

Business Growth through diversification (Automotive)

Ability to integrate into the client company

Prior to working as an interim, one of our team was the Managing Director of an automotive business, turning over £19M. The business supplied high specification aluminium components (alternator end shields, mounting brackets, car roof bars, brake frames, heat exchangers and burners) for automotive and other industrial markets.

In this role he had full P&L accountability, working with an established management team and 350 employees. This was during the early-mid 90's, when the UK was initially in, and subsequently recovering from a major economic downturn. He utilised his knowledge and contacts in the automotive sector (having previously worked at senior management level in an OEM) and specific technical knowledge in processes and new business introduction to gain trust from the team. He then worked with the Chairman to develop a medium term strategy to address key business issues.

Impact on the business / bottom line

One of these issues was an over-dependence on one customer. Whilst this account had generated significant value in the recent past, increasing commoditisation and the entry of low-cost competitors threatened a rapid loss of business.

A strategy was developed to positively manage a reduction in volume, develop new business as replacement, effect a smooth transition and build a platform to grow the business to the next level of performance.

Over a 3 year period, revenue was grown from £19M to £25M and £5M business was transferred from the dominant customer. This netted a growth of £11M (£14M to £25M) and maintained profit margins.

Overall contribution / achievement of objectives

The MD developed this top-line strategy and had full responsibility for implementation. Obviously, the business re-plan involved a significant amount of careful customer management and contract negotiation (for new business) and re-negotiation for the business reduction portion. The MD coached the Sales Director through this challenging process.

Working style

Analysis based, inclusive, informative and persuasive

Leadership / people management skills

Coaching the sales team, ensuring engagement and alignment across the rest of the leadership team.

Legacy

Reframed the business and its culture from an predominantly automotive oriented supplier to a provider of high specification products to a variety of markets

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