

# BALANCE TO BUY™

## Building and Maintaining Programs

### Definition of Program Items

Program Items are collections of 'core' styles that are merchandised together, arranged by price point or total carat weight, and should always be in stock. When possible, it is beneficial to have your programs in trays with the price points displayed so that your customers can easily see what the prices are, visually compare the TCW size differences and select the item based on their budget.

### Benefits of Creating Programs

Having programs is beneficial for both your sales team and your customer. It allows the sales associate to easily and quickly identify core items that customers are looking for. They can walk to the diamond stud or diamond pendant trays to show the customer & the customer can easily compare styles & pricing to make a buying decision. Core/basic pieces typically account for 70-80% of the overall business so it is important to have these readily available.

Another benefit of building programs is vendor management. Most vendors have similar core items that are their 'best sellers'. Creating programs allows you to buy your basics from select vendors who fit within your program parameters (quality, style, cost). Buyers and Merchandising teams no longer need to consider those items when working with other vendors because they are already covered. If a vendor that you are not using programs for believes they can offer you better merchandise at lower costs, ask them for line sheets and review to see if a change would be beneficial for your business.

Creating programs will allow you to focus more time & energy on the fashion part of your business.

### How to put Programs Together

1. Determine which items you want to create programs for. We recommend starting with the following:

- Diamond Stud Earrings – most popular shapes - suggest 2 to 3 diamond qualities
- Basic Gold Product – Studs, Hoops, and Chain
- Diamond Hoop Earrings (Inside Out)
- Diamond Tennis Bracelets
- Diamond Pendants - Solitaire, Crosses, Circles & Hearts
- Stackable Fashion Rings
- Solitaire Engagement Rings (basic styles with different diamond sizes)
- Diamond Wedding Bands (5 stone, 7 stone, eternity)

2. Determine the price points you should focus on for your programs. You can do this by reviewing your sales and inventory. Start at an entry level price point up to what makes the most sense for your business. For example, Diamond Stud Earrings starting at \$250 and going up to \$1,995. See below for an example of 2 programs that were created for Diamond Pendants.

Collection	Size	Quality	Instock
Q1	1/5	GH SI3	Premium
Q1	1/4	GH SI3	
Q1	3/8	GH SI3	
Q1	1/2	GH SI3	
Q1	2/3	GH SI3	
Q1	3/4	GH SI3	
Q1	1	GH SI3	
Q1	1 1/2	GH SI3	
Q2	1/5	GH I1	Elegant
Q2	1/4	GH I1	
Q2	3/8	GH I1	
Q2	1/2	GH I1	

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### How to put Programs Together (cont.)

3. Select the vendors to work with for your programs. Ensure that your program items are from vendors that are committed partners and can provide product at the best cost, have consistent quality & have the ability to fulfill all re-orders within the timeframe needed. You may also want to consider using your top bridal vendors for your high-turning diamond fashion programs. This may allow you to combine your buying power and get better stock balancing privileges (easier to exchange non-performing bridal).
4. Determine the displays needed for the programs. If you have 6 spot trays or 8 spot trays, that will help decide how many variations you will be showing. Remember, you want to create a 'collection' under your showcase – programs should all be merchandised together in a tray, ramp, fingers, etc. Ideally, you want a display that allows you to show the price points to the customer. If your displays do not accommodate having the price points directly on them, there are other ways to display price points (use a label-maker, number cubes, or signs). Just be sure they do not 'take-over' your showcase.
5. Managing the programs. Once you have determined which styles will be included in your programs & you have displays, it is time to set it up! If your Point-of-Sale system is capable, it would be beneficial to set these styles up with MIN/MAX levels so that they are automatically re-ordered. Because program items should never be out of stock, we recommend doing re-orders once a week. This will ensure that you are always in stock or have a short stock out time. Review your programs frequently to ensure they are selling well. If not, adjust the program pieces. You also want to review to make sure you are getting replenished promptly. If you are continually selling a specific style/size, think about always having 2 on hand so that you are not out of stock.

Once your programs are established, it is important to make sure you are not bringing in competing product (whether it's asset or memo). There is no need for duplication and possibly confusing your customers with similar products that are outside of the program.

### BRIDAL PROGRAM EXAMPLE



### EARRINGS EXAMPLE



### NECKLACE EXAMPLE



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