

Salud Natural | Suyapa Parafita, owner

Mentoring Guide | Prepared following the January 2012 visit by Evan Keller (author)

Strengths:

She has strong wholesale clientele, currently selling to 15 doctors' offices and all the natural remedy stores in Teguc.

Weaknesses:

The 3 retail stores (downtown, Nova Centro Mall, Premiere Mall) are not profitable, with market share dominated by a competitor with 7 stores and a popular radio show.

Opportunities:

The best opportunity for revenue growth seems to be in the wholesale distribution side of the business, named "Representaciones P" (for Parafita). She is the country's exclusive distributor for five growing brands: Nature's Bounty, Ester C, Osteo BiFlex, Heel, and Met-rx (which are all available in the U.S. as well). There are opportunities to introduce these products to other stores and there are opportunities to find new brands to introduce to Honduras. Three salespeople are supervised by Saul (Suyapa's husband).

Threats:

The biggest danger is that the retail stores will continually consume the profit from her other businesses.

Questions:

What is the natural remedy market like in San Pedro Sula? What would it take to begin distributing your 5 brands there?

What is the profitability of Salud Natural as compared to Representaciones P?

List the three stores in order of revenue and profitability. Should all three remain open? What criteria do you use to determine this?

Is there a market to buy Salud Natural if you ever decided to sell it?

Have you found a massage therapist and a nutritionist?

What financial arrangement do you have with your on-site doctors?

What are the expectations of Jackie in exchange for her monthly marketing fee? Are you maximizing her services?

Business Recommendations:

When in Florida in March, explore which brands may be successfully introduced in Honduras. DeLand Natural Market and Whole Foods Market would be two excellent stores to visit.

Create a New Year's Resolution promotion each January.

Require employees to hand out manufacturers' fliers (which they provide at no charge) to passersby on a regular basis.

Test whether offering free samples (of honey, etc.) leads to increased store traffic and increased sales.

Utilize a "loss leader" to generate store traffic. A low price on a popular item could win you customers who may make other purchases as well. You can either choose one product as a long-term loss leader or rotate them among popular products such as Vitamin B, lecithin, fish oil, and garlic. The key to this is publicity; if the discount isn't bringing new people into the store then you're just giving away your profit with no return!

Require your employees to write down each product that customers ask for but aren't currently stocked. Make it easy for them by providing a clipboard or notebook (that can also serve as a reminder) to record the inquiries on. Look for trends in this data for use in your purchasing decisions.

Debbie suggested that inventory be organized according to usage (planimetria), with shelves devoted to (and labeled for) weight loss, vitamins, herbs, treating colds/coughs/allergies, building muscle, etc. This will help customers see what you have at a glance and more quickly find what they need.

Train your employees to "up-sell". Have them ask: "Did you find everything you were looking for?" and "Would you like to try an all-natural fruit bar (an example)? If your products have similar profit margins, train employees to suggest the more expensive ones first. Have them mention new services to people who come in, pointing out a poster or giving them a flier while saying: "Massage therapy is now available by appointment each afternoon."

When you're in the stores, ask customers why they choose this store over others. Use this information to make your stores more uniquely attractive.

Downtown store: lengthen the chains to lower the sign, use the large square below cash register to promote services (massage or doctor appointments) or upcoming events (class by nutritionist), place an exterior banner in the arched space above the door.

Premiere Mall store: complain about the loud music, utilize the large unused massage room, put a message on the upper part of the window (hang a poster inside that features a product or service), utilize the large wall somehow, remove the tinted glass from the display case, remove the back side of the wooden shelf so products can be accessed from both sides.

Mentor Recommendations:

Connect Suyapa with DeLand Natural Market.

Connect Suyapa with Jenny Prah, a nutritionist.

Notes:

Email: lparafita@gmail.com

Nicely done website: <http://representacionesp.com>

She receives 15-25% of the massage fees.

A doctor is on site Monday, Wednesday and Friday at the downtown store.

Email: sparafita@yahoo.es