



## CASE STUDY

### South Florida Market Expansion

**ligne roset®**

*"The final presentation exceeded all of our expectations. It really impressed me how much the Fox MC team cared about the project and what a deep, personal interest they took in my company."*

- Lori Bruno, Owner, Ligne Roset

#### Client Profile

Ligne Roset is a French contemporary, high-end furniture manufacturer with 26 'franchised' single-line stores in the United States. The Ligne Roset Philadelphia and Miami stores are owned and operated by Lori and Leonard Bruno. The Philadelphia store is located in Manayunk, and the Miami store is located in the Miami Design District, after a move from Coral Gables in 2007. Strong sales and growth in Miami have led the client to consider adding several more stores in South Florida.

#### The Project

Ligne Roset engaged Fox Management Consulting (Fox MC) to assist in the exploration and strategic execution of this opportunity by recommending a sequence of South Florida markets in which Ligne Roset can implant new viable retail stores, taking account of possible cannibalization effects and management coordination among locations. There were six target locations in mind: Boca Raton, West Palm

Beach, Orlando, Tampa, Sarasota, and Naples. With Ligne Roset Miami's strong current performance, it was believed there was an opportunity for approximately three to five new stores in South Florida. Fox MC was also asked to define and explore different inventory management models, so as to find the right balance between order-based and inventoried sales.

#### Recommendations

After analyzing the research, Fox MC recommended that Ligne Roset should proceed cautiously with expansion. Fox MC suggested that instead of opening three to five stores, one, or possibly two, stores over the next few years should be opened due to competition in the market. A Sarasota location showed the greatest profit potential over the next five years when factors such as household income, home value, and the number of international home buyers were calculated in.

Fox MC suggested several changes to Ligne Roset's POS system. Ligne Roset should focus on obtaining more information from each customer. Fox MC also estimated the number of stock versus order-based sales, which determined the inventory strategy going forward. With a high percentage of sales from orders, it was recommended that Ligne Roset should consider removing all inventory in Philadelphia and transitioning to an order-based model.

#### Results

Since the project concluded, Ligne Roset has used the information provided by Fox MC and acquired a new store in New York City.