

CASE STUDY



Background

Founded in 1928, BHS was a British department store chain primarily selling clothing and household items. By the time of its closure in 2016, the retailer had a total of 164 stores, mainly located in high streets or shopping centres. Following a number of loss-making years and unsuccessful attempts to turn the business around, BHS entered administration in April 2016.

Hilco Capital was appointed by the Administrators to operate a store closure programme and run the stock liquidation process, maximising recoveries to the administration while buyers were sought.

Hilco Capital's role

- Appointed by the Administrators of BHS to operate a store closure programme and run the stock liquidation process across the estate
- Managed supplier liaison, negotiating settlements and ensuring continuity of supply during the closure process
- Sourced and funded an additional £16.5m of augment stock at no financial risk to the administration estate
- Deployed 46 retail support specialists at store level to manage the closure process and handover of stores
- Designed, managed and executed in-store discounting strategies to maximise stock recoveries
- Provided systems, space planning, visual merchandising and marketing support

Results

- Supply of augment stock at speed resulted in an improved store offering and significantly improved recoveries for the estate
- Provision of augment stock extended the trading period while buyers were sought for the business
- £3m sales on day one of the store closing event
- 163 stores closed over a 12 week period and handed over on schedule
- Recoveries outperformed initial budget agreed with the company's Administrators
- Overall recovery to the administration estate of £42m achieved

Key facts

164
stores

46
retail specialists
deployed

£3m
sales on day one

£16.5m
augment stock
supplied

£42m
recoveries achieved