

cashconverters

CASH CONVERTERS ESPAÑA



SECTOR
RETAIL

REGION
EUROPE, ASIA-PACIFIC

In 1984 the very first Cash Converters store opened in Perth, Australia. Today, Cash Converters' determination to bring modern retail practices to the sale of secondhand goods is reaping global rewards. The group boasts over 750 stores in 18 countries. Cash Converters España is one of its most successful international offshoots, with 82 stores in Spain and six in Portugal, alongside an increasingly important and profitable digital channel. Together, the Iberian operation generated a turnover of EUR 144m in 2017.

CHALLENGE

Cash Converters España operates in a challenging environment, for a number of reasons. Most notably, after a period of rapid store expansion in the early 2000s, the likes of eBay appeared on the horizon. The company has met the challenge of online auction sites head on.

"I think we should be very proud to be here today and doing well," says Susana Serrano-Davey, CFO at Cash Converters España. "We have managed to compete in the market with eBay and all the other second-hand sales platforms, and to do so effectively, even though they don't buy and sell themselves. The difference in our model is that we will buy from somebody and sell to somebody else, whereas these platforms act as intermediaries."

The arrival of eBay et al did prompt a shift in corporate strategy, however. In recent years bricks and mortar store expansion has slowed, leaving the company free to focus on implementing an ambitious digital plan. Online retail is now a major part of its offer, making Cash Converters España the only business of its scale and status buying directly from consumers online.

The challenges of rapid digitalisation have been matched by a demanding compliance environment in Spain and the diverse structure of Cash Converters España itself. Its stores are divided almost equally into corporate and franchise models, something else its advisors at UHY Fay & Co have had to take into account.

SOLUTION

As Susana says, Cash Converters España needs advisors with expert and up-to-date local knowledge, a thorough understanding of the retail environment, and access to an international network in the event that plans for overseas expansion came to fruition. She acknowledges that UHY Fay & Co have been instrumental in guiding the company and helping it evolve.

"Because Spain is so complex, it is very normal for an external advisor to help you," she says. "Keeping up with compliance in Spain is a full-time job in itself, which is why it is always good to reach out to someone who has really up-to-date and expert knowledge."



"Also in the last few years we have embarked on a digital transformation journey, requiring additional legal advice. We are constantly exploring new business opportunities at home and internationally and therefore having a strong advisor that can guide us through the detail is very important to us."

A strong relationship has developed between Bernard Fay and his team and Cash Converters España, both at a senior level and within the operational teams. UHY Fay & Co has gained a thorough understanding of the company and its challenges.



Cash Converters España knows that, whatever the future holds – and that may well include overseas expansion – the UHY network can support it.



RESULT

UHY Fay & Co helps Cash Converters España navigate Spain's complex regulation, and expand its physical store and online operations. Most fundamentally, the firm's advice saves the business money, as Susana explains: "In one instance, the Spanish local authorities wanted to apply double taxation to some of our trade and, with the help of UHY Fay & Co, we won the argument and saved a significant amount of money in taxes."

Perhaps most importantly, Cash Converters España knows that, whatever the future holds – and that may well include overseas expansion – the UHY network can support it.

"Having someone who is strong locally and is able to deal with the specific complexity of the local market, but is also able to access a reputable network of firms worldwide, is valuable," says Susana. "Bernard Fay and his team have been of great value in our journey. Their professionalism and technical abilities are an asset."

UHY IN THE RETAIL SECTOR

UHY members firms work across the sector, ranging from single market retailers to major international fashion brands. UHY specialists understand issues like managing internal controls, stock monitoring and supply chain logistics. We provide tailored accountancy and advisory services such as tax planning and compliance, financial reporting, strategic planning and risk assessment.