PERSPECTIVE PLANNING IN RETAILING

A Swedish Experiment

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PERSPECTIVE PLANNING IN RETAILING
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1.00 The Consumer Cooperative Movement in Sweden started during the Second part of the 19th century as a peoples movement. Since then the movement has grown strong and is now one of the biggest wholesale and retail organisations in Europe.

1.02 It is a two tier structure :

(a) the retail societies at the local and regional level operate self-service shops, super-markets and Department stores,

(b) the Cooperative Union and Wholesale Society (KF) at the national and regional level, procure and/or manufacture goods for the societies through its own factories and regional warehouses.

1.03 In addition, it provides consultancy services to member-societies, among others, in the following fields :

Sales promotion, publicity, member education, consumer information, staff training, assortment, personnel, planning and banking.

2.00 Some Historical Events

The following are some historical developments in the movement:

1850 - The first known Swedish consumer society was started, Lagunda and Hagunda Districts Goods Supply Company, in Örsundsbro, in the county of Uppsala.

1867 - The oldest society now affiliated to KF was started in Trollhättan.

Note : US $ 1 = 5 Swedish Kronors.

1899 - KF was established as a Central Organisation for Swedish Consumer Cooperatives.

1908 - KF started Banking activities to get money for investment to facilitate pooling of financial resources.

1920 - KF started production of Margarine (a staple commodity) in a big way and fought private monopoly. This was followed with other production units.

1927 - The first cooperative department store was opened in Västerås and was followed in 1928 by Konsum Eskilstuna's Department Store.

1935 - PUB's Department Store in Stockholm was acquired by KF. It was taken over in 1945 by Konsum Stockholm.

1941 - The first self-service shop was opened by Konsum Stockholm. It was re-built in 1947 in the style that has become the general pattern for the self-service shops in Sweden.

1949 - The first regional war house started operations in Visby.

1956 - The first newly built Domus was opened in Katrineholm.

1963 - Inauguration of cooperation's first Discount House, OBS, on the southern approach to Stockholm.

1967 - The so-called Structure Committee submitted its report to the National Congress. The report contains proposals for the organisation of and general lines of activities for Swedish consumer cooperatives in the coming years.

3. During the seven decades of work, the movement has been facing many problems. After the great depression and the World War I, the societies ran into serious financial problems, but, through the establishment of the Swedish Auxiliary Organisations (SHF), the KF was able to assist and revitalize the societies.

Further, it laid the foundation for the present structure using the SHF as an instrucment for amalgamation of societies, pooling of know-how at the central orgcnisation and establishing a close collaboration and integration between the retail societies and the KF.

3.02 Similar challenges were faced by the movement when they were refused consumer goods from private monopolies, resulting in that the KF started its own manufacturing units of which the surplus could be ploughed back into KF for expanding its activities and assisting in strengthening the retail societies through consultancy services, financial assistance etc.

4.00 The movement has been the spearhead in developing the wholesale and retail trade in Sweden and became a source of influence to many other movements. Mention can be made of the introduction of self-service, a chain department store organisation, (Domus), Regional warehouses, sofisticated retail and wholesale techniques, production and invention of many important consumer goods, etc.

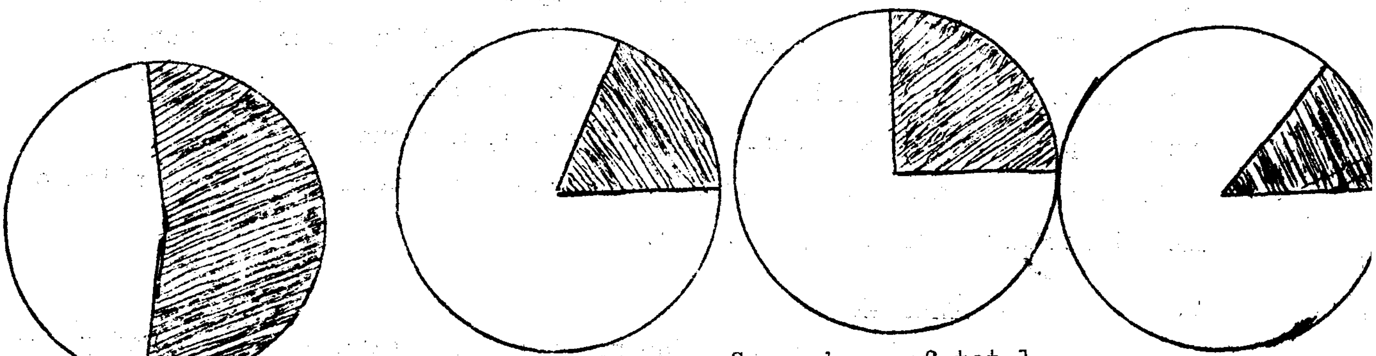
5.00 Objectives

The objectives of the movement have always been to safeguard the interests of the consumors. The movement wanted to achieve its objectives through the operation of a highly efficient business organisation, in some ways bigger than the biggest competitor to ensure a step ahead of such competitors in its operational techniques.

6.00 Through being an efficient business organisation the movement has been able to safeguard the consumer interests. That the members/ consumers appreciated the performance of its consumer cooperative movement. It can be seen from the following statistics.

Some Statistics

DOMUS	Department stores	148
DOMUS Interiör	Furniture stores	4
OBS	Discount stores	3
Konsum	Supermarkets and other food stores	160 2100
DOMUS - Konsum	Restaurants and cafeterias	



Membership: 53% of all households

Coop share of total

retail trade 19%

food retailing 25%

non-food retailing 13%

COOP EVOLUTION 1910 - 1969

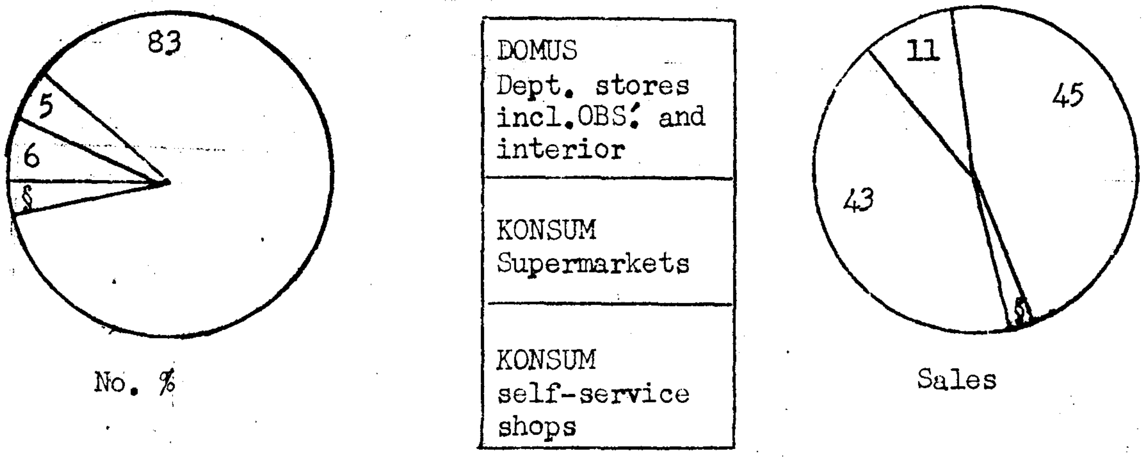
Year	No.of Member households in 1000	No.of retail socie-ties	No.of Sales units	Coop sales Retail KONSUM	Coop sales Wholesale production KF	Own capital (incl. surplus) Coop Societies KONSUM	Own capital (incl. surplus) KF
1910	74	391	448	23	4	2.9	0.3
1930	451	837	3,302	343	144	90.3	35.7
1950	962	681	8,017	1,675	1,144	368.6	222.7
1960	1,177	592	6,651	3,366	2,255	626.5	419.2
- 68	1,468	252	3,026	6,606	5,003	878.4	614.3
- 69	1,534	246	2,901	7,237	5,686	921.2	632.9
1.1-30.6 1970	not available	234	approx. 2,800	+13.6%	+18.4%	not available	not avail-able
Prog 1975	approx. 1,800	approx. 150	1,450	10,024§	-	-	-

Development of the Coop Retail Societies

Number/Turnover	1955	1960	1968	1969
Total number of sales outlets	7,882	6,651	3,040	2,901
Total turnover (million Sw.Kr.)				
- at current prices	2,614	3,366	6,605	7,237
- at 1955 prices	2,614	2,804	4,069	4,342
Total turnover per sales outlet (thousand Skr)				
- at current prices	332	506	2,173	2,495
- at 1955 prices	332	421	1,339	1,497
Total turnover per employee (thousand Skr)				
- at current prices	69	85	185	194
- at 1955 prices	69	71	114	116
Total turnover per member (thousand Skr)				
- at current prices	2,400	2,860	4,498	4,717
- at 1955 prices	2,400	2,382	2,771	2,831

§ '69 year's prices

The Co-op retail societies - distribution of total number and sales of shops on different types of sales outlets



§ Misc.

The coo- retail societies - classification according to turnover					
Year	Number of societies	Annual sales totalling 50 m Skr or more		Annual sales totalling 200 m Skr or more	
		Number	% of total sales	Number	% of total sales
1955	681	4	29	1	19
1960	592	8	39	1	21
1968	252	26	77	7	43
1969	246	30	81	11	56

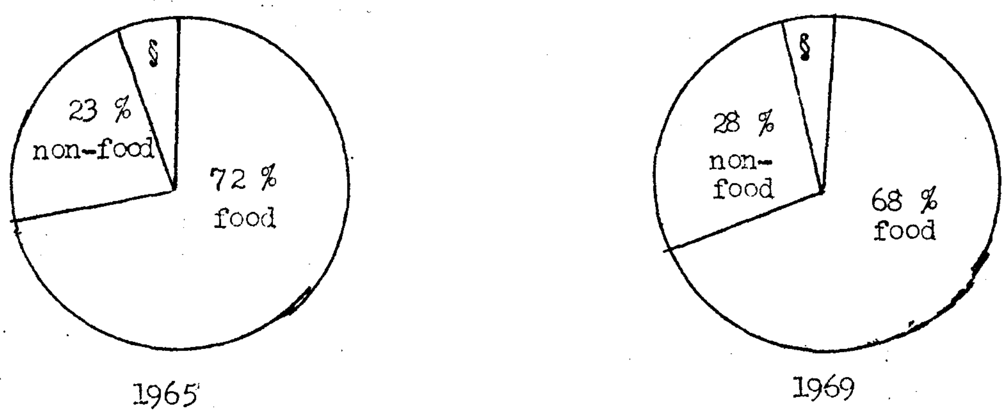
The co-op retail societies - rate of growth in membership

Year	No.of member-households	Periodic growth	Population increase	Cooperative membership in % of total population	Cooperative membership in % of total No.of households
1910	73,500	377,400	619,800	1.3	4.9
1930	450,900			7.3	26.2
1950	965,300	511,400	899,600	13.6	40.3
1960	1,176,900			15.6	45.0
1968	1,468,600	571,700	971,900	18.5	apprx. 50.0
1969	1,534,000			19.2	" 55.0
1975 (esti-mate)	1,800,000			21.7	" 60.0

The co-op retail societies - growth in number and size, 1910-70

Year	Total No.	Mergers effected during period	Societies with a membership of 1,000 or more		Societies with a membership of 10,000 or more	
			% of total No.of Societies	% of total No. of membership	% of total No.of societies	% of total No. of membership
1910	391					
1930	837		8.9	50.1	-	-
1950	683	89	30.9	80.5	-	-
1960	592		39.1	87.4	1.8	38.1
1968	252	346	36.6	95.67	11.5	79.79
1969	246		37.0	95.99	12.2	81.03

Co-op Retailing
Distributed on main assortments



Increase in period
1965 - 69

food: + 35%

non-food + 71%

§ Misc.

Turnover/Number of sales outlets, forecast

	1975	1980
Department stores		
Turnover, m. Skr.	5,900	7,500
Number	190	210 ø
Supermarkets		
Turnover, m. Skr	1,113	1,250
Number	195	200 øø

ø 15 of which will be furnishing stores and discount houses
øø maximum non-food share: 25%

7.00 Problem of Distribution Costs

As stated earlier, the consumer cooperative movement in Sweden is keen to maintain its business efficiency as a means to safeguarding the interest of its members. After the Second World War, the salary cost of the personnel increased heavily. Since wholesale and retail business is very labour intensive, approximately 70% of total operational costs are labour costs. The labour costs are likely to increase continuously and if wage rates comparable to market rates are not paid, it will not be possible to secure the needed staff. A policy of "high wage-low cost" has to be accepted as one of the essential principles and the movement has to work towards this objective.. Efforts had therefore to be made to slow down the growth of salary costs both in the retail stores as well as the retail society level simultaneously providing for higher salaries to staff.

8.00 Socio-economic Development in Sweden Affecting the Consumer Cooperatives.

In view of the increased growth of industrialization, urbanization was intensified. At the same time, the income and living standards increased in turn resulting in changing buying and living habits, etc.

9.00 The above development resulted in :

a) the people in the rural areas moved to urban areas after leaving the retail shop in the rural area without sufficient market for a viable operation.

b) New residential areas came up in the urban areas in which the demand for services was far different from that in the rural areas.

c) The demands were even more exacting than those offered in the urban areas at that time. The demand for non-food goods increased heavily.

d) The consumers wanted to buy these goods in a more satisfying and cohesive environments and make the selection from a wider assortment.

c) The improved standard of living led . more and more families to own cars with considerable spare time which resulted in the shopping often becoming a family affair (entertainment) Shopping which remained utilitarian gradually combined with social functions. Thus, the whole family wanted to go for shopping often using the family car.

d) The possibilities for the housewives to preserve the food at home through deep freezers, etc

10.00 The increased costs in handling goods and the socio economic development among the people result in the need for the introduction of new wholesale and retail techniques with more labour saving devices.

11.00 <u>Operational Efficiency by the Consumer Cooperatives after the Second World War.</u>

During the same period, regional warehouses and self-service had been introduced. A few Domus department stores started. Amalgamation had taken place among some of the small societies particularly those affiliated to the SHF. The KF had improved its business efficiency and the societies by and large were helped to be efficient to meet the then competition (see statistics enclosed).

12.00 <u>Objectives of the Market Research:</u>

However, till the end of 1950s the consumer movement had no long-term comprehensive development plan. In view of the changes and rapid socio-economic development in the country it became apparent that the consumer cooperative movementhad to drastically change its structure, operational techniques and efficiency to meet the challenge of the future.

12.02 It was then decided that the KF should :

(A) investigate how the expected socio-economic development would affect the retail trade in particular.

(B) Based on such studies, a comprehensive plan of development for the consumer cooperative retail stores should be worked out based on each shop's area of operation, a village or residential area in a town as the smallest unit for investigations.

(C) The findings of the above should in turn result in policy decisions regarding among others the following :

(1) The structure (their functions and size)of societies and the collaboration and integration with the Apex organisation and its role (KF).

(2) Consumer Cooperative image (Consumers cooperatives to have uniform symbol and appearance).

(3) Role and influence of the members.

(4) Assortment and pricing.

(5) Wholesaling.

(6) Own production

(7) Personnel and training, etc.

13.00 Planning and Implementation of the Market Research

The investigations as under (A) and (B) above were to be undertaken by the KF's Audit Department

13.02 After finalising the studies under (A) and (B) above, the different departments in the KF should undertake further studies in their own field of operation and work out plans of developments as indicated under (C) above.

14.00 Sweden is geographically split into 24 regions. The consumer cooperative movement followed also the same administrative boundaries. For audit purposes the KF's audit department had one auditor incharge of each region who had the responsibility to twice a year undertake a comprehensive inspection audit for each consumer cooperative society in the region. Thus, these KF auditors had a deep knowledge about the societies' operation and financial position.

14.02 Attached to each regional KF auditor, became now a small team which had been recruited from the movement and had been specially trained for the task of undertaking the market research. This team in each region was assigned the task to work out a long-term plan for the retail sales in general and the consumer cooperative retail sales in particular for the concerned region. The planning was started and finalized during 1962.

The long-term plan was based on 1962 figures compared with 1950 as a result of the National Retail Survey of 1950, and the development for 1975 was forecast.

14.03 At the same time, a coordinating team was working in the KF's audit department at the Headquarters and 1963 was the target for finalising the study and preparation for the development plan of the cooperative retail store and retail societies.

14.04 All the teams performed their tasks well. They were able to present development plans for each store/shop, society, region and for the country as a whole based on which decisions were taken, which have now been implemented not only with regard to the retail structure which will be dealt with in more detail but also with regard to :

(a) A uniform Consumer Cooperative Symbol and uniform image.
(b) New mechandizing techniques.
(c) Rationalized wholesaling and production
(d) Geared up staff development, consumer information and member education, etc.

15.00 The market research gave the following likely developments for the country as a whole. This information was based on the likely development for each cooperative shop area of operation and the planned socio economic developments within this area. These figures were then compiled in each society's area of operation, further to each district's area of operation and still further to each Region's area of operation and finally for the country as a whole.

16.00 Population development

Sweden, as you all know, as far as population is concerned, is a small country. The population figures are given below (thousand persons):

	1950	1962	1966	1970	1975	1980	1990	2000
	7 032	7 560	7 836	8 100	8 400	8 700	9 200	9 800
Index	100	108	111	115	119	124	130	139

16.02 Distribution of Population in Different Localities in per cent of the whole country's population

Localities	1950 Number	1950 %	1962 Number	1962 %	1966 Number	1966 %	Variation % 1950-1966
Cities (more than 200000 inhabitants) (3)	1 578	24.4	1 860	24.6	1 959	25.0	+0.6
A - (27)	1 060	15.1	1 279	16.9	1 387	17.7	+2.6
B - (97)	946	13.5	1 153	15.2	1 238	15.8	+2.3
C - (134)	367	5.2	482	6.4	542	6.9	+1.7
D - (288)	364	5.2	482	6.4	560	7.1	+1.9
Sum (549)	4 315	63.4	5 256	69.5	5 686	72.5	+9.1
Rest	2 717	36.6	2 304	31.5	2 150	27.5	-9.1
Total	7 032	100.0	7 560	100.0	7 836	100.0	-

16.3 These tables show that the population has a slow growth but that the urbanization is extensive. The population forecasts were based on the forecasts by the National Central Bureau of Statistics, but the forecasts for each shop's, society's area of operation, district and region were based on interviews by the study teams with various persons concerned as well as the development plans for the municipalities.

17.00 Consumption per inhabitant (1966 money value)

Year	Food	Non food	Total
1966	2 430	1 754	4 184
1970	2 537	1 974	4 511
1975	2 713	2 333	5 046
1980	2 915	2 750	5 665
1985	3 148	3 233	6 381
1990	3 418	3 792	7 210
2000	4 094	5 193	9 287

17.02 The consumption per capita was based on the information from the National Central Bureau of Statistics and adapted to the assortment available in the cooperative retail units by the KF research department which worked out the above consumption figures.

17.03 It is interesting to note that the consumption of non-food per capita is expected to exceed the consumption of food for the period 1980 and onwards.

18.00 Total Consumption (1966 money value)

Calculated consumption for the whole country 1966 - 2000

Million Crowns 1966 money value

Year	Population 1000	Consumption (in millions)		
		Food	Non food	Total
1966	7 806	19,000	14, 000	33,000
1970	8 100	21, 000	16, 000	37, 000
1975	8 400	23, 000	20, 000	43, 000
1980	8 700	25, 000	24, 000	49, 000
1985	9 000	28, 000	29, 000	57, 000
1990	9 200	30, 000	34, 000	74, 000
2000	9 800	40, 000	51, 000	91, 000

18.02 This table shows that the consumption of goods sold by retailers is to increase heavily particularly in the non-food type of goods.

19.00 <u>Retail Sales</u>

Of course it is important to know, where the consumers live and the total consumption within the various geographical areas. But it is not necessary the consumers make their purchases of goods within the same area where they live. Therefore, it is important to analyse the retail sales within the various areas, and through comparison of retail sales with the consumption in a given area one can get a measurement on the areas importance from the retail point of view. Through analysing the number of fully 'consuming consumers" the area supply goods to, one gets a standard through which one can compare various areas from the retail point of view without trying to guess the geographical area (walking distance etc. from which customers are likely to patronise a particular shopping area.

20.00 Through the formula $\frac{\text{Retail sales food}}{\text{Average consumption food}} = \text{No. of full consuming consumers of food within the area.}$

one got a standard which say more than the population figures.

21.00 Information so gathered is of great importance for deciding about location of a store, size, assortment etc.

22.00 In Sweden, the retailers are required to pay sales tax and the Sales tax registers contain :

A. Name of the retailer

B. Type of assortment

C. Turnover

D. Sales tax paid or due.

22.02 These are official documents and in many cases programmed on computers with the result information is easily available.

22.03 The research teams collected the above information for each shop/society's area of operation concerned and got the total retail sales of food and non-food separately. This information was then compared with the consumption within the same areas and the areas' **importance from the** retail point of view decided.

22.04 Further through assumption of the growth of the average "fully consuming consumers" within an area in relation to increase or decrease of population, one could estimate the future retail sales within the area concerned, provided nothing happens **violently** within **or outside** the area so as to change the present importance of the area from the retail point of view.

23.00 Some data regarding the development of retail trade in Sweden is indicated below :-

Swedish Retail 1969 m Skr

Type of retailer	Food	Other retail trading	Total
Coop retail societies	4,497	2,401	6,898
Producer cooperatives	200	15	215
Multiples	1,826	2,772	4,598
Mail,tel.order	170	515	685
Other private shops	11,479	13,743	25,222
Total	18,172	19,446	37,618

Source: HUI, the Swedish Retail & Wholesale Research Institute

23.02 The Localities Development

Localities with more than 1000 inhabitants

Localities	Number	Population %				Retail business %			
		1950	1962	1966	1980	1950	1962	1966	1980
Cities (more than 200 000 inhabitants)	3	22.4	24.6	25.0	26.5	29.3	29.8	30.2	
A-	27	15.1	16.9	17.7	20.2	21.6	22.6	23.3	
B-	97	13.1	15.2	15.8	19.4	19.9	19.6	20.4	
C-	134	5.2	6.4	6.9	7.7	N.A.	7.3	7.9	
D-	288	5.2	6.4	7.1	8.8	N.A.	5.6	5.9	
Total localities with more than 1000 inhabitants.	549	61.4	69.5	72.5	82.6	70.8	84.9	87.7	95.0-98.0 (Estimated)
Other localities		38.6	30.5	27.5	17.4	N.A.	15.1	12.3	5.0-2.0 (Estimated)
The whole country		100	100	100	100	100	100	100	100

23.03 Cooperative Development of Turnover in Million Swedish Crowns

Year	Current prices	Constant money velue 1962
1962	4 000	4 000
1963	4 347	4 221
1964	4 683	4 407
1965	5 083	4 554
1966	5 563	4 678
1967	6 050	4 832
1968	6 606	5 232
1969	7 234	5 527

24.00 Quantified targets for the Consumer Cooperatives

After knowing the developments as indicated above the market research teams forecasted and quantified the sales targets of the consumer cooperatives; based on the overall target set for the consumer cooperative movement as a whole and that was to achieve 20% of the retail market in 1970. Keeping this overall market share in view and the performances of the various societies and retail units, the future sales targets were fixed for each shop, society, district, region, etc.

24.02 Based on the above sale targets for various geographical areas, the type of retail outlets were proposed, taking into consideration the economics of operating various types of retail outlets, the type of services the different retail outlets can offer to the customers and how each retail shop would fit into the overall cooperative retail structure.

24.03 This proposal of course included opening of new retail outlets (supermarkets, Department Stores etc.) expanding and modernizing some of the present retail outlets as well as closing some of the small and unprofitable ones which incidentally could not meet the customers demands and expectations.

24.04 The number of consumer cooperative retail outlets thus proposed were to be reduced from 5,867 in 1962 to approximately 1000 in 1975. But this 1,000 retail units should of course be of sufficiently large size to meet the customers expectations and demands. At the same time, economics and trade should be capable of capturing a bigger part of the retail market.

24.05 From the following table, it can be seen that the consumer cooperative retail outlets have been steadily decreased in number. The private sector has also followed this trend.

24.06 The Shop Development

Year	Number of societies	Year	Coop.Shops	Retailtrade Total
1950	631	1950	8 017	79 600
1955	-	1955	7 882	
1960	592	1960	6 651	
1961	-	1961	6 330	
1962	-	1962	5 867	
1963	-	1963	5 274	
1964	-	1964	4 479	70 100 ca
1965	338	1965	3 906	68 500 "
1966	297	1966	3 450	67 000 "
1967	275	1967	3 156	
1968	25[illegible]	1968	3 026	
1969	246	1969	2 901	
1970	232	1970	2 600	
1975	150	1975	1 450 (Estimated)	40,000 ca.

24.07 Cooperative department store development

Year	Number of stores	Turnover (Million Sw. kr	Share of total cooperative turnover
1945	9	110	11%
1955	23	200	8%
1960	51	460	14%
1967	141	2 500	40%
1968	146	2 760	42%
1969	156	3 100	44%

25.00 <u>Plans approved by retail societies</u>

The above study gave a detailed information about the consumer cooperatives sale targets, number of retail outlets till 1975 and the development for each year between 1962 and 1975. The next step was then to "sell" these plans of action to the retail societies within each region.

25.02 The market research team, together with the KF regional auditors had various meetings with the management of the societies and after minor adjustments these plans of action were approved by the management for each society. The plans were also partly "pre-sold" as the management of societies were continuously informed about the progress of the market research.

25.03 Thus, at the national level the apex organisation had an approved plan of action with regard to sales targets, number, size and location of retail units for all the consumer cooperative societies in Sweden until 1975. Also each retail society had a long-term plan of action (1975) for each retail unit and geographical areas to be developed. This also ensured that the implementation of the plans would be easier as the management of the societies had committed themselves.

25.04 The result of the study was that the cooperative retailing required a completely new dimension in order to meet the challenge of the future, as one of course had expected, but now got more concretized. One has also sufficient information for mobilizing resources to meet the challenge of the future.

25.05 At the society level the development plans were presented and discussed in specially called meetings of the members. The National Cooperative Member Education Institute Viskolan a department in KF, also prepared several correspondence courses on the subject which were discussed in study circles at the store and society level.

25.06 The preparation at all levels was continuous and sustained with a view to achieving the objectives in as complete a manner as possible within the targeted limit.

25.07. Cooperative share of market according to H.U.I. calculations

	1964	1965	1966	1967
Food	24.8	24.6	24. 7	24.5
Non-food	10.1	10.5	11.2	11.8
Total	17.3	17.5	17.9	18.1

25.08 Cooperative future development

	1970	1975	1980
Turnover million Sw Crs total	7 520	9 760	11 600
Market shares total	20%	24%	25%
Number of department stores	167	194	200
Number of supermarkets	185	199	200
Number of shops	1 900	1000	600

26.00 Also the employees were well informed about the plans and future requirements. They actively participated in the above said study circles and member information activities.

26.02 At the KF level the resources were strengthened in 1966

A. A separate section for retail planning was set up.

B. A separate section for consultancy service to retail societies was set up.

26.03 These functions had previously been performed by the KF, the Domus and the SHF individually but now all these available resources and know-how were pooled in one department of KF, the Retail Operation Department under which also the audit section operated. The audit section was also strengthened to meet the requirement of amalgamation and large scale operation. A section maintaining a roster for managerial personnel through out the country was also a part of the function of the retail operation department. The Architectural bureau which is a subsidiary to KF was also brought in under this department.

(§) H.U.I. = Retail Research Institute

27.00 Of course, the other departments such as the Merchandize departments, the personnel department, the consumer information/member relation department etc, in KF were also strengthened to meet the challenge.

28.00 Amalgamation

Fewer retail units to capture a bigger market share required a completely new structure. Even at the society level large scale operation required more qualified personnel, more specialization, computerization commensurate with heavy investments, with an ever increasing eye on the labour costs.

28.02 It was, therefore, obvious that the small societies could not cope with this demand. As the societies are to safeguard the members/consumers interest, the management of the societies initiated discussions for amalgamation. From 1964 and onwards many societies got amalgamated with the assistance of the KF's District Auditors and the KF Audit Department.

28.03 The ground for amalgamation of societies was prepared by the teams undertaking the market research in each Region as they had had long and detailed discussions with the managements of the societies about the future developments within their areas.

28.04 On the regional level KF assigned Information Officers to assist the societies in informing the members about the necessity for restructuring the societies, the advantages likely to accrue for the members and the possibilities of meeting their requirements and expectations. The Information Officer co-ordinated the information campaign and he was assisted with information material, study courses etc, by the KF's departments concerned.

28.05 The amalgamation of societies was thus well prepared.

A. The necessity of amalgamation was properly motivated by statistics through the market research giving the future retail developments, requirements of investment etc.

B. The paid employees were well informed, convinced and motivated through staff meetings, courses etc.

C. The members had been informed through meetings, study circles courses and other member activities about the necessity of amalgamation and the benefits the large scale operation would give to the consumers.

D. The resources at the national and society levels were geared to meet the new requirements.

E. The KF was able to persuade some societies to initiate an amalgamation not only to ensure a beginning but also to cause the urgently needed demonstration effect.

29.00 Problems

The three main problems with the amalgamation were :

A. to offer an interesting job to the manager of the society which was to be amalgamated either in the new society or in any other place.

B. Sometimes a society was amalgamated with a bigger society without making necessary restructuring of the shop structure of the absorbed society before the amalgamation took place resulting in that the new society was blamed for closing smaller shops and not meeting the expectations of the members.

C. The small societies had often not built up their reserves to meet the future requirements but distributed a fairly large dividend/ patronage rebate on purchases back to the members.

29.02 The new society required plenty of funds for heavy investments to be able to restructure and develop the retail units. Even for expansion of Administration of giving employment to the officers of the society absorbed, additional funds were required.

29.03 The new society often could not distribute the same patronage dividend as in the past making some of the members of the absorbed societies disappointed. However, these problems were overcome by practical

However, these problems were outcome by practical wisdom born out of experience. A formal acceptance of amalgamation was not granted until the society to be absorbed had restructured its retail units under the guidance of the new society resulting in that the new society could start from a clean state and avoid negative actions disturbing its reputation.

29.04 Small societies in rural areas, which were operating small retail units and not capable of forming viable units were advised to continue their operation as long as possible, as an amalgamation of such a society with a big society would create expectations from the members which the absorbing society could not meet.

29.05 The amalgamation of societies was thus a long process and had to be planned and prepared during a considerable span of time. When societies increase in size, the amalgamation is very much more complicated and time consuming.

29.06 As can be seen from the statistics the number of societies has been reduced from 592 in 1960 to 246 in 1969 and the rate of amalgamation has slowed down.

29.07 The amalgamation of the societies in the Stockholm area (Capital of Sweden) with the Society of Stockholm with effect from January 1, 1971 is the latest in the series of amalgamation. This has resulted in the Stockholm Society (biggest in the world) to increase its sales from approximately 1,500 million(US $ 300 million) in 1970 to 1,900 million (US $ 375 million) and its membership from 262,000 to 300,000 in 1971. (Figures for 1971 are estimated)

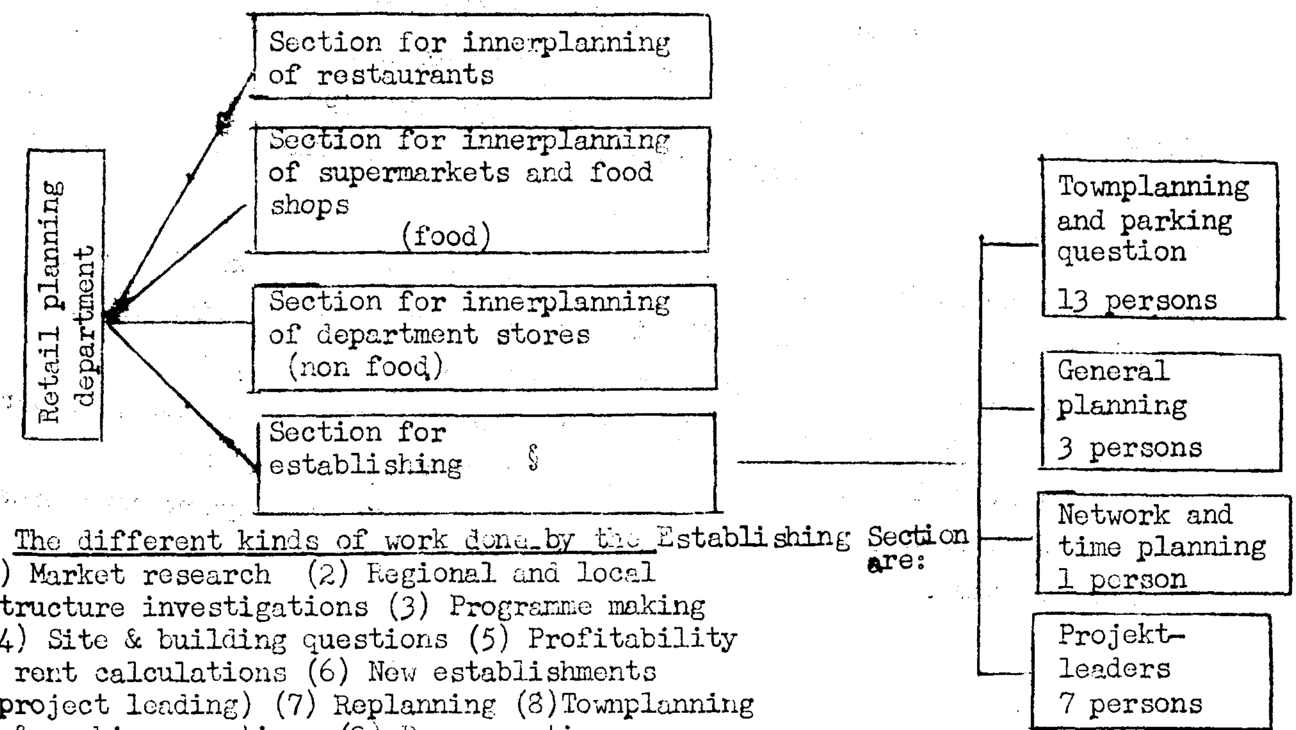
29.08 What should be the future number of societies in Sweden will be difficult to forecast, but the ultimate aim is to achive The Consumer Society of Sweden (one society) where all the functions (retailing, wholesaling and production) are integrated in one unit. If such a solution is economically motivated and assures members of maximum benefit to the consumers it could be brought about. One does not amalgamate for the sake of amalgamation unless it is in the interest of the movement and its members.

30.00 The National Congress Formulates the Long-term Objectives

The findings of the market research were also presented to the National Congress, which appointed various Committees to go into various aspects particularly the role of KF viz. the retail societies, the role of the individual members, and various operational aspects of KF and the retail societies.

30.02 These very important matters were referred back to the individual members of the societies. Correspondence courses were worked out by the KF's member education department (Vi-skolan) and the matters discussed in study circles at the society level. The result of the discussion (the members' opinions) was compiled at the society, regional and national levels and finally presented, together with the findings of the various Committees appointed by the National Congress, to the National Congress, for their comments and a final decision. The decision of the National Congress was to change the parliamentary set up of KF and clarify its future role viz. the retail societies and the future targets and objectives for the movement as a whole.

The organisation of the retail planning department



§ The different kinds of work done by the Establishing Section are:
1) Market research (2) Regional and local structure investigations (3) Programme making (4) Site & building questions (5) Profitability & rent calculations (6) New establishments (project leading) (7) Replanning (8) Townplanning & parking questions (9) Devp. questions.

31.00 As a service department and a tool to implement the plans of restructuring the consumer retail trade, the KF Planning department was organised in 1966. The responsibilities of the Planning Department were further to follow up the conducted market research.

31.02 At the KF planning department, one had now documentation containing the development of population, consumption and retail trade in each village and residential area, town, city etc. throughout Sweden. Also a development plan with quantified sales targets for each shop, department store, society and Region and the country as a whole. Plans which had been approved by the management of the societies and also presented to the membership. Copies of the above information had of course been made available to each society resulting in that each consumer cooperative society also had a development plan with quantified sales targets approved for each shop, department store and geographical area, which stated the targets for each year until 1975 and the shop structure for achieving these targets.

32.00 <u>Follow up and Evaluation of 1962 Study</u>

In 1966 the KF Planning department undertook follow-up of the market research conducted in 1962, evaluated the developments and forecast the development till 1980 on the same lines as explained earlier in this paper and got this new plan of action discussed and approved by each society. The result of the 1966 study is indicated in the statistics given earlier in this paper.

32.02 The follow up study indicated that the targets fixed in 1962 year's study were realistic both with regard to the quantitative sales targets as well as the number of retail outlets. Of course, the number of cooperative retail outlets in all the regions was not reduced fully as per the plans but this was also due to among other government taxes on construction resulting in that many new supermarkets and department stores were delayed in time.

32.03 The new target set with regard to the number of retail outlets is also slightly higher than the 1962 target depending on the new developments that have taken place since 1962. It was also due to the fact that the need for reducing the number of retail outlets in 1962 was purposely over emphasised in order to speed up the discussion and implementation of the plans.

32.04 Due to the reconstruction of the consumer cooperative movement in Sweden, its progress during the recent years has been pretty fast. The number of retail units has been decreased heavily from 6651 in 1960 to 2600 in 1970. The number of retail societies has been reduced from 592 in 1960 to 232 in 1970 while the economics of the movement have improved and its share of the retail market increased from 17.1% in 1964 to 18.1% in 1967.

Key Figures (Million Sw.Kr.)	1968	1969
Total turnover	6,605.5	7,236.7
Working capital	2,723.2	2,835.2
Operating result before deducting interest and taxes	338.8	366.7
Operating result, before deducting interest and taxes, in relation to working capital.	12.4%	12.9%
Operating result, before deducting interest and taxes, in relation to total turnover	5.1%	5.1%
Total turnover in relation to operating capital.	2.4%	2.6%

Distribution of surplus obtained (Million Sw.Kr.)

	1968	1969
Surplus	190.1	204.8
Undivided surplus	10.4	10.6
Total	200.5	215.4
Interest paid on shares	10.2	10.7
Transfer to funds	17.3	18.3
Dividend	172.3	186.5
Other allocations	0.8	-
Total	200.6	215.5

Amount of turnover, expressed in per cent, allocated distribution of dividend

in 1968 2.6%

in 1969 2.6%

The difference existing between surplus available and the amount actually distributed is due to the fact that some societies show a negative net surplus.

33.00 Role of Members

While re-structuring the movement one was not sure about the increase in membership, as in certain places, (particularly in the rural areas in many cases) members were disappointed when the small cooperative store was closed and a bigger and better one opened in a central area sometimes rather far away from the small shop.

33.02 However, the membership increased as never before from 1,177 million in 1960 to 1,605 million in 1970 per year. Of course, the consumer cooperative movement is now less represented in the rural areas, while often the old people in the rural areas are very loyal cooperators and have supported the movement during its initial and difficult periods. But it is not only the cooperative shop which have left the remote rural areas but also the private shop, the public school, the railway station, the Post Office etc, giving less service to those people staying in remote rural areas where transport also might be a problem.

33.03 One often tries to solve the problems of the members/customers in the rural areas through Mobile shops and through offering free bus transport to the nearest central area and department store etc. Many of the members/customers in rural areas are very much satisfied with such a solution; some feel that it is even better than before while still others feel disappointed and blame the consumer cooperative society as they rightly feel that it is their own society.

33.04 In the urban areas and in the urbanized rural areas the services extended to the members have increased and the consumer cooperatives are a step ahead of the competitors with the future goals and objectives well framed consequently gearing its resources constantly to meet the challenge of the future with the ultimate aim to safeguard the interests of its members and give them a better service. The motto is to try, as far as possible, but without sacrifying the business efficiency, assist the loyal and often old members/customers in the rural areas.

34.00 Encouraged by the experience from the previous studies, one is now to undertake a follow-up of the 1962 and 1966 years studies in the same way as in the other two cases and forecast the development of the consumer cooperative movement for the year 2000 through formulating quantified targets and plans of action until the end of this century. In the process the consumer cooperatives will be better prepared to meet the challenge of the twenty-first century for a much greater service to members.

35.00 Planning of a retail outlet

35.01 As stated earlier, the expected future socio-economic development, the consumers' expectations, and the economics of retail operation demand fewer and bigger retail outlets.

35.02 Through such a retail structure the following demands will be met :

(a) The consumers will get retail units within easy access also from the traffic point of view.

(b) The consumers will be offered a wider assortment in an effective and pleasant environment.

(c) Through large scale operation and more effective retail distribution, the customers will get lower prices.

35.03 In meeting the above expectations the consumer cooperative movement will be more competitive and will be able to further improve the services to the consumers.

The above are the objectives while planning the cooperative retail units.

36.00 Future retail structure

36.01 In 1975, the consumer cooperatives plan to operate 194 Department Stores with an annual turnover of 5,900 million Sw.Kr. (US$ 1,200 Miln. or 60% of the consumer cooperative retail turnover. Thus Department Stores will be the most important retail unit. Of the future number of Department Stores, approximately 15 each would be Discount houses and furniture Department Stores. One is also planning to operate approximately 200 supermarkets and approximately 600 self-service food shops during the same year.

36.02 In 1969, the consumer cooperatives operated 28 "A-Department" Stores, 120 "B-Department" Stores, 5 external giant markets and three furniture Department Stores. The sales of these department stores amounted to 3,100 million Sw.Kr. (US $ 600 Million) or 44% of the consumer cooperative retail trade.

37.00 <u>Classification of Cooperative Retailout</u>

37.01 The classification of the retailoutlet on the basis of their size has been done on the following basis :

Internal name and size in terms of fully consuming consumers.	External name	Internal details of Trade Composition
1. A-Department Stores	DOMUS	- complete non-food assortment (80-100% assortment grade)
At least 45,000 Dapans§ approx 30 towns		- complete foodstuffs assortment - A-restaurant
2. B-Department stores (Variety stores)	DOMUS	- limited non-food assortment (50-80% assortment grade)
At least 8,000 Dapans § approx 100 towns		- at least 250 shelf sections non-food - complete food assortment - included in ordering plan A - B-restaurant
3. Supermarkets	KONSUM	- limited non-food assortment (20-50% assortment grade)
At least 2,500 Dapans§ approx 130 communities		- complete foodstuffs assortment - possibly C-restaurant (cafeteria)
4. Food shops	KONSUM	- complete foodstuffs assortment
5. Low-price department store	DOMUS-STORMARKNAD	- complete assortment capital goods - concentrated assortment non-food
At least 80,000 Dapans approx 15 towns	(Giant Market)	- complete assortment foodstuffs - cafeteria - high degree of self-service
6. Furnishing department	DOMUS INTERIOR	- complete furniture and furnishing assortment - locally suited assortment capital goods - cafeteria

§ The term used for fully consuming consumers

38.00 Initiative in Setting up a new or Modernising a Department Store

38.01 As stated previously a detailed development plan was prepared for each retail unit, society, geographical area. The quantified sales target for each unit was forecast till 1980. These plans were adopted by each society as their own development plan. Copies of these plans are also available with the KF Planning Department and the KF regional auditors.

38.02 Based on these plans the initiative for setting up a retail unit/Department Store is likely to come from the Retail Society itself but if the KF Regional/District Auditors and the KF Planning Department find that a society is not following the adopted development plan the KF through its regional auditor or representatives of the planning department initiate such discussions as may be necessary.

38.03 Once a decision is taken by a society to set up a retail unit/ Department Store, the KF Planning Department undertakes all the necessary planning and in collaboration with the KF retail operation department deliver a complete and ready retail unit/Department Store to the retail society. Of course in the process the society is involved and takes various decisions based on the plans and proposals prepared by the KF's Planning Department. By and large the retail societies give free hands to the KF Planning Department and the interference is nominal, as the retail societies know that at the KF Planning Department all available know-how and experience are pooled. They also know that to change decisions regarding construction of a department store and to construct a too tailor made a store costs lot of money.

39.00 Preliminary Programme

39.01 The first step in planning a department store, is to work out a preliminary programme which contains the following :

A. Estimated sales turnover for series of years (the information from the market study)

B. Changes in retail structure within the geographical area concerned (information from the market study).

C. Area requirements

D. Investment budget

E. Working/operational budget for series of years.

F. Assortment budget

G. Personnel Budget

40.00 Area requirement

40.01 Based on the turnover figures and timing information on the market survey form, the KF Planning Department draws up a preliminary programme. This programme, which is prepared by the establishing section in the Planning Department is drawn up with the help of the complete calculation forms, standards/norms and adapted to the estimated turnover stated. The estimated sales of the store under planning is compared with other stores operating in a similar environment. (Proformas enclosed).

40.02 The standards/norms used are a collation of experiences from previous department stores and shop establishments. A division into various turnover groups of various departments is made and the following data is stated : area requirements for the various functions, e.g. cash desk area, sales square, sales area, shelving section requirements, refrigerator area, stock area, staff area etc. There are patterns for the following functions and area requirements: non-food, foodstuffs, restaurants, staff area, technical (equipment) premises. The advantage of this system is, amongst other things, that those experiences which have been accumulated are transferred in a simple way to the department stores under planning. Work on the actual programme writing is simplified in this way. The main work is that of keeping the standards/norms up-to-date.

40.03 At present the KF Planning Department works with an area effectivity per sq m of goods handling area for non-foods amounting to 4,000 kr per year (800 US $). For foodstuffs the figure is 8,000 kr (US $1,600) per year.

40.04 The goods handling area is that area in the store comprising sales area and stock area. A department store which according to market investigations is anticipated to sell non-foods to the value of 20 million kr and foodstuffs for 10 million kr per annum is thus given the following approximate area :

$$\frac{20,000,000}{4,000} + \frac{10,000,000}{8,000} = 5,000 + 1,250 = 6,250 \text{ sq m.}$$

40.05 To these areas is added space for staff premises, technical premises/parking facilities etc. As has previously been said, there are standards/norms which lay down how large an area the various functions in the store require. Based on these, a complete preliminary programme is drawn up, showing the area the planned store will require and how the various areas are related.

41.00 Investment budget

41.01 At the top of the form one may find again the anticipated turnover (prognosis) for the unit for (e.g.) 1970-75-80.

41.02 Under this, there is a repetition of the specified area one has worked out earlier in the programme.

Based on this information and standards available for cost of land, construction of building, parking places, interest and investments on furniture and fixtures the investment budget is prepared.

41.03 One reckon on an average building time of :

Food shops and supermarkets	6 months
B-dept stores	12 months
A-dept stores	18 months

41.04 Building costs vary between 600 kr (US $120) per sq.m and 1,200 kr (US $240) per sq m depending on, for example, geographical situation. It is more expensive to build within the city areas (Stockholm, Gothenburg and Malmo) than in small towns and in rural districts. Building costs are naturally also dependent on factors - basic pre-requisites, site conditions and the character of the project.

41.05 By multiplying the size of the project (sq m) by the building cost per sq m we reach the figure for preliminary building costs.

41.06 Site Costs comprise partly own site, i.e. land already owned, and partly purchase of site, land that must be bought in order to have a large enough total area on which to build.

41.07 The costs for purchasing a site vary, depending on where the plot is to be bought. A city site in a town can be very expensive per sq m, while a site for an external development can be considerably cheaper per sq.m.

41.08 Required yield - building

The required yield from the building (annual rent) comprises partly running costs and partly interest and depreciation. The latter items are calculated in annuities and the depreciation time currently valid for tax purposes is 75 years. For establishments of a more temporary character, which are mostly exceptions, a shorter depreciation time should be calculated (e.g. 25 or 10 years).

41.09 The annuity for the building and site is calculated at present to be 7.75% and running costs to 4.15%

41.10 Annual rent for the building comprises costs for running, interest and depreciation for building, parking lot and site.

41.11 Investment in fixtures and fittings and annual fixtures and fittings costs

These costs are calculated on the following principles :

a) Food:

No. of sq m goods handling area x 500 kr (US $100)

b) Non-food department store

No.of sq m goods handling area x 400 kr (US $80)

c) Furnishing store:

No. of sq m goods handling area x 125 kr (US $25)

(d) Discount houses (non-food):

No.of sq m goods handling area x 300 kr (US $60)

(e) Cafeteria:

No.of sq m goods handling area x 800 kr (US $160)

4.12 Fixtures and fittings are depreciated in 7 years and depreciation plus interest is calculated in annuities.

42.00 Stock investment and annual stock interest

42.01 Stock investment is calculated on the following targets for the rate of turnover of the gross stock :

Food: rate of turnover of gross stock 30 times (value worked on sale price).

Non-food: rate of turnover of gross stock 4 times (-do)

42.02 Stock investment is calcuated on the following principles:

Food :

$$\frac{\text{Turnover}}{40} = \text{stock investment net stock (value worked on cost price)}$$

Non-food:

$$\frac{\text{Turnover}}{7} = \text{stock investment net stock value worked on cost price)}$$

42.03 The existing stock in the units to be closed in connection with the establishment shall be valued as existing net stock.

43.00 Interest on stock for non-foods is calculated with the following formula :

(a) Total net stock non-food x actual interest rate

(b) The actual rate of interest is at present 8%

(c) This interest on stock is written in on the working budget for non-food.

44.00 The Investment Budget

44.01 The investment budget now contains the estimated total investment volume, as one know the costs for the building (site included) the costs for fixtures & fittings and the costs for stock.

44.02 One also knows the annual rent for the building because the annual annuity and an annual running cost have been calculated.

44.03 The annual depreciation on fixtures & fittings is calculated with an annuity of 19.2% and as earlier shown, an annual stock interest on non-foods is calculated at 8%.

45.00 Working/Operational budget (see proforma enclosed)

45.01 It now remains to calculate and get an idea of the economic result of the planned department store.

45.02 This working budget covers five years of which the first should correspond with the first whole year of activity and the remaining cover those included in the sales aim for the outlet.

46.00 The Working Budget

46.01 The working budget shall include food, non-food, cafeteria and total. The budget covers the following points :

46.02 (A) Turnover

(B) Covering Provision I (TB I), which is the provision (in kronor) which the activity is anticipated to show after deductions for goods consumption, dividend and purchase tax. TB I shall cover all fixed costs.

(C) Wages, the total wage costs for the unit. At present one can reckon on an A-store for the non-food sector, having a wage cost of about 10% of the turnover. A B-Store about 9%. For a food outlet with a turnover of 10 million kr, one can reckon on an annual wage cost of about 4%.

(D) Wages, additional costs is social costs (pension, leave insurances etc) which the firm has to pay for its employees. These costs amount at present to about 27% of the wages costs.

(E) Rent is the previously calculated annual rent cost for the store.

(F) Depreciation on fixtures & fittings is the annual depreciation calculated for the store.

(G) Interest on stock is the same as the calculated stock interest for the non-food sector.

(H) Sundry running costs, are costs for the daily running of the store and can for an A-store be calculated at about 4%, B-stores about 4% and food shops at about 1% of the turnover.

(I) Covering provision II (TB II) is the estimated annual result which the department store will show from which the overheads, and net surplus of the society are to be met see proforma enclosed.

47.00 Implementation

47.01 The preliminary programme is then sent to the retail society. At the same time one project leader is appointed in the KF Planning department who will be incharge of planning and implementing the project and for co-ordinating with the other KF departments concerned, the KF Architect bureau and with the retail society.

47.02 The project leader then visits the retail society, presents the preliminary programme and discusses its implications.

47.03 After adjustments, if any, the Board of the retail society approve the preliminary programme, underwrite the same and give authority to the KF Planning department to go ahead with the further planning.

48.00 Site Study by KF Architect Bureau: (KFAI)

After the Society has approved the preliminary programme for the project prepared by the KF's Planning Department, the project leader assigned by the KF's Planning Department will be put in charge of implementing the Department Store project in accordance with the framework laid down in the preliminary programme with regard to the area requirements, and capital for investment. The KF's Architects Bureau will also have to work within this framework in the designing and construction of the building for the proposed Department Store.

48.02 The Architects Bureau is a KF' owned subsidiary having approximately 300 employees - engineers, architects and economists, etc., and specialising in planning and putting into operation Department Stores as also other types of buildings required by the KF and the consumer cooperative societies. When a proposal to establish a Department Store and possible sites for the location of the proposed Department Store are placed before the KF Planning Department, the Architects Bureau is contracted to undertake a "Site Study" of different sites suggested. Such a site study is often undertaken by the Architects Bureau on a fixed cost basis. As most of the Department stores are city-located, there are often problems to find a suitable site big enough to meet the area requirements for the proposed Department Store, including parking places and necessary future expansion potential . Often a suitable site is located on which an old building stands which has to be demolished. This situation poses many problems such as taking permission from the municipal authorities and town planning authorities. It may be that a church stands on the site selected for the proposed Department Store and has to be demolished which requires delicate handling as otherwise it might wound the religious susceptibilities of the community in the vicinity of the site.

48.03 After completing the study, on how the areas required as per the preliminary plan could be fitted into the proposed sites, the team which undertakes the site study prepares sketches and suggestions.

These sketches and suggestions also include areas for future expansion, car parking, etc.

48.04 The preliminary programme, the site study and the few sketches and suggestions prepared as a result of the site study constitutes, the most important part of the planning aspect in the first phase of the establishment of a Department Store. If these two aspects, viz., preliminary programme and the site study, are not properly worked out, it is likely that the Department Store will be less successful as it cannot be better than what the preliminary programme and the site study intended to be.

49.00 Traffic studies by the KF's Town Planning Bureau:

As stated above, most of the Department Stores are city located. As most of the customers are likely to visit Department Stores by cars, it is necessary that Department Stores provide easy access from the traffic point of view. Therefore, the trend of present and future traffic flow has to be carefully studied so as to overcome any traffic obstacles that would come in the way of easy flow of goods and customers to the Department Store.

49.02 For this purpose, the KF's Planning Department has created its own Town Planning Section where town Planning architects and engineers specialised in this field are employed.

49.03 No Department Store is planned and implemented without taking into consideration the traffic situation in the area and of adequate provision of parking place either on the roof, or on the ground level or in the basement as the site permits.

49.04 Today, the municipal and town planning authorities are aware of the importance of present and future services the retailing houses have to offer to the community, and therefore the municipal and town planning offices often engage the services of the KF's Town Planning Office for working out proposals in **service aspect of town planning.** And when this happens, the service aspect and the traffic aspect of town planning are properly taken care of. This helps the KF planners in selecting suitable sites for establishing a Department Store.

50.00 Based on these two studies, a decision is taken as to where the site/sites are to be purchased, and in some cases what additional land or site is required to meet the need for parking place and future expansion programme. A time-bound programme is also worked out for the starting of the Department Store.

Project Implementation (Stage)

51.00 At this stage, the KF's Architects Bureau takes over and begins work on the implementation of the project. It starts preparing blue prints and drawings and designs for different area requirements as stated in the preliminary programme on the site purchased for the proposed Department Store. In the KF's Architects Bureau a team of Architects and Engineers is selected and assigned to this project. This team works in close liaison with the project leader appointed by the KF's Planning Department. The architects' team prepares drawings and blue-prints and specifications with regard to the construction of the building, ventilation, sanitation, electricity, telephones, conveyors, etc. It also calls for quotations from various material suppliers, and if necessary, takes over the supervision of the construction of the building.

51.02 When the blue-prints and drawings of the proposed building for the Department Store are ready, another team in the Architects' bureau enters the scene and this is the team dealing with interior decoration and planning. This team also works in close liaison with the team in charge of designing and drawing and with the project leader in the KF's Planning Department.

51.03 Functional department stores properly fitted and decorated are an essential competitive device and not even the largest retail societies is large enough to carry out qualified investigation and projection itself. In the keen competitive situation which makes exacting demands on effectiveness and quality, it is felt necessary that the knowledge and experience of all the retail societies within the movement must be gathered together, if the cooperatives are to retain a leading position in the market over the competitors. Thus, the Movement makes available to each new Department Store the collective experience of KF's Architects' Bureau (KFAI) technicians and the business experts in selling and management of department stores of the retail division of the KF.

KFAI's General Approach while planning a Department Store

52.00 The premises are grouped together according to the affinity of functions.

52.02 The grouping of the types of premises follows the life span of the actual premises and various parts of the establishments. In this way, one attains maximum flexibility and life span for the building and its usage as a Department Store or later perhaps for some other principles. Both at the time of projection as well as actual construction, the questions of architecture, heating, lighting, water and sanitation, interior decoration are more independent of each other. A change in one section does not necessarily affect all the others which saves both time and money in case a change is desired in one of these particular aspects.

52.03 The approach therefore towards construction of a frame while making the projection is essentially cost-oriented and is based on the following classification.

Outer frame:	Long Life:	30 years
Installations:	Less long life	5 to 10 years
Interior:	Short life:	3 to 5 years

52.04 Thus, de-linking of various premises and activities is sought to be achieved and costs are minimised without affecting the overall utility of the activity or the premises. It also provides the Management with an opportunity to carry out improvements at the appropriate stage at the minimum possible costs.

The general aims of the KFAI while making projections are :

- Simple and coherent free area for goods handling
- One single floor, under one roof
- As few pillars as possible
- No unnecessary display windows
- No unnecessary entrances

- Parking area is (also) sales area from the need point of view
- Design store and its various details as if all customers are invalids and the staff physically handicapped.

53.00 Interior Planning

The work of this department covers the following three main functions :

(a) Planning (Department Stores, Super Markets, Restaurants, Offices, etc.)

(b) Standard Interiors

(c) Shop Techniques.

53.02 This department takes up work relating to Interior planning of Department Stores either in collaboration with the projecting groups as their special adviser or quite independently, especially when Interior Planning has to be carried out in a rented building or within an existing shop. The independent work is more usual. At the present, as stated earlier, the life span of Interior is quite short, (3-5 years), and thus this department has to plan the interiors of at least 30 Department Stores every year out of the total number of 150 in the country.

Development Work

54.00 Development work in Interior decoration, standard fittings and shop technology has been entrusted by KF's Board to a special group called "Development Group for Retailing". The members of this group are drawn from the Department Heads of the divisions concerned with planning of the Department Stores.

54.02 This group generally appoints working committees, permanent or temporary, to deal with various tasks that arise from time to time. The most important of them is the committee dealing with KF's standard fittings. This committee is called "Coordination Committee, the Check-out Committee and many others.

55.00 Some aspects of interior planning

A major experience of the Interior planning Department has been that while planning makes it sure that both the internal and external flexibility is always retained, i.e. ensure that there is at least one acceptable extension alternative which gives sufficient freedom for economical internal planning or at least for internal rearrangement. This is really the essence of planning. It is on this that all designs and planning norms, the construction work, installation, interior fittings, and equipment are based.

55.03 The underlying principle is to place all the premises bounds by building technically and in such a way as not to hinder any anticipated expansion or freedom in internal planning.

56.00 Construction starts only when all the investigations have been carried out and the site is found most suitable in locating the Department Store. Incidentally, it is of interest to know that one of the most important reasons for the success of Domus stores in Sweden was their ideal location. Suitable sites had been bought in some cases even 5 to 7 years ahead of the actual requirements by the KF and this gave a very big lead to the cooperative organisations over their competitors specially when prices started mounting as the demand for the area increased.

57.00 <u>Project Programme</u>:

When the drawings and blue prints are ready and quotations have been received, the Project leader works out a Projected Programme of work which follows more or less the line of the Preliminary Programme but is adapted to actual situations. What are the areas accommodated in the blue-prints, what are the costs for the site and the construction, furniture and fixtures as per quotations received. The projected programmes cover all the various aspects as indicated in the preliminary programme (See enclosures).

57.02 To the projected programme is also added the assortment programme which gives more details about the assortment to be offered in the Department Store. (See enclosures).

57.03 In a few cases, it might happen that areas required as per the preliminary programme cannot be accommodated on the site available. It might happen that the site available can accommodate a far larger area than required. It might also happen that in the process of finding a site, some changes have taken place in the shopping area. These three eventualities might call for changes in the planned sales targets and necessary adjustments in the programme and these will be indicated in the projected programmo, and adjusted in the preliminary programme

58.00 Involvement of other KF Departments

When the projected programme is workod out, other Departments of KF are brought into the team. Of course, many of these departments have already been involved at earlier stages of planning, but only superficially. Now their services are to be employed more extensively and in more depth.

59.00 Assortment Services

The Assortment section in the KF's Planning Department will now be asked to work out a suitable assortment programme for the proposed Department Store and based on this purchases will be made through KF's Merchardise Department and supervised by the assortment section that the goods are supplied on the stipulated dates.

60.00 Consultancy Services

The Consultancy Services of the KF's Operations Department will be asked to plan for and later on erect furniture and fittings and place goods on shelves, in show windows and store-rooms. The team of consultants thus enter the Project team at this stage.

61.00 Personnel Services

The Personnel Section in the KF's Operations Department is asked to investigate and examine into the personnel requirements of the Department Store to be set up, and the skills and qualifications needed to man different jobs and tasks. Based on this, an organisational set-up is worked out for the Department Store with necessary job descriptions laid down. The personnel section also assists the new

Department Store in the recruitment, induction, placement and training of the personnel required.

61.02 The executive personnel required for the Department Store is recruited either from other cooperative Department Stores or from the Roster of Executives maintained by the KF's Operational Department and thus ensures that the executives appointed for the new Department Stores have the necessary qualifications and experience in operating the Department Store.

61.02 The General Manager of the proposed Department Store is recruited approximately one year in advance and is closely involved in the planning of the Department Store and its implementation. He is often regarded as the Society -s contact man - the society which is setting up the Department Store. Other employees are also recruited well in advance and they also participate in the final decoration and preparation of the store and in stocking and filling up the store with goods. The involvement of employees at this stage of the setting up of the store also works as a sort of an induction programme for the employees and initiates them into the working methods of the store at an early stage and helps build up team spirit among the employees.

62.00 Resource Planning

The work done by the Architects Bureau and other operational departments of the KF is indicated in a net work plan showing when a particular job is to be done, by whom it is to be done, and when it is to be finalized. Such a plan is absolutely necessary and it is of extreme importance that each department adheres to such a plan as delay by one team will affect the work of another team throwing the entire programme of opening the Department Store by a specific date behind schedule resulting in loss of money and labour.

62.02 These plans are worked out by the KF's planning department which has a cell for resource planning. Similar network plans are worked by the different teams so as to ensure proper implementation. The project leader and his team which changes from time to time depending on the nature of work to be done, are responsible solely for the proper implementation of the projected Department Store and the targets set in the programme and time schedules are kept up. Further that all practical arrangements are made not only with regard to construction of the building, but also its furnishing, stocking, staffing, inaugurating etc.

63.00 Follow-up

After the Department Store is opened, KF does not wash off its hands from the Department Store. The Planning Department of the KF and particularly the KF's operational department closely follow the development and progress of the store, and if required these two departments assist the Department Store in making necessary adjustments in assortment, personnel, layout, etc. so as to ensure proper utilisation and growth.

63.02 The Planning Department also studies and evaluates the functions and operations of the new Department Store, the results achieved and these experiences are pooled and integrated in the standards/norms used by the Planning Department for planning new Department Stores. Thus, the experience gained in setting up one Store is utilised with great advantage while planning another one and as the KF's Planning Department has now planned and implemented a number of Department Stores, it has amassed and built up a wealth of experience which it has successfully ploughed back in setting up new Department Stores. Similar is the experience of other Departments of KF, the Operations Department, Personnel, Merchandising, the Architects Bureau and the Town Planning Office.

64.00 Developmental Trends

By the beginning of 1970, Department Stores were established in all the towns where there was a sufficiently large market potential. But, this does not mean that the expansion scheme of department stores is complete. The actual situation is that during the relevant plan period up to 1975, consumer cooperatives expect a very hectic period of expansion.

65.00 New Department Stores

11 new Department Stores were opened during the year 1969, 16 in 1970 and between the period 1971 and 1975, it is expected that 33 moi Department stores will be opened. This involves an investment of the order of 645 million Skr (US $129 million) in land, building, equipment, material and stocks and the turnover of these stores is estimated at 1,390 million Skr (US $ 278 million). The majority of the new department stores will still be built in cities and boroughs. It might be worth mentioning that 29 stores will replace old ones, which have been found out-moded and outdated and any attempt to modernise these would be too expensive.

65.02 Development and commencement of external shopping centres, discount houses and supermarkets is today probably the most discussed and controversial topic in retailing in Sweden. There is town planning monopoly in the country which means that the State and the community both are responsible for drawing up long-term town building plans for each municipality and also to ensure that these plans are followed. The planning authorities are now concerned over the present trend in retail trading of breaking away from a close-knit integrated community settlements by opening new houses (shops) at good traffic junctions well outside the planned city limits. They are apprehensive that far too great and far too rapid retail trade far away from the established and planned community settlements/centres would lead to these centres becoming slums and shanty towns as has happend in a number of towns in USA, for example.

65.03 The consumer cooperatives have for a long time subscribed to the idea that a town or city's social, cultural, political and economical life should throb round the centre of the city or a town. But today the position is that one cannot close ones eyes to the fact that the increasing per capita consumption has led to such a volume in retail trade that a certain degree of decentralisation of retail trade has become a necessity. The difficulty in satisfactorily solving ever more complicated traffic and parking problems in cities and towns clamours for new towns and settelite towns as solutions, where external (outside the city) shopping centres and department stores can function as meaningful and homogenous parts of the whole community. Apart from the planned new department stores in the centres of cities and towns, the consumer cooperatives are planning to open a further ten low-priced Department Stores outside the centres of cities and towns of which the majority will include a whole assortment range of furnishing department store. The largest of these ten department stores to be located outside the city centres will have floor areas varying between 15,000 and 30,000 sq. m., which are, according to Swedish standards, very large retail outlets indeed.

66.00 Extension of Department Stores

In spite of a systematic feed back of experience and careful market studies/estimates, the consumer cooperatives have in many instances made all too modest assessments of their impact on the market, when drawing up a programme for new stores and consequently the size of the departments stores opened have been too small.

66.02 Some times the consumer cooperatives have been forced to build department stores on considerably smaller sites than planned for knowing full well the necessity to later acquire more land for expansion. The consumer cooperatives in Sweden have learnt over the years that they must continually hunt and search for supplementary land and property (buildings) as a reserve for expansion of department stores, however, well-thought out the original plan for the area was. It is, therefore, not surprising that 34 department stores are now awaiting expansion/extension programmes during the period up to 1975, whereby they expect to acquire 110,000 sq.m. of additional area for for operations involving a total investment of 225 million Skr. (US $ 45 million). All these department stores needing extra space for their expansion are, without exception, located in city and borough centres, and the additional area when acquired is estimated to increase the turnover by 550 million Skr (US $110 million) per year.

67.00 Modernised Department Stores

The immediate future will witness the expansion of department stores covering new and extended city and borough centres and new external (outside city centres) low-priced department stores. But it should not be forgotten that it is the frequent and complete modernisation that has led to the growth of department stores. To keep department stores attractive to customers, it is inevitable that the stores are given a new-look by modernising it every 5 years. The society managers have shown a fine awareness of this problem, and every year between 20 and 30 department stores are undergoing modernisation.

67.02 The reconstruction to which Swedish cooperative retailing has been subjected to since the mid-fifties, has been marked by the advent of many department stores. Through these, consumer cooperatives have been given a new image, which without a doubt appeals to more and more consumers - a fact which is proved by the upswing in turnover and market share. The department stores have also contributed to giving the retail societies a fine economic stability and a competitive power which the private retail trade sometimes finds hard to fight against. The managing director of Ahlen & Holm, a keen competitor to Cooperative department stores observed in his Annual General Meeting of 1968 in Dagens Nyheter.[1)]

> "The most significant reason, in the long run, for the modest sales increase in our department stores is however the keen competition. This comes first and foremost from cooperatives, which is now expanding the Domus chain immensely."

67.03 Competitors of consumer cooperatives must be feeling really concerned when they speak in this way to their shareholders, and the executives of consumer cooperatives can legitimately feel satisfied over this reaction from private retail traders.

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1) One of the biggest Swedish News Papers

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THE COOPERATIVE UNION
AND WHOLESALE SOCIETY

INDEX CARD

Shop area no. Registration no.

Type of task	District & address	Town of building
Society and address	Committer & contact man	Telephone
Property owner	Rec. 19 Est opening 19 opened 19	Projecters reg no.
ESTABLISHING GROUP	DEPT & ADDRESS	TELEPHONE
Project Leader Project /economic matters Projecting/building matters Town planning matters INNER PLANNING Foodstuffs Non-food Restaurant		
PROJECTION GROUP	DEPT & ADDRESS	TELEPHONE
Architect Interior decor		
Remarks		
/ 19		

MARKET SURVEY II

Area No.

Extent of area

TYPE OF DATA	FIGURES REACHED in resp year's monetary value 1950	1962	1966	PROGNOSIS FIGURES in resp year's mon.value. 1970	1975	1980
1. NO.OF INHABITANTS						
Central town						
Index						
Surrounding area						
Index						
Central town + surr.area						
Index						
2A CONSUMPTION POTENTIAL,FOODSTUFFS (1,000 kr)						
Central town						
Surr.area						
Central town+ surr.area						
2B CONSUMPTION POTENTIAL,NON FOOD(1,000 kr)						
Central town						
Surrounding area						
Cent.town+sur.area						
2C. CONSUMPTION POTENTIAL, FOOD + NON-FOOD						
Central town						
Surrounding area						
Cen.town+ sur.area						
3A RETAIL TRADE TURNOVER,FOODSTUFFS						
Central town						
% of consumption potential						
Surr.area						
% of consp.potn.						
Cent.town+Sur.area						
%of consmp.potonl						
3B. RETAIL TRADE TURNOVER, NON FOOD						
Central town						
%of conmp.pten.						
Surr.area						
%of consp.potenl						
Cent.town+Sur.area						
%of consmp.potenl						
3C RETAIL TRADE TURNOVER, FOOD + NON-FOOD						
Central town						
%of consmp.potenl						
Surr.area						
%of consmp.potenl						
Central town + surr. area						
%of consmp.potenl.						

(contd..

(iii)

	1950	1962	1966	1970	1975	1980

4. RESTAURANT TURNOVER (1,000 kr)

	1950	1962	1966
Central town			
Surr. area			
Centl.town+surr.area			

5 A DAPANS§, FOODSTUFFS

	1950	1962	1966	1970	1975	1980
Central town						

5B DAPANS§, NON-FOOD

	1950	1962	1966	1970	1975	1980
Central town						

6. NO.SELLING UNITS

	1950	1962	1966
Foodstuffs			
Non-food			
Restaurants			

§DAPAN IS THE TERM USED FOR A FULLY CONSUMING CONSUMER

COOPERATIVE SALES (1,000 Kr)

Shop no.& address	Figures reached			Budgeted Figures (1966 monetary value)						
	1962	1964	1966	1967	1968	1969	1970	1971	1975	1980
Total sales										
Sales in 1962 monetary value										–
Share of consumption potential										
Share of retail trade sales										
No.selling units										
Remarks										

LOCAL PROGRAMME

Summary

Shop area no

Registration no.

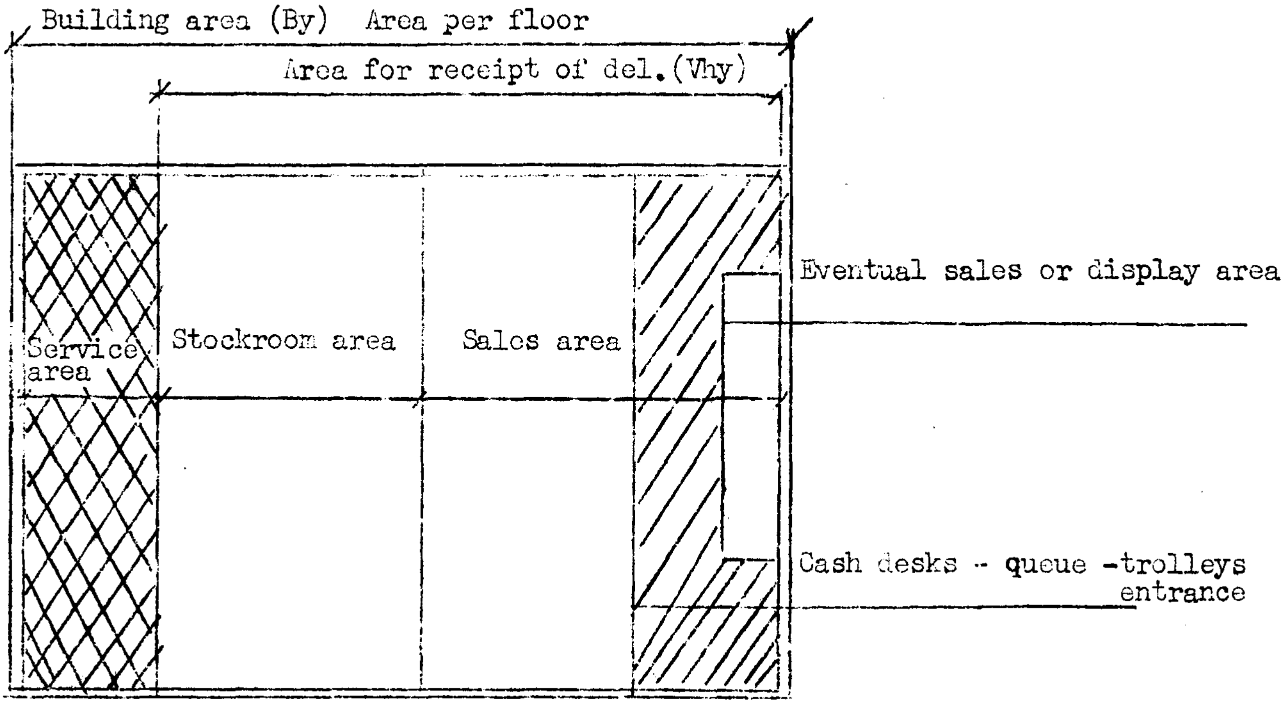
No.

Type of task	District & address						Town of building
Society & address	Committer & contact		Telephone	No. empl.	men	women	Total
				perm.			
				part			
Budget 19 year's monetary value Budgeted sales 19 19	Non-food	Foodstuffs	Restaurant	Seats in rest.			Total

Space required for	Prely. Progr m²	Projected Programme m²	Built Progr m²
Technical area (1-10 refers to corr. points in following local programmes)			
Refrigeration machinery room			
Electrical space			
Toilets & rest rooms (food & non-food, 25-40, 49, 51,52)			
(Restaurant 41-48,50)			
Shelter (53-60)			
Decoration (615-622)			
Society's office			
Bakery (601-606)			
Total			
Plus 15% for communicating areas			
Total			
Area for handling goods/foodstuffs			
(non-food (201-258)			
Total			
Cafeteria (401-429)			
Accommodation (624-625)			
Premises for renting (626-627)			
Diverse (628-631)			
Total			
GRAND TOTAL			

Floor area of building (gross area)
Material standard
Interior decoration standard
Lighting standard
Installation standard
Building standard
Supervision of installation and automatic details
Instructions

Drawn up 19 ____________	Approved / 19 ____________



<u>Building area (By)</u>

The term building area refers to the horizontal ground area taken up by the building, with the exception of electric sockets and other small fixtures on walls. The overhanging parts, allowed according to valid regulations, such as outer staircases, porches, lighting fixtures, oriels etc, are not included.

<u>Floor area per storey (Vy)</u>

Floor area per storey implies the horizontal area confined within the outside faces of the surrounding outer walls. Furnished attics are included in Vy. Vy thus includes outer walls, shell, staircases etc.

<u>Floor area of building (Bvy) - also called gross area:</u>

The total of several storeys' floor area.

<u>Area for handling goods (Vhy)</u>

This term implies area containing goods, partly stockroom, partly sales area
This area is thus divided as follows :
1. Stockroom area (Ly) - for storing of goods, plus communicating area
2. Sales area (Sy) - the total area frequented by customers, incl. communicating area.

<u>Service area</u>

Areas taken up by technical equipment, electrical and refrigeration units, all staff areas, plus communicating areas (approx 15% of other service areas) and in some cases, shelter.

<u>Building volume (V)</u>

Refers to floor area x height, counted from floor§ of basement to top of joists above the uppermost furnished floor.

§ i.e. the under side of the lowest joist.

LOCAL PROGRAMME

Shop area no   Registration no.

Foodstuffs

Type of task	District & address			Town of building			
Society & address	Committer & contact	Telephone	No. empl.	men	women	Total	
			perm.				
			part				
Budget 19 year's monetary value Budgeted sales 19 19	Non-food	Foodstuffs	Restaurant		Total		

No.	Space req. for	Prel. Progr.		Projected Programme		Built Programme		Remarks
		Sales Kr.	Section	Sales Kr.	Section	Sales Kr.	Section	
101	Supermarket assortment							
102	Groceries							
103	Dairy prod, milk							
104	" cheese							
105	Fruit & veg							
106	Bread & cakes							
107	Meat							
108	Cured meat							
109	Delicatessen							
110	Fish							
111	Deep frozen							
112	Refrig. conserves							
113	Ice cream (prod.)							
114	Kiosk sales							
115	Flowers							
116								
117								
118								
119								
120	Total							

	Total area = No.sections x m²	Prel. Programme m²	Proj. Program m²	Built Progm. m²	
122	Cash desks (223)				
123	Customer trolleys(224)				
124	Demonstration(225)				
126	Information (227)				
127	Packaging (228)				
128	Left luggage (229)				
129					
130					
131					
132					
133	Total				

134	Office							
135	Writing desk							
136	Stock room							
137	Receipt of deliveries -							
138	" refrigerated							
139	Preparation room, fish							
140	" meat							
141	" delicatessen							
142	Kitchen							
143	Refrig. meat							
144	" vegetables							
145	" dairy prod.							
146	" delicatessen							
147	" fish							
148	" cheese							
149	Freezer							
150	Freeze-room							
151	Refrig. cakes							
152								
153								
154								
155	Total							

Contd...

No.	Space req. for	Prel.Progm. m^2		Proj.Progm. m^2		Built Progm. m^2		Remarks
156	Rubbish,dry(254)							
157	" wet(refrig)							
158	Cleaning							
159	Equipment store							
160								
161								
162	Total for goods handling(101-161)							
163	Hygiene (25-48)							
164	Rest rooms(29-52)							
165	Technical room (1-24)							
166								
167								
168	Total							
169	GRAND TOTAL							

REMARKS

Sales per sq.m. 19____ 19____ 19____

Selling Area

Total area

Drawn up

/ 19 ________________

Approved

/ 19________________

LOCAL PROGRAMME

Non-food

Shop area no. Registration no.

Type of task	District & address		Town of building			
Society & address	Committor & contact	Telephone	No. empl.	men	women	Total
			perm.			
			part			

Budget 19 year's monetary value Budgeted sales 19 19	Non-food	Foodstuffs	Restaurant		Total

No.	Space req. for	Prel. Progm.		Proj. Progm.		Built Progm.		Remarks
		Sales kr.	Section	Sales kr.	Section	Sales Kr.	Section	
201	Ladies' outfitting							
202	Piece goods, harberdashery, linen							
203	Men's & junior outfitting							
204	Ladies' & teen-age ready to wear.							
205	Children's outfitting							
206	Furnishings, soft							
207	Shoes							
208	Household art, toys.							
209	Radio, TV, building							
210	Book dept.							
211								
212								
213	Total							
214	Kiosk sales (114)							
215	Ice cream (113)							
216	Flowers (115)							
217								
218								
219	Total							

LOCAL PROGRAMME contd...
Non-food

No.	Space req.for Total area = No.sections x m^2	Prel.Progm. m^2	Proj.Progm. m^2	Built Progm. m^2	Remarks
220					
221	Heel-bar				
222	Photo automat				
223	Cash-desks (122)				
224	Customer trolleys(123)				
225	Demonstration (124)				
226	Sales stand (125)				
227	Information(126)				
228	Packaging(127)				
229	Left luggage				
230	Customer toilets				
231	Rest room				
232					
233	Total				
234	Office,store manager				
235	Office				
236	Writing desk				
237	Stock room				
238	Receipt/return of del. (137)				
239	" control				
240	Return of empties				
241	Unpacking				
242	Marking				
243	Control staff				
244					
245					
246	Total				

No.	space req.for	Prel.Progm. m^2	Proj.Progm. m^2	Built Progm. m^2	Remarks
247	Decoration(615-622)				
248	Alterations, tailoring				
249	TV & radio repair				
250	Furniture repair				
251					
252					
253	Total				
254	Rubbish room with baling press (156)				
255	Cleaning central (608)				
256	Cleaning room				
257	Equipment store				
258					
259	Total area for goods handling(201-258)				
260	Hygiene (25-48)				
261	Rest room(49-52)				
262	Technical rooms				
263					
264					
265	Total				
266	GRAND TOTAL				
	Remarks Sales per sq.m. Selling area Total area		19____	19____	19____
267	Drawn up / 19__________		Approved / 19__________		

INVESTMENT BUDGET   Region/shop Registration No.

Profitability calculation (own building)

Type of task	District/site/building	Town of building		
Society/address	Committer/contact man	Date of writing	Est. commencement of building	Est. date of opening.
		Handled by		

TURNOVER, 1,000 kr   19 year's monetary value   19 year's monetary value

Branch	19	19	19	19	19	19
Foodstuffs						
Non-food						
Cafeteria/Restaurant						
TOTAL						

AREAS, m^2 Preliminary programme   Projected programme

Branch	Sales area	Stock area	Total	Sales area	Stock area	Total
Foodstuffs	+	=		+	=	
Non-food	+	=		+	=	
Cafeteria/Restaurant	+	=		+	=	
TOTAL NET AREA						

One floor without basement	GROSS AREA (110% of nett area)			
	VOLUME (Gross area X height of flor)	m^3		m^3
Several floors with basement	GROSS AREA (120% of nett area)			
	VOLUME (Gross area X height of floor)	m^3		m^3

BUILDING AND PRODUCTION COSTS, 1,000 kr

BUILDING COSTS	______ $p^r m^2$ Int bldg. time		______ $p^r m^2$ Int bldg time	
SITE COSTS	Own purchase demol. evac. Int bldg time		Own Purchase, demol, evac. Int bldg. time	
TOTAL PRODUCTION COSTS				
VALUE, EXISTING PROPERTY (at extension)				

REQUIRED YIELD FROM PROPERTY (ANNUAL RENT) 1,000 kr

Int.costs for site %		%	
Annuity % (depreciation time ...years		% (depr.time...years	
Running costs %			
REQUIRED YIELD FROM PROPERTY			
Rent, incoming %		%	
" %		%	
REQ.YIELD, SALES PREMISES (to be entered in working budget.			

INVESTMENT IN FITTINGS AND ANNUAL FITTINGS COSTS, 1,000 kr

Branch	Total	Existing	New investment	Total	Existing	New investment
Foodstuffs						
Non-food						
Cafeteria/ Restaurant						
TOTAL FITTINGS						
ANNUAL FITTINGS COSTS Annuity ___% to be ent. in working budget)					Annuity___	%

STOCK INVESTMENTS AND ANNUAL INTEREST ON STOCK, 1,000 kr

Branch	Total	Existing	New investment	Total	Existing	New investment
Foodstuffs						
Non-food						
Cafeteria/ Restaurant						
TOTAL STOCK						
ANNUAL INT. ON STOCK ____% on non-food stock (to be ent.in wkg.budget)				___% on non-food stock		

PLANNED DEVELOPMENT AFFECTING PROJECT: DISCONTINUATION/EXPANSION, 1,000 kr

Shop no.& address/ Town of building	Procedure	Sales 19	Estimated value of property	Booked value of property	Stock Value	Fittings Value
TOTAL						

OPERATIONS RESULT 19 SUMMARY FOR CONCERNED UNITS

	Foodstuffs 1,000 kr	%	Non-food 1,000 kr	%	Cafeteria 1,000 Kr	%	Total 1,000	%
Turnover		100		100		100	kr	100
PROVISION I / Gross Profit								
Wages								
Add. wages costs								
Other running costs								
Rent								
Fittings costs								
Interest on stock								
PROVISION II / Contribution to overhead								

Remarks

PRELIMINARY WORKING BUDGET 19 , 1,000 kr

	Foodstuffs 1,000 kr	%	Non-food 1,000 kr	%	Cafeteria 1,000 kr	%	Total 1,000 kr	%
Turnover		100		100		100		100
PROVISION I / Gross Profit								
Wages								
Add. wages costs								
Other running costs								
Rent								
Fittings costs								
Interest on stock								
PROVISION II / Contribution to overhead								

DEFINITE WORKING BUDGET 19 , 1,000 kr

	Foodstuffs 1,000 kr	%	Non-food 1,000 kr.	%	Cafeteria 1,000 kr	%	Total 1,000 kr.	%
Turnover		100		100				
PROVISION I / Gross profit								
Wages								
Add. wages costs								
Other running costs								
Rent								
Fittings costs								
Interest on stock								
PROVISION II / Contribution to overhead								

INVESTMENT VOLUME, SUMMARY

PREL.	Building		Total		PROJ		Total
	Fittings						
	Stock						

Investment budget, profitability calculation, working budget and development plan approved by society's Board.

Society

Day / 19

Signature

ASSORTMENT PROGRAMME

Sales	
Sections	
Sales per art.	
Dapans §	

Type of task		District & address					Town of building				
Group No.	Type of merchandise	Preliminary programme					Projected programme				
		Sales 1,000 Kr.	No. Sect.	Sales per Sect.	% of Vhy	Sort Class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
100	Ladies' stockings										
110	Underwear										
115	Tailored underwear										
120	Bras, corsets										
130	Pinafores										
135	Gymn clothes										
140	Knitwear										
145	Swimsuits, shorts										
150-151	Scarves										
152	Umbrellas										
153	Belts										
154	Gloves, mittens										
155-156	Handbags										
157	bags										
158	Sundries, leather										
159	Travel goods, suit-cases & Brief cases										
160-161	Ladies hats, felt										
162	Caps, leather										
163	Caps, non-leather										

Type of task		District & address					Town of building				
Group No.	Type of merchandise	Preliminary programme					Projected programme				
		Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
170	Toilet & hygiene articles										
180	Jewellery										
190	Cosmetics										
Total											
Sales area m^2 No. of sections x m^2											
Sales per m^2											
Budgeted stock nett kr											
Rate of turnover											

(Note : § "Dapans" is the term used to denote a fully consuming consumer)

Sales	
Sections	
Sales per art.	
Dapans §	

Type of task		District & address					Town of building				
Group No.	Type of merchandise	Preliminary programme					Projected programme				
		Sales 1,000 Kr.	No. Sect.	Sales per Sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	sort class
200	Piece-goods										
210	" "										
220	" "										
225	" "										
230	Linen piece-goods										
235	Ready sewn										
240	Plastic & oil cloth										
F250	Haberdashery										
F265	Patterns										
270	Yarn										
280	Linen goods										
290	Handkerchiefs										
Total											
Sales area m^2 No. sections x m^2											
Sales per m^2											
Budgeted stock nett kr											
Rate of turnover											

Sales										
Sections										
Sales per art.										
Dapans §										
Type of task		District & address				Town of building				
Group No.	Type of merchandise	Preliminary programme				Projected programme				
		Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
300 - 301	Men's suits									
303	Jackets									
305	Coats, wool									
306	Coats, cotton									
307	Raincoats									
310 - 311	Leather & suede									
312	Jackets non-leather									
313	Trousers, straight wool									
314	Ski-slacks									
315	Trousers, cotton									
320-321	Junior suits									
323	Jackets									
324-325	Coats wool/cotton									
327	Rain-coats									
330-331	Leather									
3 .	Jackets									
333	Trousers, straight wool									
334	Ski-slacks									
335	Trousers, cotton									
340	Caps & hats									
345	Bath & dressing gowns									
350-351	Socks									
352	Underwear									
353	Knitwear									
354	Swimming trunks									
355	Sports clothes									
360	Shirts									
365	Pyjamas									
370-373	Accessories									

Continued.....

Sales										
Sections										
Sales per art.										
Dapans §										
Type of task	District & address					Town of building				
	Preliminary programme					Projected programme				
Group No. Type of merchandise	Sales 1,000 Kr.	No. Sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort Class
380 Gloves										
390 Overalls										
395-395 Pipes, etc.										
Total										
Sales area m^2 No. of sections	$x\ m^2$									
Sales per m^2										
Budgeted stock nett Kr.										
Rate of turnover										

(Note : §"Dapans" is the term used to denote a fully consuming consumer.)

Sales
Sections
Sales per art.
Dapans §

Type of task		District & address					Town of building				
		Preliminary programme					Projected programme				
Group No.	Type of merchandise	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
400	Coats										
406 405-407	Suits										
409	Furs										
410	Dresses										
420	Skirts										
425	Blouses										
430	Trousers										
435	Jackets										
460	Confirmation dresses										
470	House frocks										
480	Raincoats										
495	Alterations										
Total											
Sales area m^2 No. of sections x m^2											
Sales area m^2											
Budgeted stock nett kr.											
Rate of turnover											

(Note : § "Dapans" is the term used to denote a fully consuming consumer.)

Sales
Sections
Sales per art.
Dapans §

Type of task		District & address					Town of building				
		Preliminary programme					Projected programme				
Group No.	Type of merchandise	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
500 501 503	Jackets, blazers										
505 507	Trousers, wool/ cotton										
509	Raincoats										
510-511	Underwear/Pyjamas										
512	Knitwear										
513 514	Sports clothes, Sports clothes Swimming clothes										
520 516	Braces, shirts										
525	Caps, boys` & girls										
530 531 532	Coats, girls` 14 yrs										
533 534	Jackets, girls 14 yrs										
536 537	Trousers, girls 14yrs										
539	ainscoats										
541 540 542	Blouses, girls 14 yrs										
543 544	Skirts, girls 14 yrs										
545	Dresses, girls` 14 yrs										
551 550 552	Underwear, girls` 14yrs										
553 554	Tailored underwear girls` 14 yrs										

(Note : "Dapans" is the term used to denote a fully consuming consumer.)

continued.....

Type of task		District & address					Town of building				
Group No.	Type of merchandise	Preliminary programme					Projected programme				
		Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
560-561	Knitwear, girls' 14 years										
562	Swimsuits, girls' 14 years										
563	Gymn suits, girls' 14 years										
565	Stockings 0-14yrs										
566	Scarves, boys' and girls'										
567	Gloves										
571 570-578	Baby clothes										
580	Baby articlces										
590	Baby hygiene										
595	Baby bed clothes										
Total											
Sales area m^2 No. of sections x m^2											
Budgeted stock nett kr.											
Rate of turnover											

(Note: § "Dapans" is the term used to denote a fully consuming consumer.

Sales
Sections
Sales per art.
Dapans §

Type of task		District & address					Town of building				
Group No.	Type of merchandise	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
600	Furniture										
610	Summer furniture										
620	Mirrors										
631 630-634	Blinds										
637	Pram mattresses										
640	Bedspreads										
645	Curtains										
651 650-653	Carpets										
654	Carpets										
660	Bedclothes										
680	Light fittings										
695	Bulbs										
Total											
Sales area m^2 No. of sections x m^2											
Sales per m^2											
Budgeted stock nett kr											
Rate of turnover											

(Note: § "Dapans" is the term used to denote a fully consuming consumer.)

Sales
Sections
Sales per art.
Dapans §

Type of task	District & address					Town of building				
	Preliminary programme					Projected programme				
Group No. / Type of merchandise	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
F 700 Men's shoes										
F 705 Working shoes										
F 710 Boys' shoes										
F 715 Ladies' shoes										
F 720 Girls' shoes										
F 725 Children & baby shoes										
F 730 Sandals, children's girls' & ladies										
F 735 Sandals, boys' men's										
F 740 Mules, children's girls', ladies										
F 745 Mules, boys', men's										
F 750 Ski-boots, Children's, girls, boys', ladies										
F 755 Ski-boots, men's										
F 760 Lace-ups & boots for cold weather, children's girls' ladies										
F 765 -ditto- boys' men's										
F 770 Rubber shoes, children's girls' ladies										
F 773 Rubber shoes, boys', men's										
F 775 Boots, children's, girls' ladies										
F 778 Boots, boys' men's										
F 780 Sports shoes, children, girls, ladies, boys, men's										
F 785 Leisure shoes, children's, girls, ladies										
F 788 Leisure shoes, boy's, men's										
F 790 Indoor slippers, children's, girls, ladies										
F 793 Indoor slippers, boys', men's										
F 795 Outdoor slippers, children's, girls, boys' ladies										
F 797 Outdoor slippers, men's										
F 798 Shoe accessories										
F 799 Shoe polish, creams										
Total										
Sales area m^2 No. sections x m^2										
Sales per m^2										
Budgeted stock nett kr.										
Rate of turnover										

(Note : § "Dapans" is the term used to denote a fully consuming consumer.)

Sales	
Sections	
Sales per art.	
Dapans §	

Type of task		District & address					Town of building				
		Preliminary programme					Projected programme				
Group No.	Type of merchandise	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
F 800	Household china										
F 805	Household glass										
810,811 F 810 812	Ornaments, in china, glass, smoking accessories										
813	Ornaments, other materials										
814	Handicrafts made & bought locally										
F 815	Serving dishes: Etc.										
F 820	Kitchen equipment										
830, 831, F 830 833	Household electrical apparatus										
832	Electrical toilet articles										
834	Small electrical articles										
F 835	Household plastic ware										
F 840	Cleaning, clothing care, hygiene										
F 845	Daily necessities, paper & household										
F 850	Toys										
F 865	Fishing equipment										
F 870 871 872	Camping & summer sports										
F 875 876	LP-gas										
877	Ice-skating equipment										
878	Other winter sports										
880 F880-882	Year-round sports, pet articles										
883	Torches, batteries										
F 885-886	Perambulators										
887	Shopping trolleys										
F 890-891	Cycles, mopeds										
891 892	Cycle accessories, tyres & inner tubes										
893	Boats, boat accessor										
895 F 895 896	Car accessories										
896	Car seat covers										
Total											
Sales area m^2 No. of sections x m^2											
Sales per m^2											
Budgeted stock nett kr											
Rate of turnover											

Sales
Sections
Sales per art.
Dapans

Type of task	District & address	Town of building

Group No.	Type of merchandise	Preliminary programme: Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class	Projected programme: Sales 1,000 Kr.	No. sect.	Sales per sect.	% of Vhy	Sort class
F 900 900 903	Radio, tape-recorder, gramophone										
904	Material reserve parts, Radio-TV										
F 905	Gramophone records										
F 910	Photographic arts.										
915 F 915-917	Sewing machines, washing, cleaning & dish washing machines										
916	Refrigerators & freezers										
919	Electrical heating apparatus										
F 920	Tools										
F 925	Paints										
F 930	Garden articles										
935 F 935-937 938	Garden plants, flowers, bulbs, seeds										
936	Pot plants, cut flowers										
F 945	Building materials										
F 960	Watches & clocks										
F 965	Optical										
F 970	Writing paper, drawing materials										
F 975	Cards										
F 980	Books										
F 984	Newspapers										
F 985-985	Smoking accessories										
986 987	Tobacco, cigarettes, matches										
F 990	Gold jewellery										
F 995 995	Christmas goods										
996	Easter goods										
997	Other party goods										
998	Candles										
FNN	Confectionery										
Total											
Sales area m2 No. of sections x m^2											
Sales per m2											
Budgeted stock nett kr											
Rate of turnover											