

Stakeholder Management Checklist



Any medium- or long-term strategy will require the support of key stakeholders, and in a large number of cases, bank support will be the critical element. But it is not just banks who can determine the future trade of the business. From trade creditors and landlords, insurers and shareholders, a wide range of stakeholders can influence the success of the business:

- Customers: there is fierce competition on the high street and maintaining a strong brand and loyalty from your most important stakeholder, will be key to future earnings
- Banks: retail is currently perceived to be high risk and, therefore, companies need to be prepared for increased levels of scrutiny when negotiating funding
- Pension trustees: trustees of any DB (defined benefit) pension scheme are under pressure to take a stronger stance with employers whose covenants are perceived to be weakening
- Tax authorities: considerations for VAT and Corporation Tax payment history and plans with HMRC
- Employers: core retail skills are key to maintaining position; plans need to consider capability and commitment of employees, and identify skills gaps that need to be filled
- Company and management: a proven track record in retail doesn't necessarily translate into the time commitment to drive growth or a turnaround strategy
- Suppliers: this position needs to be closely monitored; credit insurance may be a key factor
- Shareholders: recent transactional history is likely to lead to an inflated view of value today. Every strategic decision made should take potential shareholder backlash into consideration
- Landlords: need to understand the strength of covenant and develop fallback, compromise and exit options for underperforming stores and onerous leases, and conversely, a good relationship can help when negotiating favourable terms for new premises
- Government: the UK government is keen to ensure that the high street survives, and that unemployment remains as low as possible – are there any incentives (e.g. export incentives, Enterprise Zones etc.) that you can take advantage of?

For more information on the issues raised in this checklist, visit kpmg.co.uk/retailtoolkit or email retailtoolkit@kpmg.co.uk to arrange an informal discussion.

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