



#### PROBLEM STATEMENT:

## Redesigning business operations to a minimum viable structure.

#### Client profile

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

#### Business Impact

- Transitioned from a federated model to a centralised model
- Narrowed company's strategic focus and alignment of all business unit strategies
- Significant labour savings
- Simplified technology platforms
- Stabilisation of EBITDA Margin
- Maximisation of cashflow

#### Key Team Roles

- Project Manager
- Financial/Commercial Analysts
- SME across all business units

# STRUCTURAL REDESIGN

Over the last four years our client's revenues declined but they managed to stabilise EBITDA as a result of a strong focus on cost savings initiatives. They reached a point where the only way they could further reduce cost was to redesign the business operations to a minimum viable structure without compromising the sustainability of the business.

## Data and analytics are key to driving a well designed operating model:

The ultimate goal of the structural redesign was to maximise cashflow and there were three guiding principles – retain revenue, minimise cost and stabilise EBITDA. Our approach was to understand the performance, operations and investment plans for each of the business units and identify the platforms that would underpin the redesign of a more cost effective

operating model. Gathering the relevant data and information was critical to determining the proposed options. We had to review all structural spans and layers to fully understand the people capability across the business and identify areas with opportunity for streamlining, duplication and potential gaps in capability to build a robust minimum viable structure.

## Strategic initiatives implemented:

- Narrowed the strategic focus of the company based the business units' life cycle phase and investment plans
- Refreshed the business unit strategies to ensure they were aligned to achieving the organisations strategic objective
- Moved from a federated business model to a centralised business model - streamlined functions and removed duplicate roles
- Identified further opportunities in COGS reductions through vendor negotiations, and exiting unprofitable products
- Established a product roadmap to assist with revenue retention; with a focus on expanding consumer reach to generate improved ROI for the client's 200k+ customers
- Transitioned to a simplified, more cost effective technology stack
- Reduction in the number of employees resulted in property savings – subleasing agreements

LABOUR COST REDUCTION

**\$21M**

ANNUALISED SAVINGS

INFO TECH COST REDUCTION

**\$17M**

BY YEAR 3

STABILISATION OF EBITDA

**40%**

2018, 2019, 2020