



OUTLET RENOVATION



Renovation schedule needs to be managed in a timely manner such that the impending opening of the outlet will not be affected. Good coordination and communication between the various suppliers and contractors will ensure that all parties are clear about their expected roles, and enable the renovation works to be completed in time.

Therefore, it is important that Distributor pays special attention to the renovation process in dealing with the ID personnel and various external vendors or partners. Proper planning of a realistic timeline (with allowance) and a disciplined adherence to the renovation schedule will aid in meeting the outlet opening deadline.

KINOHIMITSU
FREEDOM TO LIVE

Distributor should compare quotations from different companies before appointing the main contractor, and any other sub-contractors or vendors.

D-1 Pre-Renovation Preparation

Preparatory work to be done before the actual renovation starts is critical for the renovation to be completed on schedule. The preliminary work includes:

- Finalize renovation and deliverables schedule with the appointed ID personnel/ contractors/ vendors
- Obtain approvals/ permits (if necessary) from relevant authorities
- Obtain relevant permits/approvals from Landlord:
 - Renovation Permit

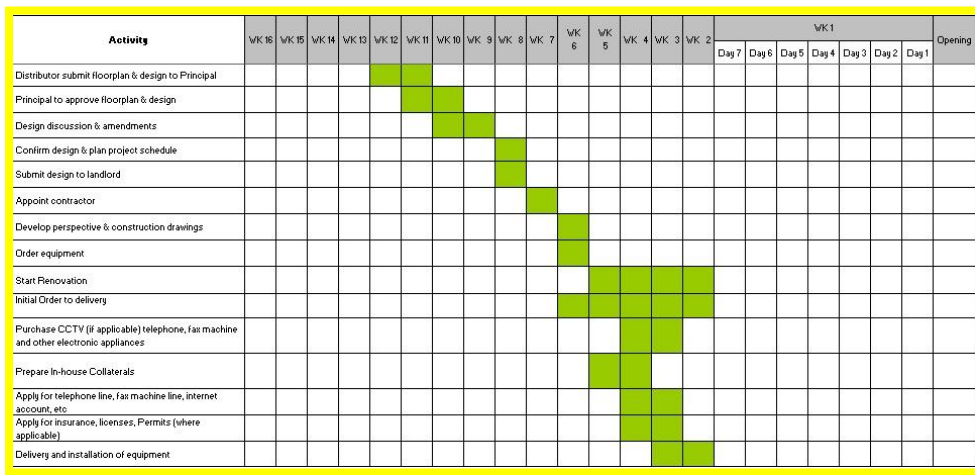
- Availability of utilities
- Approval for advertising and promotional material
- Approved time slots for intensive renovation works
- Conduct pre-renovation site meeting with all parties

Throughout the renovation process, be cautious of timelines and progress of renovation against the various deadlines. Finally, there are some points to note regarding the renovation process (not exhaustive):

Item	Remarks
Renovation Gantt Chart	<ul style="list-style-type: none"> ▪ Distributor shall request for a Renovation Gantt Chart from contractor to enable the Project Manager to keep track of all the renovation activities. ▪ It also states the time needed to execute the task as well as the expected date of completion.
Renovation Time	<ul style="list-style-type: none"> ▪ This is location-dependent. For example, if the location is in the shopping mall, renovation time is subject to approval by the mall management as all efforts will be made to minimize disruption to the shoppers.
Renovation Period	<ul style="list-style-type: none"> ▪ Ideally, renovation should not be carried out during festive seasons and public holiday periods.
Noise Restriction	<ul style="list-style-type: none"> ▪ Some landlords may restrict “noisy” renovation, and thus these works can only be done in the night, usually after the mall's operating hours.

Worker's Work Permits	<ul style="list-style-type: none"> Contractor is responsible to obtain the relevant work permit for every renovation worker.
Public Liability Insurance	<ul style="list-style-type: none"> Contractor is required to maintain the insurance during the term of engagement.
Workmen Compensation Insurance	<ul style="list-style-type: none"> Contractor is required to maintain the insurance during the term of engagement.

A sample template of the Renovation Gantt Chart (Refer to BPM Appendix 1) can be found below:



It is the contractor's responsibility to ensure the fire safety, pollution control and any other regulations that are spelled out in the Landlord's Renovation Guide is closely adhered to.

The typical duration of renovation is as follows:

- Beauty Bar – 2 to 3 weeks
- Boutique – 4 weeks
- Flagship store – 4 to 6 weeks

D-2 Renovation Work-in-Progress

A typical Kinohimitsu outlet would require approximately 2 – 3 weeks for renovation upon confirmation and approval of the final design. As soon as the various permits have been approved, the Distributor can begin the renovation.

The role of the Project Manager during the renovation period is to supervise and monitor the progress of the renovation. Should any problem arises during the checks, he should resolve it expediently, as rectification works after the renovation period will be more complicated, costly and time-consuming.

These are some of the questions (not exhaustive) that should be posed:

- Is the overall progress in accordance with the renovation schedule?
- If it is behind time, what can be done to expedite the progress?
- Are the materials used for renovation the correct ones?
- Are the specifications of each area correct, both in terms of design and requirements?
- Are the signage constructed properly according to the colour schemes?
- Are all furniture and fixtures (e.g. display wall, storage cabinet) constructed based on the correct dimensions?

KINOHIMITSU
FREEDOM TO LIVE

Distributor should send daily updates of the renovation progress to Principal, to ensure that any issues are attended to in a timely manner.

D-3 Purchase of Operational Equipment and Consumables

Distributor will be given specifications of all key equipment and consumables that are required to purchase prior or during renovation works. Where necessary, the Principal will direct Distributor to its Approved Suppliers to purchase such items.

The purchase list includes the following (not exhaustive):

- Mini-refrigerator
- Printer
- Telephone
- Fax machine
- POS and inventory system (tenant's terminal, if applicable)
- CCTV (if applicable)
- Audio System (if applicable)
- Wi-Fi system
- Consumables (e.g. carriers, samples, brochure, sampling cups)
- Display / signage stands
- Staff uniform and badges

The Wi-Fi system is set up as follows:



The Distributor is recommended to refer to the **Purchase Checklist** (Refer to BPM Appendix 10) for a guide on what to purchase for both the operation equipment as well as Wi-Fi equipment. When purchasing the Wi-Fi system, the Distributor is to ask the IT vendor to

complete the **Hardware and Network Setup Documentation Sheet** (Refer to BPM Appendix 11).

During the renovation period, the installation of the equipment can take place in batches and Project Manager is to ensure that:

- Equipment delivered is correct and according to specifications
- Equipment is properly installed and any changes that affect the fitting-out of the outlet are communicated to the Contractor (Project Manager is to coordinate and ensure that the changes are executed in accordance to requirements.)
- Equipment is tested to be in working order

D-4 Purchase of Initial Order

The initial order refers to the **first batch** of stocks that the Distributor needs to order from the Principal which include display stocks and product inventory. The order will be recommended by Principal upon confirmation of site selection and outlet layout approvals.

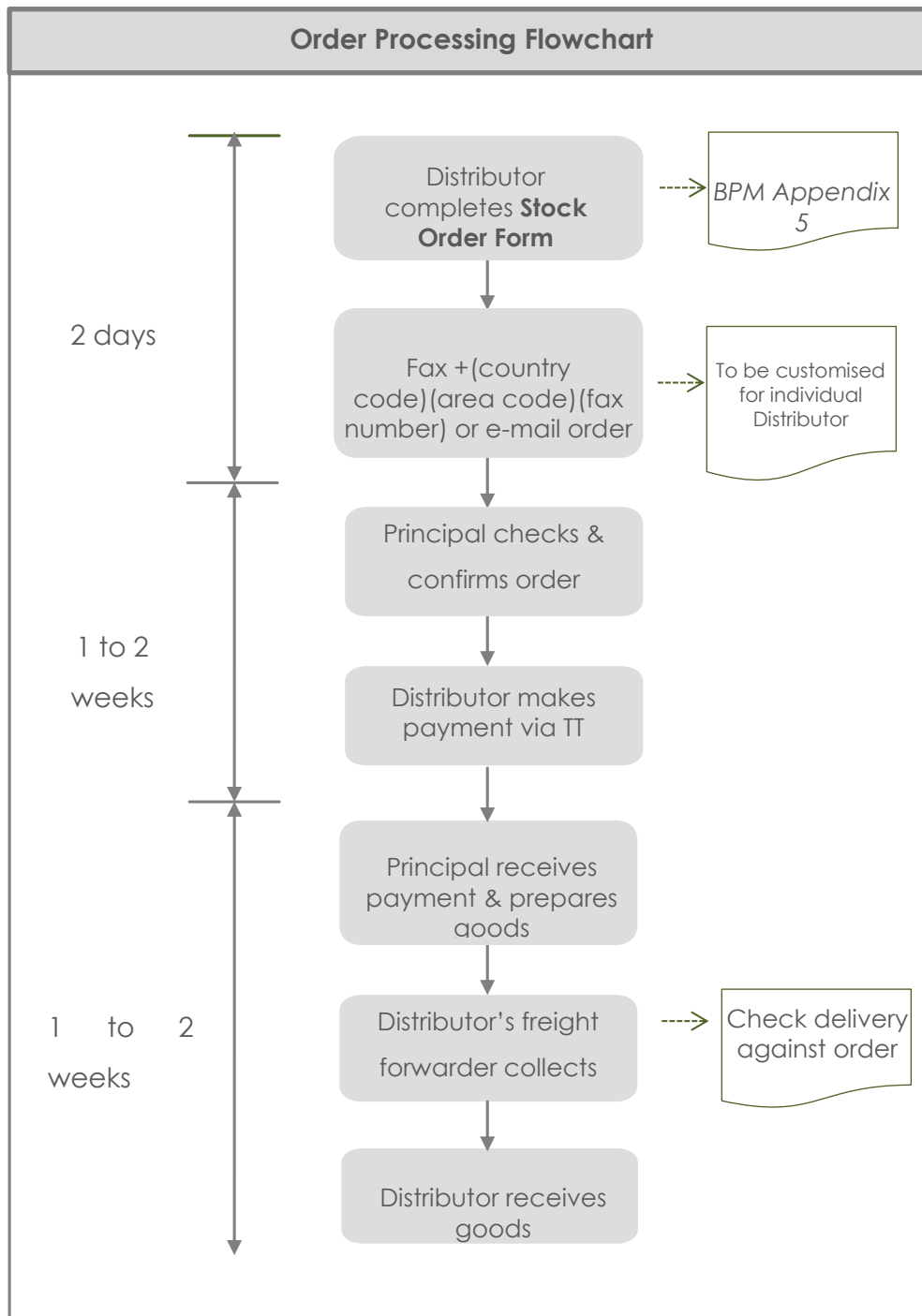
Principal will provide advice on the product selection of Distributor's initial order, during the layout design and planning stage. Each product's display area will be established in the layout plan.

The Distributor accepts the recommended list of initial order by placing a formal purchase order with the Principal using the **Stock Order Form** (Refer to OOM Appendix 5).

KINOHIMITSU
FREEDOM TO LIVE

The initial order should include display stocks and at least 2 months' inventory to be set aside for boutique sales.

D-4-1 Stocks Order Processing Flowchart



D-5 Renovation Handing-over

This is the stage whereby the renovation has been completed and the Kinohimitsu outlet is now officially handed over to the Operations team. At this handover, the Principal, Distributor, appointed ID, Contractors, Project Manager and Outlet Management should be present. All parties should go through each and every part of the renovation carefully as it is important that any renovation problems be communicated and rectified at the soonest possible.

After this point, the Kinohimitsu Outlet would have been “handed-over” from the contractors to the Distributor. Preparation of the Kinohimitsu outlet for the opening will then begin, which will be covered in the next chapter.

The hand-over of the outlet usually takes place about 1 week before the outlet opening. The following are some guidelines for renovation hand-over checks (not exhaustive):

Item	Activities
Carpentry	<ul style="list-style-type: none">▪ Ensure wall-mounted works are fastened▪ Check that all cabinet doors, shelves and drawers are in good condition and in working order▪ Check exterior finishing for cracks and faults▪ Check that the works are done in accordance to measurements▪ Check the quality of workmanship and finishing
Furniture and Fixtures	<ul style="list-style-type: none">▪ Check for stability▪ Check for dents and faults

	<ul style="list-style-type: none"> ▪ Check if all furniture and fixtures are in accordance to measurements ▪ Check the quality of workmanship and finishing
Electrical	<ul style="list-style-type: none"> ▪ Check that all lights and sockets are working ▪ Ensure electrical drawing is supplied ▪ Ensure all switches are labelled ▪ Ensure telephone points are connected/activated ▪ Ensure internet connection is up and stable
Paint	<ul style="list-style-type: none"> ▪ Ensure all corners are painted properly
Tiles	<ul style="list-style-type: none"> ▪ Randomly tap on floor and ensure that it does not sound hollow (for new mall)

After the outlet has been renovated and the installation of the equipment has been completed, all fine-tuning of the outlet will continue until it is ready for opening.