

WHEN CHANGE IS THE ONLY CONSTANT,  
**LEADERSHIP MAKES ALL THE DIFFERENCE.**



ALVAREZ & MARSAL



*Winning in today's fast changing markets requires agility and a radically different way of thinking about strategy and execution. Our restructuring heritage and depth of experience as operators lie at the core of our DNA, and have instilled in us a natural ability to work with clients to understand and solve their most urgent and complex problems.*

# THE WORLD IS CHANGING AND CHANGING FAST. COMPANIES MUST ADAPT TO SUCCEED.

Competitive advantage goes to the agile, innovative and early adopters. Business models need to be rethought to protect trust and enable the successful execution of winning strategies. The ability to capitalise on the opportunities and challenges presented by fast changing markets demands strong leadership and decisive action to deliver the right results.

Many businesses are facing unparalleled opportunities, whilst also experiencing threats on many fronts. Advances in technology are transforming the way people use information, share opinions and make choices, which in turn is rendering traditional business models obsolete and dramatically changing the competitive landscape. Weak demand, over-capacity and intense competition in developed markets are causing severe downward pressure on prices. At the same time, increasing demand for finite resources continues to drive up costs. This combination is potentially lethal - squeezing margins and driving a relentless focus on cost efficiency. All this must be managed without compromising trust and putting the business at risk. And if that doesn't present enough challenge, businesses must also navigate an environment characterised by complex regulation with tougher enforcement and on-going political uncertainty.

Europe presents a hard economic environment for businesses. It is experiencing low growth, ageing demographics, governments struggling to address fiscal deficits, doubts over the future of the Euro

and a high and increasing regulatory burden. While business confidence is improving, demand remains sluggish and asset returns for businesses are low, encouraging an even greater focus on higher growth markets. However, many of these higher growth markets are already brutally competitive and winning strategies require more than just replicating existing products and business models. There will be many casualties, but also big winners.

Perhaps as never before, the ability to capture the opportunities created by these changing markets, taking action quickly and in some cases dramatically transforming business models, will determine success or failure. Monetising these opportunities will require businesses to seek ever greater levels of efficiency. This includes tackling legacy problems such as fragmented and over-complex operating models that are not aligned with strategy, and entering into new and different working relationships with customers, competitors, suppliers and employees to create shared value. We must all be leaner, more agile and move with urgency.

# EXPERIENCE AND ACTION MATTER

A&M is a global professional services firm that partners with businesses at all stages of their development. Our mission has always been to improve operating and financial performance and accelerate positive change, whether serving as trusted advisors or in interim management roles.

We have a strong global reach, operating from 43 locations around the world. Over the past 30 years, we have worked with thousands of companies, including many of the FTSE 100 and Fortune 500, as well as mid-market businesses and more than 300 of the world's leading private equity firms. We are experienced performance improvement advisors to businesses – engaging our clients' leadership teams in the change imperatives and working with them to establish winning operating models, re-ignite profitable growth, and improve cost efficiency.

We get to the heart of our clients' challenges quickly, bringing an approach built on A&M's operational and restructuring heritage and core principles: speed of analysis, practical business experts and hands-on delivery. Our teams work with companies to drive significant, sustainable performance improvement across their operations, seizing the right growth opportunities and improving profitability in the face of top and bottom-line challenges.

**We deliver results.**

**A&M Professionals work with clients to tackle the key challenges at every stage of their development.**

The quality and experience of our people lies at the heart of the A&M difference. Across the extensive range of services we now provide, our teams combine senior industry leaders, expert business advisors and seasoned operators.



### *What makes us different?*

We bring an unprecedented level of industry experience and insight to realising business value creating opportunities and tackling complex performance problems, combined with an approach characterised by urgency and candour that businesses find refreshing – reflecting our heritage of helping companies to successfully navigate periods of unprecedented industry change.

Our style is hands-on and supportive, grounded in facts, with rich “real world” practical experience that informs actionable recommendations and ROI-based results (with an emphasis on outcomes rather than PowerPoint).

**We build strong, long-term, trusted business relationships and help businesses to adapt and succeed in a world in which the only constant is change.**

### *Who are our people?*

We are able to provide this level of service because, typically, our senior practitioners have more than twenty years of industry experience excelling in world-class organisations, as well as extensive board level operational experience.

Our people have demonstrated and distinguished track records of delivering successful transformational business change and solutions to business performance challenges.



# BUSINESSES MUST ADAPT TO SUCCEED IN TODAY'S BUSINESS ENVIRONMENT:

- ◆ Tackle complex performance challenges
- ◆ Transform strategy into winning operating models
- ◆ Grow revenues and strengthen margins
- ◆ Improve the agility of the end-to-end supply chain while reducing costs
- ◆ Use technology and data as competitive weapons
- ◆ Maximise value capture from acquisitions, divestitures and carve-outs
- ◆ Navigate the growing market and product regulatory burden
- ◆ Ensure the sustainability of the business model from both economic and reputational perspectives
- ◆ Optimise and align tax strategies with corporate responsibility
- ◆ Remain at the cutting edge of human capital and talent management
- ◆ Ensure that the finance function is an effective business partner and custodian of integrity
- ◆ Strengthen corporate governance, enterprise risk management and controls





# EXECUTIVE LEADERSHIP AND BOARDS CONSISTENTLY RAISE SIMILAR QUESTIONS ACROSS INDUSTRY SECTORS:

## *What are the prospects for the European economies?*

While we are seeing signs of recovery in many markets, there are also signs of a longer term shift to more price and cost sensitive patterns of consumption. Companies should assume that tough market conditions are the new norm. Government cut backs, more cautious consumer spending, a growing regulatory burden and increased competition will all continue to detract from revenue growth opportunities, while rising costs for energy, rent and labour will maintain a stranglehold on margins.

## *Where and when should we focus our strategic initiatives and investments?*

In spite of some softening in major developing economies such as China and India, international businesses headquartered in Europe are increasingly focusing their investments where the future centres of gravity of the world's middle class will reside - in Asia, Latin America and Africa, with many shifting their leadership and innovation centres to new hubs outside Europe. We also see infrastructure related business opportunities in Europe, with projects such as airports, railways and energy become viable again as

governments use infrastructure investments to stimulate economies and as business conditions improve.

## *How and when should we react to the rapidly changing world?*

Businesses should make keeping pace with change the highest priority to avoid being eclipsed by it. Digitisation, the emergence of e-commerce and omni-channel retail, the explosion of social media, loss of trust in traditional industries and a radically-changed regulatory environment are driving the need for leaner business models that protect and rebuild the trust of customers, while providing the right platform to drive growth and profitability.

## *How should we adapt our leadership and operating model?*

Properly defining the future roles and skills required by the Board and Executive Committee is critical.

Businesses need to establish clear leadership alignment behind strategy, translate that strategy into the right, winning operating model and then drive actions and results.

**A&M works with companies to drive significant, sustainable performance improvement across their operations, seizing the right growth opportunities and improving profitability in the face of top- and bottom-line challenges.**

# Leadership. Action. Results.

## LEADERSHIP MAKES ALL THE DIFFERENCE...

For over 30 years, A&M has helped companies improve performance, remove waste and inefficiency, drive revenues and develop strategic transformation programmes. The following are just a few recent examples of cases we've worked on:

### DRIVING PROFITABLE GROWTH

We help companies tackle complex performance improvement challenges, grow and realise value creation opportunities. Because each circumstance is unique, our solutions are tailored to specific business needs with actions that are realistic, achievable, and most importantly, sustainable. Our approaches to analysis and execution are equally applicable to businesses at any stage in their development, from companies rapidly outgrowing their current operating models to those struggling to reignite profitable growth.

#### **Media: Improving sales force effectiveness.**

For a major media player, we worked with management to diagnose under-performance in "big ticket" business-to-business sales. We identified gaps in sales skills, a poor pipeline process and management effort being diverted by a non-core sales system implementation. One of our senior leaders was then appointed as interim Sales Director and delivered a 10 percent increase in revenue by rebuilding the sales team and implementing new pipeline management processes.

#### **Manufacturing: Appointed by the CEO of a specialist electronics manufacturing business**

to review the implementation of a new manufacturing footprint, in particular, the movement of plants from Germany to Central Europe. The plants account for 30 percent of the company's revenue. We were appointed project leader to drive through negotiations and legal processes with the workers' council and manage line moves to the new plant, without any disruptions in deliveries to their major customers.



### **Consumer: Revenue Enhancement for Global Flavour manufacturer focused on creating a category growth strategy.**

A&M was appointed by the client's Head of Category Management, EMEA region to develop a compelling category growth strategy story for their key customers. We were able to provide a clear view of category attractiveness and effectiveness, identified shopper barriers to category purchase and leveraged category shopper understanding to tailor-make in store solutions to support category growth. In conjunction with this, our team ran a series of workshops that unpicked the opportunities and facilitated the creation of the final growth strategy.

### **Automotive: Development of a new operating model to support the growth strategy.**

Following the sale of a major premium auto manufacturer to a new owner, we created strong individual brand and product strategies to drive growth, and rationalised the manufacturing footprint to reduce costs. This combination provided the key foundation for the company's current success. We

then created a revised operating model to underpin sustainable growth in the business. The approach kept very strong separate identities for individual brands, but created common supply chain operations, product development, distribution and back office.

### **Transportation: Implementing a new pricing and distribution strategy to improve profitability.**

Working on behalf of a leading European "low cost" airline, we undertook a review of product and revenue management leading to the implementation of a new strategic distribution process. The firm developed a new proposition to increase yield and helped the client set achievable performance improvement targets. We helped design a new Salesforce and negotiated agreement with third party distributors. New pricing structures were developed and, having analysed the successful impact on different channels, a new product was launched.

# Leadership. Action. Results.

## TRANSFORMING OPERATING MODELS

Businesses need to be clear about the capabilities required for successfully executing strategy and establishing winning operating models. As such, the operating model is the essential link between strategy and execution.

There is no one-size-fits-all operating model design. At A&M, we work closely with our clients' leadership teams to establish consensus on strategic objectives and identify the critical capabilities required to deliver these goals. Our experienced practitioners use a combination of proven methods and tools, established design guides and deep sector expertise, to lead organisations through an operating model development process. This can include major process design, agreement on decision rights, organisation design, performance management framework and enabling technology requirements, with a major focus on stakeholder alignment throughout process.

We also coach and advise client leadership teams through the process of successfully realising the right target operating model, including, for example, transition planning, leadership development, functional capability development, change programme management, performance management system development and enterprise architecture / business systems implementation.

**Digital: Engaged by a major online travel agent** to work with their leadership team to define their future-state strategy and operating model, as well as provide detailed planning for technical separation from their Parent Company. Our role included developing long-term strategic direction for the Hotel, Flights, and Theatre categories, including positioning, financial modeling, scenario development and potential partnership options. A&M successfully evolved the company to the white label structure which required significant restructuring of the business model and simplification of the IT infrastructure, product portfolio and geographic footprint.



**Retail: Developing a multi-dimensional planning model for a leading global retailer**

embarking on a significant store refurbishment programme, with projected investment running into hundreds of millions of dollars. Their requirement was to build a combined operational & financial model that would enable them to manage building costs, store opening and closing schedules, sales per square foot projections and all the related building and tax regulatory considerations. By bringing together a team from the relevant A&M disciplines we were able to build this model in 6 weeks.

**Retail: Working with a global retail business,** we helped develop the IT, services and customer proposition strategy required to enable a best in class multi-channel retail offering across Europe. Previously each country had operated independently and the business wanted to centralise all its e-commerce operations in a single location. This included a prioritised, costed IT development plan, an assessment of current capability and future requirements both from an IT and customer facing perspective.

**Cyber: Integrated Cyber Policy Development and Implementation for a large utility company:**

A&M's cyber team worked to develop an Information Security Management Organizational Strategy and Roadmap for a large utility company. This included a policy and standards framework, a rigorous operating model, a best practice-based control framework capable of meeting regulatory requirements, and a scenario-based information security risk scoring system.

**Security Interim Management for a multinational electronics manufacturer:**

A multinational electronics manufacturer needed to develop and implement an enterprise-wide information security program to minimize the loss of its intellectual property. A&M served as interim Chief Information Security Officer (CISO) and provided a multi-year strategy involving staff, processes and implementation of technology throughout the corporation.

# Leadership. Action. Results.

## IMPROVING COST EFFICIENCY

Bringing an incisive focus, A&M delivers a results-driven approach to companies across multiple industry sectors to identify and quickly generate top-line improvements. As part of strategic performance improvements, our experienced specialists can work to quickly maximise the return on investment in marketing and sales activities. We assess each specific situation to identify revenue enhancement opportunities. Within two-to-four weeks, we prioritise and quantify a set of high-impact recommendations for immediate implementation to drive top-line revenue. These recommendations are built around ease of implementation and to quickly provide a return on investment.

**Aerospace & Defence: Terminating Long Term Contracts.** After being engaged by a government defence department under significant budgetary constraints, A&M developed the approach and strategy and led the termination of a fleet of fast

attack aircraft service contracts while minimising on-going obligations. We subsequently supported the department in successfully negotiating their sale.

**Retail: Helping a major retailer reverse a declining EBITDA situation.** Our client was a major European retailer, which had been experiencing falling sales and average spend over several years, with a resulting decline in EBITDA. Working closely with senior management, we were able to identify the root causes of the various issues and set out a detailed and measurable action plan to drive a significant recovery in EBITDA.

**Utilities: Rationalisation of general and administrative costs.** On behalf of a large international electricity company, we identified and helped implement recommendations to reduce costs, improve working capital and better manage capital investments, in a way which would not sacrifice quality of service. After achieving substantial success with the European trading division, we were asked to evaluate the benefits associated with extending the improved business model to other markets.

**Manufacturing: Cost reduction programme, financial restructuring and business planning.**

Working for a large manufacturing conglomerate with dozens of companies in over 30 countries, we identified and led the execution of many substantial cost saving opportunities, leading to significant bottom-line performance improvement. The team also delivered a substantial improvement in the quality of financial information and forecast stability, leading to the development of a five-year business plan and successful financial restructuring.

**Telecommunications: Major cost reduction programme.** For a specialist telecommunications service provider, we undertook a major review to deliver a substantial reduction in operating costs and capital expenditure without any reduction in customer service levels. Over the subsequent year we played a major role in the delivery of these results. We were appointed as Transformation Director, working intensively with the management team to bring about these cost reductions across network operations, suppliers, staffing, back office and sales. We delivered a 10 percent reduction in operating costs in the first year, a further 10 percent

in the subsequent year, and identified a further 10% in stretch opportunities which could be implanted if required.



# THE A&M DIFFERENCE

A&M's operational heritage and depth of senior resources allows us to rapidly diagnose problems and execute practical solutions in complex business and economic environments.

- ◆ OPERATIONAL HERITAGE
- ◆ INDUSTRY EXPERTISE
- ◆ SPEED TO EXECUTION
- ◆ PRACTICAL BOTTOM-LINE ORIENTATION
- ◆ EXPERIENCED LEADERS
- ◆ SENIOR RESOURCE DEPTH
- ◆ BIAS TOWARD ACTION





Handwritten text on a rolled-up whiteboard, appearing to read "Project Overview" in reverse.



# FOR MORE INFORMATION OR TO MEET WITH ONE OF OUR SENIOR LEADERS IN A LOCATION NEAR YOU, CONTACT:

## **Lawrence Hutter**

lhutter@alvarezandmarsal.com  
London +44 20 7863 4739

## **Philip Gore-Randall**

pgore-randall@alvarezandmarsal.com  
London +44 79 1255 1366

## **Malcolm McKenzie**

mmckenzie@alvarezandmarsal.com  
London +44 20 7715 5254

## **Tarek Hosni**

thosni@alvarezandmarsal.com  
Paris +33 1 44 50 0118

## **Dietrich Schmitt**

dschmitt@alvarezandmarsal.com  
Munich +49 89 71 040 6038

## **Thomas Kolaja**

tkolaja@alvarezandmarsal.com  
Munich +49 89 71 040 600  
Warsaw +48 22 397 82 00

## **Adriano Bianchi**

abianchi@alvarezandmarsal.com  
Milan +39 02 85964120

## **Gabrielle Reijnen**

greijnen@alvarezandmarsal.com  
Amsterdam +31 20 767 1111

## **Mark Sanders**

msanders@alvarezandmarsal.com  
Prague +420 212 244 355

## **Oliver Stratton**

ostratton@alvarezandmarsal.com  
Hong Kong +852 3102 2607

## **Joseph Berardino**

jberardino@alvarezandmarsal.com  
New York +1 212 763 1942





**LEADERSHIP.  
ACTION.  
RESULTS.**

Companies, investors and government entities around the world turn to Alvarez & Marsal (A&M) when conventional approaches are not enough to activate change and achieve results.

Privately-held since 1983, A&M is a leading global professional services firm that delivers performance improvement, turnaround management and business advisory services to organisations seeking to transform operations, catapult growth and accelerate results through decisive action. Our senior professionals are experienced operators, world-class consultants and industry veterans who draw upon the firm's restructuring heritage to help leaders turn change into a strategic business asset, manage risk and unlock value at every stage.

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