The 100-Day Turnaround: Rescuing a Distressed Retail Chain

Turnaround & Restructuring | Industry: Retail | Client: Distressed Retail Chain (hypothetical) | Timeline: 100 days | Date: August 2026

Stabilised cash within 60 days, closed 41 loss-making stores, renegotiated Rs.146 crore of rent and vendor terms, and returned the chain to EBITDA-positive in two quarters.

Frameworks: 13-Week Rolling Cash Forecast . 4-Wall Contribution Analysis . Store Portfolio Segmentation . Wind-Down vs. Restructure Analysis

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Challenge

A 380-store fashion retail chain was running out of cash. Revenue had fallen 26% over 18 months, same-store sales were down 14%, and the company had breached its working-capital facility - the lender had frozen further drawings. Payroll was 11 days from being missed; vendors were holding dispatches; and the promoter's personal guarantee was about to be called. Days to zero cash: **34.**

The board's question wasn't strategic - it was existential: **"Can this company be saved, and what does the next 100 days look like?"**

Approach

We mobilised a turnaround team under a 100-day mandate, structured in four phases - the classic "stabilise > triage > restructure > rebuild" arc:

1. Days 0-10 - Cash control. Built a 13-week rolling cash forecast (weekly, then daily during crisis); froze all non-essential spend; took control of the payments queue; opened emergency vendor communication.
2. Days 10-30 - Store-level triage. Ran a store-level P&L on 4-wall contribution (rent, staff, utilities, shrinkage) for all 380 stores; segmented them into 4 buckets (healthy / fixable / borderline / terminal); modelled closure costs vs. carrying costs.
3. Days 30-60 - Liability restructuring. Led rent renegotiations with landlords (concession or exit), vendor terms (payment plans, consignment), and lender discussions (standstill + emergency facility).

4. Days 60-100 - Revenue & margin rebuild. Launched inventory monetisation (clearance across terminal stores), markdown optimisation, and a 90-day commercial plan (new season buys, visual merchandising, digital sales push).

Analysis

The store portfolio was the cash engine - in reverse. The 4-wall analysis found 41 stores had been EBITDA-negative for 3+ consecutive quarters and were consuming Rs.4.9 crore/month of cash *before* corporate overhead. Another 68 were borderline. The chain's "every store is sacred" culture was the single biggest value destroyer.

The rent book was renegotiable - and had to be. Rent was 14.2% of revenue (vs. 8% benchmark for the format). 60% of leases were up for renewal within 18 months, but the company had never used renewal leverage. Landlords, facing their own vacancies in a weak retail market, were more flexible than feared: average concession of 24% was achievable on 70% of the book.

Inventory was a Rs.310 crore trap. Stock-to-sales ratio of 3.1 vs. 2.2 benchmark meant old-season stock was strangling working capital and forcing markdowns. The clearance of terminal stores + deep-markdown event released Rs.64 crore of cash in 90 days - at the cost of margin, which was the *right* trade in a cash crisis.

The lender was willing - if the plan was credible. The frozen facility could be reopened with a 13-week cash forecast, a store-rationalisation commitment, and a promoter-injection trigger. Credibility, not the numbers, was the gating factor.

Findings

1. Days-to-zero was real: without intervention, insolvency in ~34 days; with the 13-week discipline and emergency vendor terms, the company crossed the cash trough at day 72 with Rs.9 crore of headroom.
2. The turnaround maths worked with 271 stores, not 380: closing 41 stores + converting 22 to a lean "express" format reduced fixed costs by Rs.87 crore/year while retaining 88% of revenue in trade areas.
3. Rent concessions worth Rs.41 crore/year were available - but only with credible closure threats and renewal timing.
4. The cultural fix was as important as the financial fix: a weekly cash-war-room and store-level P&L transparency changed decision-making from "protect the network" to "protect the cash."

Recommendation

The 100-day plan was, by design, a series of committed actions with owners and dates:

- Days 0-30: 13-week forecast live; payments queue controlled; 41 terminal stores identified; vendor communication plan executed (top-20 vendors = 74% of payables).
- Days 30-60: 41 store closures executed (with landlord concessions on 28); rent renegotiation on 120 leases; lender standstill + Rs.25 crore emergency facility approved against promoter collateral; inventory monetisation launched.
- Days 60-100: clearance programme complete (Rs.64 crore cash); 90-day commercial plan signed off; organisation flattened (remove 2 layers, 14% HQ cost out); weekly KPI dashboard (cash, like-for-like, markdown %, rent %) institutionalised.

Non-negotiables: no new store openings in the first 180 days; markdowns decided centrally (no store-level discretion); monthly board reporting on the 13-week forecast vs. actual; and a hard rule that any store below 4-wall breakeven for 4 consecutive quarters goes to a closure review.

Outcome

The chain crossed its cash trough at day 72 and never missed a payroll. Within two quarters it returned to EBITDA-positive (2.1% margin) on the 271-store network - versus a -6.8% EBITDA margin 9 months earlier. Rent as a percentage of revenue fell to 9.6%, stock-to-sales to 2.4, and the lender's frozen facility was not only restored but upsized at renewal. Eighteen months on, the network has stabilised at 285 stores, and the promoter's personal guarantee is fully released - the definition of a saved company.

Case study reconstructed for illustration from typical engagement patterns. Client and figures are hypothetical.

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