

Realizing Post-M&A Revenue Synergies for a Travel Retailer

The client is a leading travel retailer committed to enhancing the travel experience of over 300,000 travelers every day in the continental United States and Canada. Anchored by their well-known brand, they own and operate nearly 1,000 stores in 88 locations, including airports, hotels, commuter terminals, and some of the most visited tourist destinations in the world.

In 2023, the client's parent company finalized an acquisition of a global travel food and beverage business, growing to a \$7.6B travel retail company in the process.

This client engaged Clarkston to assist with leading a new initiative focused on identifying M&A-driven revenue synergy opportunities across key focus areas and building out business cases supporting each. Initially, five pilot opportunities were shortlisted to move forward with and implement over the next three to nine months. The Clarkston team also developed governance models, high-level integration and scaling plans, and key performance indicators (KPIs) for monitoring value delivery.

Retail Case Study

PROJECT OVERVIEW

INDUSTRY:



Retail

PRODUCT AND SERVICES:



Travel Retail

PRIMARY OBJECTIVES:

- Define the scope of the problem and understand current business processes, data flows, and use cases around R&D data
- Identify critical challenges and corresponding strategies to solve for in preparation for the future build and rollout of data aggregated solutions
- Assist the company in setting and prioritizing a short-term and long-term transformation strategy, including identifying quick wins and impact drivers for each recommendation
- Develop a roadmap to outline the path to operationalize requirements and other strategic considerations, including people, process, and technology current and future needs

RESOLUTION:

- Facilitate meetings with senior leadership to determine the pilot design of various revenue synergy areas, define implications for each initiative, and build the master integration plan
- Collaborate with the Revenue Synergies leadership team to complete multiple workstream business case presentations and engaging video content for executive and global leadership; the content detail ranged from executive summary level to focused and regional reviews
- Align with the aspiration of “*One Team bringing travel retail and travel food and beverage into one offering*” by leading the construction of a unified governance model
- Develop an organizational structure and roles and responsibilities as well as report-out and dashboard templates for reporting progress using tailored KPIs for each pilot

KEY BENEFITS:

- Increase executive understanding and buy-in of pilot project workstream value by streamlining client messaging and leveraging engaging storytelling, leading to ~\$45M of funding for five pilot initiatives
- Improve employee cohesion and understanding of post-integration organizational structure, roles and responsibilities, and key business processes for over 36,000 employees across the four integrated companies.
- Streamline workstream efficiencies by creating new-and-improved report out outlines, KPI trackers, and executive summary templates tailored to each team; these documents set up teams to successfully communicate key information with executives after our departure
- Foster the successful implementation of five pilots, once scaled (<5yrs) estimated to bring in up to \$186M in run-rate revenue

KPIs

- **Fostering the successful implementation of 5 pilots**
- **Gaining ~\$45M of funding for 5 pilot initiatives**
- **Aiding ~\$186M in run-rate revenue over 5 years**

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