JK Julia Kallas
ADVISORY

FREE DECISION GUIDE / 01

Before you *discount.*

Six questions to ask before deciding what to do with excess stock.

Excess stock is a commercial problem. A discount is only one possible answer. Before you assume your stock needs a lower price, find out whether it needs a different audience.

For luxury and premium fashion brands, independent boutiques, multi-brand retailers and manufacturers.

THINK BEFORE YOU REDUCE / START WITH THE DIAGNOSIS

A discount can bring in cash. It can also cut your margin, teach customers to wait for the sale and strain your relationships with partners.

01

What stock do you actually have?

Separate seasonal pieces, evergreen styles, broken size runs, returns and items with little selling life left. One clearance policy rarely fits them all. Good product with limited visibility needs a different answer from stock nobody wants.

Ask: which products are truly at risk, and which still have time or demand?

02

Why did it remain unsold?

Look for the cause before choosing the remedy: buying depth, price, visibility, presentation in store or online, customer fit, season or channel.

Ask: would a discount solve the cause, or simply hide it?

03

What is the real financial trade-off?

Count the margin after reductions, channel fees, handling, returns and shipping, together with storage costs and the value of freeing up cash.

Ask: what do we actually recover under each realistic option?

Many retailers think they have an inventory problem when they actually have a distribution problem.

04

Where could this stock sell without a blanket markdown?

Look at demand across your current channels, other countries, other customer groups and your partners: marketplaces, outlet and off-price partners, private sales, stock buyers. Each route has its own economics and rules.

Ask: is there a route to demand that keeps more of the value?

05

What would this do to your positioning and partners?

Check how often you promote, price consistency across channels, how the brand is perceived, and possible conflict with wholesale or marketplace partners. Read your contracts and channel rules.

Ask: could today's quick recovery damage tomorrow's relationships?

06

Who owns the decision and the next step?

A stock plan needs an owner, commercial input, a timeline and clear criteria for when to hold, move, promote or exit.

Ask: what is our decision date, and which result will make us change course?

Use this page in an internal meeting. Start with one stock group, not your whole inventory.

STOCK GROUP OR CATEGORY

What is included, and what is not.

DIAGNOSIS

The main reason this stock is still here.

OPTIONS TO COMPARE

Hold / reposition / move to another channel or market / targeted promotion / controlled exit

ECONOMICS AND RISKS

What you recover, fees, shipping, timing, and the effect on partners and the brand.

DECISION, OWNER, REVIEW DATE

Who does what, and when you look at it again.

THE DECISION IS NOT ALWAYS TO DISCOUNT

Find the route that makes *commercial sense.*

For some stock, a controlled markdown is the right answer. For other stock, better visibility, a different market, sharper segmentation or a new channel keeps more of the value. The goal is not to avoid discounts at all costs. It is to decide with your eyes open: recovery, margin, timing and long-term relationships.

WANT AN OUTSIDE VIEW ON YOUR STOCK?

I am Julia Kallas, founder of Julia Kallas Advisory in Milan. I have worked on every side of the fashion distribution table: the shop floor, a premium brand's international wholesale and a European fashion marketplace. My Excess Stock Channel Assessment looks at your stock list by brand, category, season and quality, and matches each part to the channels that suit it.

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A decision aid, not financial or legal advice. Check the numbers and your contracts for your own business.