

## CASE STUDY - PRODUCT STRATEGY REVIEW

### Our Client

Herbert Industrial is a long-established, UK machinery manufacturer in the packaging supply chain. Dominant in the home market in weigh-price-labelling machinery, the company exported in a small way, adding some revenue to a somewhat random selection of countries, each with different partners, terms and support requirements.

### Issue Presented

The client's initial approach to Obsidian was for management development support, to help the senior team address issues including:

- With an already high market share in a mature market, the management could not clearly see from where substantial future growth in sales and profits could come.
- Competitors were mostly international sellers, with consequently higher production volumes and lower unit costs.

It was decided that a strategy review was needed before management development.

### Obsidian's Approach

Using Obsidian's strategy toolkit, the consultant facilitated workshops analysing product portfolio, customer reputation, competitive position, future scenarios and obstacles to success, with representatives of stakeholder categories including shareholders, customers, management and supply chain. Analysis made it clear that addressing any single issue in isolation would not be sufficient to achieve long term goals; that the management team required help to identify and execute new directions; and that a more strategic approach was desirable. A headline strategy was developed, presented to and agreed by the directors.

Close collaboration between the consultant and the client's managing director ensured that the programme was delivered to the agreed time and cost. To oversee the implementation, the client retained the lead consultant as strategy mentor, with the objectives of keeping the programme on track; providing a sounding board about conflicts between priorities; challenging assumptions and making available his experience concerning how to approach ongoing issues.

The implementation plan comprised four-stages:

1. Consolidation of UK business through: re-organised and re-trained sales team; marketing initiatives to promote the company and its products to its target markets ; financial and sales targets.
2. Preparation: Identification of criteria for export markets; then research to prioritise options. Development of leadership and delegation skills in management team.

3. Investment in continued product development to meet the perceived needs of the UK and selected export target markets; and recruitment of new senior managers to lead sales and technical development.
4. Launch of new technology and entry to new markets.

## Obsidian's Contribution

Obsidian Consulting has undertaken many strategy review projects in the last 10 years. Its partners have all held senior management positions before becoming consultants. The company has developed its own approaches and toolkit of methods, based on this experience. This assignment was led for Obsidian by a strategy specialist with particular knowledge of the client's sector, enabling him to grasp issues and to access contacts helpful to the client; and highly experienced in analysis of markets, product strategy and mentoring, enabling him to draw decisions out of clients rather than imposing his own solutions.



*"Obsidian has encouraged us to step back and think outside the box. It is difficult to manage a successful business, especially one that enjoys a position of market leader, while at the same time deciding and implementing future strategy that will ensure the future is at least as successful as the past. Obsidian have been supportive throughout this process and we now look forward to a rewarding and exciting future"* said Managing Director, Leigh-Ondrea Bendall

Product Manager Graham Dorney, responsible for development of next generation products, said *"Thanks to the guidance of Obsidian we now have a clearer understanding of our future markets and therefore the products and systems that we will need to develop to serve them"*

