

OP SHOP

START-UP BOOKLET

A Five Step Program

Adventist
Community Services



ADVENTIST COMMUNITY SERVICES is a Christian, humanitarian agency of the North New South Wales Conference which has as its mission or purpose to serve communities in Christ's name.

The values which have shaped Adventist Community Service (ACS) are traditional Christian values: the potential of each individual to reflect the image of God; the dignity which is inherent in every person; and the importance of quality in human life. ACS approaches the person as an integrated entity comprised of physical, mental, social, and spiritual facets. ACS works on behalf of people of all social economic levels. It regards the poor with respect, as partners with whom it works in a learning and sharing relationship. People of higher classes also have needs which ACS should address.

ACS strives for excellence in all that it undertakes. It accepts accountability for the use of its resources, and the implications of its actions. It respects the legal standards that apply in the countries and communities in which it functions, and upholds standards of integrity in its activities. ACS recognises its responsibility to its constituency. It upholds the values of a modest lifestyle among its employees and volunteers. ACS fosters dynamic relationships with church and community leadership.

Our ACS Op Shops carry the values of:

- Quality Product
- Environmental Conscience
- Value
- Service

5 Simple Steps

INITIAL STAGES

BUSINESS PLAN

LEASING, LEGAL & APPROVAL ISSUES

SETTING UP YOUR OP SHOP

OPERATING YOUR OP SHOP

An Op Shop is both an excellent ministry to disadvantaged people and a business that can raise needed funds for charitable projects. To fulfil both of these objectives you will want an Op Shop that is professionally presented but also friendly and inviting.

This booklet is an important document. It is your responsibility to ensure that you and your representatives read, understand and comply with these requirements.

By your acceptance of our Sub-Licence Agreement, you will agree to comply with all requirements set out in this booklet.

Who is this booklet for?

- Adventist churches contemplating a new Adventist Community Services Op Shop
- Any Steering/Management Committee of a new Adventist Community Services Op Shop
- Any manager of a new Adventist Community Services Op Shop

How to use this booklet

This booklet has been produced to make the start-up process as easy as possible by providing five simple steps. Look at the checklists below and then find the corresponding page for more information. The best way to ensure your Adventist Community Services Op Shop complies with Adventist Community Services, Council, State and Federal requirements is to work through this list, checking off each step as you go. Adventist Community Services is not able to approve a start-up grant, nor Conferences able to sign an op shop lease until all processes described in Steps 1& 2 are completed.

QUERIES?

Setting up an Op Shop can be a challenging process, but it is essential that instructions in this booklet are followed carefully. The Adventist Community Services Director is there to answer all your questions.

Who is involved in this process?

CONFERENCE DIRECTOR OF ADVENTIST COMMUNITY SERVICES

Because your Conference needs to sign the lease for your Op Shop, and the Conference will need to have confidence in your business plan.

CHURCH BOARD

Your local Church Board will need to authorise your business plan before it comes to Adventist Community Services.

STEERING/MANAGEMENT COMMITTEE

You are responsible for making sure all the requirements of setting up and operating a new Adventist Community Services Op Shop are met. This guide will show you how.

OP SHOP MANAGER

Appointed by the Op Shop Steering/Management Committee, the Op Shop Manager will carry most of the actual responsibility of implementation.

VOLUNTEERS

Volunteers are crucial to the success of any Adventist Community Services Op Shop. They will need to be guided by the Manager regarding any compliance issues.

DESIGNER

Adventist Community Services contracted designer and Adventist Community Services Director will work with you to ensure that Adventist Community Services branding is optimally suited to your premises.

SIGN-WRITER

The sign-writer will be guided by Adventist Community Services's designer. A knowledgeable resource for guiding your Steering/Management Committee through the start-up process.



A Five Step Program

The Start-up Booklet has been broken into five simple steps. It is very important that you work through each point in the checklists, referring to the information on the corresponding pages. Please note, you must refer to the body of the document for the details you will need to comply with your agreement with Adventist Community Services NNSW Conference.



1 step one

Initial Stages

Talk to someone currently running an Op Shop	6
Check to see whether there are others who would volunteer their help	6
Talk to your church Minister and gauge support from church Board level	6
Check on other Op Shops in your town or suburb	6
Consider skilled people who might be part of a steering committee	6

2 step two

Business Plan

Clarify vision and aims	7
Establish your steering committee	7
Conduct research into business and community factors	8
Identify your personnel	9
Establish your goals & prepare your budget	10
Identifying suitable premises	11

3 step three

Leasing, Legal & Approval Issues

Request your Conference to sign your ACS service-funding agreement and your lease	12
Check with Council regarding any required applications or consents	12
Check on whether your State requires you to register a business name	12
Check on what additional insurances you need	12
Set up bank and utilities accounts	12
Check your compliance with ACS requirements and industrial relations	13

4 step four

Setting Up Your Op Shop

Fitting out your new premises	14
Branding your shop	14
Merchandising & presentation guidelines	14
Orientating your volunteers	17
Welfare referrals	17

5 step five

Operating Your Op Shop

Regular committee meetings	18
Creating shop policies	18
Supporting the staff	18
Managing risks	19
Transparency with use of funds	20

1 step one

Initial Stages

ADVANTAGES OF AN OP SHOP

There are plenty of good reasons to start an Op Shop. Here are some which the Adventist Community Services team hears most, and you might want to check the boxes which are most relevant to you - they might be useful for later reference:

- To be a point of visible Adventist presence in the community which openly displays Christian compassion. Shops can also become a point of referral to other agencies when help or assistance is requested by a customer;
- To be a business which raises needed funds for Adventist Community Services and your local community:
 - *Op Shop profit is a significant contributor to Adventist Community Services local programs in the communities where they are located;*
 - *Your local community - Op Shops assisting people in their community seem to get a high profile locally which drives higher sales.*

Once you are sure of your motivations there will be some guidelines you need to strictly follow.

The simple availability of shop premises is in itself not sufficient justification for opening an Adventist Community Services Op Shop. The selection of suitable premises is a matter that will flow from the planning and research process. The shop you choose is a consequence of your planning and research, not the reason for it!

WHO TO TALK TO

Gather as much information as you can to see whether an Op Shop in your town or suburb is even a possibility.

- Talk to people already running an Op Shop;
- Go and see Op Shops already in operation;
- Talk to others in the church who might be possible volunteers - you will need at least 15 to be open five days per week;
- Talk to your minister about the idea and make sure there is support from the church;
- Check to see if there are other Op Shops in your town - usually the more there are the better it is (Op Shops work like car dealerships - the more there are grouped together the better they all do);
- Check whether there are other Adventist churches that might want to join you in the venture;
- Consider whether you have skilled people around you who can be part of a viable steering committee;
- Invite your Conference Adventist Community Services Director to meet with interested people to discuss the viability of the venture.

Business Plan

YOUR BUSINESS PLAN

This section discusses the information you need to develop your Business Plan document. The Business Plan is required by Adventist Community Services to enable an informed assessment of your proposed new Op Shop.

A well researched Business Plan is essential to your success. It is your 'road map', not only as you get started but as an essential reference resource as you build your business. The old adage holds true, 'If you fail to plan, you plan to fail!'

A successful business case put in the Business Plan, once approved, facilitates a range of support and services including:

- Conference legal support for leasing and insurance;
- Licensing to use the Adventist Community Services brand;
- Signage of the shop façade;
- Manager and volunteer training opportunities;
- Seed funds for start-up costs;
- Ongoing management and compliance support.

SHARING YOUR VISION

A vision not shared cannot come to life. Once you have a clear vision and aims, it is time to share it and seek the support of others.

As you share your vision, you will find others are also moved by God to step out and take action. Share and

discuss your vision with others, especially key people in your church who share a passion for active ministry.

Does your church have a clear purpose and vision that fits with your vision for an Adventist Community Services Op Shop? You may well plant the seed for a new outward looking focus by your church!

YOUR STEERING COMMITTEE

As your Op Shop vision gains support, you will need to present a concept proposal to the Church Board. The proposal should seek support for the appointment of a Steering Committee to assess the feasibility of the venture. The Steering Committee will conduct all relevant research and report back to your Church Board with the appropriate recommendations.

The Steering Committee membership may well change as the project moves from the developmental to the operational phase, when it would become an ongoing Management Committee.

YOUR AIMS

For a community project to succeed there must be a passion and a well defined reason for getting started. Often the fundamental question is raised, 'Is this ministry or business?'

An Op Shop is a retail business that exists to generate funds from the sale of donated goods. These funds are essential to support community welfare programs that meet the needs you have identified in your research. The outcome of the successful Op Shop is Ministry. Without the business fundamentals in place, your shop will struggle to generate the funds to facilitate ministry.

Having decided on an Adventist Community Services Op Shop as your avenue of service, it is the responsibility of your Steering Committee and entire Op Shop team to build a successful and sustainable business.

Make sure that your collective aims centre on the business factors so that you can achieve your ministry goals in a sustainable way.

PROPOSED MANAGEMENT COMMITTEE

Your business plan will need to nominate the members and skills of the Management Committee that will oversee the implemented project. Proposed members should bring a range of skills to the table and may be different/additional to the original Steering Committee. They should share the vision and aims for the new venture. It is preferable to include a competent treasurer and experienced business people to oversee your Op Shop start-up and ongoing business operations.

RESEARCH

Research is essential to ensure you build a successful business enterprise. Research should include both business factors and the community service outcomes you aim to achieve.

BUSINESS RESEARCH

One of the principal aims of an Adventist Community Services Op Shop is to generate profits that are used to facilitate a positive, significant and sustained impact on the lives of the needy in the community. In the preparation and research for your Business.

Plan you will want to cover factors that lead to business success.

There are several areas of research you should undertake to build your Op Shop on a sound business foundation.

- Face to face contact or an internet search of the Chamber of Commerce website in your location will greatly assist you through the use of their research data. Not for Profit organisations receive substantial membership discounts;
- Local or Regional information services that cover retail, social and commercial demographics;
- Local Council Business Plan - can guide in identifying locations zoned for charities, or suitable locations for Op Shop businesses. Councils also may offer free small business workshops;
- Survey and network local Op Shops to gain an understanding of business factors including their location, business sales volumes, pricing, product range, rentals and hours of operation;
- Local rental market for suitable shop properties. Refer to Section 3 – Identifying Suitable Premises.

DISTRIBUTION OF PROFITS/SURPLUS

The focus of Adventist Community Services in Australia and internationally is to assist people in poverty, disadvantage or crisis through programs that develop community and individual capacity and resilience. Adventist Community Services aims to help people out of the poverty and dependency trap and into a more sustainable future.

In your Steering Committee's research you will need to investigate:

- The needs of Adventist Community Services projects conference wide. Many existing Adventist Community Services Op Shops channel their profits into Adventist Community Services programs, including counselling centres, indigenous intervention programs, refugee programs, at-risk youth and resilience programs;
- The needs in the local community;
- The present capacity of local welfare agencies to meet those needs;
- Any gaps in services and the possibilities for Adventist Community Services projects in community service provision.

Consequently, as you deliberate on how to best disburse your profits you will consider this research to ensure that the outcomes meet the needs you identify.

COMMUNITY NEEDS

If you do not already have the support of a specific Adventist Community Services project in mind you will have as one of your principal aims to positively impact your community by addressing needs. This means that you will need to conduct some research on those needs and how they can be met in sustainable and developmental ways. After all, if you don't know the needs then how can you plan to meet them?

Below are some of the research tools that will assist in determining needs:

- CData - a Demographics report on surrounding postcodes available through Adventist Community Services using Australian Bureau of Statistics data;
- Council Social Plan - available through your local council office;
- Council Community Services department;
- Local charity/welfare interagency;
- Surveys - church, existing Op Shops, community

support. agencies, etc;

- Current Adventist Community Service programs requiring support

YOUR LOCAL INTERAGENCY

Even if you are supporting one specific Adventist Community Services project you will nevertheless encounter individual needs in your work and will need to know the welfare networks to which you should refer these people. This is where the local interagency committee will help you.

If you are wanting to use your Op Shop profit to directly help people in poverty or support charitable services in your local community, the interagency will be crucial. The Interagency is the local collective of agencies that exist to support the needy in the community, most often coordinated by the local Council Community or Social Worker. For a correct identification of real needs in your community, you will need to take the advice and become a part of the interagency.

Through your Steering Committee research you will:

- Identify the acute welfare needs in your community;
- Identify the local interagency's current capacity to meet them;
- Identify any gaps, or areas requiring strengthening, that you can support;
- Identify opportunities for an Adventist Community Services community project should there be the capacity (volunteer/expertise) to support it;
- Recognise that your Op Shop will be an important contributor to the local interagency network;
- Recognise that your Op Shop is a business and as such is an income generator;
- Determine to concentrate on establishing the best possible business thereby maximising your capacity to change lives in the community on an ongoing basis.

IDENTIFYING MANAGERS

The skills and drive of your proposed shop Manager/s are critical to your success.

Care should be taken to identify the right people for the Manager position. We cannot assume that the person with the vision or passion to start the Op Shop will always have skills in retail management. It is good business practice to not commence a project until the right people for the Manager position have been identified.

MANAGEMENT ALTERNATIVES

An important decision from the outset is whether you will have volunteer or paid (full-time or part-time) manager/s. Paid managers take a considerable percentage away from the profits of the Op Shop, and this needs to be recognised by Steering Committees, but may nevertheless be the best option for some. However, it is best to commence with volunteer manager/s until you have a clear picture of your success and sustainability.

Adventist Community Services does not support Op Shops where the costs of paid managers and/or staff, along with other operational expenses, deplete all profits otherwise used for helping the needy in the local community. Our Op Shops exist to help people in need, not to keep people in jobs alone.

An alternative to the traditional manager role is that of 'day managers' under the supervision of the Management Committee or an Op Shop Coordinator. This concept can work well especially where there is a strong shared vision and communication protocols are put in place.

Another method used by some Op Shops is shared management, where two volunteers "job-share" the role, whereby they each work 2 or 3 days a week.

These management alternatives are ideal in the volunteer context as it eliminates the inherent risks associated with reliance on one individual, resignation, burn out or the creation of 'full time' volunteer positions, whereby the manager feels the pressure of the shop being unable to operate without them.

IDENTIFYING VOLUNTEERS

Volunteers play a valuable role in the Australian community, especially in meeting the needs of the poor, the disadvantaged and those in crisis. As a faith based agency of the Seventh-day Adventist Church, Adventist Community Services enjoys strong support from the church membership and the general community.

Churches in your local area should be informed of the exciting volunteer opportunities open to them through your proposed Op Shop. Many Adventist Community Services Op Shops enjoy excellent community volunteer support, which can be sourced from retirement villages, Community Services Department, or through the Volunteering Australia website www.govolunteer.com.au. Of course, customers and those who come into contact with existing volunteers will later form a valuable volunteer resource.

Op Shops only succeed when staffed by committed volunteers who have a customer focus and share the vision and aims of the venture. Adventist Community Services provides volunteer orientation guidelines and training resources to assist managers to recruit and support their volunteers.

The creation of an Op Shop is an exciting new service direction. It is important that the Steering Committee identifies and manages risks to core church roles when identifying volunteers to participate in the Op Shop.

Hours of Business should be guided by the number of volunteers available, in order for there to always be at least two volunteers on duty.

FINANCIAL/BUSINESS GOALS

In establishing your income goals you have conducted business and needs research. This research will enable you to select the product range you wish to market, the location best suited to your business and determine pricing based on the sales volume required to achieve your goals.

IDENTIFYING SUITABLE PREMISES

When preparing your Business Plan please include data covering up to three suitable properties identified in your research. Include a recommendation of the committee’s preferred option and the rationale for that recommendation.

Identifying suitable premises is a consequence of your planning and research. Check each of the following:

- Rental market – consult local commercial property real estate specialists to determine indicative rentals in various areas of the retail precinct;
- Location – balancing the quality of location with the rental costs is critical;
- Staff and customer parking facilities;
- Customer access – ease of entry, visibility and safety factors, disability access;
- Research the local Op Shop trade including the number, location and sales volumes they generate. There can be a trading advantage in locating close to another Op Shop to take advantage of the ‘precinct’ customer;
- Essential refurbishment and fittings assessment and costings. You might wish to check whether the landlord is willing to fund some of your refurbishment costs if they are indeed improving their premises;
- Is council approval required for alterations (external/internal) or for a change in property usage? Zoning may apply to an existing or previous usage but this approval may not automatically flow onto a new venture;
- A suitable location within the shop or externally for sorting and storing goods pre-sale or off-season.

Use the following table to research suitable rental property to enable you to forecast your budget:

Agent	Address of Rental Property	Size: m²	Rent/mth	GST/mth	Outgoings Yerly

BUDGET FORECASTS

When you’ve established your goals for the community projects you wish to support, you will need to forecast a budget to meet the financial target.

Calculate projected start-up costs and operational budget for the first three years using the MS Excel spreadsheet template provided on request.

If you yourself do not possess the skills for the above, then there may be excellent knowledge and skills available to you from within your church community. This may be a great opportunity to use the skills and enthusiasm of a young computer whiz at your church!

Here is an example of how to set your goals and pricing structure:

Operating for 38 shop hours per week and 49 effective working weeks per year is equal to 1,862 open shop hours per year. Given the assumed 1st year sales of \$47,800 and an average item value (sold) of \$4, the op-shop needs to sell \$28.73 per open shop hour or 6.4 items per hour. That is equal to 243 sold items per week.

Example product pricing:

Clothing Dresses	\$5-8, Shirts: \$5-7, Skirts: \$5, Jumpers: \$5, Trousers incl.
Jeans	\$5-8, T-shirts: \$3-5, Baby clothes: \$2-5, Children’s clothes: \$1-5
Furniture Chair	\$10, Lounge suite: \$40 and up
Sporting Tennis racquet	\$2-10
Crockery Mugs	50c, Plates: 50c, Dinner plates: \$1
Cutlery All	5 for \$1
Toys All	50 cents - \$5
Bric a Brac All	\$1 upwards, valuable items sold on eBay
Books All	50c - \$2
Manchester Blankets	\$5, Pillow cases: \$2, Doona covers: \$6-10

ADVENTIST COMMUNITY SERVICES OP SHOP SEEDING GRANT

Adventist Community Services offers a \$5,000 seeding grant to new Adventist Community Services Op Shops, also covering branding costs separately. You will want to reflect this grant in your budget.

SUBMITTING YOUR BUSINESS PLAN

Submit your plan to your Conference Director of Adventist Community Services for processing. Successful applicants will be notified and can then proceed to locating and leasing premises.

3^{step} three

Leasing, Legals & Approval Issues

INITIAL LEGAL & APPROVAL ISSUES

You will need to look after some important legal issues once you receive the green light from Adventist Community Services.

LEASING

Firstly you will need to lease suitable premises, using the research conducted for your Business Plan.

- Negotiate a suitable initial term and renewal options that are manageable within your projected cash flow. Ask for a short initial term, such as six months to one year, with a longer term renewal option once the business is established. This is perhaps the safest way of minimising loss in the unlikely event that your Op Shop fails in its first year;
- Arrange for your local Conference to sign your lease;
- Sign the Service Funding Agreement provided by Adventist Community Services, to enable the use of the Adventist Community Services name;
- Ensure your local Conference signs your Op Shop Service Funding Agreement and returns it to Adventist Community Services. This agreement gives you some prescribed legal use of the Adventist Community Services logo, and is a necessary legal antecedent for Adventist Community Services branding on your Op Shop.

OTHER LEGAL AND APPROVAL ISSUES

There are other important issues to cover:

- Ensure that your Op Shop Management Committee begins meeting regularly to ensure proper ongoing planning and governance of your Op Shop;
- Check with your local Council to see whether a Development Application (DA) is required. If it is, take their advice on what you need to do to complete the application and receive their approvals;
- Check with your appropriate State department on whether you need to register a business name. If this is the case you will need to register your name with your town or suburb following eg 'Adventist Community Services Op Shop - Raymond Terrace';
- Establish an account with a local bank, preferably a Westpac bank for ease of funds transfer within the Church's financial structures;
- Check on your needed insurances – the Church's insurance covers most aspects of Op Shop operation but not all. For instance, some landlords cover plate glass breakage and others don't, necessitating extra risks insurance. You will need to arrange with the Church's Risk Management Services (ring 02 9847 3333) for certificates to cover theft of money in your shop's safe and another for cash in transit. Extra cover is needed for clothing bins. Your volunteers are covered by the Church's blanket insurance cover;

- Determine whether you will sell second-hand electrical equipment in your shop (a qualification in tagging electrical equipment from TAFE is first necessary for one of your staff);
- Check with your landlord or body corporate to see whether there will be any problems with your Adventist Community Services signage;
- Check with Council to see whether you are able to place an A-frame sign (if you require it) on the footpath outside your Op Shop;
- If you are using clothing bins, you will need permission from the owner of the site where it is placed as well as a permit from Council - they may charge a fee.

SETTING UP NEW ACCOUNTS

You will need to initiate new accounts for:

- Power
- Telephone
- Internet
- Security 'back to base' (optional - a costly option)

Documents are obtainable from your conference Adventist Community Service Director, verifying the status of Adventist Community Service as a not for profit organisation. Your utility providers may require these documents when you are arranging new accounts for your Op Shop.

VEHICLE REGISTRATION

If you have a vehicle owned by your Op Shop ministry, arrange vehicle registration through your local Conference Treasurer.

ADVENTIST COMMUNITY SERVICES COMPLIANCE ISSUES

You will need to ensure that your Op Shop will comply with Adventist Community Services requirements on the following:

- That profit will be used only for the relief of poverty, disadvantage or crisis. Because the public gives clothing to Op Shops predominantly on the understanding that their profits are disbursed to charitable causes, failure to do so will harm Adventist Community Services name in the community;
- That any monetary donations to your Op Shop are sent to Adventist Community Services for receipting. These donations may be used to cover rent, refurbishment or new equipment, or the community projects your shop is supporting. They will be sent by Adventist Community Services back to your nominated bank account once a tax-deductible receipt has been sent to the donor;
- That any letter of thanks conferring tax-deductibility on donations of stock (less than 12 months old) by a business donor conforms with the Tax Office regulations on how such tax-deductibility is conferred.

OCCUPATIONAL HEALTH & SAFETY

Ensure that your manager has read and understood the Occupational Health & Safety guidelines and systems, as outlined by the Conference OH&S Policy.

VOLUNTEER MANAGEMENT

Adopt then plan to implement Adventist Community Services volunteer management guidelines, which is also sound industrial relations practice.

INDUSTRIAL RELATIONS

Errors in the area of managing paid staff can expose your shop to industrial relations problems. Employe managers and staff come with significant legal responsibilities and risks, and most Adventist Community Service Op Shops avoid employees and opt for volunteer managers and staff. Avoiding salaried staff also creates a much larger surplus of funds for the community's needy. You must adhere to the following requirements and guidelines:

- Create a clear job description for your manager, which is sound industrial relations practice;
- Ensure that if you are employing an Op Shop manager (part-time or full-time) that you follow the Conference guidelines in advertising for and hiring your Manager. The Conference Human Resource Coordinator can support you through this process;
- Ensure that you are compliant with Federal or State regulations on:
 - *Rates of pay and conditions*
 - *Payroll arrangements*
 - *Worker's compensation*
 - *Superannuation and other wage on-costs*

4^{step} four

Setting Up Your Op Shop

FIT-OUT

Rarely does a property come ready for a 'walk-in walkout' transition. You will want to make alterations and install fittings suitable to your shop. In some cases property owners will allow for some fit-out within the lease provisions or may structure a part-cash, part-rental loading arrangement. Other fit-out requirements will need to be approved by property owners. A church working bee can reduce the cost of fitting-out the shop.

Areas to consider when undertaking fit-out are:

- Shop design to include the location of the counter and cash register, the money safe, a sorting area, and a staff area. The sorting area should be as large as possible - you will need to have sufficient space at the rear of the shop for racking the sorted clothes awaiting display in the shop and storing unopened bags and out-of-season stock;
- Cash registers should be lockable, and ideally enable an analysis of income from each department, eg variety, men's, ladies, children, babies, books, furniture;
- Customers should be able to gain easy access to all areas of the shop and locate the range of items they may be seeking;
- Repaint & carpet – to complement Adventist Community Service corporate colours;

- Racking & fixtures – may be sourced from stores doing refits, or purchased from retail suppliers;
- Lighting should be adequate for items to be easily visible to customers;
- Customer and volunteer comfort should be considered, such as: carpet rather than cement or tile floors for warmth; air conditioning or heating; fitting room; mirror; chair; children's play area
- Security issues to be covered when setting out; your store include staff lockers, safe, panic button, telephone, fake cameras, security mirrors;
- Adequate storage – often an off-site shed is required for extra stock;
- Compliance to Workplace Health & Safety requirements such as flooring, steps, hand-rails, safety fixtures and fittings and placement of power outlets.

BRANDING

Our vision is to raise the public awareness of Adventist Community Service and the Church through the Adventist Community Service Op Shops within the community.

Our strategy in developing an expanding network of Adventist Community Service Op Shops bearing national

corporate branding is to build a better public recognition of our church as a 'friend', contributing to the local, and conference-wide community through practical Christian care and developmentally-focused support.

In order for the design and installation of branding to be arranged by Adventist Community Service, permission for various elements of branding may be required from property owners, Body Corporate, Council, etc. Adventist Community Service designer will create a mock-up of your shop branding prior to installing the signage. You may be asked to source a local sign-writer who can prepare and install the signs from files provided by Adventist Community Service designer.

ENVIRONMENT & PRESENTATION

Experienced Adventist Community Services Op Shops include many of the following ingredients to ensure the best environment and presentation of their shops:

- Décor: first impressions are important, so ensure your window displays, entrance and counter environment are enticing. Lack of clutter and clever use of wall space for pictures and displays will all add to the overall décor of your shop and encourage people to return because they feel comfortable and can find what they want, as well as easily browse through the variety of items that are constantly being added;
- Entrance presentation is a critical focal point of the shop, and should provide an inviting area free of hazards and crowding;
- Window displays should be changed regularly, showcasing the variety of goods on sale;
- Mannequins are a good way to display good quality clothes, and assist with up-selling rotate stock, and move display areas, so that your shop always looks different, thus suggesting that there is always something new to find;
- Change display regularly (up to twice weekly), and rotate stock, and move display areas, so that your shop always looks different, thus suggesting that there is always something new to find;
- Colour coordination of clothes adds to the overall first impression, and along with sizing of items, makes it easy for customers to locate products to suit them;
- Displays featuring quality items should be a major part of your entry area, and you will find you will need to replace items constantly as they will be the first to be sold!;
- Hangers should all be the same for quality presentation;
- Video library: many shops provide a lending library as an outreach to the community;
- Books: be aware that books can take up a lot of space for a small return. Some shops have a policy on which books they sell, others are happy to offer all types of books for sale;
- Service: it costs nothing to be nice! Customer service training is available from Adventist Community Services;
- Ideally, keep busy to maintain a tidy environment—there should be someone replacing items on the racks, and tidying hangers and straightening items several times each day;
- Value: it is important to honour the donor of the goods by obtaining a fair price for goods sold. It is also important that your business ensures it raises as much profit as it can so that your purpose and support in your local community can be realised;
- Music must comply with copyright standards, and should be sourced from CD's which include copyright costs;
- Freshness can be assured by using tricks, such as cider vinegar for cleaning shoes; a few drops of lavender oil in iron water, electronic air fresheners etc;
- Uniforms: Adventist Community Services provides subsidised uniforms in the form of Polo T-shirts and ladies' blouses. We recommend that all volunteers wear them as this provides recognition and pride to the volunteers, and assists with service and security;
- Badges: each volunteer should be provided with a name badge, and should be identified by their

christian name, or the word Volunteer if you have a big turnover of staff. It is suggested that surnames not be displayed on a badge, to protect volunteers from unhappy customer's abuse and to discourage illegal use of these should they be stolen.

STOCK PROCUREMENT

There are a number of methods you can use to procure quality stock, however you will find that once your shop is established, the donations from customers may be sufficient to keep you well supplied.

You may therefore only need to source enough stock for the first few months through your church membership and their extended contacts, or from other Adventist Community Services Op Shops.

FREE COURIER

Some States within Australia have free courier services for charities, and your Op Shop may be able to take advantage of this for ferrying excess stock from other Adventist Community Services Op Shops in your State (not permitted to cross State boundaries).

Check with other charitable Op Shops in your area to ascertain whether they use this kind of service. Where this service exists, arrangements need to be finalised through your conference Director of Adventist Community Services, as specific documentation is required for each service event.

CLOTHING BINS

While some States and local Councils allow the use of clothing bins and issue permits, others may not permit them. This may well be for good reason, as they can attract around 70% unsaleable items on average. They can also represent

a health and safety risk to volunteers as contaminated or dangerous items are often disposed in them.

One suggestion is to have bins located on church property and ensure they are well serviced and maintained. Properly serviced and carefully located bins can reap rewards for your venture. Bins which are not located on church property will require Extra Risk Insurance cover.

DONATED NEW CLOTHING

It is advisable not to mix the sale of new clothing with second-hand clothing, as this gives mixed messages as to the style of shop you are operating.

However some shops have a community craft section or sell goods on consignment, or are offered "old" stock by local retailers. (Local retailers can be offered a tax deductible receipt, with the value of the donation equalling the advertised retail price on the day the item was donated, so long as new items going 'off stock' are under 12 months on inventory).

PROHIBITED ITEMS

There are items such as second-hand baby capsules or crash helmets that are prohibited for sale. The website to determine currently prohibited or withdrawn items is www.recalls.gov.au.

HAZARDS

Volunteers must take great care when sorting stock from various unknown sources, due to the health risks of contaminated and soiled clothes. Bags found to be contaminated in any way should be immediately disposed of and must never be washed and sold. Clothes from clothing bins may obtain hazardous objects such as glass and needles. Protective gloves should be worn when sorting.

Most shops never wash clothes, as they receive enough clean items. Washing dirty clothes in your home washing machine is not recommended in order to protect you and your family from cross-contamination.

QUALITY STOCK

Quality of stock sold is probably the most significant factor in your ongoing success. Consistency in high quality stock in every store adds to brand value. The quality of the stock you sell will be reflected in the quality of donations the public bring to your shop.

- Sorting and culling must be severe – other agencies report that only 10% of donations make it to the floor;
- The bigger the sorting/storage space, the better the control you will have of your standard of items sold. With racks of clothes waiting in the sorting area, stored by item (ladies', men's) and by size and colour, staff can top up the shop's racks or find an item for a customer very easily;
- Racks in the shop should never be over-stocked. Shoppers need to be able to easily see items that interest them. They will readily return again and again because they will get to know that new items are continually being added;
- Culling can be more palatable/successful if you source a good outlet for culled stock, such as ragging companies.

PRICING

Adventist Community Services requires that Adventist Community Services Op Shops should network and fit into the local Op Shop market as a business venture. To reduce resentment from the already established Op Shops, it is important to maintain reality when pricing your goods. The aim of setting up Adventist Community Services Op Shops is to obtain profits that can be returned to your local community via financial support of various charitable projects and organisations.

A pricing policy should be established so that all your volunteers abide by your Management Committee's pricing structure. Consideration should be given to:

- Being sympathetic to the local Op Shop market;
- Pricing – appropriate to your community;
- Brand Items – get to know them and price accordingly;
- Quality items should be reflected by their price;
- Fairness in value, to donor and to competition;
- Customer having a price level in mind for an Op Shop purchase;
- Product separation – if all shirts are the one price, then you lose profit on better quality stock put on the same rack. It would be better to have a "Quality" rack as well;
- Specialising – ie furniture, plants, etc;
- Setting goals – every volunteer needs to know the dollar aim per day/week;
- Specials – Manager's sales, 2 for 1, fire sales, fill a bag for \$5, lucky dips, bag of rags for \$1 etc.

VOLUNTEER ORIENTATION

The Adventist Community Services Volunteer Orientation Booklet is to be handed to all volunteers prior to commencing service. This booklet covers the basic information a volunteer worker needs to know and is the minimum required training for the new volunteer.

WELFARE REFERRAL TO AGENCIES

Because Op Shops sell cheap, second-hand goods to the public, many of its clients will be disadvantaged or needy people on low incomes. From time to time, customers will relate problems facing them to Op Shop staff. Some may even invent stories to arouse sympathy in the hope that they can be offered free clothing. Appropriate referral is therefore needed.

- Financial – it is important that you get to know the charitable agencies in your area which can help people financially;

- **OP SHOPS SHOULD NEVER OFFER CASH TO NEEDY PEOPLE FROM THE TILL AS THIS OPENS OP SHOP STAFF TO SIGNIFICANT DANGER.** Rather, the needy person should be referred to the appropriate agency which can assess the customer for real versus imagined needs. Some Op Shops have an arrangement with other charities to provide funds for needy people from their own Op Shop profits, but only upon the recommendation of these other agencies;
- **Counselling** – customers may disclose to Op Shop staff such things as domestic violence, sexual abuse, drug and alcohol dependency or gambling addiction. In the interests of providing the best ministry possible to such customers, you will need to know where counselling for each of these disclosed issues can be found and refer the customer accordingly. Generally, you should call the welfare or community worker at your local Council who will have the names and numbers of all agencies which provide counselling for these specific needs. A phone list should be kept at the counter.

5^{step} five

Operating Your Op Shop

REGULAR COMMITTEE MEETINGS

During the first year of your Op Shop's operations, monthly meetings by the Management Committee will be necessary to monitor the start-up and growth of your new venture.

After it is well-established, meetings can move to bimonthly or quarterly. However, if profits were declining due to changes in the market or management changes, the Management Committee might wish to revert to monthly meetings to allow better monitoring and response.

POLICY NEEDS

Your Management Committee will need to create the following policies:

- Lay-by policy;
- Return policy;
- Deliveries and pick-ups;
- Evangelism issues;
- Religious books, unsuitable books;
- Sale of electrical items. Electrical items should only be sold if they comply with your State regulations, and if you are prepared to take the risk of bad

publicity should a sold item cause serious damage such as fire or harm to the purchaser. (Only about 1 in every 4 Op Shops currently sell electrical items, and it is possible to find other organisations which will take these goods);

- Security – what to do in the event of theft, hold-up, fire, critical incidents, accident, illness;
- Operating hours - to maximise sales opportunities;
- Volunteer hours, it is preferable that volunteers not be asked to do more than 16 hours per week;
- Volunteer staff purchases.

MENTORING

Where other Adventist Community Service Op Shops are operating in your region, you will find their experience helpful as you set up your own shop. Mentoring will ensure that you and your team benefit from the experience of others.

Your Conference Director of Adventist Community Service has assisted many new ventures and is available to guide you through to a successful outcome. They have benefited from mentoring also, by seeking advice from well-established charitable retail organisations as well as peak bodies, when developing policies and guidelines.

MANAGER'S ORIENTATION

Adventist Community Service provides an annual Volunteer training Conference for training and networking. Adventist Community Service also provides orientation for new Managers, usually at the annual compliance visit, or as required.

This training focuses on the Volunteer Manual which covers the areas of Volunteer Management requirements, OH&S and legal policies as established by Australian State Industrial Relations.

RECRUITMENT OF VOLUNTEERS

When promoting your new shop in the local newspaper, invite people to apply as volunteers. Register with Go Volunteering www.govolunteer.org.au

Talk to your local Centrelink office to offer Work for the Dole placements for people returning to the work force

OPENING DAY PROMOTION

It is most important to make a great first impression both on the public and for your volunteers and supporters. Your church, your Conference and Adventist Community Service are keen to see a successful launch to your ministry.

Please make absolutely sure that your Op Shop is opened to the public only when it is ready. It is much better to have a slight delay in opening than to press ahead and open too early, risking a poor impression on the public. Ensure you involve your local media, free press, Community Service Announcement (CSA) avenues and your local politicians (all levels) by writing to them and then making direct personal contact leading up to your opening. You may even find that the local paper has a topical promotional segment coming up and that you can use this to coincide with your launch.

Ensure you have appropriate representatives from your local council and community invited to your opening well in advance. Your church and Conference Communications Directors will be keen to assist, as will your Adventist Community Service Director. If you are opening your Op Shop to financially support or alleviate identified social needs in the local community, ensure that interested parties such as council and similar organisations are fully aware of the opening day. Consider letter boxing the local area.

OUT-OF-POCKET EXPENSES

All reimbursement of out-of-pocket expense should be provided by the Manager prior to the purchase or after the event. Typical out-of-pocket expenses incurred by volunteer staff might be:

- *Running costs for errands in volunteer's own vehicle*
- *Groceries bought for morning tea at the shop*

Stipends for volunteers are discouraged because the courts deem stipend volunteers as having the same status as employees, along with the associated rights and on-costs.

Reimbursement for running costs should be according to the Australian Tax Office rates per kilometre and according to the size of engine in the volunteer's vehicle.

Volunteers will need to present a receipt for any expenses requiring reimbursement, and where no receipt was offered by the retailer a note needs to be written by the volunteer detailing the date, description and amount of purchase followed by their signature.

RISK ASSESSMENT

Risk assessments are an important part of modern management, helping Op Shop management identify those things that might possibly provide negative legal and media exposure for their Op Shop.

Conference WHS Rep will give your Management Committee a list of risks identified by Adventist Community Services Department as an example of a risk identification process. You will then be able to add any risks particular to your shop and then forward this to Adventist Community Services Director for addition to our central list. In this way all Op Shops can work cooperatively towards higher degrees of Quality Management.

MONITORING YOUR BUDGET

The Treasurer for your Management Committee should keep all expenses of running the Op Shop up to date for report to Management Committee meetings. It is recommended that all Adventist Community Services Op Shops use an accounting program called XERO, which provides professional reports as expenses are updated. Wisdom dictates that income and expenses be compared to budget on a monthly basis.

VOLUNTEER TRAINING

Adventist Community Service also facilitates training specific to volunteers. This training is provided primarily through face to face process. Contact your Adventist Community Services Director to arrange for such training.

ACS COORDINATOR VISITS

The Adventist Community Services Director seeks to visit each Adventist Community Services Op Shop annually and is able to advise Management Committees, Managers and Op Shop staff on the compliance aspects of Op Shop operation. Due to the number of Op Shops seen on a regular basis, the Director can also comment, if asked, on other aspects of running an Op Shop.

RAGGING & GST IMPLICATIONS

While donated clothing sold by an Op Shop is GST free, any item which has changed its character must have GST added before it is sold. Ragging is considered by the Australian Tax Office to be a change of character for donated clothing and therefore GST must be added. However, the day-to-day cleaning and repairing of donated clothing or other goods is not considered to be changing the character of the item, therefore no GST needs be added for such ordinary Op Shop items.

TRANSPARENCY WITH USE OF FUNDS

Adventist Community Service requires all Adventist Community Service Op Shops to be transparent in their use of funds. The public donates clothing and other goods to Adventist Community Service Op Shops on the understanding that the derived profits will support needy people in the community. Op Shops must keep faith with the public and use profits for those purposes. Adventist Community Service requires an annual financial report for monitoring purposes. Op Shops are also subject to Conference Audit procedures.

Adventist Community Service Op Shops are additionally encouraged to display the destination of profits in the branded Adventist Orange Adventist Community Service Op Shop fascia by the use of a slogan such as 'supporting our local community', or 'supporting the local women's refuge', or 'helping families in crisis' etc.

BRANDING OF VEHICLES

Adventist Community Service has designed vehicle branding that can be produced at the time of shop branding. A sample can be seen on the opposite of this page.

If a truck is purchased, Adventist Community Service will provide guidelines on the corporate requirements for

displaying the Adventist Community Service logo as well as advice on the best design for your use.



FAILURE - MINIMISING THE RISKS

It is an unfortunate fact that a high percentage of businesses do fail within the first year. Ensuring that you have carefully planned and prepared can significantly reduce that risk.

All of the steps outlined in this booklet are designed to maximise your success potential, however business failure is a risk that must be managed. By following the steps in this booklet carefully you can reduce the risks considerably.

It is most important that the Business Plan be 'reality-checked'. Does it reflect the facts? If the plan is written principally to obtain a favourable decision, without due diligence on matters such as management, staffing, location or financials, then your venture may well be at risk.

When developing an exit strategy to minimise financial losses, it is wise to consider:

- Investing time and effort in research as previously discussed;
- Selecting your Manager and volunteer team very carefully. Ensure they share the vision and aims of the Management Committee and are able to work collaboratively to achieve the stated aims;
- Not rushing to open. Due diligence must be complete before opening for business. This should include signage, fit out and promotional strategies to maximise your first impressions to the community;
- Reality-checking your budget forecasts and referring to them regularly to measure your performance;
- Avoiding any reliance on private loans either cash or in-kind. Any such offers of support should be made as a donation to the venture and documented as such. They should not be included in calculations of your true financial position, as you need to check income against your budgeted figures to ensure sustainability. A business cannot continue to operate on the expectations of donors being available to plug the gaps;
- Closing a failing Op Shop if you can negotiate your way out of a lease or sublease, rather than continuing to operate in debt;
- It is better to close on a high than when you are in financial trouble;

FINAL WORDS

Go forward with lots of prayer, guidance and God's blessings.



Adventist
Community Services

Important Contacts

**CONFERENCE DIRECTOR OF
ADVENTIST COMMUNITY SERVICES**

Steven Teale

Email steventeale@adventist.org.au

Phone 0409 426 149

**CONFERENCE ASSISTANT
TO THE DIRECTOR**

Jacques Cloete

Email jacquescloete@adventist.org.au

HERE TO SERVE



Adventist
Community Services