

CLIENT OBJECTIVES:

A European retailer was investing into expanding network of stores and growing sales volumes in Russia & CIS region and wanted to streamline operations, supply chain and reporting systems to ensure profitable growth in the future.

The company engaged **EmergentSky** to verify:

- ✓ Costs & revenues reported by local partner companies
- ✓ Compliance & effectiveness of the supply chain in Russia & CIS

APPROACH:

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Stage 1		Stage 2				Stage 3	

Stage 1:

- ✓ Reviewed internally available operational metrics on processes of local supply chain and reported financial data,/ P&L statements on regional partners

Stage 2:

- ✓ On-the-ground internal audit of regional partner companies
- ✓ Verified financial & operating performance with external sources & local industry benchmarks

Stage 3:

- ✓ Analyzed current state, operational bottlenecks, cost gaps & underlying drivers
- ✓ Prioritized areas for improvement

INPUTS:

Supply Chain Audit

- ✓ Supply chain process map
- ✓ Time-to-market of goods
- ✓ Information flow
- ✓ Reporting structure

P&L Audit

- ✓ Reported costs (distribution, sales, marketing, admin)
- ✓ Cost per store (rent, wages)
- ✓ % stock sold at full vs. discount price

External Benchmarking

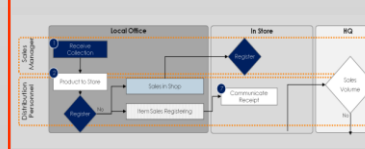
- ✓ Rates /costs paid by local retailers
- ✓ Best-in-class operating models

OUTPUTS:

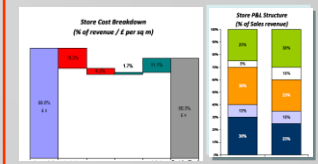
Detailed P&L Metrics Analysis



Deep-Dive Into Operational Processes



Cost Gap Analysis



RESULTS:

Audit results highlighted underlying causes behind major cost & efficiency bottlenecks in Russian & CIS operations.

EmergentSky's gap analysis helped the client to define an action steps to optimize partner compliance processes.

Recommended best practices were used by the client to improve overall operating & financial performance in the region.

VALUE-ADD:

EmergentSky's distinct value-add:

- ✓ Focus on Emerging Markets
- ✓ Access to local sector experts delivering 'hard-to-get' data
- ✓ Use in-market auditors familiar with local accounting standards
- ✓ Research & project management experience in developing-country environments
- ✓ Native language capabilities

Clients benefit from:

- ✓ Objective fact-based Insights
- ✓ Effective modelling & financial analytics highlight key areas of strategic importance for clients (vs. data overload typical for audit firms)
- ✓ Involvement of consultants from start to finish for customized & collaborative support
- ✓ Non-threatening approach to performance assessment of local companies audited

ABOUT US:



Helping international corporations navigate on the ground in developing regions such as Eastern Europe, Russia & CIS, India, China...

EmergentSky is an International Strategic Consulting Services provider with expertise in Emerging Markets.

Founded by Management Consultants experienced in advising FORTUNE100 organizations, **EmergentSky** combines functional knowledge across industries with in-depth understanding of Emerging Market dynamics.

We work with business leaders that wish to:

- ✓ Enter Emerging Markets
- ✓ Expand footprint & improve performance
- ✓ Build in-market resources & capabilities
- ✓ Invest in attractive companies & sectors

Our unique research and analytical capabilities supported by our wide pool of industry resources in every Emerging Market

