Case Study 1108

Small Retail Chain

NorthStar was engaged by a small retail chain to examine its overhead and determine what, if any, reductions could be made to improve the chain's profitability. The chain had eighteen small stores in a single state. While its revenues had remained stagnant, its expenses had continued to grow. The chain needed help now and had called upon NorthStar because of its respected SORT (Strategic Overhead Reduction Tools) package of tools and its ability to assist companies in making quick improvements to their profit structure.

After meeting with management to better understand the company and its operations, NorthStar began to study the overhead data and determine which areas showed the most promise of improvement. NorthStar professionals visited several of the stores and the management center that was located on the second level of one of the stores.

Utilizing its knowledgebase of best practices and its computer modeling techniques, NorthStar identified several areas of improvement for the retail group. A plan was presented to management detailing the actions necessary and the anticipated improvements in profits as a result of implementing the plan. The management team embraced the plan and instructed NorthStar to proceed with the final phase.

NorthStar completed the project and the company began achieving increased profits in excess of $30,000 per month within ten weeks of the completion. No associates were laid off. No changes were made in business hours. All adjustments were strictly items that had no impact or visibility by store customers.