Ocmulgee

EVIDENCE-BASED CASE STUDY

Retail and hospitality | Small company

A 14-person retailer cuts communication cost by 33.9%: Finance and administration

RETAIL AND HOSPITALITY | SMALL | FINANCE AND ADMINISTRATION

-33.9%	+60.3%	20 days
COMMUNICATION COST PER STORE [1]	FIRST-STORE INVENTORY TURNOVER [1]	IMPLEMENTATION PERIOD [1]

PROBLEM

Free-form ordering, unclear purchasing responsibility, inaccurate inventory data, and delayed replies increased communication cost. Store growth amplified the effect of inconsistent information and local purchasing decisions.

SOLUTION

The company used standard order forms, two fixed order days, supplier-based purchasing ownership, one inventory ledger, and company-wide training. These changes created one repeatable purchasing flow across stores and headquarters.

RESULT

Observed monthly variable communication cost per store fell from JPY 8,595 to JPY 5,685. First-store inventory turnover rose from 1.16 to 1.86.

BUSINESS LENS

SWOT: store growth created coordination weakness. Standard work used the existing team to support expansion without adding process complexity.

ASSUMPTIONS AND LIMITS

Single case with limited operating data and no controlled causal test. Monthly observations overlap implementation, and outside factors can affect communication cost.

DEPARTMENT APPLICATION

FINANCE AND ADMINISTRATION

Variable communication cost fell after implementation.

Application analysis based on the cited source. It is not a separate measured result.

Prepared by Ocmulgee Business Process Solutions from the cited independent source. This is not an Ocmulgee client engagement or an original Ocmulgee result.

SOURCE [1]

Nagayoshi, 2012. The Work Activities Improvement Based upon a Business Process: A Case Study of Small Retail Firm in Multi-Store Development. https://doi.org/10.11287/jmda.12.92

Peer-reviewed journal case with operating data | Size basis: 14 employees across an online store, 3 physical stores, and headquarters.