

Speciality product retailer

Business profitability review and cost rationalisation assessment in advance of market communication



Client challenge

The client, a speciality product retailer, had expanded its network through acquisition and was experiencing varying financial performances from its multiple store offerings. It was also experiencing a lack of transparency in performance due to the different approaches employed across previously disparate operations. Legacy cost structures had also not been addressed, which were suppressing financial performance.

Our approach

In close collaboration with the client, our approach included:

- Conducting a review of all operating locations and developing an analysis that presented financial performance consistently.
- Developing an analysis based on KPIs generated independent of management that allowed key stakeholders to understand and challenge their view of the business.
- Following the analysis phase, we developed recommendations that could be implemented at both the network level and the individual location level.
- Ensuring recommendations reflected the business's operational reality and had an operational and financial impact.
- Working closely with management throughout the process to ensure that ownership of the recommendations was transferred seamlessly to our client and that we had regular reviews to ensure work was progressing as it should.

Benefits for the client

The analysis framework we developed provided the client with a new, more structured and more transparent way of reviewing the financial performance of its locations.

We created a cost rationalisation roadmap to drive up to 15.5% savings on selling, general and administrative expenses and operating expenditure.

The client even included our recommendations in its implementation plan for its next operating model iteration.

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CREATE | CRT151062A | September 2023