

## Commercial & Operational Due Diligence

A differentiated approach to due diligence in the retail sector





A great piece of work by real specialists in the retail/consumer sector. Javelin Group's report combined strong evaluation of the market, consumer and retail proposition with detailed operational and store roll-out assessments.

Hugh Richards, Co-founder, Exponent Private Equity.



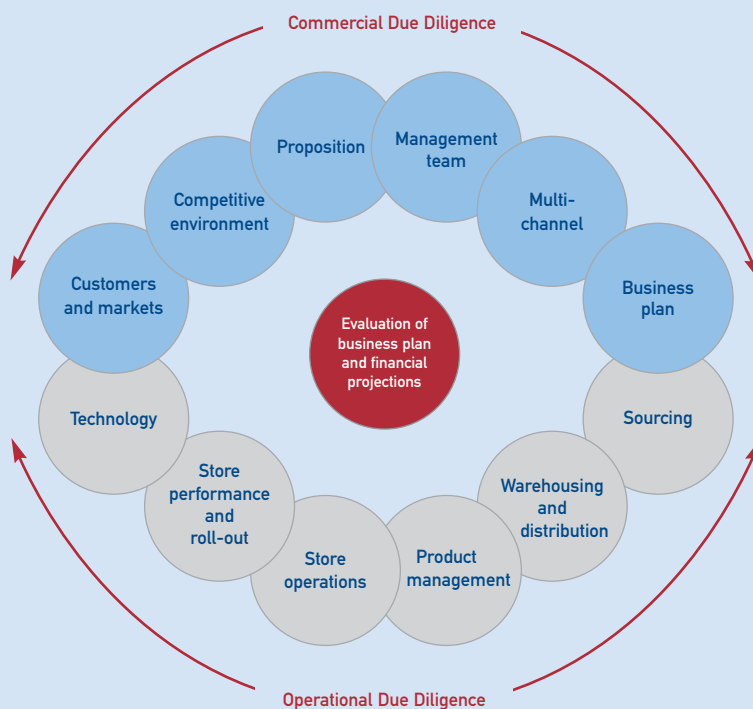
## Commercial & Operational Due Diligence



### A differentiated approach to due diligence in the retail sector

As a retail specialist, Javelin Group goes beyond the traditional scope of commercial due diligence (market, competitors, customers, proposition) by integrating all elements of operational due diligence (product management, logistics, business processes, IT, store locations, online and other direct channels). This provides a comprehensive evaluation of target companies, business plans and management teams. The specialist skills of our team across the retail value chain, from source to store to customer, enable us to deliver this differentiated approach.

Javelin Group has delivered critical thinking in over 40 Commercial & Operational Due Diligence appraisals in the past three years.



Commercial & Operational Due Diligence at Javelin Group



Michael Fine, Director, C&ODD  
[michael.fine@javelingroup.com](mailto:michael.fine@javelingroup.com)

Michael runs our Commercial & Operational Due Diligence practice for investors and retailers. His 20 years' experience combines investment recommendations for institutional investors and performance improvement work for retailers and consumer goods brands. Recent clients include private equity firms such as 3i, Blackstone, Bridgepoint, Cinven, Goldman Sachs, Langholm Capital, and Terra Firma, and retailers and brands such as Tesco, Kurt Geiger, Nike and Noa Noa.

#### SECTOR SCOPE

We evaluate both potential new investments and portfolio companies in these consumer-facing sectors:

- Retail (all product categories)
- Branded suppliers
- Foodservice
- Leisure



A great piece of work, combining strong commercial evaluation of the target with detailed operational assessment.

David Kassler, Director, Terra Firma.

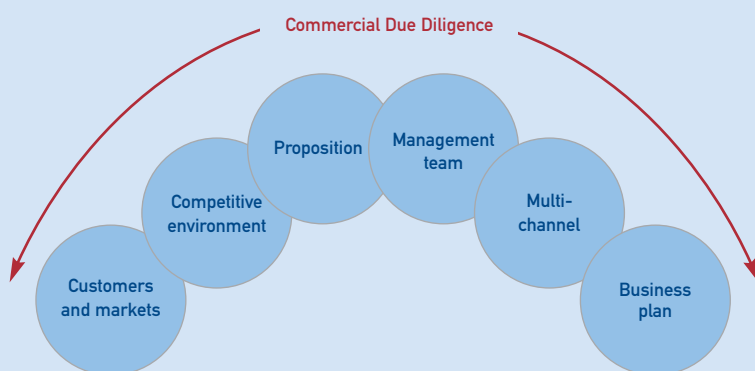


## Commercial & Operational Due Diligence



### Business plan, financial projections and management team

The commercial elements of our due diligence work assess the robustness and scalability of a proposition in the context of its markets, customers and competitors, across all potential distribution channels (stores, online, catalogue, other direct models). Integrated with the operational elements of our retail due diligence work, this enables a detailed evaluation of the business plan, financial projections and management team.



TARGET/PORTFOLIO COMPANIES		INVESTORS	
• Bargain Booze	• Lee Cooper	• 3i	• Exponent
• Coffee Nation	• Mountain Warehouse	• Active	• Goldman Sachs
• CBR	• New Look	• Advent Int'l	• Graphite Capital
• Dabs.com	• Noa Noa	• BC Partners	• Gresham
• Debenhams	• Pets at Home	• BPE	• ISIS
• Demon Tweaks	• Poundland	• Barclays Ventures	• JP Morgan
• Dreams	• SSP	• Blackstone	• Langholm Capital
• eBuyer	• Town Centre Restaurants	• Bridgepoint	• NBGI
• Evans Cycles	• Warehouse Express	• Change Capital	• Opus Ventures
• Faith	• West Cornwall Pasty Co	• Cinven	• Primary Capital
• Gardening Club	• Wiggle.com	• Cognetas	• Risk Capital
• Ihr Platz		• ECI	• Terra Firma
• Jack Wills			
• Kurt Geiger			

Selected Javelin Group transactions



Richard Wolff, COO  
richard.wolff@javelingroup.com

Richard is the co-founder of Javelin Group and runs our Multi-Channel Retail practice. Formerly head of Marshall Ward, Richard has spent the past 16 years running and advising retail businesses on online and catalogue channels. Recent clients include GUS, B&Q, Mothercare, Marks & Spencer, John Lewis and Clarks.

#### CHANNEL SCOPE

We bring experience across the following distribution channels:

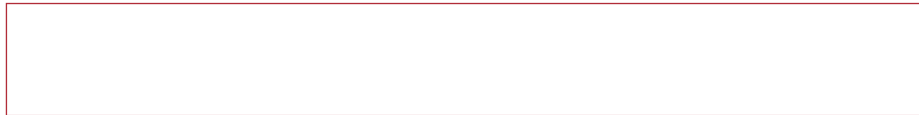
- Stores
- Online
- Catalogue
- TV Shopping
- Wholesale



Javelin Group's due diligence work gave the perfect balance of strategic breadth and analytical depth in a very short timeframe. Our evaluation benefited significantly from their expert opinion as a retail specialist, and we would readily use them again.  
Steve Petrow, Managing Director, Change Capital Partners.



## Commercial & Operational Due Diligence



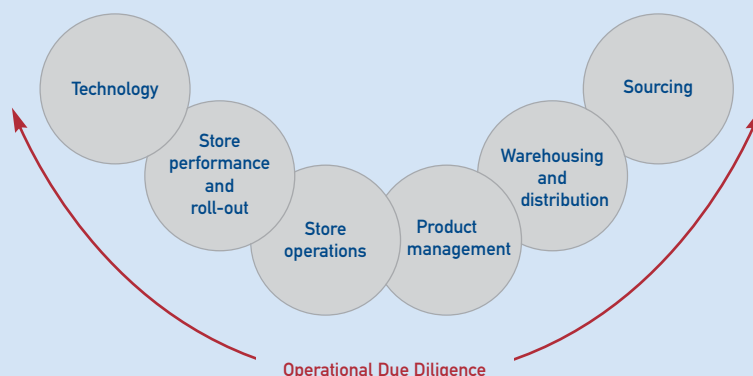
### Store performance and roll-out

With over 20 years' experience in the sector, Javelin Group's locations team brings to our due diligence work a unique understanding of retail venues in Europe. This allows us to assess the store performance dynamics and roll-out potential of retail businesses trading in all sectors and venue types. This understanding is informed by a range of proprietary data-sets (e.g. VENUESCORE and SHOPSCORE) which we combine with relevant external market and demographic data to gain a 360° perspective of a target company's retail geography.



### Buying, moving and selling merchandise

The operational elements of our retail due diligence work assess all aspects of buying, moving and selling merchandise, and how these shape and deliver the target company's proposition. These elements include buying and merchandising, the supply chain from source to store, customer-facing operations (store, ecommerce, telephone), and all supporting technologies.



Robin Bevan, Director, Retail Locations  
robin.bevan@javelingroup.com

Robin runs our Retail Locations practice. He has worked across Europe in all retail sectors for retailers, brands and shopping centre owners and developers. His retail property investment experience includes roll-out strategies, refurbishment planning, market entry, geographic channel strategies and shopping centre feasibility studies.



Will Treasure, Director, Retail Operations  
will.treasure@javelingroup.com

Will runs our Retail Operations practice. He has designed and implemented operational solutions across the entire retail value chain for over 50 retailers including Tesco, Comet, B&Q, Sainsbury's, Debenhams, and Carphone Warehouse. Prior to joining Javelin Group, Will built and ran Iceland Group's home delivery service.



Javelin Group's vendor due diligence reviewed the full range of commercial, operational and store expansion issues. It was great work.  
Damian Lane, Director, Cognetas.



## About Javelin Group



### Europe's leading specialist retail consultancy

Javelin Group is Europe's leading firm of retail and ecommerce consultants. Our clients include many of the regions largest retailers and brands, together with smaller fast-growing businesses. They choose us for our specialist expertise across all of the key retail disciplines in each retail channel.

For retailers, our consulting services include retail strategy, retail operations, multi-channel retail and ecommerce, retail technology and retail locations. Our Commercial & Operational Due Diligence practice draws on the skills of our five other practices to provide a comprehensive evaluation of each investment.



Javelin Group's six service lines



Selected Javelin Group clients



Sir Geoff Mulcahy, Chairman

Sir Geoff Mulcahy is widely considered one of Europe's most successful retail strategists. As Javelin Group's chairman, he provides strategic guidance and assists in setting the direction for our growth. Previously, he spent 20 years as CEO of Kingfisher plc, growing it into one of the largest non-food retailers in Europe including Woolworths, Comet/KESA, B&Q and Superdrug.



Tony Stockil, CEO

tony.stockil@javelingroup.com

Since founding Javelin Group, Tony Stockil has managed a wide range of projects for some of the UK's leading retailers, with a primary focus on strategy and multi-channel retailing. He has worked in the retail sector for many years, has an MBA from Harvard Business School and a background in venture capital and corporate strategy.

**Michael Fine, Director**

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**Richard Wolff, COO**

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