



CLIENT STORY | BUSINESS PROCESS RE-DESIGN TO ENABLE PROFITABLE BUSINESS GROWTH IN FASHION RETAIL

**Region :**  
INDIA

**Consulting Services :**  
BUSINESS PROCESS RE-DESIGN

## CLIENT SITUATION

- The client is one of the leading luxury fashion design businesses in India
- The client feels that the business is not generating the required levels of profitability commensurate with the nature of the business and inadequate business processes is a key reason for this performance
- The company wanted a complete transformation in the approach of doing business and set-up system & processes to improve business performance

## OUR APPROACH

- Avalon started with a detailed diagnostic of the business evaluating the key reasons for margin leakage
- All key activities & processes were mapped and prioritized on the basis of their impact on revenue & profitability. These process were evaluated, redesigned & implemented to improve performance
- Reviewed the organisation structure, roles and responsibilities and right sized the organisation through appropriate recruitments and retrenchments
- The design strategy was reworked to improve revenue. Changes were made in product mix & pricing to align with the market. Interventions were made at the retail stores through better merchandising and greater oversight
- Created and implement the use of appropriate dashboards at the retail front end to enable better decision making on orders from stores
- Costing model was created to correct the mistakes in pricing
- Leakage of GM due to production overrun was identified as a key issue from the diagnostics. Interventions were made in terms of monitoring actual vs budget cost and implementation of ERP to improve efficiency and enable better control
- Production team was empowered with planning & tracking tools to improve on-time delivery and minimize over time
- Reviewed and made appropriate changes to the MIS and coached the senior management to use this more effectively to manage the business.

## OUR RECOMMENDATION/ IMPACT

- The business has been growing at a CAGR of >30%
- The profitability of the business has improved significantly as compared to last year
- Significant savings were achieved in some of the key cost heads- embroidery, fabric etc because of close monitoring of actual vs budget cost