

Case Study

Achieving Profitable Growth

The leadership issue: How to drive increased revenues and profit growth.

Background

Our client is a leading supplier of safety equipment and workwear in the UK. The organisation sought assistance to improve its revenues and increase profit margins.

The firm had grown substantially since its inception to a staff of 2,000 with over 100,000 customers. With more than 25,000 stock items, it supplies companies in Africa, Asia, Europe, North America, the Middle East and Australia.

What we found

We were able to identify the following issues within the organisation:

- ◆ The drivers of net profitability were not sufficiently understood
- ◆ There were inconsistencies in pricing across customer segments and channels, and a high discounting rate
- ◆ Processes, organisation and behaviours lacked consistency across the branches and service teams. This was leading to higher operating costs and lower spend per customer
- ◆ All customers were treated the same regardless of their needs or behaviours

What we did

A 'Joint Team' involving a number of selected employees from the company was established. They were trained in our core skills, and helped design and manage the implementation of a wide-ranging change programme. This began with a short period of detailed review and analysis to help identify and understand the potential areas for improvement.

The review covered a number of areas across the business:

- ◆ Pricing and revenue opportunities
- ◆ Contract profitability and customer service levels
- ◆ Customer sector and management of contracts
- ◆ Team effectiveness, organisation, competencies and incentives

Pilot programmes were formulated and launched to validate the proposed changes and to 'test and learn' new ways of working.

Best practice was then rolled out across the organisation. This resulted in the introduction of more effective and differentiated contract fulfilment and customer handling processes.

Results

The pilot programmes led to an increase of 11% in revenue and 3% improvement in margin. The changes were successfully embedded within the organisation and the company continues to go from strength to strength.

“You have certainly left a large element of DNA throughout the organisation. Thank you for your part in making our business significantly different.”

Joint Managing Director
A Leading Supplier of Safety Equipment