



Welcome to the latest edition of our Newsletter. We would like to present an extract of activities within the scope of our consultancy work, our business development as well as investor search topics.

At the end of 2019 we completed our internal management in Croatia, Turkey and Italy. We also partner network in USA, China, Japan, Singapore find on our homepage: [www.admetam.com](http://www.admetam.com)



organization with new have access to a strong and India. More you can

### **Restructuring of an international Retail Development Group**

Over the course of last 16 months ADMETAM has been working for a large international furniture manufacturing Group on restructuring and re-alignment of the three businesses involved in retail market (Shopfitting, Retail Systems development and Retail Lighting design). Dramatic decline in sales and inadequate and complex structure resulted in significant losses. ADMETAM has been asked to support the management to develop and implement comprehensive restructuring programme which would not only lower break-even and ensure profitability but also reflect strategic challenges and set path for future growth. The restructuring measures included significant cost reductions, relocation of complete production site, shop-floor layout optimisation and outsourcing of final assembly and logistics. Standard product portfolio was significantly reduced, and the focus shifted from sales volume to margin as key metric for product significance. The sourcing network has been established in accordance with the new product portfolio, new material group and lead buyer strategy was developed. Companywide project management standards, systems and meeting structure were developed. In order to stop sales decline and get back to growth, sales organisations were reorganised, and standardised processes and digital tools were implemented. Strategic re-alignment followed the restructuring programme and companies are now rolling-out key strategic projects.



### **Optimizing the supply chain of an automotive supplier**

Mandated by a British OEM we were confronted with the consolidation of two factories to one and the realignment of the supply chain of their important supplier. The situation was already intense and escalation procedures applied also by other customers. The OEM had already been consistently involved on site. The improvement programme we developed included the entire relocation of all product, processes and equipment from the production site to be closed. This required a new factory layout as well as the reorganisation of the workflow. At the same time, we had to keep up progress in new product launches (SOP) with confirmed delivery dates as well as continuous improvement of the product quality in order to reach the OEM quality levels required. First priority was the



improvement of the entire technical infrastructure then followed by appropriate commercial transparency. The relocation was completed, a new factory organisation developed, and productivity substantially raised. The company continued to focus on raising quality levels and production and delivery management.

### **Consolidation of individual companies to Group structure**

Three independent retail legal entities were operating as individual companies and businesses with complete organisations and processes within each entity. The companies differed by size,



sales, product/service portfolio, international penetration, sourcing or competition. However, all businesses targeted the same industry sectors and clients which resulted already in shared marketing activities i.e. participation in fairs. Considering these facts, we started to develop a Group structure top-down (strategic) as well as bottom-up, based upon the specifics of each product

segment. The new Group structure was supposed to build on the already existing market presence and to raise additional market and sales potential. Furthermore, it was equally important to still differentiate customer facing functions to allow for customers to also select competitors and not a “package solution” if they felt appropriate.

As key market requirements we allowed roughly for creativity to explore retail concepts, digitalization and maximizing space utilisation. The conceptual consolidation of the three businesses resulted in an organization with an operational holding structure and market led business units. The Holding included all functions which were not customer facing but benefitting from a central approach to management and control, i.e. product development/ sourcing/ HR/ finance. The business units represented all customer facing functions with a central responsibility to avoid cannibalism in between.

Processes were all aligned to the new structure and vice versa. The consolidation allowed a stronger market positioning as solution provider especially on international level, a more focused and faster market and customer development, reduced complexity and significant savings in overhead cost.

### **Restructuring of an American outdoor icon**



Following the merger of European and North American entities of a large international outdoor brand ADMETAM has been asked to support and accelerate the recovery process of North American entity. Company faced significant difficulties with large losses and cash burn which were needed to be resolved quickly including brand and product positioning difference between Europe and US. ADMETAM has developed and implemented a comprehensive restructuring programme exceeding 10 Mil. \$ of savings and 5.5 Mil. \$ improvements in working capital. Complete transformation from heavily manufacturing and distribution-based business model to sales- and marketing-oriented organisation was carried out. Own warehousing and logistics were outsourced to 3PL provider. Shut down and closure of old wool mill was initiated. In parallel a complete business plan reflecting both strategic (brand/ product/ marketing), operational and financial implications for the new smaller mill with fresh new product line and an efficient, lean manufacturing footprint was developed. Adjustments to brand collection (size/ styles/ pricing), customer base (size/ discount policy/ terms/ brand positioning) and agent network were carefully planned and implemented in order to ensure smooth transition to unified recognized brand. Clear strategy for finalisation of integration of North American entity in Group structure was prepared.

## **Investor search**

- **Fashion Company in Italy: website [www.admetam.com](http://www.admetam.com)**
- **Textile company in Croatia: website [www.admetam.com](http://www.admetam.com)**
- **Winery in Italy, Sardinia: website [www.admetam.com](http://www.admetam.com)**

We will be pleased to assist you with further questions and any requests.

Sincerely,

Your ADMETAM Team

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