

# BRIGHTER THINKING FOR RETAIL & WHOLESALE

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Our key strength is focus. We focus on our clients – understanding your business via our in-depth sector expertise, which enables us to provide you with insights that add real value.

Our Relationship Partners focus on getting to know you. We use a consultancy-led approach and a variety of diagnostic tools we've developed to challenge your objectives and guide your business growth.

Clients also benefit from our diversity, we offer the full range of services you'd expect from your accountants, plus some you might not – like strategic consultancy, outsourced HR and FD support and business valuations.

And it's not just about your business. Our subsidiary company, Menzies Wealth Management, provides independent financial advice to both private and corporate clients, to reduce your tax exposure and meet your financial goals.

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BRIGHTER THINKING

# TECHNOLOGY IS DRIVING FAST GROWTH

As Harry Selfridge once said: “People will sit up and take notice of you if take notice of what makes them sit up and take notice.” Never has this customer-centric advice been more apt than in today’s fast-moving retail world. UK retail sales totalled £321 billion recently and whilst the sector is generally thriving, consumers are demanding greater variety, an enhanced experience, easier access, improved payment and faster delivery.

## KEY CHALLENGES FOR THE RETAIL & WHOLESALE SECTOR

### DIGITAL REVOLUTION

At its simplest, the technological revolution in retail means more channels and more data. The internet accounted for 16% of all retail sales in 2015, estimated at £52bn in value. The UK online market has grown at around 15% pa but is now considered mature, with users shifting from PC to tablet and mobile driven sales.

More channels means being able to reach consumers through their various digital devices at any time and place. Whilst great for e-tailers, increasingly, “show-rooming” makes high-street shops vulnerable, as shoppers check online or at different shops to find better deals.

Customer data now has the potential to combine what people have bought with their movements, location, social circles, media consumption, interests and even purchase intentions.

### HUMAN RESOURCES

Retail is the UK’s largest private sector employer with 2.9 million employees (3.3 million by 2017), half of whom work part-time. The increase in the national minimum wage and requirements of pensions Auto-Enrolment will push up costs and reduce margins for the sector. The growing unpopularity in zero hours contracts is also expected to make hiring good people more difficult.

### SUPPLY CHAIN MANAGEMENT

In an increasingly globalised supply chain, it is essential to negotiate with suppliers using structured volume discounts and consignment stock agreements. Inventory control is essential for store-based retailers, as property costs continue to rise but even online retailers need to meet increasing customer demand for next day delivery, whilst keeping delivery costs competitive.

### PROFITABILITY

Retailers are benefiting from improving consumer confidence but it’s also clear that they want to spend less and buy more. Retailers need to hone their value-for-money propositions to reap the best rewards.

Profits are also being squeezed as the cost of sourcing or manufacturing stock is increasing, due to rising energy and raw material prices and sustainability issues.

In addition, despite a third of high street retail units being empty for the past few years, rents in many areas are still considered too high.

### TAX CHANGES

The investment required in systems and fit-out can be a strain on cash flow but tax reliefs are available to minimise cash flow disruption and reduce the retailer’s tax burden. Determining the correct VAT treatment can also be a challenge, particularly where businesses are buying and selling goods overseas, or making online sales.

### REGULATION

The Government, in an effort to boost the retail sector, recently announced that it would continue to try to deregulate the sector, focusing on micro and start-up businesses, especially those trading in the local high street. It also intends to remove regulatory barriers to cross-border online sales and help retailers find and invest in overseas markets.

# HELPING YOU MEET YOUR CHALLENGES

We advise retail, wholesale and online retailers, as well as sector-dependent clients. We work closely to find solutions to industry issues, utilising our expertise in everything from business strategy and corporate finance, to audit and tax advice.

## KEY CHALLENGES

DIGITAL REVOLUTION

HUMAN RESOURCES

SUPPLY CHAIN MANAGEMENT

PROFITABILITY

TAX CHANGES

REGULATION

## OUR SERVICES

CORPORATE FINANCE | STRATEGIC PARTNERSHIPS  
BUSINESS STRATEGY

HR SOLUTIONS | OUTSOURCING

OUTSOURCING | SUPPLY CHAIN MANAGEMENT | RAISING FINANCE

BUSINESS VALUATIONS | BUSINESS TURNAROUND | OUTSOURCING  
AUDIT & ASSURANCE | COMPANY SECRETARIAL | TAX ADVICE

TAX ADVICE | WEALTH MANAGEMENT  
R&D TAX INCENTIVES | VAT ADVISORY

INTERNATIONAL TRADING | OFFSHORE SERVICES  
FRAUD & FORENSIC

“*Menzies are very reliable. They know a lot about our business, they talk plain English. We like them and, importantly, they deliver.*”

FASHION RETAILER, LONDON