



## The ABC of Fashion Business in Post-Normal Time

At the business conference of the 30th Central Asia Fashion International Fashion Exhibition, fashion experts discussed what a retailer should focus on today, how to forecast business in the context of extreme uncertainty, how to overcome the personnel collapse and the new "redistribution" of the labour market, and where to find new opportunities in post-normal time under the conditions of "global blind alley".



Panel discussion of Kazakhstani and foreign retailers at the CAF business conference

## What should a retailer focus on today without losing tomorrow?

Speaking about the focus during the crisis, the speakers of the CAF business conference agreed that at a critical moment it is more important than ever for a business to find and work out weaknesses. Thus, Maksim Gorshkov, the Commercial Director of the Academy of Retail Technologies from Moscow, believes that there is nothing new in retail at the moment: *"This is how business has been built for a hundred years: with ups and downs, with shocks and economic crises. Therefore, it is necessary just to realise the changes that are taking place now and find the main points of support.*

*In any case, you understand what will be the operating costs, how much to pay for rent, there will still be some obligations to suppliers and sales personnel, even if you have reduced salaries or something else. That is, in any case, it is possible to calculate and understand it. That will be the starting point. Of course, this is not exactly planning, but this is the very minimum requirement that a business should receive."*



Speech by experts from Moscow - Maksim Gorshkov and Iuliia Veshniakova, Academy of Retail Technologies

Supporting her colleague, Iuliia Veshniakova, the CAF business conference expert, the Director General of Academy of Retail Technologies, noted that the pandemic helped retailers learn a lot: *“We now have a completely different perspective on everything that has happened. The good thing about such situations is that weaknesses quickly become acute. Any crisis gives an extra impetus and an opportunity to review your work. Every business has potential.”*

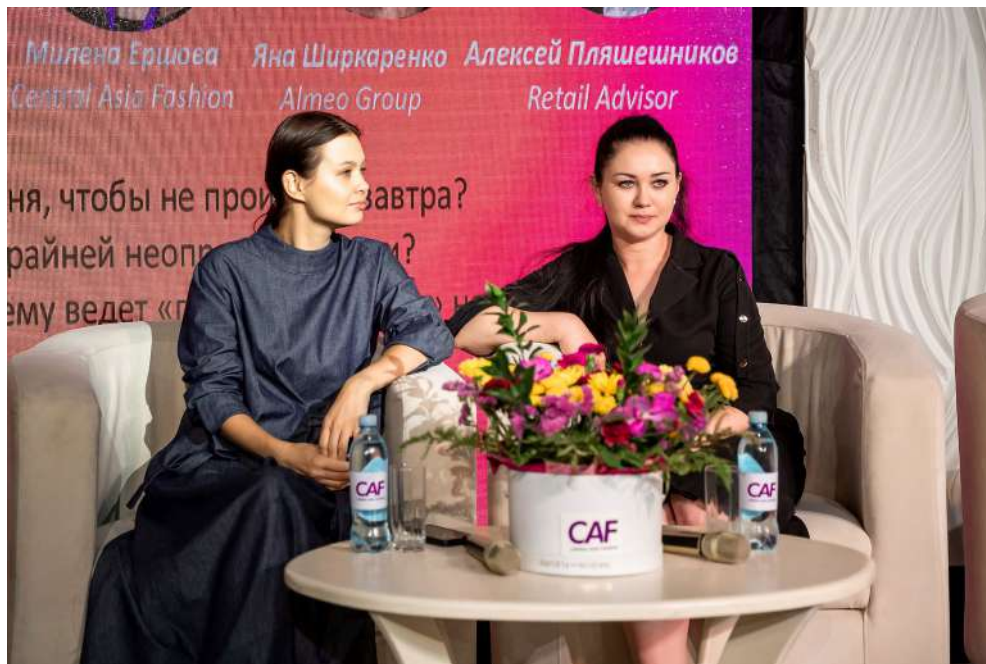
At the same time, another special guest of the Central Asia Fashion international exhibition, Alexey Plyasheshnikov, the Managing Partner of Retail Advisor, the PROfashion Consulting expert, recommends focusing on the quality of service.



Speaker for the CAF panel discussion: Alexey Plyasheshnikov, Managing Partner of Retail Advisor

*“Most of all, during such periods, the quality and level of service rendered to consumers suffers. And this can hide a lot of lost revenue and missed opportunities to work with new consumers. The most important thing is how we communicate with our regular consumers in a specific period, how much we hear their needs. Retailers are constantly in some kind of tension, but at the same time, during the crisis, they forget that the consumer and his/her behaviour are rapidly changing. That is why the skills to render services of high level need to be constantly*

upgraded. The simplest and most inexpensive thing is to slightly anticipate the level that we can offer the consumer."



Kseniia Kuserbaeva, the Co-Founder of the Colab multi-format platform and Lana Shirkarenko, the Director of the Almeo Group retail network

Meanwhile, the speaker of the CAF business conference, Lana Shirkarenko, the director of the Almeo Group retail network, noted that in times of crisis, in addition to finding gaps in business, it is worth quickly looking for new promotion and sales channels: *"What we have begun to actively do in the company is to set up online sales, that is, we have supplemented a new distribution channel. It is the same retail channel, only online one. We went through it in different ways: first through social networks, then we opened a small online store, got involved in the work of marketplaces and further."*

In turn, Kseniia Kuserbaeva, the speaker of the CAF business conference, the Co-Founder, the Director General, the Business Coach of Retail Academy and the Co-Founder of the Colab multi-format platform, noted that retail always reacts sharply to any changes: *"We are always working with you on two things: how to increase sales and how to reduce costs. No one will tell you anything new, no expensive Russian, Kazakhstani or foreign consultant. Therefore, firstly, we work to ensure stable sales. For this purpose we work through all channels: we focus on online, then offline, we monitor whether there are any events that can help us collect traffic. Our task is to squeeze everything out of sales as much as possible. The constant focus is on where the money is coming from today and tomorrow. The second part is consumable, and nothing changes here. It is important to constantly consider, analyse and revise."*



Panel discussion of Kazakhstani and foreign retailers at the Central Asia Fashion business conference, Autumn-2022 season

## Forecasting in Post-Normal Time

Speaking about forecasting, the experts of the CAF business conference disagreed on the timing. Thus, Iuliia Veshniakova believes that entrepreneurs often mistakenly make a psychological shelter: *"One customer told me during the pandemic that forecasting now is the most thankless task. In fact, it is necessary to predict, no matter what. Perhaps the forecast horizon will be shorter, but it definitely should be."*

Maksim Gorshkov, another foreign business conference expert, notes that when we talk about a long-term or medium-term forecast, we are not talking about revenue planning. *"The long-term revenue forecasts can safely be adjusted. Now we are talking only about short-term forecasts. This is exactly the kind of forecasting that is related to how to plan the purchase budget so that there is a range for the next season and how much to buy it for. If there is complete uncertainty, start from the costs,"* the specialist recommended.

At the same time, Iana Shirkarenko, the participant in the panel discussion, shared how forecasting was built by the major Kazakhstani fashion retail operator, Almeo Group: *"We always analyse from period to period. If we plan current sales and carry out budget planning for August, then of course we will rely primarily on setting plans and KPI indicators for the previous period. Of course, if we are talking about seasonal fluctuation, we can make comparisons from month to month. How conditionally last year we traded, what were our indicators for August in relation to July? What's important? Not only sales in terms of money and direct revenue are important. Average checks, conversion, traffic, and so on are equally important. The main rule of a retailer is to digitise and compare everything that can be digitised."*



Speech by Iana Shirkarenko, the Director of the retail network, the largest Kazakhstani company - Almeo Group

In turn, Kseniia Kuserbaeva, the expert of the CAF business conference, noted that she does not plan more than a year ahead: *"I don't understand why Kazakhstani retailers don't like to plan so much. It should be done more often, more quickly! I agree that the planning horizon has become shorter: if earlier it was planned for 3-5 years, now I don't plan for more than a year in the projects I work with. I set some strategic goals and adjust my plan every month,"* the speaker of the CAF business conference shared.

## Personnel collapse and the "global mix" in the labour market

At the same time, experts of the CAF business conference noted an acute shortage of personnel in fashion retail. So Kseniia Kuserbaeva reported on unfulfilled expectations in resolving this issue: *"We were really waiting for the influx of cool specialists from Russia and Ukraine to Kazakhstani retail, but I personally have not recruited a single such specialist yet. Despite the fact that the companies of my colleagues and I personally have many top positions open: operational director, commercial director, director general, buyer, product analyst, merchandisers. There is no queue of specialists from other countries."*

*In fact, we have always had and still have a shortage of qualified personnel in Kazakhstan. If you look, then smart commercial directors and buyers on the local labour market can be easily counted on the fingers. Where to look for the missing ones? It is only possible to take them from other companies or educate them ourselves. In the last few years, we have seen an entrepreneurial boom in our country: everyone wants to open a business! As a result, productive people who can achieve results go to try themselves in other field. There are a lot of niches where a person can sit with a cup of coffee and earn money. Freelancers, entrepreneurship. Who is left for us, retailers? The prestige of the profession is falling, so fewer and fewer people come."*



Kseniia Kuserbaeva, the Co-Founder, the Director General, the Business Coach of the Retail Academy and the Co-Founder of the Colab multi-format platform

*Kseniia's opinion was supported by Alexey Plyasheshnikov, the Russian expert: "We are facing a huge demographic hole. The guys we want to see as sales assistants are not enough. There are actually fewer of them physically! Therefore, it is incredibly important how we find them and then train them. There is a failure in fashion retailers right now in terms of how the system of recruitment, adaptation and development of employees is built up."*

### **How to turn a global blind alley into new opportunities?**



Milena Ershova, the General Producer of the Central Asia Fashion business conference, presents the book by Iuliia Veshniakova "Fashion Retail. 100 Secret Management Questions"

Meanwhile, the experts of the CAF business conference believe that, despite the current changes, there is no global blind alley. Thus, according to Maksim Gorshkov, the Russian expert, it is not worth talking about the global crisis in Kazakhstan at all: *"Let's look at the country's GDP. This is the simplest and most important index indicator of the state of the economy. The GDP of Kazakhstan is growing! If a country produces more and consumes more, it is simply impossible to talk about any global crisis. There can be a crisis in some individual businesses, but not in the country as a whole. Of course, there may be local crises in such difficult periods, but on the whole, forward movements are absolutely correct. When 10 years in a row there will be a steep drop down - this is a global crisis, like in the 90s. Now everything is fine"*.

A mini-presentation of our own "ABC of fashion retail" was the result of the panel discussion of the CAF business conference with Kazakhstani and foreign experts.

Thus, Alexey Plyasheshnikov, having identified the first letter of the ABC "A" for himself, called on business retailers to follow applicability, analyse and unite in associations with partners and even competitors.

Maksim Gorshkov, the expert, marked the letter "B" and called it the main words: budgeting, work with databases and accurate balance sheet.

Iuliia Veshniakova, the invited expert, believes that the retail business must first of all follow the rules of the three "C": continuously, constantly and correctly.



panel discussion speakers (from left to right): Maksim Gorshkov, Iuliia Veshniakova, Milena Ershova, Kseniia Kuserbaeva, Iana Shirkarenko, Alexey Plyasheshnikov

In the dictionary for entrepreneurs by Iana Shirkarenko, the fashion retailer, the main letter is "R" with the words: result, regularity and reliability.

Her colleague, Kseniia Kuserbaeva, highlighted the letter "S" in the ABC of Fashion Retail. The expert recommends paying attention to service, systematic approach and speed of decision-making.

Milena Ershova, the General Producer of the Central Asia Fashion business conference, completed the recommendation ABC for retailers. The expert marked the letter "C" and called the main words for the fashion business: customer centricity, cashback and collaboration.

When using the release data, it is obligatory to indicate the source: Business conference of the Central Asia Fashion International Fashion Exhibition.

When using photos, an indication is required: press service of Central Asia Fashion.

All exclusive rights to the Materials belong to the organisers of the CAF international fashion exhibition — CATEXPO LLP.

All rights to photographs are protected by Kazakhstani and international legislation on copyright and related rights.