



# **CLOSE YOUR STRATEGY EXECUTION GAPS WITH BDO**

How to Overcome Challenges on the Path to Growth



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## Introduction

The old ways of doing business have evolved, and successful organizations adapt at the speed of change. To thrive in the new economic frontier, your business must develop a holistic strategy that accelerates innovation to capture emerging opportunities for growth.

Effective execution, however, comes down to the details. Many companies face one or more common pitfalls during strategy implementation. Overcoming those challenges can make all the difference between outpacing your competitors and falling behind.

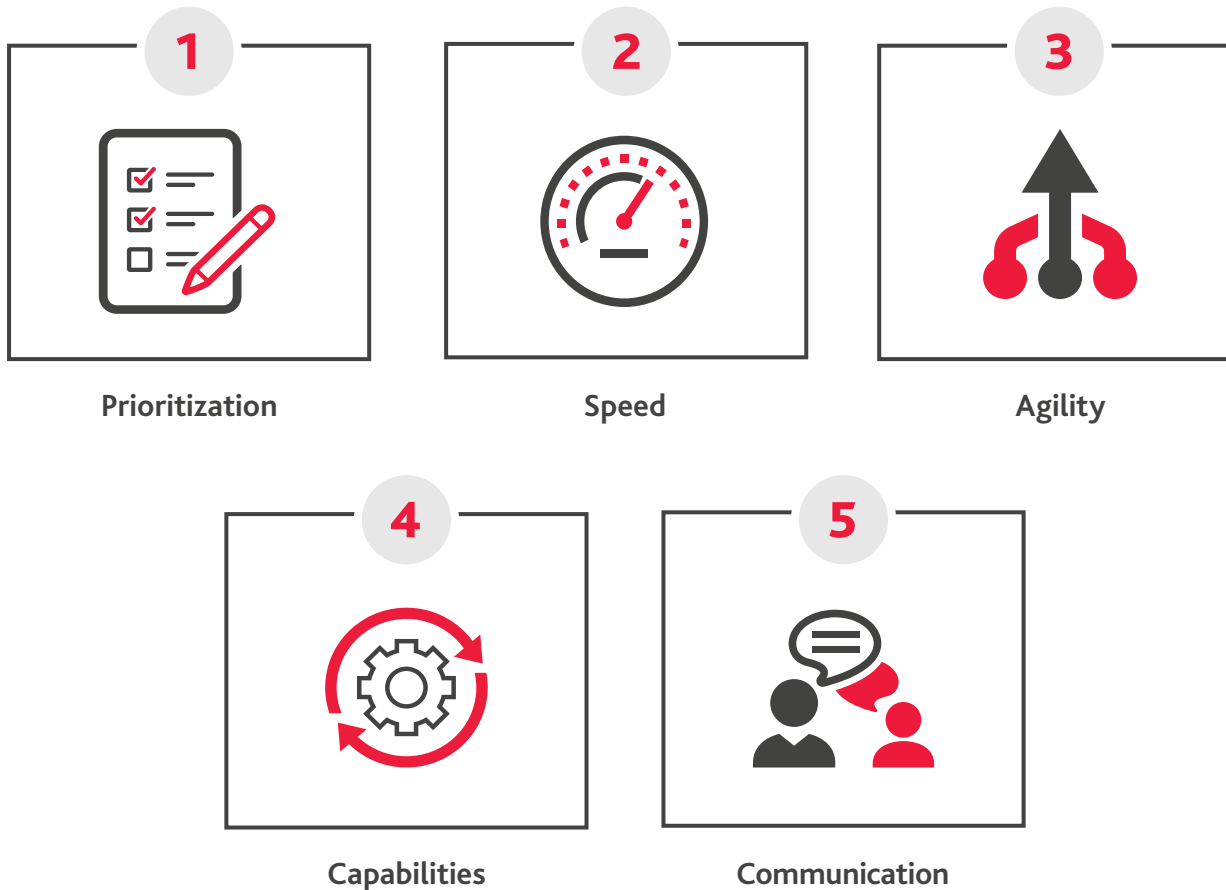
BDO's professionals in the [Management Advisory Services practice](#) have the industry knowledge and longstanding experience to guide your business along its growth path. We work closely with you to avoid obstacles and nimbly implement strategy so you can focus on what you do best. Our strategy and growth advisors have a track record of success with hands-on engagements for clients ranging from the middle market to the Fortune 500.

To facilitate strategy execution and enable our clients' ongoing success, our engagements close the execution gaps related to one or more of the following five areas: Prioritization, Speed, Agility, Capabilities and Communication. See how we've helped clients overcome these obstacles and implement their growth strategies.



# Closing the Execution Gaps

Businesses can accelerate strategies to capture emerging opportunities and drive transformational growth. We call this process [harnessing "hyperspeed value."](#) But all too often, companies stumble when executing their strategies and miss the window of opportunity. We help our clients avoid the pitfalls and scale for growth by addressing these five areas:





# Prioritization

You can't do everything all at once. By reducing complexity and focusing on primary objectives, you can conserve resources and achieve impactful outcomes step by step.

# Talent Development Company Transforms Operating Model for Profitability and Growth

A global talent development and transition company with operations in more than 60 countries sought help for its U.S. subsidiary. The company was undertaking a transformation to enable client expansion and convert existing clients from legacy products and services.

## CHALLENGES

As part of its strategic transformation, the company was in the process of developing segment-specific operating models and reassessing its pricing strategy to grow market share while improving profitability. The company struggled to gain the organizational visibility needed to accurately determine profitability for its projects, customers and services.



## BDO'S SOLUTION

BDO addressed the client's needs through a multi-dimensional cost-to-serve model which entails resource allocation. We worked with the client in cross-functional groups to break down silos and achieve the end-to-end financial visibility necessary to better align internal resources. By transforming back-office systems and processes, we enabled the client to produce accurate, long-term project reporting. We helped clarify project profitability for various segments of customers and services, which informed the client's updated pricing and bundling strategies. We also identified operating model changes needed to meet and exceed targets.

## CLIENT IMPACT

**BDO's work delivered the following benefits for the client:**



Identified over \$50 million of bottom-line improvements through pricing uplift, reallocation of resources and exiting low-margin business.



Improved collaborative decision-making among managers.



Gained data-backed, cross-functional alignment around profit clusters that helped simulate how decisions would impact multiple units across the organization.



Developed a unified culture focused on selecting and harnessing segments that increase profitability.

**After successfully completing the project for the company's U.S. subsidiary, BDO's engagement was repeated with additional subsidiaries in other countries to create a global framework centered on prioritizing growth and focusing resources.**



# Speed

Move too slowly, and you'll miss your opportunity. Businesses need to break organizational inertia to innovate and iterate. Success comes in phases — you just need to act.

# Rapidly Growing Manufacturer Reduces Complexity and Improves Service Levels

A private equity-owned manufacturer of coatings, adhesives and sealants had grown rapidly through a series of acquisitions. The \$1 billion company wanted to reduce the complexity and inefficiencies that stemmed from recent inorganic growth.

## CHALLENGES

The manufacturer had made more than a dozen acquisitions prior to engaging BDO, with the most recent acquisition effectively doubling the size of the company. The company struggled with complexity across the new organization, which impeded speedy decision-making, as well as a lack of clarity regarding revenue and costs. Previous consulting engagements had failed to address these issues, resulting in "consulting fatigue" among leadership, who sought clear solutions with demonstrable results.

## BDO'S SOLUTION

BDO reduced complexity by simplifying the product line and streamlining manufacturing operations, which improved service levels during the busy spring construction season. We helped the client focus on cross-selling across the new product portfolio, and we provided staff augmentation to manage change and maintain value from the large recent acquisition. We also used our deep supply chain experience to implement a sustainable process for sales, inventory and operations planning (SIOP).

## CLIENT IMPACT

As a result of BDO's work, the client saw the following benefits:

1

Increased operating income by more than \$400k in the first 120 days of the project

2

Achieved end-state financial upside in an excess of several million dollars

3

Simplified product line reduced SKUs by 17%

4

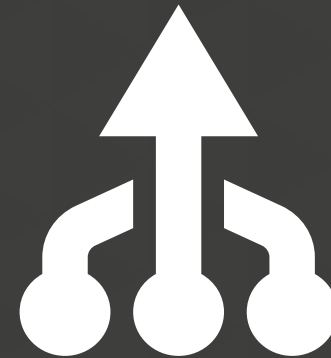
Improved alignment of operational priorities to address the most important customers and products.

5

The new SIOP process reduced complexity and led to better demand planning and shorter lead times – and ultimately, delivered a best-in-class service level value proposition.

# Agility

In a rapidly evolving business environment, change is the only constant. By adapting and reacting quickly, your business can develop the muscle memory needed for organizational agility.





# Specialty Logistics Organization Captures Organic Growth Through Business and Technology Transformation

A \$500 million global specialty logistics organization operated in 50 countries, primarily servicing the early part of the pharmaceutical value chain. It also specialized in non-pharmaceutical logistics, such as temperature-sensitive, end-of-the-world shipments that required detailed knowledge of applicable customs and regulations. The organization needed help scaling to capture growth opportunities.

## CHALLENGES

The logistics company relied on legacy processes and systems, which hampered agility and scalability, and threatened to constrain future growth. It needed to be modernized to support new services, partnerships and greater volume. Based on emerging opportunities in the market and the company's differentiation from competitors, a projected compound annual growth rate (CAGR) of 15% for the next five to ten years would be attainable through improved agility and scalability.

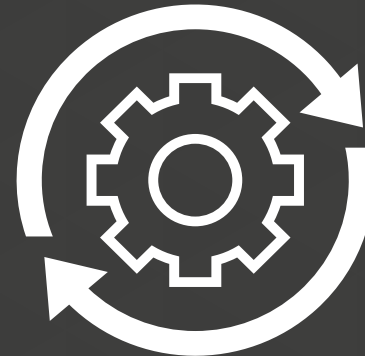
## BDO'S SOLUTION

BDO designed a holistic strategy for business and technology transformation, which included operational redesign and change management across multiple countries. We implemented business process improvements for existing processes — including order management, issue resolution, billing, reporting, and logistics planning and execution — and introduced business process design for new services. We also replaced the legacy systems with a customizable, scalable solution for all core systems, which enabled the company to preserve white-glove service levels and corresponding margins.

## CLIENT IMPACT

### BDO's work led to the following results for the client:

- ▶ Realized double-digit CAGR from existing services.
- ▶ Introduced two new services applicable to a multi-billion-dollar worldwide market.
- ▶ Improved customer experience with minimal increase in labor costs.
- ▶ Detailed reporting for all clients through increased use of automation helped reduce attrition.
- ▶ Efficiency improvements resulted in a 20% overall cost reduction for core processes.
- ▶ Attained the flexibility and scalability to capture growth opportunities.



# Capabilities

Success depends on having the right capabilities to operationalize your strategy.  
You need to align your people, processes and technology to drive change and execute effectively.

# Global Manufacturer Finds M&A Success with Improved Integration Management Capabilities

An integrated global manufacturer that provides enhancements for infrastructure — including performance chemicals and products and services for utilities and railroads — was pursuing a strategy of inorganic growth. The \$1.5 billion company sought help with integration planning and execution.

## CHALLENGES

The manufacturer had struggled to manage post-merger integration following acquisitions. It had limited capacity and resources available to plan for and effectively manage the integration process. The client needed help with integration governance and communication to manage change, support retention and achieve culture and leadership alignment. Acquisition targets also spanned different industries and service lines, which posed additional challenges for synergy capture. The company wanted to develop an M&A toolkit and a dedicated integration function to achieve repeatable results with future acquisitions.

## BDO'S SOLUTION

BDO worked with the client to establish a repeatable approach to integration planning support and execution by creating an integration management office (IMO) and program management office (PMO). We developed an integration program governance structure that enabled the company to proactively build the knowledge and processes that formed an M&A playbook for future acquisitions.

## CLIENT IMPACT

Through its engagement with BDO, the client achieved the following results:



Implemented operational and organizational improvements to support inorganic growth strategy.



Adopted an **M&A** playbook that standardized best practices and leveraged tools necessary to enable synergy capture, manage change and achieve organizational alignment.



The IMO provided a structure with clear roles and responsibilities to deploy for each acquisition before and after the transaction.



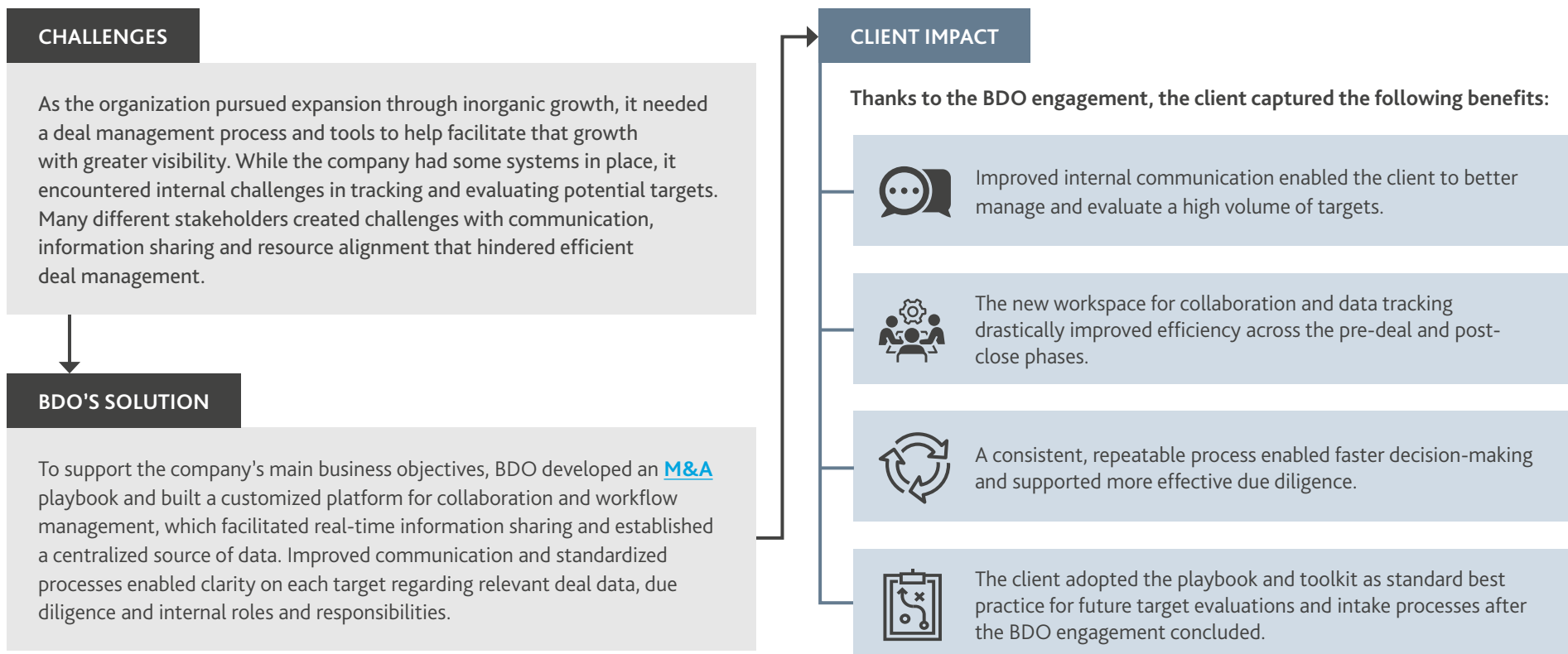
# Communication

Your people need to understand their common purpose. Clear, consistent communication helps break down information silos and unify your organization around shared goals.



# National Vision and Benefits Organization Streamlines Deal Process and Improves Collaboration

A provider of eye care and insurance services had formed a related entity to acquire independent professional practices aligned with their services. The company needed an M&A playbook and toolkit for assessment and integration of each potential acquisition.



# The Bottom Line

**BDO's Management Advisory Services practice helps companies turn plans into action.** We will help you implement your strategy to address immediate challenges while supporting long-term vision to build a competitive advantage. Whether you need help operationalizing your current strategy or have to develop a strategy from scratch, we can work with you to create a roadmap based on your business' unique needs and opportunities.

## Contacts



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