



PROBLEM STATEMENT:

A game changing way of looking at your business and organizational model.

Client profile

- Australian Advertising Industry
- SMB Customer Segment
- 200k+ customers
- 1500+ employees
- \$600M+ Revenue

Key Team Roles

- Data Analysts & Scientists
- Financial Analysts
- Sales & Service SMEs
- Product analytics

Business Impact

- Redesign of the Sales and Service strategy
- Rebalance the profitability of the customer base, with a focus on nurturing profitable customers
- Reduction in the number of loss-making customers and channels
- Acquisition sales effort focused on customers with propensity to upsell
- Pricing rationalisation of products
- Significantly improved product profitability margins across print and digital assets



The client had a well-established annual budget process, which drove much of the strategic decision making on product pricing, as well as the sales and service organization structure. Employing the traditional drivers of revenue (and expenses) in decision making, the client experienced profitability continue to decline, despite introducing initiatives focused on efficiencies and improving customer acquisition and retention.

Taking a data lead approach:

Data and analytics were at the core of our approach. Objectively analyzing all cost drivers and allocations, the team came with a fresh perspective, assessing expenditure - both directly and indirectly - related to customers across the product suite.

Strategic initiatives implemented: By establishing new key capabilities and metrics, the client was able to look at their business in a different way:

Product Profitability: We developed a reliable product profitability model to reflect the end-to-end product lifecycle; with a focus on Product, Technology, Sales and Service. This view of product profitability enabled the client to rebalance and address unprofitable products, from existing through to rebalancing - uncovering additional viable product opportunities.

Customer profitability: We delivered a 3-year customer equity model, including new customer segmentation dimensions. This enabled the business to implement additional sales and service optimization initiatives across the consumer journey.

Improving executive decision making:

- Detailed, timely and automated profitability reporting was introduced to assist management in making vital business decisions.
- With a clear view across customer and product profitability, leaders

were able to move forward with the right sales and service strategy, aligning labour effort and costs accordingly to the right channels, and to customer value.

EBITDA IMPROVEMENT

\$5M

CUMULATIVE OVER 3 YRS

CASHFLOW IMPROVEMENT

\$5M

CUMULATIVE OVER 3 YRS

PRODUCT MARGIN % OVER

+96%

3 YRS FOR A LOSS LEADER