

DRAFT CASE STUDY: GLEIM THE JEWELER

CASE STUDY: Gleim the Jeweler- Store Closing and unproductive inventory reduction

The Client

Founded during the Great Depression, Gleim the Jeweler was opened in 1931, in Palo Alto, CA. Three generations later, the prestigious jewelry company is still operated as a family business under the leadership of Georgie Gleim. In addition to her leadership as president of Gleim the Jeweler, Georgie Gleim became president of the American Gem Society, and received the coveted Robert M. Shipley Award.

In the interim years, the company gained a national reputation, holding the distinguished honor of being the only jeweler where the founder served as President of the American Gem Society (AGS), President of the Jewelers of America (JA), and Chairman of the Board of the Gemological Institute of America (GIA).

Today, the company continues to operate as an AGS jeweler, selling fine diamonds, distinguished Swiss watch brands like Rolex® and Breitling® as well as estate jewelry. Additionally, Gleim the Jeweler offers gemological technical services through the company's accredited AGS gem laboratory.

In 2009, the company decided to close the founder's original store located on University Avenue in Palo Alto, CA because of declining downtown traffic due to changing demographics and the 2008 recession.

The Gordon Company Assignment

To assist Georgie Gleim and the company's management team to:

- Close the downtown University Street store
- Liquidate excess, duplicated, and slow selling fine jewelry, watches, and gold jewelry inventory from the company's three stores
- Maximize the recovery value of the inventory sold during the sale
- Minimize the impact of the store closing and liquidation sale on the brand image and values of Gleim the Jeweler

The scope of The Gordon Company's assignment included,

- Providing a sales management and supervisory team
- Designing and developing a one of a kind marketing and advertising, strategy for the Store Closing Event
- Collaborating with the Gleim management to identify slow moving, duplicated, and toxic inventory in the company's three stores
- Establishing a pricing strategy to optimize the sale and return on the sales of the company's slow moving and toxic inventory
- Developing financial statements such as program income statement specifying the store closing events projected sales, volume estimates, average discounts, margin rates, expenses, and income

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- Designing, producing, and delivering in-store communications collateral, print, and where appropriate, other creative for local use in the Stanford and Palo Alto markets
- Preparing sales, media and staffing budgets along with the requisite daily, weekly, and monthly financial controls and objectives
- Managing and controlling the sale in order to react to changes in local market conditions during the sales to optimize results

Considerations

- Jewelry sales were in decline in the older, University Street location
- The company targeted high-end consumers, stressing the value of artisanship, quality, and service as a part of a premium priced product offer
- Preservation of family image and values were essential to the future continuity of Gleim the Jeweler

The Gordon Company Solution and Accomplishments:

1. Developed a store closing plan tied to rigorous projected sales, volume estimates, average discounts, margin rates, expenses, and income statements
2. Designed, developed, and implemented a one of a kind marketing, and advertising, program to implement the store closing sale
3. Planned supervisory and sales personnel support for the store closing sale
4. Managed sales performance, increasing advertising to maximize local store sales due to real time sales performance
5. Short-term, the store closing sale's plan exceeded original sales projections by about 200% or 96.6% higher than the projected sales for the event
6. Net sales for the store-closing event were 170% of the volume for the previous year
7. Long-term, the marketing program created an expanded customer base for the flagship store