

Retail and Wholesale Industry Sector

Sylvan provides the full breadth of advisory services to Retailers and Wholesalers, to include Business Case development, Vendor Selection, Transition Management, and establishing and optimizing Offshore Centers. Advisor's from Sylvan have worked with Department Stores, Discount Stores, Big-Box Retailers, and Non-Store Retailers to deliver meaningful business change and measurable results.

Background

The level of competition has become exhausting, as Retailer vie for the same available dollar of spending. In today's economy, a Retailer must display a clear and significant competitive advantage in order to earn the Consumer's business. Malls and Superstores are engaged in a battle for survival, while Non-Store Retailers (e.g. online, catalog, mail-order) are stealing business from In-Store venues, including both competitors and their own brick and mortar storefronts. While at the same time, we are also experiencing a shift toward online purchasing that now includes deep discounts on major consumer items (e.g. televisions, jewelry, appliances...).

While overall consumer spending has slowed, it is still a \$4 trillion business, with all trends pointing to a turbulent year ahead. It is anticipated that many Retailers will endure lower profit margins, than in prior years, while others will be forced into bankruptcy.

Benefits

Retailers and Wholesalers have attained first-year cost savings that range from 21%-48% over their previous operating costs. By virtue of the full life-cycle approach, these cost savings have been directly attributed to the ability to provide services from low-cost geographies. These firms have also experienced a return on their initial investment (ROI) that ranged between 3 months and 12 months.

In all cases, the quality of services being provided has equaled or exceeded the previous service levels within the first year of operation.

Business Challenges

Retailers and Wholesalers are under tremendous pressure to survive through this economic downturn, and hopefully emerge as a better and more competitive organization. These companies are confronted with the need to reduce costs in order to stay alive, while not eroding their ability to sell their products. Cost cutting through divestitures and layoffs has served to temporarily reduce operating expenses, but have also provided the first step in a potentially downward spiral.

Inexperienced management teams are embracing a strategy of aggressive indecision, whereby they are waiting for signs of an upturn before they are willing to move forward. Experienced management teams are now considering the use of offshoring as a method for reducing operating costs, while maintaining the ability to sell and deliver products to consumers. These same management teams are also exploring the outsourcing of all internally-focused business functions, assuming there is at least a 20% cost savings to be had.

Approach

Sylvan has worked with Retailers and Wholesalers to provide unbiased and experienced advisory services. With a typical team size ranging from 1 to 3 Advisors, Sylvan has successfully developed business plans, performed vendor selections, renegotiated existing agreements, and managed the transition of internal staff members.

Over the last 5-years, Advisors from Sylvan have facilitated the establishment of vendor relationships with Accenture, IBM, TCS, Infosys, Wipro, Patni, HCL, Terralink, and NIIT. Sylvan VI Advisors have also worked with client companies to establish and optimize captive centers located in Cairo Egypt, Bratislava Slovakia, multiple cities in India, Monterrey Mexico, Sao Paulo Brazil, and Dalian China.

Sylvan's Advisors have worked with Retailer and Wholesalers to out-source the following business functions:

- Information Technology (backoffice)
- Procurement (backoffice)
- Finance and Accounting (backoffice)
- Consulting Services (client-facing)
- Managed Services (client-facing)

Contact Information

Sylvan's Services Offerings are managed by:

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About Sylvan Advisory

Formed in 2007, with its founding Partners coming from Big-5 consultancies, Sylvan Advisory represents a unique mix of buy-side and sell-side experiences, that is supported by deep industry, financial, and technical knowledge. With its headquarters in New York City, and satellite offices in Los Angeles, Atlanta, London, Amsterdam, and Singapore, coupled with a history of having conducted business in 43 countries, Sylvan is well-positioned as the premier global provider of value-creation services.