

CASE STUDY

Product portfolio management

The client needed help managing their product portfolio

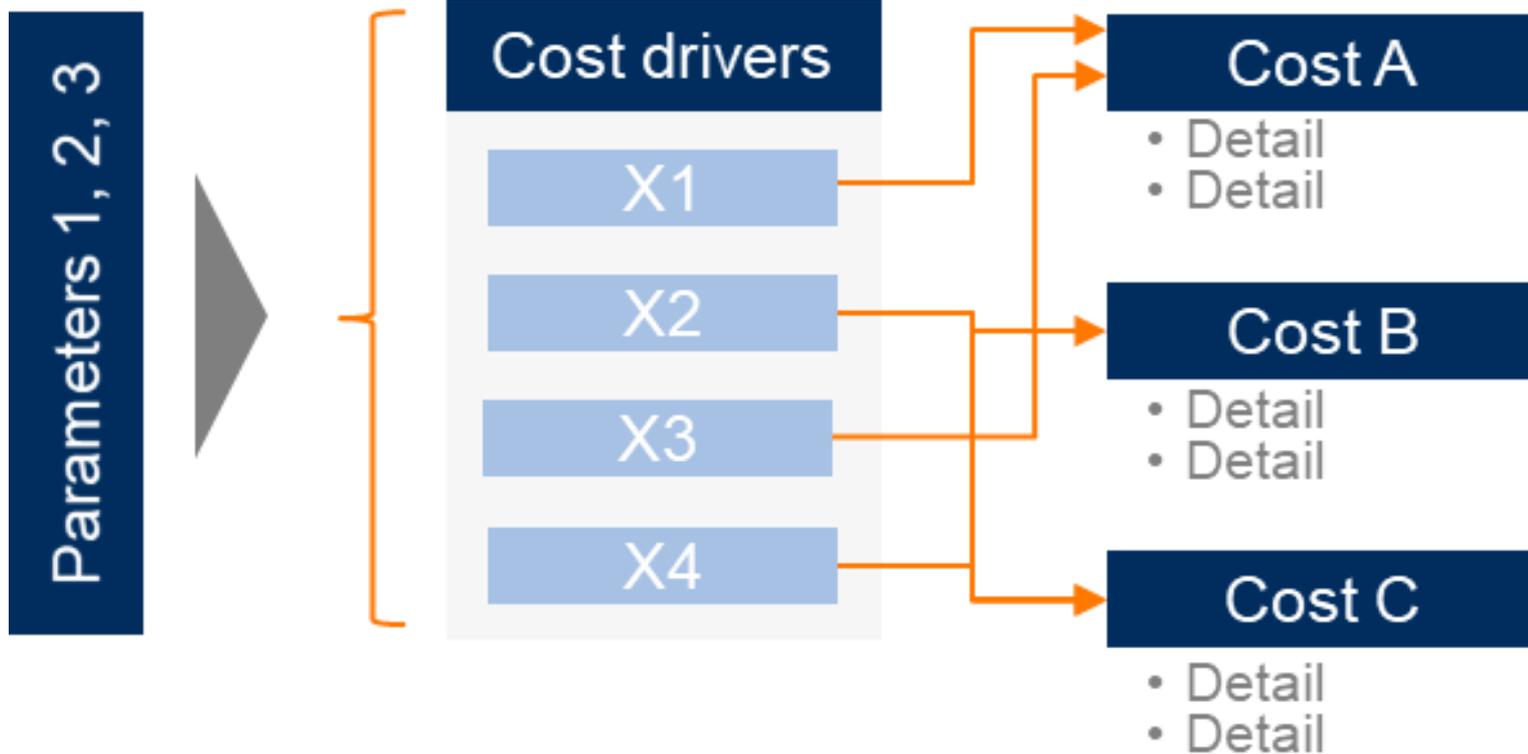
Following our engagement with the client to develop the overall corporate strategy and customer segmentation/targeting plan, it became clear that having a winning product assortment was critical to success

We helped create a framework and processes to guide product portfolio decisions

We build tools for evaluating the performance of the current product portfolio and new products on financial and strategic metrics

We helped institutionalize the processes for using the tools, rationalizing the portfolio, and adding new products

We mapped complex cost drivers by product

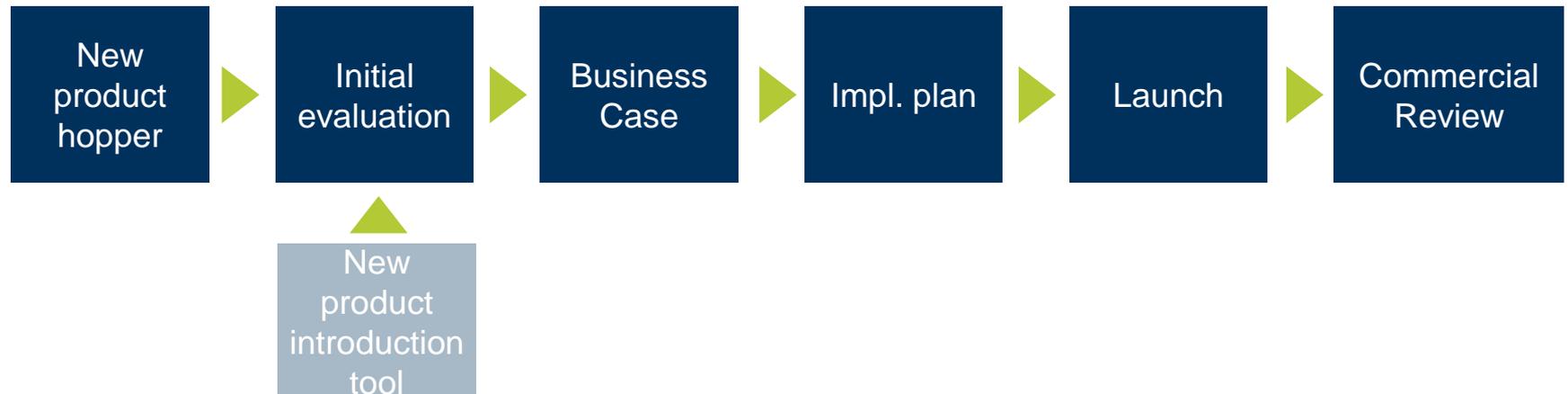


We defined the portfolio management process

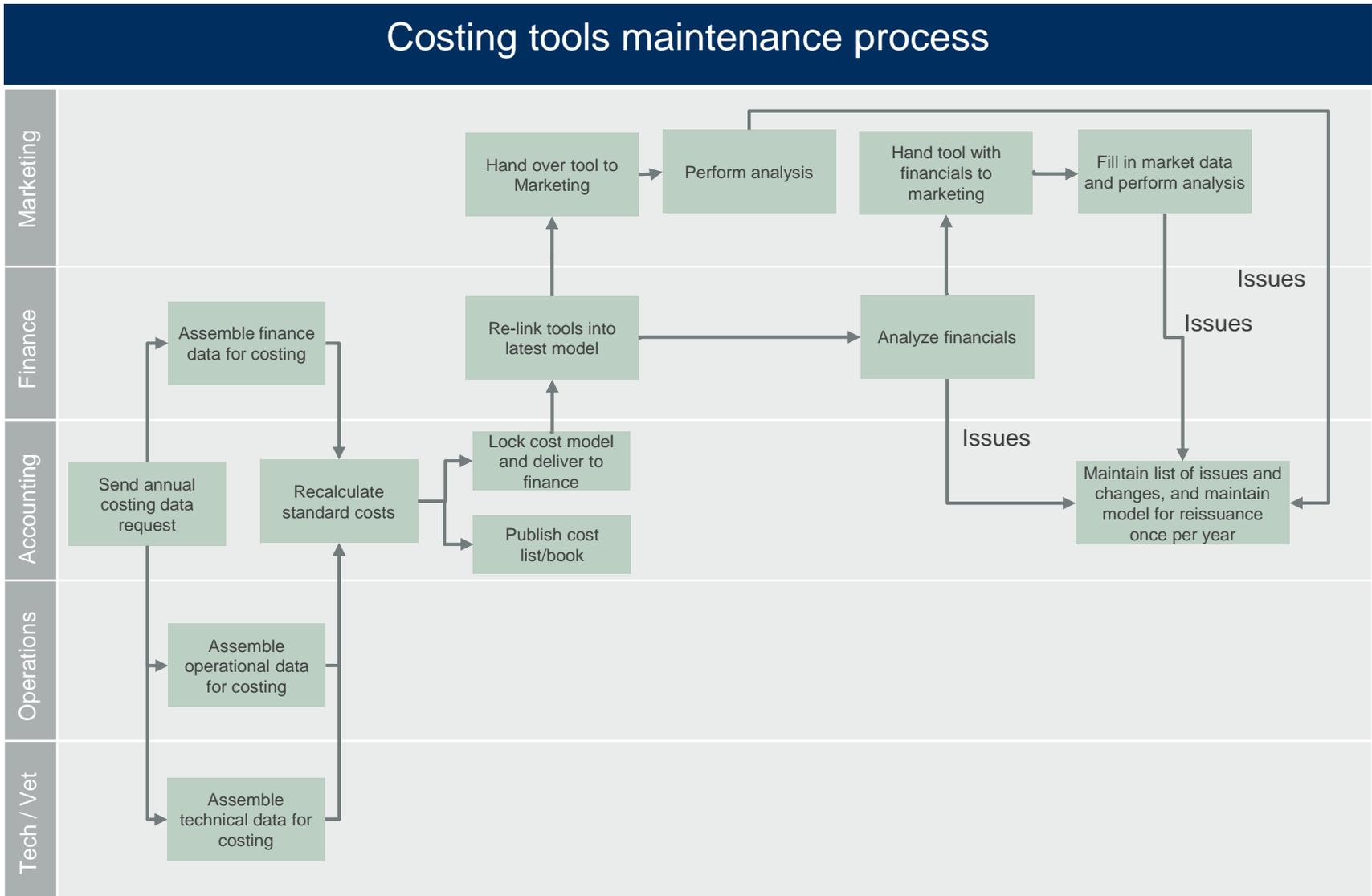
Annual portfolio evaluation process



New product introduction process

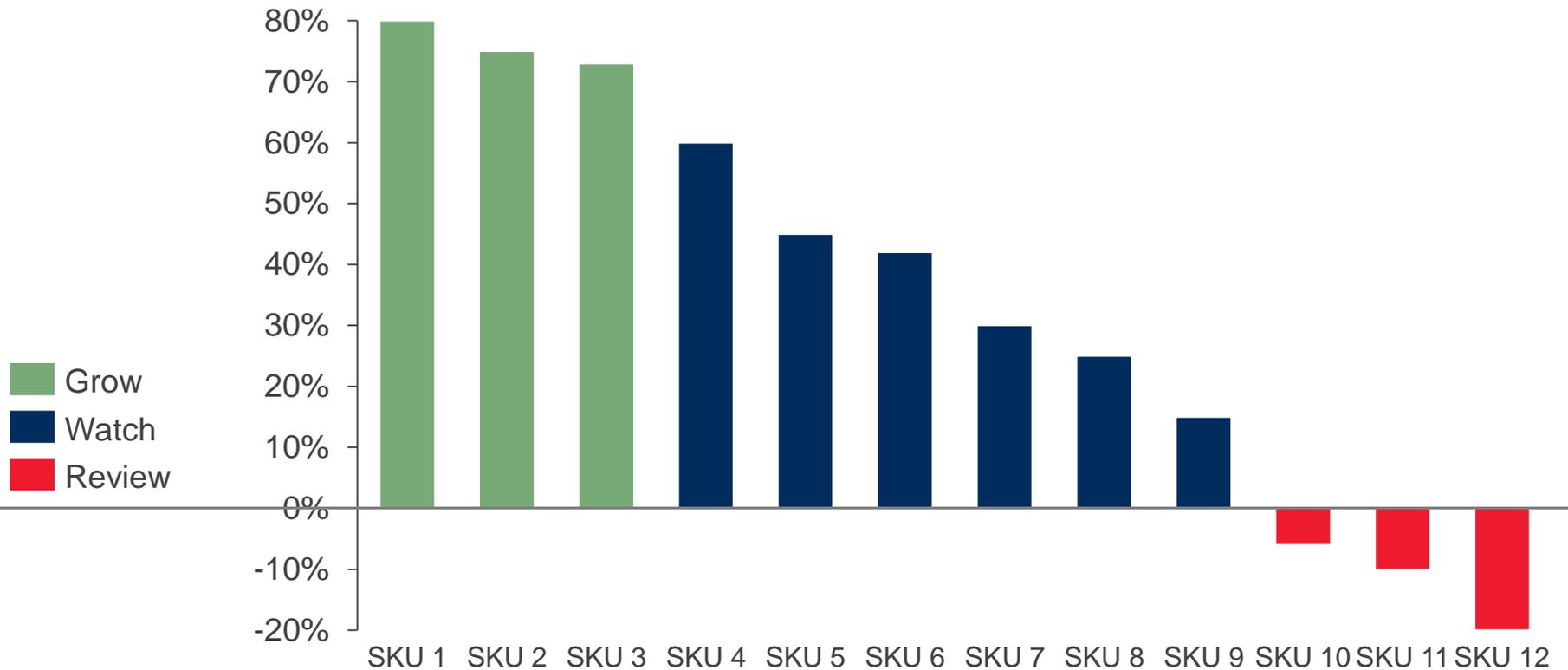


We defined specific roles in each process



We created a tool to rationalize SKUs

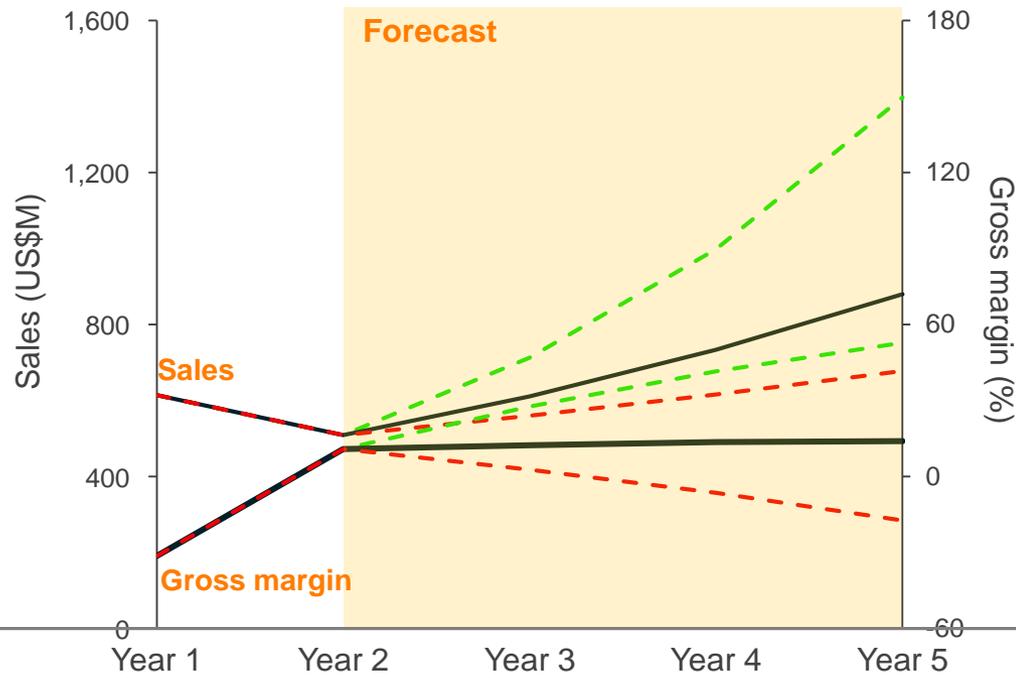
Gross Margin
GROSS MARGIN %



We automated the forecasting of potential product introductions

5-year financials: Product XYZ

SALES AND GROSS MARGIN, US \$M, GLOBAL



Key parameters

Parameter	Value
Average sale price	\$X
Average manufacturing cost with scrap	\$X
Current scrap level (or scrap assumption)	X%
Average annual fixed costs	\$X