

## SUCCESS STORIES - SUMMARY

Project Name	Client	Brief Description	Key Analyses
Branch Footprint Optimization	Industrial Staffing Company	<b>Recommended the optimal branch footprint</b> by identifying the counties that have high market opportunities and enabled the client to rationalize their current footprint and increase presence in high-opportunity markets	Branch Performance analysis overlaid on Market Outlook analysis

# BRANCH FOOTPRINT OPTIMIZATION

## ABOUT THE CLIENT

Client is one of the largest temporary staffing agencies with over 500 locations across the U.S.

### SITUATION



- Client had an opportunity to optimize its location footprint by identifying areas to rationalize the current footprint as well as increase presence in high-opportunity markets
- Merilytics partnered with the Client to **assess the existing location presence and the market to identify opportunities for location introductions, industry specific brand introductions and turnaround prospects**

### VALUE ADDITION



- Developed a **robust model analyzing the performance of Client's existing locations** by considering productivity and profitability indicators such as Sales, EBITDA, Gross Margins, People on Assignment, etc.
- Leveraged data from various U.S. employment related data sources **and built a market opportunity scoring model at a county level**, involving multiple indicators such as employment, market demand, market spend and competitor presence
- **Evaluated market opportunity at overall temporary industry level as well as by specific industry verticals such as** Manufacturing, Logistics, Call Center Services, etc.
- **Estimated market spend for all the U.S. counties** at overall and by target industry levels, to identify high-opportunity markets for the company to expand into

### IMPACT



- Enabled company to identify counties that have high market opportunity by target industry
- Analyses **provided visibility into under-performing counties** to improve market share as well as areas of focus in order to turnaround the performance of weaker location
- Helped **identify locations where opportunity exists at industry level** to drive market share

# APPROACH & METHODOLOGY

## Market Sizing Estimation Methodology

Identify NAICS codes most relevant to the industry vertical, i.e., mfg., logistics, etc.



Identify occupation codes (SOC) forming majority of the total jobs in selected NAICS codes



Extract temporary jobs data for these occupation codes and apply a job share to arrive at the temporary jobs relevant to the industry vertical



Estimate market size as product of temporary jobs, avg. hourly wages, avg. # working hours/employee and a markup %

## Market Opportunity Scoring Methodology

Identify key indicators to understand employment, market demand and competitiveness in the county



Estimate indicators for each county, both at overall temporary industry level and by specific industry verticals such as manufacturing, logistics, etc.



Leverage statistical techniques, assign relative score (0-100) to each indicator by county, in comparison to other counties within the region/MSA



Assign weights to each indicator and take weighted average of indicators' scores to calculate Market Opportunity Score

Market Opportunity leverages the market sizing analysis, and overlays that with competitiveness of the county

# SNAPSHOT OF MARKET OPPORTUNITY LOCATION PERFORMANCE SCORING MODELS

Region	Industry	Market	# Existing locations	Opportunity	Growth	Opportunity Score	Growth Score
County 1	IN01	M1	1	High Opportunity	Medium Growth	96	63
County 2	IN01	M1	0	High Opportunity	High Growth	94	83
County 3	IN01	M1	0	Medium Opportunity	Medium Growth	67	66
County 4	IN01	M1	0	Medium Opportunity	Medium Growth	59	66
County 5	IN01	M1	0	Medium Opportunity	Medium Growth	46	69
County 6	IN01	M1	0	Medium Opportunity	High Growth	37	92
County 7	IN01	M1	2	Medium Opportunity	Medium Growth	28	44
County 8	IN01	M1	0	Low Opportunity	Low Growth	22	10
County 9	IN01	M1	0	Low Opportunity	Low Growth	17	5
County 10	IN01	M1	0	Low Opportunity	Low Growth	11	17

**Market Outlook Analysis:**  
Identified markets with high opportunity for new Location introductions, e.g., *County 2* in the M1 market seems to be a high opportunity market with high growth

Location Name	Market	Market Share	Performance	Growth	Performance score	Growth score
Location 1	DFW	1.4%	High Performance	Medium Growth	89	59
Location 2	DFW	2.5%	High Performance	Medium Growth	79	73
Location 3	DFW	1.4%	Medium Performance	High Growth	59	94
Location 4	DFW	1.4%	Medium Performance	Medium Growth	52	34
Location 5	DFW	1.4%	Low Performance	Low Growth	15	18
Location 6	DFW	1.4%	Low Performance	Low Growth	10	14

**Location Performance Analysis:**  
Identified location turnaround/rationalization prospects, e.g., *Location 6* in the DFW market is a low performer and can be considered for rationalization

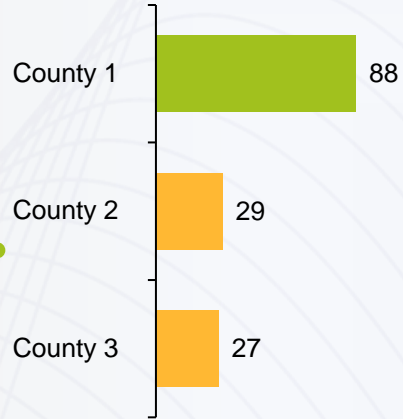
IN01 – Industry 01

M1 – Market 1

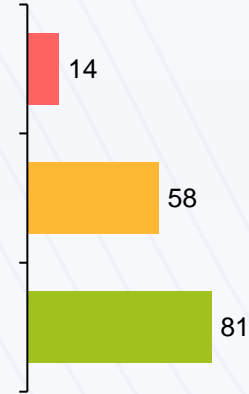
# OVERLAYING OF MARKET OUTLOOK AND LOCATION PERFORMANCE ANALYSIS

- Opportunity to increase focus in Industry 01 (IN01) in County 1
- Opportunity to increase footprint in County 3 as well given the good growth score and low market share

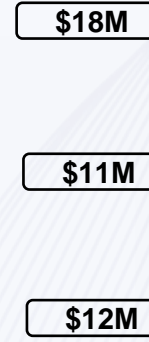
Market Opportunity Score



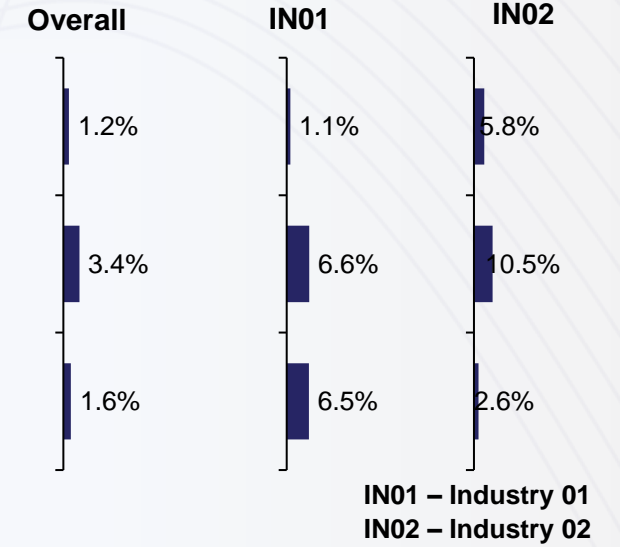
Market growth Score



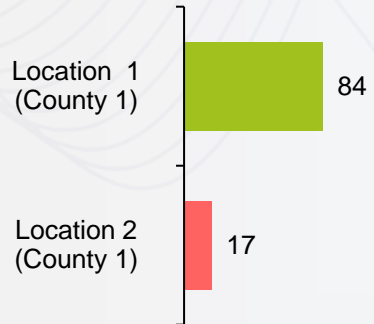
Projected growth in market size



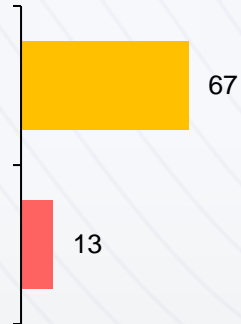
Market Share



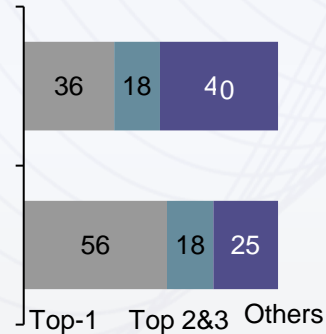
Location performance score



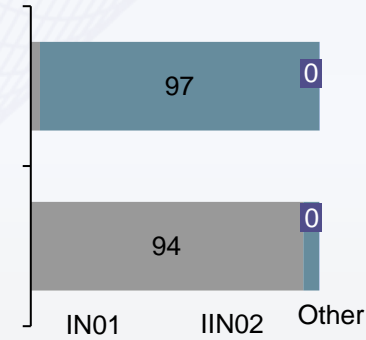
Location growth score



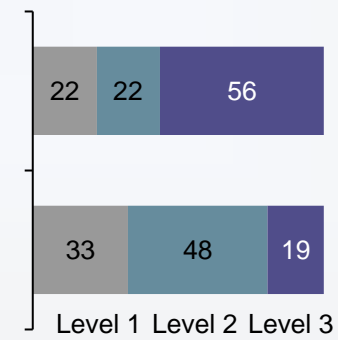
Customer revenue mix (%)



Industry revenue mix (%)



Skill tier revenue mix (%)



- Opportunity to diversify the customer base for Location 2 as a high share of revenue is being contributed by the top customer