When the world changes, change smarter

Unlock the power of business optimisation with our strategic implementation experts

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Welcome to the power of business optimisation

Business optimisation involves fine-tuning activities to improve efficiency, productivity and performance. Benefits range from improved profitability and cash conversion to happier, more loyal customers and employees.

The most successful businesses consider their target operating model, interweaving technology optimisation with people and processes to deliver the biggest benefits and address security and data privacy risks.

Now, more than ever, is the time to review and optimise your business through the changing and challenging economic climate.

In this guide discover:

How to change smarter

- Cost optimisation
- Cash optimisation
- Sales optimisation

Checklist:

- Making your business transformation a success

Call us now on 020 7189 2400 or visit www.evelyn.com/business-optimisation to book your free discussion with a business optimisation consultant today.

At Evelyn Partners, our experts are on hand to assist with every aspect of business optimisation. Our business optimisation consultants possess a proven mix of consulting, senior and industry experience, having been CFOs and FDs in fast-growth sectors.

Our specialists in business advisory, value creation, corporate tax, employee benefits, technology and automation, cyber risk and project management collaborate seamlessly to give you the tangible benefits your business deserves.

We also work with our third-party technology partners to leverage the best-in-class technology solutions to deliver business optimisation and transformation to the scale that your business desires.

To find out more about how we can support you, book a free discussion with our experts where we will:

- Take the time to understand your commercial and strategic objectives
- Identify the levers that you could pull to optimise your business
- Support you to deliver the change required

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Case Study

£3m of cost optimisation identified from process improvements and corporate simplification for a high growth PE-backed business.

The business

One of the UK's largest hospitality businesses had been growing rapidly through acquisitions over the last 10 years, backed by PE investment.

The problem

As a result of these acquisitions, the business inherited many digital platforms (more than 16 across functions of finance, people & operations). This led to data inaccuracies and inefficiencies, centrally and operationally.

Separately, because of the rapid acquisitive strategy, the business had ended up with a complex legal entity structure with 42 trading entities and burdensome corporate governance.

The result

Evelyn Partners has helped the client simplify their group, reducing the number of trading entities from 42 to 7, generating significant cost savings in the process.

We also identified over £3m of directly realisable overhead cost savings through implementing process improvements, rationalising applications, organisational restructuring and automation.

How to change smarter – **cost optimisation**

What to avoid:

With inflation biting into margins, all companies have cost reduction firmly at the top of the agenda. Most businesses look at their central overhead costs first, as it's less likely to directly impact the customer experience. Within this, the first place to look is usually headcount and people costs.

Decisions to reduce headcount are often made quickly and with limited planning and although it feels like good progress is being made, when the same businesses are revisited a year or two later, the expected efficiencies had not been achieved with unforeseen expensive consequences and many businesses end up rehiring for these roles.

What to do instead:

- Consider the whole, interconnected business, such as the people, structure, activities, processes and technology, as well as qualitative factors around spend, such as mitigating supply chain risk by obtaining a range of suppliers
- Be clear on where the value is within the organisation and consider how to enable it through investment. By doing this, the less value adding activities that can be disinvested are made clearer
- Consider how you can use technology to make work more interesting for your people, for example using automation to reduce manual-intensive and repetitive tasks. This leads to happier staff and increased productivity, enabling growth or cost reduction
- At Evelyn Partners we can also identify plenty of other levers that can be pulled to deliver cost savings – typically wasteful or discretionary spending that doesn't impact top-line growth

How to change smarter – **cash optimisation**

What to avoid:

Managing short-term cashflow has never been more important. We are increasingly meeting businesses that may have strong business propositions, but with poor credit controls and cashflow management they end up diverting significant amounts of management time that should be focused on strategy.

Businesses often attempt cash optimisation through two main activities:

1. Chase customers harder for payment of invoices – This short-term approach doesn't typically work as customers aren't set up to change their own working capital cycles and start continuously paying earlier.
2. Delay payments to suppliers – although this can work in the short term, it impacts employee wellbeing, supplier relationships and ultimately could potentially lead to lost business or legal action.

What to do instead:

- Step back and consider your cash cycle – a data-led analytical review can identify pain points that you didn't know you had and a targeted, pragmatic plan can be developed to implement real improvements. This can culminate in a rework of the process, and large chunks of activity can be removed, freeing up time for new targeted activity to produce great results
- The way that businesses can optimise cash with suppliers has changed to become more co-operative, based on open communication and mutually beneficial outcomes. This has more beneficial outcomes, not just into cash but also quality and flexibility
- Review your funding structure and your cost of capital – a fresh look at your funding structure (both debt and equity) against the wider market can identify a range of new opportunities that can also unlock additional funding to invest in growth.

How to change smarter – **sales optimisation**

What to avoid:

When businesses look to optimise sales, they tend to recruit more salespeople rather than review the process and what activity is driving conversions. A large amount of businesses don't know the cost of acquiring customers and what their lifetime value is.

Onboarding new staff is costly and takes time, with no way of knowing if more salespeople will deliver the increased sales required.

What to do instead:

- Understand your current sales process, looking closely at lead generation and conversion statistics to identify what's succeeding and what's failing
- Step back and assess your market – analyse what the competition is doing and look at what unique selling propositions your business has to set you apart

Using this data we work with you and advise on a commercially driven, customised go to market strategy.

- We look at current sales effectiveness and analyse your product pricing and channel strategy at a granular product/SKU level
- Our experts review your sales revenue metrics against targets to ensure a continuous feedback loop, which means that optimisation is an ongoing process rather than a one-off
- We also use loss reporting positively to resolve friction points. Research done by Frederick Reichheld of Bain & Company shows that increasing customer retention rates by just 5% can increase profits by 25% to 95% depending on your customer mix. And we all know happy customers are more likely to refer new customers.

Checklist: Making your business transformation a success

1

Get to the root of the problem

- One of the critical reasons why more than 60% of business transformation programmes fail to achieve the planned return on investment is a lack of a clear understanding of a problem's root cause
- With the advent of process and task mining tools, identifying inefficiencies is now cheaper and more accurate than through the use of manual process maps and workshops
- Successful business optimisation combines people, processes, systems and data in problem resolution, requiring a fairly broad skillset.

2

Clearly articulate your target operating model

- A target operating model can be a good strategic target point to visualise and prioritise the elements that form the foundations of the organisation in order for the business to be optimised – people, processes, technology, data, physical footprint and commercial agreements
- With new technology comes new business models, and competitive advantage is quickly becoming being able to match the speed of change to keep ahead of the competition.

3

Focus on people and culture in communication and change management

- Since change impacts everyone in the organisation, it's important to bring everyone along the journey with consistent (and repeat) messaging throughout the process, visible buy-in from the leadership team, and showing you have listened to people at all levels of the business. This can be achieved by creating communication plans, objection handling and feedback trackers to make this more tangible. Often this can be the difference between success and failure.

4

Use dedicated project management

- While the results of business optimisation are impressive on paper, there is a need for dedicated project management to ensure success given the multiple interrelated workstreams and dependencies. Far too often, projects are managed by individuals that have other jobs.

5

Bandwidth management

- Managing bandwidth strains through the use of temporary contractors or advisors is often a good strategy when considering the time it would take from existing staff that have 'business as usual' pressures.

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