



CLIENT STORY | TURNAROUND STRATEGY FOR INTERNATIONAL FASHION APPAREL RETAILER

Region :
INDIA

Consulting Services :
PERFORMANCE IMPROVEMENT

CLIENT SITUATION

- The client is a billion dollar casual wear retailer and wholesaler with operations centered in Europe and expanding rapidly in emerging markets
- The client had undertaken expansion in India through exclusive brand outlets and shop-in-shops but had not achieved profitability and revenue scale even after three years of entering the Indian market
- The board of the parent company invited us to assess the situation and recommend a turnaround and growth strategy

OUR APPROACH

- Avalon Consulting undertook a comprehensive diagnostic of the business, beginning with a review of historic operations , covering retailing format review, product manufacture & sourcing, supply chain and branding
- A data driven analysis of the situation revealed store level profitability challenges tied to the product offer, product sourcing practices and real estate selection
- Avalon focused on strengthening the fundamentals of the business by realigning the format strategy, product portfolio and supply chain norms – this was done by putting best practices in place, realigning price architecture through competitive benchmarking, reducing landed cost by identifying better cost sources and reducing inefficiencies in the global supply chain.
- An expansion strategy hinging on a market demand driven format selection in identified markets combined with review of the current store portfolio to enable rapid right sizing of stores created a platform for profitable POS expansion
- The organisation structure was also realigned to drive increased responsiveness and cut costs where needed

OUR RECOMMENDATION/ IMPACT

- Our recommendations were presented and accepted by the global board members of the client and the board suggested immediate implementation of the strategy
- The client has followed through on the recommended implementation measures and continues to follow the expansion strategy suggested by Avalon Consulting and the five year business plan that was put together
- This has helped it to drastically reduce fixed cost of operations, make the product portfolio localised and competitive and bring down product costs through significant sourcing from local and proximate sources – leading to a marked increase in gross margin
- The client has now embarked on an expansion strategy with confidence of growing business turnover and profitability aggressively