

The Kennel Shops Case Study

Retail Chain With Growth Potential

Situation - Six store specialty retail chain with central distribution center, steady sales and profit growth. Well established, proven business model with respect to branding, marketing strategy, store sizes, inventory mix and locations had resulted in an operation that competed effectively against a variety of competitors, including grocery stores, national chains, "big boxes" and smaller competitors.

Challenge - Cost of purchase made it less likely the buyer would be a single individual; business model, which was different from larger competitors, made it unlikely the buyer would be an industry player.

Solution - CVG's marketing focus was on small private equity groups and resulted in a sale on attractive terms to a non-industry firm specializing in the acquisition and development of smaller companies with solid growth potential. Buyer's plan is to expand into new, contiguous markets, to improve operational systems and turn the business into a larger, regional player.