

# CHARLEBOIS FAMILY INVESTMENTS INC.

NYENRODE BUSINESS CONSULTANCY

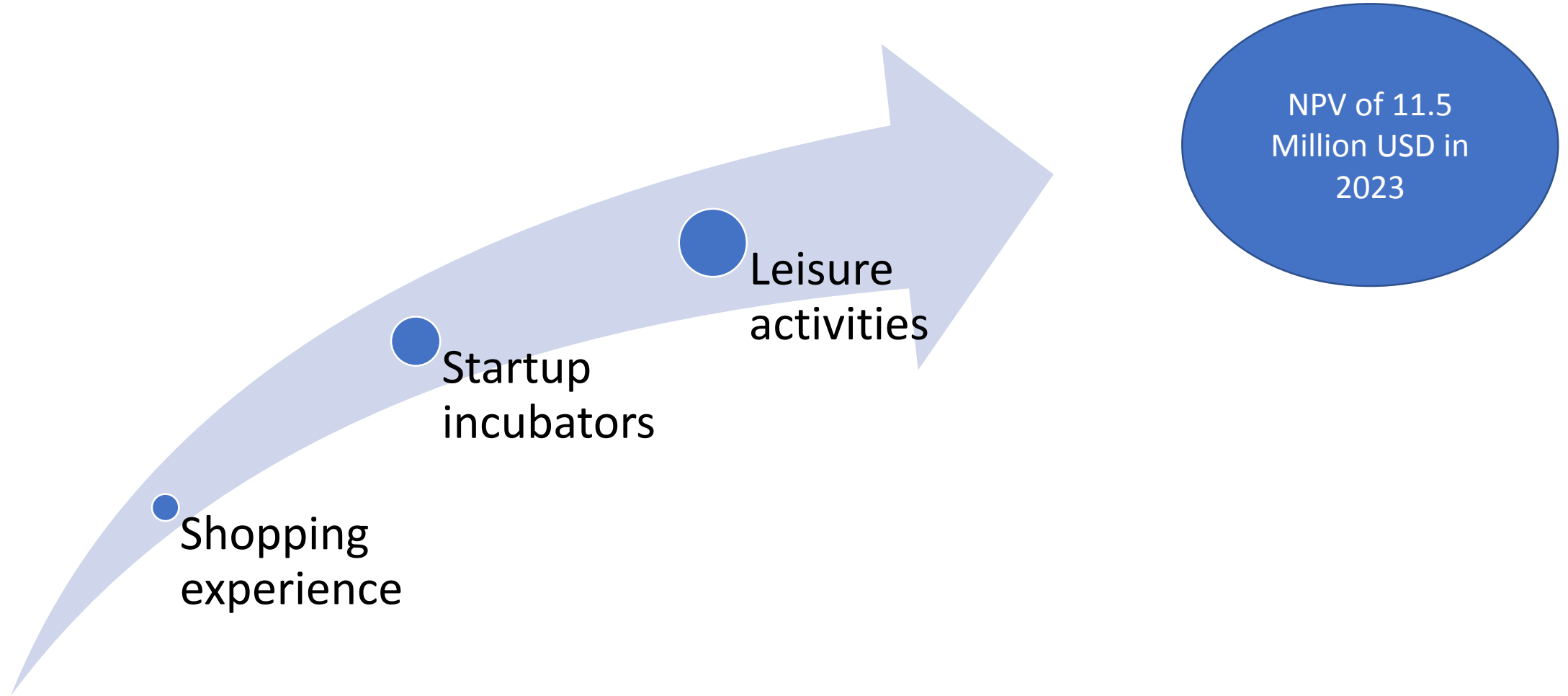
MYRTHE VAN ERP  
VICTORIA PESET BIJLEVELD  
JIMMY RAMSTEIJN  
MATTHIJS TRIMPE BURGER

# Mandate

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To advise Charlebois Family Investments Inc. to regain its profitability in 2018 and beyond.

# The Way to Success!



# Internal Analysis

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## STRENGTHS:

- Family business,
  - Short chain of command
  - Flexible decision making
- Paid-off asset in Portland mall

## WEAKNESSES:

- Clients' sales are dropping
- Leases are not being renewed

# Internal Analysis

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## PORTLAND:

- Relatively small
- No anchor store
- Ample parking
- Mortgage free
- Signs of wear and tear
- Close to airport
- Rumours of impending competition
- Store bankruptcies

## CONNECTICUT:

- Relatively large
- Anchor stores
- Part of parking used for other purposes
- Surrounded by high-tech businesses and professional offices
- Impending population increase
- Faces store bankruptcies

# External Analysis

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- Retail sector worldwide changing rapidly
- Online shopping
- Payment issues disappearing
- Is retailing dead?
- Shops are closing rapidly all over, including in your malls
- Digitalisation
- Consumer experience over physical possession

# Key Issues

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## 1<sup>st</sup> Key Issue

- Emergence of online retail

## 2<sup>nd</sup> Key Issue

- Rise of competition through discount stores (Portland)

## 3<sup>rd</sup> Key Issue

- Wear and tear of Portland mall

# Key Issues to Key Take-Aways

## 1<sup>st</sup> Key Issue

- Emergence of online retail

## 2<sup>nd</sup> Key Issue

- Rise of competition through discount stores (Portland)

## 3<sup>rd</sup> Key Issue

- Wear and tear of Portland mall

## 1<sup>st</sup> Key Take-Aways

- Address the disappearance of classical retail

## 2<sup>nd</sup> Key Take-Aways

- Address the competition of discount stores by providing added value

## 3<sup>rd</sup> Key Take-Aways

- Address the physical state of the Portland mall



# Key Take-Aways to Alternatives

## 1<sup>st</sup> Key Take-Aways

- Address the disappearance of classical retail

## 2<sup>nd</sup> Key Take-Aways

- Address the competition of discount stores by providing added value

## 3<sup>rd</sup> Key Take-Aways

- Address the physical state of the Portland mall

## 1<sup>st</sup> Alternative

- The Portland Airport Hub

## 2<sup>nd</sup> Alternative

- The Connecticut Office Space

## 3<sup>rd</sup> Alternative

- The Connecticut Digital Lifestyle Centre

# 1<sup>st</sup> Alternative:

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## The Portland Airport Hub

- Sell the Connecticut mall, gather investments
- Transform the Portland mall into a specialised Airport Hub (P&H)

# 2<sup>nd</sup> Alternative:

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## The Connecticut Office Space

- Sell the Portland mall
- Utilise the investment to pay off the Connecticut mall
- Transition away from retail rent to a flexible office space

# 3<sup>rd</sup> Alternative:

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## The Digital Lifestyle Centre

- Sell the Portland mall
- Utilise the investment for the transformation of the Connecticut mall
- Develop the Digital Lifestyle Centre (shopping, leisure and business)

# Decision

	Airport Hub	Office Space	Digital Lifestyle Centre
Financial Impact	3	3	5
Growth Potential	2	2	5
Risk	4	4	2
Total Score	9	9	12

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# Recommendation: The Digital Lifestyle Centre

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# ConnecticutDLC

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# Why?

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# How?

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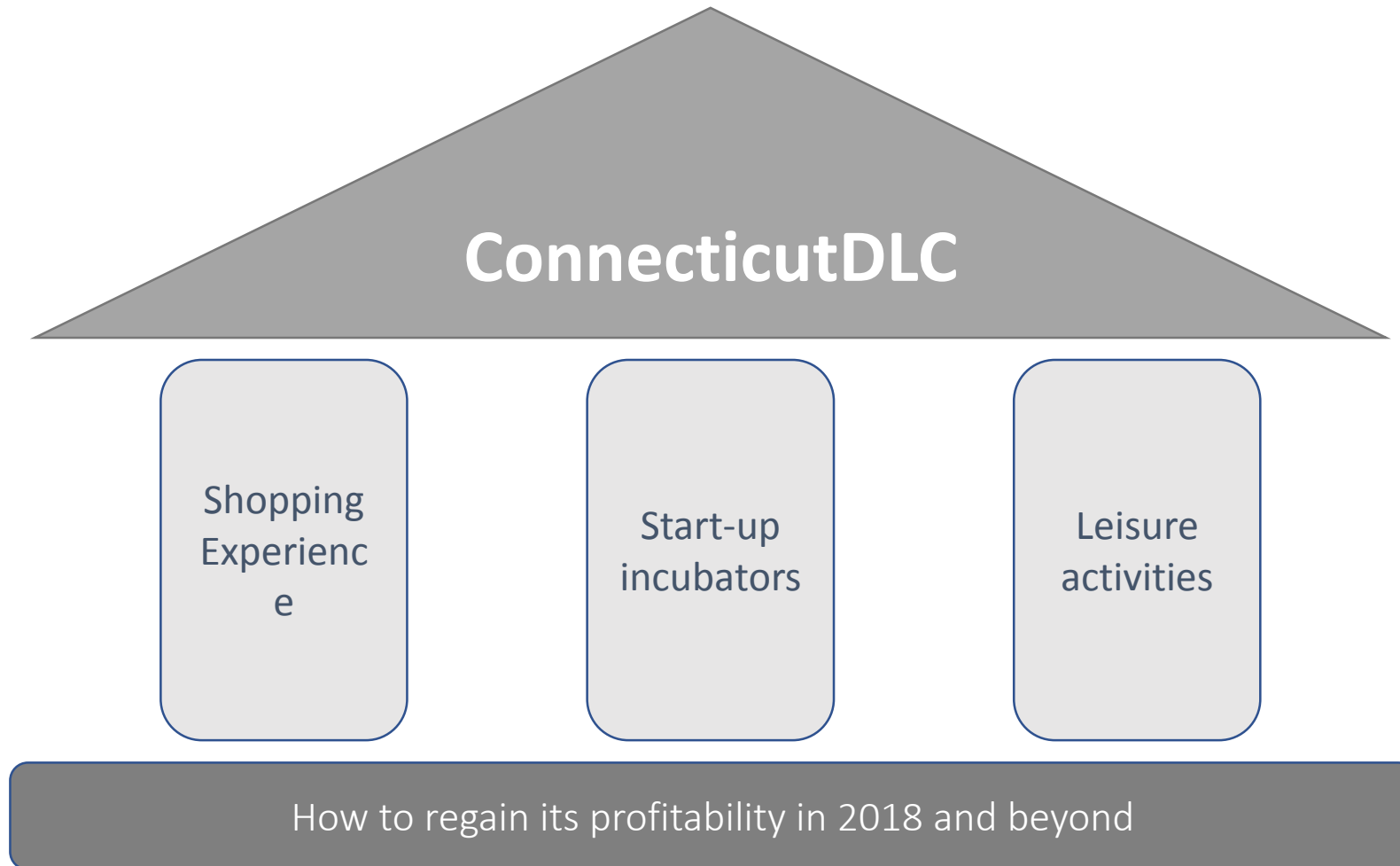
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# Implementation



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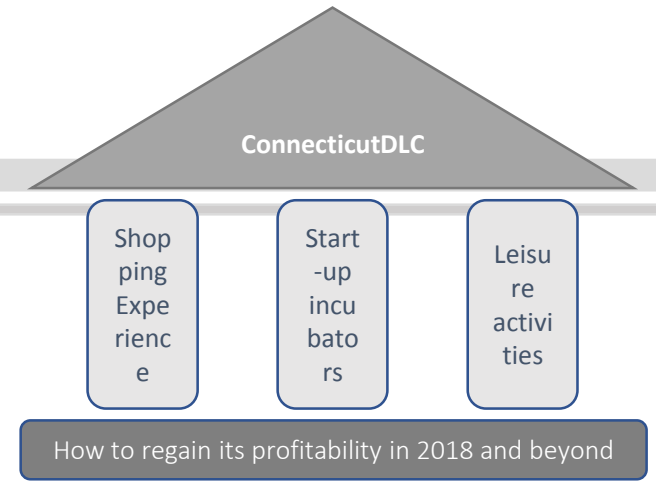
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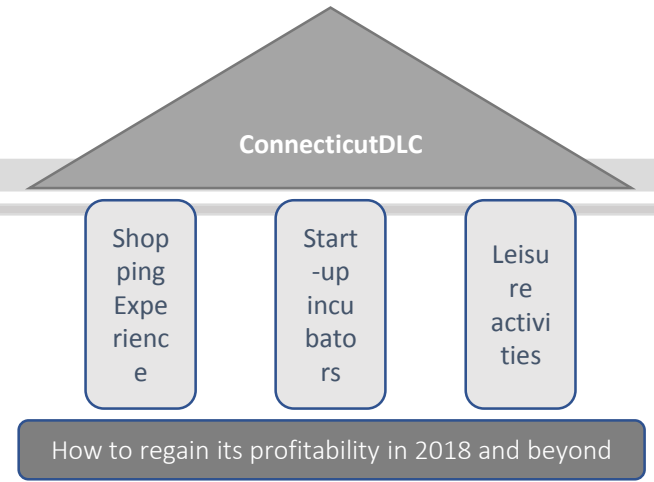
# Premium Shopping Experience

- Digital Dressing Rooms
- Digital fitting of clothes
- Current & new Retail Stores
- Charlebois Family Investments Inc. receives percentage per sold item



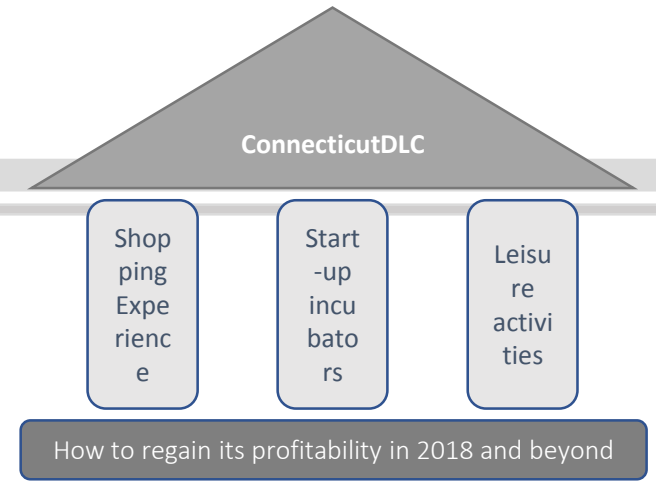
# Start-up incubators

- 5% start-ups
- Pay \$1000 rent monthly
- 15% stake in start-ups
- To help technological start-ups and provide advise



# Leisure Activities

- Food & Beverage: foodcourt, bars
- Sports facilities
- Event space
- Cinema
- Link with start-ups to provide digital experience



# Value Chain

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## **Marketing:**

- Approach technical universities
- Approach high-tech companies in neighbourhood
- Marketing campaign: locally, focus on premium shopping experience and “the technical hub of Connecticut”
- Social Media

## **Operations:**

- Centralized since Portland is sold
- Partnerships with restaurants etc franchise

## HR

- Hire experts on entrepreneurship

## Legal

- Ensure contracts with partners

# Timeline

	2017	2018	2019	2020
Sell Portland mall	→			
Refurbishment of Connecticut mall	→			
Shopping experience		→	→	→

# Financial assumptions

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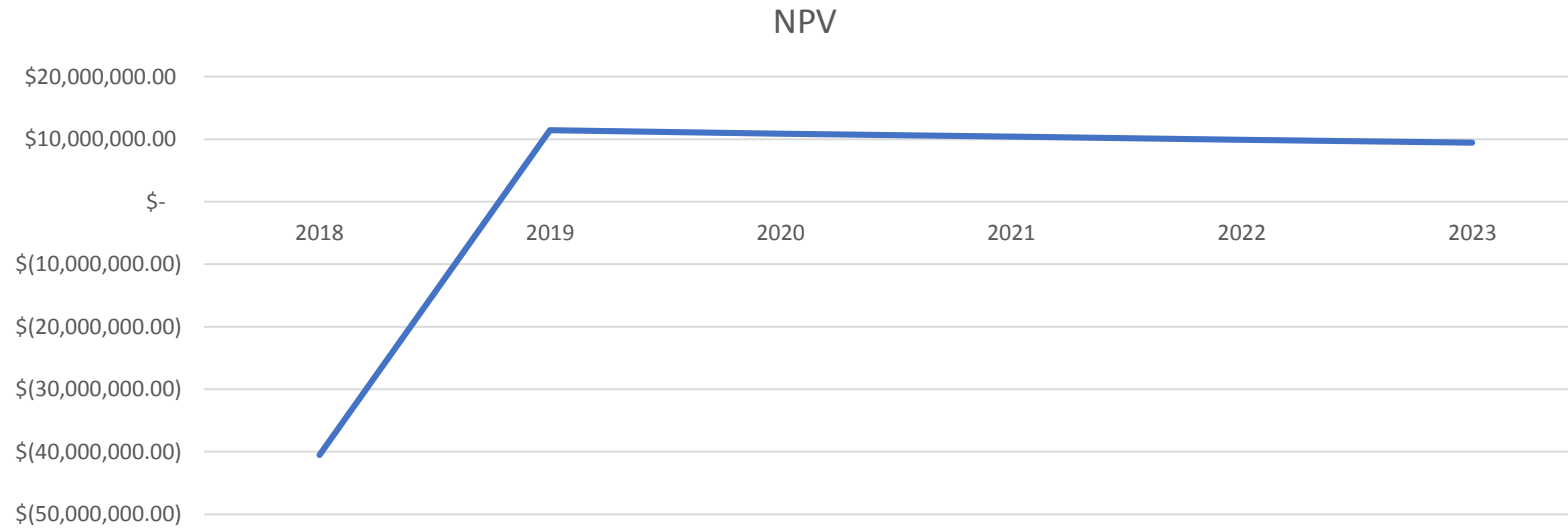
## Financial assumptions

- \$40.5 million proceeds from sale Portland mall
- Invest 75% in refurbishment
- 10%

## Mall \$240 per square meter

- 5% Startups for \$1000 per month
- 30% Shops
- 30% Food market
- 10% Cinema
- 10% Bars
- 10% Gyms
- 15% Event space

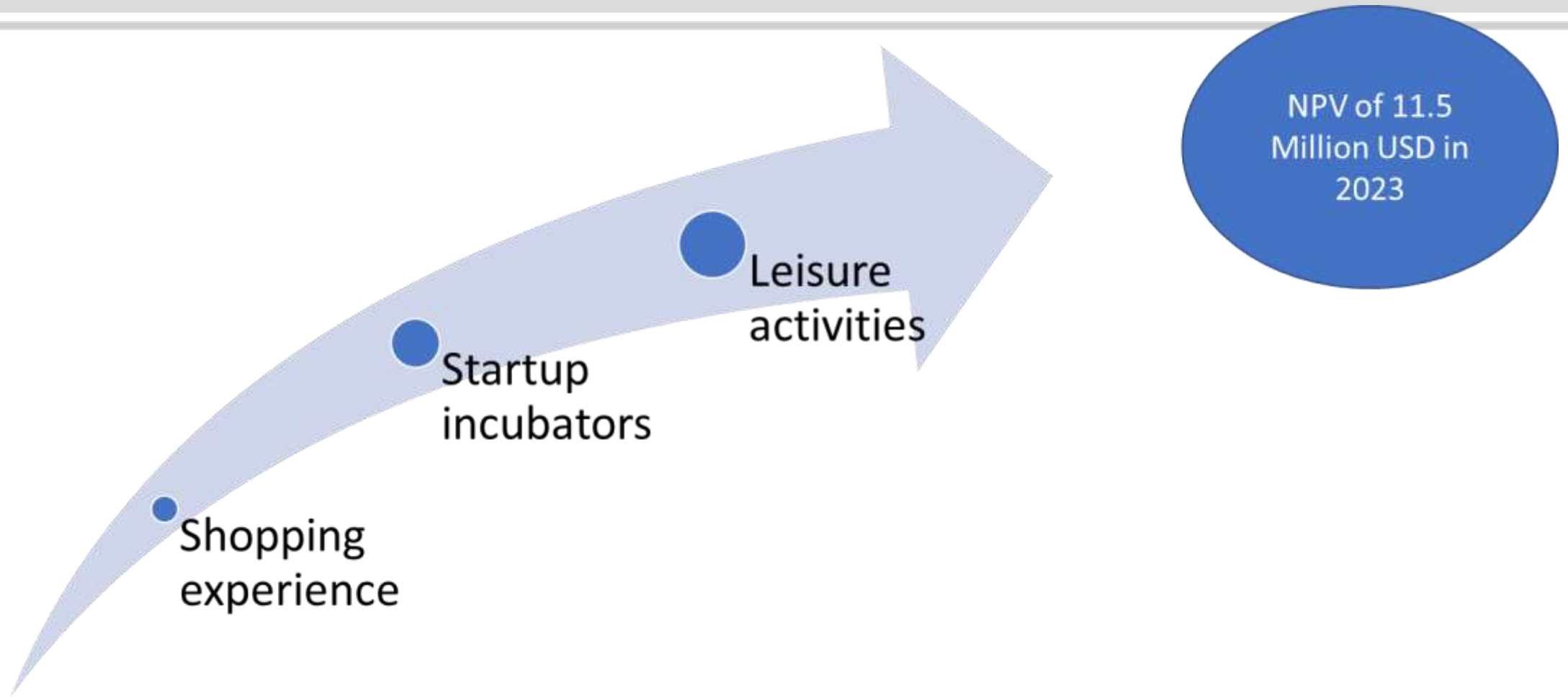
# Financial results



	2018	2019	2019	2020	2021	2022
Startups	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Shops	\$ 7,106,400.00	\$ 7,461,720.00	\$ 7,834,806.00	\$ 8,226,546.30	\$ 8,637,873.62	\$ 9,069,767.30
Food market	\$ 3,553,200.00	\$ 3,730,860.00	\$ 3,917,403.00	\$ 4,113,273.15	\$ 4,318,936.81	\$ 4,534,883.65
Cinema	\$ 296,100.00	\$ 310,905.00	\$ 326,450.25	\$ 342,772.76	\$ 359,911.40	\$ 377,906.97
Bars	\$ 592,200.00	\$ 621,810.00	\$ 652,900.50	\$ 685,545.53	\$ 719,822.80	\$ 755,813.94
Gyms	\$ 296,100.00	\$ 310,905.00	\$ 326,450.25	\$ 342,772.76	\$ 359,911.40	\$ 377,906.97



# Conclusion



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