

## Delivering Superior Customer Value through Enhanced Organization and Business Processes Realignment

### Industry & Client Situation

A building products manufacturer, which had been historically focused on high-volume commodity products, had recently gone through a series of acquisitions aimed at diversifying its portfolio by incorporating higher margin specialty lines.

However, organizational capabilities and internal processes across the entire business were highly skewed towards emphasizing and servicing the commodity business, preventing the specialty lines from realizing their full potential.

### Approach

Bridge was engaged by the CEO to help the organization better understand the distinct customer requirements of each business, while improving the go-to-market coordination between commodity and specialty lines.

Adopting a market-driven approach in close collaboration with a rich cross-section of our client's organization allowed Bridge to establish critical business requirements for both commodity and specialty businesses, based on key customer needs and market characteristics:

| Requirements         | Commodity Business                     | Specialty Business                     |
|----------------------|--|--|
| Business Mission     | Operational Excellence                 | Product Leadership                     |
| Basis of Competition | Cost Advantage, Quality/Service Parity | Differentiation                        |
| Culture              | Lean, Disciplined, Stability-Driven    | Innovative, Adaptive, Risk-Tolerant    |
| Reporting Structure  | Strong Functions                       | Coordinated Business Units             |
| Processes/Systems    | Designed for Consistency/Efficiency    | Adapted for Flexibility/Responsiveness |
| Manufacturing        | Flow/Mass Production, Efficient        | Made to Order, Flexible                |
| Supply Chain         | Low Cost, Reliable                     | Responsive, Reliable                   |
| Product Development  | Mass Market Focus, Cost Reduction      | Innovation, Experimentation            |
| Marketing            | Broader Audience (Lower % of Sales)    | Targeted Focus (Higher % of Sales)     |
| Sales Management     | Short Selling Cycle, Low Involvement   | Long Selling Cycles, High Involvement  |

Once business requirements were well understood, we captured internal perspectives to inform necessary changes to organizational elements. Bridge leveraged its extensive experience in strategic organization realignment and business process restructuring to propose specific improvements to:

- Reporting structure
- Roles and responsibilities
- Skills and capabilities
- Performance metrics
- Incentive systems, and
- Key business processes.

### Results

Recommended organization and process changes were implemented in a deliberate sequence, improving not only the customer value delivered by specialty lines but also the overall business performance. The annualized profitability (PBT) impact of better business alignment was estimated at \$71MM annually within three years.