Consumer Products Case Study

PROJECT OVERVIEW

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Developing a Three-Year Strategic Playbook for a Global Manufacturing Company

A global leader in furniture design and manufacturing reached out to Clarkston Consulting to develop a three-year strategic playbook to define the company's path forward. In the past, the company was seen as the de facto innovator in their space and was the primary manufacturer in their product category. As the category became commoditized over time and margin began to shrink, the company recognized that it needed a new strategy moving forward. The organization had previously tried to pivot its strategy and had not been successful. Clarkston was brought in to determine and accelerate the best plan for the company's future in order to accelerate sales growth, diversify the customer base, and increase profitability.

The project began with an internal evaluation of margin compression, customers, and the most critical competitive and operational challenges facing the business. Clarkston then identified key trends shaping the industry and completed a detailed analysis to align with leadership on the primary strengths and weaknesses of the company and critical opportunities and threats in the marketplace. Leveraging these inputs and partnering with the client's leadership team, Clarkston facilitated the creation of a new vision and guiding principles, following Clarkston's proprietary Enterprise Destination Mapping (EDM) methodology.

Next, Clarkston determined and vetted more than 10 potential strategies for the company. Once the key strategies were narrowed and prioritized, Clarkston defined robust roadmaps for the client, including identification of the critical capabilities required to execute, the development of more than 40 new initiatives in support of the strategies, and the funding, timelines, resourcing, and success measures associated with each. Ultimately, this became the strategic playbook the client needed to transform the organization going forward.

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INDUSTRY:

Consumer Products

PRODUCTS AND SERVICES:

Furniture

PRIMARY OBJECTIVES:

- Determine client's reality and internal perspectives on current strategic choices
- Assess margin compression, customer base, and most critical competitive and operational challenges
- Identify industry trends and competitors' tactics, as well as search for other companies who have solved similar problems in other industries through Clarkston's Strategic Innovation methodology
- Define core capabilities and complete SWOT analysis to better determine where client is succeeding and where it needs to improve
- Identify possible strategies that client can choose based on feedback from its leadership team
- Drive alignment and selection of the future strategies with the executive team
- Develop a detailed playbook outlining the capabilities required to successfully execute the strategies and the tactics (along with timing, funding, and resourcing) that need to be taken over the next three years to implement chosen strategies

RESOLUTION:

- Interviewed the leadership team to get a better understanding of company culture and perspectives on current company practices
- Researched and provided insights into the industry as well as successful examples of companies pivoting strategies in other industries
- Completed company SWOT analysis to identify strengths to build upon, weaknesses to improve, market opportunities for growth, and external threats to its business
- Defined 10+ strategic choices for future direction and vetted with the leadership team before deciding on four key future strategies
- Created a playbook based on four key strategies outlining the key capabilities required for success, the definition of 40 initiatives, 25 metrics, and the roadmaps (staffing, funding, timing) for the next three years.

KEY BENEFITS:

- Established alignment within the leadership team on strategy forward
- Defined a new company vision and set of guiding principles to provide a clearer direction and fresh motivation for the company
- Cultivated a culture of knowledge and resource sharing across the separate business divisions
- Established strategies, tactics, timelines, and success measures to accelerate growth and improve profitability over the next three years
- Provided actionable recommendations that the client can use to reach new customers and increase sales across Original Equipment Manufacturer (OEM), retail, and direct-to-consumer (DTC) channels
- Provided valuable customer insights that will guide the company's decisions on innovative products and processes

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KPIs

75

75 strengths, weaknesses, opportunities, and threats identified

10

More than 10 strategic options assessed with four key strategies developed and refined

40

40 new initiatives clearly identified, sequenced, and ready for activation

"Our experience with the Clarkston team has been very positive. They genuinely care about the success of the project and of the business, and it shows in their level of engagement and work. Clarkston has been a good partner in guiding us through strategic decisions and difficult conversations all while being open to feedback. It was a refreshing experience working with consultants at Clarkston."

\- Client

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