



Inversion Management Services Private Limited

Case Study - Performance Improvement Management of A Footwear Company

Case Study

Performance Improvement Management of A Footwear Company (1/5)



BACKGROUND

- IMS has been engaged by a large publicly listed entity in the footwear space to assist the latter in setting and implementing strategy as well as improving its operating and financial performance
- The Company generated sales of ~INR 2,300 crores in FY2021 and has a market cap of ~INR 28,000 crores in August, 2021; however, its growth trajectory had slowed down in the last 2 – 3 years and it faced certain strategic and operational roadblocks that were hampering its near to mid term growth prospects

STRATEGIC

- Lack of consolidated strategic roadmap
- Non-streamlined organisational hierarchies
- Lack of clear separation of roles between Corporate and Operating Units
- Gaps in Investor Relations and external communications
- Ineffective internal communications structure

OPERATIONAL

- Lack of focused monitoring and reporting, also leading to roadblocks in clearly defining KRAs for key personnel
- Inefficiencies in distribution policies and processes
- Gaps in Human Resource policies and processes

Case Study

Performance Improvement Management of A Footwear Company (2/5)



SCOPE OF WORK

IMS's scope of work focused on 4 key elements

ADVISORY & EXECUTION

- Assist the Company in formulating a strategic growth roadmap, policies and processes to streamline operations and the organization structure
- Assist leadership in taking major investment and financial management related decisions
- Monitor Project Timelines
- Assist the Company's leadership in overall governance

SUPERVISORY

- Deputing a full-time senior resource on-site to advise and assist the Company's Managing Director and leadership team on strategy, operations and day to day management

REVIEW & ANALYSIS

- Structuring, streamlining and reviewing the MIS in pre-agreed formats and ensuring adherence to the same by the Company's personnel
- Business Planning and Analysis based on MIS and other reports on a monthly and quarterly basis
- Performing the necessary groundwork in order to assist the MD in improving productivity and in taking decisions efficiently
- Critically assessing policies and plans presented to the Company's leadership to ensure that they are broadly accepted and implemented expeditiously
- Periodically reviewing engagements with external consultants to track and ensure adherence to terms and timelines agreed to

REPORTING

- Flagging issues in progress and implementation, while keeping the Company's leadership and functional heads in the loop to ensure that remedial measures can be taken promptly



AREAS OF IMPACT	PARAMETER	ROADBLOCKS FACED	WHAT WE DID
<p>Strategic</p>	<ul style="list-style-type: none"> Strategic Roadmap 	<ul style="list-style-type: none"> Although it has annual sales of over INR 2,300 crores in FY2021, the Company did not have a strategic roadmap in place Its sales strategy lacked a clear geographical focus 	<ul style="list-style-type: none"> IMS is working with the Company in formulating a strategic roadmap and targeting a highly enhanced transformational goal by 2023 By advising the Company to focus on a state-by-state basis, rather than dividing its geographical focus broadly into North/ South/ East/ West zones, IMS enabled the Company to increase the number of regions under coverage Identified the viability of certain international markets for increasing exports
	<ul style="list-style-type: none"> Organizational Hierarchy 	<ul style="list-style-type: none"> The Company's hierarchical structure had several gaps, especially in functions like sales and distribution It also had an inefficient reporting structure, where sales managers were reporting directly to a VP 	<ul style="list-style-type: none"> IMS successfully identified existing inefficiencies in the Company's hierarchical structure Assisted in the appointment of senior resources in sales, distribution and marketing Re-jigged the existing reporting structure <ul style="list-style-type: none"> Introduced Regional Heads in the hierarchy Sales managers report to the regional heads, who in turn, report to the VP. This has enabled the Company to significantly improve its reporting efficiency Advised the Company on separation of roles of corporate and operating units



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	<ul style="list-style-type: none"> Investor Relations and External Communications 	<ul style="list-style-type: none"> The Company had only a basic format in place for presenting its quarterly financial performance Ineffective and incomplete communication with external stakeholders was adversely impacting the Company's image 	<ul style="list-style-type: none"> As part of an endeavor to help the Company communicate better with its external stakeholders, IMS advised the Company on structuring a comprehensive format for quarterly performance reporting The format includes a comprehensive overview of the industry, the company, financial and operational highlights, management discussions, proforma financials, trends and ratios, credit ratings etc.
<p>Strategic</p>	<ul style="list-style-type: none"> Internal Communications 	<ul style="list-style-type: none"> Several inefficiencies in the company's internal communications structure and reporting processes led to delays in decision making and adherence to timelines 	<ul style="list-style-type: none"> IMS appointed a senior resource to the Company to directly coordinate with the Company's Managing Director A large quantum of information and reports used to earlier flow directly to the Managing Director's desk <ul style="list-style-type: none"> IMS' resource now performs a preliminary assessment of such reports and filters the information flowing to the MD, enabling him to focus more effectively on decision making IMS has defined formats for the manner in which senior level meetings are conducted, leading to more efficient outcomes from such meetings IMS' resource also coordinates follow ups on the Company's Business Process Reporting Skip-Level meetings conducted across the organisation



AREAS OF IMPACT	PARAMETER	ROADBLOCKS FACED	WHAT WE DID
Operational	<ul style="list-style-type: none"> MIS 	<ul style="list-style-type: none"> The Company's MIS formats were inefficiently designed, resulting in duplication and ineffective information flow to its leadership 	<ul style="list-style-type: none"> IMS assisted the Company in streamlining its MIS reporting Addressed issues like data repetition and source duplicity in reports Assisting the Company in evaluating the possibilities of automating its MIS
	<ul style="list-style-type: none"> Distributor Policies 	<ul style="list-style-type: none"> The Company lacked a standard policy document for distributors 	<ul style="list-style-type: none"> IMS has put forward a roadmap to the Company's management for revamping its existing policies for distributors This will likely be fully implemented in the next fiscal year
	<ul style="list-style-type: none"> Human Resources 	<ul style="list-style-type: none"> The Company's Human Resources policies did not have best practices in place The Company did not have adequate incentives in place to spur production and employee productivity 	<ul style="list-style-type: none"> IMS suggested draft Human Resources related policies to the Company including <ul style="list-style-type: none"> Employee Benevolence Fund – This fund would also cover medical expenses of eligible personnel during the lockdown IMS successfully assisted the Company in introducing a PLI scheme as well as an ESOP Policy Advising the Company on career and succession planning



Thank You