AVONDALE CONSULTING

Leading Polymer Parts Supplier

Case Study

Situation

The business was a leading supplier of specialty polymer parts used in high-temperature and high-wear situations. The vast majority of the business's existing sales were to aerospace, automotive, and semiconductor industries, although it had experienced some isolated successes in many other industrial applications. The business had experienced a virtually flat growth rate for five years and past business managers had concluded that the business's customer markets were saturated. A new manager was brought in with the goal to triple the size of the business within five years.

Approach

Avondale consultants worked hand-in-hand with the new management team to develop a consistent and clear set of facts. This included understanding the profit contributed by each existing customer as well as detailing the drivers of profitability differences. The team worked with the sales and marketing team gathered and analyzed data on the price vs. value tradeoff for each customer segment to understand the situations in which customers were willing to pay for the business's premium product and situations where the business was at a disadvantage relative to competitor products. In addition, data was gathered and analyzed on existing markets and potential adjacency growth areas. The management team was able to use the fact-base to analyze potential growth investments and identify areas within its core and adjacent markets where it was more likely to earn a high return on investment.

Result

The management was able to prioritize among dozens of potential growth avenues and specific investments. Given resource requirements, investment attractiveness, and advantages relative to competitors, the business put together a multi-year plan to invest for growth. Although the business had initially believed its core markets were saturated, the business team found that many of the best growth opportunities involved further penetration within their core customer segments. The business identified opportunities that together more than tripled revenue and profit and agreed to a multi-year growth strategy. Two years following the engagement revenues have grown by more than 60%, while maintaining high returns on capital.

2117 W. Fletcher / Chicago, IL 60618 / phone: (312) 953-7372 / fax: (312) 602-3989
www.avondaleconsulting.com