



- ❖ Customer from brake system manufacturer for tractors, earth movers and defense heavy vehicles
- ❖ India based auto ancillary enterprise with revenue of ₹ 400 Million as indigenous manufacturer
- ❖ After collaboration with a South Korean world leader in this space the revenue grew to ₹ 1200 Million over next two to three years

The Challenge

- ❑ As indigenous player they had a profitability higher profitability
- ❑ After collaboration with South Korean world leader the profitability of the enterprise has decreased
- ❑ The Strategic management wanted to know where the company is losing
- ❑ What should be the steps taken for improving the profitability?



Sagesse Abundance
Strategy | IT | Learning

*Our customer enterprise business expanded three times and the entire organization was jubilant about the growth and progress made such as technology collaboration with the world leader, manufacturing facility expanded with new know how and business grown three times.
But profitability declined.*

Customer Challenges

- Business was in growth phase
- Manufacturing facility expanded with new state of art machines
- Revenue grew steeply and steadily
- Human resource expanded
- Operations cost increased
- Product price could not be increased due to competitive price pressure
- Profitability started shrinking

Project Objectives

- Investigate to identify reasons for profitability shrinkage
- Evolve and establish mechanism for managing growth
- Help strategic management team in setting up system for cost management give the constant or reducing price point
- Recommend Strategic approaches to cost management

Methodology Highlights

- Deployed Sagesse Abundance Strategy Consulting methodology with blend of reviewing operational study, decision making process, internal controls, check/balance review mechanism, data analytics, facts and information to substantiate data analytics findings.

Customer Benefits

- Customer derived deeper insights into operational issues that were beyond the obvious
- Recognized importance of having differentiated management system in an expanded organization
- Helped customer to set up near real time cost management mechanism
- Helped customer to set up suitable product costing system

