$15,000	15%	\$15,750	
Holiday	60%	November	25%	\$25,000	25%	\$26,250	58%
	\$60,000	December	20%	\$20,000	20%	\$21,000	\$60,900
		January	15%	\$15,000	13%	\$13,650	
Total	\$100,000		100%	\$100,000	100%	\$105,000	\$105,000

Mini-Problem

Using the example below, calculate the planned monthly sales for the season based on a 5% increase for the total season. The total sales for the same season during the previous year was \$150,000. The formula to be used is as follows:

Total planned sales = Last year's sales + % increase over last year's sales

$$\underline{\$ 157,500} = \$150,000 + (5\% \times \$150,000)$$

Calculate the planned monthly sales distribution for the fall/holiday season.

Increase \$7500

Month	% of Sales	x	Total Planned Sales	=	Planned Monthly Sales
August	13%	x	\$ <u>157,500</u>	=	\$ _____
September	14%	x	\$ <u>157,500</u>	=	\$ _____
October	15%	x	\$ <u>157,500</u>	=	\$ _____
November	25%	x	\$ <u>157,500</u>	=	\$ _____
December	20%	x	\$ <u>157,500</u>	=	\$ _____
January	13%	x	\$ <u>157,500</u>	=	\$ _____

Turn to the worksheet on page 12 and transfer the figures for the last 3 months to Section I, line 4. Compute the season total.

APPENDIX K

EXAMPLES OF THE WORKSHEETS FOR THE
THREE LEARNING GUIDES

WORKSHEET I

DOLLAR MERCHANDISE PLAN - FALL/HOLIDAY

Calculate the dollar merchandise plan using the information obtained in the learning guide.

FALL/HOLIDAY		Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Total	
I.	SALES	Last Year	\$15,000	\$22,500	\$22,500	\$37,500	\$30,000	\$22,500	\$150,000
		% of sales	10%	15%	15%	25%	20%	15%	--
		% increase	13%	14%	15%	25%	20%	13%	--
	>	Plan	\$20,475	\$22,050	\$23,625				
II.	BOM (Retail Stock)	Last Year	--	--	--	--	--	--	--
		>	Plan	\$40,950	\$44,100	\$70,875			
III.	EOM (Retail Stock)	Last Year	--	--	--	--	--	--	--
		>	Plan	\$44,100	\$70,875	\$78,750	\$63,000	\$102,375	
IV.	MARKDOWNS	%	10%	10%	15%	15%	15%	35%	--
		>	Plan	\$2,205	\$2,205	\$3,307.50			
V.	RETAIL PURCHASES	Last Year	--	--	--	--	--	--	--
		= >	Plan	\$25,830	\$51,030	\$34,807.50			

FALL
SEASON TOTAL
\$ _____

HOLIDAY
SEASON TOTAL
\$ _____

WORKSHEET II

OPEN-TO-BUY PLAN

1. Using the OTB formula, calculate the OTB for the Holiday season.
2. Calculate the total retail planned purchases.
3. Calculate the total cost planned purchases.
4. Calculate the total commitments.
5. Calculate the total OTB for the Fall/Holiday season.

		FALL	HOLIDAY	TOTAL	
I.	RETAIL PURCHASES	Last Year	--	--	--
	>	Plan	\$111,667.50	\$79,432.50	
II.	COST PURCHASES	Last Year	--	--	--
	>	Plan	\$55,833.75		
÷ 2					
III.	COMMITMENTS	>			
-					
IV.	SEASONAL OTB	>			
=					

WORKSHEET III

MARKET BUYING PLAN - COST OTB

Classification: _____ Cost OTB Budget = \$ _____

Resources	Planned Purchases %	Planned Purchases \$	Actual Purchases
1.			-\$
		Still OTB	\$
2.			-\$
		Still OTB	\$
3.			-\$
		Still OTB	\$
4.			-\$
		Still OTB	\$
5.			-\$
		Still OTB	\$

Classification: _____ OTB Budget = \$ _____

1.			-\$
		Still OTB	\$
2.			-\$
		Still OTB	\$
3.			-\$
		Still OTB	\$
4.			-\$
		Still OTB	\$
5.			-\$
		Still OTB	\$

APPENDIX L

EVALUATION DATA FOR THREE LEARNING GUIDES

EVALUATION OF THE DOLLAR MERCHANDISE PLAN LEARNING
GUIDE BY THE WORKSHOP PARTICIPANTS
(N=56)

	V	N	μ	Frequency				Percentage			
				Yes	No	Unc.	NR	Yes	No	Unc.	
P.O.1	(1	54	2.77	46	4	4	2	85.10	7.40	7.40	
	2	54	2.59	43	11	0	2	79.60	20.00	0.00	
P.O.2	(3	53	2.71	41	3	9	3	77.30	51.60	16.98	
	4	54	2.51	40	12	2	2	74.00	22.22	3.70	
P.O.3	(5	53	2.56	37	7	9	3	69.80	13.20	16.98	
	6	51	2.39	33	13	5	5	64.70	25.49	9.80	
P.O.4	(7	53	2.66	41	6	6	3	77.35	11.32	11.32	
	8	52	2.55	40	11	1	4	76.90	21.15	1.90	
P.O.5	(9	52	2.53	35	7	10	4	67.30	13.46	19.23	
	10	51	2.73	35	13	3	5	68.62	25.49	5.88	
					1	0	NR	1	0	*	
	11a.	44			4			9			
	b.				15			34			
	c.				4			9			
	d.				21			48			
	12a.	50			14	36	6	28	72		
	b.	50			10	40	6	20	80		
	c.	50			2	48	6	4	96		
	d.	50			27	23	6	54	46		
					Yes	No	Unc.	NR	Yes	No	Unc.
T.O.	13	46	2.91	43	1	2	10	93.47	3.17	4.34	
	14	46	2.85	41	2	3	10	89.13	4.34	6.50	
	15	46	2.85	41	3	2	10	89.13	6.50	4.34	
	16	46	2.76	38	3	5	10	82.60	6.50	10.87	
	17	48	2.85	42	1	5	8	87.50	2.08	10.41	

V = question number on evaluation form (Appendix F).

μ = mean scores for frequency calculated: yes=3; uncertain=2; no=1.

NR = no response.

*1=checked answer; 0=did not check answer; NR=did not respond.

P.O. = Performance Objective.

T.O. = Terminal Objective.

EVALUATION OF THE OPEN-TO-BUY PLAN LEARNING
GUIDE BY THE WORKSHOP PARTICIPANTS
(N=56)

	V	N	μ	Frequency				Percentage		
				Yes	No	Unc.	NR	Yes	No	Unc.
P.O.1	1	52	2.92	50	2		4	96.15	3.84	
	2	52	2.98	51		1	4	98.00	1.90	
P.O.2	3	52	2.96	51	1		4	98.00	1.90	
	4	52	2.96	51	1		4	98.00	1.90	
P.O.	5	52	2.98	51		1	4	98.00	1.90	
	6	51	2.90	48	2	1	5	94.00	3.90	1.96
					1	0	NR	1	0	*
	7a.	40			2			5		
	b.				2			5		
	c.				1			2		
	d.				35			87		
	NR						16			
T.O.	8a.	54		40	14		2	74.07	25.92	
	b.	54		1	53		2	1.85	98.14	
	c.	54		1	53		2	1.85	98.14	
	d.	54		17	34		2	31.48	68.51	
				Yes	No	Unc.	NR	Yes	No	Unc.
	9	53	2.83	47	3	3	3	88.67	5.66	5.66
	10	53	2.83	48	4	1	3	90.56	7.54	1.88
	11	53	2.90	50	2	1	3	94.34	3.77	1.88
	12	53	2.88	50	3		3	94.34	5.66	
	13	52	2.88	48	2	2	4	92.30	3.84	3.84

V = question number on evaluation form (Appendix F).

μ = mean scores for frequency calculated: yes=3; uncertain=2; no=1.

NR = no response.

*1=checked answer; 0=did not check answer; NR=did not respond.

P.O. = Performance Objective.

T.O. = Terminal Objective.

EVALUATION OF THE MARKET OPEN-TO-BUY PLAN LEARNING
GUIDE BY THE WORKSHOP PARTICIPANTS
(N=56)

	V	N	μ	Frequency				Percentage		
				Yes	No	Unc.	NR	Yes	No	Unc.
P.O.1	1	51	2.96	49		2	5	96.00	3.90	
	2	51	2.88	48	3		5	94.11	5.88	
P.O.2	3	50	2.98	49		1	6	98.00		2.00
	4	49	2.84	45	2	1	7	91.83	6.10	2.00
					1	0	NR	1	0	*
5a.	38			0						
b.				1				3		
c.				0						
d.				37				97		
NR							18			
				Yes	No	Unc.	NR	Yes	No	Unc.
T.O.	6	50	2.92	47	1	2	6	94.00	2.00	4.00
	7	50	2.92	47	1	2	6	94.00	2.00	4.00
	8	50	2.92	48	2		6	96.00	4.00	

V = question number on evaluation form (Appendix F).

μ = mean scores for frequency calculated: yes=3; uncertain=2; no=1.

NR = no response.

*1=checked answer; 0=did not check answer; NR=did not respond.

P.O. = Performance Objective.

T.O. = Terminal Objective.

APPENDIX M

COMMENTS AND REACTIONS FROM PARTICIPANTS

Comments and Reactions From Participants

Related to Each Learning Guide

Comments and reactions:

1. Dollar Merchandising Plans

- Very helpful
- Needed formulas
- Great and very clear
- Informative - crystalized some fuzzy ideas
- Much more interesting than morning session
- Excellent presentation - thank you
- Wrong figures on sheet
- Worked out all problems correctly but not sure I fully understand
- Did not fully understand
- Need to understand more of the reasoning and more specific figures as stock/sales ratio
- Too fast
- Not enough time and need extra helper - one for each table
- It's going to take a lot of practice
- Need more explanation. I can do calculations of examples but do not know if I understand well enough to do with own store figures
- System looks good but hard to digest this vast amount of material in a short time is confusing
- Need more time
- All we really did was use the calculator. My figures were right but I'm still not sure how to achieve them

2. Open-To-Buy Plans

- Excellent well presented
- Did not fully understand
- As a "major store," I never think "cost" because I don't handle invoices.
- The repetition of simple adding and subtracting with a calculator should not be the focus of the seminar.
- Again just plugged in the correct figures - not enough to think about.

3. Market Open-To-Buy Plans

- Good presentation
- Usable information
- Very informational
- Feel this is exceptionally helpful
- Bravo
- I still need to understand and work fully with own OTB
- Example on page 24 shows 105% planned purchases. This store must be counting on high cancellations.

- Need more help in the planned sales for a specified period.
- Do you ever allow for percentage of orders that are not shipped.
How much do you allow (or do you) for reorders.

APPENDIX N

EVALUATION OF THE TOTAL WORKSHOP PRESENTATION
BY THE WORKSHOP PARTICIPANTS

EVALUATION OF THE TOTAL WORKSHOP PRESENTATION
BY THE WORKSHOP PARTICIPANTS
(N=56)

V	N	μ	Frequency						Percentages				
			5	4	3	2	1	NR	5	4	3	2	1
General Reactions ^a													
1	53	4.56	34	17		2		3	64.15	32.07		3.77	
2	53	4.47	27	24	2			3	50.94	45.28	3.77		
3	53	4.41	28	22	1	1	1	3	52.88	41.50	1.88	1.88	1.00
4	53	3.96	14	27	8	4		3	26.41	50.94	15.09	7.54	
5	53	4.35	23		2	1		3	43.39		3.77	1.88	
6	53	4.37		23	2	1		3		43.39	3.77	1.88	
7	51	4.37	23	25	2	1		5	45.09	49.02	3.92	1.96	
8	53	3.96	17	24	7	3	2	3	32.07	45.28	13.20	5.66	3.00
Materials and Format ^a													
9	52	4.55	31	19	2			4	59.61	39.53	3.84		
10	53	4.49	34	14	3	1	1	3	64.15	26.41	5.66	1.88	1.80
11	51	4.58	35	13	1	2		5	68.62	25.49	1.96	3.92	
12	52	4.57	36	12	2	2		4	69.23	23.07	3.86	3.86	
13	53	4.73	39	14				3	73.58	26.41			
14	51	4.74	39	11	1			5	76.47	21.56	1.96		
15	50	4.46	29	17	3		1	6	58.00	34.00	6.00		2.00
16	52	4.67	38	11	3			4	73.07	21.15	5.76		
Topics ^a													
17	53	4.45	30	19	3		1	3	56.60	35.84	5.66		1.00
18	53	4.43	29	20	3		1	3	54.71	37.73	5.66		1.80
19	52	4.40	27	21	3		1	4	51.92	40.38	5.76		1.00
20	53	4.43	30	19	1	3		3	56.60	35.84	1.88	5.66	
21	53	4.45	31	17	3	2		3	58.49	32.07	5.66	3.77	
22	53	4.62	37	14		2		3	69.81	26.41		3.77	
23	53	4.62	37	14		2		3	69.81	26.41		3.77	
24	51	4.50	33	13	3	2		5	64.70	25.49	5.88	3.92	
Changes for Future Workshops ^b													
25	40	2.02			5	31	4	16			12.50	77.50	10.00
26	48	2.60			30	17	1	8			62.50	35.40	2.08
27	42	2.26			12	29	1	14			28.57	69.04	2.38
28	44	2.27			15	26	3	12			34.09	59.09	6.81
29	41	2.36			16	24	1	15			39.02	58.53	2.43

V = question number on evaluation form (Appendix F).

μ = mean scores for frequency calculated.

NR = no response.

^a 5=strongly agree; 4=agree; 3=tend to disagree; 2=disagree; 1=strongly disagree.

^b 3=more; 2=satisfactory; 1=less.

APPENDIX O

PROPOSED MAJOR REVISIONS FOR
LEARNING GUIDE ONE

PLAN END OF MONTH STOCK

Proposed Major Revisions

Information

The end-of-month (EOM) stock is exactly the same as the beginning-of-the-month (BOM) stock for the next month. This means the BOM figures for the month of September would be the EOM figures for August. It is important to include the EOM figures in the dollar merchandise plan in order to determine the bottom line which is planned dollars available for merchandise purchases for a given period. The formula to be used is:

$$\text{EOM for the month} = \text{BOM for the next month}$$

Example

The owner of the Village Inn Shop wanted to project EOM stock for August through January. The owner used the BOM stocks for the previous months and entered the figures for EOM. The planned sales for February were projected as approximately \$17,266 and based on a stock/sales ratio of 2, the BOM would be \$34,523. Thus, the figure of \$34,523 was entered for January EOM.

$$\text{EOM for January} = \text{BOM for February} = \$34,523$$

	August	September	October	November	December	January
BOM	\$28,653	\$33,832	\$30,725	\$31,760	\$48,331	\$33,832
EOM	\$33,832	\$30,725	\$31,760	\$48,331	\$33,832	\$34,523

PLAN END OF MONTH STOCK

Proposed Major Revisions

Mini-Problem

In the following problem, you will notice how the BOM stock was entered as the figure for the EOM for the previous month. Based on the planned sales for February, the estimated BOM stock will be \$52,500. Complete the problem by determining the EOM stock for November, December and January. Remember, the EOM stock is exactly the same as the stock for the beginning of the next month.

EOM for January = BOM for February = \$_____

	August	September	October	November	December	January
BOM	\$40,950	\$44,100	\$70,875	\$78,750	\$63,000	\$61,425
EOM	\$44,100	\$70,875	\$78,750	\$_____	\$_____	\$_____

PLAN STOCK IN DOLLARS

Proposed Major Revisions

Information

Planned purchases is the term used to indicate the retail dollar amount of merchandise that can be added to the dollar inventory during a given period of time. The retail dollar amount of merchandise should not exceed the planned inventory for the period. Having calculated the monthly sales, BOM and EOM stocks and markdown goals, the retailer is now ready to calculate the value of the purchases that can be made so the stocks and sales can be kept in balance. The formula for calculating the monthly purchases is as follows:

$$\begin{aligned}
 & \text{Planned sales for each month (calculated on p. 3)} \\
 & - \text{BOM stocks (calculated on p. 5)} \\
 & + \text{EOM stocks (calculated on p. 7)} \\
 & \underline{+ \text{Markdowns (calculated on p. 9)}} \\
 & = \text{Planned monthly purchases for the 6 month period}
 \end{aligned}$$

Example

The owner of the Village Inn Shop projected sales for August to be \$11,392, the BOM stocks to be \$28,653, the EOM stocks to be \$33,832 and the markdown goal to be \$1449. Using the following formula, the owner planned the retail purchases needed so that the inventory level would be sufficient to meet the projected sales for August.

$$\begin{aligned}
 \text{Planned August Sales} &= \$11,392.00 \\
 - \text{BOM} &= 28,653.00 \\
 + \text{EOM} &= 33,832.00 \\
 \underline{+ \text{Markdowns}} &= 1,449.00 \\
 \text{Retail Planned Purchases} &= \$18,020.00
 \end{aligned}$$

PLAN STOCK IN DOLLARS
Proposed Major Revisions

Mini-Problem

Using the following formula and previously obtained figures, calculate the retail dollars available for planned purchases for the month of November.

$$\begin{aligned}
 & \$ \text{ sales for month} = \$39,375.00 \text{ (p. 3)} \\
 & \quad - \text{ BOM} = 78,750.00 \text{ (p. 5)} \\
 & \quad + \text{ EOM} = 63,000.00 \text{ (p. 7)} \\
 & \quad \quad \quad + \text{ Markdowns} = \underline{3,307.50 \text{ (p. 9)}} \\
 & \text{Retail Planned Purchases } \$ \underline{\hspace{2cm}}
 \end{aligned}$$

Place the November figure in the table below and using the same formula, calculate the retail planned purchases for December and January. Turn to page 12 and transfer the answers to Section V, Line 2. Compute the total for each season on the plan.

Month	Sales	BOM	EOM	Markdowns	Planned Retail Purchases
August	\$20,475	- \$40,950	+ \$44,100	+ \$2,250	= <u>\$25,830</u>
September	\$22,050	- \$44,100	+ \$70,875	+ \$2,250	= <u>\$51,030</u>
October	\$23,625	- \$70,875	+ \$78,750	+ \$3,307.50	= <u>\$34,807.50</u>
November	\$39,375	- \$78,750	+ \$63,000	+ \$3,307.50	= \$ <u> </u>
December	\$31,500	- \$63,000	+ \$61,425	+ \$3,307.50	= \$ <u> </u>
January	\$20,475	- \$61,425	+ \$52,500	+ \$7,717.50	= \$ <u> </u>

The proposed major revisions for Learning Guide One, Dollar Merchandising Plans, are summarized as follows:

Performance Objective Three: Plan End-of-Month Stock. The information was simplified and formulas were deleted. The procedures in the example were revised and the mini-problem was revised in order for participant to achieve the performance objectives. The proposed revision was implemented by the writer.

Performance Objective Five: Plan Stock in Dollars. The information was redesigned to increase the participant's understanding of the accumulative process used in achieving the terminal objective. The mini-problem was reorganized and restated in order to achieve the performance objective. The revision was made by the writer.

Minor revisions proposed for performance objectives one, two and four in the Dollar Merchandise Plan learning guide are summarized as follows:

Performance Objective One - Plan Sales for a Specific Period

Mini-Problem

- a. Change the percent of increase (5%) to a more realistic increase such as 20-30 percent. Rework problem so that the new calculations would carry throughout the learning guide.
- b. Add the formula for calculating monthly sales.
- c. Pre-work the problems for the first three months of the plan.
- d. Instruct to work the problems for the last three months of the plan and transfer the answers to the work sheet.

Performance Objective Two - Plan Stock in Dollars

Information and Example

1. Revise information to clarify the term BOM stock.

2. Refer to BOM stock in the example.

Mini-Problem

1. Pre-work the problems for the first three months of the plan.
2. Instruct to work the problems for the last three months of the plan and transfer the answers to the worksheet.

Performance Objective Four - Plan Markdowns

Information and Example

1. Revise the information and example to improve discussion for distribution of markdowns by months.

Mini-Problem

1. Pre-work the problems for the first three months of the plan.
2. Instruct to work the problems for the last three months of the plan and transfer the answers to the worksheet.

APPENDIX P

TABULATED REACTIONS OF ARAC MEMBERS

DOLLAR MERCHANDISE MANAGEMENT ANALYSIS
LIST OF PROPOSED REVISIONS IN MATERIALS FOR AFTERNOON SESSION (GREEN)

The following changes have been developed based on the reactions of the participants in the Retailers' Workshop, May 24, 1979, Dallas Apparel Mart.

Check your reactions in the appropriate columns. Note additional comments and ideas for discussion during the phone conference scheduled October 24 to 26. (The page number given by each topic refers to the location of materials in the learning guides you received at the Workshop.)

	AGREE	UNCERTAIN	DISAGREE	COMMENTS
1. <u>PLAN SALES FOR A SPECIFIC PERIOD</u>				
Mini-Problem (p. 3)				
a. Change the percent of increase (5%) to a more realistic increase such as 20% to 30. Rework the problem so that the new calculations would carry throughout the learning guide.	3	2		
b. Add the formula for calculating planned monthly sales.	5			
c. Pre-work the problems for the first 3 months of the plan.	5			
d. Student will work the problems for the last 3 months of the plan and transfer the answers.	5			
2. <u>PLAN STOCK IN DOLLARS</u>				
Information and Example (p. 4)				
a. Revise information to clarify the term BOM stock.	5			
b. Refer to BOM stock in the example.	5			
Mini-Problem (p. 5)				
a. Pre-work the problems for the first 3 months of plan. Student will work the problems for the last 3 months of the plan and transfer the answers.	5			
3. <u>PLAN END OF MONTH STOCK</u>				
Information and Example (p. 6)				
a. Revise information and example to further clarify EOM stock.	4	1		
b. Example of proposed change is shown in <u>Attachment 1</u> .	5			

	AGREE	UNCERTAIN	DISAGREE	COMMENTS
Mini-Problem (p. 7)				
a. Rewrite mini-problem based on changes made in information and example.	5			
b. Example of proposed change is shown in <u>Attachment 2</u> .	5			
4. <u>PLAN MARKDOWNS</u>				
Information and Example (p. 8)	4	1		
a. Revise information to explain further the distribution of markdowns according to months.				
Mini-Problem (p. 9)				
a. Pre-work the problems for the first 3 months of the plan.	5			
b. Student will work remaining 3 months and transfer the answers to the worksheet.	5			
5. <u>PLAN STOCK IN DOLLARS</u>				
Information and Example (p. 10)	5			
a. Revise information to further explain the planned retail purchases for a period.				
b. Example of proposed change is shown in <u>Attachment 3</u> .				
Mini-Problem (p. 11)				
a. Revise the problem to simplify calculations.	5			
b. Pre-work the problems for the first 3 months of the plan.	5			
c. Student will complete the problems for the remaining 3 months of the plan and transfer the answers.	5			
d. Example of the proposed change is shown in <u>Attachment 4</u> .	5			
<u>USE OF THE CALCULATORS</u>				
The participants expressed some difficulties in understanding the use of the calculators. The calculators were intended to aid the participants in computing the problems in a time-saving procedure.				
Recommendation: Develop a brief instruction unit to be presented prior to the beginning of the workshop. This would be for workshop purposes.	4	1		

Additional Comments from Telephone Conference

With Apparel Retailers' Advisory Committee

Comments concerning the Pre-Market Workshop, May 24, 1979, Dallas

Apparel/Mart:

- Workshop was very helpful to new merchants.
- Materials were very well presented so that the retailer could easily see how to apply them to their individual situations.
- Recommended revisions and recommendations were accepted by all ARAC members. They felt any improvements in the materials that would help the retailer understand merchandise management and feel more confident in his decisions concerning the store was important.
- Enjoyed the small group discussions. ARAC members felt they gained new ideas as well as being of help to the small retailer participants.
- ARAC agreed to the suggested 20% increase in projected sales. However, stated that a general growth pattern will be from 6-12% yearly. The 20% increase recommended in the learning guide is necessary for the inflationary period we are experiencing now.
- ARAC members agreed they would like to help with future workshops if they could plan the occasion into their schedules.
- ARAC members felt there was too many repetitive calculations in the learning guides. Preworking the problems would help move the class along and give more time for further discussions which seem to be one of the most important facets of the workshop.

- Recommended topics for future workshops:

Vendor Relations: How to improve ordering procedures. How to use the plan that was developed to greater satisfaction.

Advertising: How to get the best advertising for the money.

How to evaluate the media already in use and determine its worth.

How to plan market trips so the time and money spent will be best used.

VITA²

Deborah Parker Strickland

Candidate for the Degree of

Master of Science

Thesis: THE DEVELOPMENT AND EVALUATION OF DOLLAR MERCHANDISE MANAGEMENT LEARNING GUIDES FOR THE SMALL APPAREL RETAILERS

Major Field: Clothing, Textiles and Merchandising

Biographical:

Personal Data: Born in Oklahoma City, Oklahoma, July 31, 1939, daughter of Mr. and Mrs. Wayne A. Parker.

Education: Graduated from Northeast High School, Oklahoma City, Oklahoma, in May, 1957; received Bachelor of Science degree in Clothing, Textiles and Merchandising in 1961; completed requirements for the Master of Science degree at Oklahoma State University in December, 1979.

Professional Experience: Salesperson at Osborn's Photography Studio, 1960; Salesperson at John A. Brown, Oklahoma City, 1957-60; Salesperson, Nina's in Stillwater, 1961; Nimble Thimble Fabric Store, Stillwater, Oklahoma, developed teaching materials and taught sewing classes, 1971-74; Nimble Thimble Fabric Store, Stillwater, owner/manager, 1974-78; Graduate Research Assistant in the Clothing, Textiles and Merchandising Department, Oklahoma State University, 1978-79; Adult education teacher, Indian Meridian Vo-Tech School, Stillwater, 1978-79 (1-1/2 years).