Name:

**Reducing or Managing Uninsurable Risks Activity**

Directions: You will determine how a business can respond to uninsurable risks. Read the provided scenario about NorWalls Department Store. Determine which uninsurable risk is prevalent and provide suggestions of how the department store could respond to the prevalent uninsurable risk in each scenario.

1. NorWalls Department Store relies on its employees to make sure all customers are satisfied shoppers. The customer relations department manages feedback from customers about their shopping experiences. The Customer Relations Manager has notice that at one of its locations that there is a decrease in customers’ satisfaction of their shopping experiences. One customer described in her feedback on a survey that a sales associate was rude and inefficient during a sales transaction.

Which uninsurable risk should be addressed?

What are some suggestions that would help the store address this uninsurable risk?

1. NorWalls Department Store noticed that a similar store changed its policies that will allow customers to return merchandise within 90 days of purchase. The competitor wants to make sure that their customers are highly satisfied with all purchases. The NorWalls Department Store allows customers to return unused merchandise within only 30 days. The department store is studying whether or not it should consider changing its return policy. The department store does not want to lose any customers or get stuck with returned used merchandise.

Which uninsurable risk should be addressed?

What are some suggestions that would help the store address this uninsurable risk?

1. NorWalls Department Store is planning to open another location within 45 miles of its intended clientele. This location will be first to use the faster scanners. The department store will be surrounded by other retailers that sale accessorizing services and products. Potential employees can be trained at a Training Sales Center, which will allow the department store to save money on training. The only concern that the department store has is that there are fewer entrances and exits in the parking lot as expected. This could impact customers’ willingness to wait in traffic lines.

Which uninsurable risk should be addressed?

What are some suggestions that would help the store address this uninsurable risk?

1. NorWalls placed Quick Response Codes (QRs) in some of their ads. The Marketing Manager thought it would be a great idea that would allow customers to scan QRs in order to access information quickly about their merchandise. At first the manager was skeptical about how many potential customers would use their mobile telephones to scan (QRs). The manager is always looking for ways to accommodate their customers and potential customers in obtaining necessary information that would assist with purchases. The manager has to make sure that QRs appear in ads that would reach potential customers, especially since they have faced a 5% decrease in sales last quarter.

Which uninsurable risk should be addressed?

What are some suggestions that would help the store address this uninsurable risk?

1. NorWalls Department Store noticed an increase in sales in its Electronics Department over the past four quarters. It made several changes in order to better serve customers. One change allows customers to order merchandise online and pick up at a local location. This will allow customers to talk with sales associates about the how to use the merchandise and its features. Also it expanded the accessory options for its major electronics. This will increase sales of merchandise. Lastly, the sales associates are wearing newer uniforms that display the sales associate name in larger letters. Customers will be to readily see names of sales associates in order to start building a relationship for future shopping experiences.

Which uninsurable risk should be addressed?

What are some suggestions that would help the store address this uninsurable risk?

1. NorWalls Department Store is responding to decrease in overall sales. It has released 15% of its employees. The department store has cut back on its operating hours for some of its departments. It has also increased prices on some of its services. It is now charging 3% more for gift wrapping, 5% more shipping & handling, and a small fee for personal shopping. Fewer unique items are available in local stores in order to decrease held over inventory. Customers are encouraged to purchase these items online.

Which uninsurable risk should be addressed?

What are some suggestions that would help the store address this uninsurable risk?