

Growth strategy and analysis of growth potential

The challenge

The case company is Europe's leading supplier in its sales segment in the food industry. The company is renowned for creating innovative solutions that meet food retailers' demand for quality products. In recent years, the company has achieved steady growth of approx. 10% p.a. together with an operating profit of approx. 13%.

However, the company's technological and market platforms are relatively restrictive. The technology employed by the company is influenced by the raw materials supplier. A high percentage of the company's sales are to a single geographical market.

The company is looking to expand for two reasons: to reduce its dependence on a single technology and a single market; and because its sales market holds considerable growth potential.

This was the basis on which Implement Consulting Group was contracted to structure, head up and challenge an analysis process with the object of identifying the most promising growth potentials.

The diagnosis

The project revolved around a series of structured workshops where a number of key growth-related issues were identified. Based on these issues, ten growth themes were formulated. The growth themes provided a kind of hypothesis and platform for ten corresponding sub-projects in which the growth potential was to be quantified.

Implement Consulting Group produced a template for the sub-reports so that the critical issues were resolved for each growth theme.

The information for addressing the sub-reports' growth themes was obtained partly from key specialists and partly from external client sources, market research agencies and industry specialists. This was accomplished through the keen efforts of the company's own staff, supported by the Implement Consulting Group. The sub-results were discussed at workshops and the hypotheses confirmed or refuted.

The solution

The analysis revealed that the company has ambitious, but realistic growth potentials in excess of DKK 1-2bn. Realising this potential will require a massive effort on both the development and marketing front.

Some of the ingredients for realising the growth are:

- Establishment of closer partnerships with key customers
- Optimisation of the product range and cross-sales across segments
- Enhancement of the value content of products by means of product and materials innovation
- Development and customisation of new materials and production technologies
- Penetration in other geographical markets

The result

For its ongoing strategic work, the company now has a well-researched and well-documented analysis and assessment of its growth potentials and the associated risks.

Through dialogue with key employees in product development, sales and business systems, and with the board of directors, a shared picture has been established of the company's externalities, and the potentials and challenges faced by the company.

In the subsequent strategy process, the company consequently had a solid basis for prioritising strategic objectives and proposing initiatives.

Further information

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