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Report: 10,000 stores could close by year-end

Baltimore Business Journal - by [Kelly Johnson](#) Contributor

As many as 10,000 stores are expected to close by the end of this year, according to a retail report released this week.

Retail distress advisers at **Grant Thornton LLP**'s Corporate Advisory and Restructuring Services division in New York focused in the report on what retailers can do to improve their chances of survival, specifically through financial management and process improvement.

Retailers faced their biggest declines at the end of last year, Grant Thornton CARS national managing principal Marti Kopacz said in the release. More than halfway through 2009, consumers still aren't in the mood to open up their wallets.

"Falling sales hit all regions of the country and nearly all retail sectors, challenging stores and pushing many to the brink of failure," Kopacz said. "Either retailers are contemplating bankruptcy, have already declared it or are announcing significant reductions."

Scott Davis, a CARS principal, said companies need to capitalize on retail trends and focus on financial management.

"Although there's high risk in the retail industry, now is the time for companies to fine-tune their business and take advantage of new opportunities," he said. "The winners will be the disciplined companies investing the time, effort and resources to reexamine their strategies and position themselves for growth."

The CARS group's tips include:

- Balance and integrate the use of bricks-and-mortar stores with online sales
- Consider private-label products, which are gaining ground over name brands
- Invest in green practices and determine which green products to offer
- Improve customer loyalty through incentives, such as discounts, guarantees and generous return policies

- Focus on lean operations and reducing waste

Kelly Johnson writes for the Sacramento Business Journal, a sister publication.

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