Consumer Products Case Study

PROJECT OVERVIEW

CLARKSTON CONSULTING

Business Transformation for a Leading North American Food Brand

Founded more than 130 years ago, Fyffes is the oldest brand in its category, and a leader with operations in Europe, North, Central, and South America. Several years ago, the company's CEO realized that what made the business successful in the past would no longer guarantee future success. As such, the CEO decided to disrupt the organization from within by drastically updating the company's operating model to adapt to a highly competitive marketplace, rapidly evolving consumer needs, and increasingly more demanding retail customers.

This transformation involved major shifts across all functional areas of the organization – including finance, sourcing, logistics, marketing, sales, and distribution. As the CEO's vision morphed into reality, the organization realized it was not fully operationally-ready to meet the growing demands of the new strategic ambition. As a result, processes that previously worked well became inefficient, the company's operating structure was strained due to growth pains, legacy systems fell short of the company's needs, and margins eroded in the face of rapid new top line growth.

Clarkston Consulting worked side-by-side with senior executives and operational leaders to refine the client's strategic imperatives and identify, prioritize, plan, and operationalize strategic initiatives to support critical challenges that needed to be addressed for the company to support profitable and sustainable growth.

Fyffes

Consumer Products Case Study

PROJECT OVERVIEW

CLARKSTON CONSULTING

COMPANY:

Fyffes, North America

PRODUCTS + SERVICES:

Imports, distributes, and markets produce and selected private label items across thousands of retail stores in North America

INDUSTRY

Produce

REVENUE:

$250 Million

PRIMARY OBJECTIVES:

- Assess the current operating model and identify the most critical challenges to the company's ambition
- Create specific recommendations across human capital, organizational design, processes, and supporting technology solutions to address strategic roadblocks
- Develop a robust multi-year strategy and transformation roadmap with specific objectives, workstreams, owners, and expected outcomes
- Identify and vet the most promising technology solutions to support scalable, sustainable, and profitable growth to the newly revised strategic ambition
- Recommend new capabilities and organizational design changes needed to create a more agile & accountable organization
- Create a Transformation Management Office to lead the activities under this strategic transformation
- Work side-by-side with the organization to maximize the odds for sustainable change once Clarkston's work was completed
- Activate the creation of new KPIs to manage the realities of the new business and measure the evolution of the transformation

RESOLUTION:

- Identified more than 75 discrete and detailed business challenges across key functions of the organization, (including finance, operations, logistics, sales, and marketing)
- Developed a prioritized transformation roadmap painting a picture of what activities needed to be initiated and when to remediate ongoing challenges
- Evaluated more than 50 different technology solutions that could support the business' evolving digital needs into the future
- Launched a Transformation Management Office immediately following the assessment to orchestrate all initiatives, creating new governance and reporting mechanisms to drive accountability
- Developed an in-depth current-state versus future-state capabilities gap assessment and organizational design, including redefined reporting lines and recommended areas for upskilling and/or managed services
- Modeled financial analysis for board of directors reviews, covering company performance, drivers affecting the business, and the expected changes moving forward to address key opportunities around logistics, accounting, DC expansion, SG&A decisions, and others

KEY BENEFITS:

- High-single digit to double-digit improvements across critical financial metrics including accounts receivable, customer claims, SG&A, and operating cash flow
- A clear articulation and deeper understanding of the most critical challenges the company is facing today and into the future
- Robust multi-year strategy and transformation roadmap designed improve on the organization's most critical challenges across people, process and technology
- Greater collaboration and communication across the varying functional areas
- A deeper understanding of different technology solutions and stacks and how they could support and streamline key processes within finance, operations, logistics, and sales
- Instilled new processes and capabilities, to continuously evolve the organization's talent

High-single digit to double digit improvements across critical financial metrics including:

- ACCOUNTS RECEIVABLE
- CUSTOMER CLAIMS & COLLECTIONS
- OPERATING CASH FLOW
- SG&A

"(At Fyffes NA) we didn't have a choice but to change everything at once, otherwise our days were counted; we knew we were changing "the tires while the car was running". We knew the future we wanted for our organization, but we didn't know how to operationalize it. Although we are not there yet, I don't know where we would be now had we not hired Clarkston; the consultants we worked with were able to understand and assimilate our culture; they became part of our team to help us build our future."

JUAN ALARCON, CEO, FYFFES NA

