



Costcutter

An Overview...



COSTCUTTER MOROCCO

Costcutter was founded in 1986 with the launch of seven stores in Yorkshire and since then the group has been growing both in terms of store numbers and turnover. Costcutter now has more than 1550 stores and has developed itself into an instantly recognizable name for consumers.

The pioneers of this excessive growth have largely been the Sunstar Group which joined Costcutter in 1987. The involvement of the Sunstar Group with Costcutter has brought a massive turn around in the way the retail business used to operate. Sunstar Group is the one which introduced Costcutter stores into South of England.

The business was founded by Mr Najib Khan who continues to own and manage the group and was later on joined by Thothaal and Payless Group. He is supported in those tasks by a strong Board of Directors with a versatile set of professional skills covering financial and property management, supply chain logistics, effective use of information technology, the promotion of human resources and brand profiling. Its operations are directed from the Group's Headquarters adjacent to Waterloo Station in the SE1 district of London, where the key executive management is based.

The Thothaal Group was formed and is managed by Majed Ismail Chaudhry. In 1991 Majed opened his first store in the London region subsequently progressing to a part of the COSTCUTTER franchise. Contributing actively to the business ethic & demonstrating a clear motivation to innovate the retail business model. In the preceding years, the success is evident in the growth of the number of the stores in South of England. Thereby, Thothaal Group Ltd- is a prosperous family run business in the South of England. Payless Group was formed and is headed by Mr Iftikhar Ahmed. He opened his first store in September 1985 and has been equally participating in the growth of the Costcutter brand.

Now we think that the time is right for us to take this project to international level. In consultation with other successful retail groups, Sunstar Group, Payless Group & Thothaal Group are setting the pace for new business strategy in Morocco and Pakistan." After a thorough analysis Morocco was chosen to be the country where our first international stores would open. The expansion would be covered under a franchise license that gives us the authority to operate in areas outside United Kingdom.

We trade under a well established business model that provides an instantly recognized profile for the convenience stores that make up the chain. Apart from our own growth, equipping our managers with entrepreneurial skills is one of our top priorities to give them the opportunity to climb up the business ladder. Additionally through sharing the purchasing power of the COSTCUTTER brand, the units are highly competitive when it comes to delivering value to their customers, with an added range of services always drawing a regular following to the stores. Services include the provision of post office facilities, automated teller machines, lottery ticket sales and PayPoint locations. In terms of return on capital, subject to a minimum guaranteed yield, there is a strong emphasis on driving store performance and to motivate the best of results, marketing support is provided along with employee training as well as advice and guidance over pricing policies and general merchandising.

Costcutter Sales Support:

As a new Costcutter retailer you would benefit from the knowledge of experienced industry professionals and gain access to the dynamic Costcutter sales force. The locally based sales managers specialize in business development and their main objective is to integrate with members to improve and develop their businesses further. Costcutter managers have acquired vital retail experience over the years that enables them to advise retailers with all possible issues that may confront their business such as merchandising, waste management and staffing issues. From the initial planning of your store layout, in conjunction with the Costcutter development team, to implementing the correct product range through our category management department, the whole process of creating a Costcutter store is overseen by our management.

Customer liaison:

The customer liaison department is just a phone call away and it plays an extremely important role. It is responsible for maintaining regular contact with group members and the sales team. The department highlights new promotions, trading opportunities and group activities along with dealing with queries efficiently and quickly. The department is also responsible for scheduling central distribution deliveries. All orders will be dealt by a customer liaison assistant, with each retailer being assigned one assistant so that you know who to ask for when arranging orders.

Costcutter central invoicing:

The invoicing department processes over 36000 invoices per week and by doing so removes the need for our retailers to deal with supplier paperwork and payments. These invoices are then collated into one weekly statement for each retailer and dispatched every Friday along with weekly Costcutter bulletin. Each assistant in the department is responsible for approximately 220 retailers, enabling you to always deal directly with the same assistant who handles your account and invoice queries.

Costcutter in-store development:

The main role for the development department is to advise retailers in all aspects of store development. Through expert advice and proactive planning we ensure that your store meets all required professional standards, which is a vital component in the modern trading world. From the very start of your journey as a Costcutter retailer, detailed emphasis would be given on store development, making sure that your input is always taken into account. On the other hand of our experienced store developers will guide you through our project focusing upon shop fittings, merchandising, store imagery, store security, installation of equipment and promotional displays stands. Our shop fitting teams are highly skilled and vastly experienced, always ensuring that store space is efficiently used which helps you to maximize sales. In the present retail environment, store security holds pivotal importance. The development department can also advise you on the most appropriate systems and help you to make the right choice, to ensure that your business and staff are always protected.

Costcutter EPOS:

The Costcutter EPOS department provides retailers with CPOS, our very own up-to-date scanning solution, which can be customized to suit individual store requirements. Demonstrations of the latest systems are held at head office and once you have decided to purchase the system, you would then undergo a comprehensive training package. Costcutter installation teams will then install the systems making sure that they function in the desired manner. Technical support from head office is available at all times. Each support staff member and emergency support technicians are employees of Costcutter.

Costcutter marketing:

The trading and marketing department is responsible for negotiating trading packages for retailers, arranging regular promotions, exclusive trading deals and providing

international marketing support. A three weekly promotional programme is a foundation for retailers to increase their sales with many half price products and 'buy one get one free' offers. It is optional to participate in our 1.8 billion consumer leaflet campaign which runs every three weeks. The idea is to spread our great offers to local community. To further strengthen **Costcutter** brand image to consumers within the UK, adverts also appear in Sun news paper and many other local newspapers. During peak trading times, advertising also takes place many renowned TV channels such as **GMTV**, **ALSTA** and **WEST COUNTRY**. This department is also responsible for Costcutter's in tune radio. Our 24 hour music station at the majority of our stores is currently being utilized to promote all the latest Costcutter offers and promotions directly to our customers along with new product launches, competitions and news, sport and weather bulletins. New store branding and imagery has been recently unveiled.

Strengthening the Costcutter brand image and building on the brand value now firmly established within consumers, the new store development features split aisles with promotional gondola ends, designed emphasis in store deals and large life style graphics on windows, vanillas canopies and interior hangings pelmets. These pelmets also give product layout information eliminating the need for individual category signs thus widening the store selling space. The whole store ambience is enhanced by micro lighting inserted into the ceiling, complementing the fresh and modern image of the brand. The new store imagery and design is already proving to be a huge success, setting apart the standards in convenience retail stores, and competes directly against any national multiple operators. Remember here at Costcutter we work for you and treat your business as our own business. We need you to support all our buying activities. It is no surprise that Costcutter continues to thrive despite ever increasing competition. Highly experienced and professional staff is constantly working hard to get you the very best deals and secure your long term future. Costcutter, the national group of independent stores, is the locals' favorite!

AWARDS

Keeping with our long established policy of close integration with the communities within which the we operate, Costcutter promotes initiatives designed to support local pastimes and cares for the deserving irrespective of race, cast , creed or color. In this regard we are actively engaged in promoting well being and cultural harmony in liaison for example with local authorities, youth movements, care homes, charity groups, hospitals and the emergency services. In recognition of its role in this field we have received awards including ASIAN TRADER AWARD, STAR OF PAKISTAN AWARD & CONVENIENCE RETAIL AWARDS.

Upcoming Projects:

Apart from expanding into Morocco, we also aim to expand into Pakistan. Indeed preliminary negotiations are currently underway to identify possible plans for such roll outs which would involve a steady build up of such chains at a rate of three store openings per year with an aim of having 15 stores in each Country by the Year 2015.