

CLIENT SUCCESS STUDY

DISTRIBUTION ENTERPRISE STRATEGY

A BUSINESS INTEGRATION STRATEGY

The Situation

A mid-market distributor of building products found themselves in a unique situation in the late 90's. Their current market share was adequate, profitability was acceptable, and customer satisfaction was at record levels. With cash in the bank, the challenge was to expand the business and meet or exceed shareholder expectations.

Without the apparent ability to significantly increase revenue within the existing markets, an acquisition was seen as logical path to revenue growth.

A target was found, due diligence completed and an agreement reached. The target organization was in a similar business located in entirely different geographic locations.

As is frequently the case, the entire deal was done with a single financial focus. In point of fact almost no consideration was given to the actual integration of the acquisition into an existing organizational and operational structure.

The Challenge

Now that the "deal" was done, **complete physical integration of the two organizations was mandated to take place in no more than 12 weeks!** The strategy required that there be no degradation to existing profitability in either organization, both of which would conduct business as usual and maintain customer service levels.

Other key requirements were to:

- Overhaul and implement warehouse management methodology
- Ensure employee turnover was minimize while realigning all benefits, salary structures and payroll activities
- Integrate and implement all IT systems in all new location, including financial management of receivables and payables.

The Approach

Gordian consultants worked on three program development teams simultaneously.

The first was to develop the roadmap for business integration. This entailed the definition and articulation of the desired end state vision. It also included the detail steps and resources necessary to accomplish the objective.

The second was to begin detail project planning, including basic project management requirements which were limited within both organizations. This aspect included the selection of, and training in, the appropriate tools.

The third team was to identify gaps between the desired outcome and currently available resources. This stream proved to be the most challenging. The resource knowledge and skill set, once defined, actually existed for the most part within the organization. Similar to most organizations however, there was considerable initial reluctance to "free-up" the resources from their existing assignments or positions. This was overcome with the use of detail developed in the project management stream. It was possible to accurately and specifically define the requirement both in terms of skill and timeline. This greatly facilitated the discussions on resources, and made it possible to explain the benefit of participation, rather than focus on the temporary secondment of a resource.

The Results

The integration was completed within the 12 week objective. Overall "buy-in" and participation was exceptional.

Both formal and informal support structures were established during the process.

Many customers from the newly acquired locations actually took the time to write letters telling how pleased they were in dealing with the new and improved organization.



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**SOLVING YOUR COMPLEX
BUSINESS PROBLEMS**

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**S T R A T E G Y , T R A N S F O R M A T I O N S &
P E R F O R M A N C E T U R N A R O U N D S**

ABOUT GORDIAN TRANSFORMATION PARTNERS

Gordian Transformation Partners is a boutique management consulting firm that integrates traditional management consulting disciplines with high-impact leadership practices and breakthrough thinking tools for mid-market clients. The result is a powerful consulting process that enables CXO's to solve their toughest business challenges with speed, efficiency, and economy.

Gordian Transformation Partners is headquartered in Atlanta, GA. We draw on the knowledge and experience of our consultants, whose skills span the initial generation of ideas and insights all the way through to detailed implementation. Gordian's consultants have lead transformation and turnaround initiatives for over 500 Global 1000 and mid-market companies in Australia, Belgium, Canada, Cyprus, Denmark, Finland, Hong Kong, Indonesia, Italy, Jamaica, Malaysia, Mexico, the Netherlands, New

Guinea, New Zealand, Norway, Portugal, Singapore, Spain, South Africa, Sweden, Trinidad, the United Kingdom, and the USA.

Gordian's consulting expertise addresses every area of your enterprise, from developing a transformation strategy to make your organization more customer-focused, to optimizing your supply chain investment, with the tools and expertise to help you reach your objectives.

Gordian draws on the knowledge and expertise of our consultants, whose skills span a wider range of capability than many other major consulting firms. The disciplines of Gordian's consulting specialists are underpinned by deep change management experience - managing risk, mobilizing staff and integrating initiatives to deliver sustainable change quickly.

Gordian Transformation Partners assists clients on a wide array of issues and problems, regardless of industry vertical. Gordian's

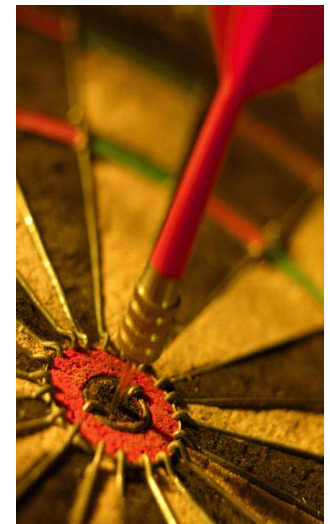
consultants' capabilities have been developed through years of experience creating solutions for the most complex, fundamental problems facing companies today.

Gordian Transformation Partners is focused on what is most important to senior executives and their organization:

- Enterprise Transformation
- Customer Driven Transformation
- Strategy
- Change Management
- Business Process Management
- Performance Turnaround
- Behavioral Development

**Gordian Transformation
Partners:**

- *Help organizations produce extraordinary business results, while connecting and enriching the lives Gordian Transformation Partners touch.*
- *Works in a dynamic team environment, where you and your management team share substantially in the economic value that you help create.*
- *Trains and develops you and your management team, to realize your fullest potential.*
- *Transforms your organization to a collaborative, high-energy, and fulfilling work environment.*



Is your business on target with your vision and customer expectations?

**Contact Gordian at:
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