

Silverman Consultants Media Kit: Case Studies

Andrews Jewelers

Francis “Tiny” Andrews, owner of Andrews Jewelers in Lavonia, Georgia, hired Silverman Consultants to conduct a “going out of business” sale for the store, which had been in business for 57 years with an average annual volume of \$422,000. Andrews was ready to retire, and her daughter was unable to run the store. The store also was in need of merchandise due to low inventory levels. Silverman thus created a professional sales plan designed to run for 10 weeks and brought in additional merchandise, budgeting for an internal sales volume of \$350,000. Silverman also compiled a marketing plan, which included the use of print, radio, and sign walker programs. During these 10 weeks, the store, working with Silverman, achieved a sales volume in excess of \$670,000, an increase of 91% over projection and an increase of 59% over Andrews’s annual volume. The additional products brought in by Silverman produced over \$195,000 in sales at a gross margin to the client of over 49%. The sales generated substantial additional cash flow, offering the client a more comfortable retirement.

Brodkey Jewelers

Marc Brodkey, owner of Brodkey Jewelers in Omaha, Nebraska, hired Silverman Consultants to run a promotional sale for the chain’s 10 stores. Brodkey Jewelers had been experiencing a significant downtrend in sales (over 30% in sales volume), and inventory levels were low as the holiday season approached. Silverman met with the jeweler and proposed an anniversary event to coincide with the company’s 130 year history. Silverman supplied much needed merchandise to the jeweler on a consignment basis (freeing up capital for the client), assisted with marketing ideas to generate traffic and sales, and placed three supervisors within the 10 stores to oversee and maximize the sale results. As a result, Brodkey Jewelers had a very successful holiday season, with an increase in sales of over 50% from the previous year and without a significant decrease in margin. Silverman also placed over three million dollars of additional goods in the stores and introduced the jeweler to new vendors that could be utilized going forward.

Friedman’s Jewelers

Silverman Consultants was solicited by the “unsecured creditors committee” to bid on liquidating the assets of Friedman’s Jewelers, which was forced into bankruptcy. Prior to facing financial issues, Friedman’s was one of the top three jewelry store chains in the country. In response, Silverman proposed a joint venture with other non-jewelry liquidators that specialize in large chain liquidations and was chosen to liquidate the entire chain, which reported an annual volume of \$200 million from its 377 stores. Silverman placed approximately 100 supervisors in the chain’s stores to oversee the liquidation and projected that its joint venture would generate approximately \$70 million from the “going out of business” sale. The firm also brought in additional inventory to augment the existing inventory in the stores. Systems were put into place to ensure accurate reporting of the additional inventory, and a detailed marketing plan was implemented to maximize recovery during the sales event. The sale resulted in over \$100 million in sales, exceeding the projections by over 40%. Meanwhile, Friedman’s expenses were reduced by over 15%. The cash generated from the sale far exceeded the needs of the secured creditors, leaving a substantial balance for the unsecured creditors who were not expecting to receive anything. Overall, a win-win for all parties was the result.

International Diamond and Gold (IDG)

Silverman Consultants was solicited by the secured creditor, Huntington National Bank, to bid on liquidating the assets of International Diamond and Gold (IDG) in Columbus, Ohio. The bank had foreclosed on the jeweler, placing the business into a state run receivership, and chose Silverman to liquidate the chain of eight stores. It was decided that the four stores located in Ohio, which were placed into receivership, would be liquidated under a store closing theme. Further, the four stores in Washington, which were not covered under the receivership, would be liquidated under a promotional theme. The bank originally projected the liquidation value of the inventory at approximately \$5.5 million.

Silverman proceeded to place eight supervisors into the IDG locations to oversee the liquidation, and systems were put in place to ensure the accurate reporting of the liquidation. A detailed marketing plan was also designed to maximize recovery during the sales event. The result was that Silverman generated over \$8 million in cash during the sales event, exceeding the bank's initial projections by over 45%. The sale itself generated over \$17 million in sales volume, exceeding the jeweler's annual volume by over 30%.

Madison Jewelers

The manager of Madison Jewelers in Fairfield, Connecticut, contacted Silverman Consultants to help close the location, acting on a decision that was made when the owner decided he was no longer able to run the store due to poor health. Silverman responded by creating a professional sales plan that budgeted for an internal sales volume of \$900,000. The company also supplied the store with additional merchandise to boost low inventory levels. In addition, Silverman implemented a marketing program, which included the use of print, direct mail, and sign walker programs. The result was a sales volume in excess of \$1,200,000, an increase of 33% over projection, producing substantial additional cash flow for the estate of the owner, who has since passed away. Madison Jewelers, which had been in business for 71 years, reported an annual volume of \$1,300,000.

Morgan Jewelers

Jim Morgan, owner of Morgan Jewelers in Newnan, Georgia, contacted Silverman Consultants to assist with a relocation. The company, which has been in business for 40 years with an annual volume of \$900,000, moved into a new open air mall in 2007, but found that there was little foot traffic near the end of the mall where they were located. Silverman was asked to assist in running a promotion for the store's move to a better location near the center of the mall. However, due to having invested a great deal of capital in the new location, Morgan Jewelers did not have enough funds to purchase fresh inventory for the 2009 holiday season.

After reviewing the store's sales budget, Silverman and Morgan decided to run a promotion without the additional expense of a supervisor. Silverman agreed to this based upon its past relationship with the client and supplied much of the needed merchandise on a consignment basis in order to free up capital. Silverman also assisted in formulating marketing ideas to generate traffic and sales volume. The result was a successful relocation event that led to substantial increases in sales volume and a profitable holiday season. Silverman continues to assist the client with merchandise needs, and Morgan Jewelers started 2010 very strong.

Whitehall Jewelers

Silverman Consultants was contacted by the “unsecured creditors committee” to bid on liquidating the assets of Whitehall Jewelers, which was forced into bankruptcy. Whitehall was at one time ranked as one of the top three jewelry store chains in the country. Silverman teamed up with other non-jewelry liquidators that specialize in large chain liquidations and was chosen to liquidate the entire chain of 375 stores. An analysis of the situation revealed that Whitehall had a large percent of its inventory on consignment, and the creditors wanted the goods returned prior to the start of the planned “going out of business” sale. With its strong jewelry ties, Silverman was able to secure an additional \$120 million in additional goods to supplement the Whitehall inventory. The company then took action by placing approximately 100 supervisors in the chain’s locations to oversee the liquidation, put systems in place to ensure the accurate reporting of the additional inventory, and devised a detailed marketing plan to maximize recovery during the sales event. The result generated approximately \$250 million in sales, while the additional inventory generated over \$35 million in additional cash for the creditors. All sales objectives were met and/or exceeded, and the unsecured creditors, who were severely hurt by the bankruptcy filing, generated substantial profits with the sale of the additional inventory.

Wagers Jewelers

Silverman Consultants was contacted by Phil Wagers, the owner of Wagers Jewelers in Mount Pleasant, South Carolina, to conduct a “going out of business” sale following Wagers’s decision to retire. The store had been in business for 10 years and reported an annual volume of \$800,000. After analyzing the situation, Silverman created a professional sales plan and budgeted an internal sales volume of \$500,000. Silverman also recognized that the store was in need of additional merchandise due to low inventory levels. Silverman proceeded by creating a marketing plan that included the use of print, direct mail, and a sign walker program. They put together a sales plan designed to run 10 weeks and placed a strong head supervisor in the store to assist with marketing, sales, and merchandising. As a result, Silverman helped Wagers achieve a sales volume in excess of \$600,000, a 20% increase over projection, generating substantial additional cash flow for Wagers’s retirement. Additionally, Silverman assisted Wagers in selling the lease and fixtures to the store manager, who plans to reopen Wagers Jewelers under a new name.