



# Garment Investment and Service Agreement/Extension Strategy for These Tough Times

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# Garment Investment and Service Agreement Renewal/Extension Strategy for These Tough Times



- 👤 **We must be forward thinking and understand that we will face heavy garment returns from terminated wearers due to employment issues.**
- 👤 **If possible, and if it makes sense, put a wearer who is likely to return to work 'on-hold' and do not take their garments out of service. Store their garments neatly (by route, day, customer ID and wearer number) for easy re-access.**
- 👤 **If the person laid off is extremely well paid (\$25+ per hour), well trained (Nissan Mechanic) and has great benefits, they stand a better chance of rehire than the \$10 per hour food service worker.**
- 👤 **Again, how Congress ultimately reacts, will drive the key answers to this quandary. Be patient if you can afford it. The legislation is coming very quickly and will impact all decisions dramatically.**
- 👤 **The cost of setting a wearer back up if you quit their garments can be substantial, inconvenient and a slug of orders can slow down a Stockroom markedly and, in my view, unnecessarily. Stock only the garments of those you feel are unlikely to return.**

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- ④ **Treat your rail space like waterfront property. I know of very few Performance Matters clients that have all the space that they need to store everything.**
- ④ **‘Purge’ your rails in a calculated manner. Use chip or barcode data where possible or other means (colored twist ties or painting the neck of the hangers) to determine whether the garments have moved in the last year. Also, ask this – ‘is this SKU something we are marketing today or will in the future’? If it is obsolete, dispose of it. If it is excess (in either SKU or size within a SKU) and there is a chance for re-use, box it and inventory the excess for future access. All others, display on rails.**
- ④ **Every linear foot of rail space must be reserved for fast-moving items**

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- Identify garment SKU's where you have a broad amount of excess used and upgrade accounts using that SKU that are coming up for a service agreement renewal/extension (look out 18 months to expiration). It may cost you a name or an emblem to upgrade with used but the garments are FREE. You may have to buy a few new garments to optimally execute. Add wearers and new business will be close to nil in many operations so there may be no better time. You will keep some of your key Team members employed.**
- You must let the client know that you are upgrading upfront in anticipation of accessing an extension. Fulfill your obligation in 90 days and ask for that renewal/extension!**
- Inform the client, as you upgrade, of the 'investment' that you are making; fulfilling your obligation that you made. This informing of the customer each step along the way is called a Value-Added Proposition (VAP) and will pay dividends.**
- At the end of 90 days, take the upgrade data to the Customer and ask for the service agreement extension.**
- Repeat the purge process every 6 months (Fourth of July week and Christmas/New Years) and utilize those used excess garments. Renewals/extensions are a 365 day per year process.**