

Checkpoint 7.1

1. When selecting a site for a business, what factors should you consider?

Answer: Factors you should consider are economic indicators, state and local incentives, zoning laws, employees, supply chain, and competition.

2. What kinds of restrictions might exist for businesses within residential areas?

Answer: The nature of the business, number of employees, hours of operation, and noise and delivery issues.

3. Explain what *brick-and-mortar* means.

Answer: A brick-and-mortar business is a company with a physical store or facility for at least a portion of its operation.

4. What is the difference between e-commerce and e-tailing?

Answer: E-commerce is the term for the buying and selling of goods or services through the Internet. E-tailing is conducting retail sales, in particular, through the Internet.

5. What are the different types of shopping centers?

Answer: Some are *traditional malls* with anchor stores and many other retailers drawing a variety of customers. Traditional malls are usually under one roof, making it convenient for shoppers to visit stores in any weather conditions. *Town centers* are open-air malls with many retailers. They are arranged more like an older center of town with walkways and landscaping. *Strip malls* are smaller open-air shopping centers where the stores are arranged in a row with a sidewalk in front. Shopping centers have free parking.

Checkpoint 7.2

1. Why might you want to lease rather than buy a building for your business?

Answer: Compared to building or buying, leasing space lowers the initial business start-up costs and involves a lower risk commitment.

2. When setting up a retail store, what criteria should you consider?

Answer: Consider the product, sales per square foot, shoplifting, space, aisle width, and traffic flow.

3. What are the different types of floor plans for a retail business?

Answer: Floor plans could include the straight, diagonal, angular, loop, or free-flow floor plan.

4. What is production workflow? Why is it important?

Answer: *Production workflow* is the sequence of the assembly, and it greatly influences a facility layout. It is important to organize employees' workflow into an efficient production line. Some products require mass assembly lines, while other products are built one at a time or in small batches. It is important to balance speed and efficiency with product quality.

5. What are the three main types of manufacturing layouts?

Answer: 1. Product-based floor plan. 2. Process-based floor plan. 3. Project-based floor plan.