

Global fragrance and cosmetics company identifies savings of over \$75M

The Hackett Group assisted the client in developing a go-forward strategy and roadmap for bringing the business back to sustainable growth and profitability.

Situation

The client's organizational complexity, fragmentation, and breadth of business had created pressures on working capital and profitability. Rapid intervention was requested to determine:

- Where to focus cost reduction activity to increase profitability?
- How to improve liquidity and working capital to enable potential M&A activity?
- Which investments/capabilities would be able to drive growth of key brands

Action

The Hackett Group:

- Assessed and benchmarked the current profitability of the client's business across all regions, brands, and product segments to identify key areas of improvement opportunity.
- Helped the client develop a comprehensive business transformation program that detailed 12 strategic initiatives to right size the client's cost structure and close the identified margin gap.

Result

With the help of The Hackett Group, the transformation program:

- Identified EBITDA savings of \$75M over a 3 year period, and
- Provided the client with a structured roadmap and blueprint for reaching this target.

US-based premium pet food manufacturer achieves a 10-year NPV of \$180M

The Hackett Group worked with the client to improve the performance and capacity of its supply chain network in order to meet its projected demand within a rapidly growing market.

Situation

The client anticipated that it would double its growth rate over the next five years. However, its current production and logistics network was inadequate to support that growth projection. It needed to improve supply chain capacity and performance.

Action

After assessing the client's current network design and developing a baseline capacity, cost, service, and quality profile, The Hackett Group:

- Identified baseline capabilities and performance levels required for the future state network and developed an integrated capacity and cost model
- Collected and modeled planned growth and mix changes and identified viable options to support growth (e.g. built, buy, hybrid or 3PL or in-house DCs)
- Modeled and score-carded network options against defined set of metrics
- Generated detailed financial analysis (NPV, IRR, capital plan and timing) and implementation timeline

Result

The Hackett Group's recommended network changes enabled the client to

address projected capacity constraints, resulting in a 10-year net present value (NPV) of ~ \$180M.

Global agricultural company centralizes its shared services group to support more than 40 different business groups

Assisted by The Hackett Group, the company prepared its logistics shared services group for global expansion and support of its more than 40 different business groups.

Situation

A large, multi-national agricultural company wanted to expand the scope of its logistics shared services group to achieve greater economies of scale, improve overall capabilities, standardize processes, and provide improved services to its various regions and business units.

Solution

The Hackett Group:

- Assessed the current state of the client's logistics shared services group through a performance benchmark and capability maturity assessment

- Identified and addressed critical performance gaps inhibiting the logistics group from achieving its desired global reach
- Standardized the assessment to enable an "apples to apples" evaluation of the shared services group versus business unit performance

Results

The Hackett Group defined a set of consolidated improvement initiatives and a roadmap to bridge the identified gaps and prepare the logistics shared services group to effectively support the broader global organization. The assessment also acted as a catalyst for migration of the logistics activities from the business unit level to a centralized shared services function.

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