

PROJECT SUMMARY BUSINESS DIVISION STARTUP & RAPID EXPANSION – RETAIL SECTOR

PROJECT TITLE: INTERNATIONAL RETAIL EXPANSION

Project Overview: A CGN Consultant led international human resources for creation of a new international division and its rapid expansion.

Business Objectives

- Form and launch a new International Division; create and implement an international expansion strategy
- Grow as rapidly as possible while protecting and building a global brand and company culture, and balancing ROI trade-offs (short term and long term)

Challenges

- Limited internal experience with the brand and with consumer tastes and preferences outside of North America
- Very high store-level staff turnover endemic to the retail industry exacerbated the challenge of building depth of talent to fuel growth from within
- Start-up resembled a Greenfield since no staff was in place, no strategy or plan existed, and new Division was expected to chart its course autonomously

Solutions

- To develop new country entry and penetration strategy, the consultant developed organization designs for alternative expansion scenarios (which countries, how many at a time, store openings timelines), built pro-forma cost models of the organization over a 3 year plan to enable pro-forma P&L and ROI analysis, and coupled this analysis with market and store development evaluations to determine expansion strategy
- Created multi-country, multi-year staffing, staff development plans, succession plans and manpower models to drive recruitment, selection, assignment, and development; maintained robust quantitative and qualitative talent supply and demand plans
- Utilized a variety of approaches to build a consistent global culture that would produce the same in-store customer experience around the world:
 - Early hires of foreign nationals into developmental assignments in established operations
 - Expatriate and in-patriate assignments, repatriation opportunities for foreign national employees in US to return home, and intensive on-boarding and immersion courses
 - Selection for cultural adaptability
 - Massive recruitment and development programs
 - Strong attention to rewards, reinforcement, and leadership development

PROJECT DURATION:

3 years

RESULTS:

- **Developed a start-up and global expansion strategy that contemplated the significant organizational cost differences associated with various expansion scenarios**
- **Achieved over 35 + % compound annual growth rate over more than four years of operation, growing non-US store base from \$100 million to nearly \$600 million**
- **Built strong and positive company culture across diverse new operating locations, delivering superb branded customer service experience, and achieving high levels of employee engagement and retention**
- **Achieved a very high percentage of local national staff populations within two years**



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