

Consignment Shop Opens in Luxury

Village at Westfield Topanga welcomes a new type of tenant.

Closet Trading Co., a consignment fashion store, just opened in **Village at Westfield Topanga** in Woodland Hills. It's the first consignment boutique ever in a Westfield mall, according to the mall owner.

Although secondhand stores aren't typical tenants in luxury malls, Closet Trading founder **Johanna Melamed** said in this case it's a good fit for her shop.

"The Village is designed to be a convenient location for locals to run errands, and is a beautiful and relaxing place to come and enjoy the full-service restaurants and spa," said Melamed. "The versatility means the center fulfills multiple needs for the community and allows us to capitalize on consistent foot traffic."

The shop offers lightly-used clothes from top fashion labels, and customers can stop by any time to sell excess inventory from their closets, according to its website.

Melamed, 31, understands her customers from experience; she has shopped at



PHOTO BY MIKE BAKER

Thrifty: Johanna Melamed at Closet Trading's new location.

thrift stores since childhood. In high school, she paid \$7 for her prom dress after scouring the racks.

"There was just something about it that I fell in love with," she said. "I think it was the thrill of the hunt."

Eugene Fram, a professor with Saunders College of Business at Rochester Institute of Technology in New York, believes Melamed has caught a national retail trend.

"For well over 20 years, on a per capita basis, the United States has been over-

stored and over-malled,"

Fram said. "As the consumer has been adjusting to shopping less, more mall space is being leased at reasonable rents – something resale stores and boutiques have wanted for years."

Since the Great Recession, the resale industry as a whole has been doing well, Fram added. There are currently more than 25,000 resale, consignment and not-for-profit resale boutiques in the United States, and the number has increased 7 percent each of the last two years.

"Both resale stores and boutiques are destination types of stores, meaning customers will travel to buy from them," Fram said. "They should continue to do well in mall locations."

Closet Trading has locations in Agoura Hills, Santa Monica and Santa Barbara. Melamed believes an unrelenting focus on optimizing product, price and service has made the chain successful.

"There seems to be a tendency in retail to sacrifice customer service for a lower

price," she said. "We believe we should reward our customers for shopping with us by giving them the best price that we can, on the best product, with the friendliest and most knowledgeable staff."

Attracting and retaining that staff is Melamed's biggest challenge. But like those thrift store gems, finding the perfect team is worth it when the result is satisfied shoppers.

"That's the core of our strategy – become friends with our customers," she said.

—Helen Floersch

For Founders, Exit Strategy Gets Gamey

Valley author's new book offers advice on selling a business.

When selling a business, most people think the highest bidder becomes the buyer, but attorney and author **Matt Crowley** says that's far from the case.

Just last month, Crowley released his second book "Winning the Game: How to Successfully Sell your Business," complementing his first book about how to start a business.

"Because I work with a lot of startups, they will sometimes come to me or go to an investment banker and say, 'We only have one month's worth of cash left. Can you find a buyer?' This is the worst way to sell yourself."

Crowley's law practice – **Crowley Corporate Legal Strategy** in Encino – specializes in providing counsel to startups, which prompted his first book. Soon after, he realized many of his clients who needed help starting their endeavors also needed help exiting them.

In "Winning the Game," Crowley highlights the importance of understanding

the motivation behind selling a business because that determines everything else down the line. When choosing a buyer, he also encourages owners to think globally and strategically as well as consider less obvious candidates such as customers and vendors.

Many business books on how to sell companies have been published over the years, but Warren Feder, partner at New York-based consulting and investment banking firm Carl Marks Advisors, believes material on this type of transaction is especially useful in today's economic climate.

"Baby boomers are reaching their 60s and 70s and are considering selling their businesses," he said. "Banks are looking to support loans for buyouts. Corporations have accumulated large amounts of cash, looking for assets to grow. Put all that together, and it's a good time to be looking to sell your business."

But even in a good market, Crowley warns sellers that a deal can often take six months or more.

"They will find if they start the thought process early, they can get organized early, making it (the sale) less painful," he said.

—Stephanie Henkel

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