



Christmas Tree Shops Focuses on IT Transformation to Establish Technical Independence from Bed Bath & Beyond.

Going home again

Founded in 1920 as a brick-and-mortar destination, Christmas Tree Shops was a New England/East Coast attraction. The 23 store-based, family-owned brand was acquired by Bed Bath & Beyond (BBBY) in 2003 and grew to 80 stores with over 5,700 employees in 20 states under their ownership. Fast-forward to new C-Suite leadership and a refocused strategy on a narrow portfolio, the brand was put on the market in 2020 and purchased by Pam and Marc Salkovitz as Handil Holdings. With annual sales of over \$650 million, Christmas Tree Shops re-entered a world of private ownership having retail parents committed to returning the concept to its origins as a “seasonal” store with curated merchandise for year-round appeal and treasure hunt values.

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Unwrapping opportunity

While becoming the expert in their domain presented many new opportunities for Christmas Tree Shops, establishing themselves as an independent entity separate from former parent company, Bed Bath & Beyond, presented new challenges. Specifically, IT, HR and finance were the functions that were most intertwined. These same critical areas were key to supporting the specific focus of the company to establish a strong internal foundation of superior systems, processes, tools, and people to

support scalable growth. The new owners viewed the purchase as an opportunity to rebuild the legacy of CTS by updating the brand, focusing on the customer, and implementing operational efficiencies and new merchandising strategies that would return the fun to the customer shopping experience. At the core of the strategy was to design a state-of-the-art cloud-based system that



would modernize the entire technology infrastructure and help create stronger customer relationships fueled by visibility to shopper journeys from acquisition to personalized engagement and long-term loyalty.

Easier said than done

Extracting Christmas Tree Shops would be a challenging project on the surface but coupled with the fact that the new stand-alone concept was sold without an IT department created an even greater obstacle in achieving the plan to establish the brand as a fully functioning, separate retail entity. Add a strict one-year deadline to the mix and the need to support the upcoming 2021 holiday season, and the brand knew they needed external help.

Happy Columbus Consulting Day

The practitioners at Columbus Consulting were engaged to partner with CTS and help them achieve technical independence from BBBY within a 12-month timeframe. This entailed developing a transition plan, defining an organizational structure, identifying necessary resources, and establishing costs and capital expense for during and after the transition. Columbus Consulting was further engaged to Program Manage the IT Transition and lead multiple Technical Workstreams.

Why Columbus? For over 20 years, Columbus Consulting has helped retailers just like Christmas Tree Shops solve their problems and drive business growth. The consultants at Columbus were all high-level retailers themselves and actually sat in the same seats as their new peers and clients. Who better to understand the pressures and demands of such a delicate project as data extraction and technical independence?

Where to start? There was not time to do anything but hit the ground running. The Columbus team quickly defined 10 key workstreams (e.g. project phases) to achieve the task at hand, on budget and on time. These areas included:

1. Define what technical independence looks like.
2. Confirm the details of the transition services agreement.
3. Articulate the releases and milestones:
 - WMS-release the warehouse management system in July.
 - Big Bang-address BBBY's mandate to implement all applications as one and not as phased-presenting tremendous risk to CTS.
 - Ensure that store technology and stand-alone apps could be implemented by CTS after the Big Bang release.
4. Solidify the approach:
 - Lift and Port-copy the BBBY solution onto the CTS Ecosystem.
 - New or replace-implement a new solution NOT using the BBBY legacy solution.
 - Eliminate-technology or solutions that would not be part of the future of CTS.
5. Initiate the Workstreams.




Ten months and two weeks later

On November 12, 2020, Christmas Tree Shops, LLC was purchased from its former parent company, Bed Bath & Beyond, and became a privately owned company. On November 12, 2021, CTS was established as a stand-alone brand fully equipped with a state-of-the-art technology system and team. In less than one year from its separation,

CTS, with Columbus Consulting, successfully turned 90% of its portfolio of 80+ software systems and services with minor issues and disruption to their stores. The team designated 15 systems as core and created 10 work streams to deliver 98% of the complete portfolio by the targeted deadline.

With no time to waste and so many areas that could have gone wrong, from data extraction to systems implementation, this was a heroic success. The CTS leadership and vision along with Columbus Consulting's



expertise proved to be a match made at the North Pole! The retailer is now poised to regain its traction as a brick and mortar-based value destination that is going to increase their assortment to best service their customers. This will drive better turn, more visitors and larger transactions. Seasonal products, as suggested by the very name of the store, will also be strengthened and a new customer loyalty program will be instituted in 2022. A true retail turn-a-round and reinvention story that is just beginning.

Mutual praise for a job well done

CTS co-owner, Pamela Salkovitz, applauded the work of Columbus Consulting, stating that: "Your guidance, leadership, project management excellence, professionalism and tenacity were instrumental to getting us successfully across the TSA finish line. What we accomplished together in such a short time was against all odds. The support from Columbus allowed us enough breathing room to onboard a whole new IT team who will now continue to move CTS forward."

In turn, Columbus Consulting Managing Partner, Katrina Mossman, shared her appreciation of having worked with such visionary and supportive retail leadership. "Marc and Pam have been true partners in every sense," Katrina commented. "Their clarity of vision, commitment to investing in the customer and determination to return the Christmas Tree Shop brand to its legacy roots drove the team to lean into technology. Many retailers don't see the real value in investing in technology as a strategic initiative, but Marc and Pam did and are now in a position to accelerate their business and merchandising plans."



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Columbus Consulting delivers solutions that drive true value and have been transforming the retail and CPG industries for over two decades. We are a boutique consulting company of industry experts.

Our approach is simple, if you do it, we do it. We are more than consultants, we are experienced practitioners who actually sat in our clients' seats. We understand the challenges, know what questions to ask and deliver the right solutions. Columbus offers a unique, consumer-centric approach with an end-to-end perspective that bridges functional & organization silos from strategy to execution. Our specialties include: unified commerce, planning & merchandising, sourcing & supply chain, inventory management, finance & operations, data & analytics, information technology and people & organization. Let us know how we can help you. To learn more, visit ColumbusConsulting.com.