Consumer Products Case Study

PROJECT OVERVIEW

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Direct-to-Consumer Strategy for a CPG Company

This client is a global holding company of several outdoor recreation brands. The company ships more than five million products annually to thousands of retail locations throughout the U.S. and more than 30 countries. Their products are known by customers for their durability, innovation, comfort, and style for every family member.

The organization wanted to develop and scale its direct-to-consumer (DTC) capabilities to meet increased demand from their customers. This effort focused on creating a clear and actionable roadmap that outlined strategies, execution plans, timelines, and investment requirements to grow the DTC business both domestically and globally. In addition to developing a global, integrated DTC strategy, the team devoted significant attention to enhancing the brand-specific strategies for two key brands in the U.S. market.

Ultimately, Clarkston helped the client define “why” and “how” they were going to win in DTC by providing value to the consumer and incremental growth to their business.

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INDUSTRY:

Consumer Products

PRODUCTS AND SERVICES:

Manufactures and markets outdoor recreation equipment

PRIMARY OBJECTIVES:

- Create a global DTC expansion plan that would enable profitability within three years
- Optimize the DTC channel to obtain the company-wide goal of an increased valuation
- Set up DTC in a way that allows the client to act on insights derived from consumer data
- Create actionable go-to-market DTC strategies for two U.S.-specific brands.

RESOLUTION:

- Through interviews, workshops, and data analysis, we assessed the current state of global DTC businesses and identified gaps to deliver a best-in-class DTC experience, taking global, U.S., and brand specificities into account.
- Leveraging industry-leading practice, we highlighted gaps in the DTC operating model as it related to the DTC storefront, order management, planning, logistics, payment and tax, operational capabilities, and technology.
- Subsequently, the team identified DTC strategic opportunities for specific brands and regions by crafting tailored business models and go-to-market strategies, including value proposition identification and consumer experience.
- To execute these DTC brand strategies, Clarkston made key recommendations to the operational, technology, and organizational strategies based on identified gaps in operating models.
- Clarkston prepared a revenue and cost analysis to forecast DTC sales and recommend investments required to bridge the gap to the client's revenue projections.
- Finally, Clarkston created a clear implementation roadmap, prioritizing the critical investments and activities required to create a best-in-class DTC business (including technology, people, marketing, and estimated costs).

KEY BENEFITS:

- Provided a clear gap analysis on the client's current state in DTC and DTC operating model, identifying opportunities in the short term and long term.
- Brought awareness to the cross-functional implications and necessary next steps by including key adjacent operational, technology, and organizational business strategies.
- Drove alignment and leadership buy-in on the importance of focusing on the foundational elements of a DTC operating model first, following a crawl-walk-run mentality to drive actual change.
- Developed an actionable cross-functional roadmap focusing on the key activities that would make a difference in executing the updated DTC strategies effectively and successfully reaching revenue projections.
- Supported leadership's strategic decision-making by building out an elaborate financial analysis that projected the company's costs and revenue and outlined the investments required to achieve their mid-term goals.

KPIs

Developed an actionable global DTC strategy and supporting roadmap that prioritized activities that would contribute significantly to global DTC growth

Crafted two elaborate U.S. go-to-market DTC plans for local brands with an actionable roadmap to drive prioritization and ensure excellent execution

Provided an investor-ready presentation for the DTC global strategy, including financials, areas of investment, and key activities

Drove internal alignment to the cross-functionality of DTC and necessity of setting up the right operating model for critical supporting business functions in advance of strategy execution

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