

Bringing Xiaomi Branded Stores to the UK

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This is a brief account of a complex programme of work led by me to bring Xiaomi branded retail stores to the UK. The first store opened in July 2021 and several more are planned.

I have written this account for two reasons in particular:

1. To showcase a successful project which has brought one of the World's most exciting new consumer electronics brand into the UK retail landscape;
2. To demonstrate the Candezent Advisory approach to working with our clients on complex projects that deliver innovation in the retail market and strong commercial outcomes.

The Project

(i) The Background

I have had the pleasure of working with the Franchisee Brightex and the brand owners Xiaomi to investigate and then realise their ambition to have a series of Xiaomi branded stores around.

Brightex Group, based in Hong Kong, is a diversified conglomerate with numerous international operations and an especially strong presence in consumer electronics, including being the international franchisee for Xiaomi.

China based Xiaomi is one of the most important technology companies in the world, the fourth largest smartphone brand globally, listed on the Hong Kong stock exchange in 2018 with a valuation of US\$54billion and became the youngest company on the Fortune 500 list in 2019. (A full account of Xiaomi 's exceptional success appears in ['Navigating the New Retail landscape: A Guide for Business Leaders'](#) written by my Candezent Advisory colleagues Alan Treadgold and Jonathan Reynolds.)

(ii) The Brief

I was approached by Brightex to investigate and ascertain the economic and commercial opportunities for a series of Mi (Xiaomi) branded stores in the UK. Mi is the major brand used for Xiaomi smartphones. Being approached to undertake such a study is not particularly unusual for me and my colleagues in Candezen Advisory.

More unusual is that Brightex also asked one key question which I think recognised how we operate at Candezen Advisory. They asked that if the research demonstrated a worthwhile opportunity, would I stay in place to realise at least the first store and to establish the infrastructure needed to then expand beyond one unit.

A traditional consultancy would have struggled with this as, in general, they offer the assessment and concept but not the delivery. I and Candezen Advisory think somewhat differently. We like to really be part of the idea, the viability examination and then the realisation. So it was agreed that should the opportunity exist, I would stay on board to help turn the idea into reality.

(iii) The Engagement

On Saturday the 24th of July the first Xiaomi store opened to great fanfare in the iconic Westfield London shopping centre.

Getting to this successful outcome involved several stages of work:

- **Comprehensive Retail Landscape Analysis** - This included working through the short and long term impacts of Covid-19 on bricks and mortar retail. (Candezen Advisory members views on this crucial question can be viewed on [our YouTube channel](#)).
- **Development of Financial Forecasts** - This had to be both fair and based firmly in reality and fact. In addition to the normal assumptions we spoke to landlords, ascertained pricing and availability on store units, took a view on preferred locations and considered the ability to offer infrastructure to support Xiaomi in their ambition to build a chain of outlets in a very tough market with many variables yet to unfold.
- **Stakeholder buy-in** – Extensive consultation meant that the Hong Kong Brightex team agreed with our analysis and forecasts, as did the Xiaomi team who have a very strict set of requirements for stores, layouts and brand representation. The other stakeholder of influence was Westfield, whose London shopping centre in West London was to be the location for the first store. Westfield are – quite rightly – very challenging on the standards of stores and brand owners in their centres. It is difficult to overstate the work needed to gain their approval and indeed co-operation to realise a store in their centre.
- **Funding** – A business plan was created, on the basis of which well over £1.5m of funding was secured to get to the realisation stage.

- **Licencing Agreement** – A licence agreement was secured with Xiaomi which recognised the idiosyncrasies of the UK market including such considerations as binding long leases. Much of this significantly challenged the deals Xiaomi had secured in other parts of the world. However, after many meetings and some fraught moments a contract was agreed.
- **Enablement** - The next stage was to finalise the services and tools to enable a retail business. Negotiations were completed with several landlords so we could push ahead with tandem store openings in several locations simultaneously. We then tendered and agreed providers of EPOS, product security, recruitment, warehousing, shipping, banking services (very difficult) and accountancy support. In doing so, we built the toolbox of all the parts required for further store openings beyond the initial first store.
- **Team and merchandise** - We recruited and trained a team ready for opening the first store and bought and shipped stock from China and locally to fill the store(s). While this may seem straightforward, in a Brexit and Covid-19 impacted world, it proved to be anything but.
- **First Store Launch** - Finally, we were ready to advertise our grand opening. Late challenges of a logo redesign and Government changes on lockdown re-opening dates were all overcome. With Xiaomi we developed exciting opening offers, used the MI followers to inform on our arrival alongside local activity in Westfield. Doing this created a good buzz and a pleasing queue ahead of opening.

(iv) **The Results**

At end of August 2021, the first store had been open for about a month. Trading performance is, of course, commercially confidential. However, what we can say is that initial signs are very encouraging. The store team have worked hard to realise a strong store performance recognising the need to be flexible and pragmatic as a start-up. The recruitment process - heavily aided by Xiaomi - has worked. With a store up and running attention can now turn to the other locations.

And now...

At a personal level, I can step away from the project I led knowing that I have delivered what I investigated, developed, argued over, and finally realised. I wish Brightex and Xiaomi a successful future. It is in their hands now to turn genuine opportunity into real performance across a network of new stores.

As a Partner in Candezen Advisory and an experienced professional commercial leader I am now moving to my next challenges. Hopefully they will all will be as interesting, exciting, challenging and successful as my experience with Brightex, Xiaomi and Westfield.