

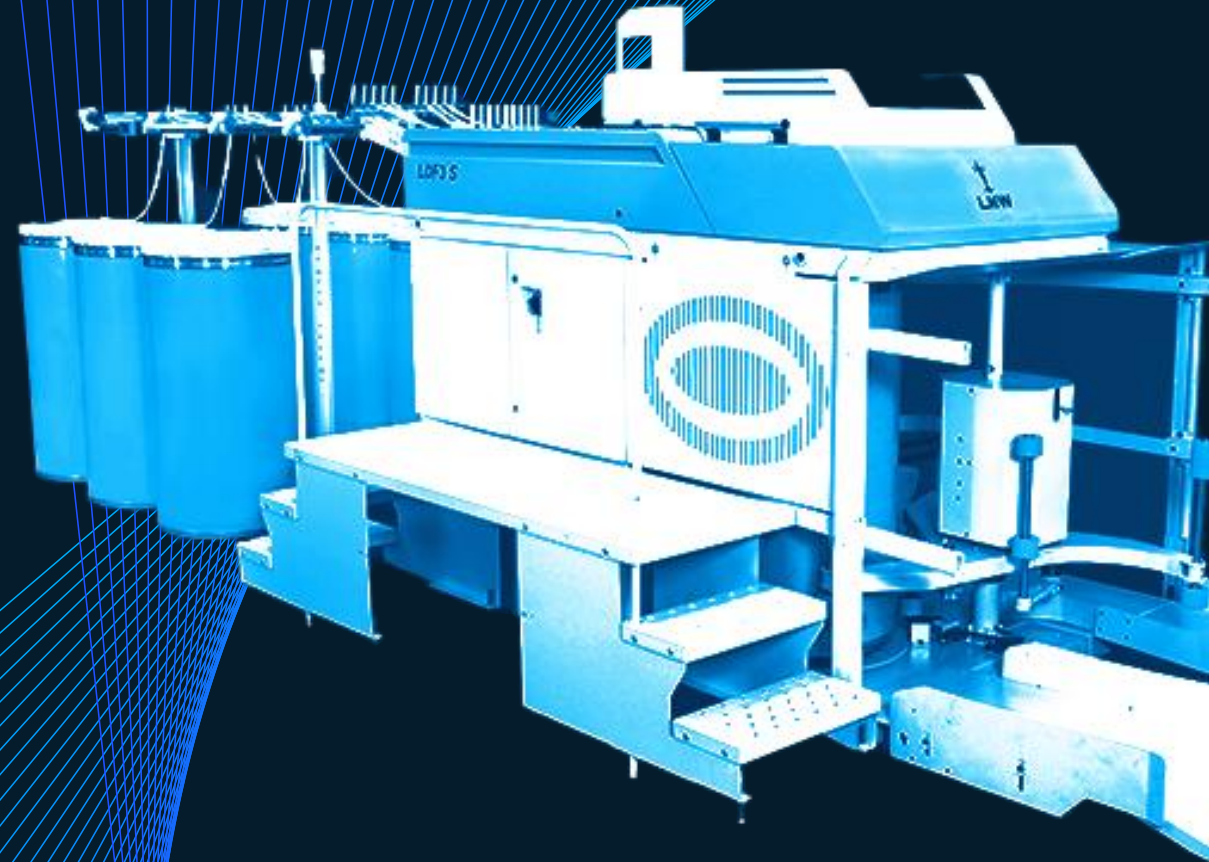
Driving “Market beating growth” at ELGi

Commercial proposal

July 2023




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Recap: We believe ELGi will need a set of 17 interventions to secure the bold aspiration of 40%+ MS while being a customer-first reliable brand

Preliminary; to be detailed in design phase


● Illustrated ahead




Vision



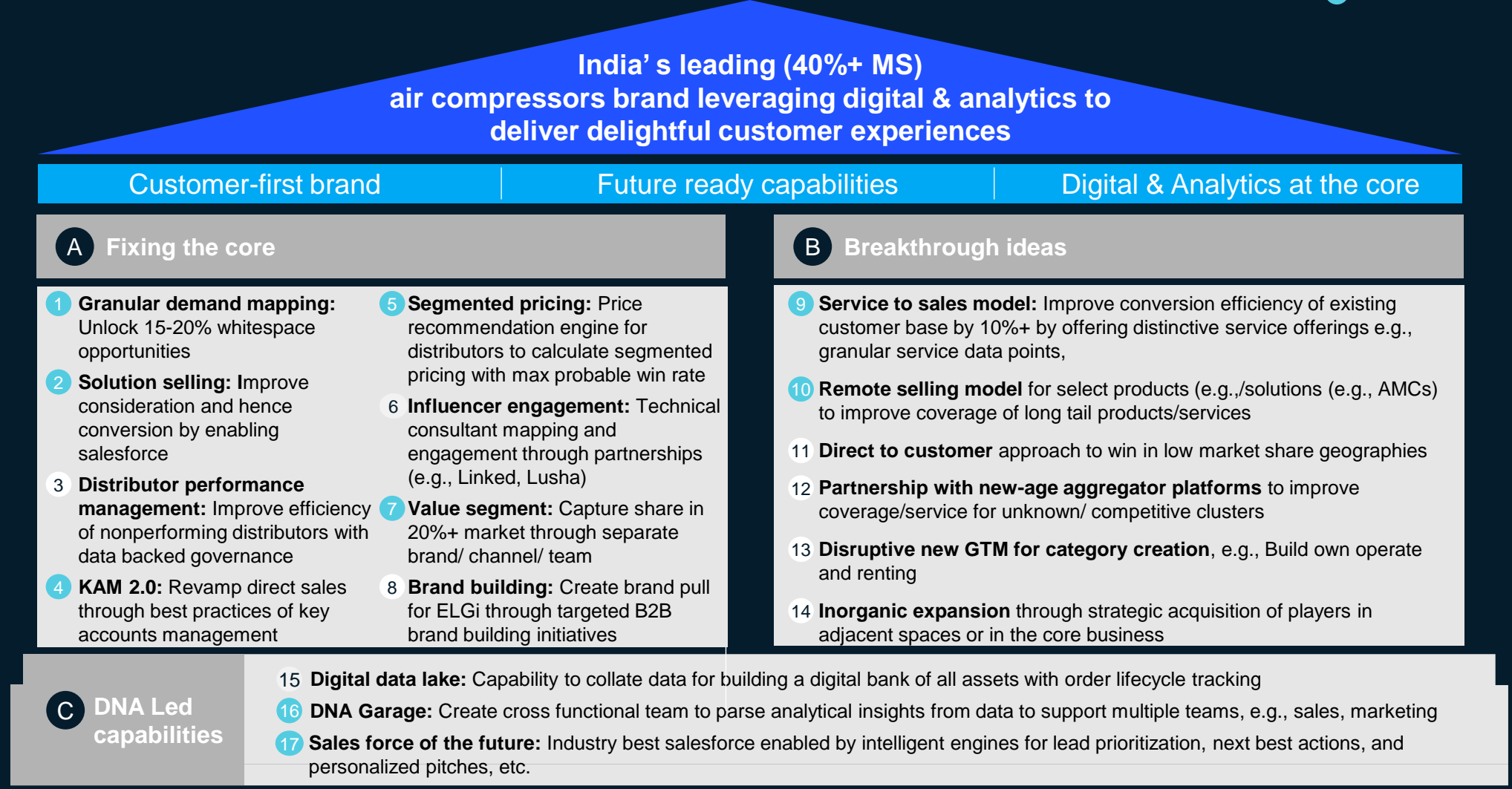
Key Pillars



Impact projects



Foundational enablers



Recap: 2 steps approach as per discussions with you

Focus of this document

STEP 1:

- (a) Fixing the core-** Diagnosis, design and implementation of proven solutions – with pilot proving the efficacy of proposed solutions
- (b) Idea generation for “innovative/breakthrough” solutions** (to be detailed in Step 2) along with expected growth in market share, substantiated with results from similar ideas in other industries or basis strong logic



Go/ No-go decision for Step 2

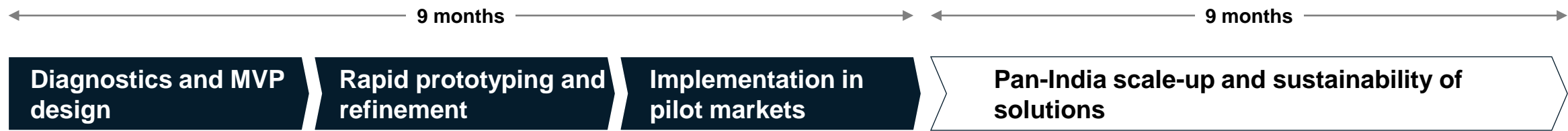
STEP 2:

Deliver impact through “innovative/breakthrough” ideas – decision on which idea(s) to go ahead with, followed by pilot/implementation.

We envisage this to be 9+9 months transformation journey



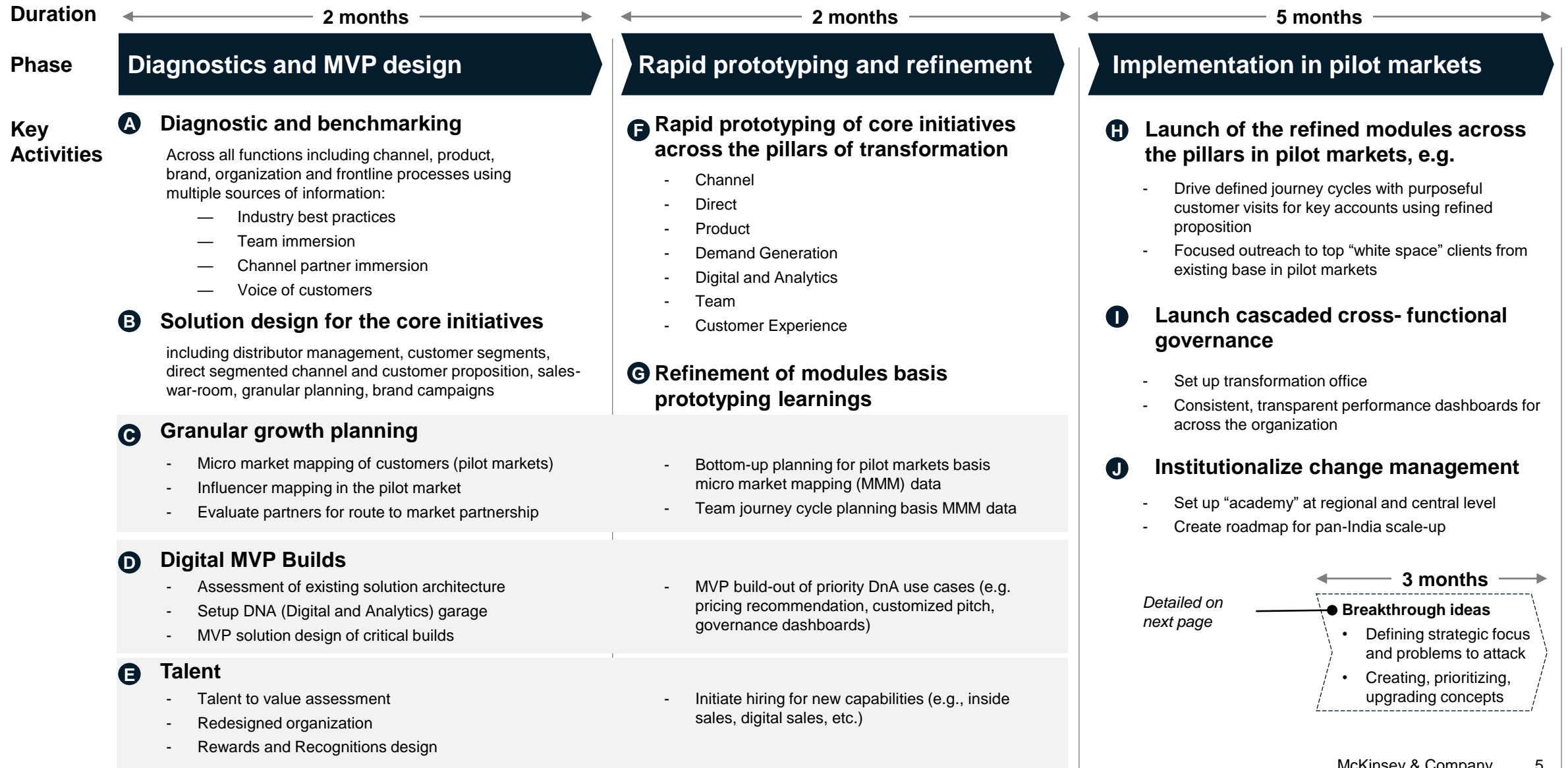
A Fixing the core



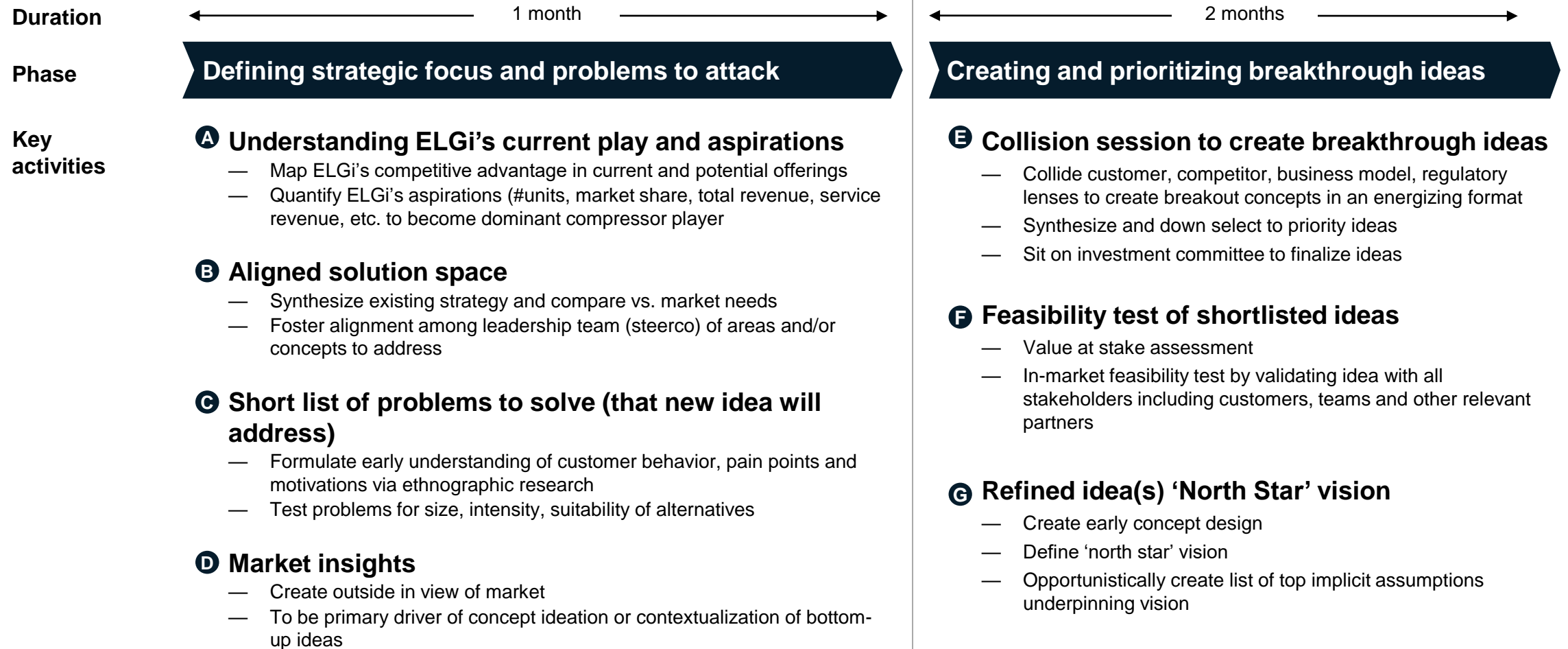
B Breakthrough ideas



Approach for Step 1 (Fixing the core): 9 months journey of ELGi's growth transformation



Approach for Step 1 (Idea Generation for Innovative solutions): 3 months to shortlist “Breakout” ideas



Step 1 objective will be to deliver impact in **pilot markets**

Preliminary

Pilot markets construct

Pilot to be conducted across 2-3 geographies:

1. **Distribution pilot** covering 6-7 distributors ensuring the mix across parameters:
 - Size of market
 - Market share of ELGi (High vs Low)
 - Channel vs Direct contributions
 - Type of distributors (Small vs large)
2. **Direct pilot** across 10-15 customers ensuring the mix across parameters:
 - Category of customers (FMCG/ Pharma/ Packaging etc.)
 - Segment of customers (Existing/ New)
 - Market share of ELGi (High vs Low)

*Contribution of pilot markets to total sales to be **10%+***

Markers of success for pilot

Metrics to be aligned jointly, e.g.

- # Leads
- Funnel Conversion %
- Premium product contribution %
- PJP adherence

You will be supported by our team with functional and sectoral experts

Core Leadership Team

Lead partners



Nitesh Gupta
Partner, Delhi



Abhishek Malhotra
Partner, Mumbai



Sudipto Paul
Partner, Mumbai



Karthi Purushothaman
Partner, Coimbatore



Sambhav Malhotra
Associate Partner
15+ yrs. experience in traditional and new age business building

Working team¹



Monika Pandey
Project Manager



Deepanshu Goyal
Digital Expert, Gurgaon



mix of mix of 6-7 consultants/ analysts/ experts basis stage of engagement

Domain Experts

1 DNA Expert



Girish Phansalkar
25+ years of experience in DnA led growth transformation including solution design, digital architecture and overseeing agile digital builds

2 Visual Designer



Nandini Krishnamurthy
6+ yrs. in designing intuitive interfaces, creating “dev-ready” design assets and supervising front end build

3 Branding



Kanika Kalra
16+ yrs. in marketing analytics, designing/ executing digital campaigns, & driving adoption of digital solutions

4 UX Designer



Jinita Shroff
10+ yrs. in re-imagining user journeys, ethnographic research, concept testing & interaction design

5 Digital Marketing



Lalit Baghia
20+ yrs. Experience in digital marketing & digital business building

6 Consumer Research



Sayak Chakraborty
11+ years of experience in customer insights & analytics topics like GTM strategy, Branding, Customer Decision Journeys, Pricing and other predictive analytics topics

Industrial Experts (Compressors and IoT Solutions)



Mikhail Savin
Partner, Amsterdam



Mikael Robertson
Senior Partner, Stockholm



Robin Feng
Associate Partner, San Francisco

1. Sample profiles of working team, exact profiles subject to availability

Key resources that ELGi will need to allocate for the transformation

	Role	Responsibilities	Ideal time commitment
Leadership	Sponsor	Overall responsibility to deliver targets for ELGi Holds teams accountable Leads organization mindset and behavior change	30%
	CTO (Chief Transformation officer)	Anchor TO review along with Program Sponsor, and validate progress of transformation Provide guidance and debottlenecking support	100%
Transformation office	TO Leads	Support with consolidated updates from workstreams Oversee initiatives for their workstream and push to completion	66%
	Academy team	Drives change management Responsible to drive execution on ground delivering both input and output metrics	100%
Work-streams	Workstream leads	Hold the overall accountability for delivery of the workstream and aspirations Lead idea generations to fill pipeline and ensure on-time implementation & sustainability of results	~50%
	Workstream Team	Own delivery of individual initiative end to end, drive the team to action	As required (usually 30-80%)
DNA Garage	Garage Lead	Drives the vision of digital first organization guided by aligned DNA use cases	>50%
	Garage Team	Product manager, Data and Analytics manage and business translators to design, test and deploy prioritized use cases	As required (usually 30-50%)








Professional arrangements for “Step 1” spanning 9 months

Scope	Step 1 impact delivery + Step 2 ideas shortlist
Duration	9 months (we will invest 1 month from our side in the spirit of initiating our relationship with ELGi)
Standard Professional Fees per month	INR 2.6 Cr + 15% out of pocket expenses per month with 15% risk premium in Fixed + Outcomes linked model

Professional fee options:						
	Option 1 (Fully fixed)			Option 2 (Fixed+ Outcomes linked)		
Fee construct	% Fees contribution	Total Fees (with 1 month investment)	Pay-out period	% Fees contribution	Total Fees (with 1 month investment & 15% risk premium)	Pay-out period
Fixed Fee plus out of pocket expenses	100%	INR 24 Cr	9 equal instalments payable at the end of each month	60%	INR 16.5 Cr	9 equal instalments payable at the end of each month
Capability outcomes linked fee	NA			20%	INR 5.5 Cr	On completion of milestones (to be mutually aligned)
Pilot market outcomes linked fee				20%	INR 5.5 Cr	On delivery of aligned input and output metrics in pilot markets

- This is all inclusive fees (including all expenses, basic research costs, team travel & stay, access to McKinsey experts & databases etc.)
- Excluding govt. taxes (i.e. GST), as applicable

Proposed ways of working

-  **One team:** McKinsey and ELGi teams **will work together (one team) to co-create the solution**, open and collaborative partnership committed to get the right answer through joint problem-solving and iterations
-  **Workshop led solutioning:** to ensure robustness of design through participation of all stakeholders (including channel partners, service teams, etc.)
-  **Daily working sessions:** Our working team would **spend 5 days/week** at your offices/ field (depending on phase), collaborating closely with your team for **daily working sessions**
-  **DnA led:** Data and analytics driven design with digital first mindset to increase efficiency across processes
-  **Agile ways of working** with daily stand ups, bi-weekly sprint reviews and 4-weekly retrospective for working teams and structured reviews with leadership
-  **Rapid prototyping:** Iterative approach for sales pitch through rapid prototype testing to create segmented value proposition and customer journey
-  **Impact based prioritization:** Focus on continuous prioritization of levers and resources towards delivering holistic and sustained impact

ELGi India's growth transformation

