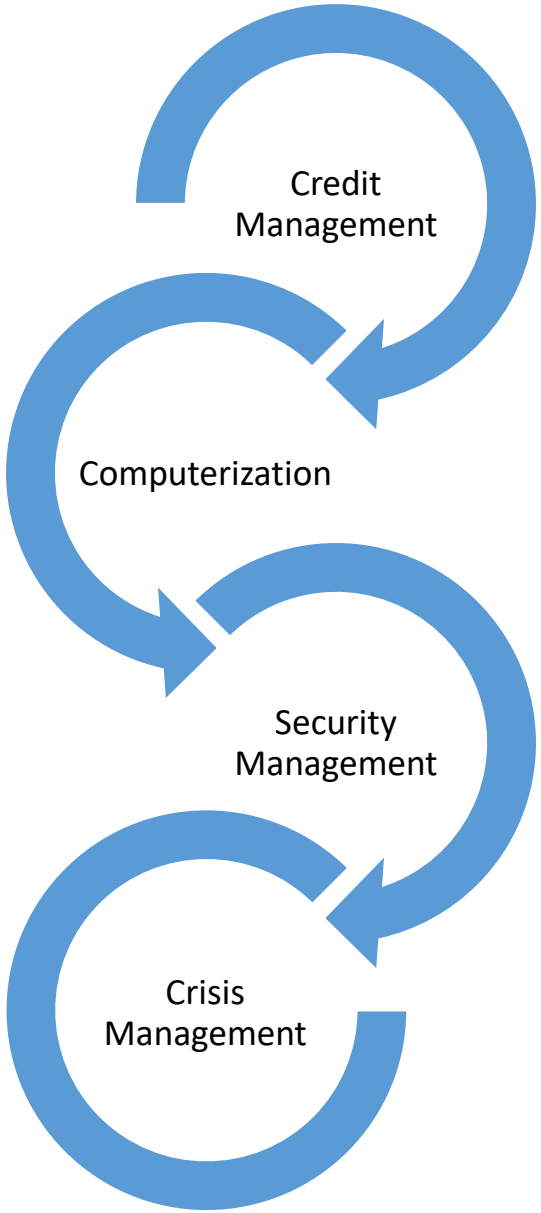
Retail Operations Management - 3

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VGSOM, IITKGP


Credit
Management
Computerization
Security
Management
Crisis
Management

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Insurance Issues

- Rising premiums
- Reduced scope of coverage by insurers
- Fewer insurers servicing retailers
- Greater need for insurance against environmental risks

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Types of Insurance

- Business Interruption insurance
- Life insurance to pay estate tax (second to die insurance)
- Life insurance to buy out partner's estate on his/her death
- Disability insurance to offset disability of key executive
- Flood, fire insurance
- Liability insurance

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Crisis Management

- There should be contingency plans for as many different crisis situations as possible.
- Essential information should be communicated to all affected parties as soon as a crisis occurs.
- Cooperation – not conflict – among the parties involved is essential.
- Responses should be as prompt as possible.
- The chain of command should be clear with decision makers given adequate authority.

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Examples of Crises

- Natural disaster--Hurricane, tornado, flood
- No heat, no electricity
- Product recall on private label good
- Catastrophic event that affects key managers
- Loss of important goods due to incapacity of key supply source

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Thank You

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