Charlebois Family Investments Inc.

TEAM NMIMS

Problem Statement

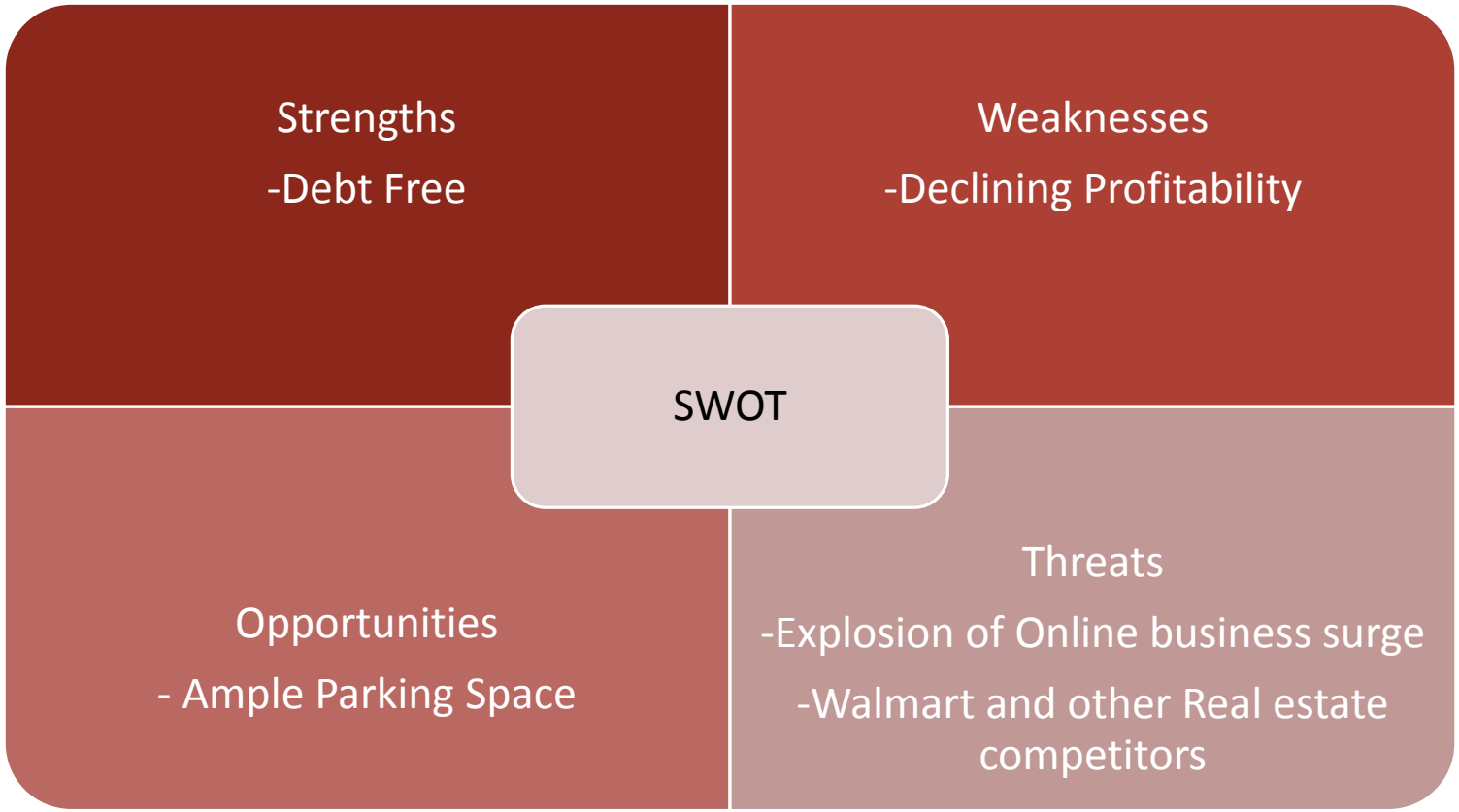
How will we maximize Shareholder Value and improve Family Wealth and Income?

Which are the ways in which profitability can be improved?

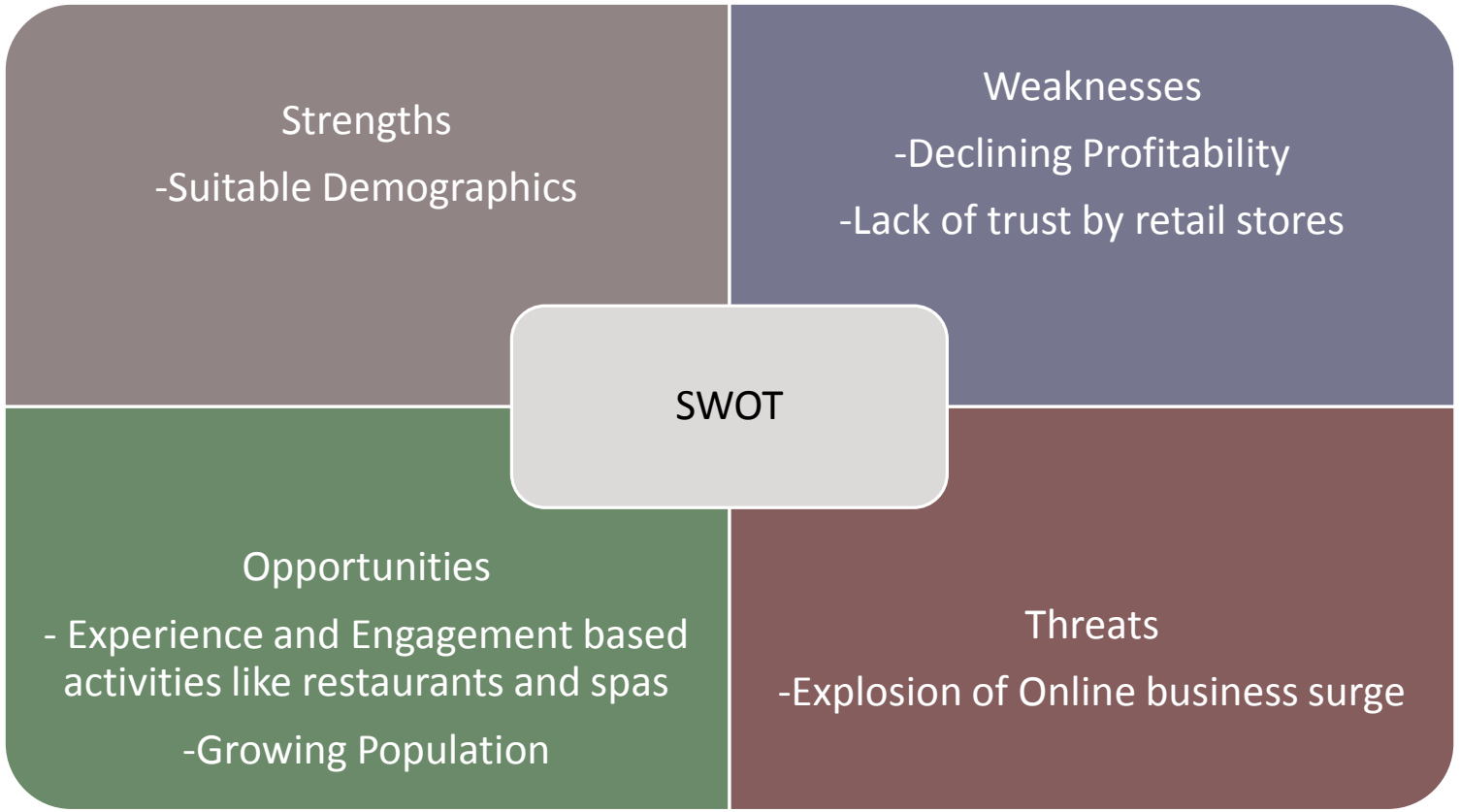
Agenda

1. Background Analysis
2. Alternatives
3. Recommendation
4. Financials
5. Implementation
6. Conclusion

Analysis: Portland



Analysis: Connecticut



Alternatives

Divest Portland Mall & Remodel Connecticut Mall

Remodel both malls with additional investment

Lease out Connecticut mall space to well established contractor and Remodel Portland

Criteria Matrix

Factors	**Weights**	Divest Portland Mall & Remodel Connecticut Mall		Remodel both malls with additional investment		Lease out Connecticut mall space to well established contractor and Remodel Portland	
		Raw Score	Weighted Score	Raw Score	Weighted Score	Raw Score	Weighted Score
Profitability	5	3	15	3	15	2	10
Growth Rate	4	2	8	2	8	1	4
Cost of Remodelling	3	3	9	1	3	3	9
Total			**32**		**26**		**23**

Recommendation

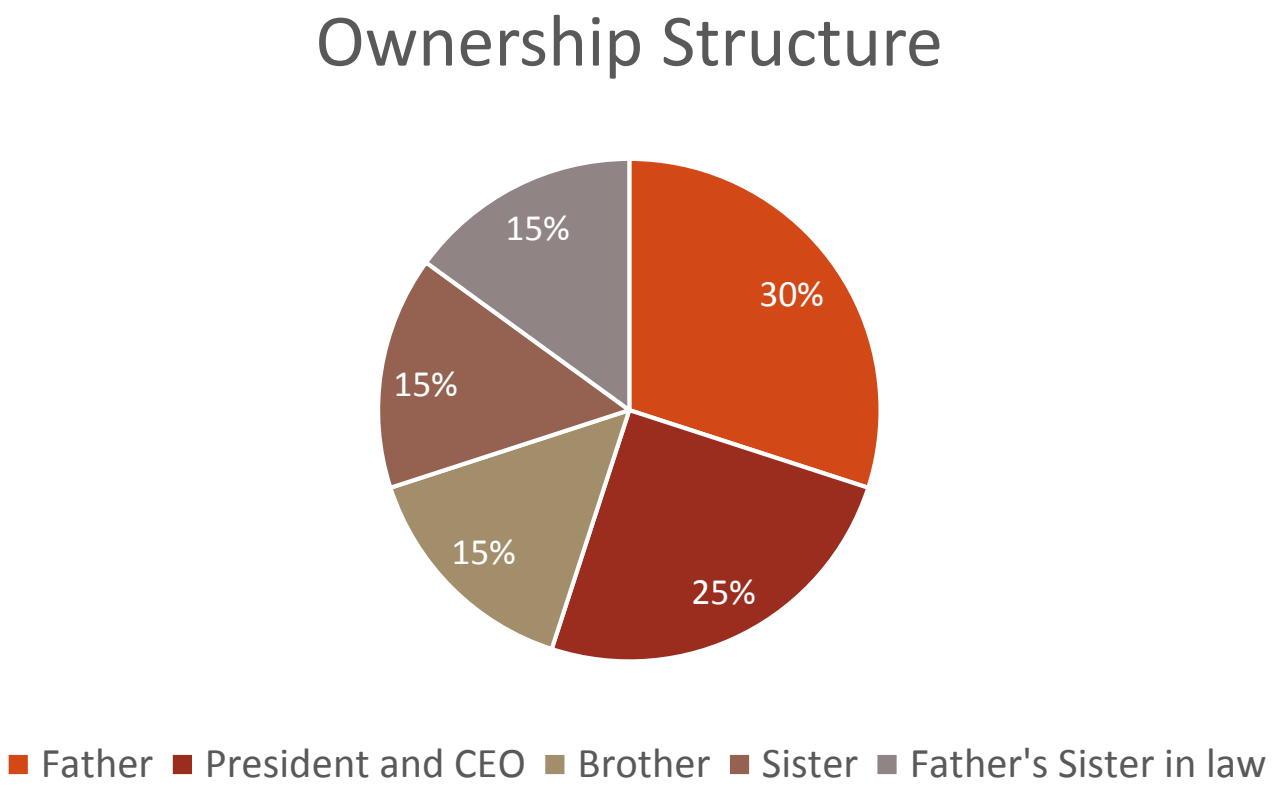
Phase 1: Divestment of Portland Mall

- Profitability is Declining
- Lower Middle Class
- No major improvements made in recent past
- Maximum Encashment before depreciation of asset
- Presence of Walmart and other retail outlet competitors

Phase 2: Remodelling of Connecticut Mall

- Understand Social Demographics
- Alternate avenues of Earning
- Improve Retail Experience

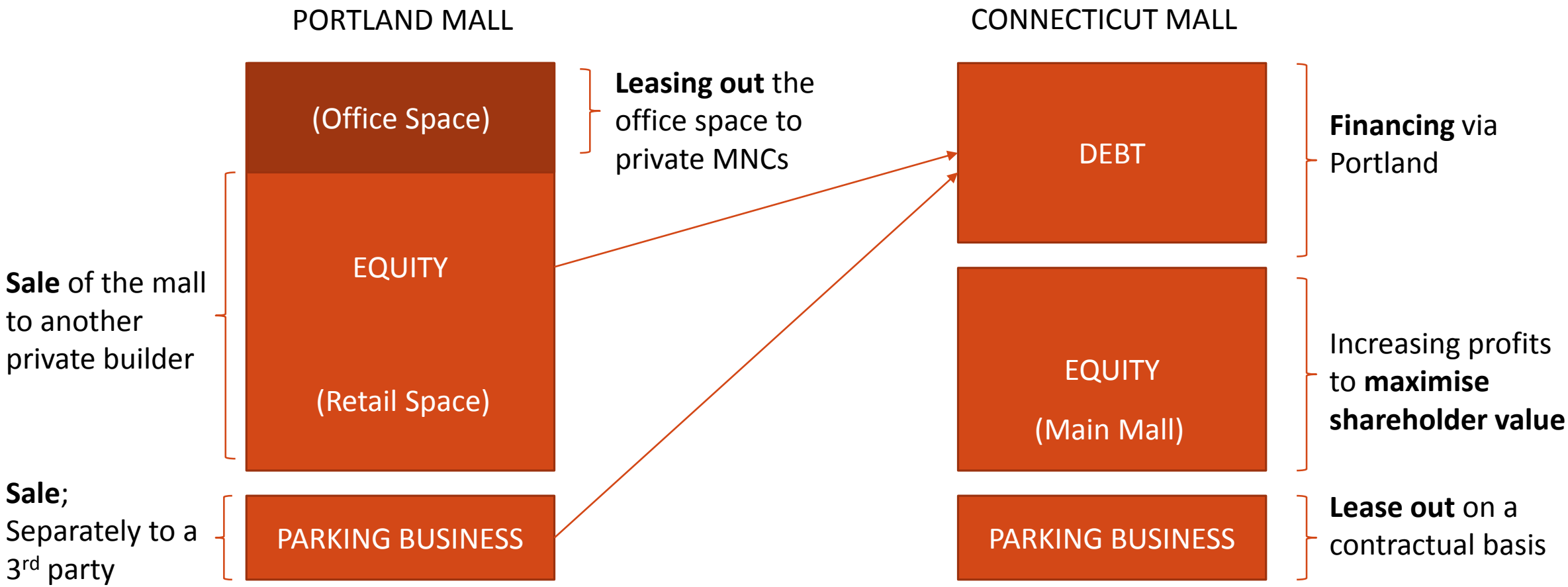
FINANCIAL STRUCTURE AND IMPLICATIONS



In case there is a difference of opinion in the board, decisions can be passed by the CEO due to majority shareholder value totalling at 55%

Father’s opinion leans in the direction of divesting a part of the business

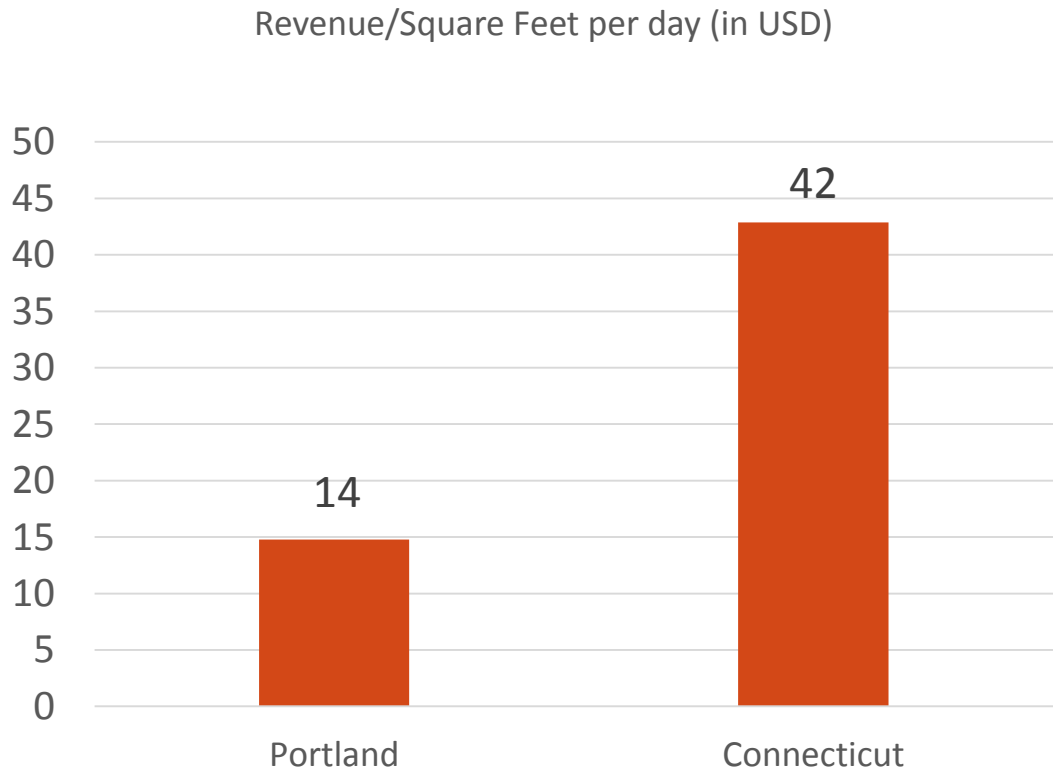
CAPITAL RESTRUCTURING OF THE ASSETS



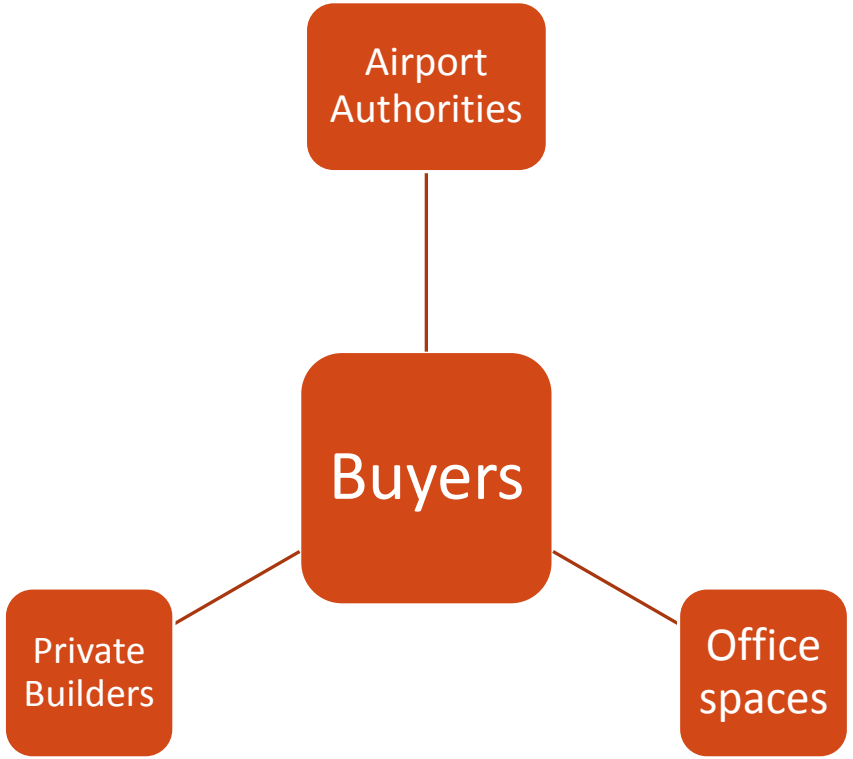
FLOOR SPACE REVENUE OUTLAY

Portland	
Population	515,000
Area	125,400
No. of Retail Stores	22
Office Space	20,000
Lower Middle Class Expenditure/day	60
Mall going population (people with spending power) approx 40%	206,000
% of people going to Portland Mall 15% of going populaiton	30,900
Total Revenue Generation of Mall/Day	1,854,000
Revenue per person/Square Feet per day	15

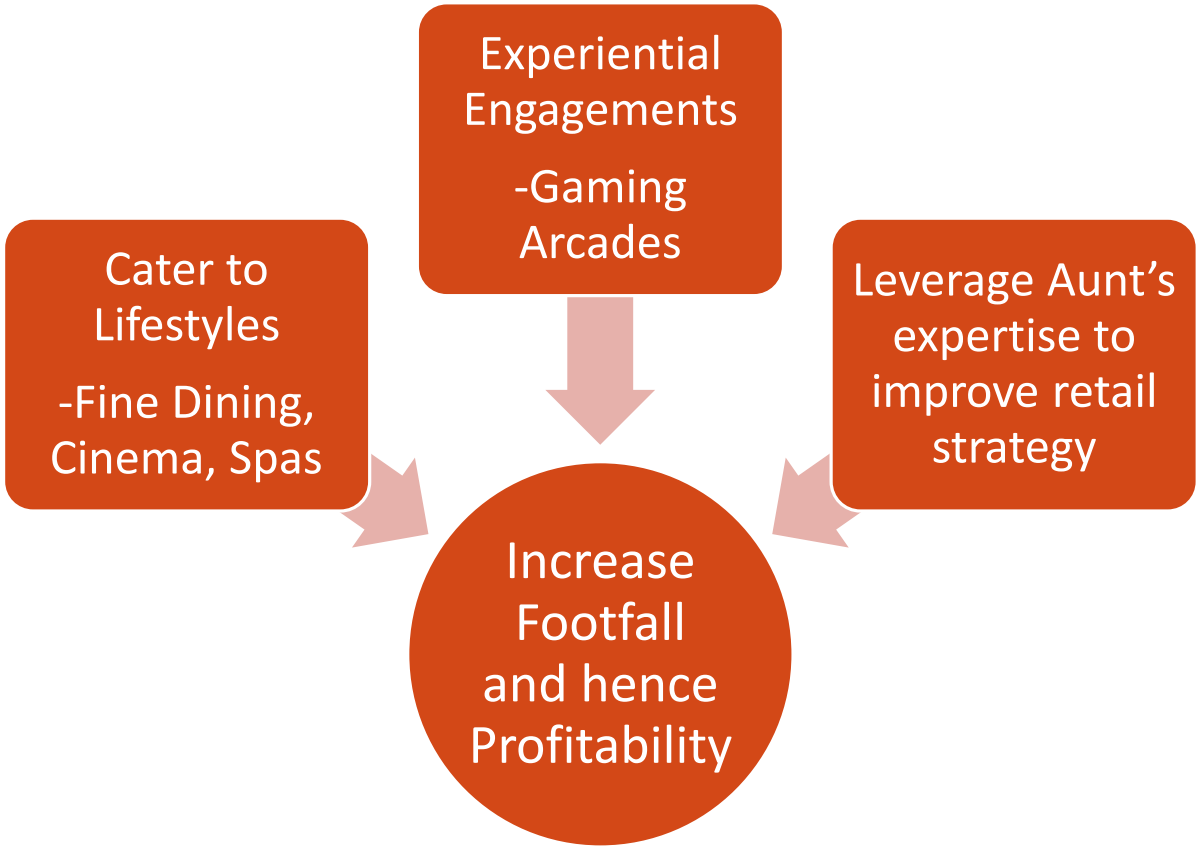
Connecticut	
Population	1,215,000.00
Area	425,000.00
No. of Retail Stores	89.00
Office Space	-
High Income Upper Middle Class Expenditure/day	100.00
Mall going population (people with spending power) approx 50%	607,500.00
% of people going to Portland Mall 30% of going populaiton	182,250.00
Total Revenue Generation of Mall/Day	18,225,000.00
Revenue per person/Square Feet per day	42.88235294



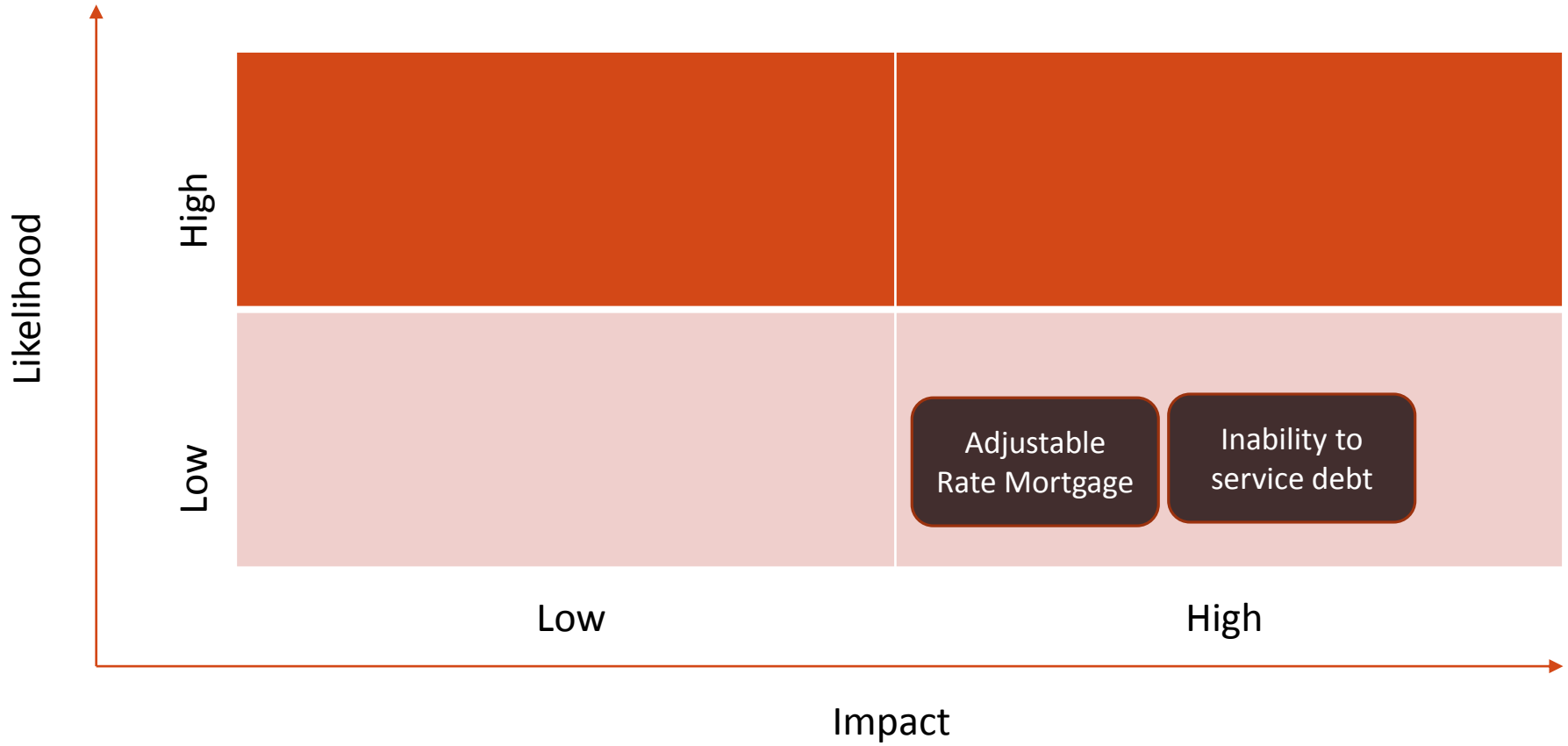
Implementation: Divestment of Portland Mall



Implementation: Remodelling of Connecticut Mall



Risk Mitigation



Conclusion

-We will divest sections of our Portland mall to service debt for other businesses based on evidence provided in the case

-We will understand demographics of the target audience and remodel Connecticut mall

-We will include desirable avenues and experiences suited to taste of our customer and aim to increase time spent inside the mall. This will also increase impulsive buying

-This will increase revenue and also improve shareholder value